

Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of Gobind Sugar Mills Limited

Walker Chandiook & Co LLP
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Report on the Financial Statements

1. We have audited the accompanying financial statements of Gobind Sugar Mills Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

8. As stated in note 13 to the financial statement, the Company continues to carry deferred tax assets (net of deferred tax liabilities) (including Rs.212.33 lacs recognised during the year) (31 March 2015: Rs.5,655.53 lacs) on items comprising unabsorbed depreciation, carry forward of losses and other timing differences, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of virtual certainty supported by convincing evidence on availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Accounting Standard 22, "Accounting for Taxes on Income", specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). Had the Company reversed these deferred tax assets, there would be a loss of Rs.5,815.89 lacs as against reported profit of Rs.51.96 lacs for the year ended 31 March 2016 and reserves and surplus and deferred tax assets as at that date would have been lower by Rs.5,867.85 lacs (as at 31 March 2015 Rs.5,655.53 lacs). Predecessor auditor's audit opinion on the financial statements for the year ended 31 March 2015 was also qualified in respect of this matter.
9. As stated in Note 39 to the financial statement, the Company's other income for the year ended 31 March 2016 includes amount aggregating Rs.539.37 lacs on account of subsidy related to co-generation power plant from Government of Uttar Pradesh under Sugar Industry, Cogeneration and Distillery Promotion Policy, 2013. However, in our opinion, this subsidy is a government grant related to specific fixed assets and therefore the recognition of this subsidy as other income is not in accordance with the accounting principles laid down under Accounting Standard (AS) 12 "Accounting for Government Grants", specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). Had the Company recorded this subsidy in accordance with AS 12 by reducing it from the cost of fixed assets, the other income and depreciation for the year ended 31 March 2016 would have been lower by Rs.539.37 lacs and Rs.6.38 lacs respectively, reported profit after tax of Rs.51.96 lacs for year ended 31 March 2016 would have converted into loss after tax of Rs.481.03 lacs, and fixed assets as at 31 March 2016 would have been lower by Rs.532.99 lacs.

Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the aforesaid 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, of the state of affairs of the Company as at 31 March 2016, its profit and its cash flows for the year ended on that date.

Other Matters

11. The financial statements of the company for the year ended 31 March 2015 were audited by another auditor who had expressed a modified opinion on those financial statements vide their audit report dated 1 May 2015. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.



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13. As required by Section 143(3) of the Act, we report that:

- a. we have sought and except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the financial statements dealt with by this report are in agreement with the books of account;
- d. except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 7 May 2016 as per annexure II expressed unmodified opinion.
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 32 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013

Neeraj Goel

per Neeraj Goel

Partner

Membership No. 099514



Place: Gurgaon

Date: 7 May 2016

Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the financial statements for the year ended 31 March 2016

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, 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) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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 sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable. The provisions relating to employee state insurance is not applicable to the Company.



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Annexure I to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the financial statements for the year ended 31 March 2016

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ lacs)	Amount paid under Protest (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods and services, and Duty demand on sale of scrap and storage loss of molasses	37.01	15.38	2007-2008 to 2012-2013	Commissioner Appeals, Lucknow
Finance Act, 1994	Dispute relating to Service tax on Cane transportation	26.30	3.54	2000-2001, 2011-2012 and 2013-2014	High Court of Delhi
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods and services, and Duty demand Welding electrode and bagasse	65.74	11.07	2004-2005, 2006-2007 to 2011-2012	CESTAT, New Delhi
Central Sales Tax Act, 1956	Interest demand on CST on ex-UP Sale	2.52	-	2003-2004	Additional Commissioner, Sitapur, UP
Tax on Entry of Goods Act, 2000	Entry Tax on free sugar sale	1.81	0.62	2001-2002	Tribunal Court, Lucknow
UP Trade Tax Act, 1948	Trade Tax	0.09	-	2006-2007 to 2007-2008	Tribunal Court, Lucknow

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures and no dues to the government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.



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- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013

Neeraj Goel



per Neeraj Goel

Partner

Membership No. 099514

Place: Gurgaon

Date: 7 May 2016

Walker ChandioK & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the financial statements for the year ended 31 March 2016

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Gobind Sugar Mills Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the financial statements for the year ended 31 March 2016

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013

Neeraj

per Neeraj Goel

Partner

Membership No. 099514



Place: Gurgaon

Date: 7 May 2016

Gobind Sugar Mills Limited

Balance sheet as at 31 March 2016

	Notes	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Equity and Liabilities			
Shareholders' Funds			
Share capital	3	12,880.00	10,845.00
Reserves and surplus	4	(9,449.64)	(9,506.60)
		3,430.36	1,338.40
Non-current Liabilities			
Long-term borrowings	5	16,047.86	16,720.00
		16,047.86	16,720.00
Current Liabilities			
Short-term borrowings	6	23,743.82	17,937.06
Trade payables	7	10,005.67	13,953.96
Other current liabilities	8	7,241.38	2,429.93
Short-term provisions	9	69.87	49.82
		41,060.74	34,370.77
TOTAL		60,538.96	52,429.17
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	10	20,219.27	3,781.28
Capital work-in-progress	11	14,213.29	16,763.99
Non-current Investments	12	14.23	14.55
Deferred tax assets (net)	13	5,867.85	5,655.53
Loans and advances	14	81.48	1,010.94
		40,396.12	27,226.29
Current Assets			
Inventories	15	13,702.35	20,956.50
Trade receivables	16	2,610.52	19.41
Cash and bank balances	17	127.11	640.63
Loans and advances	14	3,670.29	3,462.40
Other current assets	18	32.57	123.94
		20,142.84	25,202.88
TOTAL		60,538.96	52,429.17

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016 2.1

The accompanying notes are an integral part of these financial statements

As per our report of even date

Walker Chandio & Co LLP

For **Walker Chandio & Co LLP**
Chartered Accountants

Neeraj Goel
per **Neeraj Goel**
Partner
Membership no: 099514



For and on behalf of the board of directors

N. Suresh Krishnan
N. Suresh Krishnan
(Chairman)
DIN: 00021965

R. S. Raghavan
R. S. Raghavan
(Managing Director)
DIN: 00362555

Dharmendra Roy
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B
Laxman Aggarwal
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

Place: Gurgaon
Date: 7 May 2016

Gobind Sugar Mills Limited

Statement of profit and loss for the year ended 31 March 2016

	Notes	Year ended 31 March 2016 Rs. in lacs	Year ended 31 March 2015 Rs. in lacs
Income			
Revenue from operations (gross)	19	33,330.20	17,710.82
Less : Excise duty		1,212.33	626.04
Cess		248.31	120.84
Revenue from operations (net)		31,869.56	16,963.94
Other income	20	1,199.42	1,970.21
Total (I)		33,068.98	18,934.15
Expenses			
Cost of raw material consumed	21	18,418.17	19,600.45
Purchase of stock-in-trade		610.89	-
Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade	22	7,422.44	(3,195.54)
Employee benefits expenses	23	1,417.99	1,099.30
Depreciation	10	397.37	254.60
Finance costs	24	2,630.46	1,945.86
Other expenses	25	2,332.03	1,974.45
Total (II)		33,229.35	21,679.12
Loss before tax		(160.37)	(2,744.97)
Tax expenses			
Deferred tax credit		212.33	633.39
Profit / (loss) for the year		51.96	(2,111.58)

Earnings per equity share	26		
[nominal value of share Rs. 10 (31 March 2015 : Rs. 10)]			
Basic and Diluted EPS (in Rs.)		1.62	(65.99)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016 2.1

