GOBIND SUGAR MILLS LIMITED

BOARD OF DIRECTORS

Mr. N. Suresh Krishnan
Non Executive Chairman

Mr. R. S. Raghavan
Managing Director

Mr. Anil C. Gupta
Mr. Marco Wadia
Mr. R. N. Ratnam

Key Personnel

Mr. Alok Saxena, Unit Head
Mr. Dharmendra Roy, AVP-Finance
Mr. Ankush Wadhawan, Company Secretary

AUDITORS

S. R. Batliboi & Co., LLP
Chartered Accountants

BANKERS

State Bank of India
UP Co-operative Bank Ltd.
District Cooperative Bank Ltd.
Ratnakar Bank Ltd.

REGISTERED OFFICE

9/1, R.N. Mukherjee Road, Kolkata - 700 001
Ph : 91-033-2243 0497/8
Fax : 91-033-2248 6369
e-mail : ig.gsml@zuari.adventz.com
Website : www.gobindsugar.com

CORPORATE OFFICE

5th Floor, Tower A
Global Business Park, Sector - 26
MG Road, Gurgaon - 122002
Ph. : 0124-4827800
Fax : 0124-4212046

SUGAR MILLS

P.O. Aira Estate
Dist. Lakhimpur Kheri (U.P.)
Pin : 262 722

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd Floor,
Kolkata - 700 020
Ph : 91-033-2289 0540
Fax : 91-033-2289 0539
e-mail : kolkata@linkintime.co.in

GOBIND SUGAR MILLS LIMITED

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## Performance at a Glance

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<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Turnover</strong></td>
<td>13,533.53</td>
<td>24,837.44</td>
<td>26,786.26</td>
<td>27,578.80</td>
<td><strong>17,111.51</strong></td>
</tr>
<tr>
<td><strong>Interest &amp; Finance Charges (net)</strong></td>
<td>1,079.60</td>
<td>1,916.37</td>
<td>1,872.94</td>
<td>2,685.50</td>
<td><strong>888.56</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>472.66</td>
<td>421.36</td>
<td>421.93</td>
<td>530.66</td>
<td><strong>218.53</strong></td>
</tr>
<tr>
<td><strong>Profit/(Loss) before Tax/exceptional item</strong></td>
<td>(2,717.37)</td>
<td>(1,790.94)</td>
<td>(2,292.89)</td>
<td>(3,420.51)</td>
<td><strong>(1,695.88)</strong></td>
</tr>
<tr>
<td><strong>Exceptional Item (expenses)</strong></td>
<td>-</td>
<td>-</td>
<td>(963.48)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit/(Loss) after Tax &amp; Exceptional items</strong></td>
<td>(1,827.28)</td>
<td>(1,252.55)</td>
<td>(2,280.73)</td>
<td>(2,509.84)</td>
<td><strong>(1,168.68)</strong></td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>147.58</td>
<td>(1,096.44)</td>
<td>(1,370.41)</td>
<td>128.56</td>
<td><strong>1,137.43</strong></td>
</tr>
<tr>
<td><strong>Net Worth per Equity Share (Rs.)</strong></td>
<td>46.12</td>
<td>(34.26)</td>
<td>(42.82)</td>
<td>4.02</td>
<td><strong>35.54</strong></td>
</tr>
<tr>
<td><strong>Dividend per Equity Share (Rs.)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Earning per Equity Share (Rs.)</strong></td>
<td>(57.10)</td>
<td>(39.14)</td>
<td>(71.27)</td>
<td>(78.43)</td>
<td><strong>(36.52)</strong></td>
</tr>
<tr>
<td><strong>Cane Crushed (Season)</strong> (In lacs Qtls.)</td>
<td>73.89</td>
<td>82.58</td>
<td>93.82</td>
<td>90.86</td>
<td><strong>62.65</strong></td>
</tr>
</tbody>
</table>
GOBIND SUGAR MILLS LIMITED

NOTICE

Notice is hereby given that the Sixty - Second Annual General Meeting of GOBIND SUGAR MILLS LIMITED will be held on Wednesday, 17th September, 2014 at 3.00 P.M. at the Registered Office of the Company at 9/1, R.N. Mukherjee Road, Kolkata - 700 001 to transact the following businesses:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the period ended on that date and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in the place of Mr. N. Suresh Krishnan, who retires by rotation and is eligible for reappointment.

3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution

"RESOLVED THAT Messrs S.R. Batliboi & Co., LLP, Chartered Accountants, Golf View Corporate Towers - B, Sector - 42, Sector Road, Gurgaon - 122001, Haryana, India having firm Registration No. 301003E be and are hereby re-appointed as Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting to conduct the audit of the Company on such remuneration and other terms of engagement as would be decided by the Board of Directors or committee thereof."

4. Appointment of Mr. R.N. Ratnam as an Independent Director of the Company

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or reenactment thereof for the time being in force), Mr. R.N. Ratnam (holding DIN 06422037) Director of the Company, who has submitted a declaration that he meets the criteria for independence as per Section 149 (6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from 1st April, 2014 to 31st March, 2019."

5. Appointment of Mr. Marco Wadia as an Independent Director of the Company

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or reenactment thereof for the time being in force), Mr. Marco Wadia (holding DIN 00244357) Director of the Company, who has submitted a declaration that he meets the criteria for independence as per Section 149 (6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from 1st April, 2014 to 31st March, 2019."

6. Appointment of Mr. Anil C. Gupta as an Independent Director of the Company

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or reenactment thereof for the time being in force), Mr. Anil C Gupta (holding DIN 06363513) Director of the Company, who has submitted a declaration that he meets the criteria for independence as per Section 149 (6) of the Act, be and is hereby appointed as an
Independent Director of the Company to hold office for a term of five years from 1st April, 2014 to 31st March, 2019."

7. **Borrowing Powers of the Company**

To consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders in this regard and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors or Committee thereof, for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs 1,000 Crores (Rupees One Thousand Crores only)."

8. **Approval to create encumbrance on the property of the Company in the form of mortgage or lien or any other form for securing loans granted to the Company.**

To consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Extra-ordinary General Meeting of the shareholders of the Company held on August 29, 2003 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/charges/hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans, Debentures, advances and all other moneys payable by the Company to the lenders concerned, subject, however, to an overall limit of Rs 1,000 Crores (Rupees One Thousand Crores only) of loans or advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, company, insurer or to the general public."

9. **Approval to make Donations, subscriptions to charitable organizations**

To consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 181 of the Companies Act, 2013 and other provisions, if any, of the Companies Act, 2013 or rules made thereunder, consent of the members of the Company be and is hereby granted to the Board of Directors to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, benevolent or general fund, society, association, Institutions, trust, organization, not directly relating to the business of the Company or the welfare of its employees,
for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or incur any expenditure on their behalf, up to an amount not exceeding Rs 20,00,000/- (Rupees Twenty Lacs only) for the financial year 2014-15 notwithstanding the fact that said amount may exceed 5% of the Company's average net profit as determined in accordance with the provisions of section 198 of the Companies Act, 2013 during the three immediately preceding Financial Years

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board, be and is hereby authorized to take all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to delegate any or all such powers, to any Committee of the Board or to one or more Directors or officers of the Company."

10. Appointment of Cost Auditor

To consider and, if thought fit to pass with or without modification(s), the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), the remuneration of Rs 35,000/- plus applicable taxes and out of pocket expenses for the financial year ending 31st March, 2015 as recommended by the Audit Committee and approved by the Board of Directors be paid to Mr. Somnath Mukherjee, F.I.C.W.A., Cost Accountant, for conducting the Cost Audit be and is hereby approved and ratified."

Regd Office: 9/1, R N Mukherjee Road
By Order of the Board
Kolkata - 700001
By Order of the Board
25th July, 2014
Ankush Wadhawan
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

2. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A Proxy Form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable.

3. During the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice is given to the company.

4. The Company's Registrar & Share Transfer Agents (RTA) are:

Link Intime India Pvt. Limited
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Tel : 91 033 2289 0540
Fax : 91 033 2289 0539
e-mail : kolkata@linkintime.co.in

5. Members can avail of the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility. Members holding shares in physical form may send their nomination in the prescribed form duly filled in to RTA at the above mentioned address.

6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement
of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.

8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is given in the Corporate Governance Report along with the details of their shareholding.

9. The Notice of the Annual General Meeting of the Company and instructions for e-voting, along with Attendance Slip and Proxy Form is being sent to all the members by electronic mode, whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforementioned documents are being sent in the permitted mode.

10. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company’s website www.gobindsugar.com for download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office in Kolkata for inspection during normal business hours on working days, excluding Saturday upto the date of AGM. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost.

11. To support the ‘Green Initiative’ in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with RTA if shares are held in physical mode or with the Depository Participant if the shares are held in electronic mode.

12. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend remaining unclaimed / unpaid for a period of seven years is required to be transferred to the Investor Education and Protection Fund of the Central Government (Fund). Accordingly, all unclaimed / unpaid dividends up to and including the financial year 30th June, 2005 have been transferred to the said fund. Members who have not encashed the dividend warrants so far for the subsequent financial years may make their claim to the Company / Registrar and Share Transfer Agent. In terms of Section 205C of the said Act once the unclaimed/unpaid dividend is transferred to the Fund no claim in this regard, shall lie against the Fund or the Company.

13. The Statement of Profit and Loss for the period ended 31st March, 2014, the Balance Sheet as at that date, the Auditors’ Report, the Directors’ Report and all other documents annexed or attached to the Balance Sheet are available for inspection by the Members at the Registered Office of the Company between 11.00AM and 1.00 PM on all working days up to this AGM. Members who wish to obtain information on the Company or view the Accounts for the previous years may visit the Company’s website or send their queries at least 10 days in advance before the AGM to the Secretary of the Company.

14. E-Voting: In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 2 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and detailed procedure is mentioned below:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 12th September, 2014 and ends on 16th September, 2014. During this period shareholders’ of the Company, holding shares either in physical form
GOBIND SUGAR MILLS LIMITED

or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

   • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

   • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details: Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

   • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vii).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant "Gobind Sugar Mills Ltd" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be email to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and/or Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
EXPLANATORY STATEMENT TO SPECIAL BUSINESS

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned items of the accompanying Notice:

Item No. 3

This explanatory statement is provided though strictly not required as per section 102 of the Act. Messrs S.R. Batliboi & Co., LLP, Chartered Accountants, Golf View Corporate Towers - B, Sector - 42, Sector Road, Gurgaon - 122001, Haryana, India having firm Registration No. 301003E were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on December 30, 2013.

Accordingly, the audit of the Company for financial year 2013-14 was conducted by Messrs S.R. Batliboi & Co., LLP, Chartered Accountants. Messrs S.R. Batliboi & Co., LLP, Chartered Accountants have been the Auditors of the Company for more than ten years.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, Messrs S.R. Batliboi & Co., LLP, Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 6th May, 2014, proposed the appointment of Messrs S.R. Batliboi & Co., LLP, Chartered Accountants as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and/or KMP is concerned or interested in the resolution.

Item No. 4-6

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. R.N. Ratnam, Mr. Anil C. Gupta and Mr. Marco Wadia, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board of Directors has recommended the appointment of these directors as Independent Directors from 12th September, 2014 up to 11th September, 2019.

Mr. R.N. Ratnam, Mr. Anil C. Gupta and Mr. Marco Wadia, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The resolutions as above at points 4, 5 and 6 are placed before the shareholders for approval.

Except respective appointee directors for each resolution, none of the Directors and Key Managerial Personnel (KMP) of the Company or relatives of directors and KMP is concerned or interested in this resolution.

Brief profile of Directors is mentioned below:

Mr R.N. Ratnam

Mr. R.N. Ratnam is a non executive Independent Director of the Company as well as Chairman of the Audit Committee.

Mr. R.N. Ratnam is a Chartered Accountant, Company
Secretary and Cost & Management Accountant. Mr. Ratnam initially joined Indian Audit and Accounts Service as Class I officer and worked therein for 4 years. He joined EID Parry Group of Madras and retired as Deputy Managing Director in the year 1984. Since 2000, he is self employed as Business and Finance Consultant providing consultancy to diverse Indian and international organizations. Mr. Ratnam is an Independent Director whose period of office is liable for retirement as director by rotation under erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Ratnam being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years upto 31st March, 2019.

In the opinion of the Board, Mr. R.N. Ratnam fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Ratnam as an Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday; upto the date of AGM.

The detailed resume is given in the report on Corporate Governance which forms part of the Annual report.

Mr. Marco Wadia
Mr. Marco Wadia is a non executive Independent Director of the Company as well as member of the Audit Committee.

He is a B.A. (Hons.) L.L.B. and practicing Advocate since 1986, specializing in corporate matters and is currently, a partner in the firm, Crawford Bayley & Co., Mumbai. Mr. Wadia is an Independent Director whose period of office is liable for retirement as director by rotation under erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Wadia being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years upto 31st March, 2019.

In the opinion of the Board, Mr. Marco Wadia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Marco Wadia as an Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday; upto the date of AGM.

The detailed resume is given in the report on Corporate Governance which forms part of the Annual report.

Mr. Anil C. Gupta
Mr. Anil C. Gupta is a non executive Independent Director of the Company as well as member of the Audit Committee.

Mr. Gupta has experience of more than 40 years of statutory audits under the Companies Act, 1956, Internal/ Management audits of large corporate enterprises and he retired as Managing Partner of A.F. Fergusson & Co., Hyderabad. Mr. Gupta is an Independent Director whose period of office is liable for retirement as director by rotation under erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Gupta being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years upto 31st March, 2019.

In the opinion of the Board, Mr. Anil C. Gupta fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Anil C. Gupta as an Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday; upto the date of AGM.

This Explanatory Statement may also be regarded as
a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 7 & 8**

The members of the Company at their Extra-ordinary General Meeting held on 28th June, 2013 had approved by way of an Ordinary Resolution under Section 293(1)(d) read with Section 293 (1)(a) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs 750 Crores (Rupees Seven Hundred Fifty Crores) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders upto a limit of Rs 750 Crores (Rupees Seven Hundred Fifty Crores).

Section 180 of the Companies Act, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company’s paid up share capital and free reserves.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) read with Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 & 8 of the Notice. The Board recommends these resolutions for approval by the members of the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution.

**Item No 9**

In order undertake activities relating to the Socio-Economic Development, upliftment or public/people at large and for their welfare by rendering social and economic responsibility, it is proposed to take steps and actions to realize Corporate Social Responsibility (CSR) objectivities by contributing and donating to any Charitable, Benevolent, Social, Public or General Funds, and to any Non-Profit making Organization, Society, Trust, Association or Institution formed for the purpose or for contribution and donation for various causes.

It is, therefore, proposed to obtain approval of the members for authorizing the Board of Director to contribute up to an amount not exceeding Rs 20,00,000/- (Rupees Twenty Lacs only) for the financial year 2014-15 notwithstanding the fact that said amount may exceed 5% of the Company’s average net profit as determined in accordance with the provisions of section 198 of the Companies Act, 2013 during the three immediately preceding Financial Years.

Pursuant to the provisions of Section 181 of the Companies Act, 1956, approval of the Members is required for contribution to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, where the proposed contribution in aggregates exceeds 5%, of Rs. average net profit of three financial year immediately preceding the current financial year.

The resolution is therefore recommended for the consideration and approval

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution.

**Item No 10**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Somnath Mukherjee, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company at a remuneration of Rs 35,000/- plus applicable taxes and out of pocket expenses for the financial year ending March 31, 2015. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in this resolution.

By Order of the Board

Ankush Wadhawan
Company Secretary
Regd Off.: 9/1, R N Mukherjee Road, Kolkata - 700001

Dated: 25th July 2014
DIRECTORS’ REPORT

To
The Members,

Your Directors take pleasure in presenting their 62nd Annual Report and the audited Accounts of the Company for the period ended 31st March 2014.

1. Financial Results & Appropriations

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales</td>
<td>17111.51</td>
<td>27578.80</td>
</tr>
<tr>
<td>Less: Excise Duty</td>
<td>512.75</td>
<td>1001.91</td>
</tr>
<tr>
<td>CESS</td>
<td>124.71</td>
<td>186.39</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>17,184.28</td>
<td>27,391.17</td>
</tr>
<tr>
<td>Add: Other Income</td>
<td>121.44</td>
<td>796.32</td>
</tr>
<tr>
<td>Less: Finance Cost (Net)</td>
<td>888.56</td>
<td>2685.50</td>
</tr>
<tr>
<td>Depreciation/Amortization Expenses</td>
<td>218.53</td>
<td>530.66</td>
</tr>
<tr>
<td>Exceptional Item</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Loss) before Tax</td>
<td>(1695.88)</td>
<td>(3420.51)</td>
</tr>
<tr>
<td>Add: MAT Credit entitlement</td>
<td>-</td>
<td>295.31</td>
</tr>
<tr>
<td>Add: Deferred Tax Credit</td>
<td>(527.20)</td>
<td>(1205.98)</td>
</tr>
<tr>
<td>Net Profit/(Loss) after Tax</td>
<td>(1168.68)</td>
<td>(2509.84)</td>
</tr>
<tr>
<td>Add: Surplus/(Deficit) brought forward</td>
<td>(6502.87)</td>
<td>(3993.03)</td>
</tr>
<tr>
<td>Transfer from General Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried to Balance Sheet</td>
<td>(7671.55)</td>
<td>(6502.87)</td>
</tr>
</tbody>
</table>

2. Operating Performance

During the year under review (Sugar Season 2013-14), we crushed 67.56 Lacs Qtls (previous year Rs 90.86 Lacs Qtls) of sugar cane achieving sugar recovery rate of 9.27% (Previous year 9.15%). Sugar production was 6,26,535 Qtls (previous year 8,29,695 Qtls) and Molasses production was 352,592 Qtls (Previous year 4,89,852 Qtls). A detailed analysis of the Company’s operations, future expectations and business environment is given in the Management Discussions and Analysis Report which is made an integral part of this Report and marked as Annexure - A.

3. Financial Performance

The Gross Sales (inclusive of Excise Duty) of the Company for the period commencing from 1st October 2013 to 31st March, 2014 decreased by 38 % (Approx) to Rs 17,111.51 Lacs from Rs. 27578.80 Lacs in the year 2012-13. The Company recorded a Net Loss of Rs. 1168.68 Lacs after taking into account Taxes for the period ended 31st March, 2014.

The earning/(loss) before interest, depreciation, tax for the period under review stood at Rs. (527.20) Lacs as compared to previous year's Rs. (910.67) Lacs. The EBIDTA of the Company during the period under review is primarily
attributed to increased cost of cane, accompanied with minimal corresponding increase in price of sugar and, increase in inventories / stock.

4. **Change of Financial Year**

In view of changes made vide the Companies Act, 2013, the Board of Directors approved the fixation of financial year up to 31st March, 2014. Accordingly, the above financial results are for six months commencing from 1st October, 2013 to 31st March, 2014 and are not comparable with the results of financial year 2012-13.

5. **Project Implementation - Capital projects envisaged to be implemented:**

In view of highly controlled scenario of sugar industry and fixation of Sugar cane price at unviable levels by U.P. Government, single sugar units without cogeneration power plant and Distillery suffer heavy losses in the cyclical periods of depression. Moreover, our mill is more than 60 years old and various sections of the boiling house were not kept in healthy condition leading to operational losses. Therefore, the Board at its meeting held on 1st August, 2013, approved the following projects to be implemented to improve the profitability of the Company:

- Revamp and modernize the Sugar Mill
- Expansion of Capacity from 7200 TCD to 10000 TCD
- Setting up of a Cogeneration power plant of 30 MW capacity
- Set up a Sugar Refinery with a capacity of 500 TPD

The Company appointed M/s Avant-Garde Engineers and Consultants Pvt Ltd, a reputed consultant in the Sugar Industry and Co-generation, as Engineering and Project Consultant. M/s Avant Garde after carrying out a detailed study submitted a Detailed Project Report for setting up a 30 MW Cogeneration power plant and also expanding the capacity of sugar mill from the present 7,200 Tonnes Crushing Per Day (TCD) to 10,000 TCD and setting up a 500 TPD Sugar refinery. The cost of 30MW Cogeneration power project is projected at Rs. 170 crores, inclusive of cost of transmission line from the Mill to Uttar Pradesh Power Corporation Limited (UPPCL) point. The cost of Expansion cum Refinery project is projected at Rs. 140 Crores. The total project cost of Rs. 310 Crores is proposed to be funded by Long Term Loans from Financial Institutions, Quasi Equity from Sugar Development Fund and balance from Promoters Contribution. The Projects are already under implementation and we have placed orders for Boiler and Turbine-generator, which are long lead items and we have made good progress received in the project.

The Company has received sanction from State Bank of India for term loan for the Project amounting to Rs 75 Crores. Also, we have entered into agreement with Uttar Pradesh Power Corporation Limited (UPPCL) for supply of power from the Co-generation plant.

6. **Sales performance:**

During the period under review, sales of free sugar realized Rs. 3,238/- per Qtls (prev. year Rs. 2,839 per Qtls). Average sugar cane prices this year was Rs. 276/- per Qtls (Prev. Year Rs. 236/- per Qtls). The impact of Rs 40 per Qtl increase in sugar cane price is Rs. 36.35 Crores. Due to high state advised price without corresponding increase in the prices of Sugar, the losses for the year 2013-14 remained more or less at the same level as in 2012-13, only reduction in quantum due to lesser sales.

The sugar industry made substantial losses due to the unfavorable policies of the Central and the State Governments and fixation of uneconomically high prices of Sugar cane by UP Government. Sugar prices remained under pressure during the major part of the year, mainly due to surplus Sugar in the country along with the various measures of controls exercised by the Central Government to control inflation.

7. **Research & Development (R & D)**

During the year under review the Company has undertaken Research & Development initiatives with an intention to improve the sugar recovery ratio and to educate the cane growers to cultivate improved variety of sugarcane and to otherwise improve the sucrose contents of their produce.
8. **Dividend**

The Board of Directors do not recommend any dividend for the year in view of the current year's loss and accumulated losses.

9. **Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement, Management Discussion & Analysis, Statement in respect of Conservation of Energy, Report on Corporate Governance, Declaration of Managing Director on Code of Conduct and Auditors’ Certificate on compliance of conditions of Corporate Governance form an integral part of this Report and are attached to this Report as Annexure "A", "B", "C", "D", "E" and "F" respectively.

10. **Directors**

Mr. H.S. Bawa, Chairman, resigned from the directorship of the Company w.e.f 1st March, 2014. The Board appreciated his services and placed on record the yeoman's services rendered by Mr. Bawa. The Company has Four Non Executive directors having experience in varied fields and a Managing Director, three of whom are Independent Directors, in compliance of Section 149 of the Companies Act, 2013. At the forthcoming Annual General Meeting Mr N. Suresh Krishnan shall retire from the Board by rotation and is eligible for re-appointment.

11. Other information on the directors including required particulars of the Director retiring by rotation and committees of Directors is provided in the Report on Corporate Governance annexed to this Report as Annexure "D".

**Directors’ Responsibility Statement**

12. Your Directors confirm that -

i) That in the preparation of the accounts for the six months period ended March, 2014 the applicable accounting standards were followed along with proper explanation relating to material departures;

ii) That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

iii) That proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) To ensure this, the Company established internal control systems, consistent with its size and nature of operations, in weighing the assurance provided by any such system of internal controls and in recognizing its inherent limitations. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit functions;

v) That the Directors prepared the annual accounts on a going concern basis.

13. The Auditors made observations regarding recognition of Deferred Tax Asset (net) of Rs. 5001.73 Lacs. The Company has taken necessary steps and management is optimistic about the revival of the Sugar Industry and of the Company. This will significantly enhance the profitability and smoothen the future Cash Flow of the Company and there would be sufficient taxable income in future to claim credit of Deferred Tax Assets.

14. The Auditors, Messrs S. R. Batliboi & Co., LLP, Chartered Accountants, retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. According to the certificate submitted to the Company by the said firm of Auditors the said reappointment, if made by the Shareholders, will be well within the limits prescribed in Section 224(1B) of the Companies Act, 1956.

The Board, on the recommendation of the Audit Committee, proposed that Messrs S. R. Batliboi & Co, LLP, Chartered Accountants, be re-appointed as the Statutory Auditors of the
Company for the period beginning the conclusion of the ensuing Annual General Meeting of the Company and ending on the conclusion of the Annual General Meeting to be held next thereafter.

Cost Auditors

15. In accordance with the directives of the Central Government under Section 233B of the Companies Act, 1956, Mr Somnath Mukherjee, Cost Accountant, was appointed as Cost Auditor to audit the cost accounting records of the Company relating to sugar for the period ended on 31st March, 2014.

Cost Audit Reports for the product Sugar for the year ended 30th September, 2013 was filed with cost audit cell of Ministry of Corporate Affairs department within due dates.

Subsidiary Company and Consolidated Financial Statement

16. The Company has an Indian Subsidiary viz., New Eros Tradecom Limited. In compliance with General Circular No. 2/2011 of Government of India, Ministry of Corporate Affairs and the Board Resolution passed by the Board of Directors, the Company has opted to avail the exemption, provided under Section 212(8) of the Companies Act, 1956 and accordingly the Audited statement of Accounts along with the report of the Board of Directors and Auditor relating to the Company’s subsidiary is not annexed as required u/s 212(8) of the Companies Act, 1956. However, the Consolidated Financial Statement conforming to the Accounting Standard 21, 23 and 27 and including inter alia the financial performance of the said subsidiary forms an integral part of the annexed Audited statement of Accounts.

In this regard, the statement pursuant to Section 212 of the Companies Act, 1956 is attached and is marked as Annexure C.

17. The Annual accounts of the subsidiary company will be available for inspection by any shareholder at the Registered Office of the Company and will also be available on the website www.gobindsugar.com. In addition, a hard copy of the detailed accounts of the subsidiary company will be sent to any shareholder on demand at any point of time.

Particulars of Employees

18. There was no employee in the Company who was in receipt of remuneration as required to be disclosed under Section 217(2A) of the Companies Act, 1956.

Energy Conservation, Technology Absorption and Foreign Exchange Earning & Outgo

19. Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 is Annexure “B” and forms part of this Report.

20. CEO/CFO Certification

Mr R S Raghavan, Managing Director has submitted a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

21. Public Deposits

There are no outstanding deposits in the books of the Company as on 31st March, 2014. The Company has not accepted any deposits during the period under review.

Acknowledgements

22. Your Directors take this opportunity of recording their appreciation for the support extended to the Company by the shareholders, financial institutions, bankers, suppliers and cane growers. Your Directors are also grateful to various ministries in the Central Government and State Government of Uttar Pradesh, the Sugar Directorate and the Sugar Development Fund for their continued support to the Company. The Directors also recognize the valuable contribution made by the employees at various levels to Company’s progress.

For and on behalf of the Board

Place : Gurgaon
Date : 6th May 2014

N. Suresh Krishnan
Chairman
Global sugar industry: An Overview
World sugar production is projected to increase by 1.9% per annum over the projection period. Moderate yield increases, and lower than in the previous decade, will account for most of the additional production, rather than expansion of the area under sugar crops. Nearly all of the increase in sugar production is projected to originate from sugar cane rather than sugar beets. The developing countries of Brazil and India will remain the leading producers based on sugar cane. Global consumption of sugar is projected to grow at around 1.9% per annum. The sugar deficit regions of Asia and Africa are anticipated to retain their dominant share of world sugar use.

A leading bank’s latest projection of the global supply/demand balance for 2013/14, as outlined in the report, points to a fourth consecutive global surplus of 2.5 million tonnes, raw value. This implies a further build-up of global stocks over the 2013/14 international crop year, maintaining the global stocks-to-consumption ratio at high levels through to September 2014. This in turn suggests that there is limited scope for world prices to move significantly above their recent levels in the coming months unless there is a change in the underlying fundamentals.

Domestic political and economic factors in India and Mexico are expected to result in significant pressure in these countries to export large volumes of surplus production in 2013/14. At the same time, China is expected to require less sugar, possibly much less sugar, from the world market in 2014 compared to the volume imported this year. The combination of temporary mismatches of urgent pressure to sell from some exporters and reduced import demand may also put extra pressure on prices.

