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**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1980-81**

1981

THE GODAVARI SUGAR MILLS LIMITED

(Incorporated under the Indian Companies Act VII of 1913)

Board of Directors :

SHRI KARAMSHI JETHABHAI SOMAIYA

Chairman and Managing Director

SHRI JAYANTILAL GANGADAS DALAL

SHRI DHARAMSHI MORARJI POPAT

SHRI SHRIDHAR NARAYAN VAIDYA

SHRI NAVINCHANDRA CHUNILAL SAYTA

SHRI S. R. CHANDRASEKHARA SETTY

(Nominee of Karnataka State Financial Corporation)

SHRI M. KRISHNA MURTHY

(Nominee of Karnataka State Government)

DR. SHANTILAL KARAMSHI SOMAIYA

Bankers :

BANK OF INDIA

UNION BANK OF INDIA

VIJAYA BANK

BANK OF MAHARASHTRA

BANK OF BARODA

Solicitors :

MULLA & MULLA AND CRAIGIE BLUNT AND CAROE

Auditors :

AMBALAL THAKKAR & CO.

Registered Office :

FAZALBHOY BUILDING,
MAHATMA GANDHI ROAD,
FORT, BOMBAY-400 023

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

NOTICE

Notice is hereby given that the Forty Second Annual General Meeting of the Godavari Sugar Mills Limited will be held on Thursday the 1st April, 1982 at 3-00 P. M. (S.T.) at the Registered Office of the Company at Fazalbhoy Building, Mahatma Gandhi Road, Bombay 400 023 to transact the following business :

1. To receive and adopt Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1981.
2. To elect a Director in place of Shri K. J. Somaiya who retires by rotation but, being eligible, offers himself for re-election.
3. To elect a Director in place of Shri S. N. Vaidya who retires by rotation but, being eligible, offers himself for re-election.
4. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :

ORDINARY RESOLUTION :

"Resolved that in supersession of the resolution passed at the 35th Annual General Meeting of the Company held on 26th June, 1975 and pursuant to Clause (d) of Sub-section (1) of Section 293 of the Companies Act, 1956 consent of Company be and it is hereby accorded to the Board of Directors of the Company for borrowing moneys for the purpose of the Company from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed if any, by the Company (apart from the temporary loans obtained by the Company from the Company's Bankers in the Ordinary course of business) will or may exceed the aggregate of the paid-up Capital of the Company and its Free Reserves that is to say, reserves not set apart for any specific purpose, so that the total amount to which the moneys can be borrowed by the Directors shall not at any time exceed Rs. 30 crores".

5. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,

K. J. SOMAIYA

Managing Director

BOMBAY : Dated 27th February, 1982.

- Notes :**
- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
 - (2) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under item No. 4 is annexed herewith.

EXPLANATORY STATEMENT

The following Explanatory Statement is given in respect of Item of Special Business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of the Companies Act, 1956.

ITEM NO. 4 :

By an Ordinary Resolution passed at the Annual General Meeting of the Company held on 26th June, 1975, the Board of Directors were authorised to borrow funds upto a limit of Rs. 20 crores. In view of higher Crushing and Production expected at the factories compared to those in earlier seasons, the Board of Directors is of the opinion that to meet the additional requirements, the borrowing limit of Rs. 20 crores be increased to Rs. 30 crores.

INTEREST OF DIRECTORS :

None of the Directors of the Company is interested in the Ordinary resolution under Item No. 4.

By Order of the Board of Directors,

K. J. SOMAIYA

Managing Director

BOMBAY : Dated : 27th February, 1982.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

DIRECTORS' REPORT

Your Directors submit their report on the Audited statement of Accounts of the Company for the year ended 30th September, 1981.

FINANCIAL RESULTS :

The working of the Company for the year under report has resulted in an operating surplus of Rs. 168.53 lacs without providing for Interest and Depreciation. After providing Interest of Rs. 220.66 lacs but before providing Depreciation, the working for the year resulted in a loss of Rs. 52.13 lacs. In view of the carried forward loss, no provision has been made for depreciation. The Directors also do not recommend Dividend on Equity and Preference Shares for the year ending 30th September, 1981.