The accompanying notes are an integral part of these financial statements

As per our report of even date

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
Chartered Accountants

Neeraj Goel
per Neeraj Goel
Partner
Membership no: 099514



Place: Gurgaon
Date: 7 May 2016

For and on behalf of the board of directors

N. Suresh Krishnan
N. Suresh Krishnan
(Chairman)
DIN: 00021965

R.S. Raghavan
R.S. Raghavan
(Managing Director)
DIN: 00362555

Dharmendra Roy
Dharmendra Roy
(Chief Financial Officer)

Laxman Aggarwal
Laxman Aggarwal
(Company Secretary)

PAN: ADCPR3374B Membership No. A19861

Gobind Sugar Mills Limited
Cash flow statement for the year ended 31 March 2016

	Year ended 31 March 2016 Rs. in lacs	Year ended 31 March 2015 Rs. in lacs
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax	(160.37)	(2,744.97)
Adjustments for :		
Depreciation	397.37	254.60
Interest expenses	2,543.34	1,900.79
Loss on tangible assets sold/discarded (net)	80.84	8.49
Irrecoverable balances written off	0.45	109.30
Molasses Storage & Maintenance reserve	5.00	5.04
Net gain on sale of non-current investments (trade)	-	(1,525.75)
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	(399.47)	(2.54)
Dividend on long term investments	(10.32)	(1.84)
Interest income	(13.88)	(20.33)
Operating profit/(loss) before working capital changes :	2,442.96	(2,017.21)
(Decrease) / increase in trade payables and other liabilities	(3,195.63)	1,014.84
Increase in provision	20.05	15.63
Increase in trade receivables	(2,591.11)	(6.61)
Increase in loans and advances and other assets	(217.88)	(2,756.98)
(Increase) / decrease in inventories	7,254.15	(3,495.16)
CASH GENERATED FROM/(USED IN) OPERATIONS:	3,712.54	(7,245.49)
Income taxes (refund) / paid	(6.08)	1.89
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	3,718.62	(7,247.38)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of tangible assets	1.90	20.12
Purchase of fixed assets including capital advances and capital work-in-	(9,784.60)	(11,385.20)
Proceeds from sale of non-current investments	-	2,517.51
Withdrawn/(investment) in bank deposits during the period (having original maturity of more than three months)	558.25	(558.25)
Purchase of investments		(13.23)
Dividend received	10.32	1.84
Interest received	31.43	21.21
NET CASH USED IN INVESTING ACTIVITIES	(9,182.70)	(9,396.00)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Issuance of preference share capital	2,035.00	2,350.00
Repayment of long-term borrowings	(4,813.00)	(2,826.67)
Proceeds from long-term borrowings	6,169.32	17,333.01
Proceeds / (repayment) of short term borrowings/cash credit (net)	2,371.12	(2,390.84)
Repayment of other short-term borrowings	(5,000.00)	(11,598.53)
Proceeds from other short-term borrowings	8,435.64	16,050.00
Interest paid	(3,689.27)	(2,817.56)
NET CASH FROM FINANCING ACTIVITIES	5,508.81	16,099.41
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	44.73	(543.97)
Cash & Cash Equivalents at the beginning of the year	72.36	616.33
Cash & Cash Equivalents at the end of the year	117.09	72.36
Components of cash and cash equivalents (Refer note 17)		
Balances with banks on :		
Current accounts	110.15	71.98
Saving account	0.03	0.03
Cash on hand	6.91	0.35
	117.09	72.36

As per our report of even date

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

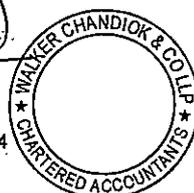
Chartered Accountants

Neeraj Goel

per Neeraj Goel

Partner

Membership no: 099514



Place: Gurgaon

Date: 7 May 2016

For and on behalf of the board of directors

Suresh Krishnan
N. Suresh Krishnan
(Chairman)

DIN: 00021965

Dharmendra Roy
Dharmendra Roy
(Chief Financial Officer)

PAN: ADCPR3374B Membership No. A19861

R.S. Raghavan
R.S. Raghavan
(Managing Director)

DIN: 00362558

Laxman Aggarwal
Laxman Aggarwal
(Company Secretary)

1. Corporate information

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 the 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 Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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 except for the change in accounting policies explained in Note No. 2.1(a) below.

2.1 Summary of Significant Accounting Policies

(a) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets which are equal to useful lives and residual values specified in Schedule II. The management believes that depreciation rates specified under Schedule II of the Companies Act 2013 fairly reflect its estimate of the useful lives and residual values of fixed assets.

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than Rs. 5,000 in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciation of fixed assets costing less than Rs. 5,000. As per the revised policy, the Company is depreciating such fixed assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of fixed assets costing less than Rs. 5,000 did not have any material impact on the loss for the current year.

(b) 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.

(c) Tangible Fixed Assets



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

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 II of the Companies Act, 2013. 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 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 affect 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.

(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.



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(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.

(j) 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.

(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 (including Power Banking) 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.



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(l) 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 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 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.



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(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 year 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 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.

(p) Earnings Per Share

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

For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year 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 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.

(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 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.



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(u) 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.



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

3. Share Capital

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Authorised share capital :		
65,000,000 (65,000,000) equity shares of Rs. 10/- each	6,500.00	6,500.00
135,000,000 (1,35,000,000) preference shares of Rs. 10/- each	13,500.00	13,500.00
Total	20,000.00	20,000.00
Issued shares :		
3,200,000 (3,200,000) Equity Shares of Rs. 10/- each	320.00	320.00
125,600,000 (105,250,000) 7% non convertible redeemable preference shares of Rs.10/- each	12,560.00	10,525.00
Total	12,880.00	10,845.00
Subscribed and fully paid-up shares :		
3,200,000 (3,200,000) Equity Shares of Rs. 10/- each	320.00	320.00
15,000,000 (15,000,000) 7% Non Convertible Redeemable Preference Shares 1st Series of Rs. 10/- each	1,500.00	1,500.00
5,000,000 (5,000,000) 7% Non Convertible Redeemable Preference Shares 2nd Series of Rs. 10/- each	500.00	500.00
33,000,000 (33,000,000) 7% Non Convertible Redeemable Preference Shares 3rd Series of Rs. 10/- each	3,300.00	3,300.00
3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 4th Series of Rs. 10/- each	350.00	350.00
3,500,000 (3,500,000) 7% Non Convertible Redeemable Preference Shares 5th Series of Rs. 10/- each	350.00	350.00
10,000,000 (10,000,000) 7% Non Convertible Redeemable Preference Shares 6th Series of Rs. 10/- each	1,000.00	1,000.00
11,750,000 (11,750,000) 7% Non Convertible Redeemable Preference Shares 7th Series of Rs. 10/- each	1,175.00	1,175.00
5,250,000 (5,250,000) 7% Non Convertible Redeemable Preference Shares 8th Series of Rs. 10/- each	525.00	525.00
2,000,000 (2,000,000) 7% Non Convertible Redeemable Preference Shares 9th Series of Rs. 10/- each	200.00	200.00
2,750,000 (2,750,000) 7% Non Convertible Redeemable Preference Shares 10th Series of Rs. 10/- each	275.00	275.00
13,500,000 (13,500,000) 7% Non Convertible Redeemable Preference Shares 11th Series of Rs. 10/- each	1,350.00	1,350.00
1,500,000 (Nil) 7% Non Convertible Redeemable Preference Shares 12th Series of Rs. 10/- each	150.00	-
500,000 (Nil) 7% Non Convertible Redeemable Preference Shares 13th Series of Rs. 10/- each	50.00	-
10,000,000 (Nil) 7% Non Convertible Redeemable Preference Shares 14th Series of Rs. 10/- each	1,000.00	-
750,000 (Nil) 7% Non Convertible Redeemable Preference Shares 15th Series of Rs. 10/- each	75.00	-
10,00,000 (Nil) 7% Non Convertible Redeemable Preference Shares 16th Series of Rs. 10/- each	100.00	-
66,00,000 (Nil) 7% Non Convertible Redeemable Preference Shares 17th Series of Rs. 10/- each	660.00	-
Total	12,880.00	10,845.00

