

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
India

T +91 124 462 8099
F +91 124 462 8001

Independent Auditor's Report

To the Members of Gobind Sugar Mills Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Gobind Sugar Mills Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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 2020 (Cont'd)

Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of deferred tax assets</p> <p>Refer note 3(f) and the note 9 of Summary of significant accounting policies and other explanatory information of the financial statements of the Company for the year ended 31 March 2020.</p> <p>At the balance sheet date 31 March 2020, deferred tax assets (net) including deferred tax asset recognized for carried forward tax losses and unabsorbed depreciation amounted to INR 3,295.76 lacs.</p> <p>During the year ended 31 March 2020, the Company has incurred losses after tax (total comprehensive loss) of INR 7,418.98 lacs (31 March 2019: INR 3,558.94 lacs).</p> <p>The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets within the period prescribed under the tax laws involves use of significant assumptions and estimates. Determining</p>	<p>Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws. • Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors. • Tested and challenged management's judgements relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on historical data trends. • Tested the mathematical accuracy of the projections including sensitivity analysis performed by management and performed independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash



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 2020 (Cont'd)

<p>forecasts of future results and taxable profits include key assumptions such as future growth rate and market conditions. The projected cash flows are assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. These changes mainly relate to variations in expected selling prices of the sugar, ethanol, power and other by products, expected costs of production of sugar and expected days of operation of sugar mills.</p> <p>Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions, including industry focused trade policies of the government and materialization of the Company's expansion plans.</p> <p>Owing to the significance of the balances and complexities involved as described above, we have considered recognition of deferred tax assets on on carried forward tax losses and unabsorbed depreciation as a key audit matter.</p>	<p>flow projections.</p> <ul style="list-style-type: none"> • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Re-computed the amount of deferred tax assets as appearing in the financial statements confirming the amounts of carried forward tax losses and unabsorbed depreciation. • Assessed the appropriateness of the disclosures included in note 9 in respect of deferred tax balances.
<p>Valuation of Inventory</p> <p>Refer note 3(n) and the note 12 of Summary of significant accounting policies and other explanatory information of the financial statements of the Company for the year ended 31 March 2020 for accounting policy for valuation of Inventory and significant accounting judgements, estimates and assumptions</p>	<p>Our audit procedures in relation to valuation of inventory included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of the general IT control environment and the manual controls for inventory valuation.



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 2020 (Cont'd)

related thereto.

At the balance sheet date 31 March 2020, the Company held INR 48,066.15 lacs of Inventories. Inventories mainly consists of finished goods - Sugar and other product – molasses, both treated as joint products.

Manufacturing of Sugar is complex process which leads to generation of certain joint products and by products which are used for generation of other products, sold in the market as well as used as input in the manufacturing of Sugar. The valuation requires use of management's judgements and assumptions regarding elimination of inter-divisional profits, allocation of costs of production between joint products based on their relative sales value and net realisable value (NRV) of different products which is further dependent upon the market conditions, minimum selling prices, subsequent inventory sale data, current sale prices, notifications/press releases from the government authorities, technical estimates of expected recovery of final products being produced and incremental cost of products manufactured using joint products. These assumptions are subject to inherent uncertainties and are difficult to ascertain since they are likely to be influenced by political and economic factors including uncertainties that may affect the industry on the whole.

Owing to the significance of the carrying value of inventories, the complexities

- Assessed the appropriateness of the principles used in the valuation of Inventory and analysed the reasonableness of significant judgements/assumptions used by the management in their valuation models along with their consistency based on historical/industrial data trends such as sugar recovery rates, generation of Molasses, ethanol recovery rates, fixed and planned storage facilities of Molasses and capacity utilisations of the plant.
- Verified net realisable value of bagasse and molasses based on market quotation obtained by the management in case of bagasse, contracts for sale of ethanol and notifications/press releases from the government authorities.
- Reviewed cost sheets prepared by the management for manufacturing of ethanol (used for determination of NRV of molasses) for reasonableness and corroborated the same with projects reports submitted to lenders banks.
- Reviewed the process of inventory valuation comprising of identification of NRV of Sugar based on subsequent selling prices of Sugar up to the audit report date, sale orders in hand as on that date, minimum selling prices introduced by the government and prices prevailing in exchange market, allocation of costs of production between joint products based on relative sales value.
- We also assessed the appropriateness of the disclosures included in note 12 in respect of valuation of inventories.

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 2020 (Cont'd)

<p>discussed above and the fact that any changes in the management's judgement or assumptions is likely to have a significant impact on the ascertainment of carrying values of inventories, we have considered this area as a key audit matter</p>	
<p>Going concern basis of accounting</p> <p>We refer to the note 48 of the financial statements of the Company for the year ended 31 March 2020 disclosures related to appropriateness of going concern basis of accounting. This note states that the Company has incurred losses after tax (total comprehensive loss) of INR 7,418.98 lacs. Also as at 31 March 2020, the current liabilities exceed the current assets by INR 14,892.62 lacs.</p> <p>While these above indicate doubts about the company's ability to continue as a going concern, as mentioned in aforesaid note, the Company has taken into consideration the below mitigating factors in its assessment for going concern basis of accounting:-</p> <p>a) Improving sugar sale prices;</p> <p>b) Expansion plans in form of setting up of 16 MW Co-Generation Power Plant;</p> <p>c) Newly commenced Distillery having capacity of 100,000 litres per day; and</p> <p>d) Industry focused state and central government trade policies.</p> <p>The Company has earned reasonable profits and had positive cash flows in the tracked history. Also, the Company has availed moratorium period for principal</p>	<p>Our audit procedures included, but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting:</p> <ul style="list-style-type: none"> • We obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. • Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management. • Reconciled the cash flow projections to future business plans of the Company as approved by the Board of Directors. • In order to corroborate management's future business plans and to identify potential contradictory information we read the board minutes and discussed the business plans with management and the Audit Committee. • Performed audit procedures regarding subsequent events to identify events that either mitigate or otherwise affect the Company's ability to continue as a going concern. • We also compared the prospective financial information for recent prior periods with historical results and the prospective financial information for the current period with results achieved to



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 2020 (Cont'd)

<p>and interest payments, under Covid 19 - Regulatory Package announced by Reserve Bank of India by rescheduling its repayments of loans and payment of interest. Management has prepared future cash flow forecasts taking into cognizance the above developments and performed sensitivity analysis of the other key assumptions used therein to assess whether the Company would be able to operate as a going concern for a period of at least 12 months from the date of financial statements, and concluded that the going concern basis of accounting used for preparation of the accompanying financial statements is appropriate with no material uncertainty.</p>	<p>date.</p> <ul style="list-style-type: none">• We evaluated key assumptions used by the management for prospective financial information based on economic trends, historical data and considered government's industry focused policies. Key assumptions included selling prices of sugar and its by-products, sugar recovery rates, interest rates, industry trends, manpower and other direct costs. We also referred to the Power Purchase Arrangement ('PPA') entered by the Company with State government and ethanol sale contracts in hand for Distillery plant. To challenge these assumptions, we considered our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions.• Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management.• Performed independent sensitivity analysis to test the impact of variation in the key assumptions.• Evaluated the appropriateness of the disclosures made in the financial statements in respect of going concern.
<p>We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and the overall conclusion.</p>	

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.



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 2020 (Cont'd)

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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 2020 (Cont'd)

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse



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 2020 (Cont'd)

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. 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.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) 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) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12 June 2020 as per Annexure II expressed opinion; and
 - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 36 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;



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 2020 (Cont'd)

- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

UDIN: 20099514AAAACY7824
Place: Gurugram
Date: 12 June 2020



Annexure I to 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 2020

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, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment is 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. In accordance with this program, certain property, plant and equipment's were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment' are held in the name of the Company.
- (ii) In our opinion, 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 not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, 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 and rule framed thereunder. 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) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. 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 become payable.



Annexure I to 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 2020 (Cont'd)

(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:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (INR In lacs)	Amount paid under Protest (INR In lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of CENVAT Credit on input services	3.29	0.13	FY 2011-12	Customs Excise and Service Tax Appellate Tribunal, Allahabad
Central Excise Act, 1944	Disallowance of CENVAT Credit on input services	8.65	4.32	FY 2007-08	Commissioner Appeals, Lucknow
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods	7.66	3.62	FY 2000-01 FY 2003-04 and FY 2005-06	High Court, Lucknow
Central Sales Tax, 1956	Interest demand on Central Sales Tax of ex-UP sale	2.52	Nil	FY 2003-04	Additional Commissioner Sitapur, Uttar Pradesh
UP Trade Tax Act, 1948	Tax on purchases from unregistered parties at higher rates	0.15	0.15	FY 2001-02	Additional Commissioner Sitapur, Uttar Pradesh
Tax on Entry of Goods Act, 2000	Entry tax on free sale sugar sale	1.66	0.47	FY 2001-02	Tribunal Court, Lucknow
UP Trade Tax Act, 1948	Trade tax	0.09	Nil	FY 2006-07	Tribunal Court, Lucknow
Goods and Service Tax	Difference in date of tax invoice and date of tax invoice mentioned in E-Way Bill	3.18	1.59	FY 2019-20	Assistant commissioner, Uttar Pradesh



Walker Chandiook & Co LLP

Annexure I to 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 2020 (Cont'd)

- (viii) The Company has not defaulted in repayments of loan and borrowings to any bank or financial institution or government during the year. The Company has no outstanding debentures 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, though surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.
- (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) Managerial remuneration has been provided by the Company 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, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc, as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No. 099514



UDIN: 20099514AAAACY7824

Place: Gurugram
Date: 12 June 2020

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 2020

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 financial statements of the Company as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility and Those Charged with Governance 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 ('the Guidance Note') issued by Institute of Chartered Accountants of India ('ICAI'). 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 the 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.

Auditor's 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 Guidance Note and Standards on Auditing issued by the 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 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 includes 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 include 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



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 2020 (Cont'd)

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.

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 the 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 controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by the ICAI.

For **Walker ChandioK & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Goel

Partner

Membership No. 099514

UDIN: 20099514AAAACY7824

Place: Gurugram

Date: 12 June 2020



Gobind Sugar Mills Limited
Balance Sheet as at 31 March 2020

(All amounts in INR Lacs, unless otherwise stated)

Particulars	Notes	As at	As at
		31 March 2020	31 March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	54,300.74	39,453.87
(b) Capital work in progress	5	250.60	7,142.03
(c) Right-of-use assets	35	485.87	
(d) Other intangible assets	6	15.94	25.10
(e) Financial assets			
(i) Investments	7	16.25	16.15
(ii) Other financial assets	8	196.71	17.32
(f) Deferred tax assets (net)	9	3,295.76	7,257.95
(g) Other non-current assets	10	148.16	919.11
(h) Non-current tax assets (net)	11	48.09	45.96
		58,758.12	54,877.49
Current assets			
(a) Inventories	12	48,066.15	46,006.49
(b) Financial assets			
(i) Investments	7		117.00
(ii) Trade receivables	13	4,105.88	3,830.78
(iii) Cash and cash equivalents	14	141.21	161.92
(iv) Other bank balances	15	3.89	1.57
(v) Loans	16	4.47	38.51
(vi) Other financial assets	8	6,760.19	5,290.13
(c) Other current assets	10	1,363.55	1,310.50
		60,445.34	56,756.90
Total assets		119,203.46	111,634.39
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17(a)	447.50	373.09
(b) Instruments entirely equity in nature	17(b)		74.21
(c) Other equity	17(c)	(9,811.73)	(2,399.45)
		(9,364.43)	(1,952.15)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	47,855.40	45,046.19
(ii) Lease liabilities	35	415.67	
(b) Provisions	19	341.56	405.41
(c) Other non-current liabilities	20	4,617.50	5,544.65
		53,229.93	50,996.25
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	19,159.16	19,387.07
(ii) Trade payables	22		
Total outstanding due of micro, small and medium enterprises		128.82	41.75
Total outstanding due of creditors other than micro, small and medium enterprises		35,679.53	29,994.65
(iii) Other financial liabilities	23	16,480.06	9,666.19
(b) Other current liabilities	20	3,696.71	3,399.07
(c) Provisions	19	193.68	101.56
		75,337.96	62,590.29
Total equity and liabilities		119,203.46	111,634.39

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

As per our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001176N N500013

Neeraj

Neeraj Goel
 Partner
 Membership No.: 099514

Place: Gurugram
 Date: 12 June 2020



For and on behalf of the Board of Directors of

Gobind Sugar Mills Limited

R.S. Raghavan

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

Place: Gurugram
 Date: 12 June 2020



Bharmendra Roy

Bharmendra Roy
 (Chief Financial Officer)
 PAN: ADCPR3574B

Place: Ara, Lakhimpur
 Date: 12 June 2020

Alok Saxena

Alok Saxena
 (Executive Director Operations)
 DIN: 08640419

Place: Ara, Lakhimpur
 Date: 12 June 2020

Laxman Aggarwal

Laxman Aggarwal
 (Company Secretary)
 Membership No.: A 19861

Place: Gurugram
 Date: 12 June 2020

Gobind Sugar Mills Limited
Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	24	57,900.03	46,384.92
Other income	25	4,117.87	5,280.16
Total income		62,017.90	51,665.08
Expenses			
Cost of materials consumed	26	48,642.35	43,215.11
Changes in inventories of finished goods and work-in-progress	27	(2,451.92)	(7,395.58)
Employee benefits expense	28	2,677.80	2,403.48
Finance costs	29	8,426.98	6,945.91
Depreciation and amortization expenses	30	2,122.57	1,800.40
Other expenses	31	6,106.46	7,323.93
Total expenses		65,524.24	54,293.25
Loss before tax		(3,506.34)	(2,628.17)
Tax expense:	32		
Current tax		-	-
Deferred tax charge		3,949.72	954.30
Loss for the year		(7,456.06)	(3,582.47)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		49.45	37.16
Equity instruments designated at fair value through OCI		0.10	(1.18)
Income tax effect on above		(12.47)	(12.45)
Other comprehensive income		37.08	23.53
Total comprehensive loss for the year		(7,418.98)	(3,558.94)
Loss per equity share (Basic and Diluted)	33	(166.69)	(97.31)