MANUFACTURING RESULTS :

Sakarwadi and Lakshmiwadi Factories in Maharashtra worked better as compared to the season 1979-80. Recovery was also better during 1980-81 season. However, the unabated diversion of Cane for Jaggery from area of Company's Sameerwadi Factory continued in 1980-81 also. As a result, Sameerwadi Factory closed crushing in the last week of February with a crush of only 1,39,921 tonnes of cane. Due to this reason, the recovery was also lower.

During 1980-81 season, Company crushed 5,43,107 tonnes of Cane and manufactured 5,67,285 quintals of Sugar against crushing of 2,95,536 tonnes of cane and production of 3,02,149 quintals of sugar in earlier season 1979-80.

Apart from low crushing at Sameerwadi, Company's financial results for the season 1980-81 have mainly been affected by following factors :

- (a) High Cane Price required to be paid : In view of Cultivators' agitation and to avoid diversion of cane for Jaggery, Sameerwadi Factory had to declare Ex-factory Cane Price of Rs. 250/- per tonne. Similarly, Sakarwadi and Lakshmiwadi Factories were required to pay highest ever "onAccount" Cane Price of Rs. 240/- per tonne ex-field, as instructed by Director of Sugar. On account of the fact that the prices of neighbouring Co-operative Factories—to which the prices of our factories are linked—are not yet determined, the final cane prices in respect of Sakarwadi and Lakshmiwadi Factories are not yet fixed. Provision has been made in accounts at Rs. 250/- per tonne ex-field.
- (b) Steep increase by about 35% in Harvesting and Transport rates as awarded by the Maharashtra Government.
- (c) Diversion of 23,457 quintals of Free Sugar for levy distribution from Company's three sugar factories — to be ultimately adjusted out of current season's production — as decided by Government of India from all sugar factories to meet the deficit of levy stocks at the end of season 1980-81. This resulted in a loss of about Rs. 45 lacs to the Company during the year under report.

Writ Petitions for Levy Sugar Prices :

- (a) Writ Petitions in respect of Levy Sugar Prices for seasons 1974-75 to 1977-78 seasons are pending in different High Courts. Applications by Attorney General of India for transferring the Writ Petitions for seasons 1978-79 and 1979-80 to Supreme Court are pending disposal.
- (b) For the season 1980-81, Company's Sakarwadi and Lakshmiwadi Factories were placed in Schedule VI of notification dated 15th December, 1980 for Levy Sugar Prices fixed by Government of India allowing the factories to charge additional Levy Price of Rs. 26/- per quintal to compensate the uneconomic working of old

(more than 25 years old) factories having licensed capacity of less than 1250 tonnes crushing per day. However, later on by an amendment Order dated 13 th January, 1981, Lakshmiwadi Factory was transferred from Schedule VI to Schedule V which thus had an effect of denying it the compensation of Rs. 26/- per quintal. The Company, was, therefore, obliged to file Writ Petition in the Delhi High Court, By an Interim Order, Delhi High Court allowed Lakshmiwadi Factory to continue to charge additional price of Rs. 26/- per quintal. The matter has been finally decided by the Court in Company's favour. Government has gone in Appeal in Supreme Court against Delhi High Court's decision which Appeal has been recently admitted.

- (c) Similarly for 1981-82 season, only Sakarwadi Factory was placed by Government of India in Schedule VI of the Notification fixing Levy Sugar Prices. Hence, for current season also, similar Writ has been filed in Delhi High Court for Lakshmiwadi factory. Delhi High Court has by an Interim Order authorised Lakshmiwadi Factory to charge additional Levy Price of Rs. 26/- per quintal.
- (d) Although all Government nominees lifted Levy Sugar from Lakshmiwadi Factory out of production of 1980-81 season by paying additional price of Rs. 26/- per quintal, the Food Corporation of India did not lift 33,355 quintals of Levy Sugar till mid-October, 1981. As the Company's requests to Government of India to instruct Food Corporation of India, to lift sugar did not bring any results and as Company was losing heavily on interest and other costs, it has been obliged to file Writ in High Court of Bombay. The matter is now pending before the High Court.

