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GOBIND SUGAR MILLS LIMITED

65th Annual Report 2016-17

Refinery Area Bagging Section

BOARD OF DIRECTORS

Mr. N. Suresh Krishnan
Non Executive Chairman

Mr. R. S. Raghavan
Managing Director

Mr. R. N. Ratnam
Mr. Anil C. Gupta
Mr. Marco Wadia
Mrs. Indira Varadarajan
Mr. L. M. Chandrasekaran

Key Managerial Personnel
Mr. R. S. Raghavan, Managing Director
Mr. Dharmendra Roy, Chief Financial Officer
Mr. Laxman Aggarwal, Company Secretary

AUDITORS
Walker Chandiok & Co. LLP
Chartered Accountants

BANKERS
State Bank of India
District Cooperative Bank Ltd.

REGISTERED OFFICE :
9/1, R.N. Mukherjee Road
Kolkata - 700001
Ph : 91-033-22430497/8
Fax : 91-033-22486369
e-mail : ig.gsml@adventz.com
Website : www.gobindsugar.com

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

SUGAR MILLS
P.O. Aira Estate
Dist. Lakhimpur Kheri - 262722
Uttar Pradesh

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.
59C, Chowringhee Road
3rd Floor, Kolkata - 700020
Ph : 91-033-22890540
Fax : 91-033-22890539
e-mail : kolkata@linkintime.co.in

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PERFORMANCE AT A GLANCE

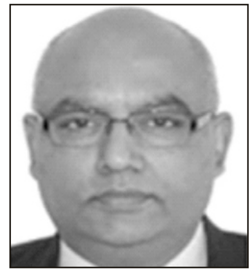
(Rs. in lacs)

Particulars / Financial year	**2012-13 (15 months)**	**2013-14 (6 months)**	***2014-15 (12 months)**	***2015-16 (12 months)**	***2016-17 (12 months)**
Gross Turnover	27,578.80	17,111.51	17,710.82	33,372.08	40,489.27
Interest & Finance Charges(net)	2,685.50	888.56	1,945.86	3,419.57	4,759.32
Depreciation	530.66	218.53	254.60	397.37	1,146.60
Profit/(Loss) before Tax /exceptional item	(3,420.51)	(1,695.88)	(2,744.97)	(1,002.96)	3,447.30
Exceptional Item (expenses)	-	-	-	-	1,500.38
Profit/(Loss) after Tax & Exceptional items	(2,509.84)	(1,168.68)	(2,111.58)	1,492.74	1,836.78
Other Comprehensive Income (net of tax)	-	-	-	(20.29)	(70.71)
Total Comprehensive Income (after tax)	-	-	-	1,472.45	1,766.07
Net Worth	128.561,	137.43	1,338.40	756.80	2,528.16
Net Worth per Equity Share (Rs.)	4.02	35.54	41.83	23.65	79.01
Dividend per Equity Share(Rs.)	-	-	-	-	-
Earning per Equity Share (Rs.)	(78.43)	(36.52)	(65.99)	46.01	55.19
Cane Crushed (Season) (In lacs Qtls.)	90.86	67.56	76.28	71.52	94.06

** The financial statements of the Company for 2016-17 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other recognized accounting practices and policies to the extent applicable. Consequently, the figures for the financial year 2015-16 have been restated to comply with Ind AS requirements to make them comparable. The Financial Statements for Financial year 2014-15 and earlier years had been prepared under IGAAP (Indian Generally Accepted Accounting Principles), hence not comparable.*

CHAIRMAN's STATEMENT

Dear Members



When the environment is conducive being able to produce good results is always welcome – but it is also expected. However, positive results during the challenging times is a corroboration of an efficacious business strategy and a highly competent management team. The Group has the belief in the growth potential of GSML, despite the pause in the sugar market a couple of years back, Adventz continued entrusting its faith on GSML and shall continue to stand by it in the days ahead to come. The future of GSML lies in diversified product portfolio, together we have to march ahead in the direction to build a sustainably profitable narrative.

The prognosis is compelling, the favorable monsoons are good news for the 2017-18 crop year. As sugarcane production is expected to rise, hence this year the target to increase the crushing capacity by 10% is not a distant dream. Our efforts should be directed towards achieving the goal in every way. The capacity maximization of the final output with regards to both of the product variants will be a decisive factor.

The outlook on renewable energy is encouraging, boosting the co-generation plant effectiveness and overall focus towards the value addition to existing operations shall play a crucial role in drafting the version two story of GSML.

I would like to emphasize again the necessity to build a robust connect with our farmers, and this last mile connectivity can be built on the backbone of Jai Kisan Junction as one-stop solution provider for the farming community of the country, basis on which we will be able to create a business and a brand which drive viable success story.

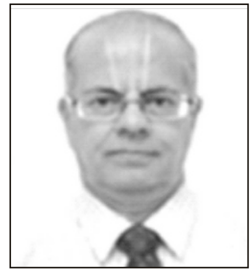
Some of the key highlights from the previous year were the adoption of a sustainable development and efficient management of assets. The support of our farmers, State Government and banks had been a cornerstone in reviving the business trajectory of GSML. And most importantly the support of people in overall journey of GSML is what I personally acknowledge and wish to see the longing for perfection intact for the future ahead.

Best Wishes,

N. Suresh Krishnan
Chairman

MD's STATEMENT

Dear Members,



It gives me immense pleasure to share with you all that in the last financial year 2016-17, the Company made a remarkable improvement in its net profits and earned a total comprehensive income of approx. Rs. 18 Crores. I am happy to state that we have made remarkable improvement in performance in all the main areas be it cane crushing, sugar production, power generation or other technical parameters. We achieved a sugar recovery of 10.27% and total sugar production of 9.67 lac qtls in comparison to 7.53 lac qtls in the financial year 2015-16.

During the year, the setting up of Sugar Refinery with a capacity of 500 TPD was completed and the mill started producing sulpher free sugar in the range of 75 – 80 ICUMSA from 22nd December 2016 and the refined sugar production of 50 – 60 ICUMSA started from 5th February 2017. Quite aptly, we have started marching towards a better and a brighter future. The decision to invest Rs ~300 Cr + in this old and sagging mill back in 2013 seems to have been perfectly timed. Our enhanced crushing capacity, full steam running of power plant, production of sulphur free sugar together with the upswing in sugar prices all seem to have gelled well.

The macro economic situation of sugar industry has finally turned for good. After bleeding for almost half a decade, sugar prices are on an upward trend. The drought situation of Maharashtra has also contributed in shifting the focus in favour of demand from the supply side. Further, the sugar prices internationally are also supporting the cause. I feel the euphoria is going to continue for at least a couple of years before any correction sets in. The biggest beneficiary for the strong sugar prices have been the farmers. Finally, they find their dues paid by sugar mills on time.

Last year was also important from another important macro-economic perspective. While we need to wait till the fruits borne out of demonetization come out, short term pains were plenty. I spent an appreciable amount of time at the plant and could vouch for the struggle that our contractors, labours, daily wage earners and farmers had to bear. With cash sucked out of economy and digitization still elusive, rural India struggled. With demonetization phase over and most parts of remonetisation accomplished, I expect the normalcy to return and positive effects of demonetization to slowly set in.

I have always ended my note by thanking all my stakeholders and this time will be no exception. To start with, our farmers who have always cooperated with us, our bankers and various offices of UP government such as UPPCL, UPPTCL, Office of Cane Commissioner and Pollution Control Board all deserve a special mention. Lastly, I must not forget our employees who have put their heart and soul for enabling us to March Ahead around..!!

Best wishes,

R S Raghavan
Managing Director

NOTICE

Notice is hereby given that the Sixty Fifth Annual General Meeting of GOBIND SUGAR MILLS LIMITED will be held on Friday, 04th August 2017 at 2.45 P.M. at the Registered Office of the Company at 9/1, R.N. Mukherjee Road, Kolkata - 700 001 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2017 including audited Balance Sheet for the year ended 31st March, 2017 and the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

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

3. To ratify the appointment of Auditors and fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in line with the Ordinary Resolution passed by the Members at 63rd Annual General Meeting held on September 25, 2015, the appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N / N500013), as Statutory Auditors of the Company (for five years from the conclusion of 63rd Annual General Meeting) be and is hereby ratified to hold office from the conclusion of this (65th) Annual General Meeting till the conclusion of 66th Annual General Meeting to be held in the year 2018.

   "RESOLVED FURTHER THAT the Audit Committee and / or Board of Directors be and is hereby authorized to fix their remuneration and terms of engagement according to the scope of their services as Statutory Auditors and other permissible assignments, if any, in line with prevailing rules and regulations made in this regard."

Special Business:

4. **Appointment and Remuneration of Cost Auditor**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs 50,000/- plus applicable taxes and out of pocket expenses for the financial year ending 31st March, 2018 as recommended by the Audit Committee and approved by the Board of Directors be paid to Mr. Somnath Mukherjee, F.I.C.W.A., Cost Accountant, for conducting the Cost Audit be and is hereby approved and ratified."

5. **Appointment of Mr. L.M. Chandrasekaran as an Independent Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, Schedule IV & other applicable provisions, if any, of Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. L.M. Chandrasekaran (holding DIN 01245052) Director of the Company, who was appointed as an Additional Director of the Company upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from 01st April, 2017 to 31st March, 2022.

   "RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they deem necessary in relation thereto and to file all the necessary documents with Registrar of Companies for the purpose of giving effect to this resolution."

By Order of the Board

Regd Office:
9/1, R N Mukherjee Road
Kolkata – 700001
Dated: May 12, 2017

Sd/-
Laxman Aggarwal
Company Secretary

NOTES:

1. **THE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF COMPANIES ACT, 2013 IS ANNEXED HEREWITH AND FORMS PART OF THE NOTICE.**

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

3. **A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

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

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

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

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

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

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

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

10. Details under Regulation 34 read with Schedule V of the Listing Regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is given in the Corporate Governance Report along with the details of their shareholding.

11. Electronic copy of the Annual Report for 2016-17, the Notice of the Annual General Meeting of the Company and instructions for e-voting, along with Attendance Slip and Proxy Form is being sent to all the members in the permitted mode.

12. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.gobindsugar.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days, excluding Saturday upto the date of AGM. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost.

13. Shareholders are requested to notify any change of address:

(i) To their Depository Participants (DPs) in respect of the shares held in Demat form;

(ii) To the Company at its Registered Office at 9/1, R N Mukherjee Road, Kolkata – 700 001 in respect of shares held in physical form; and

(iii) In case the mailing address mentioned on this Annual Report is without the Pin Code, kindly inform the same to DP of the Company

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

15. The Statement of Profit and Loss for the year ended 31st March, 2017, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to the Balance Sheet are available for inspection by the Members at the Registered Office of the Company between 11.00 AM and 1.00 PM on all working days up to this AGM. Members who wish to obtain information on the Company or view the Accounts for the previous years may visit the Company's website or send their queries at least 10 days in advance before the AGM to the Secretary of the Company.

16. E-Voting: In compliance with provisions of Section 108 of Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 as amended, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and detailed procedure is mentioned below:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 31st July, 2017 and ends on 03rd August, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28th July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

(iv) Click on "Shareholders" tab.

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

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

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

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

For Members holding shares in Demat Form and Physical

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

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

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

(xii) Click on the EVSN 170518002 for the relevant "Gobind Sugar Mills Ltd" on which you choose to vote.

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

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

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take printout of the votes cast by you by clicking on "Click here to print" option on the Voting page.

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

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

(xxi) The Board of Directors has appointed Mr. Atul Kumar Labh, Practising Company Secretary (FCS-4848/CP-3238), as a Scrutinizer to scrutinize the e-voting process in a fair & transparent manner.

(xxii) The Scrutinizer shall immediately after conclusion of the e-voting, count the votes cast at the meeting and unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will prepare a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Managing Director / Company Secretary of the Company or as per their instructions.

(xxiii) The results on resolutions shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favour of the Resolution(s).

(xxvi) The Results declared along with the Scrutinizer's Reports will be available on the website of the Company (www.gobindsugar.com) within two (2) days of passing of the resolutions and communication of the same to the Calcutta Stock Exchange Limited (CSE) and Metropolitan Stock Exchange of India Limited (MSEI) for download by the members of the Company.

16. The brief profiles of Mr. L.M. Chandrasekaran and Mr. N Suresh Krishnan have been provided in the corporate governance Report along with details as to their respective shareholding.

17. Pursuant to the provisions of Section 124 of Companies Act, 2013, as amended, dividend remaining unclaimed / unpaid for a period of seven years from the date of such transfer is required to be transferred to the Investor Education Protection Fund of the Central Government (Fund). In respect of dividend declared by the Company during the financial year ended 30th June, 2006, the Company does not have any amounts which were required to be transferred to the Fund by the Company. Accordingly, there is no liability on the part of the Company to transfer any Shares in the demat suspense account / unclaimed suspense account.

EXPLANATORY STATEMENT TO SPECIAL BUSINESS

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

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Somnath Mukherjee, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company at a remuneration of Rs. 50,000/- plus applicable taxes and out of pocket expenses for the financial year ending March 31, 2018. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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

Item No. 5

With a view to broad-base the Board of Directors of the Company, the Nomination and Remuneration Committee (NRC) recommended to the Board, the appointment of Mr. L.M. Chandrasekaran as an Additional Independent director of the Company. While making such recommendation, NRC had taken into account the qualifications, experience, positive attributes and independence of Mr. L.M. Chandrasekaran. The said appointment was approved by the Board in its meeting held on 08th February 2017 for a term of upto the date of Annual General Meeting.

Mr. L.M. Chandrasekaran, aged 68 years, is a Gold Medalist in Chemical Engineering (B.Tech) from the University of Madras and also a Post Graduate in Administrative Management from University of Bombay and possesses a vast and varied experience of more than 45 years, covering a wide spectrum of functions such as Production, Technical services, Project Management, Business Development, Factory Operations including Safety, Environment Management, etc. He had also been associated as VP-Operations with Zuari Agro Chemicals Limited and VP-Special Projects with Paradeep Phosphates Limited.

In December 2006, Mr. Chandrasekaran was honored as an "Outstanding Aluminus" of Coimbatore Institute of Technology, Coimbatore, during its Golden Jubilee Celebrations, wherein Dr. Abdul Kalam, the then President of India was the Chief Guest. Mr. Chandrasekaran was also associated with BITS Pilani (Goa Centre) as Adjunct Faculty from 2007 to 2011.

His directorships in other companies are given below:

Sl No	Name of the Company	Designation
1	Zuari Fertilisers and Chemicals Limited	Director
2	Zuari Agri Sciences Limited	Director
3	Zuari Investments Limited	Director
4	Zuari Sugar & Power Limited	Director

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. L.M. Chandrasekaran, being eligible and offers himself for appointment, as an independent director for five consecutive years effective from 01st April 2017.

A notice has been received from member proposing Mr. L.M. Chandrasekaran as a candidate for the office of director of the Company. In the opinion of the Board, he fulfills the conditions specified in the Act for such an appointment.

The Board of Directors has recommended the appointment of Mr. L.M. Chandrasekaran as an Independent Director and accordingly the proposal is now being placed before the Members for their approval.

Except Mr. L.M. Chandrasekaran, none of the Directors and Key Managerial Personnel (KMP) of the Company or relatives of directors and KMP is/are concerned or interested in this resolution.

By Order of the Board

Regd Office:
9/1, R N Mukherjee Road
Kolkata – 700001
Dated: May 12, 2017

Sd/-
Laxman Aggarwal
Company Secretary

DIRECTORS' REPORT

To
The Members,

Your Directors take pleasure in presenting the 65th Annual Report and the audited Accounts of the Company for the year ended 31st March 2017.

1. **Financial Results & Appropriations**

(Rs. in lakhs)

	2016-17	2015-16
Sales	**40,489.27**	**33,372.08**
Other Income	1,603.72	1,115.31
	42,092.99	34,487.39
Expenses excluding Depreciation and Interest	32,739.77	31,673.41
EBITDA	9,353.22	2,813.98
Finance Cost (Net)	4,759.32	3,419.57
Cash Profit	4,593.90	(605.59)
Depreciation/Amortization	1,146.60	397.37
Profit / (Loss) before Tax	**3,477.30**	**(1,002.96)**
Exceptional item	1,500.38	-
Deferred Tax	110.14	(2,495.70)
Net Profit / (Loss) after Tax	**1,836.78**	**1,492.74**
Add: other comprehensive income (net of tax)	(70.71)	(20.29)
Total Comprehensive Income (after tax)	1,766.07	1,472.46
Basic / Diluted Earning per share	**55.19**	**46.01**

2 **OPERATING PERFORMANCE OF THE COMPANY**

During the year under review (Sugar Season 2016-17), we crushed 94.06 Lacs Qtls (previous year 71.52 Lacs Qtls) of sugar cane achieving sugar recovery rate of 10.27% (Previous year 10.53%). Sugar production was 9,66,341 Qtls (previous year 7,52,814 Qtls) and Molasses production was 4,56,120 Qtls (Previous year 3,71,231 Qtls). A detailed analysis of the Company's operations, future expectations and business environment is given in the Management Discussions and Analysis Report which is made an integral part of this Report and marked as Annexure – B1.

3. **FINANCIAL PERFORMANCE**

The Gross Sales (inclusive of Excise Duty) of the Company for the year ended 31st March, 2017 increased by 21% (Approx) to Rs. 40,489.27 lacs from Rs. 33,372.08 Lacs for the period 2015-16). The Company recorded a Net Profit after tax of Rs. 1,836.78 Lacs for the year ended 31st March, 2017.

The profit before interest, depreciation, tax for the year under review stood at Rs. 9,353.22 Lacs as compared to previous year's figure of Rs. 2,813.98 Lacs.

4. **PROJECT IMPLEMENTATION:**

During the year under review, the setting up of Sugar Refinery with a capacity of 500 TPD was completed and the mill started producing sulpher free sugar in the range of 75 – 80 ICUMSA from 22nd December 2016 and the refined sugar production of 50 – 60 ICUMSA started from 5th February 2017.

During the financial year 2016-17, the Company received the long awaited sanction of loan of Rs. 57.87 Crores from Sugar Development Fund out of which Rs. 20.76 Crores pertaining to Sugar modernization cum expansion of crushing capacity was disbursed in January 2017 and the balance amount of Rs. 37.11 Crores towards setting up of 30MW bagasse based Cogen Power Project was disbursed by end April 2017.

The Company is currently in the due diligence process for availing of a term loan facility of USD 15 million from a Dutch based financial institution namely Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) primarily for the purposes of setting up of (i) Sugar refinery (ii) 16 MW Cogen Plant; and (iii) 60 KLPD molasses based Distillery. The loan application is in the final stage of approval & is expected to be disbursed by July 2017.

5. SALES PERFORMANCE:

During the period under review, sales of free sugar realized Rs.3,587.50 per Qtls (prev. year Rs. 2,668.15 per Qtls). After keeping the sugar cane price same for the last three consecutive years, the prevailing UP Government decided to increase the cane price by Rs. 25/- per quintal to Rs. 305/- per quintal. Government has also withdrawn partial payment mode i.e. FRP within 14 days and difference between SAP and FRP at the end of season.

6. RESEARCH & DEVELOPMENT (R & D)

During the year under review the Company undertook various Research & Development initiatives to improve the sugar recovery ratio and to educate the cane growers to cultivate improved variety of sugarcane and to otherwise improve the sucrose contents of their produce.

7. MEETINGS OF BOARD

During the year 2016-17, the Board of Directors duly met 5 times, the details of the same have been included in the Corporate Governance Report which forms part of this Directors Report as Annexure - A.

8. CORPORATE GOVERNANCE

Your Company complied with all the mandatory requirements of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Report on Corporate Governance pursuant to Regulation 34 is attached as Annexure – A. The other relevant reports viz. Management Discussion & Analysis, Statement in respect of Conservation of Energy, Declaration of Managing Director on Code of Conduct and Auditors' Certificate on compliance of conditions of Corporate Governance form an integral part of this Report and are attached as Annexure – B1, B2, B3 and B4 respectively.

9. EXTRACT OF ANNUAL RETURN

As required in terms of sections 134(3)(a) read with section 92(3) of Companies Act, 2013, an extract of Annual Return for the financial year 2016-17 is attached in prescribed form MGT-9 as Annexure - C.

10. DIVIDEND

The Board of Directors do not recommend any dividend for the year in view of the accumulated losses.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Lingapuram Madgyagowder Chandrasekaran (DIN – 01245052) as an Additional Director on the Board of the Company w.e.f. 08th February 2017 in the category of Independent Director to hold office upto the date of ensuing Annual General Meeting. The Board is recommending to the members of the Company for according their approval for the appointment of Mr. Chandrasekaran as an Independent Director of the Company at the forthcoming AGM. After his appointment, the Company has Five Non Executive Independent Directors and a Managing Director having experience in vast and varied fields.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of Companies Act, 2013.

Mr. N. Suresh Krishnan, retires by rotation at the forthcoming Annual General Meeting and being eligible, is proposed for re-appointment. Other information on the directors including required particulars of the Director retiring by rotation is provided in the Report on Corporate Governance attached to this Report as Annexure – A.

12. BOARD EVALUATION

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 17(10) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee and the Board of Directors have formulated a policy for performance evaluation of its own performance, of various Committees of the Board and of the individual directors.

Accordingly, the formal annual evaluation of the performance of the Board of Directors, its Committees and individual directors was done by Nomination and Remuneration Committee of the Board as per evaluation criteria laid by it.

13. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the year under review, there were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Further, in terms of provisions of Rule 6A of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015 as notified vide Notification No. G.S.R. 971(E) dated 14th December 2015 read with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee granted / renewed the omnibus approval with respect to transactions that might be entered into by the Company with related parties for the financial year 2017-18 subject to further renewal on annual basis.

In addition to above, all contracts or arrangements entered into by the Company in 2016-17 having interest of directors are placed before the Audit Committee and also the Board for their respective approvals on a quarterly basis. The prescribed form AOC-2 is attached as Annexure – D of this Report giving details of all such contracts / transactions during 2016-17.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

14. REMUNERATION POLICY

In compliance of the provisions of Section 178 of Companies Act, 2013, the Board framed a Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The same is stated in the Corporate Governance Report as Annexure – A.

The disclosures under Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure - E.

There was no employee in the Company who was in receipt of remuneration as required to be disclosed under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

15. RISK MANAGEMENT POLICY

Risk is an inherent aspect of business, especially in the dynamic environment your Company operates in today. To minimize the adverse impact of risks on our business objectives and enable the Company to leverage market opportunities effectively, Company needs to have robust system of performing an enterprise risk management exercise. This was also a requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As a part of this exercise, during the financial year 2016-17, an Inhouse team was engaged in establishing a defined process for risk identification, assessment, prioritization and reporting which evaluated a detailed Risk Assessment and Management Plan / System.

The existing Risk Management Policy was also updated during the financial year with a view to make it in line with the prevalent Group practices and also comply with the requirements of Companies Act, 2013.

The major risks identified have been provided in the Management Discussion and Analysis Report attached as Annexure – B1.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company in accordance with the provisions of Section 177(9) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement has established a vigil mechanism for directors and employees to report genuine concerns to the management viz. instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company has also formulated Whistle Blower Policy which provides for adequate safeguards against victimization of persons and has a provision for direct access to the Chairperson of the Audit Committee.

The major risks identified have been provided in the Management Discussion and Analysis Report attached as Annexure – B1.

17. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

During the financial year 2016-17, the Company undertook various CSR initiatives as a measure of good corporate governance. The Company has also in place, a duly adopted CSR Policy.

Your Company has been extending help and assistance to locality where our plant is located, near Aira Estate as part of our Corporate Social Responsibility some of which are mentioned below:

- Organising a “KISAN MELA” in its campus jointly with NISSTA. Eminent Cane experts participated in the event and shared their experiences. Farmers found the same very useful and appreciated the efforts of the Company.
- New Year 2017 Celebrated under the flagship of “Executive Club” with great enthusiasm. Members enjoyed the fun filled evening.
- Republic Day celebrated with full of patriotism.
- Organising of an Eye Camp successfully in the plant premises
- Conducting of medical check-ups for hygiene for workers / employee.

18. AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

(i) STATUTORY AUDITORS:

In terms of the provisions of section 139 of the Act read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, the Shareholders of the Company vide its Annual General Meeting held on 25th September, 2015, appointed M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N / N500013) as Statutory Auditors of the Company for five years starting from the conclusion of 63rd Annual General Meeting held in 2015 subject to ratification of their appointment at every AGM. The said appointment was subsequently ratified by the shareholders in the last AGM held on 15th July 2016.