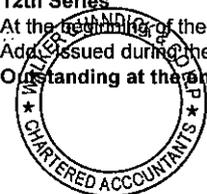


Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Rs. in lacs	No. of Shares	Rs. in lacs
Equity Shares				
Outstanding at the beginning and end of the year	3,200,000	320.00	3,200,000	320.00
7% Non Convertible Redeemable Preference Shares - 1st Series				
Outstanding at the beginning and end of the year	15,000,000	1,500.00	15,000,000	1,500.00
7% Non Convertible Redeemable Preference Shares - 2nd Series				
Outstanding at the beginning and end of the year	5,000,000	500.00	5,000,000	500.00
7% Non Convertible Redeemable Preference Shares - 3rd Series				
Outstanding at the beginning and end of the year	33,000,000	3,300.00	33,000,000	3,300.00
7% Non Convertible Redeemable Preference Shares - 4th Series				
Outstanding at the beginning and end of the year	3,500,000	350.00	3,500,000	350.00
7% Non Convertible Redeemable Preference Shares - 5th Series				
Outstanding at the beginning and end of the year	3,500,000	350.00	3,500,000	350.00
7% Non Convertible Redeemable Preference Shares - 6th Series				
Outstanding at the beginning and end of the year	10,000,000	1,000.00	10,000,000	1,000.00
7% Non Convertible Redeemable Preference Shares - 7th Series				
Outstanding at the beginning and end of the year	11,750,000	1,175.00	11,750,000	1,175.00
7% Non Convertible Redeemable Preference Shares - 8th Series				
At the beginning of the year	5,250,000	525.00	-	-
Add : Issued during the year	-	-	5,250,000	525.00
Outstanding at the end of the year	5,250,000	525.00	5,250,000	525.00
7% Non Convertible Redeemable Preference Shares - 9th Series				
At the beginning of the year	2,000,000	200.00	-	-
Add : Issued during the year	-	-	2,000,000	200.00
Outstanding at the end of the year	2,000,000	200.00	2,000,000	200.00
7% Non Convertible Redeemable Preference Shares - 10th Series				
At the beginning of the year	2,750,000	275.00	-	-
Add : Issued during the year	-	-	2,750,000	275.00
Outstanding at the end of the year	2,750,000	275.00	2,750,000	275.00
7% Non Convertible Redeemable Preference Shares - 11th Series				
At the beginning of the year	13,500,000	1,350.00	-	-
Add : Issued during the year	-	-	13,500,000	1,350.00
Outstanding at the end of the year	13,500,000	1,350.00	13,500,000	1,350.00
7% Non Convertible Redeemable Preference Shares - 12th Series				
At the beginning of the year	-	-	-	-
Add : Issued during the year	1,500,000	150.00	-	-
Outstanding at the end of the year	1,500,000	150.00	-	-



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

7% Non Convertible Redeemable Preference Shares - 13th Series

At the beginning of the year	-	-	-	-
Add : Issued during the year	500,000	50.00	-	-
Outstanding at the end of the year	500,000	50.00	-	-

7% Non Convertible Redeemable Preference Shares - 14th Series

At the beginning of the year	-	-	-	-
Add : Issued during the year	10,000,000	1,000.00	-	-
Outstanding at the end of the year	10,000,000	1,000.00	-	-

7% Non Convertible Redeemable Preference Shares - 15th Series

At the beginning of the year	-	-	-	-
Add : Issued during the year	750,000	75.00	-	-
Outstanding at the end of the year	750,000	75.00	-	-

7% Non Convertible Redeemable Preference Shares - 16th Series

At the beginning of the year	-	-	-	-
Add : Issued during the year	1,000,000	100.00	-	-
Outstanding at the end of the year	1,000,000	100.00	-	-

7% Non Convertible Redeemable Preference Shares - 17th Series

At the beginning of the year	-	-	-	-
Add : Issued during the year	6,600,000	660.00	-	-
Outstanding at the end of the year	6,600,000	660.00	-	-

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.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 date of allotment and number of shares for the various series of preference shares are given below:

Series	Date of allotment	Number of Shares
1st Series	03rd January, 2012	15,000,000
2nd Series	18th June, 2012	5,000,000
3rd Series	27th September, 2012	33,000,000
4th Series	28th June, 2013	3,500,000
5th Series	20th September, 2013	3,500,000
6th Series	31st December, 2013	10,000,000
7th Series	31st March, 2014	11,750,000
8th Series	30th June, 2014	5,250,000
9th Series	17th November, 2014	2,000,000
10th Series	14th January, 2015	2,750,000
11th Series	12th February, 2015	13,500,000
12th Series	30th April, 2015	1,500,000
13th Series	05th May, 2015	500,000
14th Series	25th May, 2015	10,000,000
15th Series	06th July, 2015	750,000
16th Series	31st July, 2015	1,000,000
17th Series	28th August, 2015	6,600,000

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) Shares held by holding company

	As at 31 March 2016	As at 31 March 2015
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Zuari Investments Limited, the holding company w.e.f 25 August 2014 1,640,632 (1,640,632) equity shares of Rs.10 each fully paid	16,406,320	16,406,320
63,209,368 (88,209,368) preference shares of Rs.10 each fully paid	632,093,680	882,093,680



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

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

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
Zuari Investments Limited, holding company w.e.f. 25 August 2014	1,640,632	51.27%	1,640,632	51.27%
Mr. Akshay Poddar	235,000	7.34%	235,000	7.34%
NCRPS 1st Series of Rs. 10 each fully paid				
Zuari Investments Limited	15,000,000	100.00%	15,000,000	100.00%
NCRPS 2nd Series of Rs. 10 each fully paid				
Zuari Investments Limited	2,300,000	46.00%	2,300,000	46.00%
Zuari Sugar & Power Limited*	2,700,000	54.00%	2,700,000	54.00%
NCRPS 3rd Series of Rs. 10 each fully paid				
Zuari Investments Limited	8,000,000	24.24%	33,000,000	100.00%
Simon India Ltd	25,000,000	75.76%	-	-
NCRPS 4th Series of Rs. 10 each fully paid				
Zuari Investments Limited	3,500,000	100.00%	3,500,000	100.00%
NCRPS 5th Series of Rs. 10 each fully paid				
Zuari Investments Limited	2,659,368	75.98%	2,659,368	75.98%
Adventz Finance Private Limited	410,952	11.74%	410,952	11.74%
Sanghashree Investments & Trading Company Ltd.	160,000	4.57%	160,000	4.57%
Ms. Puja Poddar	110,000	3.14%	110,000	3.14%
Mr. Saroj Poddar	159,680	4.56%	159,680	4.56%
NCRPS 6th Series of Rs. 10 each fully paid				
Zuari Investments Limited	10,000,000	100.00%	10,000,000	100.00%
NCRPS 7th Series of Rs. 10 each fully paid				
Zuari Investments Limited	11,750,000	100.00%	11,750,000	100.00%
NCRPS 8th Series of Rs. 10 each fully paid				
Zuari Investments Limited	5,250,000	100.00%	5,250,000	100.00%
NCRPS 9th Series of Rs. 10 each fully paid				
Zuari Investments Limited	2,000,000	100.00%	2,000,000	100.00%
NCRPS 10th Series of Rs. 10 each fully paid				
Zuari Investments Limited	2,750,000	100.00%	2,750,000	100.00%
NCRPS 11th Series of Rs. 10 each fully paid				
Zuari Sugar & Power Limited*	13,500,000	100.00%	13,500,000	100.00%
NCRPS 12th Series of Rs. 10 each fully paid				
New Eros Tradecom Ltd.	1,500,000	100.00%	-	-
NCRPS 13th Series of Rs. 10 each fully paid				
Zuari Investments Limited	500,000	100.00%	-	-
NCRPS 14th Series of Rs. 10 each fully paid				
Zuari Sugar & Power Limited*	10,000,000	100.00%	-	-
NCRPS 15th Series of Rs. 10 each fully paid				
Zuari Insurance Brokers Limited	750,000	100.00%	-	-
NCRPS 16th Series of Rs. 10 each fully paid				
New Eros Tradecom Ltd.	1,000,000	100.00%	-	-
NCRPS 17th Series of Rs. 10 each fully paid				
Zuari Sugar & Power Limited*	6,600,000	100.00%	-	-

* Name changed from Zuari Financial Services Limited to Zuari Sugar & Power Limited w.e.f. 6 August, 2015.