CURRENT WORKING :

During the current season, availability of cane all over India has been very good as a result of which, all-India sugar production is estimated to reach about 70 lac tonnes. Due to the timely assistance by way of Working Capital finance sanctioned by Company's Bankers, Sameerwadi factory expects to crush over 4 lac tonnes of cane during current season with a better recovery than last season. Similarly, Sakarwadi and Lakshmiwadi factories together would crush about 5 lac tonnes of cane. The Company, therefore, expects to turn the corner during the current season.

OTHER MATTERS :

M/s. Sakarwadi Sugar Factory Ltd., Lakshmiwadi Sugar Factory Ltd. and Somaiya Sugar Works Ltd. have ceased to be Subsidiaries of the Company during the year under report.

The Board would like to place on record its sincere appreciation of the co-operation and assistance extended by its Bankers, Bank of India and Union Bank of India, Vijaya Bank and the Karnataka Government and Karnataka State Financial Corporation.

The statement concerning employees, as required by Sub-section (2-A) of Section 217 of the Companies Act, 1956, as amended, is attached as per Schedule 'B'.

Two of your Directors viz. Shri K. J. Somaiya and Shri S. N. Vaidya retire by rotation but being eligible offer themselves for re-election.

M/s. Ambalal Thakkar & Co., Auditors of the Company, retire and offer themselves for re-appointment.

By Order of the Board of Directors,

K. J. SOMAIYA
Chairman

BOMBAY : Dated 27th February, 1982

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1981

We have examined the attached Balance Sheet and the Profit & Loss Account annexed thereto which are in agreement with the Company's Books of Accounts.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 issued by the Central Government and on the basis of such checks as we consider appropriate, we report as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets. Physical verification of all the Assets has been conducted by the Management at the close of the year and no serious discrepancies were noticed.
2. No Fixed Assets of the Company has been revalued during the year.
3. The Stocks of Finished Goods, Raw Materials, Stores and Spares etc. were physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies notified on verification between physical stock, and the Stock as shown in the Books have been properly dealt with in the Books of Accounts. In our opinion, valuation of the above mentioned Stocks is fair and proper in accordance with normally accepted principles and is on the same basis as in the last year.
4. The Company has not taken any loans from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
5. Loans given to Companies, Firms and other Parties, and interest thereon have not become due on 30th September, 1981 as per the stipulations agreed upon between the Companies and the Parties. Loans and Advances in the nature of loan given to Employees are recovered regularly as stipulated.
6. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchases of Raw Materials, Stores, Plant and Machineries, Equipments and other Assets.
7. The Company has purchased Stores exceeding Rs. 10,000/- from Companies in which Directors are interested and the prices paid are reasonable as compared to the prices of similar items supplied by other parties.
8. As informed to us and as per usual practice unsaleable and obsolete stock of Stores is shown at NIL value and no provision for the loss has been made in the accounts.
9. In our opinion and according to the information and explanations given to us, the Company has complied with the Provision of Section 58A of the Companies Act, 1956 and of the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits accepted from the public and Unsecured Loans.
10. Company has maintained reasonable records for the sale and disposal of by-products.
11. In our opinion Company has an adequate Internal Audit System commensurate with the size and nature of its business.
12. According to the records produced and information given to us, we are of the opinion that the Cost Records and Accounts as Prescribed by the Central Government under Section 202 (1) (d) of the Companies Act, 1956 have been maintained by the Company but no detailed examination of such Records and Accounts has been carried out by us.

13. The Company is regular in depositing Provident Fund dues with the appropriate authorities.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion, proper Books of Accounts as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of these books.

In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account "Subject to Note No. 5 regarding non provision for accrued liability for gratuity" and read with other notes thereon give the information required by the Act in the manner so required and present a true and fair view of the state of the Company's affairs as at the close of the above financial year and of the Loss for that year.