Accordingly, the Board, on the recommendation of the Audit Committee, proposed the ratification by the shareholders in the forthcoming AGM of the appointment of M/s Walker Chandiok & Co LLP (Firm Registration No. 001076N / N500013), to hold office from the conclusion of the forthcoming (65th) Annual General Meeting till the conclusion of 66th Annual General Meeting to be held in the year 2018.

(ii) SECRETARIAL AUDITORS:

During the year under review, in terms of the provisions of Section 204(1) of Companies Act 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s A. K. Labh & Co., were re-appointed as Secretarial Auditors of the Company for conducting Secretarial Audit for 2017-18. The Report of Secretarial Audit is enclosed as Annexure - F of the Directors' Report.

The Secretarial Auditors made the following observation(s):

The Company needs to devise proper mechanism for making payment against purchase of sugarcane within 14 days of its purchase as per the requirements of Section 3 of the Sugarcane (Control) Order, 1966.

The replies to the above observation(s) are given below:

Due to arbitrary fixing of sugarcane prices without linking the same to sugar realization in Uttar-Pradesh, the Company had to suffer losses due to declining sugar prices and due to same the Company had to delay the payment to the farmers.

19. COST AUDITORS

In accordance with the directives of the Central Government under Section 148 of Companies Act, 2013, Mr. Somnath Mukherjee, Cost Accountant, was re-appointed as Cost Auditor to audit the cost accounting records of the Company relating to sugar and power for the financial year 2017-18.

During the year under review, the Cost Audit Reports for the product Sugar for the year ended 31st March, 2016 were duly filed with Ministry of Corporate Affairs.

20. INTERNAL AUDIT

In accordance with the provisions of Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Listing Agreement and provisions of Companies Act, 2013, M/s K. Ramkumar & Co., Chartered Accountants were appointed as Internal Auditors of the Company for the Financial Year 2017-18 to audit the internal systems, controls and procedures and/or such others matters as may be decided by the Audit Committee to whom it shall report upon such matters.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Corporate Guarantees and Investments made during the year under the provisions of Section 186 of Companies Act, 2013 are given in the notes to the Financial Statements.

22. PREVENTION OF SEXUAL HARASSMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and all the employees are covered under this Policy. No sexual harassment complaint / case was received by the Company during the financial year 2016-17.

23. HOLDING / SUBSIDIARY COMPANY

Zuari Investments Limited remained the Holding Company of the Company during the financial year 2016-17 and there was no subsidiary company of the Company.

24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of Companies Act, 2013 forms part of this Report as Annexure B2.

25. MD/CFO Certification

Mr R S Raghavan, Managing Director has submitted a certificate to the Board as contemplated in Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement and also with respect to Para E of Schedule V of aforesaid Listing Regulations in the matter of compliance with the code of conduct by Board of Directors and Senior Management Personnel during 2016-17.

26. PUBLIC DEPOSITS

There are no outstanding deposits in the books of the Company as on 31st March, 2017. The Company has not accepted any deposits during the year under review.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that -

(a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017, and of the profit and loss account for the year ended 31st March, 2017;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. ACKNOWLEDGMENTS

Your Directors take this opportunity of recording their appreciation for the support extended to the Company by the shareholders, financial institutions, bankers, suppliers and cane growers. Your Directors are also grateful to various offices of UP Government such as UPPCL, UPPTCL, Office of Cane Commissioner and Pollution Control Board and various ministries in the Central Government and State Government of Uttar Pradesh, the Sugar Directorate and the Sugar Development Fund for their continued support to the Company. The Directors also recognize the valuable contribution made by the employees at various levels to Company's progress.

For and on behalf of the Board

Sd/-

Gurgaon **N. Suresh Krishnan**
Dated, 12th May, 2017 **Chairman**

ANNEXURE - A

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on the Code of Corporate Governance

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

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

GSML has also in place a duly codified Code of Conduct and Ethics and Code of Internal Procedures and Conduct for trading in securities of the Company as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its employees and Directors. This Code is available on Company's website www.gobindsugar.com

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GSML is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) with the Stock Exchange.

2. Board of Directors

I) As at the end of financial year, the Company has in all 7 Directors with considerable professional experience in divergent areas connected with corporate functioning, which includes Non Executive Chairman, Managing Director and five Non-Executive Independent Directors. No directors are related with each other.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations. Mr. R. S. Raghavan acts as the Managing Director of the Company and is entrusted with the substantial powers of management of the Company subject to superintendence, control and directions of the Board.

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

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

iv) The Company holds minimum of four Board Meetings in each year and the gap between any two Board meetings is not more than 120 days. The meetings are generally held at the Company's Corporate Office at "Adventz", 5th Floor, Tower A, Global Business Park, Sector 26, MG Road, Gurgaon - 122002.

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

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

vii) Agenda papers are circulated to the Directors sufficiently in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

viii) In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.

ix) The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Regulation 25 of Listing Regulations read with Section 149(6) of Companies Act, 2013.

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

During the year under review, five Board Meetings were held on 7th May, 2016, 7th June, 2016, 11th August, 2016, 9th December, 2016 and 8th February, 2017. The composition of the Board of Directors and their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of directorships in other bodies corporate by all the directors are mentioned below.

Name of Director	Category of Director	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships held $	Total No. of Chairmanship/ Membership of Board Committees* $		No. of Equity Shares held
					Chairman	Member	
Mr. N Suresh Krishnan	Non Executive Director (NED)	3	Yes	11	1	6	–
Mr. R S Raghavan	Managing Director	5	Yes	10	1	2	–
Mr. R N Ratnam	Independent NED	4	Yes	1	1	1	–
Mr. Anil C Gupta	Independent NED	4	No	3	--	1	–
Mr. Marco Wadia	Independent NED	5	No	13	4	6	–
Mrs Indira Varadarajan	Independent NED	3	No	2	--	--	–
Mr. L M Chandrasekaran^	Independent NED	1	N.A.	5	--	5	--

Includes Audit Committee and Stakeholders relationship committee only
^Appointed w.e.f. 08th February 2017
$ Status as on the date of this report

In accordance with Regulation 26 of the Listing Regulations with the Stock Exchange, membership/ chairmanship of only the Audit Committee and Stakeholders relationship Committee of all public limited companies has been considered in the aforesaid tabulation.

3. Board Agenda

The Board meetings are scheduled well in advance and the Board members are generally given a notice of at least 7 days prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

4. Formal letter of appointment to Independent Directors

The Company has issued a formal letter of appointment to all Independent Directors in accordance with the provisions of Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors are uploaded on the company's website.

5. Performance Evaluation

Pursuant to the provisions contained in Companies Act, 2013, Regulation 17 and 25 of the Listing Regulations and relevant Schedules, the Annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Finance & Corporate Affairs Committee in accordance with the guidelines prescribed under SEBI Guidance Note dated 05th January 2017.

The performance evaluation policy of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business etc.,

The performance evaluation of the Board and the Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Finance & Corporate Affairs Committee was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman and Executive Directors was carried out by the Independent Directors.

6. Independent Directors' Familiarization Programme

The Company in compliance with Regulation 25(7) of the Listing Regulations has formulated a programme to familiarize the Independent Directors with the company, their roles, responsibilities and the Independent Directors are given detailed presentation on the operations of the company on quarterly basis at the meetings of the Board/Committees. The details of the familiarization programme has been disclosed on the Company's website www.gobindsugar.com.

7. Independent Directors Meeting

In accordance with the requirement of Schedule IV of Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, during the year under review, one separate Meeting of the Independent Directors was held on 08th February 2017 to discuss :

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors except Mrs. Indira Varadarajan were present at the meeting.

8. Audit Committee

Overall purpose/objective

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Listing Regulations with the Stock Exchange read with Section 177 of Companies Act, 2013. The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

a) Terms of Reference

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

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment, remuneration, terms of appointment and removal of external auditors and also approval for payment for any other services.
- Discussion with statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Holding periodic discussions and reviewing with the management, the Statutory Auditors and Internal Auditors, the annual and quarterly financial reports and statements before submission to the Board, focusing primarily on:
  - i. any changes in accounting policies and practices;
  - ii. major accounting entries based on exercise of judgment by management;
  - iii. qualifications and observations in draft audit report;
  - iv. significant adjustments arising out of audit;
  - v. the going concern assumption;
  - vi. compliance with accounting standards;
  - vii. compliance with stock exchange and legal requirements concerning financial statements;
  - viii. any related party transactions as per Accounting Standard 18
  - ix. Significant findings of the statutory and internal auditors and follow up thereon.

- Reviewing the Company's financial and risk management policies.
- Reviewing with the management, statutory and internal auditors, the adequacy of and compliances with internal control systems.
- Reviewing the adequacy of internal audit function, including structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Reviewing the functioning of the Whistle Blower/ Vigil mechanism.
- Reviewing the appointment of Cost Auditors.
- Approval of appointment of Chief Financial Officer after assessing the qualification, experience and background of the candidate.

Besides the above, the additional terms of reference of Audit Committee as per Companies Act, 2013 includes the following:

- Review and monitoring the auditor's independence and performance and effectiveness of audit process
- Examination of the financial statement and the auditor's report thereon
- Approval or any subsequent modification of transactions of the company with related parties provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters

b) Composition and Meetings

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

During the year under review, the Committee met four times on 07th May, 2016, 11th August, 2016, 09th December, 2016 and 08th February, 2017 respectively. The attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. R.N. Ratnam	Chairman	4
Mr. Anil C Gupta	Member	4
Mr. R S Raghavan	Member	4
Mr. L M Chandrasekaran*	Member	1

Appointed w.e.f. 08th February 2017

At the invitation of the Committee, the Internal Auditors and Statutory Auditors also attended the Audit Committee Meetings to answer and clarify the queries raised at the Meetings.

The Chairman of the Audit Committee Mr R.N. Ratnam attended the last Annual General Meeting held on 15th July, 2016.

9. Nomination and Remuneration Committee

Objectives:

i) The Company has constituted the Nomination and Remuneration Committee to review and determine the Company's policy on managerial remuneration and recommends to the Board on the specific remuneration of Executive Directors, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with the industry practice and standards.

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

ii) Terms of Reference:

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

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

b. To recommend to the Board any new appointments including re-appointments and tenure of office of

Directors, whether executive or non-executive and carrying out the evaluation of every director's performance

c. To formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board policy relating to directors, Key Managerial Personnel and other employees

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

iii) Composition and Meetings:

The Committee presently comprises of four non-executive Directors viz. Mr R. N. Ratnam (Chairman), Mr N. Suresh Krishnan, Mr Anil C. Gupta and Mr Marco Wadia as members out of which 3 are Independent Directors. The Company Secretary of the Company is acting as the Secretary of the Nomination and Remuneration Committee as well.

During the year under review, the Committee met one time earlier on 08th February, 2017 for matters pertaining to performance evaluation of Independent and Non Independent Directors and appointment of Mr. L. M. Chandrasekaran as an Additional Director of the Company.

Name of the Member	Status	No. of meetings attended
Mr. R.N. Ratnam	Chairman	1
Mr N. Suresh Krishnan	Member	0
Mr Anil C Gupta	Member	1
Mr Marco Wadia	Member	1

iv) Remuneration Policy

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

a. Job profile and special skill requirements.

b. Prevailing compensation structure in companies of similar size and in the industry.

c. Remuneration package of comparable managerial talent in other industries.

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

v) Remuneration of Directors

Details of remuneration paid to the Directors for the year 2016-17:

i) Executive Director

Managing Director	Salary Rs.	Perquisites Rs.	Retirement Benefits	Total Rs.
Mr. R.S. Raghavan	12/-	NIL	NIL	12/-

Mr. R. S. Raghavan was re-appointed as the Managing Director of the Company for a period of 3 years from 28th August, 2015 to 27th August, 2018 at the Annual General Meeting of the Company held on 25th September, 2015.

ii) Non-Executive Independent Directors

The Company pays a fee of Rs. 30,000/- and Rs. 10,000/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively. The details of sitting fee paid during the year 2016-2017 are as follows:

Sl. No.	Name of the Director	Amount (Rs.)
1.	Mr. R N Ratnam	1,70,000
2.	Mr. Anil C Gupta	1,80,000
3.	Mr. Marco Wadia	1,70,000
4.	Mrs. Indira Varadarajan	90,000
5.	Mr. L M Chandrasekaran	40,000

(Excluding out of pocket expenses incurred by the Directors)

10. Stakeholders Relationship Committee

i) Terms of Reference:

The Board has constituted Stakeholders Relationship Committee which oversees the performance of share transfer work and recommends the measures to improve the level of investor services. In addition, the Committee looks into investor grievances such as non receipt of dividend, Annual Reports and other complaints related to share transfers etc.

ii) Composition & Meetings:

The Committee presently comprises of three Directors viz. Mr N. Suresh Krishnan (Chairman), Mr. R.N. Ratnam and Mr R S Raghavan out of which two are non-executive Directors. Mr Laxman Aggarwal, Company Secretary of the Company, is the Compliance Officer of the Company for complying with the requirements of the Listing Agreement with the stock exchange. The Committee met two times during the year on 6th June, 2016 & 31st March 2017 & attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. N Suresh Krishnan	Chairman	2
Mr. R S Raghavan	Member	2
Mr. R N Ratnam	Member	0

The Company Secretary attended the above meeting. The Company Secretary acts as Secretary to the Committee Meetings.

The Board of Directors have authorised the Company Secretary to approve transfers/transmissions of upto 1000 shares. The transfers/transmissions approved by the Company Secretary are periodically placed before the Committee. The Committee deals with the applications for transfer/ transmission of shares, subdivision and consolidation of share certificates and issue of duplicate share certificates, etc. The Committee also keeps a close watch on all complaints/grievances of shareholders. During the year under review the Company received no complaint/grievance from the shareholders. The average period in which grievances are redressed is 7 days from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2017. There were no share transfer applications pending for registration on 31st March, 2017.

11. General Body Meetings

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

Financial Year	Date	Time	Location
2015-16	15.7.2016	2.45 pm	Registered office 9/1,R.N.Mukherjee Road Kolkata - 700 001
2014-15	25.9.2015	2.45 pm	Registered office 9/1,R N.Mukherjee Road Kolkata - 700 001
2013-14	17.9.2014	3.00 pm	Registered office 9/1,R.N.Mukherjee Road Kolkata - 700 001

The last Annual General Meeting was held on 15th July, 2016 which was attended by Mr. N. Suresh Krishnan (Chairman of Board of Directors and Stakeholders Relationship Committee), Mr. R S Raghavan (Managing Director) and Mr R N Ratnam (Chairman of the Audit Committee and Nomination and Remuneration Committee). There was no special resolution passed by shareholders in the said AGM.

There was no extraordinary general meeting held during 2016-17.

Special Resolutions Passed

Special Resolutions passed in the Annual General Meetings / Extra Ordinary General Meeting held during the last three financial years and through postal ballot during the last financial year are as follows:

(i) Details of Special resolutions passed in AGM/EGM:

During Financial Year	Date of AGM/ EGM	Particulars of Special Resolution
2015-16	4th December,2015 (EGM)	1. Approval for related party transaction with Zuari Sugar & Power Limited
	25th September,2015 (AGM)	1. Appointment of Mr. R. S. Raghavan as Managing Director of the Company
		2. Alteration of Articles of Association of the Company
2014-15	17th September,2014 (AGM)	1. To borrow from time to time any sum or sums of money not exceeding Rs.1000 crore
		2. To create encumbrance on the property of the Company in the form of mortgage or lien or any other form for securing loans granted to the Company
2013-14	30th December, 2013 (AGM)	1. Issue of Preference Shares to persons other than the existing equity shareholders of the Company
		2. Approval of sale of undertaking(s) of the company.

(ii) Details of special resolutions passed through Postal Ballot during the financial year 2016-17:

The Company at the Board Meeting held on December 09, 2016, decided to obtain consent of the members, pursuant to Section 110 of Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 in respect of the following matters. Mr. Atul Kumar Labh, Practising Company Secretary (FCS-4848/CP-3238), the Scrutinizer conducted the postal ballot voting/e-voting process in accordance with the law and in a fair and transparent manner.

Date of Postal Ballot Notice	Details of Resolutions passed through postal ballot	Result of the Postal Ballot
09th December 2016	Shifting of Registered office of the Company from Kolkata, the state of West Bengal to National Capital Territory of Delhi	All special resolutions were passed by shareholders unanimously
	Amendment in Capital Clause of Memorandum of Association of the Company	
	Issue of up to 5,00,00,000 Preference Shares of Rs 10/- each to persons other than the existing equity shareholders of the Company	
	Amendment in Objects Clause of Memorandum of Association of the Company	

The following was the voting pattern w.r.t. the above said resolutions:

Particulars	Number of Valid Votes			Percentage
	Postal Ballot	E-votes	Total	
Assent	448	19,95,632	19,96,080	100.00
Dissent	0	0	0	0
Total	**448**	**19,95,632**	**19,96,080**	**100.00**

Since out of the total valid votes polled, 100.00% of the votes were casted in favour of all resolution, the abovesaid resolutions were declared to have been passed unanimously.

12. Disclosures

I) During the year under review, there was no materially significant related party transaction of the Company having potential conflict with the interest of the Company at large. Transaction with Related Parties are disclosed in Note No. 43 of the Accounts in the Annual Report. The policy for the same is posted on the website of the Company at www.gobindsugar.com/policies&procedures.

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

iii) There was no material financial and commercial transaction entered into by Senior Management, where they had or were deemed to have had personal interest that might have had a potential conflict with the interest of the Company at large.

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

v) During the year under review, the Company has raised funds by way of issue of Preference Shares on Private Placement basis.

vi) Disclosure of commodity price risks and commodity hedging activities to be provided. : N.A.

13. Means of Communication

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

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

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

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

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

14. General Shareholders' Information

i) 65th Annual General Meeting

Day : Friday
Date : August 04, 2017
Time : 2.45 p.m.
Venue : Registered Office - 9/1, R.N. Mukherjee Road Kolkata - 700 001

ii) Tentative Financial Calendar for the year 2017-18

First Quarter Results	On or before 14th August, 2017
Second Quarter Results	On or before 14th November, 2017
Third Quarter Results	On or before 14th February, 2018
Fourth Quarter (Audited Annual 2017-18) Results	On or before 15th May, 2018
Publication of Audited Results for 2017-18	On or before 17th May, 2018

iii) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 29th July 2017 to 04th August 2017 (both days inclusive).

iv) Dividend Payment Date

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

v) Listing on Stock Exchanges and Stock Code

During the year under review, Metropolitan Stock Exchange of India Limited (MSEI) vide its letter no. MSEI/LIST/SL/2016/4361 dated 14th October, 2016 granted its approval for listing of 32,00,000 Equity Shares of Rs. 10/- each of the Company on MSEI and admitted to dealings on it w.e.f. 19th October 2016. Thus, the Equity Shares of the Company in addition to The Calcutta Stock Exchange Limited (CSE) are also listed on MSEI. The relevant Stock Codes are '10017013' and 'GOBIND' for CSE and MSEI respectively. Under the depository system, International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE246E01013. Annual Listing Fee for the year 2016-17 has been paid to CSE and MSEI.

vi) Market Price Data

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

vii) Registrar & Share Transfer Agent

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

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

viii) Share Transfer System

The Board of Directors have authorised the Secretary to approve transfer/transmission of upto 1,000 shares. The transfer/transmission requests of above 1000 shares in physical form are approved by the Stakeholders Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and despatch to the shareholders.

Share transfer requests, if found valid and complete in all respects, are normally effected within a period of 15 days from the date of receipt. The dematerialized shares are directly transferred to the beneficiaries by the Depositories.

ix) Distribution of Shareholdings

a) The Distribution of Shareholdings as on 31st March, 2017 was as follows :

No. of Equity Shares	No. of share holders	% of total share-holders	No. of shares held	% of total hares
1 - 100	2218	69.9243	99216	3.1005
101 - 500	762	24.0227	161501	5.0469
501 - 1000	107	3.3733	74070	2.3147
1001 - 2000	39	1.2295	56920	1.7788
2001 - 3000	8	0.2522	18109	0.5659
3001 - 4000	13	0.4098	44133	1.3792
4001 - 5000	2	0.0631	8542	0.2669
5001 - 10000	7	0.2207	50626	1.5821
10001 & above	16	0.5044	2686883	83.9651
Total	**3172**	**100.0000**	**3200000**	**100.0000**

b) Details of Shareholdings as on 31st March, 2017 was as follows:

Sl.No.	Particulars	No. of shares	Percentage
1	Promoters	2075632	64.8636
2.	Bodies Corporate	627924	19.6226
3.	Individuals	495511	15.4847
4.	HUF	837	0.0261
5.	Others (Clearing Member)	96	0.0030
	Total	**3200000**	**100.0000**

x) Dematerialization of Shares and Liquidity

The Equity Shares of the Company are compulsorily traded in dematerialised form at The Calcutta Stock Exchange Ltd. (CSE) and Metropolitan Stock Exchange India Limited (MSEI) under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 28,25,434 Equity Shares (88.29%) of the Company have already been dematerialised.

xi) Outstanding GDRs/ADRs/Warrants or Convertible Instrument

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

xii) Location of Plant

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

xiii) Address for Correspondence

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

Link Intime India Pvt. Ltd.
Unit : Gobind Sugar Mills Ltd.
59C, Chowringhee Road, 3rd Floor, Kolkata-700020
Tel : 91 033 2289 0540, Fax : 91 033 2289 0539
e-mail : kolkata@linkintime.co.in

15. CEO and CFO Certification

The Managing Director and CFO have given the annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) and Part B of Schedule II of the SEBI Listing Regulations.

16. Appointment / Re-appointment of Directors

Mr. L.M. Chandrasekaran

Mr. L.M. Chandrasekaran, aged 68 years, is a Gold Medalist in Chemical Engineering (B.Tech) from the University of Madras and also a Post Graduate in Administrative Management from University of Bombay and possesses a vast and varied experience of more than 45 years, covering a wide spectrum of functions such as Production, Technical services, Project Management, Business Development, Factory Operations including Safety, Environment Management, etc. He had also been associated as VP-Operations with Zuari Agro Chemicals Limited and VP-Special Projects with Paradeep Phosphates Limited.

In December 2006, Mr. Chandrasekaran was honored as an "Outstanding Aluminus" of Coimbatore Institute of Technology, Coimbatore, during its Golden Jubilee Celebrations, wherein Dr. Abdul Kalam, the then President of India was the Chief Guest. Mr. Chandrasekaran was also associated with BITS Pilani (Goa Centre) as Adjunct Faculty from 2007 to 2011.

Names of companies in which Mr L.M. Chandrasekaran is a Director are as follows:

Sl No	Name of the Company	Designation
1	Zuari Fertilisers and Chemicals Limited	Director
2	Zuari Agri Sciences Limited	Director
3	Zuari Investments Limited	Director
4	Zuari Sugar & Power Limited	Director
5	Gobind Sugar Mills Limited	Director

Mr. L.M. Chandrasekaran does not hold any share in the shareholding of the Company.

Mr. N. Suresh Krishnan

Mr. N. Suresh Krishnan is eligible for re-appointment in the ensuing Annual General Meeting. Brief particulars of Mr. Krishnan are given below:

Mr. N. Suresh Krishnan, has more than 28 years of vast and varied experience in various fields including fertilisers, energy, cement sectors etc;

Mr. N. Suresh Krishnan is Managing Director of 2 Companies Viz. Mangalore Chemicals and Fertilisers Limited and Zuari Global Limited and he has also been associated with various group entities of Zuari and related companies.

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

S No	Name of the Company	Designation
1	Mangalore Chemicals & Fertilisers Ltd.	Managing Director
2	Zuari Global Limited	Managing Director
3	Indian Furniture Products Limited	Director
4	Simon India Limited	Director
5	Zuari Infraworld India Limited	Director
6	Texmaco Infrastructure & Holdings Ltd.	Addl. Director
7	Zuari Agro Chemicals Limited	Director
8	Gobind Sugar Mills Limited	Director
9	Zuari Maroc Phosphates (P) Ltd.	Director
10	Forte Furniture Products India (P) Ltd.	Director
11	The Fertiliser Association of India	Director

Mr. Krishnan does not hold any share in the shareholding of the Company.

17. Prevention of Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct for trading in securities of the Company framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended to, inter alia, prevent insider trading in the shares of the Company. This code is applicable to all Directors/KMPs/officers (including statutory auditors)/designated employees. The Code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information. The Code is posted on the website of the Company at www.gobindsugar.com.

18. Code of Conduct & Ethics

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at www.gobindsugar.com. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, KMPs and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Managing Director, is attached to this report as Annexure B3.