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

(f) The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date.



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

4. Reserves and Surplus

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Capital Redemption Reserve	10.00	10.00
Securities Premium Account	200.00	200.00
Molasses and Alcohol Storage and Maintenance Reserve		
Balance as per the last financial statements	109.02	103.98
Add: provided during the year	5.00	5.04
Closing balance	114.02	109.02
Deficit in the statement of profit and loss		
Balance as per last financial statements	(9,825.62)	(7,671.55)
Less: Carrying value of tangible assets having nil useful life as per Schedule II of Companies Act, 2013 (net of deferred tax of Rs.20.40 lacs) (refer note)	-	(42.49)
Profit / (loss) for the year	51.96	(2,111.58)
Net deficit in the statement of profit and loss	(9,773.66)	(9,825.62)
Total reserves and surplus	(9,449.64)	(9,506.60)



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

5. Long-term borrowings

	Non-current portion		Current portion	
	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Term Loans (secured) :				
Indian rupee loan from banks (secured)	5,934.32	4,350.00	1,252.00	313.00
Soft Loan	1,661.00	-	-	-
Loan under Financial Assistance Scheme to Sugar Units under SEFASU 2014 from banks (Excise Duty Loan) (secured)	1,574.38	2,270.00	695.62	-
Loan from a financial institution (secured)	6,878.16	5,600.00	393.84	-
Loan from a body corporate (secured)	-	4,500.00	-	-
	16,047.86	16,720.00	2,341.46	313.00
The above amount includes				
Secured borrowings	16,047.86	16,720.00	2,341.46	313.00
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities" (note 8)			(2,341.46)	(313.00)
Net amount	16,047.86	16,720.00	-	-

1) Term Loans in Indian rupee from banks

a) Term Loan of Rs.7,186.32 lacs (Rs.4,663.00 lacs) from State Bank of India is secured by first mortgage / charge on entire fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new peice of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machiney and other fixed and current assets, present and future of the Company, on pari pasu basis with other term lenders. Also, Zuari Global Limited has provided corporate guarantee for the said loan.

The aforesaid loan is repayable in 24 quarterly installments commencing from 31 March 2016 and carries interest @ 3% p.a above base rate. The 1st to 23rd quarterly installments will be of Rs. 313 lacs each and the 24th installment will be of Rs. 301 lacs.

b) Term Loan of Rs.1,661.00 lacs (Nil) as soft loan from State Bank of India is secured by first mortgage / charge on entire fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new peice of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machiney and other fixed and current assets, present and future of the Company, on pari pasu basis with other term lenders.

The aforesaid loan is repayable in 16 quarterly installments commencing from 1st October 2017 and carries interest @ 2.30% p.a above base rate.

2) Term Loans under Financial Assistance Scheme to Sugar Units under SEFASU 2014 from banks (Excise Duty Loan)

a) Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of Rs.1,099 lacs (Rs.1,099 lacs) from District Co-operative Bank is repayable in 5 years with 2 years of moratorium period and carry interest of 12% p.a. As per the scheme, the interest is payable by the Government of India/National Bank for Agriculture and Rural Development (NABARD). As per the terms of the sanction letter, the loan is secured by charge on free assets of the Company. This charge is yet to be created.

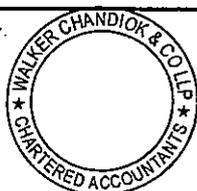
b) Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of Rs. 1,171 lacs (Rs.1,171 lacs) from State Bank of India is secured by pari passu first charge basis on the hypothecated current assets, both present and future and pari passu second charge basis on the moveable fixed assets of the Company with other Working Capital Lenders. The said loan is repayble in 12 quartely installments starting from 30th June, 2016 and carry interest of 12.50% p.a. As per the scheme, the interest to the extent of 12% p.a. is payable directly by the Government of India/National Bank for Agriculture and Rural Development (NABARD) to State Bank of India and hence, no liability towards interest has been provided in these accounts.

3) Term Loan from a financial institution of Rs.7,272 lacs (Rs.5,600 lacs) from Indian Renewal Energy Development Agency Limited (IREDA) is secured by first mortgage / charge on entire fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new peice of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, moveable and immovable machinery and other fixed assets, present and future of the Company, on pari pasu basis with other term lenders. Further, the loan is secured by 2nd pari-passu charge on current assets of the Company (excluding receivables from the power project on which there is a first pari-passu charge) along with other lenders.

Also, Zuari Global Ltd. has provided corporate guarantee for the said loan.

The said loan is repayable in 40 quarterly installments starting from expiry of 1 year from the date of commissioning of co-generation project and carries interest @ 12.65%/13.25% p.a. Also, additional interest @ 1.00% will be charged during construction period.

4) Term loan from a body corporate of Nil (Rs.4,500.00 lacs) from Aditya Birla Finance Limited was secured by first mortgage / charge on all movable and immovable fixed assets including but not limited to land, buildings, plant and machinery, assignments of all project contracts, agreements etc present and future on first pari-passu basis. This loan is further secured by first pari-passu charge on all present and future current assets including book debts, operating cash flows and receivables of the Company. Also, Zuari Global Limited has issued a corporate guarantee for the said loan. The said loan is fully repaid during the year.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

6. Short-term borrowings

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Cash credit from banks (secured) (refer note 1 below)	11,943.82	9,572.70
Others		
Bank (Secured) (refer note 2)	8,000.00	4,500.00
Loans from body corporate (unsecured) (refer note 3)	3,800.00	3,864.36
	23,743.82	17,937.06
The above amount includes		
Secured borrowings	11,943.82	9,572.70
Unsecured borrowings	11,800.00	8,364.36

1) Cash Credit

a) Cash Credit of Rs. 1,962.51 lacs (Rs. 1,954.03 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 Rs. 4,119.29 lacs (Rs. 4,046.24 lacs) from District Cooperative Bank Ltd., Lakhimpur Kheri. As per the sanction letter, the said limited is secured by pledge of some stock of finished goods and also by immovable fixed assets on pari-passu basis and carries interest @ 11.25% p.a. The said charge is yet to be created.

c) Cash Credit of Rs. 1,522.56 lacs (Rs. 1,572.43 lacs) from District Cooperative Bank Ltd., Barabanki, as per the sanction letter is secured by pledge of some stock of finished goods and carries interest 11.25% p.a. The said charge is yet to be created.

d) Cash Credit of Rs. 2,000 lacs (Nil) from District Cooperative Bank Ltd., Pilibhit, as per the sanction letter is secured by pledge of some stock of finished goods and carries interest 11.25% p.a. The said charge is yet to be created.

e) Cash Credit of Rs. 1,079 lacs (Rs. 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.

f) Cash Credit of Rs. 1,260.46 lacs (Nil) from District Cooperative Bank Ltd., Shahjahanpur, as per the sanction letter is secured by pledge of some stock of finished goods and carries interest 11.25% p.a. The said charge is yet to be created.