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

As per our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Goel

Partner

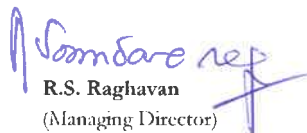
Membership No.: 099514

Place: Gurugram

Date: 12 June 2020




For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited


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

Place: Gurugram

Date: 12 June 2020


Dharmendra Roy
 (Chief Financial Officer)
 PAN: ADCPR3374B

Place: Aira, Lakhimpur

Date: 12 June 2020




Alok Saxena

(Executive Director-Operations)

DIN: 08640419

Place: Aira, Lakhimpur

Date: 12 June 2020


Laxman Aggarwal
 (Company Secretary)
 Membership No. A 19861

Place: Gurugram

Date: 12 June 2020



Gobind Sugar Mills Limited
Cash Flow Statement for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flow from operating activities		
Loss before tax	(3,506.34)	(2,628.17)
Adjustments for:		
Depreciation and amortization expenses	2,122.57	1,800.40
Loss on disposal of property, plant and equipment	1.59	2.91
Dividend received	(1.80)	-
Fair valuation gains on financial assets measured at fair value through profit and loss	-	(0.14)
Profit on sale of investments in mutual funds	(17.21)	(28.50)
Interest income	(4.09)	(3.00)
Bad debts, cane subsidies and other receivables written off	1.08	1,170.85
Amortization of government grants	(922.31)	(500.34)
Amortization of deferred gains	(153.81)	(142.21)
Finance costs	8,426.98	6,945.91
Loss on account of foreign exchange rate fluctuation	280.42	183.75
Fair value losses on derivatives not designated as hedges	471.52	213.46
Transfer to Molasses and alcohol storage and maintenance reserve	6.70	2.51
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	(71.51)	(212.44)
Operating profit before changes in working capital	6,633.79	6,804.99
Changes in working capital:		
- trade receivables	(275.10)	(2,238.38)
- inventories	(2,059.66)	(7,056.86)
- trade payables	5,771.95	1,753.15
- other financial assets	(1,652.85)	(3,361.05)
- other assets	(54.14)	582.60
- loans	34.04	(31.75)
- other financial liabilities	(685.50)	1,110.41
- other liabilities	446.61	1,057.64
- provisions	77.52	55.50
Cash flow generated from/(used in) operations	8,236.66	(1,323.75)
Income taxes paid	2.13	45.74
Net flow generated from/(used in) operations	8,234.53	(1,369.49)
B Cash flow from investing activities		
Payments for property, plant and equipment	(8,159.10)	(9,030.75)
Proceeds from sale of property, plant and equipment	3.15	4.50
Investment in mutual funds	(9,669.50)	(11,740.34)
Proceeds from sale of mutual funds	9,803.73	11,651.98
Interest received	4.09	2.53
Dividend received	1.80	-
Net cash flow used in investing activities	(8,015.83)	(9,112.08)
C Cash flow from financing activities		
Proceeds from issue of equity share capital including security premium	-	530.92
Proceeds from issue of compulsorily convertible preference shares including security premium	-	742.13
Proceeds from long-term borrowings	10,032.52	21,372.31
Repayment of long-term borrowings	(5,338.60)	(3,139.11)
Payment of lease liabilities	(29.13)	-
Repayment of short-term borrowings (net)	(227.91)	(3,925.74)
Finance costs paid	(4,676.29)	(5,014.85)
Net cash flow (used in)/generated from financing activities	(239.41)	10,565.66
Net increase/(decrease) in cash and cash equivalents	(20.71)	84.09
Cash and cash equivalents at the beginning of the financial year	161.92	77.83
Cash and cash equivalents at the end of the financial year	141.21	161.92



Gobind Sugar Mills Limited
Cash Flow Statement for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard - 7.

2 Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

3 Reconciliation of cash and cash equivalents as per the cash flow statement*

Cash and cash flow statements as per above comprise of the following:

Cash and cash equivalents

Balance as per statement of cash flows (as per above)

*Refer note 14 for further details.

	31 March 2020	31 March 2019
	141.21	161.92
Balance as per statement of cash flows (as per above)	141.21	161.92

4 Also, refer note 21.1 for changes in liabilities arising from financing activities.

5 Non cash transactions

i) Interest accruals on Non-Convertible Redeemable Preference Shares and impacts of application of effective interest method for the year ended 31 March 2020 amounts to INR 1,736.03 lacs (31 March 2019 : INR 1,631.36 lacs).

ii) During the year ended 31 March 2020, the Company has converted Compulsorily Convertible Preference shares into Equity Shares. Refer note 17 (a) for further details.

iii) Acquisition of right-of-use assets - refer note 35.

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

As per our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Goel

Partner

Membership No.: 099514

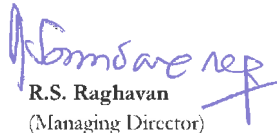
Place: Gurugram

Date: 12 June 2020



For and on behalf of the Board of Directors of

Gobind Sugar Mills Limited



R.S. Raghavan

(Managing Director)

DIN: 00362555

Place: Gurugram

Date: 12 June 2020



Dharmendra Roy

(Chief Financial Officer)

PAN: ADCPR3374B

Place: Aira, Lakhimpur

Date: 12 June 2020



Alok Saxena

(Executive Director-Operations)

DIN: 08640419

Place: Aira, Lakhimpur

Date: 12 June 2020



Laxman Aggarwal

(Company Secretary)

Membership No. A 19861

Place: Gurugram

Date: 12 June 2020



Gobind Sugar Mills Limited
Statement of Changes in Equity for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

a) Equity share capital

Particulars	Notes	Amount
As at 01 April 2018		320.00
Increase during the year	17(a)	53.09
As at 31 March 2019		373.09
Increase during the year	17(a)	74.21
As at 31 March 2020		447.30

b) Instruments entirely equity in nature

Particulars	Notes	Amount
As at 01 April 2018		-
Increase during the year	17(b)	74.21
As at 31 March 2019		74.21
Converted during the year	17(b)	(74.21)
As at 31 March 2020		-

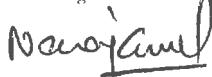
c) Other equity

Particulars	Notes	Deemed equity	Reserves and surplus				Other reserves - Fair value through OCI - Equity instruments	Total other equity
			Capital redemption reserve	Securities premium	Molasses and alcohol storage and maintenance reserve	Retained earnings		
Balance at 31 March 2018	17(c)	7,821.00	10.00	200.00	121.99	(8,143.38)	1.63	11.24
Loss for the year		-	-	-	-	(3,582.47)	-	(3,582.47)
Transfers during the year		-	-	1,145.74	2.51	-	-	1,148.25
Other comprehensive income		-	-	-	-	24.47	(0.94)	23.53
Total		-	-	1,145.74	2.51	(3,558.00)	(0.94)	(2,410.68)
Balance at 31 March 2019	17(c)	7,821.00	10.00	1,345.74	124.50	(11,701.38)	0.69	(2,399.45)
Loss for the year		-	-	-	-	(7,456.06)	-	(7,456.06)
Transfers during the year		-	-	-	6.70	-	-	6.70
Other comprehensive income		-	-	-	-	36.98	0.10	37.08
Total		-	-	-	6.70	(7,419.08)	0.10	(7,412.28)
Balance at 31 March 2020	17(c)	7,821.00	10.00	1,345.74	131.20	(19,120.46)	0.79	(9,811.73)

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

As per our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 12 June 2020



For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited



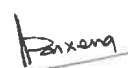
R.S. Raghavan
(Managing Director)
DIN: 00362555

Place: Gurugram
Date: 12 June 2020



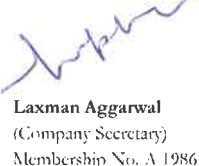
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Place: Aira, Lakhimpur
Date: 12 June 2020



Alok Saxena
(Executive Director-Operations)
DIN: 08640419

Place: Aira, Lakhimpur
Date: 12 June 2020



Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

Place: Gurugram
Date: 12 June 2020



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, 1913. Its shares are listed on Metropolitan Stock Exchange of India. The Company is primarily engaged in extraction of sugar from sugar cane and its sale along with its other products. The Company is also engaged in generation and export of power by utilizing by product – bagasse and manufacture and sale of ethanol utilizing molasses. The Company presently has manufacturing facilities at Aira Estate, District Lakhimpur Kheri in the State of Uttar Pradesh being its principal place of business. During the year ended 31 March 2020, the Company has shifted its registered from the State of West Bengal to National Capital of Delhi.

2. Application of Indian Accounting Standards

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered while preparing these financial statements.

3. Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended time to time) notified under section 133 of the Companies Act, 2013 (the “Act”).

The financial statements of the Company have been prepared on a historical cost basis, except for certain financial assets (refer note 7) and non-financial assets (refer note 11) measured at fair value or net realizable value as applicable.

b) Newly effective standard adopted by the Company (recent accounting pronouncements)

The Company has applied Ind AS 116, Leases, for the first time for their annual reporting period commencing 1 April 2019. The Company had to change its accounting policies as a result of adopting Ind AS 116. The Company adopted the new standard retrospectively but recognized the cumulative effect of initially applying the new standard on 1 April 2019. Refer note 46 for details. The other amendments did not have any impact on the amounts recognized in earlier periods and are not expected to affect the current period.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

twelve months after the reporting period. All other assets are classified as non-current.

A **liability** is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Identifying the performance obligations

Under Ind AS 115, the Company must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customizing it)

Determining the transaction price

Under Ind AS 115, the Company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both.

Where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance completed to date, the Company recognizes revenue in the amount to which it has a right to invoice.



Allocating the transaction price to the performance obligations

The transaction price is allocated to the separately identifiable performance obligations on the basis of their standalone selling price (in case of storage and distribution contracts where the customer pays a fixed rate per item for all the services provided). For services that are not provided separately, the standalone selling price is estimated using adjusted market assessment approach.

Recognizing revenue when/as performance obligation(s) are satisfied.

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, regardless of when the payment is being made.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company derives revenue primarily from three segments – Sugar, Power and Ethanol. Sugar segment of the Company principally generate revenue from sale of goods (sugar and by products including transportation services for certain contracts), Power segment generates revenue by generating power units and selling it to Government of Uttar Pradesh and Ethanol segment generate revenue from sale of goods (ethanol). For more detailed information about reportable segments, refer note 40.

For Sugar segment:

For transfer of goods, the Company recognizes revenue when the customers obtain the control of goods. This usually happens when the customer gains right to direct the use of and obtained substantially all benefits from the goods. For the goods sold, the Company receives amount majorly in advance from the customers and therefore there are not any significant financing components involved. For certain sales, where the Company also provide transportation services, the Company considers the same as a separate performance obligation believing that the Company is acting as an agent for transfer of goods and therefore reduces the related costs for transportation and other charges from transaction price.

For Power segment:

Revenue is recognized, when power units are transferred to the customer. For units transferred, the customer is billed monthly and payments are made with in next 30 working days from receipt of bill contractually.

For Ethanol segment:

Revenue is recognized, recognizes revenue when the customers obtain the control of goods. This usually happens when the ethanol is supplied at Oil marketing companies (‘OMC’) location. For ethanol supplied, the customer is billed separately and transaction price is received within 21 days from the receipt of ethanol at OMC location.

Interest income:

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR) as explained in note (p) below.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Dividends:

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Renewable energy certificates income:

Income from Renewable Energy Certificates (RECs) is recognized at latest trade price on the basis of prevailing market price as confirmed by trade exchange regulated by Central Electricity Regulatory Commission ("CERC").

Power banked units:

Income from power banked units is recognized when the right to set off power banked units is established against the power to be purchased by the Company.

Rental income

Rental income including from sub leasing arrangements is recognized on straight line basis over the term of contract where the rentals are structured to be in line with expected general inflation.

e) Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attached conditions are complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value (based upon the level of inputs available) and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f) Taxes

Income tax comprises of current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that is related to an item recognized directly in equity or other comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

g) Property, plant and equipment

Freehold land is carried at historical cost. All the items of the property, plant and equipment are stated as per cost model i.e. cost of acquisition less accumulated depreciation and impairment. All significant costs incidental to the acquisition of assets are capitalized.

Recognition:

The costs including subsequent costs of an item of property, plant and equipment is recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

All other expenses including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year when such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and



the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation, estimated useful life and residual life

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives: -

Particulars	Life (years)
Buildings	30-60
Plant and equipment	05-25
Furniture and fixtures	10
Vehicles	08
Office equipment	03-05

The Company based on technical assessment made by technical experts and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

h) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

i) 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 impairment losses, if any.