19. Legal Compliances

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

20. Compliances with Corporate Governance Norms

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Schedule V of the Listing Regulations with the Stock Exchange. The Company has submitted the compliance reports in the prescribed format to the stock exchange for the respective quarters. The Practising Company Secretary has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations with the stock exchange. The said certificate is annexed to this Report and will be forwarded to the Stock Exchange and the Registrar of Companies, West Bengal along with the Annual Report.

21. As regards compliance with other discretionary requirements in accordance with Regulation 27(1) read with Part E of Schedule II of the Listing Regulations, the following have been adopted:

a. The Board

Mr. N. Suresh Krishnan is the Chairman of the Board and is a Non-Executive Director.

b. Shareholders' Rights

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

c. During the financial year 2016-17, the Company has moved towards a regime of financial statements with unmodified audit opinion. There is no audit qualification / adverse remarks by Statutory auditors with respect to financial statements for the year ended 31st March 2017.

d. Separate posts of chairperson and managing director

The Company has separate persons for the post of Chairman and the Managing Director. Mr. N. Suresh Krishnan is acting as the Chairman and Mr. R S Raghavan is acting as the Managing Director.

e. Reporting of Internal auditor

The Internal Auditor reports directly to the audit committee. The internal auditor is invited for attending the Audit Committee(s) for discussion on the internal audit report with Committee members and for presentation by the internal auditor before the audit committee his views and observations while conducting the internal audit.

f. Nomination and Remuneration Committee:

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

g. Whistle Blower Mechanism / Vigil Mechanism

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

ANNEXURE - B1

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economy remains trapped in a prolonged period of slow economic growth and dwindling international trade growth. Since 2012, world gross product (WGP) has expanded at an average annual rate of 2.5 per cent, much lower than the average of 3.4 per cent observed in the decade prior to the financial crisis. In 2016, growth in both WGP and world trade dropped to their slowest pace since the Great Recession of 2009. WGP is estimated to have expanded by just 2.2 per cent, reflecting a downward revision of 0.7 percentage points relative to forecasts a year ago. The weaker-than-expected growth performances in Japan, the United States of America, several countries in Africa, the Commonwealth of the Independent States (CIS), Latin America and the Caribbean have contributed to this downward revision relative to forecasts presented in the World Economic Situation and Prospects (WESP) 2016 (United Nations, 2016a)

The prolonged sluggishness in the global economy has been characterized by a widespread slowdown of productivity growth in many parts of the world, weak investment, low wage growth, low inflation and rising debt levels. Low commodity prices have exacerbated these trends in many commodity-exporting countries since mid-2014, while conflict and geopolitical tensions continue to weigh on economic prospects in several regions.

While some of the exceptional factors that restrained global growth in 2016 – such as the destocking cycle in the United States and adjustment to sharp terms-of-trade shock faced by commodity-exporters – can be expected to ease, the longer-term pressures restraining the global economy continue to prevent more robust growth. WGP is forecast to expand by 2.7 per cent in 2017 and 2.9 per cent in 2018.This modest recovery is more a reflection of stabilization in the aftermath of negative short-term shocks than a signal of a dynamic revival of global demand. In per capita terms, this equates to average global growth of just 1.5 per cent per annum in 2016-18, compared to an average of 2.1 per cent in 1998-2007. The relatively slow pace of economic growth will hamper progress towards achieving the Sustainable Development Goals (SDGs), as defined in the 2030 Agenda for Sustainable Development, which was adopted by the Member States of the United Nations in 2015. If downside risks to the outlook were to materialize, this could push global growth rates down even further, with additional setbacks towards achieving the SDGs, particularly the goals of eradicating extreme poverty and creating decent work for all.

Indian Economy

India's economy continued to recover strongly. Its high dependence on oil imports meant it benefited from a large improvement in its terms of trade. Further, effective policy actions over the past year brought a new bankruptcy code, formalized an inflation-targeting framework, enacted constitutional changes to allow the implementation of a goods and services tax, and gradually lifted fuel subsidies. For the past 4 years or so, the economy has experienced a gradual cyclical recovery and is estimated to have grown by 7.1% in 2016. Favourable agricultural output aided by well-timed monsoon rains also supported growth. Stronger consumer demand even under gradual fiscal consolidation helped boost consumer sentiment.

India decided in November 2016 to withdraw from circulation, or demonetize, Rs500 and Rs1,000 banknotes - about 86% of the currency in circulation by value and replace them with new Rs500 and Rs2,000 notes. The decision was designed to trip up corruption, counterfeiting, and the funding of terrorism in the near term while, over the medium term, improving tax compliance and increasing the amount of savings channelled through the formal financial system. This initiative caused temporary disruption in sectors heavily dependent on cash. These disruptions, along with a continued slowdown in private investment and stabilization in oil prices, decelerated GDP growth from 7.9% in 2015 to 7.1%. The economy is expected to fully recover from demonetization in 2017, to grow at a projected 7.4%. Over the medium term, structural policies already implemented should help maintain long-term GDP growth well above 7.0%.

Investment was sluggish in much of 2016 as private investment was weighed down by low capacity utilization and slow progress in deleveraging. Demonetization may have temporarily stalled investment plans in some sectors. Nonetheless, net foreign direct investment inflows in FY 2016 rose by about 15%, reflecting steps to augment investment by simplifying guidelines and allowing foreign direct investment in sectors such as real estate, airport and air transport services, and e-commerce. Better business conditions going forward should improve investment prospects in general.

Selected economic indicators (%) - India	2016	2017 Forecast	2018 Forecast
GDP Growth	7.1	7.4	7.6
Inflation	4.7	5.2	5.4

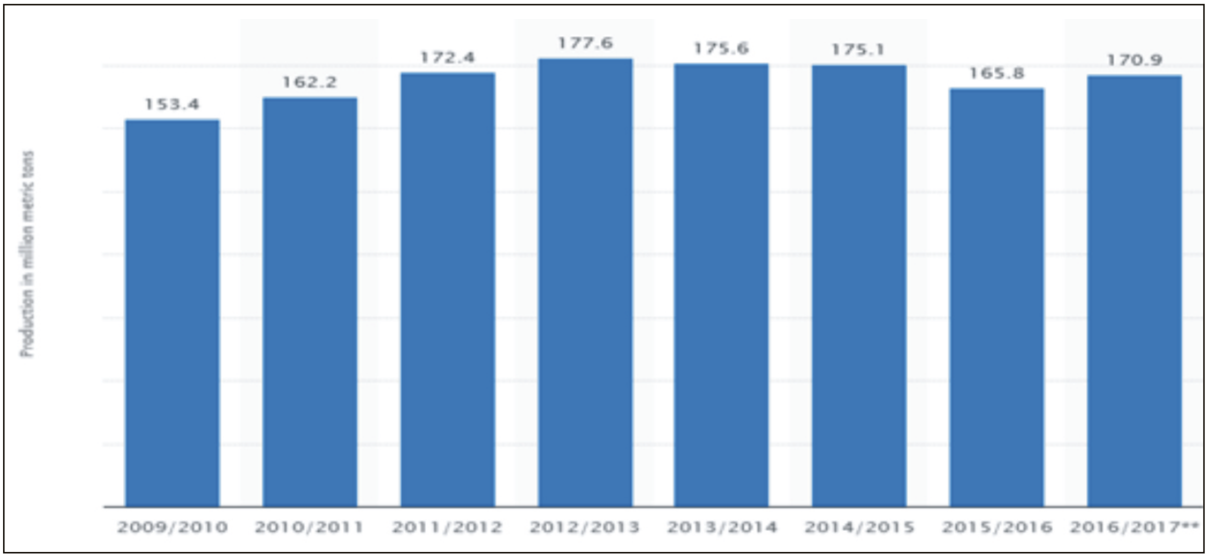
Source:Asian DevelopmentOutlook 2017

Global Sugar industry

After falling in 2015, the sugar prices rose by 5% in 2016, mainly reflecting a sharp 34% increase after 4 consecutive years of declines. Sugar prices soared because of reduced production in both Brazil and India, and as a strengthening Brazilian real against the US dollar encouraged sugar farmers to retain their stocks rather than sell them.

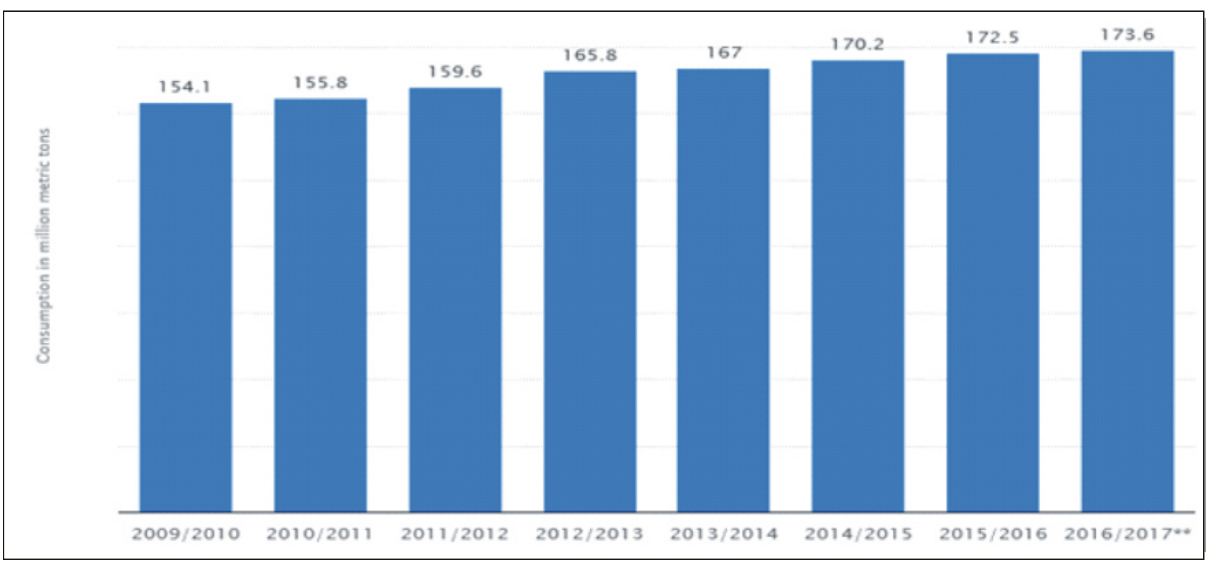
Sugar registered the biggest price gains at 53.2 per cent from January to September 2016. In September 2016, the FOB price of sugar at Caribbean port sreached its highest level since July 2012 at US$ 21.5 per lb. This price spike was mainly due to low inventories triggered by a growing production-demand gap, which is expected to further widen after falling output forecasts for Brazil, India and Thailand. Hence, the upward trend in sugar prices is likely to continue in the near future.

Sugar production worldwide from 2009/2010 to 2016/17 (in million metric tons)



Source : Statista

Sugar consumption worldwide from 2009/2010 to 2016/2017 (in million metric tons)



Source : Statista

Indian Sugar industry

Sugar is a sector of significant importance to the national economy. While consumption has been growing historically, the production has been cyclical. At present, the sugar industry is regulated across the value chain. Investments in by-products are at a nascent stage, and the sector has struggled to generate a return on invested capital in excess of its cost of capital in most years, primarily due to a high mandated fixed cane price and a volatile sugar price.

Sugarcane is primarily grown in nine states of India: Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Uttar Pradesh and Tamil Nadu. More than 50 million farmers and their families are dependent on sugarcane for their livelihood. The sugar industry caters to an estimated 12 percent of rural population in the senine states through direct and indirect employment. Effectively, each farmer contributes to the production of 2.9 MT of sugar every year. In addition to farmers, an estimated 0.5 million workers are directly employed as agricultural labour involved in cultivation and harvesting. The sugar industry also supports diversified ancillary activities and skills that support the local economy. The dependent population creates substantial demand for local goods and services.

In addition to the sugar industry's contribution to the rural economy, it has significant social and economic impact for the nation as well. The sugar industry is a green industry and is largely self sufficient in energy needs through utilisation of bagasse for generating electricity and steam. In fact, the sugar industry generates surplus exportable energy through cogeneration and contributes in reducing the energy deficit. The sugar industry is also the primary source of raw material for the alcohol industry in India. Ethanol and Cogeneration have emerged as key by products for the sugar industry in India. Bagasse based cogeneration for exportable power is an emerging trend in the sugar industry. Bagasse generated by a sugar mill enables the mill to export power after meeting its captive power and steam requirements. The realization from the exportable power is dependent on the long term power purchase agreements with government and power companies.

Cogeneration also has proven revenue potential in Clean Development Mechanism (CDM) based carbon credits. The annual economic contribution of the sugar industry to the exchequer through principal indirect taxes amounts to more than INR 2800 crores.

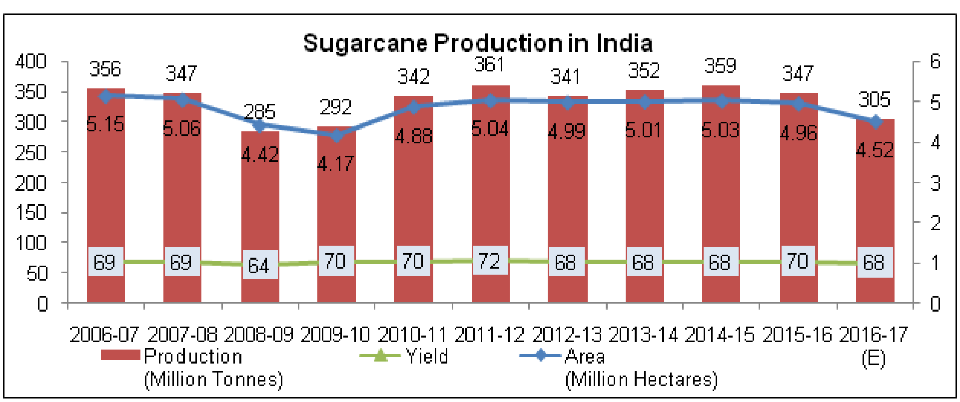
The Indian sugar production has grown at a CAGR of 4.9 percent over the last 46 years. Sugar production has been increasing steadily but there have been periods of low production, due to a variety of reasons including pests and drought. Production has been cyclical, with the typical cycle duration ranging between 4 to 6 years.

The Indian sugar sector is composed of three distinct categories - public mills, private mills and cooperative mills. Public mills account for around 6 percent of the total mills in operation while the private mills account for approximately 40 percent and the cooperative mills account for approximately 53 percent. In the recent past, the number of operational private mills has been increasing as a percentage of the total number of mills.

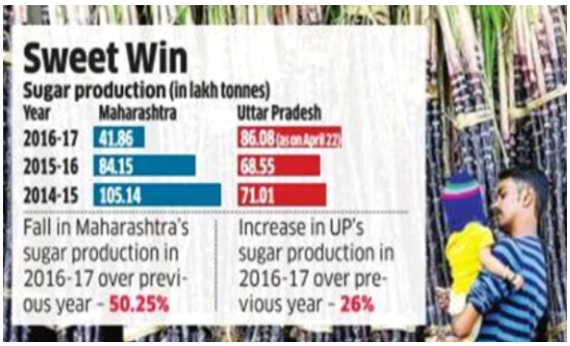
India exported 0.99 lakh tons of sugar while imported 2.90 lakh tons of sugar in November, 2016. However, the country exported and imported 0.60 lakh tons and 3.76 lakh tons of sugar respectively last month in October, 2016.

Sugar Production in 2016-17

The Sugar production in the current sugar season 2016-17 is around 203 lac tons as estimated by ISMA in revision to its previously estimated figure of 213 lac tons. This is mainly due to substantially lower yield of the sugarcane harvested in January and February 2017, in Maharashtra, Karnataka, Andhra Pradesh and Telangana, which were badly affected by the drought that the States faced in the last couple of years. In some areas, the yield per hectare in the month of February 2017 was 40 to 50% lower than last year at the same time. In addition to this, higher need of seed for increased acreage, especially in the State of Maharashtra, also resulted in lower sugarcane availability for crushing this season.



Uttar Pradesh has achieved record sugar production this year, catapulting the traditionally second-largest sugar producing state in the country to the No 1 position, past drought-hit Maharashtra. As per Uttar Pradesh Sugar Mills Association, U.P. has produced the highest ever sugar in the state at 86 lakh tonnes (as on April 2017) which represents 65 of the total 91 private sugar mills in the state.



Source:The Economic Times

U.P. has a total of 116 sugar mills, of which 24 are in the cooperative sector and one is operated by the Sugar Corporation. While UP has seen a 26% growth in output over the previous year, sugar production in the traditionally biggest producer Maharashtra has fallen to less than half this season. Sugarcane availability, sugarcane yields, as well as sugar recovery in the State of U.P. is substantially better than last year. The trend in U.P. is, therefore, very different to the drought affected States in Western and Southern part of the country. Sugar production this year is 9 lac tons more than what it was at the same time last year.

On the other hand, the sugar sales and off take from sugar mills is substantially lower as compared to last year. Instead of seeing an increase in the sales, the mills witnessed a drop in the same in comparison to last year. In the first 4 months of the sugar season 16-17 i.e. upto end of January 2017, sales by sugar mills has been lower by 7.5 lac tons. The main reason for lower sales could be demonetization, drop in sugar purchase by the bulk consumers, price elasticity affecting demand and anticipated lower demand by State Governments because of proposal to remove subsidy from Central Government on PDS sugar. Therefore, as compared to last year's sugar off-take of 248 lac tons, ISMA expected that the sugar sales during sugar season 16-17 between 238 and 240 lac tons.

Considering the opening balance of 77.5 lac tons, (which has been reported by all sugar mills to the Government) and considering an estimated sugar production of 203 lac tons in the current season and consumption of 238-240 lac tons, the closing balance in the current season would be 40 to 42 lac tons. This balance will be enough to meet the domestic requirement till almost end of November 2017.

Common Problems faced by Sugar Industry:

1. Low Yield of Sugarcane:

Although India has the largest area under sugarcane cultivation, the yield per hectare is extremely low as compared to some of the major sugarcane producing countries of the world. This leads to low overall production and results in short supply of sugarcane to sugar mills. Efforts are being made to solve this problem through the introduction of high yielding, early maturing, frost resistant and high sucrose content varieties of sugarcane as well as by controlling diseases and pests which are harmful for sugarcane.

2 Short crushing season:

Manufacturing of sugar is a seasonal phenomena with a short crushing season varying normally from 4 to 7 months in a year. The mills and its workers remain idle during the remaining period of the year, thus creating financial problems for the industry as a whole. One possible method to increase the crushing season is to sow and harvest sugarcane at proper intervals in different areas adjoining the sugar mill. This will increase the duration of supply of sugarcane to sugar mills.

3. Fluctuating Production Trends:

Sugarcane has to compete with several other food and cash crops like cotton, oil seeds, rice, etc. Consequently, the land available to sugarcane cultivation is not the same and the total production of sugarcane fluctuates. This affects the supply of sugarcane to the mills and the production of sugar also varies from year to year.

4. Low rate of recovery:

The average rate of recovery in India is less than ten per cent which is quite low as compared to other major sugar producing countries where the recovery rate is as high as 14-16 per cent.

5. High cost of Production:

High cost of sugarcane, inefficient technology, uneconomic process of production and heavy excise duty result in high cost of manufacturing. The production cost of sugar in India is one of the highest in the world. Intense research is required to increase the sugarcane production in the agricultural field and to introduce new technology of production efficiency in the sugar mills. Production cost can also be reduced through proper utilisation of by- products of the industry.

For example, bagasse can be used for manufacturing paper pulp, insulating board, plastic, carbon cortex etc. Molasses comprise another important by-product which can be gainfully used for the manufacture of power alcohol.This, in its turn, is useful in manufacturing DDT, acetate rayon, polythene, synthetic rubber, plastics, toilet preparations, etc. It can also be utilised for conversion into edible molasses and cattle feed. Press-mud can be used for extracting wax.

6. **Small and uneconomic size of mills:**

Most of the sugar mills in India are of small size with a capacity of 1,000 to 1,500 tonnes per day. This makes large scale production uneconomic. Many of the mills are economically not viable.

7. **Old and obsolete machinery:**

Most of the machinery used in Indian sugar mills, particularly those of Uttar Pradesh and Bihar is old and obsolete, being 50-60 years old and needs rehabilitation. But low margin of profit prevents several mill owners from replacing the old machinery by the new one.

8. **Competition with Khandsari and Gur:**

Khandsari and gur have been manufactured in rural India much before the advent of sugar industry in the organised sector. Since Khandsari industry is free from excise duty, it can offer higher prices of cane to the cane growers.

Further, cane growers themselves use cane for manufacturing gur and save on labour cost which is not possible in sugar industry. It is estimated that about 60 per cent of the cane grown in India is used for making Khandsari and gur and the organised sugar industry is deprived of sufficient supply of this basic raw material.

9. **Regional imbalances in distribution:**

Over half of sugar mills are located in Maharashtra and Uttar Pradesh and about 60 per cent of the production comes from these two states. On the other hand, there are several states in the north-east, Jammu and Kashmir and Orissa where there is no appreciable growth of this industry. This leads to regional imbalances which have their own implications.

10. **Low per capita consumption:**

The per capita annual consumption of sugar in India is only approx. 18.2 kg as against 48.8 kg in the USA., 53.6 kg in U.K., 57.1 kg in Australia and 78.2 kg in Cuba and the world average of about 23.1 kg. This result in low market demand and creates problems of sale of sugar.

Total India & State wise Sugarcane Price (Rs/Ton)

State	2015-16	2016-17
India(FRP)	2300	2300
UP	2800	3050
Punjab	2800 - 2950	2900
Haryana	3000 - 3100	-
Karnataka	2300 - 2625	2300 - 3050
Tamil Nadu	2850	2850

Source: Agriwatch

Sugar Prices

The all-India average retail prices of sugar rose by 22.17 per cent to Rs 42.43 per kg as on March 15, 2017, against Rs 34.73 per kg a year ago. Government had issued the order imposing stock holding and turnover limits on dealers of sugar currently valid till April 28, 2017. State governments/UTs had been advised to enforce this order to prevent any speculative and hoarding tendencies. Further, the customs duty of 20 per cent had also been imposed on export of sugar to discourage further exports. With the carryover stock of 77 lakh tonnes and estimated current season's production, sufficient sugar would be available to meet domestic consumption requirement at reasonable prices. The supply and price situation is monitored on regular basis by the government and necessary actions are taken at appropriate time.

With a more balanced demand-supply position of sugar, one expects the sugar prices to be stable in the next year or so. However, with increase in SAP for sugarcane in the States in U.P., Punjab, Haryana and Uttarakhand, and low capacity utilization in Maharashtra, Karnataka and Telangana due to less availability of sugarcane because of drought in the last 2 years and low sugar recovery reported in States like Tamil Nadu, Andhra Pradesh etc., the all India average cost of production of sugar is up by around Rs.2 per kg in the current sugar season 2016-17 over last year.

Cane payment to farmers

The private as well as co-operative sugar industry of the country has demanded restructuring of the Rs 50,000 crore term loans, restoration of ethanol prices at last year's level and excise duty waiver on ethanol.

The industry was forced to borrow loans to pay cane price to the farmers. The Government of India also gave loans under SEFASU and thereafter Soft Loans. Rs.10,000 crore was borrowed by the industry under these 2 schemes only to pay cane price of farmers," stated an ISMA release pointing that the Indian sugar industry went through financial crisis in the last 2-3 years, mainly on account of surplus sugar production and depressed sugar prices. The sugar prices in 2014-15 fell to its lowest in the last 6 years, when it touched the lowest of Rs.19 per kg in Maharashtra and Rs.21 per kg in UP.

The borrowing in the last few years has seen the debt burden jump by almost 4 times to around Rs.50,000 crore currently. Despite improvement in sugar prices, it is still not sufficient to enable the industry to service all its debt at the same time. Additionally, Rs.10,000 crore of loans taken to pay cane price of farmers under the SEFASU and Soft loans have become due from the current season itself.

As per ISMA, the Government and RBI should slightly modify the threshold limit under the scheme of debt restructuring, from Rs. 500 crore to Rs.100 crore. ISMA had also requested for re-schedulement of repayment of SEFASU loans & soft-loans & extension of interest subvention on Soft Loan for another 3 years.

In addition to the industry's requests for financial restructuring and re-schedulement of repayment of loans, the ethanol prices should be restored at last year's level and the benefit of excise duty waiver should be reconsidered and passed on to the ethanol manufacturers. ISMA expects that a debt restructuring plan is announced for the sugar mills as quickly as possible and some positive steps are taken to encourage supply of more ethanol.