2) Other Loans from banks

a) Loan from a financial institution of Rs. Rs. 3,000 lacs (Nil) from Indian Renewable Energy Development Agency Limited is repayable on or before end of two years from the date of 1st disbursement or upon release of SDF Loan, whichever is earlier and carries interest @ 12.70% p.a. The Company expects to receive SDF loan with in next 6 months from the end of the financial year 2015-16.

b) Loan from a bank of Rs. Rs. 5,000 lacs (Nil) from Federal Bank Limited is repayable in three equal instalments i.e. Rs. 1,666.67 lacs each to be repaid on 21st April, 2016, 21st July, 2016 and 21st October, 2016 and carries interest @ 12.00% p.a. Also, Zuari Global Limited has issued a corporate guarantee for the said loan.

c) Loan from a bank of Nil (Rs.4,500 lacs) from HDFC Bank Limited is repayable in two instalments and carried interest @ 11.75% p.a. Also, Zuari Global Limited has issued a corporate guarantee for the said loan.

3) Loans from Bodies corporate

a) Loan from Texmaco Infrastructure & Holdings Limited of Rs.1,300 lacs (Rs.1,300 lacs) is repayable on demand and carries interest @ 16% p.a.

b) Loan from Adventz Investments & Holdings Limited of Rs.2,500 lacs (Rs.2,500 lacs) is repayable on demand and carries interest @ 13.50% p.a.

c) Loan of Nil (Rs.64.36 lacs) from New Eros Tradecom Limited (NETL) carried interest @ 10.50%.



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

7. Trade Payables

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Trade payables (refer note 33 for details of dues to micro and small)	10,005.67	13,953.96
	<u>10,005.67</u>	<u>13,953.96</u>

8. Other current liabilities

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Current maturities of long-term borrowings (Note 5)	2,341.46	313.00
Payable towards purchase of capital goods	3,273.16	657.36
Advance from customers	100.76	51.93
Interest accrued and due on borrowings, deposits etc.	231.38	417.38
Employee related payable	275.39	146.93
Deposits received from agents and others	79.61	68.91
Others -		
Statutory dues	123.25	156.25
Excise duty on closing stocks	810.25	611.17
Miscellaneous	6.12	7.00
	<u>7,241.38</u>	<u>2,429.93</u>

9. Short-term provisions

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Provision for employee benefits		
Compensated absences	69.87	49.82
	<u>69.87</u>	<u>49.82</u>



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

10. Tangible assets	Rs. in lacs						
	Freehold Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
Cost							
As at 1 April 2014	367.21	889.38	9,429.89	56.89	140.01	128.02	11,011.40
Add: Additions	18.20	172.62	-	42.57	0.08	10.50	243.97
Less: Disposals	7.55	12.53	9.39	-	20.18	-	49.65
As at 31 March 2015	377.86	1,049.47	9,420.50	99.46	119.91	138.52	11,205.72
Add: Additions	2.42	3,366.03	13,494.60	25.49	0.03	29.53	16,918.10
Less: Disposals	1.41	-	483.91	-	-	0.42	485.74
As at 31 March 2016	378.87	4,415.50	22,431.19	124.95	119.94	167.63	27,638.08
Depreciation							
As at 1 April 2014	-	340.80	6,578.94	45.10	78.45	84.70	7,127.99
Charge for the year	-	28.45	192.74	1.95	9.74	21.72	254.60
Less: Disposals	-	8.13	2.03	-	10.88	-	21.04
Less: Transferred to opening retained earning (refer note below)		41.66	11.93	1.41	0.04	7.85	62.89
As at 31 March 2015	-	402.78	6,781.58	48.46	77.35	114.27	7,424.44
Charge for the year	-	67.19	307.42	6.26	6.72	9.78	397.37
Less: Disposals	-	-	402.68	-	-	0.32	403.00
As at 31 March 2016	-	469.97	6,686.32	54.72	84.07	123.73	7,418.81
Net Block							
At 31 March 2015	377.86	646.69	2,638.92	51.00	42.56	24.25	3,781.28
At 31 March 2016	378.87	3,945.53	15,744.87	70.23	35.87	43.90	20,219.27

Note: During the previous year, the Company has revised the useful life of its fixed assets to comply with the life as mentioned under Schedule II of the new Companies Act, 2013. Accordingly, in case of assets whose life has been completed as on March 31, 2014, the carrying value (net of residual value) of those assets amounting to Rs.42.49 lacs (net of deferred tax of Rs.20.40 lacs) has been adjusted with opening balances of retained earnings i.e. surplus in the statement of profit and loss.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

11. Capital work-in-progress

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Balance brought forward from the previous year	16,763.99	2,430.54
Add : Additions during the year	14,066.93	14,506.07
	30,830.92	16,936.61
Less : Transfer to tangible assets during the year	16,617.63	172.62
	14,213.29	16,763.99

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

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Salaries, wages and bonus etc.	92.77	28.85
Contribution to provident and other funds	2.06	2.06
Employees' welfare expenses	8.21	0.15
Power and Fuel	526.89	100.83
Rates and Taxes	17.63	11.23
Insurance	64.96	44.04
Travelling expenses	131.86	61.00
Transmission line expenses *	812.85	812.85
Professional, consultancy fees and legal expenses	288.77	53.96
Miscellaneous expenses	33.23	5.57
Interest	3,100.25	1,179.83
Other borrowing costs	499.29	328.35
Scrap Sales	(34.45)	(34.45)
	5,544.32	2,594.27
Less: Capitalised during the year	3,680.26	-
	1,864.06	2,594.27

* Considered as pre-operative expenses being part of overall expansion project cost.

12. Non-current investments

	As at 31 March 2016	As at 31 March 2015 Rs. in lacs
Trade investments (unquoted) (valued at cost)		
Non-trade investments (unquoted)		
Government securities		
20 Years U.P.State Development Loan, 2008	-	0.20
6 Years National Saving Certificates	-	0.12
5 Years National Saving Certificates	1.00	1.00
	# 1.00	1.32
Quoted, fully paid :		
Premium Exchange & Finance Limited (180,240 shares (previous year: 180,240 shares) of Rs.10 each)	5.59	5.59
Master Exchange & Finance Limited (188,460 shares (previous year: 188,460 shares) of Rs.10 each)	5.90	5.90
Duke Commerce Limited (24,700 shares (previous year: 24,700 shares) of Rs.10 each)	0.64	0.64
Chambal Fertilizers & Chemicals Limited (1,947 shares (previous year: 1,947 shares) of Rs.10 each)	1.10	1.10
	13.23	13.23
	14.23	14.55
	31 March 2016	31 March 2015
Aggregate value of quoted investments	13.23	13.23
Aggregate market value of quoted investments	13.30	13.44
Aggregate value of unquoted investments	1.00	1.32

Includes Securities valuing Rs.1 lacs (Rs.1.32 lacs) deposited with Government Authorities.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

13. Deferred tax assets (net)

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Deferred tax assets		
Carry forward of Business Losses and Unabsorbed Depreciation	6,171.77	5,838.68
Expenditure allowable against taxable income in future years	358.18	506.56
	<u>6,529.95</u>	<u>6,345.24</u>
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	662.10	689.71
	<u>662.10</u>	<u>689.71</u>
Net Deferred tax assets	<u>5,867.85</u>	<u>5,655.53</u>

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.