Recognition:

The costs of intangible asset are recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Intangibles representing computer software are amortized using the straight line method over their estimated useful lives of five years.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment,



whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year end and adjusted prospectively, if appropriate treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria.

Gains/(losses) arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

j) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

k) Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalized up to the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

1) Leases

As a lessee

At inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet. Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the comparative period, as a lessee, the lease payments in respect of assets taken on operating lease are charged to the profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increase.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.



The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

m) Foreign currency measurements

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss.

n) 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 and finished 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.

Joint products, whose cost is not identifiable, are valued by allocating the cost between the products on the relative sales value of each product at the completion of the production, considering it as a rational and consistent basis.

By products and saleable scraps, whose cost is not identifiable, are valued by management 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 the estimated costs necessary to make the sale.

o) Post-employment and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no statutory nor contractual obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, 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 of the Company has



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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.

Measurements, comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Actuarial gains/losses are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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.

p) Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value using best estimates. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in the statement the profit and loss.

Financial assets:

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.



Amortized cost

A financial asset shall be measured at amortized cost using effective interest rates if both of the following conditions are met:

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortized cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. The Company has irrevocably adopted to value its equity investments through FVTOCI.

Dividends on these investments in equity instruments are recognized in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in the statement of profit and loss are included in the 'Other income' line item.



Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost and financial asset designated as at FVTOCI.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit and loss.

Non-Convertible Redeemable Preference Shares (NCRPS)

At the issue date the fair value of the liability component of NCRPS is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortized cost using the effective interest method until extinguished upon at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument issued to equity shareholders of the Company and deferred gain (which is amortized over the life of NCRPS) for other than equity shareholders.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

q) Earnings per share

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

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

An ordinary share is an equity instrument that is subordinate to all other classes of equity instruments.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Unallocated items include general corporate income and expense items which are not allocated to any business segment. 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.

s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

t) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognized for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money



is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities

In those cases, where the possible outflow of economic resources as a result of present obligations is considered not probable or where the amount of the obligation cannot be determined reliably, no liability is recognized.

Contingent assets

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

u) Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

v) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements inevitably requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities in future periods, notwithstanding the management's best efforts.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer note 34 for details of



assumptions used in the determination of liability and relevant sensitivity analysis.

Recoverability of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. Refer note 9.

Contingent liabilities

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. Refer note 36.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of Property, plant and equipment at each reporting date, based on the expected utility of the assets, assessed by technical experts. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

w) Rounding of amounts

All amount disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

4 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying value							
As at 31 March 2018	1,934.81	8,208.13	32,519.29	89.74	122.01	51.29	42,925.27
Additions	-	204.40	1,145.97	7.77	18.24	-	1,376.38
Disposals	-	-	8.65	-	0.68	-	9.33
As at 31 March 2019	1,934.81	8,412.53	33,656.61	97.51	139.57	51.29	44,292.32
Additions	-	3,185.67	13,669.91	4.52	44.12	18.94	16,923.16
Disposals	-	-	23.49	-	0.65	8.53	32.67
As at 31 March 2020	1,934.81	11,598.20	47,303.03	102.03	183.04	61.70	61,182.81
Accumulated depreciation							
As at 31 March 2018	-	591.08	2,333.71	36.75	77.07	11.12	3,049.72
Charge for the year	-	323.14	1,380.25	17.10	45.18	24.98	1,790.65
Adjustments for disposals	-	-	1.27	-	0.65	-	1.92
As at 31 March 2019	-	914.22	3,712.69	53.85	121.60	36.10	4,838.45
Charge for the year	-	363.47	1,659.28	11.16	26.74	10.90	2,071.55
Adjustments for disposals	-	-	20.64	-	0.09	7.21	27.93
As at 31 March 2020	-	1,277.69	5,351.33	65.01	148.25	39.79	6,882.07
Net block as at 31 March 2019	1,934.81	7,498.31	29,943.92	43.66	17.97	15.19	39,453.87
Net block as at 31 March 2020	1,934.81	10,320.51	41,951.70	37.02	34.79	21.91	54,300.74

Notes:

(i) Contractual obligations

Refer note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing costs

Refer note 29 for disclosure of capitalized borrowing costs.

(iii) Property, plant and equipment have been pledged as security for liabilities, for details refer note 18.2 and note 44.



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

5 Capital work-in-progress

Particulars	Total	
i) Balance as at 31 March 2018		757.26
Additions during the year		7,735.14
Capitalized during the year		(1,350.37)
Balance as at 31 March 2019		7,142.03
Additions during the year		9,569.97
Capitalized during the year		(16,461.40)
Balance as at 31 March 2020		250.60
ii) Preoperative expenses (pending allocation) included in Capital work-in-progress above	As at 31 March 2020	As at 31 March 2019
Finance costs (refer note 29 for further details)	1,297.92	284.85
Miscellaneous expenses (including store consumables, travelling expenses etc)	344.38	212.59
Consultancy and professional charges	498.89	161.44
Employee benefits expenses	272.04	92.63
Power and fuel (refer note 26 for further details)	275.57	70.00
	2,688.80	821.51
Capitalized during the year	(2,688.80)	(45.52)
Total	-	775.99

6 Other intangible assets

Computer software	Total
Gross carrying value	
As at 31 March 2018	45.67
Additions	-
Disposals	-
As at 31 March 2019	45.67
Additions	-
Disposals	-
As at 31 March 2020	45.67
Accumulated amortization	
As at 31 March 2018	10.82
Charge for the year	9.75
Adjustments for disposals	-
As at 31 March 2019	20.57
Charge for the year	9.16
Adjustments for disposals	-
As at 31 March 2020	29.73
Net carrying value as at 31 March 2019	25.10
Net carrying value as at 31 March 2020	15.94



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
7 Investments		
Non- Current:		
<i>Measured at amortized cost</i>		
5 Years National Saving Certificates	1.00	1.00
Total (a)	1.00	1.00
Investments in unquoted shares (non trade investments)		
<i>Designated at fair value through OCI</i>		
Premium Exchange & Finance Limited 180,240 (previous year: 180,240) equity shares of INR 10/- each, fully paid up	5.59	5.59
Master Exchange & Finance Limited 188,640 (previous year: 188,640) equity shares of INR 10/- each, fully paid up	5.90	5.90
Investments in quoted shares (non trade investments)		
<i>Designated at fair value through OCI</i>		
Duke Commerce Limited 24,700 (previous year: 24,700) equity shares of INR 10/- each, fully paid up	0.69	0.64
Chambal Fertilizers & Chemicals Limited 1,947 (previous year: 1,947) equity shares of INR 10/- each, fully paid up	3.07	3.02
Total (b)	15.25	15.15
Total (a+b)	16.25	16.15
Aggregate amount of quoted investments	3.76	3.66
Aggregate market value of quoted investments	3.76	3.66
Aggregate amount of unquoted investments	12.49	12.49
Aggregate amount of impairment in value of investments	-	-
Current:		
Investments in mutuals funds (quoted)		
<i>Measured at fair value through profit and loss</i>		
SBI Liquid Fund - Regular Growth Plan [Nil (previous year: 4037.924) of INR 2,894.06/- each]	-	117.00
Total	-	117.00
Aggregate amount of quoted investments	-	117.00
Aggregate market value of quoted investments	-	117.00
Aggregate amount of impairment in value of investments	-	-
8 Other financial assets		
Non-Current		
<i>Measured at amortized cost</i>		
Sundry deposits (unsecured, considered good)	9.64	3.39
Fixed deposits with bank having more than 12 months maturity	187.07	13.93
Total	196.71	17.32
Current		
<i>Measured at amortized cost</i>		
Unbilled revenues	543.24	764.10
Interest reimbursement from government of Uttar Pradesh under Sugar Industry, Co-generation and Distillery Promotion Policy, 2013	2,411.87	2,115.82
Interest subvention under Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol production capacity	340.50	-
Interest subvention receivable under soft loan	340.11	-
Interest subvention receivable under scheme for extending financial assistance to sugar undertakings (SEFASU), 2014	-	14.58
Amounts held with Central Electricity Regulatory Commission (CERC) (refer note below)	102.25	102.25
Assistance to sugar mills for sugar cane purchase	2,340.49	1,724.02
Assistance to sugar mills under the scheme for creation and maintenance of buffer stock	452.10	298.05
Other receivables [refer note 39 for receivables from related parties]	229.63	271.31
Total	6,760.19	5,290.13

Notes:

INR 500 per REC unit sold has been deducted and held by respective power exchanges for onward submission to CERC on behalf of the Company being a RE generator with reference to Hon'ble Supreme Court order dated 14 July 2017. Total amount held is INR 102.25 lacs (previous year INR 102.25 lacs) as on reported dates.



Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR Lacs, unless otherwise stated)

Particulars	As at	
	31 March 2020	31 March 2019
9 Deferred tax assets (net)		
<i>Tax effect of items constituting deferred tax assets:</i>		
Unused tax losses and depreciation	8,623.21	12,719.95
Expenses allowed on payment basis	527.51	674.43
Deferred government grants	240.37	334.22
Disallowances under section 40(a)(ia) of the Income tax, Act 1961	122.01	167.77
Lease liabilities	125.49	-
Total deferred tax assets	9,638.59	13,896.37
<i>Tax effect of items constituting deferred tax liabilities</i>		
Property, plant and equipment (including right-of-use assets) exceeds its tax base	(6,276.22)	(6,604.07)
Financial assets and financial liabilities at amortized cost	(66.61)	(34.35)
Total deferred tax liabilities	(6,342.83)	(6,638.42)
Net deferred tax assets	3,295.76	7,257.95

Notes:
(i) Movement in deferred tax assets/(liabilities) for year ended 31 March 2020:

	As at	Charged/(credited) to		As at
	31 March 2019	Profit or Loss	OCI	31 March 2020
<i>Tax effect of items constituting deferred tax assets:</i>				
Unused tax losses and depreciation	12,719.95	(4,096.74)	-	8,623.21
Expenses allowed on payment basis	674.43	(134.45)	(12.47)	527.51
Deferred government grants	334.22	(93.85)	-	240.37
Disallowances under section 40(a)(ia) of the Income tax, Act 1961	167.77	(45.76)	-	122.01
Lease liabilities	-	125.49	-	125.49
<i>Tax effect of items constituting deferred tax liabilities</i>				
Property, plant and equipment (including right-of-use assets) exceeds its tax base	(6,604.07)	327.85	-	(6,276.22)
Financial assets and financial liabilities at amortized cost	(34.35)	(32.26)	-	(66.61)
	7,257.95	(3,949.72)	(12.47)	3,295.76

Movement in deferred tax assets/(liabilities) for year ended 31 March 2019:

	As at	Charged/(credited) to		As at
	31 March 2018	Profit or Loss	OCI	31 March 2019
<i>Tax effect of items constituting deferred tax assets:</i>				
Unused tax losses and depreciation	14,226.27	(1,506.32)	-	12,719.95
Expenses allowed on payment basis	540.59	146.29	(12.45)	674.43
Deferred government grants	345.30	(11.08)	-	334.22
Disallowances under section 40(a)(ia) of the Income tax, Act 1961	-	167.77	-	167.77
<i>Tax effect of items constituting deferred tax liabilities</i>				
Property, plant and equipment exceeds its tax base	(6,874.33)	270.26	-	(6,604.07)
Financial assets and financial liabilities at amortized cost	(13.13)	(21.22)	-	(34.35)
	8,224.70	(954.30)	(12.45)	7,257.95

(ii) The Company carries an amount of INR 3,295.76 lacs as deferred tax assets (net) as at 31 March 2020. The management of the Company is confident of generating sufficient taxable profits in the near future considering the power purchase arrangement with the Uttar Pradesh Power Corporation Limited, signed contracts for supply of ethanol with Oil Marketing Companies, reduced finance costs due to expected repayment of term loans, future expansion plans like setting up of 16 MW Co-generation Power Plant and industry focused trade policies of the government.

(iii) Refer note 32 explaining the impact of reduced income-tax rates permitted under section 115BBA of Income-tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.



(This space has been intentionally left blank)

Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	As at	As at
	31 March 2020	31 March 2019
10 Other assets		
Non-current		
Unsecured, considered good		
Capital advances	2.79	774.83
Deposit against disputed demands	145.37	144.28
Total	148.16	919.11
Current		
Unsecured, considered good		
Balance with revenue/statutory authorities	782.21	848.44
Advances to suppliers	275.25	145.77
Prepaid expenses	83.79	118.52
Renewable energy certificates (REC)	214.43	146.70
Power banked (drawable)	7.87	51.07
Total	1,363.55	1,310.50
11 Non - current tax assets (net)		
Income tax receivable	48.09	45.96
Total	48.09	45.96
12 Inventories		
<i>(Valued at lower of cost and net realizable value, unless otherwise stated)</i>		
Finished goods		
Sugar [refer note (i)]	41,713.13	38,685.90
Ethanol	511.92	-
Sugar cane	56.72	89.81
Molasses	3,488.08	4,953.50
Work-in-progress	923.35	610.21
Stores and spares	759.28	831.36
By-products (valued at net realizable value)		
Bagasse	204.66	491.75
Pressmud	120.91	108.46
Scrap stock	288.10	235.50
Total	48,066.15	46,006.49

Notes:

- (i) Write down of inventories of finished goods of sugar to net realizable value on account higher of cost of production amounts to INR 41.15 lacs (31 March 2019: Nil). This is recognized as an expense during the year ended 31 March 2020 and included under "Changes in inventories of finished goods and work-in-progress" in the Statement of Profit and Loss.
- (ii) For inventories pledged as securities against financial liabilities, refer note 18.2, 21.2 and 44.