A healthy closing balance equivalent to more than 2 months consumption requirement will still be available for next season to meet the need of the country before the new season's sugar is available in the market from November, 2017 so there was definitely no need at all to import any sugar.

Demand drivers for Sugar industry

- **Rising per capita consumption:** Sugar consumption is expected to be the highest in Asia and within Asia, India is estimated to have 18.8% of global consumption.

- **Demographics:** As per Census of India, India's growing population (estimated to reach 1.3 billion by 2020) is likely to intake more sugar in the future. Sugar users such as soft drink manufacturers, bakeries, confectionary, hotel and restaurant consumers account for 60% of milled sugar demand in India.

- **Rising incomes and urbanisation:** People demand more processed food (high on sugar content) as incomes rise and dietary habits change.

- **Deregulation:** Government initiatives in cane price rationalisation and levy on sugar imports will augur well for the domestic industry.

- **Urgent need for renewable biofuels:** Unprecedented opportunities emerge from diversifications like electricity and ethanol for sugar millers (ethanol from molasses). Supportive government policies in both these by-products can drive demand for sugar millers.

Ethanol Production

The demand for ethanol in India continues to soar on the back of government's plan to increase mandatory blending. As per the latest statistics, the domestic sugar mill industry achieved a production figure of around 1.12 billion liters during the last sugarcane season of 2015-16, around 65% more than the previous season. Despite record production, it continues to be significantly insufficient for blending purposes due to a deficit of around 900 million liters as of the end of 2016. The ethanol blending demand is further set to rise in the coming years, with ambitious targets set by the government of India to increase ethanol blending from 10% to 22.5%.

Sugar mills in India will continue playing a major role in achieving these targets. The sugarcane season of 2016-17 will witness a drop in the total production for several reasons. The government's decision last year to withdraw the exemption of excise duty will have a severe impact on profitability. Ethanol will now start attracting an excise duty of 12.5%, which is expected to be borne by sugar mills. This is encouraging the sugar mills to divert more molasses to the alcohol beverage market, due to better margins, than process it for ethanol. This is expected to hinder domestic production significantly and cause a substantial dent in the government's plans for the blending program. Another major point is that the Oil Marketing Companies' (OMC) procurement price continues to be fixed, while the spirit manufacturers offer a free market price based strictly on demand where the demand is always significantly higher than the supply levels. As per present market prices, sugar mills make a margin of over 15% when catering to the alcohol industry rather than the ethanol blending program. As per monthly production statistics, February 2017 witnessed a significant drop in ethanol production levels. Five of the largest sugar mills agree if these levels continue for the rest of the year, the present agricultural season will witness a significant drop in ethanol production, resulting in the OMCs falling short in the procurement of necessary volumes of ethanol for the blending program.

India, as of 2017, requires nearly 4 billion liters of ethanol across three major industries: chemicals, alcohol and fuel. Based on the present market dynamics, the mandatory blending of 10% is equivalent to about 1.3 to 1.4 billion liters of ethanol each year, which is all the ethanol the domestic market currently has. This number is further set to drop this agricultural season due to factors like profitability and margins. This will result in continued imports of large volumes of ethanol from the US and Brazil. India is expected to import anywhere between 500 to 750 million liters of ethanol during the coming fiscal year to meet the domestic demand of the three sectors. Based on present availability, it looks highly impossible for the OMCs to hit the 10% blending target and can, at the maximum, hit 4% by end of 2017. Ethanol availability in the Indian domestic market will remain at a premium during 2017, while the US west coast will continue to remain a major arbitrage partner for ethanol cargoes to Asia.

Molasses Production

Sugar mills expect higher realisation from non-ethanol byproducts, molasses and rectified spirit, than processing them for ethanol for fuel doping. Liquor manufacturers pay ~46-47 a litre for rectified spirit and the realisation from ethanol has declined by ~7-8 a litre due to a cut in its price and withdrawal of excise duty concession. Oil refiners face a price ceiling on ethanol but liquor manufacturers pay the market price for rectified spirit. The situation has prompted small sugar manufacturers to sell molasses, a raw material for rectified spirit. But distilleries producing ethanol are taking a hit on their profits. Thus a lower realisation from electricity cogeneration and distillation is likely to nullify a part of the gains of the sugar price increase for mills this year.

The government reduced the price of ethanol by ~2-3 per litre and also withdrew the excise duty sop, resulting in a ~7-8 per litre decline in realisation from ethanol this year. Also cane output is lower in drought affected Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu. Production of molasses and baggase is lower this year. The overall realisation from byproducts is lower," as per Indian Sugar Mills Association (ISMA). The price of sugar jumped by a staggering 26 per cent over the last year to trade currently at ~40 a kg in the wholesale market. During the same time, however, realisation from electricity supply to the state grids stood almost unchanged at around ~5 a unit. By contrast, however, realisation from ethanol declined by almost 15 per cent.

Independent sugar mills have sold molasses to large distilleries instead of distilling smaller amounts. As against ~45-46 a litre from rectified spirit, ethanol fetches ~36-37 a litre after incurring a 5 per cent additional cost of production.

Cogeneration

After the sugarcane crushing process, bagasse is the residue left which is used to generate steam. This is used as a biofuel in co-generation power plant to meet power requirement of the sugar mill. The surplus power is supplied to the grid. Being produced from a waste residue, this energy is eco-friendly and reduces greenhouse gas emissions besides also bringing additional revenue to the sugar industry.

Operations of the Unit

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

	2015-2016	2016-2017
Sugarcane crushed (lac Quintals)	71.52	94.06
Recovery (%)	10.53	10.27
Sugar produced (lac Quintals)	7.53	9.70
Crushing days	137	145

The Cogen power plant operating performance is as mentioned below:

	2015-2016	2016-2017
Power Generation (Mn Units)	66.13	108.44
Power Export to Grid (Mn Units)	40.09	69.41

Projects to be undertaken by the Company

During the financial year 2016-17, the setting up of a back end Sugar Refinery with a capacity of 500 TPD was completed and the mill started producing sulpher less sugar in the range of 75 – 80 ICUMSA from 22nd December 2016 and the refined sugar production of 50 – 60 ICUMSA started from 5th February 2017.

Now, the company is working on Phase-II of projects; under which it intends to set up molasses based 60 KLPD Distillery and another 16 MW Cogen Power Plant. The Distillery would be a multi-product one, capable of producing full Rectified Spirit, ENA or Ethanol. It would be a Zero Liquid Discharge plant, having a cogeneration plant based on Incineration technology. The 16 MW Cogen Power Plant would consist of replacement of 70 TPH Boiler and 3 MW Turbogenerator.

Both of these projects will help implement the integrated model concept adopted by the Company in regard to better utilisation of by-products and would definitely strengthen the financial health of the company and its ability to withstand the turbulent period of sugar industry in particular.

Internal control systems and their adequacy

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

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

Human resources and industrial relations

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

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

Risk Management

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

As mitigation measures, the Company has adopted a three pronged strategy of expansion, diversification and integration. The company has focused on generating additional revenue stream through the better usage of by-products, bagasse and molasses, through the newly set up Cogen Power Plant and Planned Distillery.

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

As mitigation measures, the Company has put in place latest methodology and techniques for higher recoveries. The company has also focused on shifting its cane growerstowared high yielding cane varieties. The company plan to have nearly 60% of cane supplies from early varities which shall yield better recovery.

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

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

Company Outlook

Financial year 2016-17 has been a major milestone in the history of company as the company has started producing sulpher less sugar.Further, the consummation of the planned 16 MW Cogen Power Project and 60 KLPD Distillery will produce assets that would help further strengthen the financial health of the Company, increase its ability to withstand the turbulent times and also help management to improve the socioeconomic life of the region.

Cautionary Statement

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

Annexure – B2

Statement showing particulars pursuant to Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017

I. Conservation of Energy :

(i) Gobind Sugar is an old plant and has witnessed various expansions during last 60 Yrs from 600 TCD to 10000 TCD. We have taken reasonable steps to reduce the process steam consumption in recent years. We have restructured and expanded the plant with latest machinery so as to conserve the energy. We have replaced exiting seven numbers of old, inefficient and low pressure boilers with latest technology, high pressure Boiler (150 TPH, 110 Ata) so as to increase steam generation per unit of fuel. This produces surplus power as well, which get exported to the grid. Further we have replaced an existing three roller mill with a two roller mill which helps in reducing the power consumption. In two roller mill, trash plate is avoided which consumed significant power in conventional three roller mill. Similarly, we have installed GRPF with independent AC VFD motor with gear box & coupling at 4th mill, installed steam saving devices like VLJH, evaporator bodies, continuous vacuum pans & molasses conditioners in the boiling house section to minimize steam consumption and replaced low energy efficiency 750 kg/charge x 4 nos. (149.20 KW each) batch type centrifugal machines by 1750 kg/charge x 3 no. AC drive centrifugal machines (145 KW each), to reduce power consumption.

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

Company is planning to replace the existing inefficient low pressure 70 TPH, 45 ata boiler with a highly efficient 85 TPH, 110 ata boiler. This shall sharply reduce the fuel consumption for desired steam production to meet plant requirement. Also, the existing 3 MW TG set which operated in sync with existing 70 TPH boiler shall be replaced by 16 MW back-pressure turbine which shall further enhance the surplus power available for sale to the company. Further, the company plans to replace existing inefficient steam drives at its old four mills with GRPF with independent AC VFD motor with gear box and coupling.

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

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

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

(A) Power & Fuel Consumption :

	2016-17	2015-16
1. Electricity :		
a) Purchased :		
Units (in lacs)	**28.352**	**7.517**
Total amount (Rs. in lacs)	**126.395**	**69.288**
Rate/Unit (Rs.)	**4.468**	**9.218**
b) Own Generation :		
i) Through Diesel Generator :		
Units (in lacs)	**0.365**	**13.524**
HSD (in lacs)	**7.047**	**4.847**
Units per liter of diesel-oil	**2.645**	**2.790**
Cost/Unit (Rs.)	19.284	20.60
ii) Through Steam :		
30.85 MW Turbine / Generator		
Units (in lacs)	**981.780**	**610.349**
Units per liter of		
fuel oil/gas (Unit in MT)		
Cost/Unit (Rs.)	194051.986	128759.10
iii) Through Steam:		
3.0 MW Turbine / Generator		
Units (in lacs)	73.902	63.140
Fuel oil/gas (Unit in MT)	30682.791	25,840.10
2. Coal :		
Quantity (Tonnes)	–	–
Total Cost (Rs. in lacs)	–	–
Average Rate (Rs.)	–	–
3. Furnace Oil	–	–
4. Others/Internal generation	–	–

(B) Consumption of following per unit of production : No standard has been fixed

Sugar (in lacs qtls)	**9.663**	**7.47**
Electricity	**12.706**	**29.51**
Furnace Oil	–	–
Coal	–	–
Others	–	–

II. Research & Development and Technology Absorption :

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

(1) Control of Insect, Pest & Disease

(a) Mechanical Control : Cane which is affected by insects and diseases at cane field is eliminated at the cultivation stage itself.

(b) Chemical Control: To ensure disease free cane that is to say to control the attack of insect, pest and borer, insecticide and pesticide are being applied on the crop as an usual practice.

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

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

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

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

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

Due to above initiatives, higher yield of disease free sugar cane is being made available resulting in higher return to cane growers and also better recovery to the factory. The Company has during the year under review spent an amount of Rs 30.27 lacs towards various R&D oriented initiatives.

Future plans on R&D front are :

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

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

(iii) To have Portable soil testing electronic laboratory.

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

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

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

The Company has not imported any technology.

III. Foreign Exchange Earnings and Outgo :

a) Activities relating to exports, initiatives taken to increase exports

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

} The Company generally exports the sugar directly and the proceeds of which are received in indian currency. The Government has allowed export through merchant exporters also.

c) Earnings in Foreign Exchange - Rs. NIL

d) Expenditure in Foreign Currency - Rs. NIL

ANNEXURE - B3

DECLARATION ON CODE OF CONDUCT

Date: 12th May 2017

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

Pursuant to Regulation 34(3) read withPart D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges, I, R.S. Raghavan, Managing Director of Gobind Sugar Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2016-17.

For and on behalf of the Board

Sd/-
R.S. Raghavan
Managing Director

ANNEXURE – B4

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Gobind Sugar Mills Limited

We have examined the compliance of conditions of Corporate Governance by Gobind Sugar Mills Limited ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the year ended 31.03.2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for an expression of opinion on the financial statements of the company.

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

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

For A. K. LABH & Co.
Company Secretaries

Sd/-
(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No -3238

Place : Kolkata
Dated :12th May 2017

ANNEXURE – C

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I) CIN:- L15421WB1952PLC020577

ii) Registration Date: 18th August 1952

iii) Name of the Company: Gobind Sugar Mills Limited

iv) Category / Sub-Category of the Company: Public Company limited by shares

v) Address of the Registered office and contact details:
9/1, R.N. Mukherjee Road
Kolkata – 700001
Tel : 91 - 124 – 482 7800
Fax : 91 - 124 – 421 2046
e-mail : ig.gsml@adventz.com

vi) Whether listed company: Yes, listed on Calcutta Stock Exchange (CSE) and Metropolitan Stock Exchange (MSE)

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Link Intime India Pvt. Ltd
59C, Chowringhee Road
3rd Floor, Kolkata – 700 020
Tel : 91 033 2289 0540
Fax : 91 033 2289 0539
e-mail : kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY
All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture or refining of sugar from sugarcane	Group 107 Class 1072, Sub -Class 10721	84.48%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Zuari Investments Ltd. Jai Kissan Bhawan, Zuarinagar, Goa – 403726	U65993GA199 5PLC001942	HOLDING COMPANY	51.27%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/ HUF	315000	-	315000	9.844	315000	-	315000	9.844	-
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	1760632	-	1760632	55.020	1760632	-	1760632	55.020	-
e) Banks/FI									
l) Any Other..									
Sub-total (A) (1):-	2075632	-	2075632	64.864	2075632	-	2075632	64.864	-
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2075632	-	2075632	64.864	2075632	-	2075632	64.864	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	619733	8191	627924	19.623	619733	8191	627924	19.623	-
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 2 lakh	121989	371868	493857	15.433	129136	366375	495511	15.484	0.051
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
c) Others									
-HUF	2491	-	2491	0.077	837	-	837	0.026	(0.051)
- clearing member	96	-	96	0.003	96	-	96	0.003	-
Sub-total (B)(2):-									
Total Public Shareholding (B) = (B)(1) + (B)(2)	744309	380059	1124368	35.137	749802	374566	1124368	35.137	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2819941	380059	3200000	100	2825434	374566	3200000	100	-

(ii) Shareholding of Promoters

Sl N o.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Zuari Investments Ltd.	1640632	51.270		1640632	51.270	-	-
2	Akshay Poddar	235000	7.344		235000	7.344		-
3	Ricon Commerce Ltd.	80000	2.500		80000	2.500		-
4	Kumari Aashti Agarwala	20000	0.625		20000	0.625		-
5	Kumari Anisha Agarwala	20000	0.625		20000	0.625		-
6	Greenland Trading Pvt. Ltd.	20000	0.625		20000	0.625		-
7	Indrakshi Trading Company Pvt. Ltd.	20000	0.625		20000	0.625		-
8	Ayesha Poddar	20000	0.625		20000	0.625		-
9	Shradha Agarwala	20000	0.625		20000	0.625		-
	Total	**2075632**	**64.864**		**2075632**	**64.864**		**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change): No Change

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2075632	64.864	2075632	64.864
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2075632	64.864	2075632	64.864

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	New wave Suppliers Pvt. Ltd.				
	(i) At the beginning of the year	1,59,500	4.98	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	1,59,500	4.98

2	Taralta Commercial Pvt. Ltd.				
	(i) At the beginning of the year	1,59,500	4.98	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	1,59,500	4.98
3	Pankaj Impex Pvt. Ltd.				
	(i) At the beginning of the year	1,59,000	4.96	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	1,59,000	4.96
4	Industry House Ltd.				
	(i) At the beginning of the year	80,000	2.50	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	80,000	2.50
5	Shri Parasram Holdings Pvt. Ltd.				
	(i) At the beginning of the year	20,810	0.65	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	20,810	0.65
6	3A Financial Services Ltd.				
	(i) At the beginning of the year	20,441	0.63	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	20,441	0.63
7	Rupinder Singh				
	(i) At the beginning of the year	12,000	0.37	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	12,000	0.37
8	Asit Koticha jointly with Kanan Koticha				
	(i) At the beginning of the year	9,600	0.30	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	9,600	0.30
9	Sameer Koticha jointly with Leena Koticha				
	(i) At the beginning of the year	9,600	0.30	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	9,600	0.30
10	LKP Securities Ltd.				
	(i) At the beginning of the year	8,000	0.25	-	-
	(ii) Date wise Increase/Decrease during the year	-	-	No Change	No Change
	(iii) At the End of the year	-	-	8,000	0.25

(v) Shareholding of Directors and Key Managerial Personnel : NIL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,818,415,000	674,420,000	-	4,492,835,000
ii) Interest due but not paid	96,48,615	12,501,159	-	22,149,774
iii) Interest accrued but not due	-	988,226	-	988,226
Total (i+ii+iii)	3,828,063,615	687,909,385	-	4,515,973,000
Change in Indebtedness during the financial year				
• Addition	15,890,248,780	89,306,000	-	15,979,554,780
• Reduction	16,654,506,780	37,650,000	-	16,692,156,780
Net Change	(764,258,000)	51,656,000	-	(712,602,000)
Indebtedness at the end of the financial year				
i) Principal Amount	3,054,157,000	726,076,000	-	3,780,233,000
ii) Interest due but not paid	13,105	12,375,616	-	12,388,721
iii) Interest accrued but not due	1620861	7,297,418	-	8,918,279
Total (i+ii+iii)	3,055,790,966	745,749,034	-	3,801,540,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. R S Raghavan
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	No material remuneration. During financial year 2016-17, Managing Director was paid a total remuneration of Rs. 12/-.
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify	
	Total (A)	
	Ceiling as per the Act	Maximum remuneration that can be paid 5% of net profit

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
1	1. Independent Directors	R N Ratnam	Anil C Gupta	Marco Wadia	Indira Varadarajan	L M Chandrasekaran	
	• Fee for attending board and committee meetings • Commission • Others, please specify	1,70,000	1,80,000	1,70,000	90,000	40,000	6,50,000
	Total (1)	1,70,000	1,80,000	1,70,000	90,000	40,000	6,50,000
2	2. Other Non-Executive Directors						
	• Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	
	Total (B) = (1 + 2)	1,70,000	1,80,000	1,70,000	90,000	40,000	6,50,000
	Total Managerial Remuneration	1,70,000	1,80,000	1,70,000	90,000	40,000	6,50,000
	Overall Ceiling as per the Act		Maximum remuneration that can be paid 5% of net profit				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	1701692 90950	1608062 -	3309754 90950
2.	Stock Option	N.A.	-	-	-
3.	Sweat Equity	N.A.	-	-	-
4.	Commission - as % of profit - others, specify...	N.A.	-	-	-
5.	Others, please specify	N.A.	-	-	-
	Total	N.A.	1792642	1608062	3300704

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE - D

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangement or transactions not at arm's length basis : NIL

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements /transactions	Durations of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

2. Details of contracts or arrangement or transactions at arm's length basis :

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Durations of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of Transaction	Amount paid as advance, if any
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Zuari Investments Ltd. Holding Company	Consultancy Services	N.A.	Payment of Rs.0.01 lacs towards AMC Charges	AMC Charges	06-06-2016	Not Applicable
	Zuari Investments Ltd. Holding Company	Consultancy Services	N.A.	Payment of Rs.1.03 lacs for providing training on Ind-AS adoption	Ind-AS Traning charges	06-06-2016	Not Applicable
	Zuari Investments Ltd. Holding Company	Professional Services	N.A.	Payment of Rs.1.15 lacs for maintaining of Preference Shareholders Accounts	Maintenance Fee	31-07-2016	Not Applicable
	Zuari Investments Ltd. Holding Company	Professional Services	N.A.	Debit note of Rs.0.81 lacs raised on Co. for maintenance of shareholders accounts	Debit Note for maintenance of shareholders accounts	31-03-2017	Not Applicable
	Zuari Investments Ltd. Holding Company	Professional Services	N.A.	Payment of Rs.0.74 lacs for maintaining of Preference Shareholders Accounts	Maintenance Fee	31-03-2017	Not Applicable
	Zuari Investments Ltd. Holding Company	Professional Services	N.A.	Payment of Rs.0.07 lacs towards TDS on debit note	Payment of TDS	31-03-2017	Not Applicable

	Zuari Investments Ltd. Holding Company	Professional Services	N.A.	Debit note of Rs.0.03 lacs raised on Co. for maintenance of shareholders accounts	Debit Note for shareholders accounts	31-03-2017	Not Applicable
	Zuari Investments Ltd. Holding Company	Professional Services	N.A.	Payment of TDS and Rs.0.03 lacs towards debit note	Payment of TDS	31-03-2017	Not Applicable

2	New Eros Tradecom Ltd. Group Company	Financial and other services received	N.A.	Payment of Rs. 0.01 lacs on behalf of New Eros Tradecom Ltd.	Payment of TDS	09.04.2016	Not Applicable
	New Eros Tradecom Ltd. Group Company	Financial and other services received	N.A.	Payment of Rs. 0.01 lacs on behalf of New Eros Tradecom Ltd.	Payment of TDS	12.04.2016	Not Applicable
	New Eros Tradecom Ltd. Group Company	Financial and other services received	N.A.	Payment of Rs.0.14 lacs towards audit fees on behalf of New Eros Tradecom Ltd.	Payment of professional fee	20.03.2017	Not Applicable

3	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.77.51 lacs as advance for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	12-04-2016	Rs.77.51 lacs
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.25.68 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	30-04-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.18.32 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	24-05-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.0.02 lacs towards Fooding charges	Purchase Furniture & Accessories for Admin Block	25-05-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.8.60 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	27-05-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.6.63 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	27-05-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.18.33 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	20-06-2016	Not Applicable

	Indian Furniture Products Ltd. Group Company	Issue of Debit Note	N.A.	Debit note of Rs.0.17 lacs issued by the Company against material provided	Issue of debit note against Material provided by GSML	30-06-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.15.84 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	08-07-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Receipt of invoice of Rs.13.25 lacs	Purchase Furniture & Accessories for Admin Block	13-07-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Issue of Debit Note	N.A.	Debit note of Rs.0.63 lacs issued by the Company against material provided	Issue of debit note against Material provided by GSML	31-07-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Receipt of invoice of Rs.11.24 lacs	Purchase Furniture & Accessories for Admin Block	31-07-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.25.25 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	31-08-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Issue of Debit Note	N.A.	Debit note of Rs.0.16 lacs issued by the Company against material provided	Issue of debit note against Material provided by GSML	31-08-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.20.91 lacs for service charges and accessories	Purchase Furniture & Accessories for Admin Block	12-09-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.8.07 lacs towards TDS	Payment of TDS	14-09-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.13.64 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	14-09-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.10.46 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	30-09-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.20.90 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	30-09-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.6.14 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	30-09-2016	Not Applicable

	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Purchase of Rs.2.32 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	31-10-2016	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.8.93 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	16-02-2017	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.0.25 lacs towards TDS	Payment of TDS	16-02-2017	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.3.59 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	17-02-2017	Not Applicable
	Indian Furniture Products Ltd. Group Company	Purchase of Furniture	N.A.	Payment of Rs.35.00 lacs for Purchase of Furniture for Admin Block	Purchase Furniture & Accessories for Admin Block	28-02-2017	Not Applicable

4	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Debit note of Rs.86.25 lacs raised against management consultancy charges	Raising of debit note on GSML for Management Consultancy Charges	20-07-2016	Not Applicable
	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Payment of Rs.7.50 lacs towards TDS	Payment of TDS	27-07-2016	Not Applicable
	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Payment of Rs.50.00 lacs towards management consultancy charges	Management Consultancy Charges	30-07-2016	Not Applicable
	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Receipt of credit note of Rs.15.00 lacs towards management consultancy charges	Credit Note received against Management Consultancy Charges	30-09-2016	Not Applicable
	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Debit note of Rs.32.25 lacs raised against management consultancy charges	Raising of debit note on GSML for Management Consultancy Charges	31-12-2016	Not Applicable
	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Debit note of Rs.17.25 lacs raised against management consultancy charges	Raising of debit note on GSML for Management Consultancy Charges	24-01-2017	Not Applicable