14. Loans and advances

	Non-current		Current	
	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
(Unsecured, considered good except stated otherwise)				
Capital advances	80.14	1,009.73	-	-
Sundry deposits				
Considered good	1.34	1.21	-	-
Advances recoverable in cash or in kind				
Considered good	-	-	266.87	123.66
Considered doubtful	10.78	10.85	-	-
	<u>10.78</u>	<u>10.85</u>	<u>266.87</u>	<u>123.66</u>
Less : Provision for doubtful advances	10.78	10.85	-	-
	<u>-</u>	<u>-</u>	<u>266.87</u>	<u>123.66</u>
Other loans and advances				
Considered good				
Loan to employees	-	-	5.73	4.97
Deposits against demand under appeal and / or under dispute	-	-	91.02	90.25
Prepaid Expenses	-	-	50.78	18.78
Tax deducted at source	-	-	0.83	6.91
Balances with Excise and Other Government Authorities	-	-	1,819.42	1,044.88
Cane subsidy receivable (refer note 37)	-	-	1,435.64	2,172.95
Considered doubtful				
Loan to employee	0.35	0.35	-	-
Claims receivable	0.59	0.59	-	-
	<u>0.94</u>	<u>0.94</u>	<u>3,403.42</u>	<u>3,338.74</u>
Less: Provision for doubtful loans and advances	0.94	0.94	-	-
	<u>-</u>	<u>-</u>	<u>3,403.42</u>	<u>3,338.74</u>
	<u>81.48</u>	<u>1,010.94</u>	<u>3,670.29</u>	<u>3,462.40</u>



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

15. Inventories

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Valued at lower of cost or net realisable value		
Finished goods	11,716.12	18,971.38
Power Banking	41.88	-
Raw Materials	33.58	35.89
Goods under process	359.43	330.77
Stores, Chemicals and spare parts etc.	413.98	343.25
Rice husk	3.82	-
Valued at Estimated Realisable Value		
By-Products	808.48	990.09
Bagasse	257.59	264.62
Scrap	40.00	20.50
Pressmud	27.47	-
	13,702.35	20,956.50

16 Trade receivables

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	0.04	0.09
Unsecured, considered doubtful	1.32	1.32
	1.36	1.41
Less: provision for doubtful trade receivables	1.32	1.32
	0.04	0.09
Other receivables		
Unsecured, considered good	2,610.48	19.32
	2,610.52	19.41

17. Cash and bank balances

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Cash and cash equivalents		
Balances with banks:		
On current accounts	110.15	71.98
On saving account	0.03	0.03
Cash on hand	6.91	0.35
	117.09	72.36
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12	10.00	568.25
In Post office savings bank account	0.02	0.02
	10.02	568.27
	127.11	640.63

* Fixed deposits amounting to Nil (Rs.558.25 lacs) have been pledged against loan from a body corporate and fixed deposit amounting to Rs.10 lacs (Rs.10 lacs) is in nature of margin money kept with a bank against issue of a bank guarantee.

18. Other current assets

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
(Unsecured, considered good)		
Interest accrued on loan, advances, deposits, investments etc.	17.33	17.35
Interest subvention receivable under SEFASU 2014 (refer note 5(2))	11.91	106.59
Interest accrued but not due on fixed deposits	3.33	-
	32.57	123.94



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

19. Revenue from operations

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Revenue from operations		
Sale of products		
Sugar	28,717.46	15,011.03
Power	1,890.50	-
Traded goods	616.97	603.48
By products	1,722.34	2,080.64
	32,947.27	17,695.15
Other operating revenue		
Scrap Sales	380.92	15.67
Pressmud Sales	2.01	-
Revenue from operations (gross)	33,330.20	17,710.82
Less : Excise duty	1,212.33	626.04
Cess	248.31	120.84
Revenue from operations (net)	31,869.56	16,963.94

Detail of products sold

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Finished goods		
Sugar	28,717.46	15,011.03
Power	1,890.50	-
	30,607.96	15,011.03
Traded goods		
Fertilizers	616.97	603.48
	616.97	603.48
By products		
Molasses	1,722.34	1,625.24
Bagasse	-	455.40
	1,722.34	2,080.64

20. Other income

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Interest income on		
Loans, deposits, advances etc.	13.79	20.24
Interest subvention from U.P Government (refer note 39)	654.20	-
Long-term investments	0.09	0.09
Dividend on long term investments	10.32	1.84
Subsidy on cane purchase (refer note 36)	-	409.11
Net gain on sale of non-current investments in a subsidiary Company (trade) (refer note 38)	-	1,525.75
Insurance and Other Claims	6.46	4.22
Rent and hire charges	0.46	1.05
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	399.47	2.54
Export subsidy (refer note 40)	65.10	-
Renewable energy certificate income	14.73	-
Miscellaneous receipts	34.80	5.37
	1,199.42	1,970.21



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

21. Cost of raw material consumed

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Opening Stock	35.89	3.26
Purchases and procurement expenses	18,775.43	19,633.08
	<u>18,811.32</u>	<u>19,636.34</u>
Less: Closing Stock	33.58	35.89
	<u>18,777.74</u>	<u>19,600.45</u>
Less: Internal generated bagasse transferred to pre-operative expense (pending allocation) under power and fuel	359.57	-
	<u>18,418.17</u>	<u>19,600.45</u>

Details of raw material consumed

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Sugarcane	18,418.17	19,600.45

22. Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs	(Increase)/ decrease Rs. in lacs
Inventories at the end of the year			
Finished goods	11,716.12	18,971.38	7,255.26
Stock-in-trade	-	-	-
By Products	1,093.54	1,254.71	161.17
Work-in-progress	359.43	330.77	(28.66)
Power Banking	41.88	-	(41.88)
Scrap	40.00	20.50	(19.50)
	<u>13,250.97</u>	<u>20,577.36</u>	<u>7,326.39</u>
Inventories at the beginning of the year			
Finished goods	18,971.38	15,100.50	(3,870.88)
Stock-in-trade	-	560.26	560.26
By Products	1,254.71	1,099.46	(155.25)
Work-in-progress	330.77	384.87	54.10
Power Banking	-	-	-
Scrap	20.50	12.50	(8.00)
	<u>20,577.36</u>	<u>17,157.59</u>	<u>(3,419.77)</u>
	<u>7,326.39</u>	<u>(3,419.77)</u>	
Increase of excise duty and cess on inventories	96.05	224.23	
	<u>7,422.44</u>	<u>(3,195.54)</u>	

Details of inventory

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Finished goods		
Sugar & Power banking	11,758.00	18,971.38
By-products		
Molasses	808.48	990.09
Pressmud	27.47	-
Bagasse	257.59	264.62
	<u>1,093.54</u>	<u>1,254.71</u>
Goods under process		
Sugar	359.43	330.77



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

23. Employee benefits expense

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Salaries, wages and bonus	1,226.50	978.44
Contribution to provident and other funds	97.12	76.05
Gratuity expense (Note 27)	52.83	12.52
Staff welfare expenses	41.54	32.29
	<u>1,417.99</u>	<u>1,099.30</u>

24. Finance costs

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Interest	2,543.34	1,900.79
Other borrowing costs	87.12	45.07
	<u>2,630.46</u>	<u>1,945.86</u>