(This space has been intentionally left blank)

Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
13 Trade receivables		
<i>Measured at amortized cost</i>		
Unsecured, considered good	4,105.88	3,830.78
Unsecured, credit impaired	1.32	1.32
Less: Loss allowance	(1.32)	(1.32)
Total	4,105.88	3,830.78
14 Cash and cash equivalents		
Cash on hand	9.35	7.33
Balances with bank:		
In current account	131.86	154.59
Total	141.21	161.92
15 Other bank balances		
<i>Measured at amortized cost</i>		
Balances with banks (other than presented in note 14 above):		
Deposits with original maturity of more than 3 months but less than 12 months	3.89	1.57
Total	3.89	1.57
16 Loans		
<i>Measured at amortized cost</i>		
Security deposits (unsecured, considered good)	3.12	34.31
Loan to employees (secured, considered good)	1.35	4.20
Loan to employees (credit impaired)	0.31	0.31
Less: Loss allowance	(0.31)	(0.31)
Total	4.47	38.51



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR Lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
17 Equity		
(a) Equity share capital		
Authorised share capital:		
40,000,000 (31 March 2019: 40,000,000) equity shares of INR 10/- each#	4,000.00	4,000.00
	4,000.00	4,000.00
# During the year ended 31 March 2019, the Company reclassified the Authorised Share Capital of the Company from the existing INR 2,000,000,000 comprising of 65,000,000 Equity Shares of INR 10 each and 135,000,000 Preference Shares of INR 10/- each to INR 2,000,000,000 comprising of 40,000,000 Equity Shares of INR 10/- each and 160,000,000 Preference Shares of INR 10/- each vide relevant form filed with Ministry of Corporate Affairs dated 09 November 2018.		
Issued, subscribed and fully paid up:		
4,473,047 (31 March 2019: 3,730,917) equity shares of INR 10/- each	447.30	373.09
Total	447.30	373.09

(i) Movement in equity share capital

	Number of shares	Amount
As at 31 March 2018	3,200,000	320.00
Issued during the year	530,917	53.09
As at 31 March 2019	3,730,917	373.09
Issued during the year*	742,130	74.21
As at 31 March 2020	4,473,047	447.30

*The Company wide resolution dated 17 April 2019, passed by the Board of Directors of the Company, has allotted 742,130 equity shares of the Company at INR 100/- per equity share (face value of INR 10/- per equity share and INR 90/- being security premium per equity share) to Zuari Investments Limited (Holding Company) by conversion of Compulsorily Convertible Preference Shares (CCPS) into equity shares of the Company which are then listed on Metropolitan Stock Exchange of India Limited.

Also during the year ended 31 March 2019, the Company on 14 November 2018, issued 530,917 equity shares on preferential basis to the Holding Company at INR 100/- per equity share (face value of INR 10/- per equity share and INR 90/- being security premium per equity share).

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a par value of INR 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 commitments and statutory obligations. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

(iii) Shares of the Company held by holding company

Zuari Investments Limited ("ZIL")		
2,913,679 (2,171,549) equity shares of INR 10/- each fully paid	291.37	217.15

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

Equity shares of INR 10/- each fully paid:

Zuari Investments Limited		
Number of shares held	2,913,679	2,171,549
%age of shares held	65.14%	58.20%
Mr. Akshay Poddar		
Number of shares held	235,000	235,000
%age of shares held	5.25%	6.30%



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
(b) Instruments entirely equity in nature		
Authorised share capital:		
160,000,000 (31 March 2019: 160,000,000), preference shares of INR 10/- each	16,000.00	16,000.00
Issued, subscribed and fully paid up:		
Nil (31 March 2019: 742,130) Compulsorily Convertible Preference Shares ('CCPS') of INR 10/- each	-	74.21
(i) Movement in CCPS		
	<u>Number of shares</u>	<u>Amount</u>
As at 31 March 2018	-	-
Issued during the year	742,130	74.21
As at 31 March 2019	742,130	74.21
Converted during the year [refer note 17(a)(i)]	742,130	74.21
As at 31 March 2020	-	-
(ii) Terms and rights attached to the CCPS		
The Company had only one class of CCPS having a par value of INR 10/- per CCPS. These CCPS's did not carry dividend and each CCPS was convertible into one equity share of the Company at any time not later than 18 months from the date of allotment of such CCPS.		
(c) Other equity		
1 Capital redemption reserve		
Opening balance	10.00	10.00
Appropriations during the year	-	-
Utilisations during the year	-	-
Closing balance	<u>10.00</u>	<u>10.00</u>
<u>Nature and purpose:</u>		
Where the preference shares are redeemed out of the profits available for distribution, a sum equivalent to the nominal amount of shares being redeemed shall be transferred to the Capital Redemption Reserve.		
The Capital Redemption Reserve shall be treated as the paid up share capital of the Company for all purposes and can also be utilised for bonus issue of shares.		
2 Securities premium		
Opening balance	1,345.74	200.00
Additions during the year	-	1,145.74
Utilisations during the year	-	-
Closing balance	<u>1,345.74</u>	<u>1,345.74</u>
<u>Nature and purpose:</u>		
Security premium is created when the Company issue shares at the premium. The aggregate amount of premium received on the shares is transferred to a separate account called "security premium reserve". The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions. This reserve is carried forward from earlier years.		
3 Molasses and alcohol storage and maintenance reserve		
Opening balance	124.50	121.99
Additions during the year	6.70	2.51
Utilisations during the year	-	-
Closing balance	<u>131.20</u>	<u>124.50</u>
<u>Nature and purpose:</u>		
The above mentioned reserve is created under Molasses Control Order 1961 which requires every sugar factory to set aside a amount as mentioned in the order. The amount credited in said account shall be utilised only for purposes of construction or crection of storage facilities for molasses.		



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
4 Retained earnings		
Opening balance	(11,701.38)	(8,143.38)
Loss for the year	(7,456.06)	(3,582.47)
Transactions of other comprehensive income directly recognized in reserves		
Re-measurement of defined benefit plans (net of tax impacts)	36.98	24.47
Closing balance	(19,120.46)	(11,701.38)
(i) Total (1+2+3+4)	(17,633.52)	(10,221.14)
<u>Nature and purpose:</u>		
Retained earnings are created from the profit/(loss) of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.		
(ii) Other reserves		
Fair value through OCI- equity instruments	0.79	0.69
Total	0.79	0.69
Fair value through OCI- equity instruments		
Opening balance	0.69	1.63
Changes in fair value of FVTOCI equity instruments (net of tax)	0.10	(0.94)
Closing balance	0.79	0.69
<u>Nature and purpose:</u>		
The Company has elected to recognize changes in the fair value of certain investments in equity shares in other comprehensive income. These are accumulated in Fair value through OCI- equity instruments reserve in OCI within the equity. The Company transfers this reserves to retained earnings when relevant equity investments are derecognized.		
(iii) Deemed equity		
Opening balance	7,821.00	7,821.00
Additions during the year	-	-
Utilisations during the year	-	-
Closing balance*	7,821.00	7,821.00
* Refer note 18.1 for further details.		
Total other equity [(i) +(ii)+(iii)]	(9,811.73)	(2,399.45)



(This space has been intentionally left blank.)

Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

18 Borrowings (Non-current)

Measured at amortized cost

Term loans (secured) (refer note 18.2):

- From banks

Indian rupee loan	5,472.66	7,396.15
Cane soft loan	13,964.65	11,085.66
Loan under under SEEFASU 2014 (Excise duty loan)	-	60.98

- From others

Loan from Sugar Development Fund (SDF)	4,969.10	4,594.12
Loan from a financial institution (IRIEDA)	11,939.00	7,513.13
Foreign currency loan (External commercial borrowings) (FCM)	10,536.67	9,766.77

Inter-corporate loan from related party (unsecured)(refer note 18.2)#	7,042.00	7,042.00
--	----------	----------

Financial liability part of NCRPS issued (unsecured) (refer note 18.1)#

To related parties	5,503.90	4,704.76
To others	36.89	31.53

Total non current borrowings

59,464.87	52,195.10
------------------	------------------

Less: Current maturities of long term borrowings presented under "Other financial liabilities" (refer note 23)

11,609.47	7,148.91
-----------	----------

Total

47,855.40	45,046.19
------------------	------------------

#Refer note 39 for borrowings from related parties



(This space has been intentionally left blank.)

Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Notes:

18.1 Non-Convertible Redeemable Preference Shares ('NCRPS')

The NCRPS carry dividend @ 7.00% per annum. 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.

NCRPS have been initially recorded at fair value by discounting the cash flow at maturity of instruments with discount rate of 16% p.a. (interest rate applicable to similar other borrowings of the Company).

The difference between the transaction price and fair value of the instruments issued to Zuari Investments Limited (existing equity shareholder of GSMIL) are treated as "deemed equity". For NCRPS issued to other entities/parties, the difference between the transaction price and fair value is treated as "deferred gain on issuance of financial instruments" in accordance with para 5.1.2.A.(b) of Ind AS 109 "Financial Instruments". This deferred gain is amortized in the ratio of financial costs on the financial liability part of instruments.

Particulars	Financial liability carried at amortized cost	Deferred gain arising of initial measurement	Deemed equity
Balance as at 31 March 2018 (Face value: INR 12,660.00 lacs)	4,048.60	2,597.78	7,821.00
NCRPS issued during the year	-	-	-
Interest expense and related amortization of deferred gain#	687.69	(142.21)	-
Balance as at 31 March 2019 (Face value: INR 12,660.00 lacs)	4,736.29	2,455.57	7,821.00
NCRPS issued during the year	-	-	-
Interest expense and related amortization of deferred gain#	804.50	(153.81)	-
Balance as at 31 March 2020 (Face value: INR 12,660.00 lacs)	5,540.79	2,301.76	7,821.00

#Interest cost is presented under "finance costs" and amortization of deferred gain are presented under "other income".

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	Face value (INR 10/- each)
1	03 January 2012	15,000,000	150,000,000
2	18 June 2012	5,000,000	50,000,000
3	27 September 2012	33,000,000	330,000,000
4	28 June 2013	3,500,000	35,000,000
5	20 September 2013	3,500,000	35,000,000
6	31 December 2013	10,000,000	100,000,000
7	31 March 2014	11,750,000	117,500,000
8	30 June 2014	5,250,000	52,500,000
9	17 November 2014	2,000,000	20,000,000
10	14 January 2015	2,750,000	27,500,000
11	12 February 2015	13,500,000	135,000,000
12	30 April 2015	1,500,000	15,000,000
13	05 May 2015	500,000	5,000,000
14	25 May 2015	10,000,000	100,000,000
15	06 July 2015	750,000	7,500,000
16	31 July 2015	1,000,000	10,000,000
17	28 August 2015	6,600,000	66,000,000
18	10 November 2016	1,000,000	10,000,000
Total		126,600,000	1,266,000,000

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.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR, less, unless otherwise stated)

18.2 Details of long term borrowings

S. no.	Nature of loan	Lender	As at 31 March 2020		As at 31 March 2019		Nature of securities	Interest rate ⁸	Tenure of repayment
			Non-current	Current	Non-current	Current			
9	Term loan (loan from a financial institution)#	Indian Renewable Energy Development Agency Limited (IREDA)	3,705.83	787.68	4,289.45	787.68	First pari passu charge on entire movable including the receivables of power and immovable properties of the Company including and pertaining to 62,318 acres of land at Ara Estate, Khamara Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27,045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh with existing term loan lender State Bank of India and Sugar Development Fund and Second pari passu charge on entire current assets of the Company excluding receivables on which IREDA/SBI and SDF have first pari passu charge.	11-15% (P.Y. 11-15% to 11.74%)	The said loan is repayable in 40 equal quarterly installments starting from 30 September 2016.
10	Term loan (loan from a financial institution)#		6,112.16	1,333.33	2,456.00	-	First equitable mortgage charge on entire fixed assets of the Company, situated at 62,318 acres of land at Ara Estate, Khamara Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27,045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, movable and immovable machinery and fixed assets (present and future) of the Company, pari passu with other term lenders including SDF and Exclusive charge on Escrow/TRA account opened for Distillery receivables.	11.95% (P.Y. 11.95%)	The loan is repayable in 23 quarterly installments commencing from 30 June 2020 ending on 31 December 2023. The 1st to 22nd quarterly installments will be of INR 333.33 less each and the 23rd installment will be of INR 166.74 less.
11	Term loan (Foreign currency loan)	Netherlandsche Financierings Maatschappij Voor Ontwikkelingslanden N.V. (F.M.O)	10,009.36	527.31	9,118.66	648.11	First ranking mortgage over the property owned by Zuari Global Limited which means land parcel measuring approx. 55 acres that falls under settlement zone located at village Sancoale, Marmugao Taluka, Goa. Also, guarantee agreements with Zuari Global Limited for an irrevocable and unconditional guarantee.	5.96% (P.Y. 5.60%)	The loan is repayable in installments starting from 10 July 2020 onwards (payable half yearly), being first 5 installments of USD 3.50 lac each, next 5 installments of USD 10.00 lac each, next 5 for USD 15.00 lac each and last being USD 27.50 lac.
12	Intercompany loan from related party	Zuari Investments Limited (ZIL)	4,642.00	2,400.00	5,842.00	1,200.00	Unsecured	12.00% (P.Y. 12.00%)	The loan is repayable in 6 yearly installments commencing from 31 October 2019 amounting to INR 1,200.00 lac each (last instalment being INR 1,227.00 lac).