Global scenario is not helping at all. USDA numbers show that global stockpiles are at all-time high of 43.379 million metric tonne in 203-14. Sugar prices are normally derived by closing stocks, however, because a huge quantity of Sugar produced is consumed in the country itself, the global prices are not guided by only closing stocks. Sugar surplus is a much better indicator to guide the prices. Sugar surplus is defined as total export minus total imports. Global sugar surplus in 2013-14 at 6.1 million tonne and is the third largest. However here too the total exports estimated for India seem to be an underestimation and hence it is most likely that this number is revised up in days and months to come. Largest sugar surplus was recorded in 2011/12 at 6.9 MT.

From May to November, Brazil is the sole supplier of sugar to the world. Of northern hemisphere, Thailand and India will have a large production and exportable surplus. Clearly large supplies will remain burdensome even in 2013-14. Currency factor is further putting pressure on the prices to go lower.

Consumption: After a substantial drop in sugar use in 2011, the growth in world sugar consumption is on the upside. Though in absolute terms India is world’s largest consumer, accounting for around 15% of global consumption, it’s per capita sugar consumption is only 21 kg compared to 62 kg of Brazil, 40 kg of the US and 35 kg of the European Union. World per capita sugar consumption stood at 23.8 kg and has remained steady at the same level in 2013-14 as well.

Reduction in Production of Sugarcane
The amount of sugarcane processed by mills in Brazil’s South Central region totalled 31.17 million tons in the first half of October, down 17.95% from the 38.00 million tons crushed during the same period last year and a drop of 8.15% versus the second half of September, when the total reached 33.94 million tons. The smaller crush stemmed from rains that once again hit traditional cane-growing areas, impeding harvest activities. According to statistics from Somar Meteorology, the precipitation index in the Piracicaba region, for example, reached 62.60 millimeters in the first half of October, compared to 31.00 millimeters recorded for the entire month of September.

In addition to reducing the crush, the heavy rains also reduced sugar concentrations in the cane, with the Total Recoverable Sugars (TRS) index per ton of sugarcane processed totaling just 139.59 kilograms in the first half of October, compared to 149.80 kg/ton in the same period last year.

Price Trend: World sugar prices are expected to continue to drift downwards in 2013/14 before commencing a turnaround and following a moderately upward trend in following years, as sugar producers adjust production and consumption continues to grow. The world indicator raw sugar price (Intercontinental Exchange No. 11 contract nearby futures) is projected at USD 439/t (USD 20 cts/lb) in nominal terms, in 2022/
23. Although lower than the average world sugar price in the base period (2010-12), sugar prices are expected to remain on a raised plateau and to average higher over the projection period in nominal and real terms (when adjusted for inflation) than in the decade prior to the food crisis of 2007/08.

### World sugar balance

(million tonnes, raw value)

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2011/12</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>180.3</td>
<td>174.8</td>
<td>5.5</td>
</tr>
<tr>
<td>Consumption</td>
<td>171.4</td>
<td>168.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Surplus/deficit</td>
<td>8.5</td>
<td>6.4</td>
<td></td>
</tr>
<tr>
<td>Import demand</td>
<td>50.7</td>
<td>53.1</td>
<td>-2.4</td>
</tr>
<tr>
<td>Export availability</td>
<td>53.8</td>
<td>54.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>End stocks</td>
<td>69.7</td>
<td>64.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Stocks/consumption ratio in %</td>
<td>40.5</td>
<td>38.2</td>
<td></td>
</tr>
</tbody>
</table>

Source: ISO Quarterly Market Outlook, Feb. 2013

### Indian Sugar Industry

India is the world's second largest producer of sugar after Brazil producing about 15% of the Global sugar production. The sugar industry occupies an important place in the Indian economy. Nearly 7.5 million people across the country are directly or indirectly employed in the industry. Over 50 million Indians make their livelihood by growing, supplying or otherwise dealing in sugarcane. The sugar industry contributes annually around Rs. 50 billion by way of excise duty, cess, VAT, entry tax and octroi.

### Production during Sugar Season 2013-14

Early estimate of ISMA (Indian Sugar Mills Association), Sugar production in India is estimated to touch 25 million tonne in the sugar season 2013-14 starting from October. As per the estimate done by industry body ISMA, the availability of cane acreage for crushing in sugar season 2013-14, will be around 52.89 lakh hectare. India's annual sugar production is likely to drop by around 4 percent in the 2013/14 season to around 24 million tonnes as cane yields fell in key producing states due to bad weather, industry and government officials said.

A drop in output, against expectations of production remaining unchanged, would trim exportable surplus from the world's second-biggest producer and support global prices that are hovering near their lowest level in 3-1/2 years. Lower production could harden local prices of the sweetener and make exports less attractive for mills.

The Indian sugar industry's losses are set to rise 60 per cent in the 2013-14 crushing season (November-October), owing to rising production costs and a fall in realisations. According to an estimate by rating agency CRISIL, the sugar industry would record a loss of Rs 1,600 crore in the crushing season, against an estimated Rs 1,000-crore loss in the current season. In the 2010-11 season, the industry's losses stood at Rs 400 crore.

In the last two years, the sugar industry has recorded losses due to a continuous rise in cane prices. Ever year, in states such as Uttar Pradesh and Tamil Nadu, state governments announce the cane price, commonly called state advised price (SAP), which is much higher than FRP. Typically, this is substantially higher than in the previous year. The fair and remunerative price (FRP) is announced by the Centre.

Also, Sugar prices in the open market didn't rise in proportion to the rise in raw material prices, resulting in continuous losses for the mills.

### Domestic Price Trend

India's free sugar realisations were range-bound between Rs 28,000 and Rs 30,000/MT between October 2010 and March 2012 largely owing to a domestic sugar surplus. However, these realisations showed an upward trend between May 2012 and November 2012 (peaking at around Rs 36,000/MT). Thereafter, sugar prices corrected to around Rs 30,500/MT in March 2013 following new production inflow, change in release pattern from quarterly to four-monthly and greater domestic sales and have since been showing downward trend. Higher cane prices and lower realizations resulted in losses for the industry.

For the 2013-14 sugar season, the Centre has announced a 24 per cent rise in the minimum price for sugarcane (FRP), while the increase in sugar prices is likely to be only eight to nine per cent. The financial performance of sugar mills would, therefore, deteriorate. The worst hit would be mills in Uttar Pradesh and Tamil Nadu, where the SAP announced by the state governments is higher than the FRP.

### Sugar Industry in Uttar Pradesh

Early estimate of ISMA indicates 5% production decline
in Sugar Season 2013-14 with major fall expected in Maharashtra where area under cane cultivation is less by 12.5% due to drought. Karnataka has shown a decline of 8% while Tamil Nadu is hit severely with 15% to 16% fall in sugarcane acreage. The country’s total sugar production is expected to decrease by 5% in SY13 to 25 MnT compared to 26.3 MnT in SY12..

With a total of 158 sugar mills in Uttar Pradesh, (104 in the private and 54 under State Govt control) and area under sugarcane in 2012-13 of 22.13 lakh hectares when 130.5 million tons of cane was produced, the State is the largest producer of sugarcane in the country. This is substantially higher to the other important sugar producing State viz. Maharashtra, in the country, where 9.37 lakh hectares was under sugarcane in 2012-13 and the State produced 60.49 million tons of sugarcane. However, UP has been second when it comes to sugar production. Cane yields as also sugar recovery percentages in UP are much lower to that in Maharashtra. While low sugar recovery is hurting the sugar mills, low yields hurt the cane farmers.

Delayed Crushing
Northwest India, a region including Uttar Pradesh, got 9 percent more monsoon rain than normal, according to the India Meteorological Department. Cane crushing was delayed this season because of a shutdown by most of the mills including large producers like Bajaj Hindustan Ltd. and Balrampur Chini Mills Ltd, demanding aid from the government to pay state prices to growers.

Sugar manufacturing has been a loss making activity for the last two years due to continuous rise in cane prices that are generally influenced by the Central and State governments. Especially, in states like Uttar Pradesh and Tamil Nadu, the state governments declare cane price commonly known as state advised price (SAP) every year which remains substantially higher than that in the previous year and fair and remunerative price (FRP) announced by the Centre. But, unfortunately, sugar price in the open market failed to catch the proportionate increase in raw material price resulting into continuous losses for mills.

October-December 2013 was one of the worst quarters for the Indian sugar industry. The 39 listed sugar companies that declared their results for the December 2013 quarter incurred an aggregate net loss of Rs 14 billion. This was the second highest ever quarterly loss incurred by the industry. The net losses were equivalent to 18.4 per cent of the total income.

The poor bottom-line performance was across-the-board. Of the 39 companies, 19 companies reported an increase in losses as compared to a year ago. These included companies like Bajaj Hindusthan, E I D-Parry, Dhampur Sugar Mills and Mawana Sugars. 12 companies turned loss making during the quarter. These included leading players such as Shree Renuka Sugars, Balrampur Chini Mills, Triveni Engineering and Dalmia Bharat Sugar Industries.

A sharp fall in sales and inability to cover the high cost of sugar inventories carried forward from the preceding sugar season 2012-13 pushed the industry into the red at the operating level itself. This, coupled with a sharp rise in interest costs further aggravated losses at the net level. The industry’s sales performance has remained poor since the start of fiscal 2013-14. After increasing in healthy double-digits in all the quarters of fiscal 2012-13, net sales declined by four per cent in the quarter ended June 2013 and remained almost flat in the quarter ended September 2013. In the December 2013 quarter, net sales plunged by 11.2 per cent year-on-year.

The sharp fall in sales can be attributed to both lower volumes as well as subdued realisations. Sugar mills across the country usually begin crushing for the sugar season that commences in October from early to mid November. However, a price row between millers and sugarcane growers led to a near one-month delay in crushing in the current sugar season 2013-14. Late commencement of the crushing season resulted in lower output, subsequently resulting in lower sales volumes. Domestic sugar prices too declined significantly during the quarter. Prices plunged to an eight-quarter low of Rs.2,936 per quintal and were down 15.6 per cent year-on-year during October-December 2013.

During the December 2013 quarter, a substantial portion of revenues were generated from liquidation of inventories. The industry offloaded inventory worth Rs.15.8 billion as against pile-up of inventories worth Rs.29.9 billion in the year-ago quarter. Delayed crushing forced companies to liquidate the high-cost inventories from the preceding sugar season, thus pushing the industry into losses at the operating level. This deteriorated the cash flows of the sugar companies, thereby increasing their reliance on borrowed funds to meet their working capital requirement. Consequently, interest costs spiked by 14.6 per cent during the quarter.

Sugar output in Uttar Pradesh, the country’s second biggest sugar producing state, fell by 78% to 2.30 lakh tonnes so far this season. In the state, 110 mills are operating now against 116 mills a year ago. In
Karnataka, sugar production was down by 57% to 4.75 lakh tonnes till December 15 this season. 55 mills were in operation as against 56 in the year-ago period. Sugar output showed a decline even in Andhra Pradesh and Tamil Nadu. The output in Andhra Pradesh fell by 44% to 0.95 lakh tonnes, while it declined by 70% to 0.60 lakh tonnes in Tamil Nadu in the review period.

Rating agency Crisil forecasts India’s sugar industry to incur a loss of Rs 1600 crore in the upcoming crushing season beginning November 2013 as compared to an estimated Rs 1000 crore in the current season. The loss of the industry stood at a mere Rs 400 crore in the season 2010-11.

The crushing operations in most states, especially in Uttar Pradesh, could not start on time as cash-starved private mills decided to shut operations concerned over high cane price fixed by the state governments. Mills began operations in Uttar Pradesh only after the state government announced a slew of measures. Meanwhile, the Centre is also working on a bailout package for the beleaguered industry to ensure cane payment to growers.

Increased Exports:
Exports from India may jump to 2 million tons to 2.2 million tons this season from 345,000 tons a year earlier as gains in global prices and a state subsidy help mills compete with supplies from Brazil and Thailand.

Sugar shipments from India, the world's second-largest producer, are poised to climb as the biggest monthly gain in prices since 2011 and a state subsidy help mills compete with supplies from Brazil and Thailand.

Raw sugar in New York entered a bull market last week, climbing more than 20 percent from a January low, as dry weather threatened crop yields in Brazil, the world's top producer and exporter. An Indian state subsidy of 3,300 rupees ($53) a ton will help mills including Bajaj Hindusthan Ltd. (BJH) and Balrampur Chini Mills Ltd. (BRCM) boost production of raw sweetener for export and prevent stockpiles expanding from a five-year high.

Sugarcane prices:
Sugarcane costs usually comprise around 80-85% of a sugar mill’s total cost. Sugarcane cost increased by Rs 40/qtl to Rs 280/qtl following higher state-advised prices (SAPs) every year, there has been no increase in either the cane yields or the sugar recovery percentages. The present cane pricing policy of UP does not incentivise improvements in cane yields or sugar recovery. Better cane varieties have therefore, not been taken up by the farmers. An independent study by CRISIL, has indicated a net loss of Rs.10 billion to the Indian sugar industry in 2012-13 because of the widening gap between sugarcane and sugar prices, adding that because of the SAP system, sugar mills in UP and Tamil Nadu are at a clear disadvantage in comparison to other States.

Uttar Pradesh produces 7.5 mt of sugar and the average cost of sugar production in UP is estimated at Rs 34-35 per kg during 2012-13 and during the year, sugar fetched Rs 29-30 per kg, in the domestic market. Part of the loss was recovered by selling ethanol, molasses, pressmud and power generated from bagasse. The SAP in UP was increased from Rs.165 per quintal of cane in 2009-10 sugar season to Rs.280 per quintal in 2012-13, has meant:

- An increase of Rs.115 per quintal in 3 years (@ Rs.40 per quintal yearly).
- It has increased the average cost of production of sugar in UP from Rs.24 per kilo in 2009-10 to Rs.35 per kilo in 2012-13 season.
- As compared to these very high costs, the sugar prices which were Rs.28 per kilo in 2009-10 increased to only Rs.31 per kilo in 2012-13.
- Cane price in UP has gone up by 70% in the last 3 years, but the sugar prices have increased by just 11% in the same period.

Recognising that the cane pricing system followed by almost all the important sugar producing nations, including Brazil, Australia, Thailand, Mauritius etc., has been very successful in not only ensuring fair and stable returns to the farmers, but also helping in the growth of the industry therein, and making them competitive worldwide, the Rangarajan Committee recommended for adopting a formula whereby cane price will be directly linked to sugar price and by-products realisations. After examining the cane price paid during last decade or so, the Committee (and later CACP too), recommended that 70% of the returns from sugar, molasses, bagasse and press mud should be paid by the millers to the farmers. (Source: UPSMA Press release, 11 July 2013)

Regulatory Environment
There were some positive signs from the Government as it formed Rangarajan Committee to give recommendations on decontrol of sugar industry.
The recommended for forward integration into cogen and distillation is a positive for mills, as this provides a cushion against the volatility in profitability from the sugar business. Currently, co-generation and distillery activities account for about 10 per cent and five per cent of the overall revenues of sugar companies, respectively. However, these contribute disproportionately to profitability.

Therefore, there is an urgent need to rationalise sugarcane prices. As suggested by the Rangarajan committee, cane prices have to be directly linked to sugar price realisations, a practice followed by major sugar-producing nations. This would not only ensure fair, stable and timely returns to farmers, but also assure mills reasonable returns on their investments. The committee submitted the following recommendations:

A. Abolition of levy on sugar.
B. Abolition of release mechanism.
C. Stable trade policy with appropriate tariff on imports and exports.
D. Discontinuation of compulsory jute packaging guidelines.
E. Condition for minimum distance between two sugar mills at 15 kms/25 kms to be dispensed with.
F. Market determined pricing of by-products. Revenue sharing model under which 70% of sugar value and each of its three major by-products would be paid to farmers.
G. Freedom to farmers to sell cane to any mill irrespective of distance in some states.
H. Determination of sugarcane price by linking it to the revenue realised by sugar mills from sale of sugar and first stage by-products

Implementation of Recommendations of the Rangrajan Committee:

The Government has so far implemented below mentioned recommendations of Rangrajan Committee in pursuance of rejuvenating the Sugar Industry:

• Removal of Levy Obligation: It was mandatory for the sugar millers to sell a portion of their production to consumers below poverty line through the Public Distribution System (PDS), at a pre-determined below-market price (levy price). Rest of the stock is sold in the free market under monthly release mechanism. The government has removed this obligation from mills and had decided to decontrol the sugar sector by giving freedom to mills to sell sugar in the open market and removing their obligation to supply the sugar at subsidized rates for ration shops.
• Abolition of Sugar Release Mechanism: The release of Sugar in the open market was decided earlier by the government by way of issuing monthly release mechanisms to mills. The government has done away with the mechanism of quarterly release order and mills are left free to decide release of amount of its stock in open market. It will help the mills in managing the inventories effectively.
• Packing in Jute Bags: The CCEA decided the mandatory limit of compulsory packing of sugar in jute bags to be 40%, effective from Sugar Season 2012-13.

However, only a complete and effective implementation of all the recommendations submitted by the Rangrajan committee would help the Sugar industry to revive the sagging fortunes of the Industry and the Company.

Sugar import & Export

India, the world’s biggest sugar producer after Brazil, is unlikely to export the sweetener for up to three years as high production costs price shipments out of the global market and a drought in major growing regions squeezes output. A lack of shipments from India, which exported sugar in the last two years, would support global prices now trading near 2-year lows on a world surplus estimated at about 8 million tonnes.

As the world’s biggest consumer of sugar, India is a key player in the global market and shifting weather conditions can make it an exporter one year and significant importer the next. The industry believes that the country will keep its net-exporting status even in 2013-14.

India’s imports in 2008/09 and 2009/10 drove a near tripling in global sugar prices, while its exports in subsequent years helped to halve prices from a 30-year high.

Operations of the Unit

The comparative operating performance of the Company for the last two seasons is given below:

<table>
<thead>
<tr>
<th></th>
<th>Season 2013-2014</th>
<th>Season 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugarcane crushed</td>
<td>68.09</td>
<td>90.86</td>
</tr>
<tr>
<td>(lac Quintals)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recovery (%)</td>
<td>9.28</td>
<td>9.15</td>
</tr>
<tr>
<td>Sugar produced</td>
<td>6.32</td>
<td>8.35</td>
</tr>
<tr>
<td>(lac Quintals)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crushing days</td>
<td>109</td>
<td>138</td>
</tr>
</tbody>
</table>
Projects to be undertaken by the Company:
In view of current global and domestic scenario, it is pertinent to strengthen your cane growers and financials through various available means, including investments, both at the farm and mill levels, not only for better efficiencies, but also for better cane varieties which give better yields, longer ratoons and higher sugar recoveries. Also, in order to develop and simultaneous revenue stream for the mills projects like Co-generation and Distillery should get the incentive from the state government.

Internal control systems and their adequacy
The company has a wide spread internal control system to ensure smooth functioning of each and every department of the organization. The internal control system is totally in alignment with the business nature and the size of the company. It tracks various financial transactions effectively and certifies the compliance with statutory rules and regulations, thus contributing to the operational efficiency of the company.

The Internal audit of the Company is conducted by a firm of Chartered Accountants. The findings of the internal audit and consequent corrective actions initiated and implemented form time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy and reasonableness of internal control system.

Human resources and industrial relations
Continuous learning is the cornerstone of the Company’s human resource policy. The Company’s human resource policy is structured to meet the aspirations of the employees as well as of the organization. The Company has adopted a progressive policy of continuous development of its human resources by training and motivating the employees to attain greater efficiency and competence besides striving to retain the talent.

Industrial relations in the unit were cordial throughout the year under review and there was no material development in Human Resources/Industrial relation front.

Risk Management
Risk: Lower sugar realizations. Lower sugar realisations can directly impact the top line of the Company, making it difficult to meet its day-to-day expenses.

As mitigation measures, the Company has developed an integrated business model which provides them with an additional revenue stream through the sale of bagasse and molasses at remunerative prices.

Risk: Lower recovery
The Company may fail to leverage higher cane production owing to lower recovery rate, though this year the sugar recovery was on expected lines.

As mitigation measures, the Company has put in place latest methodology and techniques for higher recoveries.

Risk: Farmer relationship
Non-availability of cane due to unharmonious farmer relation may result in lower crushing, impacting the overall performance of the Company.

As mitigation measure, the Company maintains a harmonious and co-ordeal relationship with its farmers. Besides ensuring timely payments, it also helps them by assisting them in seed selection and fertilizers.

Future Outlook
The previous years have eroded the profitability of the sugar industry resulting in huge losses and accumulated cane arrears. The problem would have been more acute had the Central Government not permitted the industry to export sugar and reduce the surplus sugar from the Indian markets.

As a result of these two factors, sugar production in India during 2013-14 is on lower side than the previous year that is to say at 25 Million tones but is still expected to be substantially higher than domestic consumption.

Cautionary Statement
The statements in the Management Discussions & Analysis Report detailing the Company’s objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual result could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include economic conditions affecting global or domestic demand and supplies, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials, prices of finished goods, abnormal climatic and geographical conditions, etc. The company assumes no responsibility in respect of forward looking statements contained in this Report as the same may be revised or modified in the future on the basis of subsequent developments, information or events.
I. Conservation of Energy :

i) Stem Process Scheme has been upgraded with modification in the existing system to suit the technical parameters of the boiling house equipments installed in the Company. This has been done to conserve the energy generated during the year 2013-2014 and has resulted in improvement in Stem Consumption per unit.

The Company continues to upgrade/technically modify its machineries and equipments for higher generation of steam per unit of fuel consumed.

Various other initiatives taken by the Company have collectively resulted in substantial reduction of consumption of energy in production and consequently more saving of bagasse.

(ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Due to cash crunch there had been no substantial investment aimed at reduction of consumption of energy in the year under review. However, conservation of energy has been taken as a challenge and a detailed project of energy conservation is under active consideration and is being discussed with consultants. Decision will be taken shortly keeping in view financial implications.

(iii) Impact of measures of (i) and (ii) above for the reduction of energy consumption and consequent impact on the cost of production of goods.

In view of initiatives enumerated in (i) & (ii) above there has been a decrease in total cost of Power & Fuel in spite of higher crushing of cane. The higher crushing of cane has resulted in higher availability of bagasse which in turn lead to comparatively lower consumption of High Speed Diesel when compared with the previous year’s consumption.

(iv) Total energy consumption and energy consumption per unit of production

(A) Power & Fuel Consumption

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Purchased</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units (in lacs)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total amount (Rs.in lacs)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Rate/Unit (Rs.)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>b) Own Generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Through Diesel Generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units (in lacs)</td>
<td>3.49</td>
<td>12.39</td>
</tr>
<tr>
<td>Units per liter of diesel-oil</td>
<td>2.91</td>
<td>3.22</td>
</tr>
<tr>
<td>Cost/Unit (Rs.)</td>
<td>25.10</td>
<td>18.85</td>
</tr>
<tr>
<td>ii) Through Steam Turbine/Generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units (in lacs)</td>
<td>148.83</td>
<td>194.40</td>
</tr>
<tr>
<td>Units per liter of fuel oil/gas</td>
<td>Cost/Unit (Rs.) Not ascertainable as the bagasse which is a by-product is being used as fuel</td>
<td></td>
</tr>
<tr>
<td>2. Coal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantity (Tonnes)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total Cost (Rs. in lacs)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Average Rate (Rs.)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>3. Furnace Oil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>4. Others/Internal generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

(B) Consumption of following fuels per 100 kgs of sugar

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of Sugar (in lac qtls)</td>
<td>6.27</td>
<td>8.31</td>
</tr>
<tr>
<td>Electricity (unit)</td>
<td>24.31</td>
<td>24.89</td>
</tr>
<tr>
<td>Furnace Oil (litres)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Coal (Kgs.)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Others</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
II. Research & Development and Technology Absorption:

The Company has been carrying out Research & Development in the following specific areas:

1. Control of Insect, Pest & Disease
   (a) Mechanical Control: Cane which is affected by insects and diseases at cane field is eliminated at the cultivation stage itself.
   (b) Chemical Control: To ensure disease-free cane that is to say to control the attack of insect, pest and borer, insecticide and pesticide are being applied on the crop as an usual practice.

2. Ratoon Management: To increase the yield of the Ratoon, farmers are being educated on a constant basis and village meetings are organised.

3. Multiplication of foundation cane seed by rearing of nurseries.

4. Ratoon Management by managing the ratoon crop of cane by urea spraying and gap filling of cane to increase yield.

5. Distribution of improved varieties of cane seed to farmers.

6. Educational tour of cane growers at research stations for improving knowledge in relation to latest cane development activities.

Due to above initiatives, higher yield of disease-free sugar cane is being made available resulting in higher return to cane growers and also better recovery to the factory. The Company has during the year under review spent an amount of Rs 39.25 lacs towards various R&D oriented initiatives.

Future plans on R&D front are:

(i) Continue to research on better yield and to have disease-free variety of cane by adopting measures stated above.

(ii) Installation of machineries with latest technology at different work stations in the factory, subject to availability of fund.

(iii) To have Portable soil testing electronic laboratory.

(iv) To render advices to the cane growers by research scholars from Sugar Cane Research Station by holding seminars.

(v) To have well equipped laboratory to analyse various factors related to process control to reduce losses and improvement in the quality of sugar.

(vi) To increase the area of early maturing high sugar content varieties of sugarcane to get better recovery in early months of cane crushing.

III. The Company has not imported any technology.

Foreign Exchange Earnings and Outgo:

a) Activities relating to exports, initiatives taken to increase exports
   The Company does not directly export any of its products. The Sugar is generally exported through Indian Sugar EXIM Corporation Limited. The Government has allowed export through merchant exporters also.

b) Development of new export markets for products and services and export plan

c) Earnings in Foreign Exchange
   Rs. NIL

d) Expenditure in Foreign Currency
   Rs. NIL
Annexure - C

Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company’s interest in subsidiary companies during the year ended 31st March, 2014

1. Name of the subsidiary company: New Eros Tradecom Limited
2. The financial year of the subsidiary company ends on: 31st March, 2014
3. Date from which they became subsidiary company: 23rd November, 2009
4. Holding company’s interest: Holders of 2500006 Equity Shares of Rs. 10 each fully paid up (balance shares held by Zuari Investments Limited - 2049994 of Rs 10/- each)
5. Extent of holding: 54.95%
6. The net aggregate amount of the subsidiary company profit / (loss) so far as it concerns the members of the holding company:
   a) Not dealt with the holding company’s accounts:
      i) For the financial year ended 31st March, 2014: Rs. 7.61 lacs
      ii) For the previous financial years of the subsidiary company since they became the holding company’s subsidiary: Rs. 64.51 lacs
   b) Dealt with in the holding company’s accounts:
      i) For the financial year ended 31st March, 2014: NIL
      ii) For the previous financial years of the subsidiary company since they became the holding company’s subsidiary: NIL

Financial information of Subsidiary Company

<table>
<thead>
<tr>
<th>Name of the Subsidiary Company</th>
<th>Reporting Currency</th>
<th>Capital (NR Lacs)</th>
<th>Reserves (NR Lacs)</th>
<th>Total Liabilities</th>
<th>Total Assets (NR Lacs)</th>
<th>Total Investment (NR Lacs)</th>
<th>Turnover/Total Income (NR Lacs)</th>
<th>Profit/(Loss) before Taxation (NR Lacs)</th>
<th>Provision for Taxation (NR Lacs)</th>
<th>Profit/(Loss) after Taxation (NR Lacs)</th>
<th>Proposed Dividend</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Eros Tradecom Limited</td>
<td>INR (Lacs)</td>
<td>455.00</td>
<td>1539.70</td>
<td>0.40</td>
<td>1995.10</td>
<td>1787.43</td>
<td>14.13</td>
<td>13.83</td>
<td>Nil</td>
<td>13.83</td>
<td>Nil</td>
<td>India</td>
</tr>
</tbody>
</table>

Secretary Managing Director Chairman
GOBIND SUGAR MILLS LIMITED

REPORT ON CORPORATE GOVERNANCE

Gobind Sugar Mills Limited (GSML), a part of the Adventz Group, firmly believes that Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objective of the organization most effectively. Corporate Governance in fact denotes acceptance by the management of the inalienable rights of the shareholders as true owners of the organization and of their own role as trustees on behalf of the shareholders.

By harnessing ethical values with business acumen the executive functions of GSML is structured to institutionalize policies and practices that enhance the efficacy of the Board and the Senior Management of the Company and inculcate a culture of accountability, transparency and integrity across the Company as a whole. GSML has a strong legacy of fair, transparent and ethical Governance practices and procedures and through these pages renews its commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers, cane growers and other stakeholders of the Company. The other enablers for the Company are ‘team work’ and ‘adherence’ to professionalism.