For **AMBALAL THAKKAR & CO.,**
CHARTERED ACCOUNTANTS

G. P. BHATT

Partner

BOMBAY : Dated 27th February, 1982

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1980	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	I. SHARE CAPITAL:			
	AUTHORISED CAPITAL:			
2,30,00,000	2,30,000 Ordinary (Equity) Shares of Rs. 100/- each		2,30,00,000	
20,00,000	20,000 7.8572% subject to deduction of tax at source Redeemable Cumulative Second Preference Shares of Rs. 100/- each ..		20,00,000	
50,00,000	50,000 9½% subject to deduction of tax at source Redeemable Cumulative Third Preference Shares of Rs. 100/- each		50,00,000	
3,00,00,000				3,00,00,000
	ISSUED AND SUBSCRIBED CAPITAL:			
1,80,00,000	1,80,000 Ordinary (Equity) Shares of Rs. 100/- each fully paid up; of the above Shares 1,70,000 Shares are allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve		1,80,00,000	
18,50,950	18,509½ 7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after giving three months' notice of the intention to so redeem the same ..		18,50,950	
1,98,50,950				1,98,50,950
	II. RESERVES AND SURPLUS:			
	(A) GENERAL RESERVE:			
68,64,612	As per last Balance Sheet	68,64,612		
68,64,612	Less: Shown as deduction from Profit & Loss Account as per Contra	68,64,612		
	(B) DEVELOPMENT REBATE RESERVE:			
42,72,617	As per last Balance Sheet		42,72,617	
42,72,617				
	(C) STORAGE FUND FOR MOLASSES:			
11,19,207	As per Last Balance Sheet	14,56,698		
3,37,492	Add : Transferred from Molasses Sales	2,80,557		
14,56,699			17,37,255	
57,29,316				60,09,872
2,55,80,266	Carried Over			2,58,60,822

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1981

As at 30th Sept. 1980	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS: (At cost or Book Value):			
11,38,05,665	Gross Block		11,44,27,846	
2,69,42,322	Less: Depreciation Written off Upto 30th September 1981		2,69,44,354	
8,68,63,343	Net Depreciated Block as per Schedule "A" attached ..		8,74,83,492	
3,95,133	Capital Work-in-Progress		11,07,952	
8,72,58,476				8,85,91,444
	II. INVESTMENTS (At Cost):			
	(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANIES:			
1,00,000	(i) 2,000 Partly Paid-up Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Ltd., of Rs. 100/- each Rs. 50/- per Share paid-up	1,00,000		
14,200	(ii) 142 Equity Shares of Sakarwadi Sugar Factory Ltd. of Rs. 100/- each fully paid-up	—		
14,200	(iii) 142 Equity Shares of Lakshmiwadi Sugar Factory Ltd., of Rs. 100/- each fully paid-up	—		
1,600	(iv) 16 Equity Shares of Somaiya Sugar Works Ltd., of Rs. 100/- each fully paid-up	—		
1,30,000			1,00,000	
	(B) OTHER INVESTMENTS:			
4,54,000	(i) Investment in Shares of Oriental Power Cables Ltd. 4,200 Equity Shares of Rs. 100/- each fully paid-up	4,54,000		
25,000	250 9½% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid-up	25,000		
—	Less: 150 Shares reduced	15,000		
25,000		10,000		
	Out of which 4,000 Equity Shares have been deposited with The New India Assurance Co. Ltd., as Security for fulfilment of Agreement and undertaking by the Company to Purchase from them 4,000 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Ltd.			
4,79,000			4,64,000	
61,99,000	(ii) Investments in Shares of Somaiya Organics (India) Ltd., 61,990 Equity Shares of Rs. 100/- each fully paid-up		61,99,000	
66,78,000				
1,30,000				
8,72,58,476				
	Carried Over	67,63,000		8,85,91,444