Zuari Global Limited has provided corporate guarantee in respect of these term loans amounting to INR 43,091.93 lacs (previous year : INR 43,091.93 lacs) in aggregate.

@ The loans received from Sugar Development Fund and under the scheme (Scheme for Extending Financial Assistance to Sugar Undertakings 2018, (SEFASU 2018)) are received at rate of interest below market rate. Therefore, the said loans have been fair valued using discounted cash flow technique for initial recognition per Ind AS 20 read with Ind AS 109 and will be subsequently carried at amortized cost. The discount rate which has been used for initial recognition i.e. 11.80% - 12.30% p.a. is benchmarked to other secured financial liabilities of the Company. Differential amount arising on fair valuation is treated as deferred government grant which is amortized over the tenure of loan and is released to statement of profit and loss in the proportion of interest expense.

S As per the scheme (Scheme for Extending Financial Assistance to Sugar Undertakings 2014, (SEFASU 2014)), the interest subvention upto 12% or actual rates of interest charged by the banks is provided to the Company through participating banks.

& Interest rates mentioned above indicates interest rates based upon loan sanctioned terms. However, interest is accrued based on effective interest rate method per Ind AS 109.

(This space has been intentionally left blank)



Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

18.2 Details of long term borrowings

S. no.	Nature of loan	Lender	As at 31 March 2020		As at 31 March 2019		Nature of securities	Interest rate ^{as}	Tenure of repayment
			Non-current	Current	Non-current	Current			
1	Term loan (Indian rupee loan from banks)#	State Bank of India (SBI)	1,232.38	1,252.00	2,167.01	1,252.00	First equitable mortgage/Hypothecation pari passu charge on entire fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Khari, Uttar Pradesh and a new land of 27.045 acres at Village Allipur, Paraganam Dhaunaha, District Khari, Uttar Pradesh*.	12.25%-12.65% (P.Y. 12.25%-12.90%)	The loan is repayable in 24 quarterly installments commencing from 31 March 2016 ending on 31 October 2021. The 1st to 23rd quarterly installments will be of INR 315.00 lacs each and the 24th installment will be of INR 301.00 lacs.
2	Term loan (Indian rupee loan from banks)#		2,238.28	750.00	2,977.08	1,000.00	Extension of hypothecation charge (2nd charge) on entire current assets of the company on pari passu basis with other term lenders.	11.75%-12.05% (11.40%-11.55%)	The loan is repayable in 16 equal quarterly installments commencing from 1 April 2019 and ending on 1 January 2023.
3	Term loan (Cane soft loan)		322.74	312.00	619.11	416.00	*Receivables from the power project jointly financed by IREDA, SBI and SDF shall be first shared on pari passu charge basis between IREDA, SBI and SDF for the term loan and on second pari passu charge basis for working capital facilities and soft loan of SBI.	10.35%-11.25% (P.Y. 10.95%-11.25%)	The loan is repayable in 16 equal quarterly installments commencing from 1 October 2017 and ending on 1 July 2021.
4	Term loan (Cane soft loan)		3,354.39	1,126.00	-	-		11.50% (P.Y. 11.50%)	The loan is repayable in 18 quarterly installments commencing from 31 December 2019 ending on 31 March 2024. The 1st to 17th quarterly installments will be of INR 281.50 lacs each and the 18th installment will be of INR 282.50 lacs.
5	Term loan (Loan under SEFASU 2018@)	Zila Sahakari Bank Ltd.	6,470.45	2,378.87	8,266.47	1,784.14	Residual charge on free assets of the Company.	5.00% (P.Y. 5.00%)	The loan is repayable in 60 equal monthly installments starting from 31 July 2019.
6	Term loan (Loan under SEFASU 2014 (Excise duty loan)\$)	Zila Sahakari Bank Ltd.	-	-	-	60.98		12.00% (P.Y. 12.00%)	The loan is repayable in 36 equal monthly installments starting from 30 June 2016.
7	Term loan (Loan from Sugar Development Fund)## @	Sugar Development Fund (for Power Co-generation Plant)	2,493.73	742.28	3,052.70	-		4.75% (P.Y. 4.75%)	The said loan is repayable in 10 quarterly installments starting from 28 April 2020.
8	Term loan (Loan from Sugar Development Fund)## @	Sugar Development Fund (for Sugar Refinery)	1,733.09	-	1,561.42	-		4.50% (P.Y. 4.50%)	The said loan is repayable in 10 quarterly installments starting from 31 January 2022.



Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
19 Provisions		
Non-current		
Employee benefit obligations		
Gratuity (refer note 34)	219.94	288.16
Leave obligations (refer note 34)	121.42	117.25
Total	341.36	405.41
Current		
Employee benefit obligations		
Gratuity (refer note 34)	169.64	87.75
Leave obligations (refer note 34)	24.04	13.81
Total	193.68	101.56
20 Other liabilities		
Non-current		
Deferred gain on preference shares issued to entities other than equity shareholders	2,094.58	2,301.76
Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013:		
Deferred government grant 5% - Sugar expansion	434.07	455.13
Deferred government grant 5% - Power Cogeneration plant	425.12	446.69
Benefits under scheme of Enhancing and augmentation of ethanol production capacity		
Deferred government grant 5% - Ethanol plant	184.41	-
Benefits of loans at below market rates of interest:		
Deferred government grant on loan from Sugar Development Fund	740.51	1,110.09
Deferred government grant 5% -Cane soft loan	738.81	1,230.98
Total	4,617.50	5,544.65
Current		
Advance received from customers against sale of goods#	1,925.98	1,351.83
Statutory dues	725.75	1,048.47
Deferred gain on preference shares issued to entities other than equity shareholders	207.18	153.81
Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013:		
Deferred government grant 5% - Sugar expansion	21.05	21.05
Deferred government grant 5% - Power Cogeneration plant	21.57	21.58
Benefits under scheme of Enhancing and augmentation of ethanol production capacity		
Deferred government grant 5% - Ethanol plant	7.79	-
Benefits under scheme of Scheme of Extending financial assistance for sugar undertakings		
Deferred government grant on loan from Sugar Development Fund	295.10	201.59
Deferred government grant 5% -Cane soft loan	492.29	600.74
Total	3,696.71	3,399.07
#Refer note 39 for advances received against purchase of goods from related parties.		
21 Borrowings (Current)		
<i>Measurement at amortized cost</i>		
Cash credit from banks - secured (refer note 21.2)	16,479.16	16,507.07
Loan from body corporates - unsecured (refer note 21.2)	2,680.00	2,880.00
Total	19,159.16	19,387.07



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR Lacs, unless otherwise stated)

21.1 Changes in liabilities arising from financing activities:

	Non-current borrowings (including current maturities)	Current borrowings	Lease liabilities
As at 31 March 2018	33,866.85	23,312.81	-
Cash adjustments			
Cash inflows	21,372.31	-	-
Cash outflows	(3,139.11)	(3,925.74)	-
Interest paid	(2,860.48)	(2,154.37)	-
Non-cash adjustments			
Forex adjustments	183.75	-	-
Transfers to deferred gains	(2,037.77)	-	-
Interest accruals/expense	4,791.54	2,154.37	-
Effective interest rate adjustments	18.01	-	-
As at 31 March 2019	52,195.10	19,387.07	-
Cash adjustments			
Cash inflows	10,032.52	-	-
Cash outflows	(5,338.60)	(227.91)	(29.13)
Interest paid	(2,542.62)	(2,105.49)	(28.18)
Non-cash adjustments			
Lease liabilities (refer note 35)	-	-	527.73
Forex adjustments	280.42	-	-
Interest accruals/expense	4,793.98	2,105.49	28.18
Effective interest rate adjustments	44.07	-	-
As at 31 March 2020	59,464.87	19,159.16	498.60



(This space has been intentionally left blank)

Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

21.2 Details of short term borrowings#

S. no.	Nature of loan	Lender	As at	As at	Nature of securities	Interest rate
			31 March 2020	31 March 2019		
1	Cash credit limit	State Bank of India (Kolkata)	6,135.20	5,760.34	<p>Primary Hypothecation charge on entire current assets including book debts both present and future on pari passu basis with other working capital lenders.*</p> <p>Collateral Extension of 2nd charge on the entire fixed assets of the Company on pari passu 2nd Charge basis with other working capital lenders.</p> <p>Receivables from the power project jointly financed by IREDA, SBI and SDF shall be first shared on pari passu charge basis between IREDA, SBI and SDF for the term loan and on second pari passu charge basis for working capital facilities and soft loan of SBI.</p>	10.75%-17.00% (P.Y. 11.25%-12.05%)
2	Cash credit limit*	Zila Sahakari Bank Ltd. (Khamaria)	5,692.59	5,984.56	First charge on finished goods, work in progress and raw material.	9.55%- 10.05% (P.Y. 10.05%)
3	Cash credit limit*	Zila Sahakari Bank Ltd. (Barabanki)	1,769.59	1,769.51	Pari pasu charge on land ,building and plant and machinery against principal and interest amount.	10.25% (P.Y. 10.25%)
4	Cash credit limit*	Zila Sahakari Bank Ltd. (Pilibhit)	1,298.26	1,399.11		10.05% (P.Y. 10.05%)
5	Cash credit limit*	Zila Sahakari Bank Ltd. (Shahjahanpur)	1,583.52	1,593.55		10.05% (P.Y. 10.05%)
6	Loan from body corporates	Texmaco Infrastructure & Holding Limited	1,100.00	1,300.00	Unsecured	12.50% (P.Y. 12.50%)
7	Loan from body corporates	Adventz Security Enterprises Limited	80.00	80.00		12.50% (P.Y. 12.50%)
8	Loan from body corporates	Adventz Investment & Holding Limited	1,500.00	1,500.00		12.50% (P.Y. 12.50%)

#All short term borrowings are repayable on demand.

* Charges against the same are yet to be created.

(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Particulars	As at	As at
	31 March 2020	31 March 2019
22 Trade payables		
-Total outstanding due of micro,small and medium enterprises*	128.82	41.75
-Total outstanding due of creditors other than micro,small and medium enterprises #	35,679.53	29,994.65
Total	35,808.35	30,036.40
*Refer note 38 for details of dues to micro and small enterprises.		
#Refer note 39 for payables to related parties.		
23 Other financial liabilities (current)		
<i>Measurement at amortized cost</i>		
Current maturities of long term borrowings	11,609.47	7,148.91
Current maturities of lease liabilities	82.93	-
Interest accrued but not due on borrowings, deposits and others	1,804.92	349.65
Marked to market value of derivative instruments not designated as hedges	665.22	213.46
Deposits received from sugar agents and others	114.96	111.03
Payable towards purchase of capital goods#	2,094.54	993.95
Other payables towards expenses	108.02	849.19
Total	16,480.06	9,666.19

#Refer note 39 for payable to related parties.



(This space has been intentionally left blank)

Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR lacs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
24 Revenue from operations		
Operating revenues		
Sale of finished goods	50,674.00	40,476.37
Sale of power	3,627.43	5,710.59
Sale of by-products	1,195.88	51.37
Total (a)	55,497.31	46,238.33
Other operating revenues		
Scrap sales	62.23	146.59
Export subsidy	2,340.49	-
Total (b)	2,402.72	146.59
Total(a+b)	57,900.03	46,384.92

Notes:
24.1 Disaggregation of revenue from operations:

The table below presents disaggregated revenue from contracts with customers by geography, offerings and sales channels for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are effected by industry, market and other economic factors. The table also includes a reconciliation of the disaggregated revenue with the Company's strategic divisions, which are its reportable segments (refer note 40).