GSML has also in place a duly codified Code of Conduct and Code of Internal Procedures and Conduct as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 1992 for its employees and Directors. This Code is available on Company’s website www.gobindsugar.com.

GSML is in compliance with the requirements of the guidelines on corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.

2. Board of Directors

i) As at the end of financial year, the Company has in all 5 Directors with considerable professional experience in divergent areas connected with corporate functioning, which includes the Managing Director and four Non-Executive Directors, the position of Chairman is vacant at the end of financial year and may be filled up at ensuing Board meeting of the Company.

The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Calcutta Stock Exchange ("CSE"). Mr H S Bawa, Chairman resigned from the Directorship of the Company w.e.f. 1st March, 2014. Mr R.S. Raghavan acts as the Managing Director of the Company and is entrusted with the substantial powers of management of the Company subject to superintendence, control and directions of the Board.

ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is/was a Director.

iii) With a view to institutionalize all corporate affairs and set up values, systems, standards and procedures for advance planning for matters requiring discussions at decisions by the Board, the Company has codified the rules and procedures for the meetings of the Board of Directors and Committees thereof. These rules and procedures seek to systematize the decision making process at the meetings of the Board/ Committees in an informed and most effective and efficient manner.

iv) The Company holds minimum of four Board Meetings in each year. The meetings are generally held at the Company’s Corporate Office at "Adventz", 5th Floor, Tower A, Global Business Park, Sector 26, MG Road, Gurgaon - 122002.

v) All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/ decisions in the Board/Committee Meetings. All such matters are communicated to the Company Secretary well in advance so that the same could be included in the Agenda of the Board Meetings.

vi) The Chairman, Managing Director and the Company Secretary in consultation with other concerned persons in the senior management, finalise the agenda papers for the Board Meetings.

vii) Agenda papers are circulated to the Directors sufficiently in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.
viii) In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.

ix) The independent directors have confirmed that they satisfy the ‘criteria of independence’ as stipulated in Clause 49 of the Listing Agreement.

x) Mr H S Bawa resigned from the directorship of the Company w.e.f. 1st March, 2014. Other than this, there has been no Change in Directorships of the Company during the year.

At the forthcoming Annual General Meeting Mr N. Suresh Krishnan shall retire from the Board by rotation and is eligible for re appointment.

Further, in view of Section 149 (10) read with Section 152 of the Companies Act, 2013, which provides that, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the company and shall hold office for no more than two consecutive terms. He shall be eligible for being appointed (after two consecutive terms of five years) in the same company after expiry of three years from cessation from Directorship. Provided that independent director shall not, during the said period of three years, be appointed or be associated with the company in any capacity, directly or indirectly. It is proposed to recommend to the shareholders for appointment of existing Independent Directors at the ensuing AGM, so that the term of such directors can be extended to period of 5 years.

During the six months period under review two Board Meetings were held on 14th November, 2013 and 07th February, 2014. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of directorships in other bodies corporate by all the directors are mentioned below. The number of directorships held by the Directors do not include Private Limited Companies, Foreign Companies and Companies incorporated under section 25 of the Companies Act, 1956:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Category of Director</th>
<th>No. of Board Meeting Attended</th>
<th>Attendance at last AGM</th>
<th>No. of Directorships in other Companies</th>
<th>No. of Chairmanship/Membership of Board Committee</th>
<th>No. of Equity Shares Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr H S Bawa $</td>
<td>NEC</td>
<td>2</td>
<td>No</td>
<td>11</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Mr R S Raghavan</td>
<td>MD</td>
<td>2</td>
<td>No</td>
<td>10</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Mr N. Suresh Krishnan</td>
<td>NED</td>
<td>2</td>
<td>No</td>
<td>13</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Mr Anil C Gupta</td>
<td>I/NED</td>
<td>2</td>
<td>No</td>
<td>3</td>
<td>--</td>
<td>1</td>
</tr>
<tr>
<td>Mr Marco Wadia</td>
<td>I/NED</td>
<td>2</td>
<td>No</td>
<td>11</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Mr. R.N. Ratnam</td>
<td>I/NED</td>
<td>1</td>
<td>Yes</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Excludes memberships of Committees other than Audit Committee and, Shareholders / Investor’s Grievance Committee (Stakeholders relationship committee).

The number of directorships excludes Companies other than Public Limited Companies.

$ Resigned w.e.f. 1st March, 2014

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, membership/chairmanship of only the Audit Committee and Shareholders’/ Investors’ Grievance Committee of all public limited companies has been considered in the aforesaid tabulation.

3. Audit Committee

Overall purpose/objective

The Audit Committee of the Company has been constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956. The purpose of the Audit Committee is to assist the Board of Directors (“the Board”) in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and
reviewing the performance of independent accountants/internal auditors & overseeing the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements.

a) Terms of Reference

The terms of reference of the Audit Committee are broadly as under:

Overview of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

Discussion with statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.

Holding periodic discussions and reviewing with the management, the Statutory Auditors and internal Auditors, the annual and quarterly financial reports and statements before submission to the Board, focusing primarily on:

i. any changes in accounting policies and practices;
ii. major accounting entries based on exercise of judgment by management;
iii. qualifications and observations in draft audit report;
iv. significant adjustments arising out of audit;
v. the going concern assumption;
vi. compliance with accounting standards;
vii. compliance with stock exchange and legal requirements concerning financial statements;
viii. any related party transactions as per Accounting Standard 18
ix. Significant findings of the statutory and internal auditors and follow up thereon.

Reviewing the Company’s financial and risk management policies.

Reviewing with the management, statutory and internal auditors, the adequacy of and compliances with internal control systems.

Reviewing the adequacy of internal audit function with a view to prevention of fraud, including structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

Reviewing the functioning of the Whistle Blower mechanism.

Reviewing the appointment of Cost Auditors.

Approval of appointment of Chief Financial Officer after assessing the qualification, experience and background of the candidate.

b) Composition and Meetings

The Audit Committee comprises of four Directors out of which three are independent non-executive Directors viz. Mr R.N. Ratnam (Chairman), Mr Anil C Gupta and Mr Marco Wadia and Mr R S Raghavan, Managing Director of the Company. Mr Ankush Wadhawan, Company Secretary of the Company, is the Secretary of the Committee as well.

During the six months period under review, the Committee met two times during on 14th November, 2013, 07th February, 2014 and attendance of the members at the meetings was as follows:

<table>
<thead>
<tr>
<th>Name of the Member</th>
<th>Status</th>
<th>No. of meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. R.N. Ratnam</td>
<td>Chairman</td>
<td>1</td>
</tr>
<tr>
<td>Mr Anil C Gupta</td>
<td>Member</td>
<td>2</td>
</tr>
<tr>
<td>Mr Marco Wadia</td>
<td>Member</td>
<td>2</td>
</tr>
<tr>
<td>Mr R S Raghavan</td>
<td>Member</td>
<td>2</td>
</tr>
</tbody>
</table>
The Company Secretary of the Audit Committee attended all the above meetings. At the invitation of the Committee, the Internal Auditors and Statutory Auditors also attended the Audit Committee Meetings to answer and clarify the queries raised at the Meetings.

The Chairman of the Audit Committee Mr R.N. Ratnam attended the last Annual General Meeting held on 30th December, 2013.

4. Remuneration Committee

Objectives:

i) Though the constitution of the Remuneration Committee is not mandatory, the Company has constituted the Remuneration Committee to review and determine the Company's policy on managerial remuneration and recommends to the Board on the specific remuneration of Executive Directors, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with the industry practice and standards.

The Committee has all the powers and authority as may be necessary for implementation, administration and superintendence of various fringe benefits for managerial remuneration.

ii) Terms of Reference:

The broad terms of reference of the Remuneration Committee are as under:

a. To recommend to the Board salary, perquisites and incentive payable to the Company’s executive Directors and increments in their salaries.

b. To recommend to the Board any new appointments including re-appointments and tenure of office of Directors, whether executive or non-executive.

c. Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

iii) Composition and Meetings:

The Committee presently comprises of four non-executive Directors viz. Mr R.N. Ratnam, Mr N. Suresh Krishnan, Mr Marco Wadia, Mr Anil C. Gupta as members. Mr H.S. Bawa had resigned from the Membership of the Committee with effect 1st March, 2014 respectively. The Company Secretary of the Company is acting as the Secretary of the Remuneration Committee as well.

The Committee one time earlier on 28th August, 2012 for approval and recommendation of appointment of Mr R.S. Raghavan as Managing Director of the Company.

<table>
<thead>
<tr>
<th>Name of the Member</th>
<th>Status</th>
<th>No. of meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr H S Bawa $</td>
<td>Member</td>
<td>1</td>
</tr>
<tr>
<td>Mr R.N. Ratnam ^</td>
<td>Chairman</td>
<td>-</td>
</tr>
<tr>
<td>Mr Marco Wadia</td>
<td>Member</td>
<td>-</td>
</tr>
<tr>
<td>Mr Suresh Krishnan</td>
<td>Member</td>
<td>1</td>
</tr>
<tr>
<td>Mr Anil C Gupta</td>
<td>Member</td>
<td>1</td>
</tr>
</tbody>
</table>

$ Resigned w.e.f. 1st March, 2014
^ Appointed as member of committee w.e.f. 07th November, 2012

iv) Remuneration Policy

The Company, while deciding the remuneration package of the senior management, takes into consideration the following items:

a. Job profile and special skill requirements.

b. Prevailing compensation structure in companies of similar size and in the industry.
c. Remuneration package of comparable managerial talent in other industries.

The Non-Executive Directors are paid only sitting fees as approved by the Board.

v) Remuneration of Directors

Details of remuneration paid to the Directors for the year 2013-14:

i) Executive Director

<table>
<thead>
<tr>
<th>Managing Director</th>
<th>Salary Rs.</th>
<th>Perquisites Rs.</th>
<th>Retirement Benefits Rs.</th>
<th>Total Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. R.S. Raghavan</td>
<td>14/-</td>
<td>NIL</td>
<td>NIL</td>
<td>14/-</td>
</tr>
</tbody>
</table>

Mr. R.S. Raghavan was appointed as Managing Director of the Company w.e.f. 28th August, 2012 by the Board of Directors.

ii) Non-Executive Directors

The Company pays a fee of Rs. 15000/- and Rs. 5000/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively. The details of sitting fee paid during the year 2013-2014 are as follows:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Director</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mr H S Bawa</td>
<td>NIL</td>
</tr>
<tr>
<td>2.</td>
<td>Mr R S Raghavan</td>
<td>NIL</td>
</tr>
<tr>
<td>3.</td>
<td>Mr N. Suresh Krishnan</td>
<td>NIL</td>
</tr>
<tr>
<td>4.</td>
<td>Mr Anil C Gupta</td>
<td>40,000</td>
</tr>
<tr>
<td>5.</td>
<td>Mr Marco Wadia</td>
<td>40,000</td>
</tr>
<tr>
<td>6.</td>
<td>Mr. R.N. Ratnam</td>
<td>20,000</td>
</tr>
</tbody>
</table>

(Excluding out of pocket expenses incurred by the Directors)
$ Resigned prior to 1st March, 2014

The Investors' Grievance Committee oversees the redressal of complaints of investors such as transfer, credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical equity shares above 1000 shares, etc. It also approves allotment of equity shares and matters incidental thereto including listing thereof. By a resolution of the Board of Directors of the Company dated 6th May, 2011 the terms of reference of the Investors' Grievance Committee has further been enlarged to include taking note of: shares transferred in course of a quarter, status of dematerialized shares as on the end of each quarter, stock of blank stationery of share certificates as on the end of each quarter, shareholding pattern of the Company as on the end of each quarter and detail of investors' grievances pending as on the end of each quarter.

ii) Composition & Meetings:

The Committee comprises of four Directors out of which three are non-executive Directors viz. Mr N. Suresh Krishnan (Chairman), Mr Marco Wadia, Mr. R.N. Ratnam and Mr R S Raghavan, Managing Director. Mr Ankush Wadhawan, Company Secretary of the Company, is the Compliance Officer of the Company for complying with the requirements of the Listing Agreement with the stock exchange. The Committee met two times during the year on 11th November, 2013 and 30th January, 2014 and attendance of the members at the meetings was as follows:

<table>
<thead>
<tr>
<th>Name of the Member</th>
<th>Status</th>
<th>No. of meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr N. Suresh Krishnan</td>
<td>Chairman</td>
<td>4</td>
</tr>
<tr>
<td>Mr Marco Wadia</td>
<td>Member</td>
<td>3</td>
</tr>
<tr>
<td>Mr R S Raghavan</td>
<td>Member</td>
<td>4</td>
</tr>
<tr>
<td>Mr. R.N. Ratnam</td>
<td>Member</td>
<td>1</td>
</tr>
</tbody>
</table>

The Company Secretary of the Investors' Grievance Committee attended all the above meetings. The Company Secretary acts as Secretary to the Committee Meetings.
The Board of Directors have authorised the Company Secretary to approve transfers/transmissions of up to 1000 shares. The transfers/transmissions approved by the Company Secretary are periodically placed before the Committee. The Committee deals with the applications for transfer/transmission of shares, subdivision and consolidation of share certificates and issue of duplicate share certificates, etc. The Committee also keeps a close watch on all complaints/grievances of shareholders. During the year under review the Company received no complaint/grievance from the shareholders. The average period in which grievances are re-addressed is 7 days from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2014. There were no share transfer applications pending for registration on 31st March, 2014.

6. General Body Meetings

The last three Annual General Meetings of the Company were held as under:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>30.12.2013</td>
<td>3 p.m.</td>
<td>Registered Office : 9/1, R.N. Mukherjee Road Kolkata - 700 001</td>
</tr>
<tr>
<td>2011-12</td>
<td>28.12.2012</td>
<td>3 p.m.</td>
<td>Registered Office : 9/1, R.N. Mukherjee Road Kolkata - 700 001</td>
</tr>
<tr>
<td>2010-11</td>
<td>21.12.2011</td>
<td>3 p.m.</td>
<td>Registered Office : 9/1, R.N. Mukherjee Road Kolkata - 700 001</td>
</tr>
</tbody>
</table>

The last Annual General Meeting was held on 30th December, 2013 which was attended by Mr R.N. Ratnam, Chairman of the Audit Committee.

The Company has held one extraordinary general meeting since the last Annual General meeting on 28th March, 2014 respectively wherein below mentioned resolutions have been passed by the members of the Company:

Resolutions passed by the members at the Extraordinary General Meeting held on 28th March, 2014

i) the Authorised Share Capital of the Company of Rs. 145,00,00,000 (Rupees One Hundred Forty Five Crores) divided into 6,50,00,000 (Six Crores Fifty Lacs) Equity Shares of Rs. 10/- each and 8,00,00,000 (Eight Crores) Preference Shares of Rs. 10/- each be and is hereby increased by creation of additional 5,50,00,000 preference shares of Rs. 10/- each thus increasing the Authorised Share Capital to Rs. 200,00,00,000 (Rupees Two Hundred Crores) divided into 6,50,00,000 (Six Crores Fifty Lacs) Equity Shares of Rs. 10/- each and 13,50,00,000 (Thirteen Crores Fifty Lacs) Preference Shares of Rs. 10/- each

ii) To authorize the Board of Directors to issue and allot up to 5,50,00,000 (Five Crores Fifty Lacs) Preference Shares of Rs. 10/- each for an aggregate face value of a sum of Rs. 55,00,00,000 (Rupees Fifty Five Crores) only, in one or more tranches as the Board or committee thereof may deem fit, and on such terms of issue including but not restricted to the issue price, rate of dividend to be paid thereon and the time of redemption/conversion of such Preference Shares and to such persons (including to those persons who on the date of issuance of Preference Shares may or may not be the holders of the equity shares of the Company) as the Board may decide

7. Disclosures

i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties are disclosed in Note No. 30 of the Accounts in the Annual Report.

ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance by the Company during the last three years.

iii) The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non mandatory
requirements of the Listing Agreement except relating to the Remuneration Committee.

iv) Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large were placed before the Board.

v) The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India in preparation of its financial statements.

vi) During the year under review, the Company has raised fund by way issue of Preference Shares on Preferential basis.

8. Means of Communication

i) Since the financial results in respect of each quarter and annual audited financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board/Committee and posted on the Company's website and also published in leading English dailies ‘The Financial Express’/ ‘The Business Standard’, in English and ‘Aajkaal’, in Bengali in Kolkata editions, the same were not separately sent to the shareholders.

ii) The financial results are simultaneously posted on the Company's website at gobindsugar.com. Distribution of Shareholdings is also displayed on the website.

iii) No presentation was made to any Institutional Investor or to any Analysts during the year.

iv) The Company has designated following e-mail ID exclusively for redressal of the investors’ grievances and the necessary disclosure to this effect has also been made in the Company’s website www.gobindsugar.com, e-mail ID ig.gsml@zuari.adventz.com.

v) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralized database of all complaints to SEBI, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

9. General Shareholders’ Information

i) 62nd Annual General Meeting
   Day : Wednesday
   Date : 17th September, 2014
   Time : 3.00 p.m.
   Venue : Registered Office - 9/1, R.N. Mukherjee Road
            Kolkata - 700 001

ii) Tentative Financial Calendar for the year 2014-15

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited Annual Results (2014-15)</td>
<td>On or before 15th May, 2015</td>
</tr>
<tr>
<td>Publication of Audited Results</td>
<td>On or before 17th May, 2015</td>
</tr>
<tr>
<td>First Quarter Results</td>
<td>On or before 15th Aug., 2014</td>
</tr>
<tr>
<td>Second Quarter Results</td>
<td>On or before 15th Nov., 2014</td>
</tr>
<tr>
<td>Third Quarter Results</td>
<td>On or before 15th Feb., 2015</td>
</tr>
<tr>
<td>Fourth Quarter Results</td>
<td>On or before 15th May, 2015</td>
</tr>
</tbody>
</table>

iii) Book Closure

   The Register of Members and Share Transfer Books of the Company shall remain closed from 1st July, 2014 to 15th July 2014 (both days inclusive).

iv) Dividend Payment Date

   The Board of Directors do not recommend any dividend for the year under review.

v) Listing on Stock Exchange and Stock Code

   The Equity Shares of the Company are listed on The Calcutta Stock Exchange Limited (CSE) and the Stock Code is 10017013. Under the depository system, International Securities Identification Number (ISIN) allotted
vi) Market Price Data

The Equity Shares of the Company were last traded on 15th February, 2010 at a price of Rs. 45.75 per share and since then there has been no trading of Equity Shares of the Company on the Stock Exchange. The shares of the Company are infrequently traded on the said Stock Exchange.

vii) Registrar & Share Transfer Agent

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly all correspondence, shares for transfer, demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the RTA directly at the following address:

Link Intime India Pvt. Ltd.
Unit : Gobind Sugar Mills Ltd.
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Tel : 91 033 2289 0540
Fax : 91 033 2289 0539
e-mail : kolkata@linkintime.co.in

viii) Share Transfer System

The Board of Directors have authorised the Secretary to approve transfer/transmission of upto 1,000 shares. After the requests for transfer/transmission of above 1000 shares in physical form are approved by the Investors' Grievance Committee the same are sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders Share transfer requests, if found valid and complete in all respects, are normally effected within a period of 15 days from the date of receipt. The dematerialized shares are directly transferred to the beneficiaries by the Depositories.

ix) Distribution of Shareholdings

a) The Distribution of Shareholdings as on 31st March, 2014 was as follows:

<table>
<thead>
<tr>
<th>No. of Equity Shares</th>
<th>No. of Shareholders</th>
<th>% of total shareholders</th>
<th>No. of shares held</th>
<th>% of total shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 100</td>
<td>2217</td>
<td>69.79</td>
<td>99223</td>
<td>3.10</td>
</tr>
<tr>
<td>101 - 500</td>
<td>760</td>
<td>23.92</td>
<td>160471</td>
<td>5.01</td>
</tr>
<tr>
<td>501 - 1000</td>
<td>110</td>
<td>3.46</td>
<td>76800</td>
<td>2.40</td>
</tr>
<tr>
<td>1001 - 2000</td>
<td>38</td>
<td>1.20</td>
<td>55224</td>
<td>1.73</td>
</tr>
<tr>
<td>2001 - 3000</td>
<td>9</td>
<td>0.28</td>
<td>20314</td>
<td>0.63</td>
</tr>
<tr>
<td>3001 - 4000</td>
<td>13</td>
<td>0.41</td>
<td>43792</td>
<td>1.37</td>
</tr>
<tr>
<td>4001 - 5000</td>
<td>2</td>
<td>0.06</td>
<td>8542</td>
<td>0.27</td>
</tr>
<tr>
<td>5001 - 10000</td>
<td>8</td>
<td>0.25</td>
<td>55778</td>
<td>1.74</td>
</tr>
<tr>
<td>10001 &amp; above</td>
<td>20</td>
<td>0.63</td>
<td>2679856</td>
<td>83.73</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3177</strong></td>
<td><strong>100.00</strong></td>
<td><strong>3200000</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

b) Details of Shareholdings as on 30th September, 2014 was as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>No. of shares</th>
<th>%age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Promoters</td>
<td>2075632</td>
<td>64.86</td>
</tr>
<tr>
<td>2</td>
<td>Bodies Corporate</td>
<td>607563</td>
<td>18.99</td>
</tr>
<tr>
<td>3</td>
<td>Individuals</td>
<td>516805</td>
<td>16.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>3200000</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

x) Dematerialization of Shares and Liquidity

The Equity Shares of the Company are compulsorily traded in dematerialised form at The Calcutta Stock Exchange Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 28,19,293 Equity Shares (88.10%) of the Company have already been dematerialised.

xi) Outstanding GDRs/ADRs/Warrants or Convertible Instrument

The Company has not issued GDRs/ ADRs/ Warrants or Convertible Instrument.

xii) Location of Plant

Sugar Mill
P.O. Aira Estate, District. Lakhimpur Kheri
Uttar Pradesh, Pin - 262 722
GOBIND SUGAR MILLS LIMITED

xiii) Address for Correspondence

The Company Secretary
Gobind Sugar Mills Ltd.
5th Floor, Tower A,
Global Business Park
Sector - 26, MG Road
Gurgaon, Haryana
Tel : 91 - 124 - 482 7841/7800
Fax : 91 - 124 - 421 2046
e-mail: ig.gsml@zuari.adventz.com

Link Intime India Pvt. Ltd.
Unit : Gobind Sugar Mills Ltd.
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Tel : 91 033 2289 0540
Fax : 91 033 2289 0539
e-mail: kolkata@linkintime.co.in

10. CEO and CFO Certification

The Managing Director and AVP - Finance have given the annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

11. Re-appointment of Directors

All the present directors were appointed and confirmed at previous Annual General Meeting held on 28th December, 2012. Mr. N. Suresh Krishnan are eligible for re-appointment in the ensuing Annual General Meeting.

Brief particulars of the retiring Director are given below:

i) Mr. N. Suresh Krishnan, has 25 years of corporate experience in fertilisers, energy and cement sectors;

Mr. N. Suresh Krishnan is Managing Director of Zuari Agro Chemicals Limited and has been associated with various group entities of Zuari and related companies over nearly two decades.

Names of Indian public limited companies in which Mr N. Suresh Krishnan is a Director are as follows:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the Company</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zuari Maroc Phosphates Ltd.</td>
<td>Managing Director</td>
</tr>
<tr>
<td>2</td>
<td>Zuari Management Services Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>3</td>
<td>Zuari Indian Oiltanking Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>4</td>
<td>Zuari Seeds Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>5</td>
<td>Indian Furniture Products Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>6</td>
<td>Zuari Investments Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>7</td>
<td>Gulbarga Cement Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>8</td>
<td>Zuari Rotem Speciality Fertilizers Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>9</td>
<td>Zuari Infraworld India Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>10</td>
<td>Zuari Fertilisers &amp; Chemicals Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>11</td>
<td>Zuari Agro Chemicals Ltd.</td>
<td>Managing Director</td>
</tr>
<tr>
<td>12</td>
<td>Adventz Industries India Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>13</td>
<td>Zuari Global Ltd.</td>
<td>Director</td>
</tr>
<tr>
<td>14</td>
<td>The Fertiliser Association of India</td>
<td>Director</td>
</tr>
</tbody>
</table>

12. Prevention of Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended to, inter alia, prevent insider trading in the shares of the Company. This code is applicable to all Directors/officers (including statutory auditors)/designated employees. The Code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information. The Code is posted on the website of the Company at www.gobindsugar.com.

13. Code of Conduct & Ethics

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at www.gobindsugar.com. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Managing Director, is attached to this report.
14. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company Secretary which is duly supported by the legal compliance report of the internal auditors and heads of different units. The Board also reviews periodically the steps taken by the Company to rectify instances of non compliances, if there be any.

15. Compliances with Corporate Governance Norms

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. The Company has submitted the compliance report in the prescribed format to the stock exchange for the quarters ended 31st December, 2013 and 31st March, 2014. The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the stock exchange. The said certificate is annexed to this Report and will be forwarded to the Stock Exchange and the Registrar of Companies, West Bengal along with the Annual Report.

As regards compliance with the non-mandatory requirements, the following have been adopted:

a. Remuneration Committee:

As detailed in the earlier paragraphs, the Company has constituted a Remuneration Committee. The Chairman of the Remuneration Committee is Mr R.N. Ratnam.

b. Whistle Blower Mechanism

The Company vide its meeting held on 6th May, 2014 has adopted a codified Whistle Blower Policy and every employee of the Company is encouraged to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

c. Other non mandatory requirements have not been adopted by the Company.

16. Subsidiary Company:

The Company has an Indian Subsidiary viz., New Eros Tradecom Limited. The Audit Committee reviews the financial statements and in particular, the investments made by the only unlisted subsidiary company. The minutes of the Board meetings as well as statements of all significant transactions of its unlisted subsidiary company are placed before the Board of Directors of the Company for their review.

17. Shareholders’ Rights:

The quarterly financial results are published in leading financial newspapers, uploaded on the Company’s website and any major developments are covered in the intimation to stock exchange by the Company. The Company therefore has not been sending the half yearly financial results to the shareholders.

18. Corporate Governance Voluntary Guidelines 2009

The Ministry of Corporate Affairs had announced a set of voluntary guidelines on Corporate Governance. The Company in line with its stated policy of being committed to the principles and practices of good corporate governance, is in compliance with many of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the Company is in the process of evaluating the feasibility of implementing the same progressively.
Annexure - E

S.R. Batliboi & Co. LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector 42, Sector Road
Gurgaon - 122 002, Haryana, India
Tel: +91 124 464 4000
Fax: +91 124 464 4050

Auditors' Certificate

To

The Members of Gobind Sugar Mills Limited

We have examined the compliance of conditions of corporate governance by Gobind Sugar Mills Limited, for the six months period ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

Sd/-
per Anil Gupta
Partner
Membership No.: 87921
Place: Gurgaon
Date: 6th May 2014
DECLARATION ON CODE OF CONDUCT

To
The Members
Gobind Sugar Mills Ltd.
9/1, R.N. Mukherjee Road
Kolkata 700 001

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, I, R.S. Raghavan, Managing Director of Gobind Sugar Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2013-14.

For and on behalf of the Board

Sd/-
R.S. Raghavan
Managing Director

Date : 6th May 2014
INDEPENDENT AUDITOR’S REPORT

To
The Members of Gobind Sugar Mills Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gobind Sugar Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the 6 months period then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 04 April 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Basis for Qualified Opinion

Attention is invited to note 12 to the financial statements. The Company has recognized Deferred Tax Asset (net) Rs. 5,001.73 lacs (including Rs. 527.20 lacs during the period) in terms of Accounting Standard – 22, "Accounting for Taxes on Income", notified pursuant to the Companies (Accounting Standards) Rules, 2006, notified under Companies Act, 1956 read with General Circular 8/2014 dated 04 April 2014, issued by the Ministry of Corporate Affairs, 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. 6,170.41 lacs as against the reported loss of Rs. 1,168.68 lacs for the period.