	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Payment of Rs.1.50 lacs towards TDS	Payment of TDS	24-01-2017	Not Applicable
	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Debit note of Rs.34.50 lacs raised against management consultancy charges	Raising of debit note on GSML for Management Consultancy Charges	17-03-2017	Not Applicable
	Zuari Global Ltd. Ultimate Holding Company	Management Consultancy Charges	N.A.	Payment of Rs.3.00 lacs towards TDS	Payment of TDS	17-03-2017	Not Applicable

5	Lionel India Ltd. Group Company	Travelling expenses	N.A.	Payment of Rs.0.31 lacs towards taxi services	Travelling expenses	30-09-2016	Not Applicable
	Lionel India Ltd. Group Company	Travelling expenses	N.A.	Payment of Rs.6.28 lacs towards air tickets	Travelling expenses	30-09-2016	Not Applicable
	Lionel India Ltd. Group Company	Travelling expenses	N.A.	Payment of Rs.1.64 lacs towards taxi services	Travelling expenses	30-11-2016	Not Applicable
	Lionel India Ltd. Group Company	Travelling expenses	N.A.	Payment of Rs.3.19 lacs towards air tickets	Travelling expenses	31-12-2016	Not Applicable

6	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Receipt of Rs.11.25 lacs from growers on behalf of Jai Kissan Junction	Payment received from growers	11-07-2016	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Receipt of Rs.8.40 lacs from growers on behalf of Jai Kissan Junction	Payment received from growers	19-08-2016	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Payment of Rs.0.05 lacs for loading and unloading charges	Payment of loading and unloading charges	25-10-2016	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Payment of Rs.44.62 lacs to Jai Kissan Junction against amount received from growers	Payment made to Jai Kissan Junction	17-11-2016	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Debit note of Rs.1.80 lacs raised against use of temporary godown	Raising of debit note by GSML for against use of Temporary Godown	30-12-2016	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Receipt of Rs.8.47 lacs from growers on behalf of Jai Kissan Junction	Payment received from growers	19-01-2017	Not Applicable

	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Payment of Rs.0.05 lacs for loading and unloading charges	Payment of loading and unloading charges	21-01-2017	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Payment of Rs.58.42 lacs to Jai Kissan Junction against amount received from growers	Payment made to Jai Kissan Junction	06-02-2017	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Receipt of Rs.41.14 lacs from growers on behalf of Jai Kissan Junction	Payment received from growers	23-02-2017	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Payment of Rs.0.12 lacs for loading and unloading charges	Payment of loading and unloading charges	25-02-2017	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Receipt of Rs.23.87 lacs from growers on behalf of Jai Kissan Junction	Payment received from growers	17-03-2017	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Payment of Rs.0.03 lacs for loading and unloading charges	Payment of loading and unloading charges	14-03-2017	Not Applicable
	Jai Kisan Junction - Retail Outlet (Zuari Agro Chemicals Ltd.) Group Company	Financial Services	N.A.	Debit note of Rs.0.60 lacs raised against use of temporary godown	Raising of debit note by GSML for against use of Temporary Godown	31-03-2017	Not Applicable

7	Zuari Agro Chemicals Ltd. Group Company	Purchase of Fertilisers	N.A.	Purchase of Rs.0.11 lacs towards purchase of DAP	Purchase of Fertilisers	30-11-2016	Not Applicable
	Zuari Agro Chemicals Ltd. Group Company	Purchase of Fertilisers	N.A.	Payment of Rs.0.11 lacs towards purchase of DAP	Purchase of Fertilisers	21-12-2016	Not Applicable
	Zuari Agro Chemicals Ltd. Group Company	Purchase of Fertilisers	N.A.	Payment of Rs.0.21 lacs towards purchase of DAP	Purchase of Fertilisers	30-12-2016	Not Applicable
	Zuari Agro Chemicals Ltd. Group Company	Financial Services	N.A.	Debit note of Rs.11.85 lacs raised on the company against use of office premises	Raising of debit note against rent	24-03-2017	Not Applicable
	Zuari Agro Chemicals Ltd. Group Company	Financial Services	N.A.	Payment of Rs.1.19 lacs towards TDS on rent	TDS on Rent	24-03-2017	Not Applicable
	Zuari Agro Chemicals Ltd. Group Company	Financial Services	N.A.	Payment of Rs.10.67 lacs towards rent	Payment of Rent	27-03-2017	Not Applicable

8	Zuari Sugar & Power Ltd. Fellow Subsidiary Company	Financial Services	N.A.	Payment of Rs.0.17 lacs towards GST Registration	Raising of Debit note against GST Registration	30-03-2017	Not Applicable
	Zuari Sugar & Power Ltd. Fellow Subsidiary Company	Financial Services	N.A.	Receipt of Rs.10.00 lacs as advance against sugar	Receipt of advance	31-03-2017	Not Applicable

ANNEXURE - E

Statement of particulars as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(I) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. N. Suresh Krishnan Non Executive Director*	Nil
2	Mr. R S Raghavan Managing Director*	Nil
3	Mr. R N Ratnam Independent Director*	Nil
4	Mr. Anil C Gupta Independent Director*	Nil
5	Mr. Marco Wadia Independent Director*	Nil
6	Smt. Indira Varadarajan Independent Director*	Nil
7	Mr. L.M. Chandrasekaran Independent Director*	Nil

*Not paid any remuneration except sitting fees to Independent Directors for attending the Meetings.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year;

S. No.	Name and designation	Percentage increase in remuneration
1	Mr. N. Suresh Krishnan Non Executive Director	Nil
2	Mr. R S Raghavan Managing Director	Nil
3	Mr. R N Ratnam Independent Director*	Nil
4	Mr. Anil C Gupta Independent Director*	Nil
5	Mr. Marco Wadia Independent Director*	Nil
6	Smt. Indira Varadarajan Independent Director*	Nil
7	Mr. L.M. Chandrasekaran Independent Director*	Nil
8	Mr. Dharmendra Roy Chief Financial Officer	21.95%
9	Mr. Laxman Aggarwal Company Secretary	19.11%

*Mr. R N Ratnam, Mr. Anil C Gupta, Mr. Marco Wadia, Smt. Indira Varadarajan and Mr. L.M. Chandrasekaran- Independent Directors, were paid sitting fees for attending the Meetings

(iii) The percentage increase in the median remuneration of employees in the financial year.

12%

(iv) The number of permanent employees on the rolls of Company.

There are195 permanent employees on the rolls of the Company

(v) The explanation on the relationship between average increase in remuneration and Company performance.

Average increase in remuneration	Company performance
12.26%	The Company has made a profit after tax of Rs. 1766.07 lacs for the year ended 31st March, 2017.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Remuneration of Key Managerial Personnel	Performance of the Company for the year ended
During financial year 2016-17, a total remuneration of Rs. 33,09,766 was paid to Key Managerial Personnel.	The Company has made a profit after tax of Rs. 1766.07 lacs for the year ended 31st March, 2017.

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

The Equity Shares of the Company were last traded on 15th February 2010 at a price of Rs. 45.75 per share and since then there has been no trading in the Equity shares of the Company on Calcutta Stock Exchange (CSE) and

Metropolitan Stock Exchange (MSEI) during the financial years 2016-17 and previous year 2015-16. The Shares of the Company are infrequently traded on the said Stock Exchanges.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase in remuneration to employees other than managerial personnel was 11.47%.

There is only one Managing Director. There was no increase in remuneration paid to the Managing Director during the financial year ended 31st March 2017.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

S. No.	Name	Remuneration of Managerial Personnel for the year ended 31st March 2016	Key Performance of the Company
1	Mr. R.S. Raghavan	Rs. 12	The Company has made a profit after tax of Rs. 1766.07 lacs for the year ended 31st March, 2017.
2	Mr. Dharmendra Roy	Rs. 17,01,692	
3	Mr. Laxman Aggarwal	Rs. 16,08,062	

(x) The key parameters for any variable component of remuneration availed by the directors

None

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. - N.A.

(xii) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company

Statement of Particulars of Employees Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – NOT APPLICABLE

ANNEXURE – F

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Gobind Sugar Mills Limited
9/1, R. N. Mukherjee Road, Kolkata – 700 001,
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gobind Sugar Mills Limited having its Registered Office at 9/1, R. N. Mukherjee Road, Kolkata - 700001, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statues as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2017 according to the provisions of:

(I) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Secretarial Standards (SS–1 and SS-2) as issued by The Institute of Company Secretaries of India;

(iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

(a) The Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Sugar Cess Act, 1982
2. Levy Sugar Price Equalisation Fund Act, 1976
3. Food Safety And Standards Act, 2006
4. Food, Safety and Standards (Licensing & Registration of Food Businesses) Regulations, 2011
5. Essential Commodities Act,1955
6. The Sugar (Packing and Marking) Order, 1970
7. Sugar Development Fund Act, 1982
8. Sugarcane (Control) Order, 1966
9. Export (Quality Control and Inspection) Act, 1963
10. Agricultural and Processed Food Products Export Act, 1986
11. Indian Boilers Act, 1923

to the extent of their applicability to the Company during the financial year ended 31.03.2017 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except :

The Company needs to devise proper mechanism for making payment against purchase of sugarcane within 14 days of its purchase as per the requirements of Section 3 of the Sugarcane (Control) Order, 1966.
During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(ii) SEBI (Share Based Employee Benefits) Regulations, 2014;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;

(v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

We further report that :

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

(d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that :

(a) The Company has issued 10,00,000 7% Non-convertible Redeemable Preference Shares of Rs. 10 each amounting to Rs. 1,00,00,000 on private placement basis during the year under report.

(b) The Company is in process of implementation of the following resolutions as passed through postal ballot during the year :

(i) Shifting of the Registered Office of the Company from the State of West Bengal to the National Capital Territory of Delhi;

(ii) Increase in nominal share capital of the company; and

(iii) Issue of 5,00,00,000 Preference Shares of Rs. 10 each.

(c) The shares of the Company have been listed with Metropolitan Stock Exchange of India Limited during the year under report.

For A. K. LABH & Co.
Company Secretaries

Sd/-
(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No.- 3238

Place : Kolkata
Dated : 12th May 2017

Walker Chandiok & Co. LLP
Chartered Accountants

21st Floor, DLF Square
Jacaranda Marg, DLF Phase-II
Gurgaon - 122002, India
Tel. : +91 124 4628000
Fax : +91 124 4628001

INDEPENDENT AUDITOR'S REPORT

To the Members of Gobind Sugar Mills Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Gobind Sugar Mills Limited ('the Company'), which comprise the Balance Sheet as at 31March 2017, 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.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('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 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures elected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

8. The comparative financial information for the transition date opening balance sheet as at 1 April 2015 prepared in accordance with Ind AS included in these financial statements, is based on the previously issued statutory financial statements for the year ended 31 March 2015 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose report dated 01 May 2015 expressed a qualified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 07 May 2016. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. 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.

10. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report 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;

    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 2017 from being appointed as a director in terms of Section164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12 May 2017as per Annexure II expressed unmodified opinion;

    g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 39 to the financial statements, has disclosed the impact of pending litigations on its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. the Company, as detailed in Note 41 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

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

Sd/-
per Neeraj Goel
Partner
Membership No.: 099514

Place: Gurgaon
Date: 12 May 2017

Annexure I to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited, on the financial statements for the year ended 31 March 2017

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 fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets 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 complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, 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, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable

(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 (Rs. lacs)	Amount paid under Protest (Rs. lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods & services, 5% reversal on sale value of bagasse and refund of GTA amount to Company	101.54	16.20	FY 2000-01, FY 2007-11, & FY 2013-14	CESTAT, Allahabad
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods & services	12.23	4.46	FY 2008-09 & FY 2011-13	Commissioner Appeals, Lucknow
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods	7.66	3.62	FY 2000-01 FY 2003-04 & FY 2005-06	High Court, Lucknow
Central Sales Tax Act, 1956	Interest demand on CST of ex-UP sale	2.52	-	FY 2003-04	Additional Commissioner, Sitapur, UP
Tax on Entry of Goods Act, 2000	Entry tax on free sugar sale	1.81	0.62	FY 2001-02	Tribunal Court, Lucknow
UP Trade Tax Act, 1948	Trade tax	0.09	-	FY 2006-07 to FY 2007-08	Tribunal Court, Lucknow

(viii) There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans to the following banks and financial institutions:

Name of the bank/ financial institution	Principal Amount of default (Rs. lacs)	Period of default (in days)
Vistar Financiers Private Limited	50.00	19
Vistar Financiers Private Limited	100.00	15-16
Federal Bank	1667.00	35
Federal Bank	1666.00	48-52

(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 purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid 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 Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable IndAS.

(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 Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per Neeraj Goel
Partner
Membership No.: 099514

Place: Gurgaon
Date: 12 May 2017

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 2017

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 Gobind Sugar Mills Limited (the 'Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing ('Standards'), 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 included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

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

Sd/-
per Neeraj Goel
Partner
Membership No.:099514

Place:Gurgaon
Date:12 May 2017

Balance sheet as at 31 March 2017

Rs. in Lacs

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	38,514.02	21,655.23	5,217.24
(b) Capital work-in-progress	4	1,194.38	14,213.29	16,763.99
(c) Intangible assets	5	44.60	-	-
(d) Financial Assets				
(i) Investments	6	14.82	14.20	14.86
(ii) Others	7	1.34	1.34	1.21
(e) Deferred tax assets(net)	8	7,751.28	7,823.89	5,317.51
(f) Other non-current assets	9	208.20	171.16	1,099.98
(2) Current assets				
(a) Inventories	10	17,932.59	13,660.47	20,956.50
(b) Financial Assets				
(i) Trade receivables	11	1,613.92	1,973.11	19.40
(ii) Cash and cash equivalents	12	54.15	117.09	72.36
(iii) Bank balances other than (ii) above	13	13.35	10.02	568.27
(iv) Loans	14	6.40	5.73	4.97
(v) Others	15	535.40	639.68	-
(c) Current tax assets (net)	16	0.11	0.83	6.91
(d) Other current assets	17	3,483.99	3,644.89	3,484.21
TOTAL		**71,368.55**	**63,930.93**	**53,527.41**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18 (a)	320.00	320.00	320.00
(b) Other Equity				
(i) Deemed equity	19	7,821.00	7,821.00	7,778.61
(ii) Reserves and surplus	18 (b)	(5,613.29)	(7,384.18)	(8,861.89)
(iii) Other reserves	18 (c)	0.45	(0.02)	0.24
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	17,121.71	18,887.44	18,783.36
(b) Provisions	20	140.86	61.48	-
(c) Other non-current liabilities	21	4,640.66	3,145.97	1,093.86
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	22,249.51	23,699.45	17,937.06
(ii) Trade payables	23	16,697.32	9,725.42	13,905.86
(iii) Other financial liabilities (other than those specified in item (c)	24	6,142.21	6,233.41	1,658.68
(b) Other current liabilities	25	1,746.56	1,412.57	861.81
(c) Provisions	26	101.55	8.39	49.82
TOTAL		**71,368.55**	**63,930.93**	**53,527.41**

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Sd/-
Neeraj Goel
Partner
Membership no: 099514
Place: Gurgaon
Date: 12 May 2017

For and on behalf of the board of directors

Sd/-
N. Suresh Krishnan
(Chairman)
DIN: 00021965

Sd/-
R. S. Raghavan
(Managing Director)
DIN: 00362555

Sd/-
R. N. Ratnam
(Director)
DIN: 06422037

Sd/-
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations (gross)	27	40,489.27	33,372.08
Other Income	28	1,603.72	1,115.31
Total Revenue		**42,092.99**	**34,487.39**
Expenses			
Cost of materials consumed	29	30,394.54	18,661.29
Purchases of Stock-in-Trade		-	610.89
Changes in inventories of finished goods, stock in trade and work in progress	30	(4,268.21)	7,457.29
Excise duty and cess on sale of goods		2,101.91	1,460.64
Employee benefits expense	31	2,039.93	1,387.36
Finance costs	32	4,759.32	3,419.57
Depreciation and amortisation expenses	33	1,146.60	397.37
Other expenses	34 (a)	2,471.60	2,095.94
Total expenses		**38,645.69**	**35,490.35**
Profit/(Loss) before exceptional item and tax		**3,447.30**	**(1,002.96)**
Exceptional item	34 (b)	1,500.38	-
Profit/(Loss) before tax		**1,946.92**	**(1,002.96)**
Income tax expense	35		
Current tax		-	-
Deferred tax		110.14	(2,495.70)
Profit/(Loss) for the period		**1,836.78**	**1,492.74**
Other comprehensive income (OCI)			
A. Items that will not be reclassified to profit and loss		-	
i) Remeasurement of defined benefit plans		(108.85)	(30.63)
ii) Equity instruments designated at fair value through OCI		0.62	(0.34)
iii) Income tax relating to the items that will not be classified to profit and loss		37.53	10.68
B. Items that will be reclassified to profit and loss		-	-
Total other comprehensive income (net of tax)		**(70.71)**	**(20.29)**
Total comprehensive income (after tax)		**1,766.07**	**1,472.45**
Basic/diluted earning per share (Rs. per equity share)(Face value Rs. 10 per share)	36	55.19	46.01

The accompanying notes are an integral part of these financial statements

As per our report of even date
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Neeraj Goel
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Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

Statement of Changes in Equity for the year ended 31 March 2017

a) Equity Share Capital

Particulars	Notes	
As at 01 April 2015		**320.00**
Changes during the year	**18 (a)**	-
As at 31 March 2016		**320.00**
Changes during the year	**18 (a)**	-
As at 31 March 2017		**320.00**

b) Other Equity

Rs. in Lacs

Particulars	Notes	Deemed equity	Reserves and surplus				Other Reserves	Total other equity
			Capital Redemption Reserve	Securities Premium Account	Molasses and Alcohol Storage and Maintenance Reserve	Retained Earnings	Fair value through Other Comprehensive Income - Equity Instruments	
Balance at 01 April 2015	**18 (b), 18(c), 19**	**7,778.61**	**10.00**	**200.00**	**109.02**	**(9,180.91)**	**0.24**	**(1,083.04)**
								-
Profit for the year		-	-	-	-	1,492.74	-	**1,492.74**
Other comprehensive income		-	-	-	-	(20.03)	(0.26)	**(20.29)**
Total Comprehensive Income for the year		-	-	-	-	1,472.71	(0.26)	**1,472.45**
								-
Equity component of non covertible redeemable preferenec shares (NCRPS) issued during the year		42.39	-	-	-	-	-	**42.39**
Transfers during the year		-	-	-	5.00	-	-	**5.00**
Balance at 31 March 2016	**18 (b), 18(c), 19**	**7,821.00**	**10.00**	**200.00**	**114.02**	**(7,708.20)**	**(0.02)**	**436.80**
								-
Profit for the year		-	-	-	-	1,836.78	-	**1,836.78**
Other comprehensive income		-	-	-	-	(71.18)	0.47	**(70.71)**
Total Comprehensive Income for the year		-	-	-	-	1,765.60	0.47	**1,766.07**
		-	-	-	-	-	-	-
Equity component of NCRPS issued during the year		-	-	-	-	-	-	-
Transfers during the year		-	-	-	5.29	-	-	**5.29**
Balance at 31 March 2017	**18 (b), 18(c), 19**	**7,821.00**	**10.00**	**200.00**	**119.31**	**(5,942.60)**	**0.45**	**2,208.17**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner
Membership no: 099514
Place: Gurgaon
Date: 12 May 2017

For and on behalf of the board of directors

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Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

Statement of Cash Flows year for the year ended 31 March 2017

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Profit/(loss) before tax	1,946.92	(1,002.96)
Adjustments for:		
Depreciation and amortisation expenses	1,146.60	397.37
Remeasurement of defined benefit obligation	(108.85)	(30.63)
Loss on disposal of property, plant and equipment	-	80.84
Profit on disposal of property, plant and equipment	(6.58)	-
Finance costs classified as financing cash flow	4,759.32	3,419.57
Dividend received	(0.04)	(10.32)
Interest income received	(1.61)	(13.88)
Molasses Storage & Maintenance reserve	5.29	5.00
Cane subsidy receivable written off	1,500.38	-
Deferred government grant recognised on loan from Sugar development fund	(15.22)	-
Government grants under 5% interest reimbursement scheme	(610.88)	(121.21)
Deferred gain on preference shares issued to entities other than equity shareholders	(102.76)	(81.89)
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	(49.93)	(399.47)
	6,515.71	3,245.38
Working capital adjustments:		
(Increase)/ decrease in trade receivables	359.19	(1,953.71)
(Increase)/ decrease in inventories	(4,272.12)	7,296.03
Increase/ (decrease) in trade payables	7,021.83	(3,780.97)
(Increase)/ decrease in other financial assets	104.27	(639.68)
(Increase)/ decrease in other current assets	(231.89)	493.52
(Increase)/ decrease in loans	(0.67)	(0.76)
Increase/ (decrease) in other financial liabilities	188.05	116.47
Increase/ (decrease) in other current liabilities	248.79	529.18
Increase/ (decrease) in provisions	172.54	20.05
Cash flow generated from operating activities	**12,052.63**	**4,322.54**
Income taxes (paid)/refund - net	0.73	6.08
Net cash flow generated from operating activities	**12,053.36**	**4,328.62**
Cash flow from investing activities		
Payments for property, plant and equipment	(5,856.15)	(10,822.01)
Deposits made during the year	(68.17)	(0.77)
Withdrawn/(investment) in bank deposits during the period (having original maturity of more than three months)	(3.33)	558.25
Dividend received	0.04	10.32
Interest income received	1.61	13.88
Receipts from disposal of property, plant and equipment	12.21	1.90
Net cash used in investing activities	**(5,913.79)**	**(10,238.43)**
Cash flow from financing activities		
Issuance of non convertible redeemable preference shares	100.00	2,035.00
Proceeds of long term borrowings	2,075.84	6,635.82
Repayment of long term borrowings	(2,156.76)	(4,813.00)
Proceeds from short term borrowings	(1,449.94)	5,762.39
Interest paid during the year	(4,771.65)	(3,665.67)
Net cash flow generated from financing activities	**(6,202.51)**	**5,954.54**
Net increase/ (decrease) in cash and cash equivalents	(62.94)	44.73
Cash and cash equivalents at the beginning of the financial year		
Cash and cash equivalents [refer note (12)]	117.09	72.36
Cash and cash equivalents at the end of the financial year [refer note (12)]	**54.15**	**117.09**

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Sd/-
Neeraj Goel
Partner
Membership no: 099514
Place: Gurgaon
Date: 12 May 2017

For and on behalf of the board of directors

Sd/-
N. Suresh Krishnan
(Chairman)
DIN: 00021965

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DIN: 00362555

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DIN: 06422037

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Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2017

Note 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 Calcutta Stock Exchange in India. The Company w.e.f. 19 October 2016, also got its shares listed on Metropolitan Stock Exchange of India (MSEI). The Company is primarily engaged in manufacture and sale of Sugar and its by-products - Molasses. The Company is also engaged in generation and export of Power by utilising its by product - Bagasse, w.e.f. 15 December 2015. The Company presently has manufacturing facilities at Aira Estate, District Lakhimpur Kheri in the State of Uttar Pradesh.

Note 2. Application of new and revised Indian Accounting Standard

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 [refer note (49)] have been considered in preparing these standalone financial statements.

Standard issued but not effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' . The amendment is applicable to the Company from 01 April 2017.

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Note 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first Ind AS compliant financial statements of the Company.

These financial statements, being first Ind AS financial statements of the Company prepared in accordance with Ind AS, the Company has applied Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has accordingly presented three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented. In future periods, Ind AS 1 requires only one comparative period to be presented. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note (48.)

b) 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 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 period.

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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) **Revenue recognition**

Revenue is recognised 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 received. Revenue is measured at the fair value of the consideration received or receivable. Revenue includes excise duty but excludes sales tax/value added tax.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest income

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

Dividends

Revenue is recognised 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 recognised at estimated realisable value (floor price) on confirmation of RECs by the concerned Government authorities.

Power banked units

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

d) **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised 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 recognised 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 favourable interest is regarded as a government grant. The loan or assistance is initially recognised 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.

e) **Taxes**

Income tax comprises of current and deferred tax. It is recognised in profit and loss except to the extent that is related to an item recognised 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 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 recognised for all taxable temporary differences. Deferred income tax assets are recognised 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 utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised 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 realised 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.

f) **Property, plant and equipment**

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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 :-

Buildings : 30-60 years

Plant and equipment : 05-25 years

Furniture and fixtures : 10 years

Vehicles : 08 years

Office equipment : 03-05 years

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 income statement when the asset is derecognised.