Particulars	Year ended 31 March 2020			
	Sugar	Power	Ethanol	Total
Revenues by Geography				
India	44,048.44	3,627.43	2,278.00	49,953.87
Other than India	5,543.44	-	-	5,543.44
Total	49,591.88	3,627.43	2,278.00	55,497.31
Revenues by Offerings				
Sale of finished goods				
Sugar	48,396.00	-	-	48,396.00
Ethanol	-	-	2,278.00	2,278.00
Sale of power	-	3,627.43	-	3,627.43
Sale of by-products				
Molasses	1,180.34	-	-	1,180.34
Press-mud	15.54	-	-	15.54
Total	49,591.88	3,627.43	2,278.00	55,497.31
Revenues by Sales Channel				
Direct sales	21,546.45	3,627.43	2,278.00	27,451.88
Sales through intermediaries	28,045.43	-	-	28,045.43
Total	49,591.88	3,627.43	2,278.00	55,497.31

Particulars	Year ended 31 March 2019			
	Sugar	Power	Ethanol	Total
Revenues by Geography				
India	40,448.15	5,710.59	-	46,158.74
Other than India	79.59	-	-	79.59
Total	40,527.74	5,710.59	-	46,238.33
Revenues by Offerings				
Sale of finished goods				
Sugar	40,476.37	-	-	40,476.37
Ethanol	-	-	-	-
Sale of power	-	5,710.59	-	5,710.59
Sale of by-products				
Molasses	27.13	-	-	27.13
Press-mud	24.24	-	-	24.24
Total	40,527.74	5,710.59	-	46,238.33
Revenues by Sales Channel				
Direct sales	25,600.76	5,710.59	-	31,311.35
Sales through intermediaries	14,926.98	-	-	14,926.98
Total	40,527.74	5,710.59	-	46,238.33



Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR lacs, unless otherwise stated)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables		
Trade receivables	4,105.88	3,830.78
Unbilled revenues	543.24	764.10
	4,649.12	4,594.88
Contracts assets		
Contract liabilities (advances from customers against sale of goods)		
Opening balance	1,351.83	221.79
Revenue recognized that was included in the contract liability balance at the beginning of the year	(1,351.83)	(221.79)
Closing balance	1,925.98	1,351.83

25 Other income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on		
Loans, deposits, advances etc.	3.19	3.13
Long-term investments	0.90	0.13
Dividend income	1.80	-
Fair valuation gains on financial assets measured at fair value through profit and loss	-	0.14
Profit on sale of investments in mutual funds	17.21	28.50
Insurance and other claims	25.82	0.34
Rent and hire charges	9.91	8.66
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	71.51	212.44
Amortization of deferred gain on NCRPS	153.81	142.21
Government grants:		
Interest reimbursement from U.P. Government under Sugar Industry, Cogeneration and Distillery Promotion Policy 2013	591.74	755.49
Interest reimbursement under Scheme for Extending Financial Assistance to Sugar Mills for enhancing and augmentation of ethanol production capacity	145.69	-
Assistance to sugar mills for sugar cane purchase	451.13	1,724.02
Assistance to sugar mills under the scheme for creation and maintenance of buffer stock	867.09	451.24
Government grants on excise term loans and cane soft loan	340.11	49.11
Amortizations of :-		
Deferred government grant recognized on loan from Sugar Development Fund	276.08	251.68
Deferred government grant 5 th - Sugar expansion	21.05	21.05
Deferred government grant 5 th - Power Cogeneration plant	21.57	21.57
Deferred government grant for Ethanol plant	2.60	-
Deferred government grant 5 th - Cane Soft Loan	601.01	206.04
Other assistances	-	664.29
Renewable energy certificates income	476.60	282.67
Management consultancy services	-	440.00
Miscellaneous income	39.05	17.45
Total	4,117.87	5,280.16


(This space has been intentionally left blank)


Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR Lacs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
26 Cost of materials consumed		
Raw materials at the beginning of the year:-		
Sugar cane	89.81	56.94
Bagasse	491.75	1,042.89
	581.56	1,099.83
Add: Purchases and procurement expenses		
Sugar cane	48,440.27	42,588.52
Bagasse	-	107.67
Rice husk	-	0.65
	48,440.27	42,696.84
Less: Internal generated bagasse transferred to pre-operative expense (allocated) under power and fuel	118.10	-
Less: Raw materials at the end of the year		
Sugar cane	56.72	89.81
Bagasse	204.66	491.75
	261.38	581.56
Total	48,642.35	43,215.11
27 Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year		
Finished goods	42,225.05	38,685.90
Molasses	3,488.08	4,953.50
By products	120.91	108.46
Work-in-progress	923.35	610.21
Scrap	288.10	235.50
	47,045.49	44,593.57
Inventories at the beginning of the year		
Finished goods	38,685.90	33,746.71
Molasses	4,953.50	2,297.01
By products	108.46	80.07
Work-in-progress	610.21	755.45
Scrap	235.50	318.75
	44,593.57	37,197.99
Total	(2,451.92)	(7,395.58)
28 Employee benefit expenses		
Salaries, wages, bonus and gratuity expense#^	2,457.77	2,186.07
Contribution to provident fund#	182.72	157.82
Employee welfare expenses	37.31	59.59
Total	2,677.80	2,403.48

#Refer note 34.

^Refer note 39 for benefits paid to related parties.


(This space has been intentionally left blank)


Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR lacs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
29 Finance costs		
Interest cost of financial liabilities measured at amortized cost	8,860.95	6,779.96
Other borrowing costs	38.13	34.34
Exchange difference on foreign currency term loan regarded as adjustment to borrowing costs	540.97	416.46
	9,440.05	7,230.76
Less: amounts capitalized towards qualifying assets (refer below)	(1,013.07)	(284.85)
Total	8,426.98	6,945.91
Note:		
The capitalization rate used to determine the amount of borrowings costs to be capitalized is weighted average interest rate applicable to the Company's general borrowings during the year which is 11.68% p.a. during the year ended 31 March 2020 (31 March 2019: 11.58% p.a.).		
30 Depreciation and amortization expenses		
Depreciation of property, plant and equipments	2,071.55	1,790.65
Depreciation of right-of-use assets (refer note 35)	41.86	-
Amortization of intangible assets	9.16	9.75
Total	2,122.57	1,800.40
31 Other expenses		
Consumption of stores and spares	592.65	531.00
Packing materials	615.47	498.71
Power and fuel	163.81	154.85
Repairs to and maintenance of:		
Buildings	82.11	79.73
Machinery	1,212.70	1,240.75
Others	6.78	1.73
Rent (refer note 35)	298.68	210.87
Rates and taxes	40.31	19.01
Insurance	150.58	127.24
Legal and professional	72.56	148.51
Payment to auditors:		
As auditors	26.00	23.50
For certificates and other services	3.25	1.00
Out of pocket expenses	2.15	2.16
Liquidated damages	302.18	-
Commission on sales	95.78	109.53
Freight and forwarding charges	951.25	705.26
Charity and donations	3.42	0.78
Loss on disposal of property, plant and equipment	1.59	2.91
Bad debts, cane subsidies and other receivables written off	1.08	1,170.85
Molasses and alcohol storage and maintenance reserve (refer note 17)	6.70	2.51
Director's sitting fees (refer note 39)	8.20	10.40
Loss on account of foreign exchange rate fluctuation	280.42	183.75
Printing and stationery	25.91	24.38
Fair value losses on derivatives not designated as hedges	471.52	213.46
Service charges for export obligations	157.15	1,445.44
Miscellaneous expenses	534.21	415.60
Total	6,106.46	7,323.93


(This space has been intentionally left blank)


Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR lacs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
32 Tax expense		
The tax expense comprises of :		
Current tax	-	-
Deferred tax charge	3,949.72	954.30
Total	3,949.72	954.30
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(3,506.34)	(2,628.17)
Enacted income tax rates in India	25.17% ^o	34.61% ^o
Expected tax credit	(882.55)	(909.56)
Tax effect on expiry of bought forward losses	130.11	1,675.08
Tax effect on amounts which are not deductible /(taxable) in calculating taxable income		
Interest on financial liability - NCRPS	202.48	238.00
Amortized deferred gains on NCRPS	(41.87)	(49.22)
Impact of the Taxation Laws (Amendment) Ordinance, 2019 (refer note below) due to:		
Change in tax rates	1,020.87	-
Other benefits no longer available in respect of set off of unabsorbed additional depreciation brought forward and deductions under Chapter VI-A of the Income-tax Act 1961	3,514.84	-
Other items	5.85	-
Total	3,949.72	954.30

Note:

The Company elected to exercise the option of reduced income-tax rates permitted under section 115BBA of the Income-tax Act 1961 ("the Act"), as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, deferred tax assets (net) are re-measured, basis the rate prescribed in the said section subject to certain conditions as prescribed therein. Impact on account of change in income tax rates amounted to INR 1,020.87 lacs and other benefits no longer available in respect of set off of unabsorbed additional depreciation brought forward and deductions under Chapter VI-A under the heading "C - deductions in respect of certain incomes" of the Act amounted to INR 3,514.84 lacs. The full impact of this change amounting to INR 4,535.71 lacs has been recognized during the year ended 31 March 2020. Accordingly, tax expense presented in the financial statements for the year ended 31 March 2020 is higher by one time charge of INR 4,535.71 lacs on account of remeasurement of deferred tax assets (net).

33 Earnings per share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Loss attributable to equity share holders of the Company	(7,456.06)	(3,582.47)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	4,473,047	3,681,316
Face value per share (INR per share)	10.00	10.00
Losses per share (basic and diluted) (INR)	(166.69)	(97.31)

Reconciliation of numbers of shares considered above for computing loss per share:-

Particulars	As at 31 March 2020	As at 31 March 2019
Equity shares		
Opening	3,730,917	3,200,000
Issued during the year [refer note 17(a)(i) for details]	742,130	530,917
Closing	4,473,047	3,730,917
CCPS		
Opening	742,130	-
Issued during the year	-	742,130
Converted during the year [refer note 17(a)(i) for details]	(742,130)	-
Closing	-	742,130
Weighted average number of share used above	4,473,047	3,681,316



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

34 Employee benefit obligations

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Gratuity	169.64	219.94	87.75	288.16
Leave encashment	24.04	121.42	13.81	117.25
Total	193.68	341.36	101.56	405.41

A Defined benefits plans - Gratuity

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years service.

Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risks are investment risk, interest rate risk, mortality risk and salary risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

Investment risk

Plan assets comprise funds managed by the insurer i.e. Life Insurance Corporation of India (LIC).

Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(i) Amount recognized in the statement of profit and loss is as under:

Description	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	65.71	61.48
Interest cost	53.03	52.51
Net impact on loss (before tax)	118.74	113.99
Actuarial loss/(gain) recognized during the year	(49.19)	(40.59)
Amount recognized in total comprehensive income	69.55	73.40

(ii) Change in the present value of obligation:

Description	Year ended 31 March 2020	Year ended 31 March 2019
Present value of defined benefit obligation as at the beginning of the year	716.68	677.56
Current service cost	65.71	61.48
Interest cost	53.03	52.51
Benefits paid	(57.14)	(34.28)
Actuarial gain	(49.19)	(40.59)
Present value of defined benefit obligation as at the end of the year	729.09	716.68



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

(iii) Movement in the plan assets recognized in the balance sheet is as under:

Description	Year ended 31 March 2020	Year ended 31 March 2019
Fair value of plan assets at the beginning of the year	340.77	307.67
Interest income	25.22	23.84
Contributions	30.40	46.97
Benefits paid	(57.14)	(34.28)
Actuarial gains/(losses)	0.26	(3.43)
Fair value of plan assets at the end of the year	339.51	340.77

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	As at 31 March 2020	As at 31 March 2019
Present value of funded obligation as at the end of the year	729.09	716.68
Fair value of plan assets as at the end of the period funded status	339.51	340.77
Unfunded/funded net liability recognized in balance sheet	389.58	375.91

(v) Breakup of actuarial (gain)/loss:

Description	As at 31 March 2020	As at 31 March 2019
Actuarial loss from change in demographic assumption	0.36	-
Actuarial (gain)/loss from change in financial assumption	(16.95)	19.15
Actuarial gain from experience adjustment	(32.58)	(59.74)
Total actuarial (gain)/loss	(49.17)	(40.59)

(vi) Actuarial assumptions

Description	As at 31 March 2020	As at 31 March 2019
Discount rate	6.85% ^o	7.40% ^o
Rate of increase in compensation levels	8% ^o for first 2 years and 6.5% ^o thereafter	7.50% ^o for 2018-19
Expected rate of return on plan assets	7.50% ^o	8.00% ^o
Retirement age	58 years	58 years

Notes:

- 1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- 3) Plan assets comprise funds managed by the insurer i.e. Life Insurance Corporation of India ('LIC').
- 4) The best estimated expense for the next year is INR 99.06 lacs.



(This space has been intentionally left blank)

Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

(vii) The major categories of plan assets as a percentage of total plan assets are as follows:

The Company's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance Corporation of India and actuarial valuer is provided for in the financial statements of the Company. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

Description	As at 31 March 2020	As at 31 March 2019
Investments with LIC	100%	100%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2020	As at 31 March 2019
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	(18.44)	(18.68)
- Impact due to decrease of 0.50 %	19.51	19.77
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	19.43	19.60
- Impact due to decrease of 0.50 %	(18.54)	(18.70)

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not changed as compared to previous year.

(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2020	As at 31 March 2019
Within next 12 months	169.64	144.18
Between 1-5 years	256.73	120.81
Beyond 5 years	302.71	451.67

(x) Weighted average duration of defined benefit obligation is 10.63 years as at 31 March 2020 and 10.19 years as at 31 March 2019.

B Leave encashment

Amount recognized in the statement of profit and loss is as under:

Description	As at 31 March 2020	As at 31 March 2019
Current service cost	42.45	32.50
Interest cost	9.70	9.20
Actuarial loss recognized during the year	3.98	16.44
Amount recognized in the statement of profit and loss	56.13	58.14

C Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by Government of India. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognized during the year towards defined contribution plan is INR 182.72 lacs (31 March 2019 - INR 157.82 lacs).