In respect of above, our audit report for the previous period ended September 30, 2013 was similarly modified.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
(b) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
(c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 27 in the financial statements which indicates that the Company incurred a net loss of Rs. 1,168.68 lacs during the six months period ended March 31, 2014 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 27, indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
(a) Except for the matter referred to in basis for qualified opinion para, we have obtained all
the information and explanations which to the best of our knowledge and belief were
necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company
so far as appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt
with by this Report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow
Statement comply with the Accounting Standards notified under the Companies Act, 1956
read with General Circular 8/2014 dated 04 April, 2014, issued by the Ministry of
Corporate Affairs except for the matter described in the basis for qualified opinion
paragraph;

(e) On the basis of written representations received from the directors as on 31st March, 2014,
and taken on record by the Board of Directors, none of the directors is disqualified as on
31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section
(1) of Section 274 of the Companies Act, 1956.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm’s Registration Number: 301003E

Sd/-
per Anil Gupta
Partner
Membership Number: 87921
Place of Signature: Gurgaon
Date: 6th May 2014
Annexure referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date
Re: Gobind Sugar Mills Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the period.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(e) The Company had taken loan from one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 1,130.95 lacs and the year-end balance of loans taken from such party was Rs. 67.11 lacs.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or
continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows.
<table>
<thead>
<tr>
<th>Name of the statute</th>
<th>Nature of dues</th>
<th>Amount (Rs. in lacs)</th>
<th>Period to which amount relates</th>
<th>Forum where dispute is pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Excise Act, 1944</td>
<td>Disallowance of CENVAT Credit on input goods and services and Duty Demand on sale of scrap and storage loss of molasses</td>
<td>15.80</td>
<td>2007-08 to 2012-13</td>
<td>Commissioner Appeal, Lucknow</td>
</tr>
<tr>
<td>Central Excise Act, 1944</td>
<td>Disallowance of CENVAT Credit on input goods</td>
<td>2.69</td>
<td>2003-04, 2005-06 and 2000-01</td>
<td>High Court Bench, Lucknow</td>
</tr>
<tr>
<td>Central Excise Act, 1944</td>
<td>Disallowance of CENVAT Credit on input goods and services and Duty Demand on sale of Bagasse and scrap</td>
<td>1.35</td>
<td>1983-84</td>
<td>High Court, Kolkata</td>
</tr>
<tr>
<td>Central Excise Act, 1944</td>
<td>Disallowance of CENVAT Credit on input goods and services and Duty Demand on sale of Bagasse and scrap</td>
<td>68.99</td>
<td>2004-05, 2006-07 to 2011-12</td>
<td>CESTAT, New Delhi</td>
</tr>
<tr>
<td>Central Sales Tax Act, 1956</td>
<td>Interest Demand on CST on Ex-UP sale</td>
<td>2.52</td>
<td>2003-04</td>
<td>Additional Commissioner, Sitapur</td>
</tr>
<tr>
<td>Central Sales Tax Act, 1956</td>
<td>Interest – aid penalty on CST of Bagasse sale</td>
<td>0.62</td>
<td>2007-08</td>
<td>Tribunal Court, Lucknow</td>
</tr>
<tr>
<td>Tax on Entry of Goods Act, 2000</td>
<td>Entry tax on free sugar sale</td>
<td>1.19</td>
<td>2001-02</td>
<td>Tribunal Court, Lucknow</td>
</tr>
<tr>
<td>UP Trade Tax Act, 1948</td>
<td>Trade tax</td>
<td>2.32</td>
<td>2006-07 and 2007-08</td>
<td>Tribunal, Lucknow</td>
</tr>
</tbody>
</table>

(x) The Company's accumulated losses at the end of the financial period are more than fifty percent of its net worth. It has incurred cash losses in the current and immediately preceding financial period.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. However, in respect of a loan from Ratnakar Bank Limited of Rs. 1,850 lacs (outstanding balance as at year end is Rs. 1,845.78 lacs) was due on 25th March, 2014, the Company had requested the bank prior to the due date for renewal of loan and the bank is in the process of renewing the loan. The Company did not have any outstanding debentures and loan from financial institution during the period.
(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor’s Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor’s Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to Rs. 11,378.29 lacs raised on short-term basis have been used for long-term investment representing acquisition of fixed assets and funding of losses.

(xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

(xix) The Company did not have any outstanding debentures during the period.

(xx) The Company has not raised any money through a public issue during the period.

(xxii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No.: 324987E

Sd/-
per Anil Gupta
Partner
Membership No.: 87921

Place: Gurgaon
Date: 6 May 2014
GOBIND SUGAR MILLS LIMITED

BALANCE SHEET as at 31st March 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
</tbody>
</table>

**Equity and Liabilities**

**Shareholders’ Funds**
- Share capital: 3,8495.00
- Reserves and surplus: (7,357.57)

Total Shareholders’ Funds: 1,137.43

**Non-current Liabilities**
- Long-term borrowings: 2,143.33

Total Non-current Liabilities: 2,143.33

**Current Liabilities**
- Short-term borrowings: 15,876.43
- Trade payables: 13,037.90
- Other current liabilities: 1,724.97
- Short-term provisions: 34.19

Total Current Liabilities: 30,673.49

**Total**
Total Liabilities: 33,954.25

**Assets**

**Non-Current Assets**
- Fixed assets
  - Tangible assets: 3,883.41
  - Capital work-in-progress: 2,430.54
  - Non-current Investments: 993.08
  - Deferred tax assets (net): 5,001.73

Total Non-current Assets: 15,042.38

**Current Assets**
- Inventories: 17,461.34
- Trade receivables: 12.80
- Cash and bank balances: 626.35
- Loans and advances: 765.89

Total Current Assets: 18,911.87

**Total**
Total Assets: 33,954.25

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm’s registration number : 301003E

Sd/- per Anil Gupta (Director)
Sd/- R.N. Ratnam (Managing Director)
Sd/- R. S. Raghavan (A.V.P.-Finance)
Sd/- Dharmendra Roy (Company Secretary)

Membership no.: 87921
Place : Gurgaon
Date : 6th May, 2014
GOBIND SUGAR MILLS LIMITED

STATEMENT OF PROFIT AND LOSS for the period from 1 October 2013 to 31 March 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>6 Months period ended 31 March 2014 in lacs</th>
<th>15 Months period ended 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operations (gross) 17</td>
<td>17,111.51</td>
<td>27,578.80</td>
</tr>
<tr>
<td>Less : Excise duty 17</td>
<td>512.75</td>
<td>1,001.91</td>
</tr>
<tr>
<td>Cess 17</td>
<td>124.71</td>
<td>186.39</td>
</tr>
<tr>
<td>Revenue from Operations (net) 16</td>
<td>16,474.05</td>
<td>26,390.50</td>
</tr>
<tr>
<td>Other income 18</td>
<td>121.44</td>
<td>796.32</td>
</tr>
<tr>
<td>Total Revenue (I) 18</td>
<td>16,595.49</td>
<td>27,186.82</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of raw material consumed 19</td>
<td>19,233.40</td>
<td>26,154.17</td>
</tr>
<tr>
<td>Purchase of traded goods 20</td>
<td>874.15</td>
<td>116.81</td>
</tr>
<tr>
<td>(Increase) in inventories of finished goods, traded goods and goods under process 20</td>
<td>(4,889.77)</td>
<td>(2,254.23)</td>
</tr>
<tr>
<td>Employee benefits expenses 21</td>
<td>598.19</td>
<td>1,101.76</td>
</tr>
<tr>
<td>Other expenses 22</td>
<td>1,368.31</td>
<td>2,272.66</td>
</tr>
<tr>
<td>Depreciation 9</td>
<td>218.53</td>
<td>530.66</td>
</tr>
<tr>
<td>Finance costs 23</td>
<td>888.56</td>
<td>2,685.50</td>
</tr>
<tr>
<td>Total (II) 24</td>
<td>18,291.37</td>
<td>30,607.33</td>
</tr>
<tr>
<td>(Loss) before tax 25</td>
<td>(1,695.88)</td>
<td>(3,420.51)</td>
</tr>
<tr>
<td>Tax expenses / (credit) 27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAT credit entitlement reversed 37</td>
<td>-</td>
<td>295.31</td>
</tr>
<tr>
<td>Deferred tax (credit) 37</td>
<td>(527.20)</td>
<td>(1,205.98)</td>
</tr>
<tr>
<td>Total tax (credit) 37</td>
<td>(527.20)</td>
<td>(910.67)</td>
</tr>
<tr>
<td>(Loss) for the period 38</td>
<td>(1,168.68)</td>
<td>(2,509.84)</td>
</tr>
</tbody>
</table>

Earnings per equity share 24
[nominal value of share ` 10 (30 September 2013 : ` 10]

Basic & Diluted EPS (in `) 25
(36.52) (78.43)

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm’s registration number : 301003E

Sd/- per Anil Gupta
Partner
Membership no.: 87921
Place : Gurgaon
Date : 6th May, 2014

Sd/- R.N. Ratnam
(Director)

Sd/- R. S. Raghavan
(Managing Director)

Sd/- Dharmendra Roy
(A.V.P.-Finance)

Sd/- A. Wadhawan
(Company Secretary)
CASH FLOW STATEMENT for the period from 1 October 2013 to 31 March, 2014

(A) CASH FLOW FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>6 months period ended 31 March 2014 (in lacs)</th>
<th>15 months period ended 30 September 2013 (in lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (Loss) before Tax</td>
<td>(1,695.88)</td>
<td>(3,420.51)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>218.53</td>
<td>530.66</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>834.97</td>
<td>2,581.56</td>
</tr>
<tr>
<td>Loss on tangible assets sold/discarded (net)</td>
<td>39.83</td>
<td>0.73</td>
</tr>
<tr>
<td>Bad Debts, irrecoverable claims and advances written off</td>
<td>-</td>
<td>1.84</td>
</tr>
<tr>
<td>Molasses Storage &amp; Maintenance reserve</td>
<td>2.55</td>
<td>8.81</td>
</tr>
<tr>
<td>Net gain on sale of non-current investments (trade)</td>
<td>-</td>
<td>(736.76)</td>
</tr>
<tr>
<td>Unspent liabilities, provisions no longer required and unclaimed balances adjusted</td>
<td>(73.65)</td>
<td>(50.51)</td>
</tr>
<tr>
<td>Interest income</td>
<td>(1.45)</td>
<td>(3.82)</td>
</tr>
<tr>
<td>Operating (Loss) before Working Capital Changes:</td>
<td>(675.10)</td>
<td>(1,088.00)</td>
</tr>
<tr>
<td>(Decrease) / increase in trade payables, other liabilities</td>
<td>8,647.90</td>
<td>(1,747.03)</td>
</tr>
<tr>
<td>(Decrease) / increase in provision</td>
<td>2.56</td>
<td>(9.59)</td>
</tr>
<tr>
<td>Decrease / (Increase) in trade receivables</td>
<td>(7.32)</td>
<td>23.15</td>
</tr>
<tr>
<td>(Increase) / decrease in loans and advances and other assets</td>
<td>(474.01)</td>
<td>(78.56)</td>
</tr>
<tr>
<td>(Increase) in inventories</td>
<td>(5,156.05)</td>
<td>(2,264.67)</td>
</tr>
<tr>
<td>CASH GENERATED FROM/USED IN OPERATIONS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct taxes paid</td>
<td>2.48</td>
<td>0.22</td>
</tr>
<tr>
<td>NET CASH FROM/USED IN OPERATING ACTIVITIES</td>
<td>2,335.50</td>
<td>(5,164.92)</td>
</tr>
</tbody>
</table>

(B) CASH FLOW FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>6 months period ended 31 March 2014 (in lacs)</th>
<th>15 months period ended 30 September 2013 (in lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of tangible assets</td>
<td>9.56</td>
<td>1.45</td>
</tr>
<tr>
<td>Purchase of fixed assets including capital advances</td>
<td>(4,607.04)</td>
<td>(1,448.82)</td>
</tr>
<tr>
<td>Proceeds from sale of non-current investments</td>
<td>-</td>
<td>1,550.00</td>
</tr>
<tr>
<td>Maturity in bank deposits during the period (having original maturity of more than three months)</td>
<td>-</td>
<td>5.64</td>
</tr>
<tr>
<td>Investment in bank deposits during the period (having original maturity of more than three months)</td>
<td>(10.00)</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of Government Securities</td>
<td>-</td>
<td>(0.50)</td>
</tr>
<tr>
<td>Interest received</td>
<td>1.17</td>
<td>4.08</td>
</tr>
<tr>
<td>NET CASH GENERATED FROM/USED IN INVESTING ACTIVITIES</td>
<td>(4,606.31)</td>
<td>111.85</td>
</tr>
</tbody>
</table>

(C) CASH FLOW FROM FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>6 months period ended 31 March 2014 (in lacs)</th>
<th>15 months period ended 30 September 2013 (in lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of preference share capital</td>
<td>2,175.00</td>
<td>4,000.00</td>
</tr>
<tr>
<td>Proceeds from long term loans</td>
<td>1,100.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Proceeds / (Repayment) of short term borrowings/cash credit (net)</td>
<td>1,703.61</td>
<td>4,036.97</td>
</tr>
<tr>
<td>Repayment of other short term borrowings</td>
<td>(1,068.12)</td>
<td>(5,300.75)</td>
</tr>
<tr>
<td>Proceeds from other short term borrowings</td>
<td>63.56</td>
<td>3,348.20</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,073.41)</td>
<td>(2,466.60)</td>
</tr>
<tr>
<td>NET CASH FROM FINANCING ACTIVITIES</td>
<td>2,827.30</td>
<td>5,060.75</td>
</tr>
<tr>
<td>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</td>
<td>556.49</td>
<td>7.68</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents at the beginning of the period</td>
<td>59.84</td>
<td>52.16</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents at the end of the period</td>
<td>616.33</td>
<td>59.84</td>
</tr>
</tbody>
</table>

Components of cash and cash equivalents (Refer note 16)

- Balances with banks on:
  - Current accounts: 611.94, Savings account: 0.03, Deposits with original maturity of less than 3 months: 0.00, Cash on hand: 4.36

NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C) 556.49, Cash & Cash Equivalents at the beginning of the period 59.84, Cash & Cash Equivalents at the end of the period 616.33

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm registration number: 301003E
Chartered Accountants

Sd/- per Anil Gupta  
Sd/- R.N. Ratnam (Managing Director)
Sd/- R. S. Raghavan (Managing Director)

Membership no.: 87921
Place: Gurgaon
Date: 6th May, 2014
Gobind Sugar Mills Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Calcutta Stock Exchange in India. The Company is primarily engaged in manufacture and sale of Sugar and its by-products (Molasses and Bagasse). The Company presently has manufacturing facilities at Aira Estate, District Lakhimpur Kheri in the State of Uttar Pradesh. The Company is expanding its capacity from 7,500 Ton Crushing per day (TCD) to 10,000 TCD and setting up Sugar Refinery having capacity of 5,000 TCD (out of the total capacity) and Co - generation plant.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies Act, 1956 (the 'Act') read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of The Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous period.

2.1 Summary of Significant Accounting Policies

a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

b) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties (net of CENVAT Credit), taxes, incidental expenses, erection/commissioning expenses and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

Machinery spares which can be used only in connection with an item of tangible fixed asset and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

c) Depreciation on Tangible Fixed Assets

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation is provided using the Straight Line Method as per the useful lives of the fixed assets as estimated by the management, which are equal to the rates prescribed under Schedule XIV of the Companies Act, 1956. For this purpose, a major portion of the plant has been considered as continuous process plant.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding
capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of the asset. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and changes in Accounting Policies.

g) Impairment of Tangible and Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters’ contribution are credited to capital reserve and treated as a part of shareholders’ funds.

i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value.
determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(i) Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Goods under process, finished goods and traded goods, are valued at lower of cost and net realizable value. Finished goods and Goods under process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is computed on a weighted average basis.

By products and Saleable scraps, whose cost is not identifiable, are valued at estimated net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty and Cess deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividend income is recognized when the shareholders’ right to receive the payment is established by the reporting date.

Insurance and other claims are accounted for on acceptance/actual receipt basis.

l) Foreign Currency Transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

m) Retirement and Other Employee Benefits

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service
received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan has been funded by policy taken from Life insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

(n) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the Company has carry forward unabsorbed depreciation and tax losses, all deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.
(o) Earnings Per Share

Basic Earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(p) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

(q) Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of stocks as on the reporting date.

(r) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

(s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(t) Segment Reporting

“Identification of segments”

“The Company’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.” “Allocation of common costs” “Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.” “Unallocated items” “Unallocated items include general corporate income and expense items which are not allocated to any business segment.” “Segment accounting policies” “The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.”
## 3. Share Capital

### Authorized shares:

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>65,000,000 (65,000,000) Equity Shares of ` 10/- each</td>
<td>6,500.00</td>
<td>6,500.00</td>
</tr>
<tr>
<td>135,000,000 (60,000,000) Preference Shares of ` 10/- each</td>
<td>13,500.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,000.00</strong></td>
<td><strong>12,500.00</strong></td>
</tr>
</tbody>
</table>

### Issued shares:

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,200,000 (3,200,000) Equity Shares of ` 10/- each</td>
<td>320.00</td>
<td>320.00</td>
</tr>
<tr>
<td>15,000,000 (15,000,000) 7% Non Convertible Redeemable Preference Shares 1st Series of ` 10/- each</td>
<td>1,500.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>5,000,000 (5,000,000) 7% Non Convertible Redeemable Preference Shares 2nd Series of ` 10/- each</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>33,000,000 (33,000,000) 7% Non Convertible Redeemable Preference Shares 3rd Series of ` 10/- each</td>
<td>3,300.00</td>
<td>3,300.00</td>
</tr>
<tr>
<td>3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 4th Series of ` 10/- each</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 5th Series of ` 10/- each</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>10,000,000 (Nil) 7% Non Convertible Redeemable Preference Shares 6th Series of ` 10/- each</td>
<td>1,000.00</td>
<td>-</td>
</tr>
<tr>
<td>11,750,000 (Nil) 7% Non Convertible Redeemable Preference Shares 7th Series of ` 10/- each</td>
<td>1,175.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,495.00</strong></td>
<td><strong>6,320.00</strong></td>
</tr>
</tbody>
</table>

### Subscribed and fully paid-up shares:

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,200,000 (3,200,000) Equity Shares of ` 10/- each</td>
<td>320.00</td>
<td>320.00</td>
</tr>
<tr>
<td>15,000,000 (15,000,000) 7% Non Convertible Redeemable Preference Shares 1st Series of ` 10/- each</td>
<td>1,500.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>5,000,000 (5,000,000) 7% Non Convertible Redeemable Preference Shares 2nd Series of ` 10/- each</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>33,000,000 (33,000,000) 7% Non Convertible Redeemable Preference Shares 3rd Series of ` 10/- each</td>
<td>3,300.00</td>
<td>3,300.00</td>
</tr>
<tr>
<td>3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 4th Series of ` 10/- each</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 5th Series of ` 10/- each</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>10,000,000 (Nil) 7% Non Convertible Redeemable Preference Shares 6th Series of ` 10/- each</td>
<td>1,000.00</td>
<td>-</td>
</tr>
<tr>
<td>11,750,000 (Nil) 7% Non Convertible Redeemable Preference Shares 7th Series of ` 10/- each</td>
<td>1,175.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,495.00</strong></td>
<td><strong>6,320.00</strong></td>
</tr>
</tbody>
</table>

### Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Shares</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding at the beginning and end of the period</td>
<td>3,200,000</td>
<td>320.00</td>
</tr>
<tr>
<td><strong>Preference Shares 1st Series</strong></td>
<td>15,000,000</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Outstanding at the beginning and end of the period</td>
<td>15,000,000</td>
<td>1,500.00</td>
</tr>
<tr>
<td><strong>Preference Shares 2nd Series</strong></td>
<td>5,000,000</td>
<td>500.00</td>
</tr>
<tr>
<td>Outstanding at the beginning and end of the period</td>
<td>5,000,000</td>
<td>500.00</td>
</tr>
<tr>
<td><strong>Preference Shares 3rd Series</strong></td>
<td>33,000,000</td>
<td>3,300.00</td>
</tr>
<tr>
<td>At the beginning of the period</td>
<td>33,000,000</td>
<td>3,300.00</td>
</tr>
<tr>
<td>Add : Issued during the period</td>
<td>-</td>
<td>33,000,000</td>
</tr>
<tr>
<td><strong>Outstanding at the end of the period</strong></td>
<td>33,000,000</td>
<td>3,300.00</td>
</tr>
<tr>
<td><strong>Preference Shares 4th Series</strong></td>
<td>3,500,000</td>
<td>350.00</td>
</tr>
<tr>
<td>At the beginning of the period</td>
<td>3,500,000</td>
<td>350.00</td>
</tr>
<tr>
<td>Add : Issued during the period</td>
<td>-</td>
<td>3,500,000</td>
</tr>
<tr>
<td><strong>Outstanding at the end of the period</strong></td>
<td>3,500,000</td>
<td>350.00</td>
</tr>
</tbody>
</table>
The Company has only one class of equity shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

The Non-Convertible Redeemable Preference Shares (NCRPS) carry dividend @ 7.00% per annum. These shares are redeemable at par in one single lot after the expiry of 12th year from the date of allotment of shares with a right vested in the board of directors to redeem earlier subject to the consent of subscribers. The terms of redemption of preference shares 1st to 5th series has been modified during the current period after getting no objection from the preference share holder.

The date of allotment, previous redemption date and current redemption date for the various series of preference shares are given below:

<table>
<thead>
<tr>
<th>Series</th>
<th>Date of allotment</th>
<th>Number of</th>
<th>Previous redemption period</th>
<th>Revised redemption period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Series</td>
<td>03rd January, 12</td>
<td>15,000,000</td>
<td>Redeemable in three equal instalments in the 9th, 10th and 11th year from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>2nd Series</td>
<td>18th June, 12</td>
<td>5,000,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>3rd Series</td>
<td>27th September, 12</td>
<td>33,000,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>4th Series</td>
<td>28th June, 13</td>
<td>3,500,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>5th Series</td>
<td>20th September, 13</td>
<td>3,500,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>6th Series</td>
<td>31st December, 13</td>
<td>10,000,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>7th Series</td>
<td>31st March, 14</td>
<td>11,750,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
</tbody>
</table>

Dividend shall accrue annually to the holders of the NCRPS and shall accordingly be paid on each anniversary of allotment of NCRPS or on premature redemption of NCRPS as aforesaid. However, the Board reserves the right to pay the dividend earlier with the consent of the subscribers but subject to the availability of profit. In case of loss or inadequacy of profit, the right of holders of NCRPS to receive the dividend shall expire.
### Details of shareholders holding more than 5% shares in the Company

<table>
<thead>
<tr>
<th>Name of the shareholder</th>
<th>As at March 2014</th>
<th></th>
<th>As at September 2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% holding in the class</td>
<td>No. of shares</td>
<td>% holding in the class</td>
</tr>
<tr>
<td><strong>Equity shares of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Ltd.</td>
<td>800,000</td>
<td>25.00%</td>
<td>800,000</td>
<td>25.00%</td>
</tr>
<tr>
<td>Adventz Investments and Holding Ltd.</td>
<td>410,952</td>
<td>12.84%</td>
<td>410,952</td>
<td>12.84%</td>
</tr>
<tr>
<td>Mr. Akshay Poddar</td>
<td>235,000</td>
<td>7.34%</td>
<td>235,000</td>
<td>7.34%</td>
</tr>
<tr>
<td><strong>NCRPS 1st Series of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>15,000,000</td>
<td>100.00%</td>
<td>15,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>NCRPS 2nd Series of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>5,000,000</td>
<td>100.00%</td>
<td>5,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>NCRPS 3rd Series of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>33,000,000</td>
<td>100.00%</td>
<td>33,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>NCRPS 4th Series of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>3,500,000</td>
<td>100.00%</td>
<td>3,500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>NCRPS 5th Series of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>3,500,000</td>
<td>100.00%</td>
<td>3,500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>NCRPS 6th Series of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>10,000,000</td>
<td>100.00%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NCRPS 7th Series of `10 each fully paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>11,750,000</td>
<td>100.00%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

As per the records of the Company including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

### Reserves and Surplus

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Redemption Reserve</strong></td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td><strong>Securities Premium Account</strong></td>
<td>200.00</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Molasses &amp; Alcohol Storage and Maintenance Reserve</strong></td>
<td>101.43</td>
<td>92.62</td>
</tr>
<tr>
<td>Balance as per the last financial statements</td>
<td>101.43</td>
<td>92.62</td>
</tr>
<tr>
<td>Add: Provided during the period</td>
<td>2.55</td>
<td>8.81</td>
</tr>
<tr>
<td>Closing balance</td>
<td>103.98</td>
<td>101.43</td>
</tr>
<tr>
<td><strong>(Deficit) in the Statement of Profit and Loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as per last financial statements</td>
<td>(6,502.87)</td>
<td>(3,993.03)</td>
</tr>
<tr>
<td>(Loss) for the period</td>
<td>(1,168.68)</td>
<td>(2,509.84)</td>
</tr>
<tr>
<td><strong>Net (Deficit) in the Statement of Profit and Loss</strong></td>
<td>(7,671.55)</td>
<td>(6,502.87)</td>
</tr>
<tr>
<td><strong>Total Reserves and Surplus</strong></td>
<td>(7,357.57)</td>
<td>(6,191.44)</td>
</tr>
</tbody>
</table>
5. **Long-term borrowings**

<table>
<thead>
<tr>
<th>Term Loans (secured)</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>From a Bank -</td>
<td><code>2,143.33</code></td>
<td><code>1,330.00</code></td>
<td><code>383.33</code></td>
<td><code>170.00</code></td>
</tr>
<tr>
<td>Under Corporate Loan Scheme</td>
<td><code>2,143.33</code></td>
<td><code>1,330.00</code></td>
<td><code>383.33</code></td>
<td><code>170.00</code></td>
</tr>
<tr>
<td>Total</td>
<td><code>2,143.33</code></td>
<td><code>1,330.00</code></td>
<td><code>383.33</code></td>
<td><code>170.00</code></td>
</tr>
</tbody>
</table>

The above amount includes
- **Secured borrowings**: `2,143.33`
- **Unsecured borrowings**: `-`

Net amount: `2,143.33`

"Term Loan from a bank is secured by first mortgage / charge on all the immovable and movable fixed assets and current assets, present and future of the Company, ranking pari-passu with other lenders. Also, Zuari Agro and Chemicals Ltd. and Zuari Global Ltd. have provided letters of comfort for the said loan. The aforesaid loan's tenure is 48 months from the date of each disbursement and carry interest @ 2% p.a. above the base rate of the bank for disbursement of `11 crores and 3.50% above the base rate of the bank for disbursement over `11 crores. As per the terms of sanction letter, the loan is to be further secured by pledge of 12.5% equity shares held by Zuari Investments Limited in the equity share capital of the Company and by corporate guarantee to be given by Zuari Investments Limited."

6. **Short-term provisions**

<table>
<thead>
<tr>
<th>Provision for employee benefits</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td><code>34.19</code></td>
<td><code>31.63</code></td>
</tr>
<tr>
<td>Total</td>
<td><code>34.19</code></td>
<td><code>31.63</code></td>
</tr>
</tbody>
</table>

7. **Short-term borrowings**

<table>
<thead>
<tr>
<th>Cash credit from Banks (secured) ( repayable on demand)</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><code>11,963.54</code></td>
<td><code>10,259.93</code></td>
</tr>
</tbody>
</table>

**Other Loans & Advances**

<table>
<thead>
<tr>
<th>Loans from Bodies Corporate (unsecured) ( including loan from related parties <code>67.11 lacs (</code>1,067.45) (Refer note 28(c))</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><code>2,067.11</code></td>
<td><code>3,067.45</code></td>
</tr>
<tr>
<td></td>
<td><code>15,876.43</code></td>
<td><code>15,177.38</code></td>
</tr>
</tbody>
</table>

The above amount includes
- **Secured borrowings**: `11,963.54`
- **Unsecured borrowings**: `3,912.89`
1) Cash Credit

a) Cash Credit of `3,740.30 lacs (\textasciitilde 828.88 lacs) from State Bank of India is secured by hypothecation of entire current assets including book debts both present and future on pari passu basis and also by first charge on pari passu basis with other lenders on the fixed assets of the Company. This loan carries interest at the base rate of the bank plus 5.00\% p.a.

b) Cash Credit of `4,406.35 lacs (\textasciitilde 3,079.31 lacs) from District Cooperative Bank Ltd., Lakhimpur Kheri, is secured by pledge of some stock of finished goods and carries interest @ 11.50\% p.a.

c) Cash Credit of `1,816.89 lacs (\textasciitilde 1,379.99 lacs) from District Cooperative Bank Ltd., Barabanki is secured by pledge of some stock of finished goods and carries interest ranging from 11.50\% to 11.75\% p.a. during the period.

d) Cash credit of Nil (`2,971.75 lacs) from Uttar Pradesh Cooperative Bank Ltd. was secured by hypothecation of entire current assets on pari passu basis and also by first charge on pari passu basis with other lenders on the fixed assets of the Company. The said loan was further secured by pledge of some stock of finished goods. The loan carried interest @ 11.50\% p.a. The loan was repaid during the period.

e) Cash Credit of `2,000 lacs (`2,000 lacs) from Ratnakar Bank Ltd. is secured by first mortgage / charge of entire current assets, immovable and movable fixed assets ranking pari passu with other lenders of the Company. Also, Zuari Agro and Chemicals Ltd. and Zuari Global Ltd. have provided letters of comfort for the said loan. The loan carries interest @ 13.75\% p.a.