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.

g) **Intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Subsequent expenditures on the maintenance of computer software are expensed as incurred, as it is not probable that future economic benefits will accrue to the Company through these activities.

Acquired computer software is accounted for using the cost model whereby capitalized costs are amortized on a straight line basis over their estimated useful lives which is estimated as five years, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition they are subject to impairment testing. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software, i.e. expenditure relating to patches and other minor updates as well as their installation, is expensed as incurred. The gain or loss arising on the disposal of an intangible asset is determined as the difference between the proceeds and the carrying amount of the assets, and is recognized in profit or loss in the year the asset is derecognised.

h) **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 group 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 recognised 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

i) **Borrowing costs**

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

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 capitalisation.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Operating leases

Leases in which a significant portion of the risks and rewards are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit and loss account on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected expected exposure to inflationary cost increases.

k) Inventories

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

Goods under process, finished goods and traded goods, are valued at lower of cost and net realizable value.

Finished goods and Goods under process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity.

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

By products and saleable scraps, whose cost is not identifiable, are valued 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.

l) 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 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Acturial gains/losses are not reclassified to profit or loss in subsequent periods.

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises 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.

m) Financial instruments

Financial assets and financial liabilities are recognised 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 recognised immediately in the statement the profit and loss.

Financial assets

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

Amortized cost

A financial asset shall be measured at amortised 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 amortised 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 amortised 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 recognised 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.

Dividends on these investments in equity instruments are recognised 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 recognised in the statement of profit and loss are included in the ‘Other income’ line item.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised 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 18, 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.

Derecognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Derecoginition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

n) Earnings per share

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

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

o) 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.

p) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in 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.

q) 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.

r) 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.

s) 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, not withstanding 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 (37) 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 recognised 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 utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions Refer note (8).

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 (39).

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

t) 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.

Note 4: Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total	Capital work in progress
Year ended 31 March 2016								
Gross carrying amount								
Deemed cost as at 01 April 2015	1,804.46	652.34	2,642.63	51.00	42.56	24.25	5,217.24	16,763.99
Additions	2.42	3,366.03	13,494.60	25.49	0.03	29.53	16,918.10	14,066.93
Disposals	1.41	-	82.86	-	-	0.10	84.37	-
Transfers [note (iii)]	-	-	-	-	-	-	-	16,617.63
Closing gross carrying amount	1,805.47	4,018.37	16,054.37	76.49	42.59	53.68	22,050.97	14,213.29
Accumulated depreciation								
Depreciation charge during the year	-	67.19	307.42	6.26	6.72	9.78	397.37	-
Disposals	-	-	1.63	-	-	-	1.63	-
Closing accumulated depreciation	-	67.19	305.79	6.26	6.72	9.78	395.74	-
Year ended 31 March 2017								
Gross carrying amount								
Openning gross carrying amount	1,805.47	4,018.37	16,054.37	76.49	42.59	53.68	22,050.97	14,213.29
Additions	-	4,021.24	13,899.17	5.93	27.99	54.55	18,008.87	4,898.56
Disposals	-	-	57.42	-	-	-	57.42	-
Transfers [note (iii)]	-	-	-	-	-	-	-	17,917.48
Closing gross carrying amount	1,805.47	8,039.61	29,896.12	82.42	70.58	108.23	40,002.42	1,194.38
Accumulated depreciation								
Openning accumulated depreciation	-	67.19	305.79	6.26	6.72	9.78	395.74	-
Depreciation charge during the year	-	213.97	878.37	8.65	7.18	36.29	1,144.46	
Disposals/Adjustments	-	-	51.79	-	-	-	51.79	
Closing accumulated depreciation	-	281.16	1,132.36	14.91	13.90	46.07	1,488.40	-
Net carrying amount as on 31 March 2016	**1,805.47**	**3,951.18**	**15,748.58**	**70.23**	**35.87**	**43.90**	**21,655.23**	**14,213.29**
Net carrying amount as on 31 March 2017	**1,805.47**	**7,758.45**	**28,763.75**	**67.51**	**56.68**	**62.16**	**38,514.02**	**1,194.38**

Note 4.1

I) Property, plant and equipment (moveable and immovable) are hypothecated against secured borrowings. Refer note 19 for the same.

ii) For amounts of borrowing costs capitalised and the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation, refer note 32.

iii) Transfer from CWIP represents assets becoming ready to use and are included in the additions number under respective categories.

Rs. in lacs

Note 5: Intangible Assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Computer Software			
Gross block - Opening			
Additions	45.67	-	-
Disposals	-	-	-
Gross block - Closing	45.67	-	-
Accumulated amortisation		-	-
Accumulated amortisation - Opening	-		
Amortisation charge during the year	1.07	-	-
Disposals	-	-	-
Accumulated amortisation - Closing	1.07	-	-
Net carrying amount	**44.60**	-	-

Note 5: Intangible Assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Investments at Amortised cost			
(unquoted - non trade investments)			
20 Years U.P.State Development Loan, 2008	-	-	0.20
6 Years National Saving Certificates	-	-	0.12
5 Years National Saving Certificates	1.00	1.00	1.00
	1.00	1.00	1.32
Investment in equity shares at FVOCI			
(quoted, fully paid - non trade investments)			
Premium Exchange & Finance Limited [180,240 shares (previous year: 180,240 shares) of Rs.10 each]	5.59	5.59	5.59
Master Exchange & Finance Limited [188,460 shares (previous year: 188,460 shares) of Rs.10 each]	5.90	5.90	5.90
Duke Commerce Limited [24,700 shares (previous year: 24,700 shares) of Rs.10 each]	0.64	0.64	0.64
Chambal Fertilizers & Chemicals Limited [1,947 shares (previous year: 1,947 shares) of Rs.10 each]	1.69	1.07	1.41
	13.82	13.20	13.54
Total	**14.82**	**14.20**	**14.86**
Total non current investments			
Aggregate book value of quoted investments	13.82	13.20	13.54
Aggregate market value of quoted investments	13.82	13.20	13.54
Aggregate book value of unquoted investments	1.00	1.00	1.32

Note 7: Other financial assets (at amortised cost)	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Sundry deposits (secured, considered good)	1.34	1.34	1.21
Other recoverables	10.78	10.78	10.85
Less: Provision for doubtful recoverables	(10.78)	(10.78)	(10.85)
Total	**1.34**	**1.34**	**1.21**

Note 8: Deferred tax asset (Net)	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
The balance comprises temporary differences attributable to:			
Deferred tax asset			
Carry forward of unused tax losses and unused tax credits	12,468.95	8,894.05	5,838.68
Deductible temporary differences allowable against taxable profits in future years	501.34	382.06	506.56
Deferred government grants	171.90	184.46	-
Others	34.39	72.94	-
Deferred tax liability			
Property, plant and equipment exceeds its tax base	(5,408.03)	(1,709.46)	(979.48)
Borrowings-due to effective interest rate method	(17.27)	(0.16)	(48.26)
Total	**7,751.28**	**7,823.89**	**5,317.51**

Note 9: Other non current assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Advances for purchase of property, plant and equipments (unsecured, considered good)	49.01	80.14	1,009.73
Claims receivable (unsecured, considered doubtful)	0.59	0.59	0.59
Less: Provision for doubtful recoverables	(0.59)	(0.59)	(0.59)
Deposit against disputed demands (unsecured, considered good)	159.19	91.02	90.25
Total	**208.20**	**171.16**	**1,099.98**

Note 10: Inventories	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Raw materials	-	33.58	35.89
Rice husk/fire wood chips	43.27	3.82	-
Work in progress	86.93	359.43	330.77
Finished goods	16,560.13	11,716.12	18,971.38
Store and spares	478.52	413.98	343.25
By-Products			
Molasses	436.31	808.48	990.09
Bagassee	113.16	257.59	264.62
Press - mud	24.56	27.47	-
Scrap	189.71	40.00	20.50
Total	**17,932.59**	**13,660.47**	**20,956.50**

Note 11: Trade receivables	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Unsecured, considered good	1,613.92	1,973.11	19.40
Unsecured, considered doubtful	1.32	1.32	1.32
Less: impairment allowance	(1.32)	(1.32)	(1.32)
Total	**1,613.92**	**1,973.11**	**19.40**

Note 12: Cash and cash equivalents	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Cash on hand	5.39	6.91	0.35
Balances with banks:			
In current accounts	48.73	110.15	71.98
In saving account	0.03	0.03	0.03
Total	**54.15**	**117.09**	**72.36**

There are no restrictions in regards to cash and cash equivalents at the end of the reporting period and prior periods

Note 13: Bank balances other than (ii) above	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with banks (others):			
Deposits with original maturity of more than 3 months but less than 12 months	13.33	10.00	568.25
In Post office savings bank account	0.02	0.02	0.02
Total	**13.35**	**10.02**	**568.27**

Note 14: Loans (at amortised cost)	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Loan to employees			
Considered good	6.40	5.73	4.97
Considered doubtful	0.35	0.35	0.35
Less: impairment allowance	(0.35)	(0.35)	(0.35)
Total	**6.40**	**5.73**	**4.97**

Note 15: Other financial assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Other receivables	2.43	2.27	-
Unbilled revenues	532.97	637.41	-
Total	**535.40**	**639.68**	**-**

Note 16: Current tax assets (net)	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Advance payment of Tax, Refunds receivable and Tax deducted at source	0.11	0.83	6.91
Total	**0.11**	**0.83**	**6.91**

Note 17: Other current assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Surplus of gratuity plan	-	-	47.01
Balance with revenue authorities	856.63	1,150.49	1,044.87
Advances to suppliers	416.65	264.60	76.65
Prepaid expenses	41.77	50.78	18.78
Cane subsidy receivable (considered good)	-	1,435.64	2,172.95
Interest reimbursement from government of Uttar Pradesh under Sugar Industry, Co-generation and Distillery Promotion Policy, 2013	1,761.80	654.20	-
REC certificates	320.01	14.73	-
Power banked (drawable)	48.79	41.88	
Interest subvention receivable under SEFASU 2014	30.20	32.57	123.94
Insurance claim receivable	8.15	-	-
Total	**3,483.99**	**3,644.89**	**3,484.21**

Note 18 (a): Equity share capital and other equity	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Authorised share capital:			
65,000,000 (31 March 2016: 65,000,000) (01 April 2015: 65,000,000) Equity Shares of INR 10/- each	6,500.00	6,500.00	6,500.00
	6,500.00	**6,500.00**	**6,500.00**
Issued, subscribed and fully paid up			
3,200,000 (31 March 2016: 3,200,000) (01 April 2015: 3,200,000) Equity Shares of INR 10/- each	320.00	320.00	320.00
	320.00	320.00	320.00
Total	**320.00**	**320.00**	**320.00**

Movement in equity share capital

	Number of shares	Equity share capital (par value)
As at 01 April 2015	3,200,000	320.00
Changes during the period	-	-
As at 31 March 2016	3,200,000	320.00
Changes during the period	-	-
As at 31 March 2017	3,200,000	320.00

Terms and rights attached to equity share holders

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential commitments and statutory obligations. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

Shares of the Company held by Holding Company	**As at 31 March 2017**	**As at 31 March 2016**	**As at 01 April 2015**
Zuari Investments Limited, the holding company w.e.f 25 August 2014 1,640,632 (1,640,632) equity shares of Rs.10 each fully paid	164.06	164.06	164.06

Details of shareholders holding more than 5% shares in the Company	**As at 31 March 2017**	**As at 31 March 2016**	**As at 01 April 2015**
Equity shares of Rs. 10 each fully paid			
Zuari Investments Limited, holding company w.e.f. 25 August 2014			
Number of shares held	1,640,632	1,640,632.00	1,640,632.00
%age of shares held	51.27%	51.27%	51.27%
Mr. Akshay Poddar			
Number of shares held	235,000	235,000.00	235,000.00
%age of shares held	7.34%	7.34%	7.34%

Note 18 (b) : Reserves & Surples	**As at 31 March 2017**	**As at 31 March 2016**	**As at 01 April 2015**
Capital Redemption Reserve [refer note (I) below]	10.00	10.00	10.00
Securities premium account [refer note (ii) below]	200.00	200.00	200.00
Molasses and alcohol storage and maintenance reserve [refer note (iii) below]	119.31	114.02	109.02
Retained earnings [refer note (iv) below]	(5,942.60)	(7,708.20)	(9,180.91)
Total	**(5,613.29)**	**(7,384.18)**	**(8,861.89)**

	As at 31 March 2017	**As at 31 March 2016**
(I) <u>Capital redemption reserve</u>		
Opening balance	10.00	10.00
Appropriations during the year	-	-
Utilisations during the year	-	-
Closing balance	10.00	10.00
(ii) <u>Securities premium account</u>		
Opening balance	200.00	200.00
Additions during the year	-	-
Utilisations during the year	-	-
Closing balance	200.00	200.00

(iii) Molasses and alcohol storage and maintenance reserve		
Opening balance	114.02	109.02
Additions during the year	5.29	5.00
Utilisations during the year	-	-
Closing balance	119.31	114.02
(iv) Retained earnings		
Opening balance	(7,708.20)	(9,825.62)
Adjustments directly to retained earnings on date of transition to Ind AS		
a) Application of effective interest rate method on borrowings	-	148.53
Deferred tax impact on above	-	(48.19)
b) Interest on financial liability of NCRPS	-	(610.04)
c) PPE at fair value	-	1,435.96
Deferred tax impact on PPE at fair value	-	(289.77)
d) Deferred gain recognised on issuance of NCRPS	-	8.22
Closing balance	(7,708.20)	(9,180.91)
Net profit for the year	1,836.78	1,492.74
Remeasurement of defined befinit plans	(71.18)	(20.03)
Closing balance	**(5,942.60)**	**(7,708.20)**

Nature and purpose of other reserves

Capital Redemption Reserve

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 utilized for bonus issue of shares.

Securities premium reserve

Security premium reserve 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.

Molasses and alcohol storage and maintenance reserve

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 utlised only for purposes of construction or erection of storage facilities for molasses.

Note 18 (c): Other reserves	**As at 31 March 2017**	**As at 31 March 2016**	**As at 01 April 2015**
Fair value through Other Comprehensive Income - Equity Instruments	0.45	(0.02)	0.24
Total	**0.45**	**(0.02)**	**0.24**

Fair value through Other Comprehensive Income - Equity Instruments	**As at 31 March 2017**	**As at 31 March 2016**
Opening balance	(0.02)	-
Adjustments to OCI on date of transition to Ind AS (net of tax impact)	-	0.24
	(0.02)	0.24
Changes in fair value of FVOCI equity instruments	0.62	(0.34)
Tax impact	(0.14)	0.08
Closing balance	0.45	(0.02)

Note 19: Borrowings	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Term Loans (secured) :			
At amortised cost			
Indian rupee loan from banks	5,914.10	7,154.19	4,610.39
Cane soft loan	1,652.89	1,652.21	-
Loan under Financial Assistance Scheme to Sugar Units under SEFASU 2014 from banks (Excise Duty Loan)	1,423.40	2,260.21	2,253.98
Loan from a financial institution	6,636.20	7,218.09	5,540.02
Loan from a body corporate	-	-	4,480.08
Loan from Sugar Development Fund	965.47	-	-
Loan from related parties (unsecured)			
At amortised cost			
Non convertible redeemable preference share capital (NCPRS)	3,460.76	2,944.20	2,211.89
Total non current borrowings	**20,052.82**	**21,228.90**	**19,096.36**
Less: Current maturity of long term borrowings	**2,931.11**	**2,341.46**	**313.00**
Total	**17,121.71**	**18,887.44**	**18,783.36**

1) Term Loans in Indian rupee from banks

a) Term Loan of Rs. 5,914.10 lacs (31 March 2016 : Rs.7,154.19 lacs)(01 April 2015 : Rs. 4,610.39 lacs) from State Bank of India is secured by first equitable mortgage charge on all moveable and immoveable fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh, and second charge on current assets of the Company (both present and future), on pari passu basis with other term lenders. Also, Zuari Global Limited has provided corporate guarantee for the said loan.

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

b) Term Loan of Rs.1,652.89 lacs (31 March 2016: Rs. 1,652.21 lacs)(01 April 2015: Nil) as soft loan from State Bank of India is secured by first equitable mortgage charge on all moveable and immoveable fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh, and second charge on current assets of the Company (both present and future), on pari passu basis with other term lenders.

The aforesaid loan is repayable in 16 quarterly installments commencing from 1 October 2017 and carries interest @ 2.3%p.a above base rate.

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

a) Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of Rs. 793.70 lacs (31 March 2016: Rs.1,099 lacs) (01 April 2015: Rs.1,099 lacs) from District Co-operative Bank is repayable in 5 years including 2 years of moratorium period and carry interest of 12% p.a. As per the scheme, the interest is payable by the Government of India/National Bank for Agriculture and Rural Development (NABARD). The loan is secured by residual charge on free assets of the Company. This charge is yet to be created.

b) Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of Rs. 629.70 lacs (31 March 2016: Rs. 1,161.21 lacs) (01 April 2015: Rs.1,154.98 lacs) from State Bank of India is secured by first pari passu charge on the hypothecated current assets, both present and future and second pari passu charge basis on entire fixed assets of the Company with other working capital lenders. The said loan is repayable in 12 quarterly installments starting from 30th June, 2016 and carry interest of 12.50% p.a. As per the scheme, the interest to the extent of 12% p.a. is payable directly by the Government of India/National Bank for Agriculture and Rural Development (NABARD) to State Bank of India.

3) Term Loan from a financial institution of Rs. 6,636.20 lacs (31 March 2016: Rs.7,218.09 lacs) (01 April 2015: Rs.5,540.02 lacs) from Indian Renewal Energy Development Agency Limited (IREDA) is secured by first equitable mortgage charge on all moveable and immoveable fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a

new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh, and second pari-passu charge on Current Assets of the Company (excluding receivables from the power project on which IREDA and State Bank India will have exclusive first pari-passu charge), on pari passu basis with other lenders. Also, Zuari Global Ltd. has provided corporate guarantee for the said loan.

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

4) Term loan from a body corporate of Nil (31 March 2016: Nil) (01 April 2015: Rs.4,480.08 lacs) from Aditya Birla Finance Limited was secured by first equitable mortgage charge on all moveable and immoveable fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh, and second pari-passu charge on Current Assets of the Company. Also, Zuari Global Limited issued a corporate guarantee for the said loan. The said loan carried an interest rate of 3% above SBI base rate, and was fully repaid during the last year.

5) Term loan from Sugar Development Fund of Rs. 965.47 lacs (31 March 2016: Nil) (01 April 2015: Nil) is secured by first equitable mortgage charge on all moveable and immoveable fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh. The loan carries a fixed rate of interest @ 4.75% p.a. [effective interest rate being 12.5%(refer below)] and for a time period of 9.5 year including 5 years including moratorium period.

The loan received from Sugar Development Fund is received at rate of interest below than market rate. Therefore, the said loan has been fair valued using discounted cash flow technique for initial recognition and will be subsequently carried at amortised cost. The discount rate which has been used for initial recognition i.e. 12.5% p.a. is bench marked to other secured financial liabilities of the Company.

6) Non-Convertible redeemable preference shares

The Non-Convertible Redeemable Preference Shares (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 GSML) are treated as "deemed equity". For NCRPS issued to other entities, 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. (refer below)

Rs. in lacs

	Financial liability carried at Amortised cost	Deferred gain arising of initial measurement difference	Deemed equity
Balance as at 1 April 2015 (Face value: Rs. 10,525 lakhs)	**2,211.89**	**1,136.32**	**7,778.61**
NCRPS issued during the year (Face value: Rs. 2,035 lakhs)	309.72	1,682.89	42.39
Interest expense and related amortisation of deferred gain	422.60	(81.89)	-
Balance as at 31 March 2016 (Face value: Rs. 12,560 lakhs)	**2,944.20**	**2,737.32**	**7,821.00**
NCRPS issued during the year (Face value: Rs. 100 lakhs)	15.22	84.78	-
Interest expense and related amortisation of deferred gain	501.34	(102.76)	-
Balance as at 31 March 2017 (Face value: Rs. 12,660 lakhs)	**3,460.76**	**2,719.34**	**7,821.00**

These shares are redeemable at par in one single lot after the expiry of 12th year from the date of allotment of shares with a right vested in the board of directors to redeem earlier subject to the consent of subscribers.

The date of allotment and number of shares for the various series of preference shares are given below:

Series	Date of allotment	Number of Shares
1st Series	03 January, 2012	15,000,000
2nd Series	18, June, 2012	5,000,000
3rd Series	27 September, 2012	33,000,000
4th Series	28 June, 2013	3,500,000
5th Series	20 September, 2013	3,500,000
6th Series	31 December, 2013	10,000,000
7th Series	31 March, 2014	11,750,000
8th Series	30 June, 2014	5,250,000
9th Series	17 November, 2014	2,000,000
10th Series	14 January, 2015	2,750,000
11th Series	12 February, 2015	13,500,000
12th Series	30 April, 2015	1,500,000
13th Series	05 May, 2015	500,000
14th Series	25 May, 2015	10,000,000
15th Series	06 July, 2015	750,000
16th Series	31 July, 2015	1,000,000
17th Series	28 August, 2015	6,600,000
18th Series	10 November, 2016	1,000,000
	Total	**126,600,000**

Note 20: Provisions	**As at 31 March 2017**	**As at 31 March 2016**	**As at 01 April 2015**
Employee Benefit obligations			
Gratuity payable [note (37)]	53.09	-	-
Leave obligations	87.77	61.48	-
Total	**140.86**	**61.48**	-

Note 21: Other non current liabilities	**As at 31 March 2017**	**As at 31 March 2016**	**As at 01 April 2015**
Deferred gain on preference shares issued to entities other than equity shareholders	2,597.79	2,634.57	1,093.86
Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013			
Deferred government grant 5% - Sugar expansion	497.23	-	-
Deferred government grant 5% - Power Cogeneration plant	489.83	511.40	-
Deferred government grant on loan from Sugar Development Fund	1,055.81	-	-
Total	**4,640.66**	**3,145.97**	**1,093.86**

Note 22: Borrowings (at amortised costs)	**As at 31 March 2017**	**As at 31 March 2016**	**As at 01 April 2015**
Cash credit from Banks(repayable on demand) (refer note 1 below)	15,473.22	11,943.83	9,572.70
Other borrowings			
Loan from a body corporate (refer note 2)	3,800.00	3,800.00	3,864.36
Loan from banks (refer note 3)	-	4,983.07	4,500.00
Loans from others - financial institutions (refer note 4)	2,976.29	2,972.56	-
Total	**22,249.51**	**23,699.45**	**17,937.06**

The above amount includes			
Secured borrowings	18,449.51	19,899.45	14,072.70
Unsecured borrowings	3,800.00	3,800.00	3,864.36

1) Cash Credit

a) Cash Credit of Rs.1,480.43 lacs (31 March 2016: Rs. 1,962.51 lacs) (01 April 2015: Rs. 1,954.03 lacs) from State Bank of India is secured by hypothecation of entire current assets including book debts both present and future on pari passu basis (excluding receivables from the power project on which IREDA and State Bank India will have exclusive first pari-passu charge) and by second charge on entire fixed assets of the Company, with other working capital bankers. This loan carries interest at the rate of 5.00% p.a. above 1-Year MCLR.

b) Cash Credit of Rs. 5,132.20 lacs (31 March 2016: Rs. 4,119.29 lacs) (01 April 2015: Rs. 4,046.24 lacs) from District Cooperative Bank Ltd., Lakhimpur Kheri, is secured by pledge of stock of finished goods and also by second pari passu charge on immovable property, plant and equipment on and carries interest @ 10.05% p.a. The said charge is yet to be created.

c) Cash Credit of Rs. 1,757.11 lacs (31 March 2016: Rs. 1,522.56 lacs) (01 April 2015: Rs. 1,572.43 lacs) from District Cooperative Bank Ltd., Barabanki, is secured by pledge of stock of finished goods and carries interest @ 11.25% p.a. The said charge is yet to be created.

d) Cash Credit of Rs. 1,499.94 lacs (31 March 2016: Rs. 2,000 lacs) (01 April 2015: Nil) from District Cooperative Bank Ltd., Pilibhit, is secured by pledge of stock of finished goods and carries interest 11.20% p.a. The said charge is yet to be created.

e) Cash Credit of Rs. 1,606.46 lacs (31 March 2016: Rs. 1,260.47 lacs) (01 April 2015: Nil) from District Cooperative Bank Ltd., Shahjahanpur, is secured by pledge of stock of finished goods and carries interest 11.25% p.a. The said charge is yet to be created.

f) Cash Credit of Rs. 3,997.08 lacs (31 March 2016: Rs. 1,079 lacs) (01 April 2015: Rs. 2,000 lacs) from Ratnakar Bank Ltd. is secured by first pari-passu charge by way of hypothecation on entire current assets, excluding cogen project receivables, and second pari pasu charge by way of equitable mortgage/hypothecation on all immovable and moveable fixed assets of the company, with other lenders of the Company. The loan carries interest @ 11.25% p.a.