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1980	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,55,80,266	Brought Forward			2,58,60,822
	III. SECURED LOANS:			
	(a) Cash Credit Account with Bank against hypothecation of all tangible movable Assets of the Company including Stocks of Sugar, Stores, Chemicals, Spares, etc. at Sakarwadi and Lakshmiwadi Factories and agreement to create third charge in favour of the Bank on Fixed Assets of these factories and fully guaranteed by two Directors			
1,94,56,745			3,88,58,995	
	(b) Cash Credit Account with Banks against hypothecation of all tangible movable Assets of the Company including Stocks of Sugar, Stores Chemicals, Spares etc. of the Company's Unit at Sameerwadi and fully guaranteed by two Directors			
1,64,61,945	(i) Bank of India	1,68,28,864		
95,11,408	(ii) Union Bank of India	1,34,08,926		
2,59,73,353			3,02,37,790	
4,54,30,098			6,90,96,785	
	(c) Term Loans Secured against Joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situated at Sakarwadi (Kanhegaon) Lakshmiwadi (Kopargaon) in the State of Maharashtra and at Sameerwadi in the State of Karnataka (but excluding Agricultural Assets) and by hypothecation of movable Machinery with Bank of India acting for itself and as agent of Karnataka State Financial Corporation and Vijaya Bank			
3,24,00,000	(i) Bank of India	2,68,00,200		
12,00,000	(ii) Karnataka State Financial Corporation (Instalment Payable within a year Rs. 3,00,000/-)	12,00,000		
20,00,000	(iii) Vijaya Bank (Instalment Payable within a year Rs. 5,00,000/-)	20,00,000		
3,56,00,000			3,00,00,200	
	(d) Term Loan from Union Bank of India against Guarantee from the Government of Karnataka against Second charge by way of Equitable Mortgage of Company's Sugar Factories Fixed Assets (Excluding Agricultural Assets) (Instalment payable within a year Rs. 20 Lacs)			
82,91,648			82,91,648	
	(e) Term Loan from Karnataka State Government against Second charge by way of Equitable Mortgage on Fixed Assets of Sameerwadi (Excluding Agricultural Assets) (Instalment Payable within a year Rs. 2,60,000/-)			
10,40,000			7,80,000	
9,03,61,746				
2,55,80,266	Carried Over		10,81,68,633	2,58,60,822

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1981

As at 30th Sept. 1980	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,72,58,476	Brought Forward		67,63,000	8,85,91,444
1,30,000				
66,78,000				
	Out of the above 5,000 Shares have been deposited with The New India Assurance Co. Ltd., as Security for fulfilment of Agreement and undertaking by the Company to Purchase from them 4,000 Equity Shares of Rs.100/- each of Somaiya Organics (India) Ltd.			
10,000	Guarantee Commission paid for Purchase of Shares		10,000	
7,161	(iii) 77 Equity Shares of Rs. 100/- each fully paid-up of Sugar Selling Agency Pvt. Ltd.		7,161	
78	(iv) One Ordinary Share of Maharashtra State Co-Operative Bank Ltd., of Rs. 50/- each fully paid-up. .. .		78	
2,500	(v) National Defence Certificates deposited with Electricity Department, Bhopal ..		2,500	
37,620	(vi) 7 Years' National Savings Certificates ..		38,720	
1,500	(vii) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur		1,500	
1,995	(viii) 4½% U. P. State Development Loan of 1972 (Face Value Rs. 2,000/-)		1,995	
1,000	(ix) National Savings Certificates of the Face Value of Rs. 1,000/- deposited as Security deposit with Central Excise Authority, Mudhol		1,000	
	Cost	Market Value		
	Aggregate quoted Investments 66,54,995	72,79,890		
	Aggregate unquoted Investments 1,70,959	—		
	68,25,954	72,79,890		
68,69,854				68,25,954
III. CURRENT ASSETS, LOANS AND ADVANCES:				
(A) CURRENT ASSETS:				
	(i) Stores, Chemicals and Spares (at Cost as per Inventories valued and Certified by Managing Director)			
1,47,90,153	Stock on hand (including Machineries of Rs. 23,52,683/-)	1,39,87,542		
2,39,079	In Transit	9,42,207		
1,50,29,232			1,49,29,749	
11,104	(ii) Loose Tools and Implements (as per inventories valued and Certified by Managing Director)		9,984	
1,50,40,336				
9,41,28,330	Carried Over	1,49,39,733		9,54,17,398