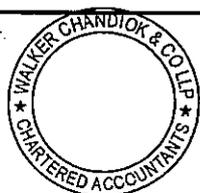
25. Other expenses

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Consumption of stores and spares	354.46	385.88
Consumption of bagasse and rice husk	236.09	-
Packing materials	266.52	294.36
Power and fuel	128.89	192.04
Repairs and maintenance of :		
Buildings	37.88	23.06
Machinery	504.61	322.54
Others	1.03	1.75
Rent	97.83	47.45
Rates and taxes	15.20	52.94
Insurance	53.71	54.43
Payment to auditors		
As Auditors		
Audit Fees	9.25	5.00
Limited Review Fees	4.00	3.00
In other capacity		
Tax Audit Fees	2.50	1.70
For Certificates services	0.75	3.50
Reimbursement of Expenses	2.87	1.32
Payment to Cost Auditors	0.65	0.15
Commission on sales	56.56	29.68
Freight and forwarding charges	186.68	191.70
Charity and donations	1.22	1.19
Loss on sale / discard of fixed assets (net)	80.84	8.49
Irrecoverable balances written off	0.45	109.30
Molasses Storage & Maintenance Reserve	5.00	5.04
Director's sitting fees	6.21	2.80
Miscellaneous expenses	278.83	237.13
	<u>2,332.03</u>	<u>1,974.45</u>

26. Earnings per share (EPS)

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

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Profit/(loss) after tax	51.96	(2,111.58)
Net profit/(loss) for calculation of basic and diluted EPS	<u>51.96</u>	<u>(2,111.58)</u>
	Nos.	Nos.
Weighted average number of equity shares in calculating basic and diluted EPS	3,200,000	3,200,000
Earning per equity share		
[nominal value of share Rs. 10 (Rs. 10)]		
Basic & Diluted EPS (in Rs.)	1.62	(65.99)



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

27. 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.

Statement of profit and loss

Net employee benefit expense recognized in employee costs

	Year Ended 31 March 2016 Rs. in lacs	Year Ended 31 March 2015 Rs. in lacs
Current service cost	25.96	19.45
Interest cost on benefit obligation	23.87	21.68
Expected return on plan assets	(27.63)	(25.30)
Net actuarial (gain) / loss recognized in the year	30.63	(3.31)
Net benefit expense	52.83	12.52
Actual return on plan assets	25.14	25.65

Balance sheet

Net Benefit liability / (asset)

	As at 31 March 2016 Rs. in lacs	As at 31 March 2015 Rs. in lacs
Present value of defined benefit obligation	298.54	298.39
Fair value of plan assets	298.53	345.40
Plan liability / (asset)	0.01	(47.01)

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

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Opening defined benefit obligation	298.39	281.80
Current service cost	25.96	19.45
Interest cost	23.87	21.68
Benefits paid	(77.82)	(21.58)
Actuarial (gains) / losses on obligation	28.14	(2.96)
Closing defined benefit obligation	298.54	298.39

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

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Opening fair value of plan assets	345.40	312.74
Expected return	27.63	25.30
Contributions by employer	5.81	28.59
Benefits paid	(77.82)	(21.58)
Actuarial gains / (losses)	(2.49)	0.35
Closing fair value of plan assets	298.53	345.40

The Company expects to contribute Rs.25.00 lacs (Nil) to Gratuity Fund in the next year.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Investments with LIC	100%	100%

The principal assumptions are shown below :

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.00%	8.00%
Salary Increase	9.00% for 2016-17, 2017-18 & 7.50% for 2018-19	6.50%
Withdrawal Rates	Varying between Nil to 4.20% per annum depending upon the duration and age of the employees	
Mortality Table	Indian assured lives mortality 2006 - 08 Ultimate	

Amounts for the current year and previous four years are as follows :

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs	30 Sept. 2014 Rs. in lacs	30 June 2013 Rs. in lacs	30 June 2012 Rs. in lacs
Gratuity					
Defined benefit obligation	298.54	298.39	281.80	281.88	304.40
Plan assets	298.53	345.40	312.74	304.84	319.82
Surplus / (deficit)	(0.01)	47.01	30.94	22.96	15.42
Experience (gain) / loss adjustments on plan liabilities	28.14	(2.96)	9.87	(1.57)	9.52
Experience gain / (loss) adjustments on plan assets	-	-	-	-	4.74

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 Company has recognised the following amount as an expense and included under, "Contribution to Provident and Other Funds".

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Contribution to Provident Fund and other Funds	94.09	75.87
	<u>94.09</u>	<u>75.87</u>

28. 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.

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
Lease payments made for the year	97.83	47.45
	<u>97.83</u>	<u>47.45</u>



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

29. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Ultimate Holding Company	Zuari Global Limited (w.e.f 25 August 2014)
Holding Company	Zuari Investments Limited (w.e.f 25 August 2014)
Subsidiary Company	New Eros Tradecom Limited (till 31 August 2014)

Related parties with whom transactions have taken place during the year:

Fellow Subsidiaries	Indian Furniture Private Limited (w.e.f 25 August 2014)
	Zuari Management Services Limited (w.e.f 25 August 2014)
	Zuari Financial Services Limited (w.e.f 25 August 2014)

Key management personnel

Shri Soundara Raghavan Rangachari	- Managing Director
Shri Dharmendra Roy	- Chief Financial Officer
Shri Laxman Aggarwal	- Company Secretary

Related party transactions

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

a. Issue of Preference Share Capital

	Year ended	Transaction during the year	Amount owed by related parties	Rs . In lacs Amount owed to related parties
Holding Company				
Zuari Investments Limited	31 March 2016	50.00	-	-
	31 March 2015	1,000.00	-	-
Fellow Subsidiaries				
Zuari Financial Services Limited	31 March 2016	1,000.00	-	-
	31 March 2015	1,350.00	-	-

b. Purchase of investments

	Year ended	Transaction during the year	Amount owed by related parties	Rs . In lacs Amount owed to related parties
Subsidiary company (till 31 August 2014)				
New Eros Tradecom Limited	31 March 2016	-	-	-
	31 March 2015	13.23	-	-

c. Loans / Advances / Intercorporate deposits taken and repayment thereof

	Year ended	Loan / Intercorporate deposits taken	Repayment	Interest accrued / paid	Rs . In lacs Amount owed to related parties (Including Interest)
Subsidiary company (till 31 August 2014)					
New Eros Tradecom Limited	31 March 2016	-	-	-	-
	31 March 2015*	-	0.18	2.95	-

* transaction are for the year during which the company was the subsidiary of the Company.



d. Professional Services received

	Year ended	Transaction during the year	Rs. In lacs	
			Amount owed by related parties	Amount owed to related parties
Holding Company				
Zuari Investments Limited	31 March 2016	-	-	-
	31 March 2015	75.00	-	-

e. Reimbursement of expenses made

	Year ended	Transaction during the year	Rs. In lacs	
			Amount owed by related parties	Amount owed to related parties
Fellow Subsidiary				
Zuari Management Services Limited	31 March 2016	-	-	-
	31 March 2015	28.09	-	7.62

f. Purchase of Fixed Assets

	Year ended	Transaction during the year	Rs. In lacs	
			Amount owed by related parties	Amount owed to related parties
Fellow Subsidiary				
Indian Furniture Products Limited	31 March 2016	0.10	-	-
	31 March 2015	35.35	-	0.57

g. Remuneration to key managerial personnel

	Year ended	Transaction during the year	Rs. In lacs	
			Amount owed by related parties	Amount owed to related parties
Key management personnel				
Shri Soundara Raghavan Rangachari (M.D.)	31 March 2016	-	-	-
	31 March 2015	-	-	-
Shri Dharmendra Roy (C.F.O.)	31 March 2016	12.24	-	3.02
	31 March 2015	10.97	-	1.40
Shri Laxman Aggarwal (Company Secretary)	31 March 2016	12.99	-	-
	31 March 2015	3.11	-	-

The remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

- The Company has availed cash credit and term loans from banks, body corporate and financial institutions of Rs.28,332.14 lacs (Rs.21,260.89 lacs), which are further secured by letter of comfort/corporate guarantee provided by Zuari Global Limited.