2) Loans from body corporates

a) Loan from Texmaco Infrastructure & Holdings Limited of Rs.1,300 lacs (31 March 2016: Rs.1,300 lacs) (01 April 2015: Rs.1,300 lacs) is repayable on demand and carries interest @ 16% p.a.

b) Loan from Adventz Finance Private Limited (erstwhile Adventz Investments & Holdings Limited) of Rs.2,500 lacs (31 March 2016: Rs.2,500 lacs) (01 April 2015: Rs.2,500 lacs) is repayable on demand and carries interest @ 13.50% p.a.

c) Loan of Nil (31 March 2016: Nil) (01 April 2015: Rs.64.36 lacs) from New Eros Tradecom Limited (NETL) carried interest @ 10.50%.

3) Loan from banks

a) Loan of Rs. Nil (31 March 2016: Rs. 4,983.07 lacs) (01 April 2015: Nil) from Federal Bank Limited is repayable in three equal instalments i.e. Rs. 1,666.67 lacs each to be repaid on 21st April, 2016, 21st July, 2016 and 21st October, 2016 and carries interest @ 12.00% p.a. Also, Zuari Global Limited has issued a corporate guarantee for the said loan.

b) Loan of Rs. Nil (31 March 2016: Nil) (01 April 2015: Rs.4,500 lacs) from HDFC Bank Limited is repayable in two instalments and carried interest @ 11.75% p.a. Also, Zuari Global Limited has issued a corporate guarantee for the said loan.

4) Other loans from financial institutions

Loan of Rs. 2,976.29 lacs (31 March 2016: Rs. 2,972.56 lacs) (01 April 2015: Nil) from Indian Renewable Energy Development Agency Limited is repayable on or before end of two years from the date of 1st disbursement or upon release of SDF Loan, whichever is earlier and carries interest @ 12.70% p.a. is secured by first equitable mortgage charge on all moveable and immoveable fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh, and second pari-passu charge on Current Assets of the Company (excluding receivables from the power project on which IREDA and SBI will have exclusive first pari-passu charge), on pari passu basis with other lenders. Also, Zuari Global Ltd. has provided corporate guarantee for the said loan.

The loan was treated short term as the Company was expecting disbursement of loan of Sugar Development Fund shortly. Loan is expected to be disbursed shortly.

Note 23: Trade payables	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade payables (refer note 42 for details of dues to micro and small enterprises)	16,697.32	9,725.42	13,905.86
Total	**16,697.32**	**9,725.42**	**13,905.86**

Note 24: Other financial liabilities	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Current maturity of long term borrowings	2,931.11	2,341.46	313.00
Interest accrued and due on borrowings and deposits	213.07	231.38	417.38
Employee related payables	279.34	275.39	146.93
Deposits received from Sugar agents and others	69.41	79.61	68.91
Payable towards purchase of capital goods	2,422.58	3,273.16	657.36
Other payables towards expenses	226.71	32.41	55.10
Total	**6,142.21**	**6,233.41**	**1,658.68**

Note 25: Other current liabilities	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Advance received from customers against sale of goods	157.92	100.76	51.93
Statutory dues	566.34	377.21	156.25
Excise duty on closing stock	793.96	810.25	611.17
Deferred gain on preference shares issued to entities other than equity shareholders	121.55	102.76	42.46
Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013			
Deferred government grant 5% - Sugar expansion	21.05	-	-
Deferred government grant 5% - Power Cogeneration plant	21.58	21.58	-
Deferred government grant on loan from Sugar Development Fund	64.15	-	-
Total	**1,746.56**	**1,412.57**	**861.81**

Note 26: Short term provisions	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Employee Benefit obligations			
Gratuity payable [note (37)]	87.75	-	-
Leave obligations	13.80	8.39	49.82
Total	**101.55**	**8.39**	**49.82**

Note 27: Revenue from operations (gross)	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products		
Finished products (including excise duty and cess)	34,204.79	28,717.46
Traded products	-	1,890.50
Power	3,952.33	616.97
By products (including excise duty and cess)	2,265.86	1,722.34
Other operating revenues	-	
Scrap Sales	15.01	380.92
Pressmud Sales	44.37	2.01
Power banked units	6.91	41.88
Total	**40,489.27**	**33,372.08**

Note 28: Other income	Year ended 31 March 2017	Year ended 31 March 2016
Interest income on		
Loans, deposits, advances etc.	1.52	13.79
Long-term investments	0.09	0.09
Refund from Income tax Department	0.75	-
Dividend on long term investments	0.04	10.32
Profit on sale of fixed assets	6.58	-
Insurance and other claims	-	6.46
Rent and hire charges	0.50	0.46
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	49.93	399.47
Deferred gain on preference shares issued to entities other than equity shareholders	102.76	81.89
Government grants		
Interest reimbursement from U.P Government under Sugar Industry, Cogeneration and Distillery Promotion Policy 2013	581.23	114.83
Government grants on excise term loans and cane soft loan	308.70	366.99
Amotisations of :-		
Deferred government grant recognised on loan from Sugar development fund	15.22	-
Deferred government grant 5% - Sugar expansion	21.57	6.38
Deferred government grant 5% - Power Coogeneration plant	8.08	-
Export subsidy	181.50	65.10
Renewable energy certificates income	307.58	14.73
Miscellaneous Receipts	17.65	34.80
Total	**1,603.72**	**1,115.31**

Note 29: Cost of materials consumed	Year ended 31 March 2017	Year ended 31 March 2016
Raw materials at the beginning of the year:-		
Sugar Cane	33.58	35.89
Bagassee	257.59	264.63
Rice husk	3.82	-
Add: Purchases and procurement expenses	30,355.89	19,015.34
Less: Internal generated bagasse transferred to pre-operative expense (allocated) under power and fuel	(99.90)	(359.57)
Raw materials at the end of the year		
Sugar Cane	-	(33.58)
Bagassee	(113.16)	(257.59)
Rice husk	(43.27)	(3.82)
Total	**30,394.54**	**18,661.29**

Note 30: Changes in inventories of finished goods, stock in trade and work in progress	Year ended 31 March 2017	Year ended 31 March 2016
Inventories at the end of the year		
Finished goods	16,560.13	11,716.12
Stock-in-trade		-
By Products	460.86	835.95
Work-in-progress	86.93	359.43
Scrap	189.71	40.00
	17,297.63	**12,951.50**
Inventories at the beginning of the year		
Finished goods	11,716.12	18,971.38
Stock-in-trade	-	-
By Products	835.95	990.09
Work-in-progress	359.43	330.77
Scrap	40.00	20.50
	12,951.50	20,312.74
Increase of excise duty and cess on inventories	77.92	96.05
Total	**(4,268.21)**	**7,457.29**

Note 31: Employee benefits expense	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus etc.	1,821.99	1,226.50
Contribution to provident and other funds	137.44	97.12
Gratuity expense	39.82	22.20
Workmen compensation	-	-
Employees' welfare expenses	45.32	41.54
Less: amounts capitalised	(4.63)	
Total	**2,039.93**	**1,387.36**

Note 32: Finance costs	Year ended 31 March 2017	Year ended 31 March 2016
Interest cost of borrowings carried at amortised cost	5,831.59	5,421.86
Other borrowing costs	64.94	87.12
Less: amounts capitalised towards qualifying assets (refer below)	(1,137.21)	(2,089.40)
Total	**4,759.32**	**3,419.57**

Note: The capitalisation rate used to determine the amount of borrowings costs to be capitalised is weighted average interest rate applicable to the entity's general borrowings during the year, in this case 12.69% p.a.(13.00% p.a.).

Note 33: Depreciation and amortisation expenses	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on property, plant and equipment	1,145.53	397.37
Amortisation of intangible assets	1.07	-
Total	**1,146.60**	**397.37**

Note 34 (a): Other expenses	Year ended 31 March 2017	Year ended 31 March 2016
Consumption of stores and spares	508.36	354.46
Packing materials	290.18	266.52
Power & fuel	122.82	128.89
Repairs to and maintenance of :		
Buildings	38.90	37.88
Machinery	397.39	504.61
Others	1.42	1.03

Rent	64.00	97.83
Rates & taxes	67.97	15.20
Insurance	86.96	53.71
Payment to auditors		
As auditors		
Audit fees	9.00	9.25
Limited review fees	5.25	4.00
In other capacity		
Tax audit fees	2.00	2.50
For certificates and other services	0.76	0.75
Reimbursement of expenses	3.38	2.87
Payment to cost auditors	0.35	0.65
Commission on sales	52.59	56.56
Freight & forwarding charges etc.	347.23	186.68
Charity and donations	0.82	1.22
Loss on disposal of property, plant and equipment	-	80.84
Bad Debts, irrecoverable claims and advances written off	68.70	0.45
Molasses storage & maintenance reserve	5.29	5.00
Director's sitting fees	6.51	6.21
Miscellaneous expenses	416.12	278.83
Less: amounts capitalised	(24.42)	-
Total	**2,471.60**	**2,095.94**

Note 34 (b): Exceptional item

The Government of Uttar Pradesh issued press release for grant of subsidy for Sugar industry for the crushing season 2015-2016 linked to average selling price of sugar and by-products during the period 1 October 2015 to 31 May 2016. During the current period, the Company recognized subsidy amounting to Rs. 64.74 lacs related to the crushing season 2015-2016 in initial days of April 2016 (total subsidy recognized for the said crushing season amounted to Rs. 1,500.38 lacs, based on estimated average selling prices of the period mentioned above). Considering the substantial delay in receiving the same and changes in expectations of the Company regarding its realization, the Company decided to derecognize the whole amount of subsidy as an exceptional item.

Note 35: Income tax expense	**Year ended 31 March 2017**	**Year ended 31 March 2016**
Income tax expense in the statement of profit and loss comprise		
Current tax expense	-	-
Deferred tax expense	110.14	(2,495.70)
Income tax expense	**110.14**	**(2,495.70)**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below

	Year ended 31 March 2017	**Year ended 31 March 2016**
Profit/(Loss) before tax	1,946.92	(1,002.96)
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	**673.79**	**(347.11)**
Tax effect on expiry of bought forward losses	28.07	38.56
Tax effect on amounts which are not deductible /(taxable) in calculating taxable income		
Interest on financial liability - NCRPS	173.50	146.25
Amortised deferred gains on NCRPS	(43.03)	(28.34)
Additional deductions on investments (investment allowances)	(722.00)	(665.67)
Tax effect on changes in tax rates	-	(148.49)
Tax effects of amounts which are not used in deferred tax calculation as they would be reversed in tax holiday periods	-	(1,499.82)
Other items	(0.20)	8.91
Income tax expense	**110.14**	**(2,495.70)**

Movement in deferred tax assets (net)	As at 31 March 2017	As at 31 March 2016
Deferred tax assets (net)		
Opening balance	7,823.89	5,317.51
Deferred tax expenses recognised in :-		
Profit and loss	(110.14)	2,495.70
Other comprehesive income	37.53	10.68
Closing balance	7,751.28	7,823.89

Note 36: Earnings per share (EPS)

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

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

Particulars	As at 31 March 2017	As at 31 March 2016
Profit attributable to equity holders of the Company	1,766.07	1,472.45
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	3,200,000	3,200,000
EPS (basic and diluted) (Rs.)	55.19	46.01
Face value per share (Rs.)	10.00	10.00

Note 37: Defined Benefit plan (Gratuity Plan)

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 two years service.

Policy for recognising actuarial gains and losses

Actuarial gains and losses of defind benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised 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.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

Intrest rate risk: A decrease in the bond interest rate (discount rate) will increase the plan liability

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.

The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March 2017:

Rs. in lacs

Particulars		Gratuity (Funded)	
	31 March 2017	31 March 2016	01 April 2015
i. Net liability/(Surplus of gratuity fund) arising from defined benefit obligation	**140.84**	**0.00**	**(47.01)**

Particulars		Gratuity (Funded)	
		31 March 2017 Rs in lacs	31 March 2016 Rs in lacs
ii. Change in benefit obligations:			
Present value of obligations as at 1 April	A	298.53	298.39
Current Service Cost	B	39.82	25.96
Interest Cost	C	23.88	23.87
Past Service Cost	D	-	-
Remeasurement (gains)/losses: Actuarial (gains) / losses arising from experience adjustments	E	84.97	28.13
Benefits Paid	F	28.40	77.82
Present value of obligation as at 31 March (A+B+C+D+E-F)		**418.80**	**298.53**
iii. Change in Plan Assets			
Fair Value of Plan Assets as at 1 April	A	298.53	345.40
Interest Income	B	23.89	27.63
Employer's Contribution	C	7.82	5.81
Remeasurement gains/(losses): Return on plan assets (excluding amounts included in net interest expense)	D	(23.88)	(2.49)
Benefits Paid	E	28.40	77.82
Fair value of plan asset as at 31 March(A+B+C+D-E)		**277.97**	**298.53**

iv. Amount recognised in the statement of profit and loss (remeasurements)

Particulars		Gratuity (Funded)	
		31 March 2017 Rs in lacs	31 March 2016 Rs in lacs
Current service cost	A	39.83	25.96
Net interest expense/(income)	B	-	(3.76)
Interest income	C		
Defined benefit cost recognized in the statement of profit and loss (A+B+C)		**39.83**	**22.20**

Remeasurements - other comprehensive income

v. Amount recognised in other comprehensive income (remeasurements)

Particulars		Gratuity (Funded)	
		31 March 2017 *Rs in lacs*	31 March 2016 *Rs in lacs*
Actuarial (gains)/losses arising from experience adjustments	A	84.97	28.13
Return on plan assets (excluding amounts included in net interest expense)	B	(23.88)	(2.49)
Components of defined benefit costs recognised in other comprehensive income (A-B)		**108.85**	**30.63**

vi. Principal actuarial assumptions:

Particulars	Refer Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Discount Rate (p.a.)	1	7.50%	8%	8.00%
Expected future salary increase (p. a.)	2	9.00% for 2017-18 & 7.50% for 2018-19	9.00% for 2016-17, 2017-18 & 7.50% for 2018-19	8.35%
Expected return on plan assets		8.00%	8.00%	8.00%

Notes:

1 The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

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

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Demographic assumptions:			
Retirement age	60 years	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.
Withdrawal rate	Varying between Nil to 4.20% per annum depending upon the duration and age of the employees		

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

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Investments with LIC	100.00%	100.00%	100.00%

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.

viii. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	March 31, 2017			
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	0.50% increase	0.50 % decrease	0.50% increase	0.50% decrease
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Impact on defined benefit obligation	(11.73)	12.45	12.36	(11.76)

	March 31, 2016			
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	0.50% increase	0.50 % decrease	0.50% increase	0.50% decrease
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Impact on defined benefit obligation	(9.95)	10.56	10.66	(10.14)

The following payments are expected contributions to the defined benefit plan in future years: Rs. in lacs

	31 March 2017	31 March 2016
Within the next 12 months (next annual reporting period)	87.75	38.34
Between 2 and 5 years	42.98	106.77
Above 5 years	288.09	153.42
Total expected payments	**418.83**	**298.53**

Note 38: Leases

Operating lease

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

Rs. in lacs

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Lease payments made for the year	64.00	97.83

Note 39: Contingent Liabilities Rs. in lacs

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
a) Demands / Claims by various Government Authorities and others not acknowledged as debts and contested by the Company			
i) Excise duty and service tax	150.03	213.13	390.82
ii) Sales tax and entry tax	4.42	4.42	4.42
iii) Others	36.56	8.79	4.31
	191.01	**226.34**	**399.55**

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

b) VAT/Sales Tax liability on sale of Molasses

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

Note 40: Capital and other commitments

a) Capital commitments contracted at the end of the reporting period but not recignised as liabilties is as follows:-

Rs. in lacs

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Property, plant and equipment	500.61	5,424.70	8,783.83

Note 41: Disclosure of specified bank notes

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	1,051,500	566,896	1,618,396
(+) Permitted receipts	-	2,035,883	2,035,883
(-) Permitted payments	-	(2,414,261)	(2,414,261)
(-) Amount deposited in banks	(1,051,500)	-	(1,051,500)
Closing cash in hand as on 30 December 2016	**-**	**188,518**	**188,518**

i) For this purpose the sprecified bank notes(SBN) shall be the notes specified in notification no S.O. 3407(E), dated 08 November 2016. Specified Bank Notes(SBN) means Rs 500 and Rs 1000 notes which ceased to be legal tender post 08 Novemeber 2016 midnight as per notification no S.O. 3407(E), dated 08 November 2016.

ii) The Company does not maintain independent records of denomination of currency in its books of accounts. However, on 08 November 2016 when Rs. 500 and Rs. 1000 ceased to be legal tender, the Company management counted and prepared details of total cash, and deposited the entire SBNs with its bankers.

Note 42: Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Rs in lacs

		As at 31 March 2017	**As at 31 March 2016**	**As at 01 April 2015**
(I)	Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).	6.25	0.89	2.52
(ii)	Interest due on above.	0.13	0.07	0.13
	Total of (i) & (ii)	**6.38**	**0.96**	**2.65**
(iii)	Amount of interest paid by the Group to the suppliers in terms of section 16 of the Act.	-	-	-
(iv)	Amount paid to the suppliers beyond the respective due date.	119.24	7.20	6.92
(v)	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	0.92	0.54	0.27
(vi)	Amount of interest accrued and remaining unpaid at the end of accounting period.	1.05	0.61	0.4
(vii)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	1.05	0.40	1.96

Note 43: Related party disclosures

Lsit of related parties:-

Related parties where control exists

Ultimate Holding Company	Zuari Global Limited
Holding Company	Zuari Investments Limited

Related parties with whom transactions have taken place:

Fellow Subsidiaries	Indian Furniture Private Limited	
	Zuari Management Services Limited	
	Zuari Sugar & Power Limited (erstwhile Zuari Financial Services Limited)	
Key management personnel	Soundara Raghavan Rangachari	– Managing Director
	Dharmendra Roy	– Chief Financial Officer
	Laxman Aggarwal	– Company Secretary

Related party transactions

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

a. Issue of Preference Share Capital Rs . in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Holding Company				
Zuari Investments Limited	31 March, 2017	-	-	-
	31 March, 2016	50.00	-	-
Fellow Subsidiaries				
Zuari Sugar & Power Limited	31 March, 2017	-	-	-
	31 March, 2016	1,000.00	-	-

Refer note 19 for further details on difference between transaction value and outstanding value of NCRPS

c. Professional Services received Rs . in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Holding Company				
Zuari Investments Limited	31 March, 2017	1.98	-	-
	31 March, 2016	-	-	-
Ultimate Holding Company				
Zuari Global Ltd.	31 March, 2017	138.00	-	76.00
	31 March, 2016	-	-	-

d. Reimbursement of expenses made Rs . in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Ultimate Holding Company				
Zuari Global Ltd.	31 March, 2017	-	-	-
	31 March, 2016	0.12	-	-

- The Company has availed cash credit and term loans from banks, body corporate and financial institutions of Rs. 40,053.14 lacs (Rs. 28,332.14 lacs), which are further secured by letter of comfort/corporate gurantee provided by Zuari Global Limited.

e. Purchase of Fixed Assets

Rs . in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Fellow Subsidiary				
Indian Furniture Products Limited	31 March, 2017	169.71	12.41	-
	31 March, 2016	0.10	-	-

f. Remuneration to key managerial personnel

Rs . in lacs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Key management personnel				
Soundara Raghavan Rangachari (M.D.)*	31 March, 2017	-	-	-
	31 March, 2016	-	-	-
Dharmendra Roy (CFO)	31 March, 2017	16.61	-	2.03
	31 March, 2016	12.24	-	3.02
Laxman Aggarwal (CS)	31 March, 2017	14.10	-	0.08
	31 March, 2016	12.99	-	-

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

* The Company has paid managerial remuneration of Rs. 12 (Rs. 12: 31 March 2016) to Shri Soundara Raghavan Rangachari

Note 44: Segment information

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

- Sugar division which is involved in extraction of Sugar from Sugar Cane
- Power division which is inloved in co-generation of Power using by product of Sugar division i.e. bagasse

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 polices 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 segmnets are carried out at arm's length price and are eliminated during the reproting. The segment revenue is measured in the same way as in the statement of profit and loss.

Rs. in lacs

	Sugar		Power		Eliminations		Total operations	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Revenue from operations								
External customers	36,530.03	32,713.23	3,959.24	658.85	-	-	40,489.27	33,372.08
Inter segment transactions	3,293.10	2,288.24	2,471.40	1,538.75	(5,764.50)	(3,826.99)	-	-
Total revenue from segments	39,823.12	35,001.47	6,430.64	2,197.60	(5,764.50)	(3,826.99)	40,489.27	33,372.08
Revenue from operations as per statement of profit and loss							**40,489.27**	**33,372.08**

-Revenue from external customer for sugar segment comprises of selling sugar through various sugar selling agents and selling molasses.
-Revenue from external customer for power division comprises of selling energy genetrated through co-generation plant to Government of Uttar Pradesh

Segment results

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

Rs. in lacs

	Sugar		Power		Total operations	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Segments profit/loss	6,265.20	481.02	3,105.25	2,251.07	9,370.46	2,732.09
Depreciation and amortisation	512.97	212.08	633.63	185.29	1,146.60	397.37
Exceptional items	1,500.38	-			1,500.38	-
Finance cost	1,768.50	1,675.47	-	-	1,768.50	1,675.47
Profit before tax from segments	2,483.36	(1,406.53)	2,471.62	2,065.78	4,954.98	659.25
Unallocable icnomes and expenses						
Finance cost					(2,990.83)	(1,744.10)
Other expenses					(120.00)	-
Other incomes					102.77	81.89
Profit before tax as per statement of profit and loss					**1,946.92**	**(1,002.96)**

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.

Rs. in lacs

	Sugar			Power			Total operations		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015
Total segment assets	43,192.61	36,170.18	41,746.55	20,409.84	19,922.66	11,780.86	63,602.45	56,092.84	53,527.41
Unallocated									
Deferred tax assets							7,751.28	7,823.89	-
Investments							14.82	14.20	-
Total assets as per the balance sheet							**71,368.55**	**63,930.93**	**53,527.41**

Segment liabilities

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

Borrowings to the extent directly related to a segment are considered as the segment liabilities

Rs. in lacs

	Sugar			Power			Total operations		
	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2017	31 Mar 2016	01 Apr 2015
Total segment liabilities	32,170.54	21,669.25	23,478.56	-	-	-	32,170.54	21,669.25	23,478.56
Unallocated									
Non-current liabilities							21,903.23	22,094.89	19,877.22
Current borrowings							6,776.29	11,755.63	8,364.36
Other liabiilties							7,990.32	7,654.37	2,570.31
Total liabilties as per the balance sheet							**68,840.38**	**63,174.13**	**54,290.45**

Note 45: Financial instruments

Following table summarises carrying value of financial assets and liabilities by each category

	Carrying value		
	As at 31 March 2017	**As at 31 March 2016**	**As at 01 April 2015**
Financial assets			
a. FVTOCI financial instruments:			
Quoted equity shares	13.82	13.20	13.54
b. Amortised Cost:			
i) Security deposits made	1.34	1.34	1.21
ii) Trade receivables	1,613.92	5.73	4.97
iii) Cash and cash equivalents	54.15	639.68	-
iv) Bank balances other than above	13.35	0.83	6.91
v) Loans	6.40	3,644.89	3,484.21
vi) Investments in unquoted-non trade investments	1.00	1.00	1.32
vii) Others	535.40	639.68	-
Total	**2,239.38**	**4,946.34**	**3,512.16**
Financial liabilties			
a. Amortised Cost:			
Long term borrowings	17,121.71	18,887.44	18,783.36
Borrowings	22,249.51	23,699.45	17,937.06
Trade payables	16,697.32	9,725.42	13,905.86
Other current financial liabilities	6,142.21	6,233.41	1,658.68
Total	**62,210.75**	**58,545.72**	**52,284.96**

The management assessed that carrying value of financial assets and financial liabilities, carried at amortised 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 sheets.

Investment carried at FVTOCI are valued using market quoted prices (Level 1 valuation)

Note 46: Financial risk management objectives and policies

The Company is 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 summarised 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 risk, such as equity price risk and commodity risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant at 31 March 2017.