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1980	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
2,55,80,266	Brought Forward	10,81,68,633	2,58,60,822
9,03,61,746			
20,00,000	(f) 200 6% Debentures of Rs. 10,000/- each fully paid-up redeemable at the option of the Company. Secured by negative lien on Fixed Assets of Sakarwadi and Lakshmiwadi Factories	20,00,000	
1,40,88,917	(g) Interest accrued and due on above	1,81,44,577	
10,64,50,663			12,83,13,210
	IV. UNSECURED LOANS:		
7,085	(i) From Others	7,085	
22,75,100	(ii) Public Fixed Deposits	14,73,000	
1,91,500	(iii) Public Loans (Guaranteed by a Director)	71,000	
11,837	(iv) From Banks	1,301	
46,54,744	(v) Cane Purchase Tax Loan from Karnataka & Maharashtra Government	50,45,468	
71,40,266			65,97,854
	V. CURRENT LIABILITIES AND PROVISIONS:		
	(A) CURRENT LIABILITIES:		
5,99,94,309	(i) Sundry Creditors	7,39,14,823	
6,00,000	(ii) Bills Payable	14,60,000	
2,52,856	(iii) Advance from Customers against Sale of Land & Wood	2,70,076	
—	(iv) Advance against Lease Rent	15,000	
14,92,360	(v) Security Deposit from Bagaitdars	16,89,155	
4,878	(vi) Security Deposit from Customers	4,878	
33,70,889	(vii) For Taxation	33,70,889	
1,99,122	(viii) Due to Partnership Firm of Khanapur Farms	1,99,122	
9,83,095	(ix) Interest Accrued but not due on Loans	6,12,542	
6,68,97,509		8,15,36,485	
	(B) PROVISIONS:		
2,000	Provision for Bonus	2,000	
6,68,99,509			8,15,38,485
20,60,70,704	Carried Over		24,23,10,371

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1981

As at 30th Sept. 1980	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,41,28,330	Brought Forward		1,49,39,733	9,54,17,398
1,50,40,336				
1,59,32,629	(iii) Stock-in-trade (as per inventories valued and Certified by Managing Director)			
2,636	(a) Sugar at Realised/Realisable Value ..	3,52,23,884		
4,33,200	(b) Stock of Grains, Cotton etc. at market Rate ..	7,492		
	(c) Molasses at Market Rate ..	4,39,859		
1,63,68,465			3,56,71,235	
8,919	(iv) Crop in Progress (at Cost as valued & Certified by Managing Director) ..		11,451	
	(v) Sundry Debtors: (Unsecured and considered good except otherwise stated):			
21,86,923	(a) Debts Outstanding for more than six months ..	13,17,478		
69,562	(b) Considered Doubtful ..	69,562		
22,56,485		13,87,040		
69,562	Less: Provision for Doubtful Debts ..	69,562		
21,86,923		13,17,478		
53,28,410	(c) Other Debts ..	30,26,940		
75,15,333			43,44,418	
	(vi) CASH AND BANK BALANCES:			
9,68,922	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 39,375/- and cheques on hand Rs. 15,46,050/-) ..	20,33,786		
12,23,151	In Current Account with Scheduled Banks ..	6,85,494		
	In Current Account with Non-Scheduled Banks:			
13,239	(a) Madhavpura Merchantile Co-Operative Bank Ltd., Bombay (Maximum Debit Balance during the year Rs. 13,865/- Previous year Rs. 6,69,434/-) ..	3,865		
436	(b) Ahmednagar Dist. Central Co-Operative Bank Ltd., Shirampur (Maximum Debit Balance during the year Rs. 436/- Previous year Rs. 436/-) ..	436		
101	(c) Mudhol Urban Co-Operative Bank Ltd., Mudhol (Maximum Debit Balance during the year Rs. 101/- Previous year Rs. 101/-) ..	101		
13,776		4,402		
76,41,969	Fixed Deposits with Scheduled Banks (under lien for the guarantees) ..	88,26,871		
89,546	Accrued Interest on Fixed Deposits ..	2,22,555		
99,37,364			1,17,73,108	
4,88,70,417				
9,41,28,330	Carried Over		6,67,39,945	9,54,17,398