* The Company has paid managerial remuneration to Shri Soundara Raghavan Rangachari Rs.12 for the year ended 31 March 2016 (Rs.12 for the year ended previous year: 31 Marh 2015)



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Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

30. 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:

Business segments

Particulars	(Rs. In lacs)							
	Sugar		Power		Fertilizer		Total operations	
	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2016	Year Ended 31 March 2015
Revenue								
External								
Sales (net)	29,362.09	16,360.46	1,890.50	-	616.97	603.48	31,869.56	16,963.94
Other income*	506.29	422.29	668.93	-	-	-	1,175.22	422.29
Inter segment sales	2,288.24	-	1,538.75	-	-	-	3,826.99	-
Eliminations							(3,826.99)	-
Total revenue	32,156.62	16,782.75	4,098.18	-	616.97	603.48	33,044.78	17,386.23
Results								
Segment results	(1,338.02)	(2,393.34)	1,147.37	-	6.08	34.90	(184.57)	(2,358.44)
Unallocated Corporate (Expense)/Income (net)							10.32	1,493.93
Add : Interest Income							13.88	20.33
Less : Interest expense							-	(1,900.79)
Loss before tax							(160.37)	(2,744.97)
Tax credit							(212.33)	(633.39)
Net profit/(loss)							51.96	(2,111.58)
As at 31 March 2016								
Segment assets	37,382.03	46,059.97	19,922.66	-	-	-	57,304.69	46,059.97
Unallocated corporate assets							5,882.08	6,369.20
Eliminations							(2,647.81)	-
Total assets							60,538.96	52,429.17
Segment liabilities	16,576.01	15,537.62	2,647.81	-	740.91	157.58	19,964.73	15,695.20
Unallocated corporate liabilities							39,791.68	35,395.57
Eliminations							(2,647.81)	-
Total liabilities							57,108.60	51,090.77
Other segment information								
Capital expenditure:								
Tangible assets	10,638.80	12,856.89	3,808.62	-	-	-	14,447.42	12,856.89
Depreciation	212.08	254.60	185.29	-	-	-	397.37	254.60
Other non-cash expenses:								
Irrecoverable balance written off	0.45	109.30	-	-	-	-	0.45	109.30

* Total other income during the year is Rs.1,349.42 lacs (Rs.1,970.21 lacs). Figures disclosed above exclude interest income amounting to Rs. 13.88 lacs (Rs. 20.33 lacs) and income earned by corporate office of nil (Rs.1,527.59 lacs).

Geographical Segments

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



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

31. Capital and other commitments

- (a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 5,424.70 lacs (Rs. 8,783.83 lacs).
- (b) For commitments relating to lease arrangements, please refer note 28.

32. Contingent liabilities

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
a) Demands / Claims by various Government Authorities and others not acknowledged as debts and contested by the Company* :		
(i) Excise Duty & Service Tax	213.13	390.82
(ii) Sales & Entry Tax	4.42	4.42
(iii) Others	8.79	4.31
Total	226.34	399.55

*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.

- b) VAT/Sales Tax liability on sale of Molasses ***

The Company has sold molasses to certain parties without charging sales tax on the basis of Stay Order by Hon'ble Supreme Court. In case the order is decided against the parties the Hon'ble SC, the Company would be liable to collect and pay VAT/Sales tax to the department along with interest and penalty.

*** indeterminate

33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	31 March 2016 Rs. in lacs	31 March 2015 Rs. in lacs
(i) Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).	0.89	2.52
(ii) Interest due on above.	0.07	0.13
Total of (i) & (ii)	0.96	2.65
(iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
(iv) Amount paid to the suppliers beyond the respective due date.	7.20	6.92
(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.	0.54	0.27
(vi) Amount of interest accrued and remaining unpaid at the end of accounting period.	0.61	0.40
(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.	0.40	1.96



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

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

	Consumption %	Value	Consumption %	Value
		Rs. in lacs		Rs. in lacs
	31 March 2016		31 March 2015	
Raw Material				
Imported	-	-	-	-
Indigenous	100.00%	18,418.17	100.00%	19,600.45
	100.00%	18,418.17	100.00%	19,600.45
Store & Spares				
Imported	-	-	0.04%	0.15
Indigenous	100.00%	354.46	99.96%	385.73
	100.00%	354.46	100.00%	385.88

35. The Company has entered into Power Purchase Agreement (PPA) with Madhyanchal Vidyut Vitran Nigam Limited on 14 March 2014. As per PPA the commissioning of the plant was scheduled in financial year 2014-2015, and tariff rate was to be determined as per UPERC Regulation for financial year 2014-2015 and onward shall be applicable. However, there was a delay on commissioning of plant due to non-availability of connectivity with grid. The delay is not attributable to the company. The Company has commissioned its Power generating plant on 15 December 2015 and has considered FY 2015-2016 as year of commissioning and has considered tariff for billing as per UPERC CRE Regulation, 2014. The rate per unit of electricity accounted for by the company is Rs.5.90 per unit, whereas as per PPA the rate would have been Rs.5.75 per unit. The management is confident of realizing the amount.
36. The Company, in accordance with notification and refund order issued by State Government of Uttar Pradesh, has, during the previous year, received subsidy from the State Government on payment of sugar cane arrears of the last season by specified due date. The said amount of Rs. 409.11 lacs is included under other income.
37. The Government of Uttar Pradesh has announced subsidy for Sugar industry for the sugar season 2015-2016 linked to average selling price of sugar and by-products (yet to be notified) during the period 1 October 2015 to 31 May 2016. During the year, the Company has recognised such subsidy amounting to Rs.1,435.64 lacs, based on the present and expected likely average price. The Company is hopeful to realise the subsidy as the average selling price is expected to be below the threshold level announced by the Government of Uttar Pradesh.
38. During the previous year, the Company has earned profit of Rs.1,525.75 lacs from sale of the equity shares held in its subsidiary Company "New Eros Tradecom Limited" which has also been shown as "Other Income" in the statement of profit and loss.
39. Other income includes interest subvention of Rs.654.20 lacs. Under the Scheme of Sugar Industry, Co-generation and Distillery Promotion Policy 2013, the company is eligible to receive reimbursement of 5% on the interest payable on the loans obtained from banks/financial institutions/SDF on account of plant and machinery utilized for construction of cogeneration plant. The interest subvention is available on commissioning of cogeneration plant within prescribed time frame and further satisfactory operational results, as defined in the scheme in detail. The Company has achieved the conditions prescribed in the scheme and consequently has filed the claim for interest subvention dated on 19 February 2016. The Company is yet to receive this amount from the government. However, considering compliance of eligibility conditions such income has been recorded in the Other Income. The interest subvention recorded includes amount of Rs.539.37 lacs relating to period during which cogeneration plant was under construction.
40. The Company has recognized an export subsidy of Rs. 65.10 lacs as per the scheme for extending production subsidy to sugar mills for payment of cane price dues to farmers, notified by Ministry of Consumer Affairs, Food and Public Distribution through notification dated 02 December 2015. The Company has to achieve at least 80% of the targets (i.e. export sales) by 30 September 2016 as per terms and conditions under the Minimum Indicative Export Quota (MIEQ) scheme notified on 18 September 2015. The Company expects to achieve this quota as specified.
41. Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date

Walker Chandiook & Co

For Walker Chandiook & Co LLP
Chartered Accountants

Neeraj Goel

per Neeraj Goel
Partner
Membership no: 099514



Place: Gurgaon
Date: 7 May 2016

For and on behalf of the board of directors

N. Suresh Krishnan

N. Suresh Krishnan
(Chairman)
DIN: 00021965

R.S. Raghavan

R.S. Raghavan
(Managing Director)
DIN: 00362555

Dharmendra Roy

Dharmendra Roy
(Chief Financial Officer)

Laxman Aggarwal

Laxman Aggarwal
(Company Secretary)

PAN: ADCPR3374B Membership No. A19861