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

35 Leases

Where Company is a Lessee

The Company leases several buildings in form of sugar godown and registered office:

Lease term is :	(in years)
Sugar Godowns	3
Registered office	9

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

i. Right-of use asset

Right-of-use assets related to leased buildings that do not meet the definition of investment property are presented as property, plant and equipment below:

	<u>For the year ended</u> <u>31 March 2020</u>
Recognized as at 1 April 2019 (refer note 46)	-
Additions	527.73
Adjustments	-
Derecognition	-
Depreciation	(41.86)
Impairment	-
Closing balance as at 31 March 2020	485.87

ii. Lease liabilities

Recognized as at 1 April 2019 (refer note 46)	-
Additions	527.73
Interest accrued	28.18
Payments	(57.31)
Closing balance as at 31 March 2020	498.60
Current (current maturities of lease liabilities)	82.93
Non current	415.67

Note : Refer note 42 for maturity analysis of lease liabilities.

iii. Amounts recognized in the statement of profit or loss

	<u>Note reference</u>	<u>For the year ended</u> <u>31 March 2020</u>
Depreciation	30	41.86
Interest on lease liabilities	29	28.18
Income from sub-leasing right-of-use assets	25	(9.91)
Expenses relating to short-term leases	31	298.68
Net impact on statement of profit and loss		358.80

iv. Amounts recognized in the cash flow statement

	<u>For the year ended</u> <u>31 March 2020</u>
Payment for finance cost	28.18
Payment of lease liabilities	29.13
Total cash outflows	57.31



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

- v. Extension and termination options are included in a leases of building in the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension and termination options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.
- The Company has estimated that the potential future lease payments when the Company is reasonably certain of exercising the extension and not exercising the termination options and the impacts of the same have been captured while calculating lease liabilities under Ind AS 116.
- vi. Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.
- vii. The Company does not have any variable lease payment arrangements.

Where Company is a Lessor

The Company has sub-leased out some of its short term leased properties. All leases are classified as operating leases from a lessor perspective where head lease is a short term lease considering sub-lease classification under the accounting standard.

Operating lease (sub-leases classified as operating leases).

The Company has leased one of its sugar godown which is classified as a short term lease. Rental income recognized during the year amounts to INR 9.91 lacs.



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

36 Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Demands / claims by various government authorities and others not acknowledged as debts and contested by the Company		
i) Excise duty and service tax	22.78	19.60
ii) Sales tax and entry tax	4.42	4.42
iii) Others	5.12	5.12
	<u>32.32</u>	<u>29.14</u>

Based on discussions with the solicitors/ favorable decisions in similar cases/ legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision against above is considered necessary.

(ii) Value added tax/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 High Court of Allahabad and is pending with Hon'ble Supreme Court. It says that during the pendency of special appeal before Hon'ble Supreme Court, the Company shall not realise taxes on sale of molasses. In case the order is decided against the parties by the Hon'ble Supreme Court, the Company would be liable to collect and pay VAT/Sales tax to the department along with interest and penalty. Amount involved is indeterminate.

37 Capital and other commitments

(i) Capital commitments contracted at the end of the reporting period but not recognized as liabilities is as follows:-

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	32.85	7,715.48
	<u>32.85</u>	<u>7,715.48</u>

38 Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amounts remaining unpaid	128.82	41.75
Interest accrued and due thereon remaining unpaid	3.97	2.89
Interest paid by the company in terms of Section 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.	-	-
Interest accrued and remaining unpaid as at the end of the year	15.13	11.16
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 the MSMED Act, 2006.	15.13	11.16



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

39 Related party disclosures as per Ind AS-24:

List of related parties:-

(i) Related parties where control exists:

Name	Relation
Zuari Global Limited	Ultimate holding company
Zuari Investments Limited	Holding company

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

Fellow subsidiaries	Indian Furniture Products Limited Simon India Limited Zuari Insurance Brokers Limited Zuari Finserv Limited Zuari Sugar & Power Limited Zuari Management Services Limited	
Joint venture of subsidiary of ultimate holding company	Forte Furniture India Private Limited	
Associate of holding company	New Eros Tradecom Limited	
Key management personnel	Shri R.S. Raghavan Shri Alok Saxena Shri R.N. Ratnam Shri Bhaskar Chatterjee Shri Marco Wadia Smt Indira Varadarajan Shri L. M. Chandrasekaran	– Managing Director – Executive Director (appointed w.e.f 3 February 2020) – Independent Director (resigned w.e.f 31 March 2019) – Independent Director (appointed w.e.f 3 February 2020) – Independent Director – Independent Director – Independent Director

(iii) 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. (1) Issue of Non Convertible Redeemable Preference Shares (NCRPS)

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Investments Limited	31 March 2020	-	-	114.82
	31 March 2019	-	-	98.15
Fellow subsidiaries				
Simon India Limited	31 March 2020	-	-	1,283.43
	31 March 2019	-	-	1,097.08
Zuari Insurance Brokers Limited	31 March 2020	-	-	93.41
	31 March 2019	-	-	79.85
Zuari Sugar & Power Limited	31 March 2020	-	-	3,930.15
	31 March 2019	-	-	3,359.51
Associate of holding company				
New Eros Tradecom Limited	31 March 2020	-	-	82.09
	31 March 2019	-	-	70.17

*Shown under head long term borrowings.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Related party disclosures as per Ind AS-24 (cont'd.)

(2) Inter-corporate deposits received

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Investments Limited	31 March 2020	-	-	7,042.00
	31 March 2019	7,042.00	-	7,042.00

*Shown under head long term borrowings.

b. Professional services received

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Fellow subsidiary				
Zuari Finserv Limited (earlier known as Zuari Finserv Private Limited)	31 March 2020	1.85	-	2.04
	31 March 2019	1.87	-	2.04
Ultimate holding company				
Zuari Global Limited	31 March 2020	120.00	-	64.80
	31 March 2019	120.00	-	307.45
Holding company				
Zuari Investments Limited	31 March 2020	-	-	199.80
	31 March 2019	-	-	199.80

Fellow subsidiary

Zuari Management Services Limited	31 March 2020	22.40	-	-
-----------------------------------	---------------	-------	---	---

*Shown under head "Trade payables".

c. Reimbursement of expenses

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties
Fellow subsidiary				
Zuari Sugar & Power Limited	31 March 2020	12.84	-	-
	31 March 2019	15.51	-	-
Ultimate holding company				
Zuari Global Limited	31 March 2020	-	-	-
	31 March 2019	0.91	-	-

The Company has availed cash credit and term loans from banks, body corporate and financial institutions of INR 43,091.93 lacs (INR 43,091.93 lacs), which are further secured by corporate guarantees provided by Zuari Global Limited.



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Related party disclosures as per Ind AS-24 (cont'd.)

d. Purchase of property, plant and equipment

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Subsidiary of ultimate holding company				
Simon India Limited	31 March 2020	19.02	-	131.85
	31 March 2019	9.69	-	124.13
Joint venture of subsidiary of ultimate holding company				
Porte Furniture India Private Limited	31 March 2020	2.09	-	1.21
	31 March 2019	2.92	-	1.09
Fellow Subsidiary				
Indian Furniture Products Limited	31 March 2020	9.27	-	-
	31 March 2019	-	-	3.28

*Shown under head "Other financial liabilities".

e. Sale of finished goods

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Sugar & Power Limited	31 March 2020	16,094.36	-	711.91
	31 March 2019	17,602.14	-	524.25

*Shown under head "Other current liabilities".

f. Management consultancy services rendered

	Year ended	Transactions during the year	Amount owed by related parties*	Amount owed to related parties
Fellow subsidiary				
Zuari Management Services Limited	31 March 2020	-	219.37	-
	31 March 2019	440.00	226.80	-

* Shown under head "Other financial assets".

g. Interest expense on inter corporate deposits

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Investments Limited	31 March 2020	966.96	-	1,242.49
	31 March 2019	365.08	-	345.62

* Shown under head "Other financial liabilities".



(This space has been intentionally left blank)



Gobind Sugar Mills Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amounts in INR lacs, unless otherwise stated)*

Related party disclosures as per Ind AS-24 (cont'd.)

h. Remuneration to key managerial personnel

	Year ended	Transactions during the year*	Amount owed by related parties	Amount owed to related parties
Key management personnel				
Shri R. S. Raghavan	31 March 2020	12.14	-	-
	31 March 2019	-	-	-
*The Company has paid managerial remuneration of INR 12/- to Shri R. S. Raghavan for the year ended 31 March 2019.				
Shri Alok Saxena	31 March 2020	6.60	-	-
	31 March 2019	-	-	-

i. Director's sitting fees

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties
Key management personnel				
Shri R. N. Ratnam	31 March 2020	-	-	-
	31 March 2019	1.55	-	-
Shri Bhaskar Chatterjee	31 March 2020	0.40	-	-
	31 March 2019	-	-	-
Shri Marco Wadia	31 March 2020	2.85	-	-
	31 March 2019	3.10	-	-
Smt Indira Varadarajan	31 March 2020	1.85	-	-
	31 March 2019	2.00	-	-
Shri L. M. Chandrasekaran	31 March 2020	3.10	-	-
	31 March 2019	3.75	-	-

*(This space has been intentionally left blank)*

(All amounts in INR lacs, unless otherwise stated)

40 Segment information

For operational management purposes, the Company is organised into business units based on its products and has three reportable segments:

- Sugar division which is involved in extraction of Sugar from Sugar Cane;
- Power division which is involved in co-generation of Power using by product of Sugar division i.e. bagasse;
- Ethanol division which is involved in manufacturing of ethanol using Molasses.

No operating segments have been aggregated to form the above reportable segments.

The Board of Directors (BoD) is collectively the chief operating decision maker. BoD monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Company's financial statements. Accounting policies used for recognition and measurement of performance of segments are consistent with accounting policies applied in the preparation of these financial statements.

Segment revenue

Sales between the segments are carried out at arm's length price and are eliminated during the reporting. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

	Sugar		Power		Ethanol		Eliminations		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue from operations:										
External customers	51,994.60	40,674.33	3,627.43	5,710.59	2,278.00	-	-	-	57,900.03	46,384.92
Inter segment transactions	7,024.97	4,047.38	3,501.08	3,596.71	135.89	-	(10,661.94)	(7,644.09)	-	-
Total revenue from segments	59,019.57	44,721.71	7,128.51	9,307.30	2,413.89	-	(10,661.94)	(7,644.09)	57,900.03	46,384.92
Revenue from operations as per Statement of Profit and Loss									57,900.03	46,384.92

Note:

Revenue from external customer for sugar segment comprises of selling sugar directly as well as through various sugar selling agents and sale of molasses and press mud.
Revenue from external customer for power division comprises of selling energy generated through co-generation plant to Government of Uttar Pradesh.
Revenue from external customer for ethanol division comprises of selling ethanol to oil marketing companies.

Segment results

Interest incomes and interest cost related to the specific segments are allocated to the segments.

	Sugar		Power		Ethanol		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Segments profit/(loss) during the year before depreciation and amortization, finance costs and tax	2,201.35	(826.80)	1,927.54	3,627.43	(331.61)	-	3,797.28	2,800.63
Depreciation and amortization	1,252.32	1,084.85	680.99	715.55	189.26	-	2,122.57	1,800.40
Finance costs	1,763.59	1,797.72	-	-	-	-	1,763.59	1,797.72
Profit/(loss) before tax	(814.56)	(3,709.37)	1,246.55	2,911.88	(520.87)	-	(88.88)	(797.49)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR (₹), unless otherwise stated)

	Sugar		Power		Ethanol		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Unallocable incomes and expenses								
Finance costs							(6,663.40)	(5,148.19)
Other expenses							(871.93)	(1,962.65)
Other incomes							4,117.87	5,280.16
Loss before tax as per Statement of Profit and Loss							(3,506.34)	(2,628.17)

Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segments.

	Sugar		Power		Ethanol		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Total segment assets	77,671.07	75,347.09	20,425.14	20,979.34	17,795.24	7,916.86	115,891.45	104,243.29
Unallocated								
Deferred tax assets							3,295.76	7,257.95
Investments							16.25	133.15
Total assets as per the balance sheet							119,203.46	111,634.39

Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segments. Borrowings to the extent directly related to a segment are considered as the segment liabilities

	Sugar		Power		Ethanol		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Total segment liabilities	54,967.51	46,543.47	-	-	-	-	54,967.51	46,543.47
Unallocated								
Non-current liabilities							53,229.93	50,996.25
Current liabilities							-	2,880.00
Other liabilities							20,370.45	13,166.82
Total liabilities as per the balance sheet							128,567.89	113,586.54



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

41 Fair value measurements

41.1 Financial instruments by category

	Carrying value	
	As at	As at
	31 March 2020	31 March 2019
Financial assets		
A FVTOCI financial instruments:		
Investment in quoted equity shares [refer note (i) below]	15.25	15.15
B Amortized cost:		
Other financial assets	196.71	17.32
Trade receivables	4,105.88	3,830.78
Cash and cash equivalents	141.21	161.92
Other bank balances	3.89	1.57
Loans	4.47	38.51
Investments in unquoted-non trade investments	1.00	1.00
Other financial assets (current)	6,760.19	5,290.13
C Fair value through profit and loss:		
Investment in mutual funds	-	117.00
Total	11,228.60	9,473.38
Financial liabilities		
A Amortized cost:		
Non-current borrowings	47,855.40	45,046.19
Current borrowings	19,159.16	19,387.07
Trade payables	35,808.35	30,036.40
Lease liabilities	415.67	-
Other financial liabilities (current)	16,480.06	9,666.19
Total	119,718.64	104,135.85

Notes:

- (i) The equity securities for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit and loss are investments which are not held for trading purposes.
- (ii) The management assessed that carrying value of financial assets and financial liabilities, carried at amortized cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheet.