2) Other Loans

a) Equity shares of listed group companies held by the Company’s subsidiary have been pledged against the short term loan of `1,845.78 lacs (`1,850 lacs) from Ratnakar Bank. Also, Zuari Agro and Chemicals Ltd and Zuari Global Limited has provided letter of comfort for the said loan. The said loan carries interest @ 12.50\% p.a. The loan was repayable at the end of 12 months from the date of disbursement (March 26, 2013) i.e. March 25, 2014. However, the Company had requested the bank prior to the due date for renewal of loan and the bank is in the process of renewing the loan.

b) (i) Loan of `67.11 lacs (`67.45 lacs) from New Eros Tradecom Limited (NETL) (subsidiary of the Company) carries interest @ 10.50\% and is repayable on demand.

(ii) Loan of Nil (`1,000 lacs) from NETL (subsidiary of the Company) carried interest @ 10.50\% and has been repaid during the period.

(iii) Loan from Texmaco Infrastructure & Holdings Limited of `2,000 lacs (\textasciitilde 2,000 lacs) is repayable on demand and carries interest @ 16\% p.a.

8. Trade Payables and Other current liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables (refer note 32 for details of dues to micro and small enterprises)</td>
<td>13,037.90</td>
<td>4,773.93</td>
</tr>
<tr>
<td><strong>Other liabilities :</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current maturities of long-term borrowings (Note 5)</td>
<td>383.33</td>
<td>170.00</td>
</tr>
<tr>
<td>Payable towards purchase of capital goods</td>
<td>223.08</td>
<td>156.32</td>
</tr>
<tr>
<td>Advance against Sales</td>
<td>81.42</td>
<td>29.14</td>
</tr>
<tr>
<td>Interest accrued and due on borrowings, deposits etc. (including payable to related parties `28.30 lacs (\textasciitilde 16.98) (Refer note 28(c)))</td>
<td>172.62</td>
<td>304.97</td>
</tr>
<tr>
<td>Amount payable against redemption of Preference Share Capital</td>
<td>5.43</td>
<td>5.43</td>
</tr>
<tr>
<td>Deposits received from agents and others</td>
<td>179.47</td>
<td>62.51</td>
</tr>
<tr>
<td><strong>Others -</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory dues</td>
<td>119.35</td>
<td>119.33</td>
</tr>
<tr>
<td>Excise Duty on Closing Stocks</td>
<td>558.39</td>
<td>385.50</td>
</tr>
<tr>
<td>Other Miscellaneous</td>
<td>1.88</td>
<td>33.75</td>
</tr>
<tr>
<td></td>
<td><strong>1,724.97</strong></td>
<td><strong>1,266.95</strong></td>
</tr>
<tr>
<td></td>
<td><strong>14,762.87</strong></td>
<td><strong>6,040.88</strong></td>
</tr>
</tbody>
</table>
Notes to financial statements for the period from 1 October 2013 to 31 March 2014

9. Tangible assets

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land</th>
<th>Buildings</th>
<th>Plant and equipments</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Office equipments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 July 2012</td>
<td>41.33</td>
<td>885.67</td>
<td>8,625.15</td>
<td>41.98</td>
<td>100.17</td>
<td>105.68</td>
<td>9,799.98</td>
</tr>
<tr>
<td>Additions</td>
<td>356.46</td>
<td>12.36</td>
<td>109.99</td>
<td>12.72</td>
<td>42.17</td>
<td>12.84</td>
<td>546.54</td>
</tr>
<tr>
<td>Less: Disposals</td>
<td>-</td>
<td>-</td>
<td>16.92</td>
<td>0.16</td>
<td>5.30</td>
<td>0.39</td>
<td>22.77</td>
</tr>
<tr>
<td>At 30 September 2013</td>
<td>397.79</td>
<td>888.03</td>
<td>8,718.22</td>
<td>54.54</td>
<td>137.04</td>
<td>118.13</td>
<td>10,323.75</td>
</tr>
<tr>
<td>Additions</td>
<td>14.19</td>
<td>-</td>
<td>715.85 *</td>
<td>2.35</td>
<td>2.97</td>
<td>9.89</td>
<td>745.25</td>
</tr>
<tr>
<td>Less: Disposals</td>
<td>44.77</td>
<td>8.65</td>
<td>4.18</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>57.60</td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td>367.21</td>
<td>899.38</td>
<td>9,429.89</td>
<td>66.89</td>
<td>140.01</td>
<td>128.02</td>
<td>11,011.40#</td>
</tr>
</tbody>
</table>

Depreciation

|                         |               |           |                      |                        |          |                   |         |
| At 1 July 2012          | -             | 309.38    | 5,918.48             | 36.55                  | 68.56    | 72.63             | 6,407.60|
| Charge for the year     | -             | 25.29     | 482.60               | 4.55                   | 9.55     | 8.67              | 530.66  |
| Less: Disposals         | -             | -         | 16.91                | 0.03                   | 3.62     | 0.03              | 20.59   |
| At 30 September 2013    | -             | 334.67    | 6,384.17             | 43.07                  | 74.49    | 81.27             | 6,917.67|
| Charge for the period   | -             | 10.16     | 198.95               | 2.03                   | 3.96     | 3.43              | 218.53  |
| Less: Disposals         | -             | 4.03      | 4.18                 | -                      | -        | -                 | 8.21    |
| At 31 March 2014        | -             | 340.80    | 6,578.94             | 45.10                  | 78.45    | 84.70             | 7,127.99|

Net Block

|                         |               |           |                      |                        |          |                   |         |
| At 30 September 2013    | 397.79        | 563.36    | 2,334.05             | 11.47                  | 62.55    | 36.86             | 3,406.08# |
| At 31 March 2014        | 367.21        | 548.58    | 2,850.95             | 11.79                  | 61.56    | 43.32             | 3,883.41|

# Includes assets held in joint ownership with others - Gross Block ₹ 12.58 lacs (₹ 12.58 lacs) and Net Block ₹ 5.21 lacs (₹ 5.32 lacs).
10. Capital work-in-progress

<table>
<thead>
<tr>
<th>As at</th>
<th>As at</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2014</td>
<td>30 September 2013</td>
</tr>
<tr>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Balance brought forward from the previous period</td>
<td>755.54</td>
</tr>
<tr>
<td>Add : Additions during the period</td>
<td>2,346.31</td>
</tr>
<tr>
<td></td>
<td>3,101.85</td>
</tr>
<tr>
<td>Less : Transfer to Tangible Assets during the period</td>
<td>671.31</td>
</tr>
<tr>
<td></td>
<td>2,430.54</td>
</tr>
</tbody>
</table>

10.1 Pre - Operative expense (pending allocation) (included in Capital work-in-progress above)

<table>
<thead>
<tr>
<th>As at</th>
<th>As at</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2014</td>
<td>30 September 2013</td>
</tr>
<tr>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Insurance</td>
<td>26.66</td>
</tr>
<tr>
<td>Professional, consultancy fees and legal expenses</td>
<td>2.75</td>
</tr>
<tr>
<td>Travelling expenses</td>
<td>20.94</td>
</tr>
<tr>
<td>Salary</td>
<td>8.11</td>
</tr>
<tr>
<td>Interest</td>
<td>188.18</td>
</tr>
<tr>
<td>Other borrowing costs</td>
<td>37.50</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td>286.64</td>
</tr>
<tr>
<td>Less: Capitalised/reversed during the period</td>
<td>(53.05)</td>
</tr>
<tr>
<td></td>
<td>233.59</td>
</tr>
</tbody>
</table>

11. Non-current investments

<table>
<thead>
<tr>
<th>As at</th>
<th>As at</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2014</td>
<td>30 September 2013</td>
</tr>
<tr>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Trade Investments (Unquoted) (valued at cost)</td>
<td></td>
</tr>
<tr>
<td>Investment in Subsidiary Company</td>
<td>2,500,006 (2,500,006) Equity Shares of ` 10</td>
</tr>
<tr>
<td>Non-trade investments (unquoted)</td>
<td>Government Securities</td>
</tr>
<tr>
<td></td>
<td>6 Years National Saving Certificates</td>
</tr>
<tr>
<td></td>
<td>5 Years National Saving Certificates</td>
</tr>
<tr>
<td></td>
<td>#</td>
</tr>
<tr>
<td></td>
<td>993.08</td>
</tr>
</tbody>
</table>

# Includes Securities valuing ` 1.02 lacs (\(\cdot\) 1.02 lacs) deposited with Government Authorities.
### Deferred Tax Assets (net)

<table>
<thead>
<tr>
<th>Deferred tax assets</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry forward of Business Losses and Unabsorbed Depreciation</td>
<td>5,173.50</td>
<td>4,746.82</td>
</tr>
<tr>
<td>Expenditure allowable against taxable income in future years</td>
<td>414.56</td>
<td>313.09</td>
</tr>
<tr>
<td><strong>Total Deferred tax assets</strong></td>
<td><strong>5,588.06</strong></td>
<td><strong>5,059.91</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred tax liability</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets: Impact of difference between tax depreciation and</td>
<td>586.33</td>
<td>585.38</td>
</tr>
<tr>
<td><strong>Total Deferred tax liability</strong></td>
<td><strong>586.33</strong></td>
<td><strong>585.38</strong></td>
</tr>
</tbody>
</table>

**Net Deferred tax assets**

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,001.73</strong></td>
<td><strong>4,474.53</strong></td>
</tr>
</tbody>
</table>

Although, there is carried forward unabsorbed depreciation and business losses as on the reporting date, yet in view of the future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future, to realise the aforesaid deferred tax assets.

### Loans and advances

<table>
<thead>
<tr>
<th>Loans and advances</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Advances</td>
<td>2,730.26</td>
<td>370.62</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sundry Deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considered good</td>
<td>3.36</td>
<td>3.36</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Considered doubtful</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Sundry Deposits</strong></td>
<td><strong>3.36</strong></td>
<td><strong>3.36</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>Less : Provision for doubtful advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Loans and advances</strong></td>
<td><strong>11.55</strong></td>
<td><strong>11.64</strong></td>
<td><strong>167.63</strong></td>
<td><strong>97.75</strong></td>
</tr>
<tr>
<td>Less : Provision for doubtful advances</td>
<td>11.55</td>
<td>11.64</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Loans and advances</strong></td>
<td><strong>11.55</strong></td>
<td><strong>11.64</strong></td>
<td><strong>167.63</strong></td>
<td><strong>97.75</strong></td>
</tr>
</tbody>
</table>

**Other loans and advances**

<table>
<thead>
<tr>
<th>Considered good</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to employees</td>
<td>-</td>
<td>-</td>
<td>5.84</td>
<td>12.86</td>
</tr>
<tr>
<td>Deposits against demand under appeal and /</td>
<td>-</td>
<td>-</td>
<td>101.05</td>
<td>133.79</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>-</td>
<td>-</td>
<td>17.05</td>
<td>18.17</td>
</tr>
<tr>
<td>Advance payment of Tax, Refunds</td>
<td>-</td>
<td>-</td>
<td>5.02</td>
<td>2.54</td>
</tr>
<tr>
<td>Minimum Alternative Tax Credit Entitlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balances with Excise and Other Government</td>
<td>-</td>
<td>-</td>
<td>469.30</td>
<td>69.08</td>
</tr>
<tr>
<td><strong>Considered doubtful</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan to Employee</td>
<td>0.35</td>
<td>0.35</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims Receivable</td>
<td>0.59</td>
<td>0.59</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Provision for doubtful loans and advances</td>
<td>0.94</td>
<td>0.94</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Loans and advances</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>598.26</strong></td>
<td><strong>236.44</strong></td>
</tr>
</tbody>
</table>

**Total Loans and advances**

<table>
<thead>
<tr>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2,733.62</strong></td>
<td><strong>373.98</strong></td>
</tr>
</tbody>
</table>
14. Inventories

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in lacs</td>
<td>in lacs</td>
</tr>
</tbody>
</table>

**Valued at Lower of Cost and Net Realisable Value**

<table>
<thead>
<tr>
<th></th>
<th>20</th>
<th>15,100.50</th>
<th>11,842.48</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traded Goods</td>
<td></td>
<td>560.26</td>
<td>-</td>
</tr>
<tr>
<td>Raw Materials</td>
<td></td>
<td>3.26</td>
<td>-</td>
</tr>
<tr>
<td>Goods under process</td>
<td>20</td>
<td>384.87</td>
<td>125.31</td>
</tr>
<tr>
<td>Stores, Chemicals and spare parts etc.</td>
<td>20</td>
<td>300.49</td>
<td>263.07</td>
</tr>
</tbody>
</table>

**Valued at Estimated Realisable Value**

<table>
<thead>
<tr>
<th></th>
<th>20</th>
<th>1,099.46</th>
<th>64.83</th>
</tr>
</thead>
<tbody>
<tr>
<td>By-Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scrap</td>
<td>20</td>
<td>12.50</td>
<td>9.60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>17,461.34</th>
<th>12,305.29</th>
</tr>
</thead>
<tbody>
<tr>
<td>The above includes stock in transit :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, Chemicals and spare Parts etc.</td>
<td>1.14</td>
<td>1.73</td>
</tr>
<tr>
<td></td>
<td>1.14</td>
<td>1.73</td>
</tr>
</tbody>
</table>

15. Trade receivables and other assets

15.1 Trade receivables

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in lacs</td>
<td>in lacs</td>
</tr>
</tbody>
</table>

**Outstanding for a period exceeding six months from the**

<table>
<thead>
<tr>
<th></th>
<th>0.06</th>
<th>0.02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured, considered good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered doubtful</td>
<td>1.32</td>
<td>1.32</td>
</tr>
<tr>
<td>Provision for doubtful trade receivables</td>
<td>1.32</td>
<td>1.32</td>
</tr>
<tr>
<td>Other receivables</td>
<td>0.06</td>
<td>0.02</td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td>12.74</td>
<td>5.46</td>
</tr>
<tr>
<td></td>
<td>12.80</td>
<td>5.48</td>
</tr>
</tbody>
</table>

15.2 Other current assets

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in lacs</td>
<td>in lacs</td>
</tr>
</tbody>
</table>

**(Unsecured, considered good)**

<table>
<thead>
<tr>
<th></th>
<th>0.70</th>
<th>0.42</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest accrued on Loan, Advances, Deposits, Investments etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivable</td>
<td>44.79</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>45.49</td>
<td>0.42</td>
</tr>
</tbody>
</table>
## 16. Cash and bank balances

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>As at 31 March 2014 in lacs</th>
<th>As at 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On current accounts</td>
<td>611.94</td>
<td>54.57</td>
</tr>
<tr>
<td>On saving account</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>4.36</td>
<td>5.24</td>
</tr>
<tr>
<td></td>
<td>616.33</td>
<td>59.84</td>
</tr>
<tr>
<td>Other bank balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with original maturity of more than 3 months but less than 12 months</td>
<td>10.00</td>
<td>-</td>
</tr>
<tr>
<td>In Post office savings bank account</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>10.02</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>626.35</td>
<td>59.86</td>
</tr>
</tbody>
</table>

## 17. Revenue from operations

<table>
<thead>
<tr>
<th>Revenue from operations</th>
<th>6 Months period Ended</th>
<th>15 Months period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2014 in lacs</td>
<td>30 September 2013 in lacs</td>
</tr>
<tr>
<td>Sale of products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>15,300.59</td>
<td>24,629.58</td>
</tr>
<tr>
<td>Traded goods</td>
<td>333.93</td>
<td>121.24</td>
</tr>
<tr>
<td>By products</td>
<td>1,467.03</td>
<td>2,814.92</td>
</tr>
<tr>
<td></td>
<td>17,101.55</td>
<td>27,565.74</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scrap Sales</td>
<td>9.96</td>
<td>13.06</td>
</tr>
<tr>
<td>Revenue from operations (gross)</td>
<td>17,111.51</td>
<td>27,578.80</td>
</tr>
<tr>
<td>Less : Excise duty</td>
<td>512.75</td>
<td>1,001.91</td>
</tr>
<tr>
<td>Cess</td>
<td>124.71</td>
<td>186.39</td>
</tr>
<tr>
<td>Revenue from operations (net)</td>
<td>16,474.05</td>
<td>26,390.50</td>
</tr>
</tbody>
</table>

## Detail of products sold

<table>
<thead>
<tr>
<th>Finished goods</th>
<th>6 Months period Ended</th>
<th>15 Months period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2014 in lacs</td>
<td>30 September 2013 in lacs</td>
</tr>
<tr>
<td>Sugar</td>
<td>15,300.59</td>
<td>24,629.58</td>
</tr>
<tr>
<td>Traded goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>333.93</td>
<td>121.24</td>
</tr>
<tr>
<td></td>
<td>333.93</td>
<td>121.24</td>
</tr>
<tr>
<td>By products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molasses</td>
<td>726.64</td>
<td>2,089.84</td>
</tr>
<tr>
<td>Bagasse</td>
<td>740.39</td>
<td>725.08</td>
</tr>
<tr>
<td></td>
<td>1,467.03</td>
<td>2,814.92</td>
</tr>
</tbody>
</table>
18. Other income

<table>
<thead>
<tr>
<th>Description</th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March</td>
<td>Ended 30 September</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Interest income on</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, deposits, advances etc.</td>
<td>1.41</td>
<td>3.58</td>
</tr>
<tr>
<td>Refund from Income Tax Department</td>
<td>-</td>
<td>0.14</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>0.04</td>
<td>0.10</td>
</tr>
<tr>
<td>Net gain on sale of non-current investments in a subsidiary Company (trade)</td>
<td>-</td>
<td>736.76</td>
</tr>
<tr>
<td>Insurance and Other Claims</td>
<td>2.33</td>
<td>1.05</td>
</tr>
<tr>
<td>Rent and Hire Charges</td>
<td>0.75</td>
<td>1.06</td>
</tr>
<tr>
<td>Unspent Liabilities, Provisions no longer required and Unclaimed Balances</td>
<td>73.65</td>
<td>50.51</td>
</tr>
<tr>
<td>adjusted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess gratuity provision reversed</td>
<td>2.73</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Receipts</td>
<td>40.53</td>
<td>3.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>121.44</td>
<td>796.32</td>
</tr>
</tbody>
</table>

19. Cost of raw material consumed

<table>
<thead>
<tr>
<th>Description</th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March</td>
<td>Ended 30 September</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Opening Stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases and procurement expenses</td>
<td>19,236.66</td>
<td>26,154.17</td>
</tr>
<tr>
<td></td>
<td>19,236.66</td>
<td>26,154.17</td>
</tr>
<tr>
<td>Closing Stock</td>
<td>3.26</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>19,233.40</td>
<td>26,154.17</td>
</tr>
</tbody>
</table>

Details of raw material consumed

<table>
<thead>
<tr>
<th>Description</th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March</td>
<td>Ended 30 September</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>19,233.40</td>
<td>26,154.17</td>
</tr>
</tbody>
</table>

20. (Increase) in inventories

<table>
<thead>
<tr>
<th>Description</th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March</td>
<td>Ended 30 September</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Inventories at the end of the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>15,100.50</td>
<td>11,842.48</td>
</tr>
<tr>
<td>Traded goods</td>
<td>560.26</td>
<td>(560.26)</td>
</tr>
<tr>
<td>By Products</td>
<td>1,099.46</td>
<td>64.83</td>
</tr>
<tr>
<td>Goods under process</td>
<td>384.87</td>
<td>125.31</td>
</tr>
<tr>
<td>Scrap</td>
<td>12.50</td>
<td>9.60</td>
</tr>
<tr>
<td></td>
<td>17,157.59</td>
<td>12,042.22</td>
</tr>
<tr>
<td>(Increase)/decrease of excise duty and cess on inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories at the beginning of the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>11,842.48</td>
<td>9,282.93</td>
</tr>
<tr>
<td>By Products</td>
<td>64.83</td>
<td>388.01</td>
</tr>
<tr>
<td>Goods under process</td>
<td>125.31</td>
<td>116.94</td>
</tr>
<tr>
<td>Scrap</td>
<td>9.60</td>
<td>4.10</td>
</tr>
<tr>
<td></td>
<td>12,042.22</td>
<td>9,791.98</td>
</tr>
<tr>
<td>(5,115.37)</td>
<td>(2,250.24)</td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease of excise duty and cess on inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>225.60</td>
<td>(3.99)</td>
</tr>
<tr>
<td></td>
<td>(4,889.77)</td>
<td>(2,254.23)</td>
</tr>
</tbody>
</table>
Details of purchase of traded goods

<table>
<thead>
<tr>
<th></th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March</td>
<td>Ended 30 September</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>874.15</td>
<td>116.81</td>
</tr>
<tr>
<td></td>
<td>874.15</td>
<td>116.81</td>
</tr>
</tbody>
</table>

Details of inventory

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>15,100.50</td>
<td>11,842.48</td>
</tr>
<tr>
<td>By-products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molasses</td>
<td>970.30</td>
<td>31.93</td>
</tr>
<tr>
<td>Bagasse</td>
<td>129.16</td>
<td>32.90</td>
</tr>
<tr>
<td></td>
<td>1,099.46</td>
<td>64.83</td>
</tr>
<tr>
<td>Goods under process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>384.87</td>
<td>125.31</td>
</tr>
</tbody>
</table>

21. Employee benefits expense

<table>
<thead>
<tr>
<th></th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March 2014</td>
<td>Ended 30 September 2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Salaries, wages and bonus etc.</td>
<td>527.99</td>
<td>949.62</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>48.44</td>
<td>83.32</td>
</tr>
<tr>
<td>Gratuity expense (Note 25)</td>
<td>-</td>
<td>36.12</td>
</tr>
<tr>
<td>Employees' welfare expenses</td>
<td>21.76</td>
<td>32.70</td>
</tr>
<tr>
<td></td>
<td>598.19</td>
<td>1,101.76</td>
</tr>
</tbody>
</table>

22. Other expenses

<table>
<thead>
<tr>
<th></th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March 2014</td>
<td>Ended 30 September 2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Consumption of stores and spares</td>
<td>295.26</td>
<td>403.28</td>
</tr>
<tr>
<td>Packing Materials</td>
<td>269.75</td>
<td>425.68</td>
</tr>
<tr>
<td>Power &amp; Fuel</td>
<td>87.63</td>
<td>233.59</td>
</tr>
<tr>
<td>Repairs to and Maintenance of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>12.56</td>
<td>76.73</td>
</tr>
<tr>
<td>Machinery</td>
<td>217.04</td>
<td>486.70</td>
</tr>
<tr>
<td>Others</td>
<td>0.75</td>
<td>3.83</td>
</tr>
<tr>
<td>Rent</td>
<td>15.12</td>
<td>43.17</td>
</tr>
<tr>
<td>Rates &amp; Taxes</td>
<td>48.03</td>
<td>55.66</td>
</tr>
<tr>
<td>Insurance</td>
<td>26.17</td>
<td>36.13</td>
</tr>
<tr>
<td>Payment to Auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As Auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>2.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Limited Review Fees</td>
<td>0.80</td>
<td>3.20</td>
</tr>
<tr>
<td>In other capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Audit Fees</td>
<td>1.10</td>
<td>1.10</td>
</tr>
<tr>
<td>For Certificates and Other services</td>
<td>3.60</td>
<td>5.75</td>
</tr>
<tr>
<td>Reimbursement of Expenses</td>
<td>1.08</td>
<td>2.00</td>
</tr>
<tr>
<td>Payment to Cost Auditors</td>
<td>0.15</td>
<td>0.15</td>
</tr>
</tbody>
</table>
GOBIND SUGAR MILLS LIMITED

6 Months period Ended 31 March 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>` in lacs</th>
<th>` in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission on sales</td>
<td>31.07</td>
<td>59.10</td>
</tr>
<tr>
<td>Freight &amp; Forwarding charges etc.</td>
<td>164.81</td>
<td>163.71</td>
</tr>
<tr>
<td>Charity and Donations</td>
<td>0.69</td>
<td>1.85</td>
</tr>
<tr>
<td>Loss on sale / discard of fixed assets (net)</td>
<td>39.83</td>
<td>0.73</td>
</tr>
<tr>
<td>Bad Debts, irrecoverable claims and advances written off</td>
<td>-</td>
<td>1.84</td>
</tr>
<tr>
<td>Molasses Storage &amp; Maintenance Reserve</td>
<td>2.55</td>
<td>8.81</td>
</tr>
<tr>
<td>Director's sitting fees</td>
<td>1.00</td>
<td>2.74</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>147.32</td>
<td>251.91</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,368.31</strong></td>
<td><strong>2,272.66</strong></td>
</tr>
</tbody>
</table>

23. Finance costs

<table>
<thead>
<tr>
<th>Description</th>
<th>6 Months period Ended 31 March 2014</th>
<th>` in lacs</th>
<th>15 Months period Ended 30 September 2013</th>
<th>` in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td></td>
<td>834.97</td>
<td>2,581.56</td>
<td></td>
</tr>
<tr>
<td>Other Borrowing Costs</td>
<td></td>
<td>53.59</td>
<td>103.94</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>888.56</strong></td>
<td><strong>2,685.50</strong></td>
<td></td>
</tr>
</tbody>
</table>

24. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

<table>
<thead>
<tr>
<th>Description</th>
<th>6 Months period Ended 31 March 2014</th>
<th>` in lacs</th>
<th>15 Months period Ended 30 September 2013</th>
<th>` in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) after tax</td>
<td></td>
<td>(1,168.68)</td>
<td>(2,509.84)</td>
<td></td>
</tr>
<tr>
<td>Net (loss) for calculation of basic and diluted EPS</td>
<td></td>
<td>(1,168.68)</td>
<td>(2,509.84)</td>
<td></td>
</tr>
<tr>
<td><strong>Loss per equity share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[nominal value of share ` 10 (´ 10)]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic &amp; Diluted EPS (in `)</td>
<td></td>
<td>(36.52)</td>
<td>(78.43)</td>
<td></td>
</tr>
</tbody>
</table>

25. Gratuity - Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.
GOBIND SUGAR MILLS LIMITED

Statement of profit and loss
Net employee benefit expense recognized in employee costs

<table>
<thead>
<tr>
<th></th>
<th>6 Months period</th>
<th>15 Months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March 2014</td>
<td>Ended 30 September 2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Current service cost</td>
<td>8.56</td>
<td>20.60</td>
</tr>
<tr>
<td>Interest cost on benefit obligation</td>
<td>10.69</td>
<td>27.02</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(12.11)</td>
<td>(29.75)</td>
</tr>
<tr>
<td>Net actuarial (gain) / loss recognized in the year</td>
<td>(9.87)</td>
<td>(1.68)</td>
</tr>
<tr>
<td><strong>Net benefit expense</strong></td>
<td><strong>(2.73)</strong></td>
<td><strong>16.19</strong> *</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>12.11</td>
<td>29.75</td>
</tr>
</tbody>
</table>

* Excluding `. 19.93 lacs towards liability of left employees not considered in actuarial valuation.