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1980		LIABILITIES (Contd.)	
Rupees		Rupees	Rupees
20,60,70,704			24,23,10,371
	Brought Forward		
	CONTINGENT LIABILITIES (Not Provided for):		
	(i) Uncalled Liability on Partly Paid Shares held as Investments in Godavari Investment and Finance Corporation Ltd., a subsidiary Company		
1,00,000		1,00,000	
57,000	(ii) In respect of Counter guarantees given to others	57,000	
42,90,000	(iii) In respect of guarantee given to a Bank for the Loan granted to Somaiya Organics (India) Limited	42,90,000	
—	(iv) In respect of estimated purchase commitments on Capital Purchases	—	
34,482	(v) In respect of development charges payable to Government in 3 Instalments for leasehold Lands at Gandhidham ..	22,988	
10,66,509	(vi) In respect of dividend Payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1-6-1973 to 30-9-1981	12,11,942	
27,73,640	(vii) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Bank of Baroda to Cane Cultivators	35,40,336	
1,80,52,550	(viii) In respect of counter guarantees given by the Company in favour of Bank of India in lieu of guarantees given by the Bank in favour of the Registrar, High Court of Bombay, and High Court of Karnataka at Bangalore, for Levy Sugar Price difference for the seasons 1974-75 to 1980-1981 ..	1,83,75,762	
—	(ix) In respect of additional Price if any Payable in respect of cane Purchased by Sakarwadi/Lakshmiwadi Factories over and above the Price of Rs. 250/- Per Tonne (Ex-Field) Provided in accounts	not yet determined	
20,60,70,704	Total Rupees:		24,23,10,371

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1981

As at 30th Sept. 1980	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,41,28,330	Brought Forward		6,67,39,945	9,54,17,398
4,88,70,417				
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated)			
47,60,450	Loans to Others (Including Doubtful Loans of Rs. 4,79,130/- not provided for)	45,77,921		
65,59,664	Interest accrued on above	68,02,378		
1,13,20,114		1,13,80,299		
13,601	Considered Doubtful	9,356		
1,13,33,715		1,13,89,655		
13,601	Less: Provision for Doubtful Laons	9,356		
1,13,20,114			1,13,80,299	
	Loans to subsidiary Companies of which the Company is a Holding Company			
8,37,513	(a) Godavari Investment and Finance Corporation Ltd. ..	8,89,442		
5,46,752	Interest accrued on above	6,63,331		
13,84,265		15,52,773		
500	(b) Sakarwadi Sugar Factory Ltd.	—		
500	(c) Lakshmiwadi Sugar Factory Ltd.	—		
500	(d) Somaiya Sugar Works Ltd.	—		
13,85,765			15,52,773	
	Advances recoverable in Cash or Kind or for Value to be received (including Advances to Officers of the Company Rs. 67,229/- Maximum Debit Balance during the year Rs. 82,364/-, Rs. 13,59,460/- in dispute, Rs. 11,91,662/- advance against Share Purchase and Rs. 5,34,200/- paid to Banks in respect of defaulting Cultivators of Agriculture Finance facilities under Company's Guarantee) ..	1,90,87,769		
1,36,88,695	Considered Doubtful	64,126		
64,126		1,91,51,895		
1,37,52,821	Less: Provision for Doubtful Advances	64,126		
64,126			1,90,87,769	
1,36,88,695	Income Tax deducted at source from Interest and Dividend		8,14,490	
6,54,286	Deposit with Irrigation Department, Railways, High Courts and Others		49,14,026	
31,53,459	Due from Partnership Firm of Lakh Farms ..		98,962	
98,962				10,45,88,264
7,91,71,698	MISCELLANEOUS EXPENDITURE:			
	Profit and Loss Account:			
3,96,35,288	Balance as per Profit & Loss Account	4,91,69,321		
68,64,612	Less: Deducted from General Reserve as per Contra	68,64,612		
3,27,70,676				4,23,04,709
20,60,70,704	Total Rupees :			24,23,10,371