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

41.2 Fair value hierarchy

Each class of assets and liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based in the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of assets measured at fair value as at 31 March 2020 and 31 March 2019:

	Level 1	Level 2	Level 3	Total
Recurring basis:				
Financial assets measured at FVTOCI (Investment in equity shares)#				
<u>As at 31 March 2020</u>				
Carrying value	15.25	-	-	15.25
Fair value	15.25	-	-	15.25
<u>As at 31 March 2019</u>				
Carrying value	15.15	-	-	15.15
Fair value	15.15	-	-	15.15
Financial assets measured at FVTPL (Investment in mutual funds)#				
<u>As at 31 March 2020</u>				
Carrying value	-	-	-	-
Fair value	-	-	-	-
<u>As at 31 March 2019</u>				
Carrying value	117.00	-	-	117.00
Fair value	117.00	-	-	117.00
Derivative instruments not designated as hedges measured at FVTPL				
<u>As at 31 March 2020</u>				
Carrying value	-	665.22	-	665.22
Fair value	-	665.22	-	665.22
<u>As at 31 March 2019</u>				
Carrying value	-	213.46	-	213.46
Fair value	-	213.46	-	213.46

Notes:

These investments are valued using market quoted prices.

There were no transfers between level 1 and level 2.



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

42 Financial instruments risk

Risk management objectives and policies

The Company's principal financial liabilities are loans, borrowings, trade and other payables and principal financial assets are trade and other receivables. Also, the Company holds some equity investments with value being not material.

The Company is currently exposed to **market risk, credit risk and liquidity risk**. The Company's senior management looks after the management of these risks. The Company's management advises on financial risks and the appropriate financial risk governance framework for the Company. The Board of Directors reviews and agrees policies for managing each of these risks on an ongoing basis, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **interest rate risk, currency risk and other price risks**, such as equity price risk and inventory price risk.

Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

The sensitivity analysis in the following sections relates to the position as at 31 March 2020 and 31 March 2019.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets.

(i) Interest rate risk

Applicability - Financial liabilities

The company has various term loans (short term and long term) from banks and financial institutions, inter corporate deposits and cash credit limits from various banks.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates (long term and short term). The Company always try to ensure minimal cash outflows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility.

Interest rate risk exposure

Below is the overall exposure of the Company's to interest rate risk:

Particulars	31 March 2020	31 March 2019
Variable rate borrowings	23,475.98	32,554.56
Fixed rate borrowings	55,148.05	39,027.61
Total borrowings	78,624.03	71,582.17

Interest rate sensitivity

	+ / (-) in basis points	Effect on loss before tax
31 March 2020		
Rupees	+50	108.46
Rupees	-50	(108.46)
31 March 2019		
Rupees	+50	199.02
Rupees	-50	(199.02)

In order to achieve its objective, to mitigate risk of future cash outflows due to floating interest rates, the Company has entered into interest rate swap transaction (floating to fixed rate of interest) for its foreign currency term loan.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings and interest payments thereon.

The Company manages its foreign currency risk by hedging payments that are to be made within a maximum of 12 months period through currency futures. As on on balance sheet date, the Company has hedged its expected foreign currency payments (interest payments as of now being payable subsequently) which are to be made with in 12 months.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Unhedged foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period, is as follows:

	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	USD	INR in lacs	USD	INR in lacs
Financial liabilities - Foreign currency borrowings	14,403,522	10,536.67	14,065,051	9,766.77

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	+ / (-) in basis points	Effect on loss before tax
31 March 2020		
Rupees	+500	720.18
Rupees	-500	(720.18)
31 March 2019		
Rupees	+500	(455.31)
Rupees	-500	455.31

(iii) Equity price risk

The Company's listed equity investments carried at FVTOCI are susceptible to market price risk arising from uncertainties about future values of the investment securities. Considering the insignificant value of these investments, the management has not carried sensitivity analysis for these investments.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss and other adverse consequences. The Company is exposed to credit risk from its operating activities primarily from trade receivables including unbilled revenues, cash and cash equivalents, bank deposits, loans receivables and investment in unquoted securities.



Gobind Sugar Mills Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR lacs, unless otherwise stated)

Summary	As at 31 March 2020	As at 31 March 2019
Trade receivables (including unbilled revenues) (refer note i)		
Not due	543.24	764.10
Overdue (0-12 months)	4,105.88	3,830.78
Cash and cash equivalents (refer note ii)	141.21	161.92
Other bank balances (refer note ii)	190.96	1.57
Loans (refer note iii)	4.47	38.51
Security deposits (refer note iii)	9.64	17.32
Investments in unquoted securities (refer note iii)	1.00	1.00
Other receivables (refer note iv)	331.88	373.56
Incentive receivables (refer note iv)	5,885.07	4,152.47
Total	11,213.35	9,341.23

Note:

- (i) Trade receivables and unbilled revenue of the Company represents receivables from substantially from Uttar Pradesh Power Corporation Limited (an undertaking of Government of Uttar Pradesh) in respect of supply of power energy. Since it is receivable from a government undertaking, the management doesn't consider the credit risk to be significant.
- (ii) Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments as fixed deposits are made in compliances of contractual requirements. Therefore credit risk in regard to the same is considered to be negligible.
- (iii) Other balances are not significant and hence, not analyzed separately.
- (iv) Other/Incentive receivables consists of interest subventions, amounts with held with CERC and export subsidy receivables from government. Therefore, credit risk in regard to the same is considered to be insignificant.

Liquidity risk

The Company monitors its risk of a shortage of funds using future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash and cash equivalents. The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns. Considering the stability of the company's holding company, liquidity risk of the Company is considered to be low.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Upto 1 year	1 to 5 years	Beyond 5 years	Total
As at 31 March 2020				
Borrowings				
Non current				
Borrowings (other than financial liability part of NCRPS)#	17,531.52	57,062.10	8,148.01	82,741.63
Financial liability part of NCRPS	-	5,300.00	7,360.00	12,660.00
Current borrowings	19,159.16	-	-	19,159.16
Trade payables	35,808.35	-	-	35,808.35
Lease liabilities (including current maturities)	193.20	495.30	592.10	1,280.60
Other financial liabilities	4,787.66	-	-	4,787.66
Total	77,479.89	62,857.40	16,100.11	156,437.40
As at 31 March 2019				
Borrowings				
Borrowings (other than financial liability part of NCRPS)#	12,440.32	65,940.84	4,772.01	83,153.17
Financial liability part of NCRPS	-	-	12,660.00	12,660.00
Current borrowings	19,387.07	-	-	19,387.07
Trade payables	30,036.40	-	-	30,036.40
Other financial liabilities	2,517.28	-	-	2,517.28
Total	64,381.07	65,940.84	17,432.01	147,753.92

The same includes contractual interest cash outflows related to the borrowings.



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

Derivative Financial Instruments:

The Company uses derivative instruments as part of its management of exposure to fluctuations in interest rates and foreign currency rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage treasury risks. Treasury derivative transactions are normally in the form of forward contracts or swap contracts and these are subject to the Company's guidelines and policies.

Derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on valuations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within other financial assets/liabilities, as applicable. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non qualifying hedges

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include as on date include "Interest Rate Swaps" and "Forward Dollar Purchase Contracts" being entered by the Company with bankers to hedge floating interest foreign currency loan and interest payments as due related thereto. Fair value changes on such derivative instruments are recognized in the Statement of Profit and Loss.



(This space has been intentionally left blank)



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

43 Capital management

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders, ensure access to external sources of financing, in part by maintaining an adequate rating and reducing cost of capital. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer. The management of the Company are making due efforts to improve the ratios. The position on reporting date is summarized in the following table:

Particulars	As at 31 March 2020	As at 31 March 2019
Long term borrowings (including financial liability part of non convertible redeemable preference shares)	47,855.40	45,046.19
Lease liabilities	415.67	-
Current maturities of long-term borrowings including lease liabilities	11,692.40	7,148.91
Short-term borrowings	19,159.16	19,387.07
Total Debt (a)	79,122.63	71,582.17
Total Equity (b)	(9,364.43)	(1,952.15)
Debt to Equity (a/b)	(8.45)	(36.67)

44 Assets pledged as security:

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets		
Current		
Trade receivables	4,105.88	3,830.78
Cash and cash equivalents	141.21	161.92
Other bank balances	3.89	1.57
Loans	4.47	38.51
Other financial assets	6,760.19	5,290.13
Non current		
Investments	16.25	16.15
Other financial assets	196.71	17.32
Total financial assets (a)	11,228.60	9,356.38
Non financial assets		
Current		
Inventories	48,066.15	46,006.49
Other current assets	1,363.55	1,310.50
Non current		
Property, plant and equipment	54,300.74	39,453.87
Capital work-in-progress	250.60	7,142.03
Other intangible assets	15.94	25.10
Other non-current assets	148.16	919.12
Total non financial assets (b)	104,145.14	94,857.11
Total assets pledged as security (a + b)	115,373.74	104,213.49



Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

45 Offsetting financial assets and financial liabilities:

The following table represents recognized financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2020 and 31 March 2019.

Particulars	As at 31 March 2020	As at 31 March 2019
Amounts subject to master netting arrangements		
Non current borrowings	36,345.41	30,650.04
Current borrowings	6,135.20	5,760.34
	42,480.61	36,410.38
Financial instruments collateral		
Trade receivables	4,105.88	3,830.78
Cash and cash equivalents	141.21	161.92
Other bank balances	3.89	1.57
Loans	4.47	38.51
Investments	16.25	16.15
Other financial assets	6,956.90	5,307.45
	11,228.60	9,356.38
Net amount*	31,252.01	27,054.00

*"Net amount" shows impact on Company's balance sheet, if all rights were exercised.

46 Changes in accounting policies:

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company has adopted revised reporting i.e. Ind AS 116 with effect from 1 April 2019 using "Modified Retrospective Approach". There is no impact of adoption of Ind AS 116 on the retained earnings of the Company on transition date as the Company has availed practical expedient available in the revised reporting standard for transition. It says, the leases for which the lease term ends within 12 months of the date of initial application i.e. 1 April 2019, the entity shall account for those leases in the same way as short-term leases. As on transition date, there were no leases with lease term being more than 12 months on the transition date and therefore, the Company has accounted for all the lease on date of transition as short term leases as described in the accounted standard.

47 The outbreak of Coronavirus (Covid 19) has severely impacted businesses globally including India. On 24 March 2020, Government of India (GOI) declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses, though essential category businesses were allowed to operate adhering to the guidelines issued by GOI and respective state governments.

As the nature of business performed by the Company falls under the essential category and the Company continued to operate its manufacturing facilities and distribute its products in accordance with the said guidelines. Though, there have been some operational difficulties due to lock down imposed, the impact on overall operations have not been significant. The management of the Company has considered all internal and external sources of information, including economic forecasts and estimates from market sources as at the date of the approval of these financial statements in determining carrying values of its assets and liabilities in accordance with applicable Ind AS. On the basis of the evaluation and current indicators of future economic conditions, the Company has assessed the impact of the situation on the capital, profitability, liquidity positions etc., and based on their assessment, the pandemic doesn't have any material impact on the financial statements of the Company. The management will continue to closely monitor any material change to future economic conditions and would take necessary actions accordingly.



(This space has been intentionally left blank)

Gobind Sugar Mills Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs, unless otherwise stated)

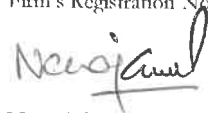
- 48 As on 31 March 2020, the accumulated losses of the Company amounted to INR 17,633.52 lacs. The management of the Company is confident to generate sufficient profits and cash from operations in near future considering improved sugar sale prices, industry focused state and central government trade policies, expanded operations in form of commencement of Ethanol Plant (Distillery having capacity of 100,000 litres per day) and setting up of 16 MW Co-generation Power Plant. Also, the Company has availed moratorium period for principal and interest payments, under Covid 19 - Regulatory Package announced by Reserve Bank of India by rescheduling its repayments of loans and payment of interest. In view of the same, the management of the Company is confident of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial results have been prepared on a going concern basis.

As per our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Neeraj Goel

Partner

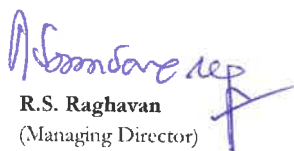
Membership No.: 099514

Place: Gurugram

Date: 12 June 2020



For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited



R.S. Raghavan

(Managing Director)

DIN: 00362555

Place: Gurugram

Date: 12 June 2020



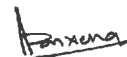
Dharmendra Roy

(Chief Financial Officer)

PAN: ADCPR3374B

Place: Aira, Lakhimpur

Date: 12 June 2020



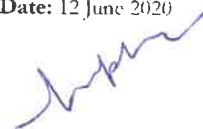
Alok Saxena

(Executive Director-Operations)

DIN: 08640419

Place: Aira, Lakhimpur

Date: 12 June 2020



Laxman Aggarwal

(Company Secretary)

Membership No. A 19861

Place: Gurugram

Date: 12 June 2020