Balance sheet
Net Benefit liability / (asset)

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Present value of defined benefit obligation</td>
<td>281.80</td>
<td>281.88</td>
</tr>
<tr>
<td>Fair value of plan assets #</td>
<td>312.74</td>
<td>304.84</td>
</tr>
<tr>
<td><strong>Plan liability / (asset)</strong></td>
<td><strong>(30.94)</strong></td>
<td><strong>(22.96)</strong></td>
</tr>
</tbody>
</table>

Changes in the present value of the defined benefit obligation are as follows :

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Opening defined benefit obligation *</td>
<td>281.88</td>
<td>304.40</td>
</tr>
<tr>
<td>Current service cost</td>
<td>8.56</td>
<td>20.60</td>
</tr>
<tr>
<td>Interest cost</td>
<td>10.69</td>
<td>27.02</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(9.46)</td>
<td>(68.46)</td>
</tr>
<tr>
<td>Actuarial (gains) / losses on obligation</td>
<td>(9.87)</td>
<td>(1.68)</td>
</tr>
<tr>
<td><strong>Closing defined benefit obligation</strong></td>
<td><strong>281.80</strong></td>
<td><strong>281.88</strong></td>
</tr>
</tbody>
</table>

Changes in the fair value of plan assets are as follows :

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Opening fair value of plan assets</td>
<td>304.84</td>
<td>319.82</td>
</tr>
<tr>
<td>Expected return</td>
<td>12.11</td>
<td>29.75</td>
</tr>
<tr>
<td>Contributions by employer</td>
<td>25.18</td>
<td>23.73</td>
</tr>
<tr>
<td>Benefits paid *</td>
<td>(29.39)</td>
<td>(68.46)</td>
</tr>
<tr>
<td>Actuarial gains / (losses)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Closing fair value of plan assets #</strong></td>
<td><strong>312.74</strong></td>
<td><strong>304.84</strong></td>
</tr>
</tbody>
</table>

* Includes `. 19.93 lacs paid against liability of left employees not considered in actuarial valuation as on 30th September, 2013.

# The fund balance is subject to reconciliation.
The Parents Company expects to contribute `. 25.00 lacs (`. 25.00 lacs) to Gratuity Fund in the next year.
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments with LIC</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The principal assumptions are shown below:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>8.00%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Expected rate of return on assets</td>
<td>8.00%</td>
<td>8.50%</td>
</tr>
<tr>
<td>Salary Increase</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Withdrawal Rates</td>
<td>Varying between Nil to 4.20% per</td>
<td></td>
</tr>
<tr>
<td>Mortality Table</td>
<td>Indian assured lives mortality 2006 - 08 Ultimate</td>
<td></td>
</tr>
</tbody>
</table>

Amounts for the current and previous four periods are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gratuity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit obligation</td>
<td>281.80</td>
<td>281.88</td>
</tr>
<tr>
<td>Plan assets</td>
<td>312.74</td>
<td>304.84</td>
</tr>
<tr>
<td>Surplus / (deficit)</td>
<td>30.94</td>
<td>22.96</td>
</tr>
<tr>
<td>Experience (gain) / (loss)</td>
<td>9.87</td>
<td>(1.57)</td>
</tr>
<tr>
<td>Experience gain / (loss)</td>
<td>-</td>
<td>4.74</td>
</tr>
</tbody>
</table>

* Experience adjustments on plan liabilities and assets are not readily available for earlier years and hence not disclosed. The amount of which in the opinion of the management will not be material.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the

**Defined Contribution Plan:**

The Group has recognised the following amount as an expense and included under, “Contribution to Provident and Other Funds”:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to Provident Fund and other Funds</td>
<td>47.33</td>
<td>81.42</td>
</tr>
<tr>
<td></td>
<td>47.33</td>
<td>81.42</td>
</tr>
</tbody>
</table>

26. **Leases**

**Operating lease**

Certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The lease term is ranging upto 3 years and are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease payments made for the period</td>
<td>15.12</td>
<td>43.17</td>
</tr>
<tr>
<td></td>
<td>15.12</td>
<td>43.17</td>
</tr>
</tbody>
</table>
The networth of the Company is substantially eroded as the accumulated loss of the Company as at the reporting date stands at ` 7,671.55 lacs (` 6,502.87 lacs) as against the shareholder’s fund of ` 8,808.98 lacs (` 6,631.43 lacs). Also, the Company incurred a net loss of Rs. 1,168.68 lacs during the six months period ended March 31, 2014 and, as of that date; the Company’s current liabilities exceeded its current assets by ` 11,761.62 lacs. During the current period, the Company has infused ` 2,175 lacs towards subscription of share capital of the Company to bridge the gap of accumulated losses and shareholders’ funds. Further, based on the future profitability projections, the management is hopeful that the Company would be in a position to generate positive cash flows and profits in the near future. Also, Zuari Agro Chemicals Limited and Zuari Global Limited have provided letter of comfort to Ratnakar Bank Limited in respect of term loan and working capital facilities taken by the Company. Considering the above, these financial statements have been drawn up on the going concern assumption which is appropriate in the opinion of the management.

**28. Related party disclosures**

**Names of related parties and related party relationship**

**Related parties where control exists**

| Subsidiary Company | New Eros Tradecom Limited |

**Related parties with whom transactions have taken place during the period**

| Enterprise In respect of which the Company is an | Zuari Investments Limited |
| Zuari Global Limited (Holding company of Zuari Investment Limited) |

**Key management personnel**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Alok Sexana (w.e.f 17.04.13)</td>
<td>Managing Director</td>
</tr>
<tr>
<td>Smt. Jyotsna Poddar (till 23.08.2012)</td>
<td>Executive President</td>
</tr>
<tr>
<td>Shri P.K.Lakhotia (till 02.10.2012)</td>
<td>Chairman-cum-Managing Director</td>
</tr>
<tr>
<td>Shri B.N.Jha (03.10.12 to 16.04.13)</td>
<td>Executive President</td>
</tr>
</tbody>
</table>

**Relatives of key management personnel**

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Akshay Poddar (upto 23.08.2012)</td>
<td>Son of Smt.Jyotsna Poddar</td>
</tr>
<tr>
<td>Shri Mohit Lakhotia (till 02.10.2012)</td>
<td>Son of Shri P.K.Lakhotia</td>
</tr>
</tbody>
</table>

**Enterprises owned or significantly influenced by key management personnel or their relatives**

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texmaco Infrastructure &amp; Holding Limited (upto 23.08.2012)</td>
<td></td>
</tr>
</tbody>
</table>

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

**a. Issue of Preference Share Capital**

<table>
<thead>
<tr>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, March 31, 2014</td>
<td>` 2,175.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Monday, September 30, 2013</td>
<td>` 4,000.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**b. Sales of investments**

<table>
<thead>
<tr>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Monday, September 30, 2013</td>
<td>` 1,550.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Segment information

The primary segment reporting format is determined to be business segments as the Company’s risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Company organised its operations into two major businesses: “manufacturing of sugar segment” and “trading of fertilizers segment”. A description of the types of activities by each reportable segment is as below:

<table>
<thead>
<tr>
<th>Subsidiary company</th>
<th>Loan / Intercorporate deposits taken</th>
<th>Repayment</th>
<th>Interest accrued / paid</th>
<th>Amount owed to related parties (including interest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Eros Tradecom Limited</td>
<td>Monday, March 31, 2014</td>
<td>63.50</td>
<td>1,063.84</td>
<td>12.58</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>1,198.21</td>
<td>3,930.75</td>
<td>348.08</td>
</tr>
</tbody>
</table>

| Texmaco Infrastructure & Holding Limited  | Monday, March 31, 2014               | -         | -                       | -                                                 |
|                                           | Monday, September 30, 2013           | -         | -                       | 47.34                                             |

<table>
<thead>
<tr>
<th>Relatives of key management personnel</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shri Akshay Poddar</td>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>0.03</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key management personnel</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smt. Jyotsna Poddar</td>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>17.50</td>
<td>-</td>
</tr>
<tr>
<td>Shri P.K. Lakhotia (till 02.10.12)</td>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>12.78</td>
<td>-</td>
</tr>
<tr>
<td>Shri B.N. Jha (03.10.12 to 16.04.13)</td>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>7.84</td>
<td>-</td>
</tr>
<tr>
<td>Shri Alok Sexana (w.e.f. 17.04.13)</td>
<td>Monday, March 31, 2014</td>
<td>18.08</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>16.48</td>
<td>3.92</td>
</tr>
</tbody>
</table>
## GOBIND SUGAR MILLS LIMITED

### Business segments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sugar</th>
<th>Fertilizer</th>
<th>Total operations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales (net)</td>
<td>16,140.12</td>
<td>26,269.26</td>
<td>333.93</td>
</tr>
<tr>
<td>Other income*</td>
<td>120.04</td>
<td>55.76</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>16,260.16</td>
<td>26,325.02</td>
<td>333.93</td>
</tr>
</tbody>
</table>

| Results |       |            |                  |
| Segment results | (822.73) | (1,569.22) | 17.31            |
| Add : Interest Income | 1.45 | 3.82 | -                |
| Less: Exceptional Items - Income | - | - | -                |
| Less : Interest expense | (822.38) | (2,578.21) | -                |
| **Net Loss** | (1,154.85) | (2,471.68) |                  |

### As at 30 September 2013

| Segment assets | 27,469.52 | 17,299.85 | 560.26 | 3.74 | 28,029.78 | 17,303.59 |
| Unallocated corporate assets | 6,832.41 | 6,309.69 | 3.74 | 3.74 | 6,832.41 | 6,309.69 |
| **Total assets** | 34,302.19 | 23,613.28 |                  |

| Segment liabilities | 13,650.84 | 5,475.29 | 557.76 | 116.97 | 14,208.60 | 5,592.26 |
| Unallocated corporate liabilities | 18,513.23 | 16,903.36 | -     | -     | 18,513.23 | 16,903.36 |
| Minority Interest | 898.71 | 892.48 | -     | -     | 898.71 | 892.48 |
| **Total liabilities** | 33,620.54 | 23,388.10 |                  |

### Other segment information

| Capital expenditure: |       |            |                  |
| Tangible assets | 4,779.89 | 1,485.15 | -     | -     | 4,779.89 | 1,485.15 |
| Depreciation | 218.53 | 530.66 | -     | -     | 218.53 | 530.66 |
| Other non-cash expenses: |   |       |            |                  |
| Bad debts written off | - | 1.84 | -     | -     | - | 1.84 |

*Total other income during the period is `123.29 lacs (`1.854.12 lacs). Figures disclosed above exclude interest income earned by corporate office amounting to `3.25 lacs (`798.36 lacs).

### Geographical Segments

The Group operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, segment information is not required to be disclosed.

### 30 Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) `16,238.57 lacs (`5,776.94 lacs).

(b) For commitments relating to lease arrangements, please refer note 26.

### 31. Contingent liabilities

<table>
<thead>
<tr>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>in lacs</td>
<td>in lacs</td>
</tr>
<tr>
<td>Demands / Claims by various Government Authorities and others not acknowledged as debts and contested by the Company* :</td>
<td></td>
</tr>
<tr>
<td>(i) Excise Duty &amp; Service Tax</td>
<td>425.69</td>
</tr>
<tr>
<td>(ii) Sales &amp; Entry Tax</td>
<td>7.27</td>
</tr>
<tr>
<td>(iii) Others</td>
<td>2.89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>435.85</strong></td>
</tr>
</tbody>
</table>

*Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.
32. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014 'in lacs'</th>
<th>30 September 2013 'in lacs'</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).</td>
<td>3.77</td>
<td>6.39</td>
</tr>
<tr>
<td>(ii) Interest due on above.</td>
<td>0.11</td>
<td>0.26</td>
</tr>
<tr>
<td>Total of (i) &amp; (ii)</td>
<td>3.88</td>
<td>6.65</td>
</tr>
<tr>
<td>(iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(iv) Amount paid to the suppliers beyond the respective due date.</td>
<td>8.18</td>
<td>27.54</td>
</tr>
<tr>
<td>(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.</td>
<td>0.59</td>
<td>1.00</td>
</tr>
<tr>
<td>(vi) Amount of interest accrued and remaining unpaid at the end of accounting period.</td>
<td>0.70</td>
<td>1.26</td>
</tr>
<tr>
<td>(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.</td>
<td>1.26</td>
<td>-</td>
</tr>
</tbody>
</table>

33. Imported and Indigenous Raw Material and Store & Spares consumed.

<table>
<thead>
<tr>
<th></th>
<th>Consumption %</th>
<th>Value 'in lacs'</th>
<th>Consumption %</th>
<th>Value 'in lacs'</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2014</td>
<td></td>
<td>30 September 2013</td>
<td></td>
</tr>
<tr>
<td>Raw Material</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imported</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indigenously obtained</td>
<td>100.00%</td>
<td>19,233.40</td>
<td>100.00%</td>
<td>26,154.17</td>
</tr>
<tr>
<td></td>
<td>100.00%</td>
<td>19,233.40</td>
<td>100.00%</td>
<td>26,154.17</td>
</tr>
<tr>
<td>Store &amp; Spares</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imported</td>
<td>0.02%</td>
<td>0.05</td>
<td>0.12%</td>
<td>0.50</td>
</tr>
<tr>
<td>Indigenously obtained</td>
<td>99.98%</td>
<td>295.21</td>
<td>99.88%</td>
<td>402.78</td>
</tr>
<tr>
<td></td>
<td>100.00%</td>
<td>295.26</td>
<td>100.00%</td>
<td>403.28</td>
</tr>
</tbody>
</table>

34. Current period's accounts are prepared for the six months period October 1, 2013 to March 31, 2014. However, the Statement of profit and loss of the Company for the last period was for the fifteen months period July 01, 2012 to September 30, 2013. Hence, current period's figures are not comparable with those of the previous period.

35. Previous period's figures have been regrouped wherever necessary to conform to the current period classification.

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm registration number: 301003E
Chartered Accountants

For and on behalf of the board of directors

Sd/- per Anil Gupta (Partner)
Sd/- R.N. Ratnam (Director)
Sd/- Dharmendra Roy (A.V.P.-Finance)
Sd/- R. S. Raghavan (Managing Director)
Sd/- A. Wadhawan (Company Secretary)

Place: Gurgaon
Date: 6th May, 2014
INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of Gobind Sugar Mills Limited

We have audited the accompanying consolidated financial statements of Gobind Sugar Mills Limited (“the Company”) and its subsidiary (collectively, “the Group”), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Attention is invited to note 13 to the financial statements. The group has recognized Deferred Tax Asset (net) Rs. 5,001.73 lacs (including Rs. 527.20 lacs during the period) 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 assets should be recognized. Had the impact of the same been considered, there would be a loss of Rs. 6,162.81 lacs as against the reported loss of Rs. 1,161.08 lacs for the period.

In respect of above, our audit report for the previous period ended September 30, 2013 was similarly modified.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the group as at March 31, 2014;
(b) in the case of the consolidated Statement of Profit and Loss, of the loss for the period ended on that date; and
(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 28 in the financial statements which indicates that the Group incurred a net loss of Rs. 1,161.08 lacs during the six months period ended March 31, 2014 and, as of that date, the Group’s current liabilities exceeded its current assets by Rs. 11,554.37 lacs. These conditions, along with other matters as set forth in Note 28, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern.

Other Matter
We did not audit total assets of Rs. 1,863.48 lacs as at March 31, 2014, total revenues of Rs. 1.85 lacs and net cash outflows amounting to Rs. 10.34 lacs for the period then ended, included in the accompanying consolidated financial statements. The financial statement for the subsidiary company has been audited by other auditor and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditor. Our opinion is not qualified in respect of this matter.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm’s Registration Number: 301003E

Sd/-
per Anil Gupta
Partner
Membership Number: 87921
Place of Signature: Gurgaon
Date: 6th May 2014
## Consolitated BALANCE SHEET As at 31st March 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td><strong>Equity and Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>3</td>
<td>8,495.00</td>
</tr>
<tr>
<td>Reserves and surplus</td>
<td>4</td>
<td>(7,253.35)</td>
</tr>
<tr>
<td><strong>Minority Interest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>898.71</td>
</tr>
<tr>
<td><strong>Non-current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>6</td>
<td>2,143.33</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>8</td>
<td>15,809.32</td>
</tr>
<tr>
<td>Trade payables</td>
<td>9</td>
<td>13,038.32</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>9</td>
<td>1,696.67</td>
</tr>
<tr>
<td>Short-term provisions</td>
<td>/</td>
<td>34.19</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>30,578.50</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>10</td>
<td>3,883.41</td>
</tr>
<tr>
<td>Capital work-in-progress</td>
<td>11</td>
<td>2,430.54</td>
</tr>
<tr>
<td>Non-current Investments</td>
<td>12</td>
<td>1,788.75</td>
</tr>
<tr>
<td>Deferred tax assets (net)</td>
<td>13</td>
<td>5,001.73</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>14</td>
<td>2,733.62</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>15,838.05</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>15</td>
<td>17,461.34</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>16.1</td>
<td>12.80</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>17</td>
<td>702.40</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>14</td>
<td>802.11</td>
</tr>
<tr>
<td>Other current assets</td>
<td>16.2</td>
<td>45.49</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>19,024.14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>34,862.19</td>
</tr>
</tbody>
</table>

As per our report of even date

**For S.R. Batliboi & Co. LLP**
Firm registration number: 301003E
Chartered Accountants

**For and on behalf of the board of directors**

Sd/-
per Anil Gupta
Partner

Sd/-
R.N. Ratnam
(Director)

Sd/-
R. S. Raghavan
(Managing Director)

Membership no.: 87921
Place : Gurgaon
Date : 6th May, 2014
Consolidated STATEMENT OF PROFIT AND LOSS
for the period from 1 October 2013 to 31st March 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>6 Months period ended</th>
<th>15 Months period ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2014</td>
<td>30 September 2013</td>
</tr>
<tr>
<td>` in lacs</td>
<td>` in lacs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operations (gross)</td>
<td>18</td>
<td>17,111.51</td>
</tr>
<tr>
<td>Less : Excise duty</td>
<td>512.75</td>
<td>1,001.91</td>
</tr>
<tr>
<td>Cess</td>
<td>124.71</td>
<td>186.39</td>
</tr>
<tr>
<td><strong>Revenue from Operations (net)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>19</td>
<td>123.29</td>
</tr>
<tr>
<td><strong>Total Revenue (I)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of raw material consumed</td>
<td>20</td>
<td>19,233.40</td>
</tr>
<tr>
<td>Purchase of traded goods</td>
<td>21</td>
<td>874.15</td>
</tr>
<tr>
<td>(Increase) in inventories of finished goods, traded goods and goods under process</td>
<td>21</td>
<td>(4,889.77)</td>
</tr>
<tr>
<td>Employee benefits expenses</td>
<td>22</td>
<td>598.19</td>
</tr>
<tr>
<td>Other expenses</td>
<td>23</td>
<td>1,368.92</td>
</tr>
<tr>
<td>Depreciation</td>
<td>10</td>
<td>218.53</td>
</tr>
<tr>
<td>Finance costs</td>
<td>24</td>
<td>875.97</td>
</tr>
<tr>
<td><strong>Total (II)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax expenses / (credit)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MAT credit entitlement reversed</td>
<td>36</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax (credit)</td>
<td>(527.20)</td>
<td>(1,205.98)</td>
</tr>
<tr>
<td><strong>Total tax (credit)</strong></td>
<td>(527.20)</td>
<td>(910.67)</td>
</tr>
<tr>
<td><strong>(Loss) before tax</strong></td>
<td>(1,682.05)</td>
<td>(3,382.35)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Loss) for the period</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(Loss) for the period</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earnings per equity share</th>
<th>25</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>[nominal value of share <code>10 (30 September 2013 :</code> 10]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic &amp; Diluted EPS (in `)</td>
<td>(36.28)</td>
<td>(77.24)</td>
</tr>
</tbody>
</table>

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm registration number: 301003E
Chartered Accountants

Sd/- per Anil Gupta
Partner
Membership no.: 87921
Place: Gurgaon
Date: 6th May, 2014

Sd/- R.N. Ratnam
(Director)

Sd/- R. S. Raghavan
(Managing Director)

Sd/- Dharmendra Roy
(A.V.P.-Finance)

Sd/- A. Wadhawan
(Company Secretary)

As per our report of even date

For and on behalf of the board of directors

Sd/-
R. N. Ratnam
(Director)

Sd/-
R. S. Raghavan
(Managing Director)

Sd/-
Dharmendra Roy
(A.V.P.-Finance)

Sd/-
A. Wadhawan
(Company Secretary)
Consolidated CASH FLOW STATEMENT
for the period from 1 October 2013 to 31st March 2014

<table>
<thead>
<tr>
<th></th>
<th>6 Months period ended</th>
<th>15 Months period ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2014 in lacs</td>
<td>30 September 2013 in lacs</td>
</tr>
<tr>
<td>(A) CASH FLOW FROM OPERATING ACTIVITIES :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net (Loss) before Tax</td>
<td>(1,682.05)</td>
<td>(3,382.35)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>218.53</td>
<td>530.66</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>822.38</td>
<td>2,578.21</td>
</tr>
<tr>
<td>Loss on tangible assets sold/discarded (net)</td>
<td>39.83</td>
<td>0.73</td>
</tr>
<tr>
<td>Bad Debts, irrecoverable claims and advances written off</td>
<td>-</td>
<td>1.84</td>
</tr>
<tr>
<td>Molasses Storage &amp; Maintenance Reserve</td>
<td>2.55</td>
<td>8.81</td>
</tr>
<tr>
<td>Net gain on sale of non-current investments (trade)</td>
<td>-</td>
<td>(657.52)</td>
</tr>
<tr>
<td>Unspent liabilities, provisions no longer required and unclaimed balances adjusted</td>
<td>(73.65)</td>
<td>(50.53)</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(1.80)</td>
<td>(137.02)</td>
</tr>
<tr>
<td>Interest income</td>
<td>(1.45)</td>
<td>(3.82)</td>
</tr>
<tr>
<td>Operating (Loss) before Working Capital Changes :</td>
<td>(675.65)</td>
<td>(1,110.99)</td>
</tr>
<tr>
<td>(Decrease) / increase in trade payables, other liabilities</td>
<td>8,648.17</td>
<td>(1,747.05)</td>
</tr>
<tr>
<td>(Decrease)/increase in provision</td>
<td>2.56</td>
<td>(9.59)</td>
</tr>
<tr>
<td>Decrease / (Increase) in trade receivables</td>
<td>(7.32)</td>
<td>23.15</td>
</tr>
<tr>
<td>(Increase) / decrease in loans and advances and other assets</td>
<td>(474.01)</td>
<td>(78.55)</td>
</tr>
<tr>
<td>(Increase) in inventories</td>
<td>(5,156.05)</td>
<td>(2,264.67)</td>
</tr>
<tr>
<td>CASH GENERATED FROM/(USED IN) OPERATIONS:</td>
<td>2,337.70</td>
<td>(5,187.70)</td>
</tr>
<tr>
<td>Direct Taxes paid</td>
<td>3.75</td>
<td>35.02</td>
</tr>
<tr>
<td>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</td>
<td>2,333.95</td>
<td>(5,222.72)</td>
</tr>
<tr>
<td>(B) CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of tangible assets</td>
<td>9.56</td>
<td>1.45</td>
</tr>
<tr>
<td>Purchase of fixed assets including capital advances</td>
<td>(4,607.04)</td>
<td>(1,448.82)</td>
</tr>
<tr>
<td>Proceeds from sale of non-current investments</td>
<td>-</td>
<td>1,550.00</td>
</tr>
<tr>
<td>Maturity in bank deposits during the period (having original maturity of more than three months)</td>
<td>-</td>
<td>5.64</td>
</tr>
<tr>
<td>Investment in bank deposits during the period (having original maturity of more than three months)</td>
<td>(10.00)</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of Government Securities</td>
<td>-</td>
<td>(0.50)</td>
</tr>
<tr>
<td>Dividend received</td>
<td>10.30</td>
<td>128.52</td>
</tr>
<tr>
<td>Interest received</td>
<td>1.17</td>
<td>4.08</td>
</tr>
<tr>
<td>NET CASH GENERATED FROM INVESTING ACTIVITIES</td>
<td>(4,596.02)</td>
<td>240.37</td>
</tr>
<tr>
<td>(C) CASH FLOW FROM FINANCING ACTIVITIES :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of preference share capital</td>
<td>2,175.00</td>
<td>4,000.00</td>
</tr>
<tr>
<td>Receipt of share application money</td>
<td>-</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Repayment of share application money</td>
<td>(1,000.00)</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of long term loans</td>
<td>(73.34)</td>
<td>(3,827.07)</td>
</tr>
<tr>
<td>Proceeds from long term loans</td>
<td>1,100.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Proceeds / (Repayment) of short term borrowings/cash credit (net)</td>
<td>1,703.61</td>
<td>4,036.97</td>
</tr>
<tr>
<td>Repayment of other short term borrowings</td>
<td>4.22</td>
<td>(1,400.00)</td>
</tr>
<tr>
<td>Proceeds from other short term borrowings</td>
<td>2,150.00</td>
<td>-</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,072.15)</td>
<td>(2,480.22)</td>
</tr>
<tr>
<td>NET CASH FROM FINANCING ACTIVITIES</td>
<td>2,828.90</td>
<td>4,979.68</td>
</tr>
<tr>
<td>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</td>
<td>566.83</td>
<td>(2.67)</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents at the beginning of the period</td>
<td>125.55</td>
<td>128.22</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents at the end of the period</td>
<td>692.38</td>
<td>125.55</td>
</tr>
</tbody>
</table>

Components of cash and cash equivalents (Refer note 17)

<table>
<thead>
<tr>
<th></th>
<th>692.38</th>
<th>125.55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances with banks on :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts</td>
<td>687.94</td>
<td>120.23</td>
</tr>
<tr>
<td>Saving account</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>Deposits with original maturity of less than 3 months</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>4.41</td>
<td>5.29</td>
</tr>
<tr>
<td></td>
<td>692.38</td>
<td>125.55</td>
</tr>
</tbody>
</table>

As per our report of even date

For S.R. Batliboi & Co. LLP For and on behalf of the board of directors
Firm registration number: 301003E Chartered Accountants
Sd/- per Anil Gupta R.N. Ratnam Sd/- R. S. Raghavan (Director) (Managing Director)
Partner Membership no.: 87921 Sd/- Dharmendra Roy Sd/- A. Wadhawan (A.V.P.-Finance) (Company Secretary)
Place : Gurgaon Date : 6th May, 2014
Consolidated NOTES TO FINANCIAL STATEMENTS
for the period from 1st October 2013 to 31st March 2014

1. **Basis of preparation**

The Consolidated Financial Statements relate to Gobind Sugar Mills Limited (hereinafter referred to as the “Company”) and its subsidiary company (collectively hereinafter referred to as the “Group”).

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies Act, 1956 (the ‘Act’) read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of The Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous period.

2.1 **Summary of Significant Accounting Policies**

**a) Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

**b) Principles of Consolidation**

These Consolidated Financial Statements have been prepared on the following basis:-

i) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenditure, after fully eliminating intra-group balances and intra-group transactions and also unrealized profits or losses included therein in accordance with accounting standard AS - 21 (Accounting for Consolidated Financial Statements) notified under the provisions of the Companies Act, 1956.

ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s stand alone financial statements. Differences in accounting policies have been disclosed separately.

iii) The difference of the cost to the Company of its investment in subsidiary over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

iv) Minorities’ interest in net profit of consolidated subsidiary for the period has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been accounted for by the holding Company.

v) The financial statements of the subsidiary Company used for the purpose of consolidation

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of Incorporation</th>
<th>%age of ownership/voting power</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As on 31/03/2014</td>
<td>As on 31/09/2013</td>
</tr>
<tr>
<td>New Eros Tradecom Ltd.</td>
<td>India</td>
<td>54.95%</td>
</tr>
</tbody>
</table>

v) The financial statements of the subsidiary Company considered in the financial statements is as follows:
are drawn up to same reporting date as that of the Parent Company i.e. six months period ended March 31, 2014.

(c) **Tangible Fixed Assets**

Tangible Fixed Assets are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties (net of CENVAT Credit), taxes, incidental expenses, erection/commissioning expenses and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

Machinery spares which can be used only in connection with an item of tangible fixed asset and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

(d) **Depreciation on Tangible Fixed Assets**

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation is provided using the Straight Line Method as per the useful lives of the fixed assets as estimated by the management, which are equal to the rates prescribed under Schedule XIV of the Companies Act, 1956. For this purpose, a major portion of the plant has been considered as continuous process plant.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(e) **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of the asset. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and changes in Accounting Policies.

(f) **Leases**

**Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

(g) **Borrowing Costs**

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other
borrowing costs are expensed in the period they occur.

(h) Impairment of Tangible and Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(i) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters’ contribution are credited to capital reserve and treated as a part of shareholders’ funds.

(k) Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Goods under process, finished goods and traded goods, are valued at lower of cost and net realizable value. Finished goods and Goods under process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is computed on a weighted average basis.

By products and Saleable scraps, whose cost is not identifiable, are valued at estimated net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(l) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty and Cess deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividend income is recognized when the shareholders’ right to receive the payment is established by the reporting date.