The analyses 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. The analysis for the contingent consideration liability is provided in Note 37.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

I. Interest rate risk

Applicability - Financial liabiities

The company has various term loans (short term and long term) from banks and financial institutions, inter corporate deposits, bridge loans 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. The Company has not taken any floating rate borrowing, hence the interest rate risk is considered to be minimal. The Company has used movement in bank rates by Reserve Bank of India for making a sensitivity analysis for interest rate risk.

	Increase/decrease in basis points	Effect on profit before tax (in lacs)
31-Mar-17		
Rupees	+50	224.29
Rupees	-50	(224.29)
31-Mar-16		
Rupees	+50	208.53
Rupees	-50	(208.53)

ii. Currency risk

The Company's transactions do not expose the Company to exchange rate fluctuations. The operations of the Company are INR based. INR is its functional currency.

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 trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Applicability

-Trade receivables and unbilled revenue

-Balances with Banks

-Others

Customer credit risk is managed through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the security held in his account. Outstanding customer receivables are regularly monitored. Also considering the nature of the business, the sugar division of the Company do not have any outstanding trade receivables.

Trade receivables and unbilled revenue of the Company represents receivables from Madhyanchal Vidyut Vitran Nigam Limited (an undertaking of Government of Uttar Pradesh) in respect of supply of power. Since it is receivable from a Government undertaking, the management doesn't consider the credit risk to be significant.

Rs. in lacs

Summary	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Not due	1,267.93	1,052.64	-
Overdue (0-3 months)	878.96	1,557.88	19.40
Total	**2,146.89**	**2,610.52**	**19.40**

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 of surplus funds are made only with banks as fixed deposits.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as summarised in **Note 12** and **13.** As a policy the Company only invest with Banks and Financial institutions of high credit worthiness and therefore, doesnt consider the credit risk in respect of these balance to be significant.

Other balances are not significant and hence, not analysed separately.

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 summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended 31 March 2017					
Borrowings	22,249.51	-	-	17,121.71	39,371.22
Trade payables	-	16,697.32	-	-	16,697.32
Other financial liabilities	-	3,943.87	2,198.33	-	6,142.21
Total	**22,249.51**	**20,641.19**	**2,198.33**	**17,121.71**	**62,210.75**
Year ended 31 March 2016					
Borrowings	23,699.45	-	-	18,887.44	42,586.89
Trade payables	-	9,725.42	-	-	9,725.42
Other financial liabilities	-	4,477.32	1,756.10	-	6,233.41
Total	**23,699.45**	**14,202.74**	**1,756.10**	**18,887.44**	**58,545.72**
Year ended 01 April 2015					
Borrowings	17,937.06	-	-	18,783.36	36,720.42
Trade payables	-	13,905.86	-	-	13,905.86
Other financial liabilities	-	1,423.93	234.75	-	1,658.68
Total	**17,937.06**	**15,329.79**	**234.75**	**18,783.36**	**52,284.96**

Note 47: 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 and ensure access to external sources of financing, in part by maintaining an adequate rating. 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 Debt to Equity ratio is seen to be gradually improving.

The position on reporting date is summarized in the following table:

Rs. in lacs

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Long term borrowings (including financial liability part of non cummulative redeemable preference shares)	17,121.71	18,887.44	18,783.36
Current maturities of long-term borrowings	2,931.11	2,341.46	313.00
Short-term borrowings	22,249.51	23,699.45	17,937.06
Total Debt (a)	**42,302.33**	**44,928.35**	**37,033.42**
Total Equity (b)	2,528.17	756.80	(763.04)
Debt to Equity ratio (a/b)	16.73	59.37	-

Note 48: First time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind ASs. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind ASs applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind ASs. This note explains the principal adjustments made by the Companyin restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

The company has applied Ind AS 101 in preparing these first financial statements. The effect of transition to Ind ASs on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes that accompany the tables.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS exemptions availed

a) Deemed cost for property, plant and equipment

On the date of transition to Ind AS, the Company has considered fair value of its Property, plant and equipments as its deemed cost. Refer below for details.

Particulars	**Carrying amounts** under previous GAAP	**Fair values as on** 01 April 2015	**(Gains)/losses transfer** to retained earnings
Freehold Land	377.86	1,804.46	(1,426.60)
Buildings	646.69	652.34	(5.65)
Plant and Equipments	2,638.92	2,642.63	(3.71)
Furniture and Fixtures*	51.00	51.00	-
Vehicles*	42.56	42.56	-
Office Equipments*	24.25	24.25	-
Total	**3,781.28**	**5,217.24**	**(1,435.96)**

* Carrying values of the items have been considered as fair values considering the nature of the items and amounts involved.

b) Designation of previously recognised financial instruments

"Ind AS allows an entity to designate investments in equity investments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS.The Company has elected to apply this exemption for its investments in equity investments.

Ind AS exceptions availed

a) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition, if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

b) Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation :

FVTOCI – unquoted equity shares.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehesive income and cash flows for prior periods. The following tables represents the reconciliations from previous GAAP and Ind AS.

(The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purppose of below mentioned notes related to reconciliations)

Reconciliation of equity as at date of transition (01 April 2015)

Rs. in lacs

	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	vii	3,781.29	1,435.96	5,217.25
(b) Capital work-in-progress		16,764.00	-	16,764.00
(c) Financial Assets		-		
(i) Investments	i	14.54	0.31	14.85
(ii) Others		1.21	-	1.21
(I) Deferred tax assets(net)	ii	5,655.53	(338.02)	5,317.50
(j) Other non-current assets		1,099.98	-	1,099.98
				-
(2) Current assets				-
(a) Inventories		20,956.50	-	20,956.50
(b) Financial Assets			-	-
(i) Trade receivables		19.40	-	19.40
(ii) Cash and cash equivalents		72.36	-	72.36
(ii) Bank balances other than (iii) above		568.27	-	568.27
(iv) Loans		4.97	-	4.97
(v) Others		-	-	-
(c)Current Tax Assets (Net)		6.91	-	6.91
(d) Other current assets		3,484.21	-	3,484.21
TOTAL		**52,429.16**	**1,098.24**	**53,527.40**

II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		320.00	-	320.00
(b) Other Equity				
(i) Deemed equity	vi	10,525.00	(2,746.39)	7,778.61
(ii) Reserves and surplus		(9,506.60)	644.71	(8,861.89)
(iii) Other reserves	i	-	0.24	0.24
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	iii,vi	16,720.00	2,063.36	18,783.36
(ii)Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions		-	-	-
(c) Other non-current liabilities	vi	-	1,093.86	1,093.86
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		17,937.06	-	17,937.06
(ii) Trade payables		13,905.86	-	13,905.86
(iii) Other financial liabilities (other than those specified in item (c)		1,658.68	-	1,658.68
(b) Other current liabilities	vi	819.35	42.46	861.81
(c) Provisions		49.82	-	49.82
TOTAL		**52,429.17**	**1,098.24**	**53,527.41**

Reconciliation of equity as at date of transition (31 March 2016)

Rs. in lacs

	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	vii	20,219.27	1,435.96	21,655.23
(b) Capital work-in-progress		14,213.29	-	14,213.29
(c) Financial Assets				
(I) Investments	i	14.23	(0.03)	14.20
(ii) Others		1.34	-	1.34
(d) Deferred tax assets(net)	ii,x	5,867.85	1,956.04	7,823.89
(e) Other non-current assets		171.16	-	171.16
(2) Current assets				
(a) Inventories	ix	13,702.35	(41.88)	13,660.47
(b) Financial Assets				
(i) Trade receivables		1,973.11	-	1,973.11
(ii) Cash and cash equivalents		117.09	-	117.09
(iii) Bank balances other than (iii) above		10.02	-	10.02
(iv) Loans		5.73	-	5.73
(v) Others		639.68	-	639.68
(c) Current Tax Assets (Net)		0.83	-	0.83
(d) Other current assets	ix	3,603.01	41.88	3,644.89
TOTAL		**60,538.97**	**3,391.96**	**63,930.93**

II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		320.00	-	320.00
(b) Other Equity				
(i) Deemed equity	vi	12,560.00	(4,739.00)	7,821.00
(ii) Reserves and surplus	vi,x	(9,449.64)	2,065.46	(7,384.18)
(iii) Other reserves	i	-	(0.02)	(0.02)
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	iii,vi	16,047.86	2,839.58	18,887.44
(ii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions		61.48	-	61.48
(c) Other non-current liabilities	vii,x	-	3,145.97	3,145.97
(2) Current liabilities				
(a) Financial Liabilities				
(I) Borrowings	iii	23,743.83	(44.38)	23,699.45
(ii) Trade payables		9,725.42	-	9,725.42
(iii) Other financial liabilities (other than those specified in item (c)		6,233.41	-	6,233.41
(b) Other current liabilities	vii,x	1,288.22	124.35	1,412.57
(c) Provisions		8.39	-	8.39
TOTAL		**60,538.97**	**3,391.96**	**63,930.93**

Reconciliation of total comprehensive income for the year ended 31 March 2016

Rs. in lacs

	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Revenue from operations (gross)	iv	31,869.56	1502.52	33,372.08
Other Income	vi,viii,ix	1,199.42	(84.11)	1,115.31
Total Revenue		**33,068.98**	**1,418.41**	**34,487.39**
Expenses				
Cost of materials consumed		18,661.29	-	18,661.29
Purchases of Stock-in-Trade		610.89	-	610.89
Changes in inventories of finished goods, stock in trade and work in progress		7415.41	41.88	7,457.29
Excise duty and cess on sale of goods	iv	-	1460.64	1,460.64
Employee benefits expense	v	1417.99	(30.63)	1,387.36
Finance costs	iii,vi,viii	2630.46	789.11	3,419.57
Depreciation and amortisation expenses		397.37	-	397.37
Other expenses		2095.94	-	2,095.94
Total expenses		**33,229.35**	**2,261.00**	**35,490.35**
Profit/(Loss) before exceptional item and tax		**(160.37)**	**(842.59)**	**(1,002.97)**
Exceptional items		-	-	-
Profit/(Loss) before tax		**(160.37)**	**(842.59)**	**(1,002.97)**
Income tax expense				
-Current tax		-	-	-
-Deferred tax	ii,x	(212.33)	(2,283.37)	(2,495.70)
Profit for the year		**51.96**	**1,440.78**	**1,492.74**
Other comprehesive income	i,v	-	(20.29)	(20.29)
Total comprehensive income		**51.96**	**1,420.49**	**1,472.45**

Reconciliation of total equity as at 31 March 2016 and 01 April 2015

Rs. in lacs

	Notes to first time adoption	31 March 2016	01 April 2015
Total equity (shareholder's funds) as per previous GAAP		**3,430.36**	**1,338.40**
Ind AS adjustments			
Non convertible redeemable preference shares (NCRPS) decrognised for initial measurement under Ind AS 109 "Financial Instruments"	vi	(12,560.00)	(10,525.00)
Deemed equity (recognised on difference between transaction price and fair value of NCRPS	vi	7,821.00	7,778.61
Interest on financial liability part of NCRPS	vi	(942.53)	(601.82)
Impact of appliaction of effective interest rate method for borrowings	iii	149.00	148.53
Effect of considering fair valuation of property, plant and equipment at deemed cost on the date of transition to Ind AS	vii	1,435.96	1,435.96
Fair valuation of equity investment through other comprehensive income	i	(0.03)	0.31
Tax impacts on above	ii	(351.46)	(338.02)
For capital grants recognised as revenue grants (net impact)	x	(532.99)	-
Deferred tax adjustments	x	2,307.47	-
Total equity as per Ind AS		**756.80**	**(763.04)**

Reconciliation of total comprehensive income for the year ended 31 March 2016 Rs. in lacs

	Notes to first time adoption	31 March 2016
Profit after tax after previous GAAP		**51.96**
Ind AS adjustments		
Interest on financial liability part of NCRPS	vi	(340.71)
Impact of application of effective interest rate method for borrowings	iii	0.47
Actuarial losses on employee benefit obligations reclassified to other comprehensive income	v	30.63
Tax impact on the above adjustments	ii	(24.11)
For capital grants recognized as revenue grants (net impact)	x	(532.99)
Adjustment to deferred tax assets	x	2,307.49
Profit after tax as per Ind AS		**1,492.74**
Other comprehensive income	i,v	(20.29)
Total comprehensive income		**1,472.45**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016 Rs. in lacs

Particulars	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flow from operating activities	vi,iii,ix	3,718.62	610.00	4,328.62
Net cash flow from investing activities		(9,182.70)	(1,055.72)	(10,238.43)
Net cash flow from financial activities	vi,iii,ix	5,508.81	445.73	5,954.54
Net increase/(decrease) in cash and cash equivalents		**44.73**	**-**	**44.73**
Cash and cash equivalents as at 1 April 2015		72.36	-	72.36
Cash and cash equivalents as at 31 March 2016		**117.09**	**-**	**117.09**

I. Financial assets

Financial assets such as loans made to employees of the Company were being carried over at nominal cost under IGAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, there has been no impact since the company has availed Ind AS 101 exemption with respect to measurement of financial instruments. The amounts relating to the same were not material. Therefore nominal costs of the financial assets have been considered as the amortised costs.

The Company has investments in quoted equity shares. In line with the requirements of Ind AS 109, the Company has decided to value all such investments at its fair value. On doing so, the company has elected to remeasure the investments held under equity shares via Other Comprehensive Income at the date of transition and accordingly the Company has credited FVTOCI reserve (net of tax impacts) and debited investments as on transition date. Similarly during the year ended 31 March 2016, the company has recognised a loss owing to decline in value of equity investments through FVTOCI Reserve. For quoted investments, the Company has considered market value of the such investments. For unquoted investments, the Company has considered cost of acquisition to be an appropriate estimate of their fair value.

ii. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity as on 01 April 2015. Further, as on 31 March 2016, impacts of deferred tax due to Ind AS adjustments were adjusted in tax expense or other relevant heads of the Statement of profit and loss account.

iii. Borrowings

Ind AS 109 requires transition costs incurred towards borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recoigunised in the statement of profit and loss over the tenure of the borrowings as part of the interest expense by applying effective interest rate method.

Under previous GAAP, they were charged directly to the statement of profit and loss account when incurred.

iv. Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the statement of profit and loss as part of expenses. However, the same does not have any impact on the total equity and profits.

v. Remeasurement of post employment benefit obligations

Under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI. Due to this, for the year ended 31 March 2016, the employee benefit cost is reduced and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI .

vi. Non convertible redeemable preference shares (NCRPS)

The Company has issued non convertible redeemable preference shares which carry dividend @ 7.00% p.a. 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.

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

Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit as and when distributed or to be distributed.

Under Ind AS, NCRPS (being a financial instrument) are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Difference between fair values (financial liability part) and transaction prices of the instruments is recognised as deemed equity (if the financial instruments are issued to equity shareholders) or deferred gain (if the financial instruments are issued to other group companies). Deferred gain recognised on financial instruments issued to other group companies is amortised on the basis of finance cost recognised on the corresponding financial liability part on initial split of financial instruments.

vii. Property, plant and equipment

Under Ind AS, the Company has considered fair values as on 01 April 2015 of property, plant and equipment as deemed costs in accordance with Ind AS 101. Depreciation, on the basis of revised values is calculated considering the useful life of the property, plant and equipment. Gains arising on adoption of fair values of property, plant and equipment have been credited (net of tax impacts) to retained earnings as on the transition date.

viii. Government grants

The Company has availed loans under the various schemes of the government at concessional rates for which interests paid were reimbursed to the Company upto an extent. Under previous GAAP, the interest cost reimbursed to the Company by the government was set off by the Company against the finance costs charged. However, under Ind AS, the Company has revised the same in accordance with Ind AS 20 "Accounting for Government Grant and Disclosure of Government Assistance" to present such reimbursed interest cost as "other income".

ix. Power banked units

Under previous GAAP, Power banked units were treated as inventory - finished product and presented in statement of profit and loss account through changes in inventories. However, on transition to Ind AS, such units are treated as part of "other current assets" and corresponding effect is taken to the "other operating income". The effect of the same has been considered restated financials as on 31 March 2016. On transition date, there were no banked units in stock as power cogeneration business did not commence.

x. Correction of errors discovered while transition to Ind AS

The Company became eligible for interest reimbursement under the Scheme of Sugar Industry, Co-generation and Distillery Promotion Policy 2013 ('scheme') which entitles Company to receive reimbursement of 5% on the interest payable on the loans obtained from banks / financial institutions / sugar development fund (SDF) on account of plant and machinery purchased for power co-generation plant. The Company started recognizing interest reimbursement in respect of Cogeneration plant with effect from year ended 31 March 2016 based upon achievement of criteria prescribed for the grant in the scheme. The Company recognised the above subsidy as revenue grant which also includes subsidy with respect to interest during the construction period of the co-generation plant and capacity expansion of existing sugar mill amounting to Rs. 539.37 lacs respectively. Auditors had qualified their audit report for the year ended 31 March 2016.

The Company revisited the presentation of the subsidies while transitioning from previous GAAP. The amount of Rs. 532.99 lacs (net of amortized amounts) have been transferred to the “deferred income” as mandated by Ind AS 20 “Accounting for Government Grants and Disclosure of Government Assistance” and presented under relevant heads of other current and non current liabilities. The impact of the last year's errors discovered during transition have been taken to the respective period's financials and shown as a reconciling item in accordance with requirements of Ind AS 101 “First-time Adoption of Indian Accounting”. The Company discovered certain deferred tax adjustments for deferred tax liability reversal on Power plant during tax holiday period and on additional benefits available to the Company under Income-tax Act 1961 as investment allowance.

Note 49: Approval of financial statements for issue

The financial statements were approved for external issue by the board of directors on 12 May 2017.

The accompanying notes are an integral part of these financial statements

For and on behalf of the board of directors

As per our report of even date

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

Sd/-
Neeraj Goel
Partner
Membership no: 099514
Place: Gurgaon
Date: 12 May 2017

Sd/-
N. Suresh Krishnan
(Chairman)
DIN: 00021965

Sd/-
R. S. Raghavan
(Managing Director)
DIN: 00362555

Sd/-
R. N. Ratnam
(Director)
DIN: 06422037

Sd/-
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

GOBIND SUGAR MILLS LIMITED

CIN No. L15421WB1952PLC020577
Regd Office: 9/1, R N Mukherjee Road, Kolkata – 700 001
Corp. Office: 5th Floor, Tower-A, Global Business Park, Sector-26, M.G. Road, Gurgaon-122 002, Haryana
Tel: +91 124 4827800, Fax: +91 124 421046, Email: ig.gsml@adventz.com, Website: www.gobindsugar.com

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) : ______________________________E-mail : ____________________

Registered Address : ____

Folio/ DP ID - Client ID No. : ____

I/We being the member(s) of ___________ shares of Gobind Sugar Mills Limited hereby appoint:

(1) Name : ______________________________E-mail ID : ____________________

Address : ____

Signature : ______________________________, or failing him;

(2) Name : ______________________________E-mail ID : ____________________

Address : ____

Signature : ______________________________, or failing him;

(3) Name : ______________________________E-mail ID : ____________________

Address : ____

Signature : ______________________________, or failing him;

as my/our proxy in my/our absence to attend & vote for me/us, and on my/our behalf, at the Annual General Meeting of the Company, to be held on Friday, 04th August 2017 at 2.45 pm at 9/1 R N Mukherjee Road, Kolkata-700001 & at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2017		
2.	Re-appointment of Mr. N. Suresh Krishnan, who retires by rotation and is eligible for re-appointment		
3.	Ratification of the appointment of M/s Walker Chandiok & Co, LLP, Chartered Accountants, as Statutory Auditors of the Company		
4.	Appointment and remuneration of the cost auditor for the financial year 2017-18		
5.	Appointment of Mr. L.M. Chandrasekaran as an Independent Director of the Company.		

Signed this ……………. day of ………………..2017

Affix Revenue Stamp

....
Signature of Shareholder

....
Signature of Proxy holder (s)

NOTES : 1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

*2. This is only Optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the Annual General Meeting held on Friday, 4th August 2017, at 2.45 pm at 9/1, R.N. Mukherjee Road, Kolkata-700001

Name of Shareholder/Proxy* ______________________________ No of Shares held __________

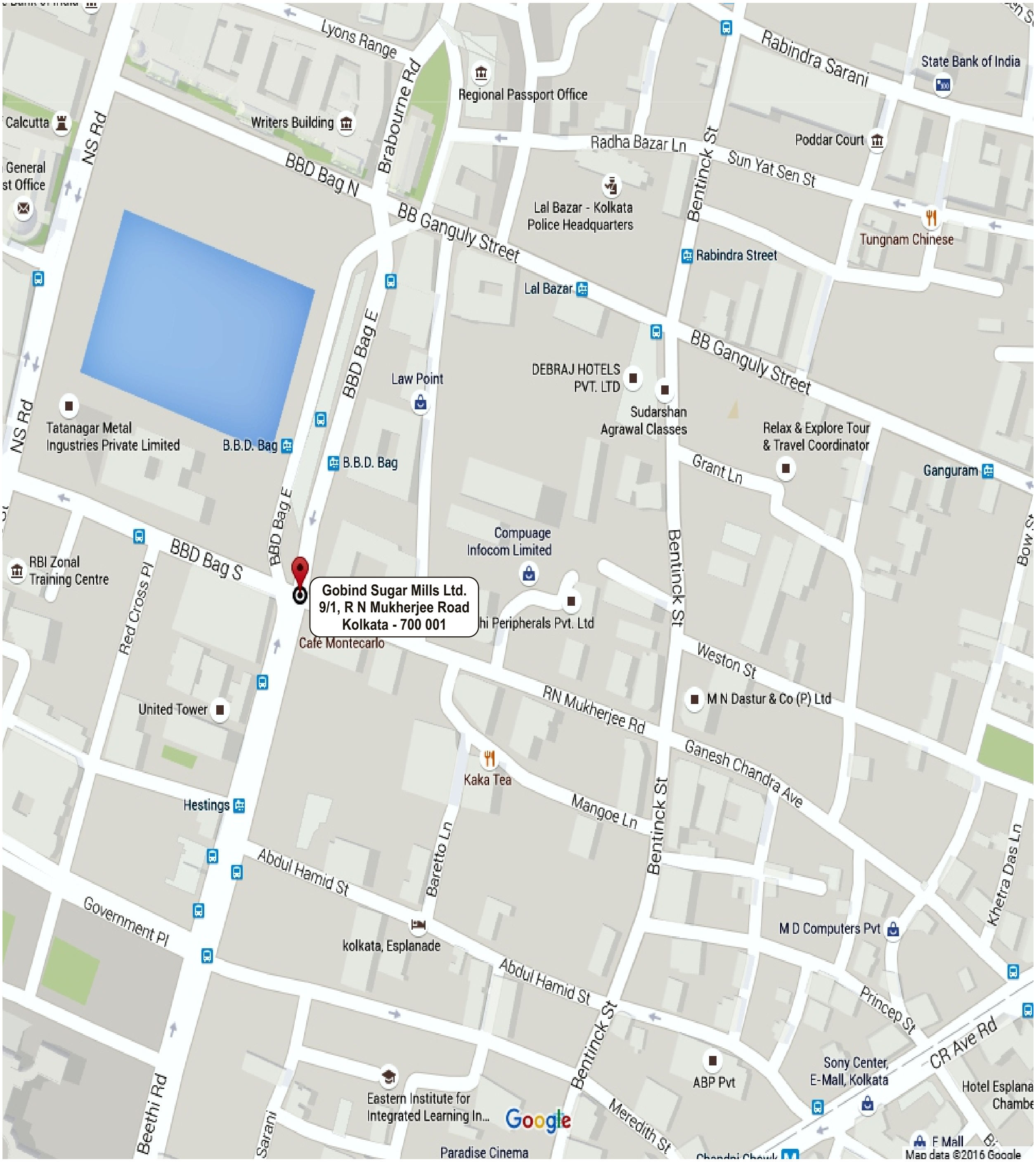
Address ______________________________ Folio No. ______________

*Strike out whichever is not applicable

(To be signed at the time of handing over this slip)

____
Signature of shareholder/Proxy

ROUTE MAP TO THE AGM VENUE



Co-generation Plant

GOBIND SUGAR MILLS LIMITED

Regd. Off : 9/1, R.N. Mukherjee Road, Kolkata - 700 001,
Tel. : 91-033-2243 0497/8

Corp. Off : 5th Floor, Tower-A, Global Business Park, Sector-26,
M.G. Road, Gurgaon, Haryana
Tel. : 0124-4827800 | Fax : 0124-4212046