Insurance and other claims are accounted for on acceptance/actual receipt basis.

(m) Foreign Currency Transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement/ conversion of monetary items are recognized as income or expenses in the year in which they arise.

(n) Retirement and Other Employee Benefits

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan has been funded by policy taken from Life insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognised in full in the year in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

(o) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been
enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the Group has carry forward unabsorbed depreciation and tax losses, all deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period. In the period in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Group reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income Tax during the specified period.

(p) Earnings Per Share

Basic Earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(q) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

(r) Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of stocks as on the reporting date.

(s) Provisions

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

(t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.
(u) **Segment Reporting**

**Identification of segments**

“Identification of segments” “The Group’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.”

**Allocation of common costs** “Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.”

**Unallocated items** “Unallocated items include general corporate income and expense items which are not allocated to any business segment.”

**Segment accounting policies** “The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.”
Consolidated NOTES TO FINANCIAL STATEMENTS
for the period from 1st October 2013 to 31st March 2014

3. Share Capital

<table>
<thead>
<tr>
<th>Authorized shares</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Shares</td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>65,000,000 (65,000,000) Equity Shares of `10/- each</td>
<td>6,500.00</td>
<td>6,500.00</td>
</tr>
<tr>
<td>135,000,000 (60,000,000) Preference Shares of `10/- each</td>
<td>13,500.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,000.00</strong></td>
<td><strong>12,500.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issued shares</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Shares</td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>3,200,000 (3,200,000) Equity Shares of `10/- each</td>
<td>320.00</td>
<td>320.00</td>
</tr>
<tr>
<td>81,750,000 (60,000,000) 7% Non Convertible Redeemable Preference Shares of `10/- each</td>
<td>8,175.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,495.00</strong></td>
<td><strong>6,320.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subscribed and fully paid-up shares</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Shares</td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>3,200,000 (3,200,000) Equity Shares of `10/- each</td>
<td>320.00</td>
<td>320.00</td>
</tr>
<tr>
<td>15,000,000 (15,000,000) 7% Non Convertible Redeemable Preference Shares 1st Series of `10/- each</td>
<td>1,500.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td>5,000,000 (5,000,000) 7% Non Convertible Redeemable Preference Shares 2nd Series of `10/- each</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>33,000,000 (33,000,000) 7% Non Convertible Redeemable Preference Shares 3rd Series of `10/- each</td>
<td>3,300.00</td>
<td>3,300.00</td>
</tr>
<tr>
<td>3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 4th Series of `10/- each</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 5th Series of `10/- each</td>
<td>350.00</td>
<td>350.00</td>
</tr>
<tr>
<td>10,000,000 (Nil) 7% Non Convertible Redeemable Preference Shares 6th Series of `10/- each</td>
<td>1,000.00</td>
<td>-</td>
</tr>
<tr>
<td>11,750,000 (Nil) 7% Non Convertible Redeemable Preference Shares 7th Series of `10/- each</td>
<td>1,175.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,495.00</strong></td>
<td><strong>6,320.00</strong></td>
</tr>
</tbody>
</table>
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares ` in lacs</td>
<td>No. of Shares ` in lacs</td>
</tr>
<tr>
<td>Equity Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding at the beginning and end of the period</td>
<td>3,200,000</td>
<td>320.00</td>
</tr>
<tr>
<td>Preference Shares 1st Series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding at the beginning and end of the period</td>
<td>15,000,000</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Preference Shares 2nd Series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding at the beginning and end of the period</td>
<td>5,000,000</td>
<td>500.00</td>
</tr>
<tr>
<td>Preference Shares 3rd Series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the beginning of the period</td>
<td>33,000,000</td>
<td>3,300.00</td>
</tr>
<tr>
<td>Add: Issued during the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the period</td>
<td>33,000,000</td>
<td>3,300.00</td>
</tr>
<tr>
<td>Preference Shares 4th Series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the beginning of the period</td>
<td>3,500,000</td>
<td>350.00</td>
</tr>
<tr>
<td>Add: Issued during the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the period</td>
<td>3,500,000</td>
<td>350.00</td>
</tr>
<tr>
<td>Preference Shares 5th Series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the beginning of the period</td>
<td>3,500,000</td>
<td>350.00</td>
</tr>
<tr>
<td>Add: Issued during the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at the end of the period</td>
<td>3,500,000</td>
<td>350.00</td>
</tr>
<tr>
<td>Preference Shares 6th Series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the beginning of the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: Issued during the period</td>
<td>10,000,000</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Outstanding at the end of the period</td>
<td>10,000,000</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Preference Shares 7th Series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At the beginning of the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: Issued during the period</td>
<td>11,750,000</td>
<td>1,175.00</td>
</tr>
<tr>
<td>Outstanding at the end of the period</td>
<td>11,750,000</td>
<td>1,175.00</td>
</tr>
</tbody>
</table>

(b) Terms / rights attached to Equity Shares
The Company has only one class of equity shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

(c) Terms of redemption of Preference Shares
The Non-Convertible Redeemable Preference Shares (NCRPS) carry dividend @ 7.00% per annum. These shares are redeemable at par in one single lot after the expiry of 12th year from the date of allotment of shares with a right vested in the board of directors to redeem earlier subject to the consent of subscribers.

The terms of redemption of preference shares 1st to 5th series has been modified during the current period after getting no objection from the preference share holder.

The date of allotment, previous redemption date and current redemption date for the various series of preference shares are given below:
<table>
<thead>
<tr>
<th>Series</th>
<th>Date of allotment</th>
<th>Number of Shares</th>
<th>Previous redemption period</th>
<th>Revised redemption period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Series</td>
<td>03rd January, 2012</td>
<td>15,000,000</td>
<td>Redeemable in three equal instalments in the 9th, 10th and 11th year from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>2nd Series</td>
<td>18th June, 2012</td>
<td>5,000,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>3rd Series</td>
<td>27th September, 2012</td>
<td>33,000,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>4th Series</td>
<td>28th June, 2013</td>
<td>3,500,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>5th Series</td>
<td>20th September, 2013</td>
<td>3,500,000</td>
<td>Redeemable in single lot after expiry of 7 years from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>6th Series</td>
<td>31st December, 2013</td>
<td>10,000,000</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
<tr>
<td>7th Series</td>
<td>31st March, 2014</td>
<td>11,750,000</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
<td>Redeemable in one single lot after expiry of the 12th Year from the date of allotment.</td>
</tr>
</tbody>
</table>

Dividend shall accrue annually to the holders of the NCRPS and shall accordingly be paid on each anniversary of allotment of NCRPS or on premature redemption of NCRPS as aforesaid. However, the Board reserves the right to pay the dividend earlier with the consent of the subscribers but subject to the availability of profit. In case of loss or inadequacy of profit, the right of holders of NCRPS to receive the dividend shall expire.

(d) Details of shareholders holding more than 5% shares in the Company

<table>
<thead>
<tr>
<th>Name of the shareholder</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% holding in the class</td>
</tr>
<tr>
<td>Equity shares of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Ltd.</td>
<td>800,000</td>
<td>25.00%</td>
</tr>
<tr>
<td>Adventz Investments and Holding Ltd.</td>
<td>410,952</td>
<td>12.84%</td>
</tr>
<tr>
<td>Mr. Akshay Poddar</td>
<td>235,000</td>
<td>7.34%</td>
</tr>
<tr>
<td>NCRPS 1st Series of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>15,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>NCRPS 2nd Series of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>5,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>NCRPS 3rd Series of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>33,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>NCRPS 4th Series of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>3,500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>NCRPS 5th Series of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>3,500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>NCRPS 6th Series of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>10,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>NCRPS 7th Series of ` 10 each fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zuari Investments Limited</td>
<td>11,750,000</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

As per the records of the Company including its register of shareholders/members, the above shareholding represents legal
4. Reserves and Surplus

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Capital Redemption Reserve</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Securities Premium Account</td>
<td>200.00</td>
<td>200.00</td>
</tr>
<tr>
<td>Molasses &amp; Alcohol Storage and Maintenance Reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as per the last financial statements</td>
<td>101.43</td>
<td>92.62</td>
</tr>
<tr>
<td>Add: Provided during the period</td>
<td>2.55</td>
<td>8.81</td>
</tr>
<tr>
<td>Closing balance</td>
<td>103.98</td>
<td>101.43</td>
</tr>
<tr>
<td>(Deficit) in the Statement of Profit and Loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as per last financial statements</td>
<td>(6,406.25)</td>
<td>(3,934.57)</td>
</tr>
<tr>
<td>(Loss) for the period</td>
<td>(1,161.08)</td>
<td>(2,471.68)</td>
</tr>
<tr>
<td>Net (Deficit) in the Statement of Profit and Loss</td>
<td>(7,567.33)</td>
<td>(6,406.25)</td>
</tr>
<tr>
<td>Total Reserves and Surplus</td>
<td>(7,253.35)</td>
<td>(6,094.82)</td>
</tr>
</tbody>
</table>

5. Minority Interest

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Share of Minority</td>
<td>45.05%</td>
<td>45.05%</td>
</tr>
<tr>
<td>Share in Equity Share Capital</td>
<td>205.00</td>
<td>205.00</td>
</tr>
<tr>
<td>Share in the Reserves</td>
<td>693.71</td>
<td>687.48</td>
</tr>
<tr>
<td>Total</td>
<td>898.71</td>
<td>892.48</td>
</tr>
</tbody>
</table>

The minority interest represents for New Eros Tradecom Limited.

6. Long-term borrowings

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Term Loans (secured)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From a Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under Corporate Loan Scheme</td>
<td>2,143.33</td>
<td>1,330.00</td>
<td>383.33</td>
<td>170.00</td>
</tr>
<tr>
<td></td>
<td>2,143.33</td>
<td>1,330.00</td>
<td>383.33</td>
<td>170.00</td>
</tr>
<tr>
<td>The above amount includes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured borrowings</td>
<td>2,143.33</td>
<td>1,330.00</td>
<td>383.33</td>
<td>170.00</td>
</tr>
<tr>
<td>Unsecured borrowings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amount disclosed under the head “other current liabilities” (note 9)</td>
<td>(383.33)</td>
<td>(170.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Amount</td>
<td>2,143.33</td>
<td>1,330.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
7. Short-term provisions

<table>
<thead>
<tr>
<th>Provision for employee benefits</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>34.19</td>
<td>31.63</td>
</tr>
</tbody>
</table>

8. Short-term borrowings

<table>
<thead>
<tr>
<th>Other Loans &amp; Advances</th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash credit from Banks (secured) (repayable on demand)</td>
<td>11,963.54</td>
<td>10,259.93</td>
</tr>
<tr>
<td>Bank (Secured)</td>
<td>1,845.78</td>
<td>1,850.00</td>
</tr>
<tr>
<td>Loan from Body Corporate (unsecured)</td>
<td>2,000.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td><strong>The above amount includes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured borrowings</td>
<td>13,809.32</td>
<td>12,109.93</td>
</tr>
<tr>
<td>Unsecured borrowings</td>
<td>2,000.00</td>
<td>2,000.00</td>
</tr>
</tbody>
</table>

1) Cash Credit

a) Cash Credit of ` 3,740.30 lacs (\` 828.88 lacs) from State Bank of India is secured by hypothecation of entire current assets including book debts both present and future on pari passu basis and also by first charge on pari passu basis with other lenders on the fixed assets of the Parent Company. This loan carries interest at the base rate of the bank plus 5.00% p.a.

b) Cash Credit of ` 4,406.35 lacs (\` 3,079.31 lacs) from District Cooperative Bank Ltd., Lakhimpur Kheri, is secured by pledge of some stock of finished goods and carries interest @ 11.50% p.a.

c) Cash Credit of ` 1,816.89 lacs (\` 1,379.99 lacs) from District Cooperative Bank Ltd., Barabanki is secured by pledge of some stock of finished goods and carries interest ranging from 11.50% to 11.75% p.a. during the period.

d) Cash credit of Nil (` 2,971.75 lacs) from Uttar Pradesh Cooperative Bank Ltd. was secured by hypothecation of entire current assets on pari passu basis and also by first charge on pari passu basis with other lenders on the fixed assets of the Parent Company. The said loan was further secured by pledge of some stock of finished goods. The loan carried interest @ 11.50% p.a. The loan was repaid during the period.

e) Cash Credit of ` 2,000 lacs (\` 2,000 lacs) from Ratnakar Bank Ltd. is secured by first mortgage / charge of entire current assets, immovable and movable fixed assets ranking pari passu with other lenders of the Parent Company. Also, Zuari Agro and Chemicals Ltd. and Zuari Global Ltd. have provided letters of comfort for the said loan. The loan carries interest @ 13.75% p.a.

2) Other Loans

a) Equity shares of listed group companies held by the Group have been pledged against the short term loan of ` 1,845.78 lacs (\` 1,850 lacs) from Ratnakar Bank. Also, Zuari Agro and Chemicals Ltd and Zuari Global Ltd has provided letter of comfort for the said loan. The said loan carries interest @ 12.50% p.a. The loan was repayable at the end of 12 months from the date of disbursement (March 26, 2013) i.e. March 25, 2014. However, the Parent Company had requested the bank prior to the due date for renewal of loan and the bank is in the process of renewing the loan.

b) Loan from Texmaco Infrastructure & Holdings Limited of ` 2,000 lacs (\` 2,000 lacs) is repayable on demand and carries interest @ 16% p.a.
## 9. Trade Payables and Other current liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31 March 2014 ` in lacs</th>
<th>As at 30 September 2013 ` in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables (refer note 33 for details of dues to micro and small enterprises)</td>
<td>13,038.32</td>
<td>4,774.08</td>
</tr>
<tr>
<td>Other liabilities :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current maturities of long-term borrowings (Note 6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable towards purchase of capital goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance against Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share application money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest accrued and due on borrowings, deposits etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount payable against redemption of Preference Share Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits received from agents and others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory dues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excise Duty on Closing Stocks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Miscellaneous</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,696.67</td>
<td>2,249.98</td>
</tr>
<tr>
<td></td>
<td>14,734.99</td>
<td>7,024.06</td>
</tr>
</tbody>
</table>

## 10. Tangible assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Freehold Land</th>
<th>Buildings</th>
<th>Plant and equipments</th>
<th>Furniture and fixtures</th>
<th>Vehicles</th>
<th>Office equipments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>41.33</td>
<td>885.67</td>
<td>8,625.15</td>
<td>41.98</td>
<td>100.17</td>
<td>105.68</td>
<td>9,799.98</td>
</tr>
<tr>
<td>At 1 July 2012</td>
<td>356.46</td>
<td>12.36</td>
<td>109.99</td>
<td>12.72</td>
<td>42.17</td>
<td>12.84</td>
<td>546.54</td>
</tr>
<tr>
<td>Additions</td>
<td>397.79</td>
<td>898.03</td>
<td>8,718.22</td>
<td>54.54</td>
<td>137.04</td>
<td>118.13</td>
<td>10,323.75</td>
</tr>
<tr>
<td>Less: Disposals</td>
<td>44.77</td>
<td>8.65</td>
<td>4.18</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>57.60</td>
</tr>
<tr>
<td>At 30 Sept. 2013</td>
<td>367.21</td>
<td>889.38</td>
<td>9,429.89</td>
<td>56.69</td>
<td>140.01</td>
<td>128.02</td>
<td>11,011.40 #</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 July 2012</td>
<td>-</td>
<td>309.38</td>
<td>5,918.48</td>
<td>38.55</td>
<td>68.56</td>
<td>72.63</td>
<td>6,407.60</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>-</td>
<td>25.29</td>
<td>482.60</td>
<td>4.55</td>
<td>9.55</td>
<td>8.67</td>
<td>530.66</td>
</tr>
<tr>
<td>Less: Disposals</td>
<td>-</td>
<td>16.91</td>
<td>0.03</td>
<td>3.62</td>
<td>0.03</td>
<td>20.59</td>
<td></td>
</tr>
<tr>
<td>At 30 Sept. 2013</td>
<td>-</td>
<td>334.67</td>
<td>6,384.17</td>
<td>43.07</td>
<td>74.49</td>
<td>81.27</td>
<td>6,917.67</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>-</td>
<td>10.16</td>
<td>198.95</td>
<td>2.03</td>
<td>3.96</td>
<td>3.43</td>
<td>218.53</td>
</tr>
<tr>
<td>Less: Disposals</td>
<td>-</td>
<td>4.03</td>
<td>4.18</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.21</td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td>-</td>
<td>340.80</td>
<td>6,578.94</td>
<td>45.10</td>
<td>78.45</td>
<td>84.70</td>
<td>7,127.99</td>
</tr>
<tr>
<td>Net Block</td>
<td>397.79</td>
<td>563.36</td>
<td>2,334.05</td>
<td>11.47</td>
<td>62.55</td>
<td>36.86</td>
<td>3,406.08 #</td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td>367.21</td>
<td>548.58</td>
<td>2,850.95</td>
<td>11.79</td>
<td>61.56</td>
<td>43.32</td>
<td>3,883.41</td>
</tr>
</tbody>
</table>

# Includes assets held in joint ownership with others - Gross Block \` 12.58 lacs (- 12.58 lacs) and Net Block \` 5.32 lacs (- 5.68 lacs).
## 11 Capital work-in-progress

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014 in lacs</th>
<th>As at 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance brought forward from the previous period</td>
<td>755.54</td>
<td>8.53</td>
</tr>
<tr>
<td>Add : Additions during the period</td>
<td>2,346.31</td>
<td>882.90</td>
</tr>
<tr>
<td>Less : Transfer to Tangible Assets during the period</td>
<td>3,101.85</td>
<td>891.43</td>
</tr>
<tr>
<td></td>
<td>671.31</td>
<td>135.89</td>
</tr>
<tr>
<td></td>
<td><strong>2,430.54</strong></td>
<td><strong>755.54</strong></td>
</tr>
</tbody>
</table>

## 11.1 Pre - Operative expense (pending allocation) (included in Capital work-in-progress above)

<table>
<thead>
<tr>
<th>Expense</th>
<th>As at 31 March 2014 in lacs</th>
<th>As at 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>26.66</td>
<td>-</td>
</tr>
<tr>
<td>Professional, consultancy fees and legal expenses</td>
<td>2.75</td>
<td>2.75</td>
</tr>
<tr>
<td>Travelling expenses</td>
<td>20.94</td>
<td>-</td>
</tr>
<tr>
<td>Salary</td>
<td>8.11</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>188.19</td>
<td>36.33</td>
</tr>
<tr>
<td>Other borrowing costs</td>
<td>37.50</td>
<td>37.50</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>2.50</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td><strong>286.65</strong></td>
<td><strong>79.08</strong></td>
</tr>
<tr>
<td>Less: Capitalised/reversed during the period</td>
<td>(53.05)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>233.60</strong></td>
<td><strong>79.08</strong></td>
</tr>
</tbody>
</table>

## 12. Non-current investments

### Non - trade Investments (valued at cost)

#### Equity Shares (fully paid)

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of shares</th>
<th>Face value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zuar Global Ltd</td>
<td>11,96,767 @ 10</td>
<td>760.75</td>
</tr>
<tr>
<td>Zuar Agro Chemicals Limited</td>
<td>11,96,767 @ 10</td>
<td>913.06</td>
</tr>
<tr>
<td>Texmaco Infrastructure &amp; Holdings Ltd.</td>
<td>7,38,800 @ 1</td>
<td>24.32</td>
</tr>
<tr>
<td>Texmaco Rail &amp; Engineering Ltd.</td>
<td>7,38,800 @ 1</td>
<td>34.43</td>
</tr>
<tr>
<td>Ricon Commerce Ltd.</td>
<td>47,000 10</td>
<td>2.28</td>
</tr>
<tr>
<td>Upper Ganges Sugar &amp; Industries Ltd</td>
<td>587 10</td>
<td>0.35</td>
</tr>
<tr>
<td>Chambal Fertilisers &amp; Chemicals Ltd.</td>
<td>1,947 10</td>
<td>0.35</td>
</tr>
<tr>
<td>Premium Exchange &amp; Finance Ltd.</td>
<td>180,240 10</td>
<td>5.59</td>
</tr>
<tr>
<td>Master Exchange &amp; Finance Ltd.</td>
<td>188,460 10</td>
<td>5.90</td>
</tr>
<tr>
<td>New India Retailing &amp; Investment Ltd</td>
<td>17,837 10</td>
<td>8.35</td>
</tr>
<tr>
<td>Duke Commerce Ltd.</td>
<td>24,700 10</td>
<td>0.64</td>
</tr>
<tr>
<td>Kesoram Industries Ltd.</td>
<td>500 10</td>
<td>0.30</td>
</tr>
<tr>
<td>Kesoram Textile Mills Ltd.</td>
<td>500 2</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td><strong>1,756.33</strong></td>
<td><strong>1,756.33</strong></td>
</tr>
</tbody>
</table>

#### Unquoted:

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of shares</th>
<th>Face value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lionel Edwards Ltd.</td>
<td>29,146 100</td>
<td>29.27</td>
</tr>
<tr>
<td>Moon Corporation Ltd. (A Class)</td>
<td>250 100</td>
<td>0.43</td>
</tr>
<tr>
<td>Moon Corporation Ltd. (B Class)</td>
<td>18,467 5</td>
<td>1.40</td>
</tr>
<tr>
<td></td>
<td><strong>31.10</strong></td>
<td><strong>31.10</strong></td>
</tr>
</tbody>
</table>

#### Government Securities

<table>
<thead>
<tr>
<th>Security</th>
<th>As at 31 March 2014 in lacs</th>
<th>As at 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Years U.P.State Development Loan, 2008</td>
<td>0.20</td>
<td>0.20</td>
</tr>
<tr>
<td>6 Years National Saving Certificates</td>
<td>0.12</td>
<td>0.12</td>
</tr>
<tr>
<td>5 Years National Saving Certificates</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>#</td>
<td><strong>1.32</strong></td>
<td><strong>1.32</strong></td>
</tr>
<tr>
<td></td>
<td><strong>1,788.75</strong></td>
<td><strong>1,788.75</strong></td>
</tr>
</tbody>
</table>

Aggregate value of quoted investments [Market Value: 3,002.17 lacs (2,148.72 lacs)]

Aggregate value of unquoted investments

@ Pledged to Ratnakar Bank Limited against short term loan.

# Includes Securities valuing 1.02 lacs (0.52 lac) deposited with Government Authorities.
Although, there is carried forward unabsorbed depreciation and business losses as on the reporting date, yet in view of the future profitability projections, the Group is virtually certain that there would be sufficient taxable income in future, to realise the aforesaid deferred tax assets.

### 13. Deferred Tax Assets (net)

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carry forward of Business Losses and Unabsorbed Depreciation</td>
<td>5,173.50</td>
<td>4,746.82</td>
</tr>
<tr>
<td>Expenditure allowable against taxable income in future years</td>
<td>414.56</td>
<td>313.09</td>
</tr>
<tr>
<td><strong>Total Deferred tax assets</strong></td>
<td><strong>5,588.06</strong></td>
<td><strong>5,059.91</strong></td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting</td>
<td>586.33</td>
<td>585.38</td>
</tr>
<tr>
<td><strong>Net Deferred tax assets</strong></td>
<td><strong>5,001.73</strong></td>
<td><strong>4,474.53</strong></td>
</tr>
</tbody>
</table>

### 14. Loans and advances

#### (Unsecured, considered good except stated otherwise)

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Advances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considered good</td>
<td>2,730.26</td>
<td>370.62</td>
</tr>
<tr>
<td>Sundry Deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considered good</td>
<td>3.36</td>
<td>3.36</td>
</tr>
<tr>
<td>Advances recoverable in cash or in kind</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considered good</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Considered doubtful</td>
<td>11.55</td>
<td>11.84</td>
</tr>
<tr>
<td>Less: Provision for doubtful advances</td>
<td>11.55</td>
<td>11.84</td>
</tr>
<tr>
<td>Other loans and advances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Considered good</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan to employees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits against demand under appeal and/or under dispute</td>
<td>-</td>
<td>101.05</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advance payment of Tax, Refunds receivable and Tax deducted at source</td>
<td>-</td>
<td>41.24</td>
</tr>
<tr>
<td>Balances with Excise and Other Government Authorities</td>
<td>-</td>
<td>469.30</td>
</tr>
<tr>
<td>Considered doubtful</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td>Loan to Employee</td>
<td>0.94</td>
<td>0.94</td>
</tr>
<tr>
<td>Claims Receivable</td>
<td>0.59</td>
<td>0.59</td>
</tr>
<tr>
<td>Less: Provision for doubtful loans and advances</td>
<td>0.94</td>
<td>0.94</td>
</tr>
<tr>
<td><strong>Total Loans and advances</strong></td>
<td><strong>2,733.62</strong></td>
<td><strong>373.98</strong></td>
</tr>
</tbody>
</table>
## 15. Inventories

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 31 March 2014 ` in lacs</th>
<th>As at 30 September 2013 ` in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valued at Lower of Cost and Net Realisable Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>21</td>
<td>15,100.50</td>
</tr>
<tr>
<td>Traded Goods</td>
<td>21</td>
<td>560.26</td>
</tr>
<tr>
<td>Raw Materials</td>
<td></td>
<td>3.26</td>
</tr>
<tr>
<td>Goods under process</td>
<td>21</td>
<td>384.87</td>
</tr>
<tr>
<td>Stores, Chemicals and spare parts etc.</td>
<td></td>
<td>300.49</td>
</tr>
<tr>
<td><strong>Valued at Estimated Realisable Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By-Products</td>
<td>21</td>
<td>1,099.46</td>
</tr>
<tr>
<td>Scrap</td>
<td>21</td>
<td>12.50</td>
</tr>
<tr>
<td><strong>The above includes stock in transit:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, Chemicals and spare Parts etc.</td>
<td></td>
<td>1.14</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td>17,461.34</td>
</tr>
</tbody>
</table>

## 16. Trade receivables and other assets

### 16.1 Trade receivables

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014 ` in lacs</th>
<th>As at 30 September 2013 ` in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outstanding for a period exceeding six months from the date they are due for payment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td>0.06</td>
<td>0.02</td>
</tr>
<tr>
<td>Unsecured, considered doubtful</td>
<td>1.32</td>
<td>1.32</td>
</tr>
<tr>
<td>Provision for doubtful trade receivables</td>
<td>1.32</td>
<td>1.32</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>0.06</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Other receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, considered good</td>
<td>12.74</td>
<td>5.46</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>12.80</td>
<td>5.48</td>
</tr>
</tbody>
</table>

### 16.2 Other current assets

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014 ` in lacs</th>
<th>As at 30 September 2013 ` in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(Unsecured, considered good)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest accrued on Loan, Advances, Deposits, Investments etc.</td>
<td>0.70</td>
<td>0.42</td>
</tr>
<tr>
<td>Dividend receivable</td>
<td>-</td>
<td>8.50</td>
</tr>
<tr>
<td>Other receivables</td>
<td>44.79</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>45.49</td>
<td>8.92</td>
</tr>
</tbody>
</table>
## 17. Cash and bank balances

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with banks:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On current accounts</td>
<td>687.94</td>
<td>120.23</td>
</tr>
<tr>
<td>On saving account</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>4.41</td>
<td>5.29</td>
</tr>
<tr>
<td></td>
<td>692.38</td>
<td>125.55</td>
</tr>
<tr>
<td>Other bank balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with original maturity of more than 3 months but less than 12 months</td>
<td>10.00</td>
<td>-</td>
</tr>
<tr>
<td>In Post office savings bank account</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>10.02</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>702.40</td>
<td>125.57</td>
</tr>
</tbody>
</table>

## 18. Revenue from operations

<table>
<thead>
<tr>
<th></th>
<th>6 months period Ended</th>
<th>15 months period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2014</td>
<td>30 September 2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Revenue from operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>15,300.59</td>
<td>24,629.58</td>
</tr>
<tr>
<td>Traded goods</td>
<td>333.93</td>
<td>121.24</td>
</tr>
<tr>
<td>By products</td>
<td>1,467.03</td>
<td>2,814.92</td>
</tr>
<tr>
<td></td>
<td>17,101.55</td>
<td>27,565.74</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scrap Sales</td>
<td>9.96</td>
<td>13.06</td>
</tr>
<tr>
<td>Revenue from operations (gross)</td>
<td>17,111.51</td>
<td>27,578.80</td>
</tr>
<tr>
<td>Less : Excise duty</td>
<td>512.75</td>
<td>1,001.91</td>
</tr>
<tr>
<td>Cess</td>
<td>124.71</td>
<td>186.39</td>
</tr>
<tr>
<td></td>
<td>16,474.05</td>
<td>26,390.50</td>
</tr>
<tr>
<td>Revenue from operations (net)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Detail of products sold

<table>
<thead>
<tr>
<th></th>
<th>6 months period Ended</th>
<th>15 months period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2014</td>
<td>30 September 2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>15,300.59</td>
<td>24,629.58</td>
</tr>
<tr>
<td>Traded goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fertilizers</td>
<td>333.93</td>
<td>121.24</td>
</tr>
<tr>
<td></td>
<td>333.93</td>
<td>121.24</td>
</tr>
<tr>
<td>By products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molasses</td>
<td>726.64</td>
<td>2,089.84</td>
</tr>
<tr>
<td>Bagasse</td>
<td>740.39</td>
<td>725.08</td>
</tr>
<tr>
<td></td>
<td>1,467.03</td>
<td>2,814.92</td>
</tr>
</tbody>
</table>
### 19. Other income

<table>
<thead>
<tr>
<th>Description</th>
<th>6 months period Ended 31 March 2014</th>
<th>15 months period Ended 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Interest income on</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, deposits, advances etc.</td>
<td>1.41</td>
<td>3.58</td>
</tr>
<tr>
<td>Refund from Income Tax Department</td>
<td>-</td>
<td>0.14</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>0.04</td>
<td>0.10</td>
</tr>
<tr>
<td>Dividend income on Long-term investments (non - trade)</td>
<td>1.80</td>
<td>137.02</td>
</tr>
<tr>
<td>Net gain on sale of non-current investments (non - trade)</td>
<td>-</td>
<td>657.52</td>
</tr>
<tr>
<td>Insurance and Other Claims</td>
<td>2.33</td>
<td>1.05</td>
</tr>
<tr>
<td>Rent and Hire Charges</td>
<td>0.75</td>
<td>1.06</td>
</tr>
<tr>
<td>Unspent Liabilities, Provisions no longer required and Unclaimed Balances</td>
<td>73.65</td>
<td>50.53</td>
</tr>
<tr>
<td>Excess gratuity provision reversed</td>
<td>2.73</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Receipts</td>
<td>40.58</td>
<td>3.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>123.29</strong></td>
</tr>
</tbody>
</table>

### 20. Cost of raw material consumed

<table>
<thead>
<tr>
<th>Description</th>
<th>6 months period Ended 31 March 2014</th>
<th>15 months period Ended 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Opening Stock</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchases and procurement expenses</td>
<td>19,236.66</td>
<td>26,154.17</td>
</tr>
<tr>
<td>Closing Stock</td>
<td>3.26</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>19,233.40</strong></td>
</tr>
</tbody>
</table>

**Details of raw material consumed**

<table>
<thead>
<tr>
<th>Description</th>
<th>6 months period</th>
<th>15 months period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugarcane</td>
<td>19,233.40</td>
<td>26,154.17</td>
</tr>
</tbody>
</table>

### 21. (Increase) in inventories

<table>
<thead>
<tr>
<th>Description</th>
<th>6 months period Ended 31 March 2014</th>
<th>15 months period Ended 30 September 2013</th>
<th>(Increase)/decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Inventories at the end of the period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>15,100.50</td>
<td>11,842.48</td>
<td>(3,258.02)</td>
</tr>
<tr>
<td>Traded goods</td>
<td>560.26</td>
<td>-</td>
<td>(560.26)</td>
</tr>
<tr>
<td>By Products</td>
<td>1,099.46</td>
<td>64.83</td>
<td>(1,034.63)</td>
</tr>
<tr>
<td>Goods under process</td>
<td>384.87</td>
<td>125.31</td>
<td>(259.56)</td>
</tr>
<tr>
<td>Scrap</td>
<td>12.50</td>
<td>9.60</td>
<td>(2.90)</td>
</tr>
<tr>
<td></td>
<td><strong>17,157.59</strong></td>
<td><strong>12,042.22</strong></td>
<td><strong>(5,115.37)</strong></td>
</tr>
<tr>
<td>Inventories at the beginning of the period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>11,842.48</td>
<td>9,282.93</td>
<td>(2,559.55)</td>
</tr>
<tr>
<td>By Products</td>
<td>64.83</td>
<td>388.01</td>
<td>323.18</td>
</tr>
<tr>
<td>Goods under process</td>
<td>125.31</td>
<td>116.94</td>
<td>(8.37)</td>
</tr>
<tr>
<td>Scrap</td>
<td>9.60</td>
<td>4.10</td>
<td>(5.50)</td>
</tr>
<tr>
<td></td>
<td><strong>12,042.22</strong></td>
<td><strong>9,791.98</strong></td>
<td><strong>(2,250.24)</strong></td>
</tr>
<tr>
<td>(Increase)/Decrease of excise duty and cess on inventories</td>
<td>(5,115.37)</td>
<td>(2,250.24)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>(4,889.77)</strong></td>
<td><strong>(2,254.23)</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Details of purchase of traded goods

<table>
<thead>
<tr>
<th></th>
<th>6 months period Ended 31 March 2014 in lacs</th>
<th>15 months period Ended 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertilizers</td>
<td>874.15</td>
<td>116.81</td>
</tr>
</tbody>
</table>

### Details of inventory

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014 in lacs</th>
<th>As at 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>15,100.50</td>
<td>11,842.48</td>
</tr>
<tr>
<td>By-products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molasses</td>
<td>970.30</td>
<td>31.93</td>
</tr>
<tr>
<td>Bagasse</td>
<td>129.16</td>
<td>32.90</td>
</tr>
<tr>
<td></td>
<td>1,099.46</td>
<td>64.83</td>
</tr>
<tr>
<td>Goods under process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td>384.87</td>
<td>125.31</td>
</tr>
</tbody>
</table>

### 22. Employee benefits expense

<table>
<thead>
<tr>
<th></th>
<th>6 months period Ended 31 March 2014 in lacs</th>
<th>15 months period Ended 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and bonus etc.</td>
<td>527.99</td>
<td>949.62</td>
</tr>
<tr>
<td>Contribution to provident and other funds</td>
<td>48.44</td>
<td>83.32</td>
</tr>
<tr>
<td>Gratuity expense (Note 26)</td>
<td>-</td>
<td>36.12</td>
</tr>
<tr>
<td>Employees' welfare expenses</td>
<td>21.76</td>
<td>32.70</td>
</tr>
<tr>
<td></td>
<td>598.19</td>
<td>1,101.76</td>
</tr>
</tbody>
</table>

### 23. Other expenses

<table>
<thead>
<tr>
<th></th>
<th>6 months period Ended 31 March 2014 in lacs</th>
<th>15 months period Ended 30 September 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of stores and spares</td>
<td>295.26</td>
<td>403.28</td>
</tr>
<tr>
<td>Packing Materials</td>
<td>269.75</td>
<td>425.68</td>
</tr>
<tr>
<td>Power &amp; Fuel</td>
<td>87.63</td>
<td>233.59</td>
</tr>
<tr>
<td>Repairs to and Maintenance of :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>12.56</td>
<td>76.73</td>
</tr>
<tr>
<td>Machinery</td>
<td>217.04</td>
<td>486.70</td>
</tr>
<tr>
<td>Others</td>
<td>0.75</td>
<td>3.83</td>
</tr>
<tr>
<td>Rent</td>
<td>15.12</td>
<td>43.17</td>
</tr>
<tr>
<td>Rates &amp; Taxes</td>
<td>48.03</td>
<td>55.69</td>
</tr>
<tr>
<td>Insurance</td>
<td>26.17</td>
<td>36.13</td>
</tr>
<tr>
<td>Payment to Auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As Auditors Audit Fees</td>
<td>2.08</td>
<td>5.10</td>
</tr>
<tr>
<td>Limited Review Fees</td>
<td>0.80</td>
<td>3.20</td>
</tr>
<tr>
<td>In other capacity Tax Audit Fees</td>
<td>1.15</td>
<td>1.15</td>
</tr>
<tr>
<td>For Certificates and Other services</td>
<td>3.60</td>
<td>5.75</td>
</tr>
<tr>
<td>Reimbursement of Expenses</td>
<td>1.08</td>
<td>2.00</td>
</tr>
<tr>
<td>Payment to Cost Auditors</td>
<td>0.15</td>
<td>0.15</td>
</tr>
</tbody>
</table>
24. Finance costs

<table>
<thead>
<tr>
<th></th>
<th>6 months period Ended 31 March 2014</th>
<th>15 months period Ended 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission on sales</td>
<td>31.07</td>
<td>59.10</td>
</tr>
<tr>
<td>Freight &amp; Forwarding charges etc.</td>
<td>164.81</td>
<td>163.71</td>
</tr>
<tr>
<td>Charity and Donations</td>
<td>0.69</td>
<td>1.85</td>
</tr>
<tr>
<td>Loss on sale / discard of fixed assets (net)</td>
<td>39.83</td>
<td>0.73</td>
</tr>
<tr>
<td>Bad Debts, irrecoverable claims and advances written off</td>
<td>-</td>
<td>1.84</td>
</tr>
<tr>
<td>Molasses Storage &amp; Maintenance Reserve</td>
<td>2.55</td>
<td>8.81</td>
</tr>
<tr>
<td>Director's sitting fees</td>
<td>1.00</td>
<td>2.74</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>147.80</td>
<td>252.51</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,368.92</strong></td>
<td><strong>2,273.44</strong></td>
</tr>
</tbody>
</table>

25. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

<table>
<thead>
<tr>
<th></th>
<th>6 months period Ended 31 March 2014</th>
<th>15 months period Ended 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) after tax</td>
<td>(1,161.08)</td>
<td>(2,471.68)</td>
</tr>
<tr>
<td>Net (loss) for calculation of basic and diluted EPS</td>
<td>(1,161.08)</td>
<td>(2,471.68)</td>
</tr>
<tr>
<td>Weighted average number of equity shares in calculating basic and diluted EPS</td>
<td>3,200,000</td>
<td>3,200,000</td>
</tr>
<tr>
<td>Loss per equity share [nominal value of share <code> 10 (</code> 10)]</td>
<td>(36.28)</td>
<td>(77.24)</td>
</tr>
</tbody>
</table>

26. Gratuity - Defined Benefit Plan

The Parent Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The Parent Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.
Statement of profit and loss

Net employee benefit expense recognized in employee costs

<table>
<thead>
<tr>
<th></th>
<th>6 months period</th>
<th>15 months period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended 31 March</td>
<td>Ended 30 September</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Current service cost</td>
<td>8.56</td>
<td>20.60</td>
</tr>
<tr>
<td>Interest cost on benefit obligation</td>
<td>10.69</td>
<td>27.02</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(12.11)</td>
<td>(29.75)</td>
</tr>
<tr>
<td>Net actuarial (gain) / loss recognized in the year</td>
<td>(9.87)</td>
<td>(1.68)</td>
</tr>
<tr>
<td><strong>Net benefit expense</strong></td>
<td>(2.73)</td>
<td>16.19 *</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>12.11</td>
<td>29.75</td>
</tr>
</tbody>
</table>

* Excluding `. 19.93 lacs towards liability of left employees not considered in actuarial valuation.

Balance sheet

Net Benefit liability / (asset)

<table>
<thead>
<tr>
<th></th>
<th>As at 31 March 2014</th>
<th>As at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Present value of defined benefit obligation</td>
<td>281.80</td>
<td>281.88</td>
</tr>
<tr>
<td>Fair value of plan assets #</td>
<td>312.74</td>
<td>304.84</td>
</tr>
<tr>
<td>Plan liability / (asset)</td>
<td>(30.94)</td>
<td>(22.96)</td>
</tr>
</tbody>
</table>

Changes in the present value of the defined benefit obligation are as follows :

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Opening defined benefit obligation *</td>
<td>281.88</td>
<td>304.40</td>
</tr>
<tr>
<td>Current service cost</td>
<td>8.56</td>
<td>20.60</td>
</tr>
<tr>
<td>Interest cost</td>
<td>10.69</td>
<td>27.02</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(9.46)</td>
<td>(68.46)</td>
</tr>
<tr>
<td>Actuarial (gains) / losses on obligation</td>
<td>(9.87)</td>
<td>(1.68)</td>
</tr>
<tr>
<td>Closing defined benefit obligation</td>
<td>281.80</td>
<td>281.88</td>
</tr>
</tbody>
</table>

Changes in the fair value of plan assets are as follows :

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>` in lacs</td>
<td>` in lacs</td>
</tr>
<tr>
<td>Opening fair value of plan assets</td>
<td>304.84</td>
<td>319.82</td>
</tr>
<tr>
<td>Expected return</td>
<td>12.11</td>
<td>29.75</td>
</tr>
<tr>
<td>Contributions by employer</td>
<td>25.18</td>
<td>23.73</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(29.39)</td>
<td>(68.46)</td>
</tr>
<tr>
<td>Actuarial gains / (losses)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing fair value of plan assets #</td>
<td>312.74</td>
<td>304.84</td>
</tr>
</tbody>
</table>

* Includes `. 19.93 lacs paid against liability of left employees not considered in actuarial valuation as on 30th September, 2013.

# The fund balance is subject to reconciliation.

The Parents Company expects to contribute `. 25.00 lacs to Gratuity Fund in the next year.
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments with LIC</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The principal assumptions are shown below:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>8.00%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Expected rate of return on assets</td>
<td>8.00%</td>
<td>8.50%</td>
</tr>
<tr>
<td>Salary Increase</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Withdrawal Rates</td>
<td>Varying between Nil to 4.20% per annum depending upon the duration and age of the employees</td>
<td></td>
</tr>
</tbody>
</table>

Mortality Table

Indian assured lives mortality 2006 - 08 Ultimate

Amounts for the current and previous four periods are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gratuity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit obligation</td>
<td>281.80</td>
<td>281.88</td>
<td>304.40</td>
<td>297.03</td>
<td>266.28</td>
</tr>
<tr>
<td>Plan assets</td>
<td>312.74</td>
<td>304.84</td>
<td>319.82</td>
<td>289.61</td>
<td>237.73</td>
</tr>
<tr>
<td>Surplus / (deficit)</td>
<td>30.94</td>
<td>22.96</td>
<td>15.42</td>
<td>(7.42)</td>
<td>(28.55)</td>
</tr>
<tr>
<td>Experience (gain) / loss</td>
<td>9.87</td>
<td>(1.57)</td>
<td>9.52</td>
<td>(15.42)</td>
<td>Not Available *</td>
</tr>
<tr>
<td>adjustments on plan liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience gain / (loss)</td>
<td>-</td>
<td>-</td>
<td>4.74</td>
<td>(1.43)</td>
<td>Not Available *</td>
</tr>
<tr>
<td>adjustments on plan assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Experience adjustments on plan liabilities and assets are not readily available for earlier years and hence not disclosed. The amount of which in the opinion of the management will not be material.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Defined Contribution Plan:

The Group has recognised the following amount as an expense and included under, “Contribution to Provident and Other Funds”.

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 Sept. 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to Provident Fund and other Funds</td>
<td>47.33</td>
<td>81.42</td>
</tr>
</tbody>
</table>

27. Leases

Operating lease

Certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The lease term is ranging upto 3 years and are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>30 Sept. 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease payments made for the period</td>
<td>15.12</td>
<td>43.17</td>
</tr>
</tbody>
</table>
The networth of the Group is substantially eroded as the accumulated loss of the Group as at the reporting date stands at `7,567.33 lacs (`6,406.25 lacs) as against the shareholder’s fund of `8,808.98 lacs (`6,631.43 lacs). Also, the Group incurred a net loss of Rs. 1,161.08 lacs during the six months period ended March 31, 2014 and, as of that date, the Group’s current liabilities exceeded its current assets by `11,554.36 lacs. During the current period, the Group has infused `2,175 lacs towards subscription of share capital of the Group to bridge the gap of accumulated losses and shareholders’ funds. Further, based on the future profitability projections, the management is hopeful that the Group would be in a position to generate positive cash flows and profits in the near future. Also, Zuari Agro Chemicals Limited and Zuari Global Limited have provided letter of comfort to Ratnakar Bank Limited in respect of term loan and working capital facilities taken by the Parent Company. Considering the above, these financial statements have been drawn up on the going concern assumption which is appropriate in the opinion of the management.

29. Related party disclosures

Names of related parties and related party relationship

Enterprise In respect of which the Company is an Associate
Zuari Investments Limited
Zuari Global Limited (Holding company of Zuari Investment Limited)

Key management personnel
Shri Soundara Raghavan Rangachari (w.e.f 28.08.2012) – Managing Director
Shri Alok Saxana (w.e.f 17.04.13) – Executive President
Smt. Jyotsna Poddar (till 23.08.2012) – Chairman-cum-Managing Director
Shri P.K. Lakhotia (till 02.10.2012) – Executive President
Shri B.N. Jha (03.10.12 to 16.04.13) – Executive President

Relatives of key management personnel
Shri Akshay Poddar (upto 23.08.2012) – Son of Smt. Jyotsna Poddar
Shri Mohit Lakhotia (till 02.10.2012) – Son of Shri P.K. Lakhotia

Enterprises owned or significantly influenced by key management personnel or their relatives
Texmaco Infrastructure & Holding Limited (upto 23.08.2012)

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

a. Issue of Preference Share Capital

<table>
<thead>
<tr>
<th>Enterprise In respect of which the Company is an Associate</th>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zuari Investments Limited</td>
<td>Monday, March 31, 2014</td>
<td>2,175.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>4,000.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

b. Sales of investments

<table>
<thead>
<tr>
<th>Enterprise In respect of which the Company is an Associate</th>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zuari Investments Limited</td>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>1,550.00</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

c. Loans / Advances / Intercorporate deposits taken and repayment thereof

<table>
<thead>
<tr>
<th>Enterprise owned or significantly influenced by key management personnel or their relatives</th>
<th>Period ended</th>
<th>Loan / Intercorporate deposits taken</th>
<th>Repayment</th>
<th>Interest accrued / paid</th>
<th>Amount owed to related parties (including interest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texmaco Infrastructure &amp; Holding Limited</td>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Monday, September 30, 2013</td>
<td>-</td>
<td>-</td>
<td>47.34</td>
<td>-</td>
</tr>
</tbody>
</table>
d. Director's Sitting Fees

<table>
<thead>
<tr>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatives of key management personnel</td>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shri Akshay Poddar</td>
<td>Monday, September 30, 2013</td>
<td>0.03</td>
<td>-</td>
</tr>
</tbody>
</table>

Shri P.K.Lakhotia (till 02.10.12)

<table>
<thead>
<tr>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Monday, September 30, 2013</td>
<td>17.50</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Shri B.N.Jha (03.10.12 to 16.04.13)

<table>
<thead>
<tr>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, March 31, 2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Monday, September 30, 2013</td>
<td>12.78</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Shri Alok Sexana (w.e.f. 17.04.13)

<table>
<thead>
<tr>
<th>Period ended</th>
<th>Transaction during the Period</th>
<th>Amount owed by related parties</th>
<th>Amount owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, March 31, 2014</td>
<td>18.08</td>
<td>-</td>
<td>5.76</td>
</tr>
<tr>
<td>Monday, September 30, 2013</td>
<td>16.48</td>
<td>-</td>
<td>3.92</td>
</tr>
</tbody>
</table>

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Parent Company as a whole.

- The Parent Company has taken long term loan of `2,526.66 lacs (previous year `1,500 lacs) from Ratnakar Bank Limited which is to be secured by pledge of 12.50% equity shares held by Zuari Investments Limited in the equity share capital of the Parent Company. Further, the loan is to be secured by corporate guarantee to be given by Zuari Investments Limited.

- The Parent Company has availed cash credit and term loans from banks of Rs. 4,526.66 lacs (previous year Rs. 3,500.00 Lacs), which are further secured by letter of comfort provided by Zuari Global Ltd.

30 Segment information

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group organised its operations into two major businesses: "manufacturing of sugar segment" and "trading of fertilizers segment". A description of the types of activities by each reportable segment is as below:
Business segments

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sugar 6 months Period ended 31st March, 2014</th>
<th>15 months period ended 30 September, 2013</th>
<th>Fertilizer 6 months Period ended 31st March, 2014</th>
<th>15 months period ended 30 September, 2013</th>
<th>Total operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>16,140.12</td>
<td>26,269.26</td>
<td>333.93</td>
<td>121.24</td>
<td>16,474.05</td>
</tr>
<tr>
<td>Sales (net)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26,390.50</td>
</tr>
<tr>
<td>Other income*</td>
<td>120.04</td>
<td>55.76</td>
<td></td>
<td></td>
<td>120.04</td>
</tr>
<tr>
<td>Total revenue</td>
<td>16,260.16</td>
<td>26,325.02</td>
<td>333.93</td>
<td>121.24</td>
<td>16,594.09</td>
</tr>
<tr>
<td>Results</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26,446.28</td>
</tr>
<tr>
<td>Segment results</td>
<td>(822.73)</td>
<td>(1,569.22)</td>
<td>17.31</td>
<td>4.22</td>
<td>(805.41)</td>
</tr>
<tr>
<td>Unallocated Corporate (Expense)/income (net)</td>
<td>(55.70)</td>
<td></td>
<td></td>
<td></td>
<td>757.04</td>
</tr>
<tr>
<td>Add : Interest Income</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td>3.82</td>
</tr>
<tr>
<td>Less : Interest expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(822.38)</td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(1,682.05)</td>
<td>(3,382.35)</td>
<td></td>
<td></td>
<td>(1,565.00)</td>
</tr>
<tr>
<td>Tax expenses</td>
<td>(527.20)</td>
<td></td>
<td></td>
<td></td>
<td>(910.67)</td>
</tr>
<tr>
<td>Net Loss</td>
<td>(1,154.25)</td>
<td></td>
<td></td>
<td></td>
<td>(2,471.68)</td>
</tr>
<tr>
<td>As at 30 September 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment assets</td>
<td>27,469.52</td>
<td>17,299.85</td>
<td>560.26</td>
<td>3.74</td>
<td>28,029.78</td>
</tr>
<tr>
<td>Unallocated corporate assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17,303.59</td>
</tr>
<tr>
<td>Total assets</td>
<td>34,922.19</td>
<td></td>
<td></td>
<td></td>
<td>23,613.28</td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>13,650.84</td>
<td>5,475.29</td>
<td>557.76</td>
<td>116.97</td>
<td>14,208.60</td>
</tr>
<tr>
<td>Unallocated corporate liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,592.26</td>
</tr>
<tr>
<td>Minority Interest</td>
<td>898.71</td>
<td></td>
<td></td>
<td></td>
<td>16,903.36</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>33,620.54</td>
<td></td>
<td></td>
<td></td>
<td>23,388.10</td>
</tr>
</tbody>
</table>

Other segment information

Capital expenditure:
- Tangible assets: 4,779.89, 1,485.15
- Depreciation: 218.53, 530.66
- Other non-cash expenses:
  - Bad debts written off: - 1.84

Geographical Segments

The Group operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, segment information is not required to be disclosed.

31 Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) \( 16,238.57 \) lacs (\( 5,776.94 \) lacs).

(b) For commitments relating to lease arrangements, please refer note 27.

32. Contingent liabilities

<table>
<thead>
<tr>
<th>Demands / Claims by various Government Authorities and others not acknowledged as debts and contested by the Group*</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Excise Duty &amp; Service Tax</td>
</tr>
<tr>
<td>(ii) Sales &amp; Entry Tax</td>
</tr>
<tr>
<td>(iii) Others</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

*Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Parent Company, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.
GOBIND SUGAR MILLS LIMITED & ITS SUBSIDIARY COMPANY

33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

<table>
<thead>
<tr>
<th>Description</th>
<th>31 March 2014 in lacs</th>
<th>30 Sept. 2013 in lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).</td>
<td>3.77</td>
<td>6.39</td>
</tr>
<tr>
<td>(ii) Interest due on above.</td>
<td>0.11</td>
<td>0.26</td>
</tr>
<tr>
<td>Total of (i) &amp; (ii)</td>
<td>3.88</td>
<td>6.65</td>
</tr>
<tr>
<td>(iii) Amount of interest paid by the Group to the suppliers in terms of section 16 of the Act.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(iv) Amount paid to the suppliers beyond the respective due date.</td>
<td>8.18</td>
<td>27.54</td>
</tr>
<tr>
<td>(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the period) but without adding the interest specified under the Act.</td>
<td>0.59</td>
<td>1.00</td>
</tr>
<tr>
<td>(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.</td>
<td>1.26</td>
<td>-</td>
</tr>
</tbody>
</table>

34. Current period's accounts are prepared for the six months period October 1, 2013 to March 31, 2014. However, the Statement of profit and loss of the Group for the last period was for the fifteen months period July 01, 2012 to September 30, 2013. Hence, current period's figures are not comparable with those of the previous period.

35. Previous period's figures have been regrouped wherever necessary to conform to the current period classification.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm registration number: 301003E
Chartered Accountants

For and on behalf of the board of directors

Sd/- per Anil Gupta  Sd/- R.N. Ratnam  Sd/- R. S. Raghavan
Partner (Director) (Managing Director)

Membership no.: 87921  Sd/- Dharmendra Roy  Sd/- A. Wadhawan
Place : Gurgaon (A.V.P.-Finance) (Company Secretary)
Date : 6th May, 2014
GOBIND SUGAR MILLS LIMITED
Regd. Office : 9/1, R.N. Mukherjee Road, Kolkata - 700 001

PROXY FORM
(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) : ..........................................................................................................................................................
Registered Address : ................................................................................................................................................................
E-mail ID : ................................................................................................................................................................................
Folio/ DP ID - Client ID No. : .....................................................................................................................................................

I/We being the member(s) of ........................................... shares of Gobind Sugar Mills Limited hereby appoint:

(1) Name: .................................................................................................................................................................................
Address : ..................................................................................................................................................................................
E-mail ID : ..................................................................................................................................................................................
Signature : ...................................................................................., or failing him;

(2) Name: .................................................................................................................................................................................
Address : ..................................................................................................................................................................................
E-mail ID : ..................................................................................................................................................................................
Signature : ...................................................................................., or failing him;

(3) Name: .................................................................................................................................................................................
Address : ..................................................................................................................................................................................
E-mail ID : ..................................................................................................................................................................................
Signature : ...................................................................................., or failing him;

as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf, at the Annual General Meeting of the Company, to be held on Wednesday, 17th September, 2014 and at any adjournment thereof.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Resolutions</th>
<th>Optional*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adoption of Financial Statements for the year ended March 31, 2014</td>
<td>For</td>
</tr>
<tr>
<td>2</td>
<td>Re-appointment of Mr. N. Suresh Krishnan, who retires by rotation.</td>
<td>Against</td>
</tr>
<tr>
<td>3</td>
<td>Re-appoint M/s. S.R. Batliboi &amp; Co., LLP, Chartered Accountants, Registration No. 301003E as Statutory Auditors of the Company</td>
<td>For</td>
</tr>
<tr>
<td>4</td>
<td>Appointment of Mr. R.N. Ratnam as an Independent Director.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Appointment of Mr. Marco Wadia as an Independent Director.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Appointment of Mr. Anil C. Gupta as an Independent Director.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>To authorise Board of Directors of the Company to borrow from time to time.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>To authorise Board of Directors of the Company to create encumbrance on the property of the Company for securing loans</td>
<td>For</td>
</tr>
<tr>
<td>9</td>
<td>To authorise Board of Directors of the Company to make contributions to Charitable, other funds</td>
<td>Against</td>
</tr>
<tr>
<td>10</td>
<td>To ratify the remuneration of the cost auditor for the financial year 2014-15</td>
<td></td>
</tr>
</tbody>
</table>

AS WITNESS my/our name/names this ............... day of .................2014

...........................................
Signature
NOTES :

1. The proxy need not be a member

2. The proxy duly executed should reach the Registered Office of the Company at least 48 hours before the time of Meeting.

3. A Proxy need not be a member of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

*4. This is only Optional. Please put a ‘X’ in the appropriate column against the resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the Annual General Meeting held on Friday, 12th September, 2014, at 3:00 PM at 9/1, R.N. Mukherjee Road, Kolkata - 700 001

Name of Shareholder/Proxy* .................................................................

Address.................................................................................................. No. of Shares

held.................................................Folio No..............................

*Strike out whichever is not applicable

Signature of shareholder/Proxy

(To be signed at the time of handing over this slip)