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1980	Additions during the year
(1)	(2)	(3)
Freehold Land (Book Value)	28,32,742	—
Leasehold Land Premium	3,88,850	—
Leasehold Land Development Expenses	2,04,443	11,494
Leasehold Premium on Garage	12,000	—
Building & Pucca Quarters at Factories	2,22,94,790	3,14,721
Temporary Quarters	6,54,786	25,447
Temporary Quarters at Farms	2,38,768	—
Pucca Quarters at Farms	2,18,633	—
General Machinery (Book Value)	6,81,18,095	1,38,234
Electrical Machinery	48,17,474	—
Agricultural Machinery (Book Value)	33,63,205	—
Locomotives	92,974	—
Electrical Installations & Fittings	9,41,071	87,757
Furniture & Office Equipments	25,72,760	18,353
Weigh Bridges	4,23,121	—
Trolley Lines	6,28,058	—
Railway Siding	1,26,075	—
Motor Cars, Lorries and Cycles (Book Value)	23,94,272	26,175
Carts and Trucks (Book Value)	3,82,416	—
Laboratory Apparatus	1,33,749	—
Roads & Drainage & Tube Wells	15,24,088	—
Dead Stock	1,37,517	—
Library	7,758	—
Medical Instruments	363	—
Irrigation Lifts	12,03,771	—
Live Stock	93,886	—
Total Rupees	11,38,05,665	6,22,181

Accompanying to our Report of even date
For **AMBALAL THAKKAR & CO.,**
CHARTERED ACCOUNTANTS
G. P. BHATT
Partner

BOMBAY : Dated 27th February 1982

MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1981

Gross Block as on 30th Sept. 1981	Depreciation Written off Upto 30th Sept. 1980	Depreciation Provided during the Year	Total Depreciation Upto 30th Sept. 1981	Net Depreciated Block as at 30th Sept. 1981	Net Depreciated Block as at 30th Sept. 1980
(4)	(5)	(6)	(7)	(8)	(9)
28,32,742	—	—	—	28,32,742	28,32,742
3,88,850	3,88,850	—	3,88,850	—	—
2,15,937	—	—	—	2,15,937	2,04,443
12,000	7,000	300	7,300	4,700	5,000
2,26,09,511	31,20,615	—	31,20,615	1,94,88,896	1,91,74,175
6,80,233	2,28,272	—	2,28,272	4,51,961	4,26,514
2,38,768	1,52,246	—	1,52,246	86,522	86,522
2,18,633	72,615	914	73,529	1,45,104	1,46,018
6,82,56,329	1,29,36,492	—	1,29,36,492	5,53,19,837	5,51,81,603
48,17,474	18,71,223	—	18,71,223	29,46,251	29,46,251
33,63,205	31,65,139	666	31,65,805	1,97,400	1,98,066
92,974	86,792	—	86,792	6,182	6,182
10,28,828	99,724	—	99,724	9,29,104	8,41,347
25,91,113	8,19,339	125	8,19,464	17,71,649	17,53,421
4,23,121	1,61,520	6	1,61,526	2,61,595	2,61,601
6,28,058	5,86,128	—	5,86,128	41,930	41,930
1,26,075	1,08,145	—	1,08,145	17,930	17,930
24,20,447	9,27,664	6	9,27,670	14,92,777	14,66,608
3,82,416	3,02,591	—	3,02,591	79,825	79,825
1,33,749	36,698	—	36,698	97,051	97,051
15,24,088	7,72,642	—	7,72,642	7,51,446	7,51,446
1,37,517	62,564	—	62,564	74,953	74,953
7,758	5,490	—	5,490	2,268	2,268
363	347	—	347	16	16
12,03,771	9,48,055	15	9,48,070	2,55,701	2,55,716
93,886	82,171	—	82,171	11,715	11,715
11,44,27,846	2,69,42,322	2,032	2,69,44,354	8,74,83,492	8,68,63,343

K. J. SOMAIYA
Chairman and Managing Director

S. N. VAIDYA
D. M. POPAT
N. C. SAYTA
S. R. C. SETTY
S. K. SOMAIYA

Directors

S. R. PARIKH
Secretary

BOMBAY : Dated 27th February 1982

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1980				
Rupees			Rupees	Rupees
	To	Opening Stock on 1st October, 1980		
9,74,31,261		Sugar	1,59,32,629	
13,46,198		Molasses	4,33,200	
9,87,77,459				1,63,65,829
—	"	Opening Crop-in-Progress	8,919	
65,327	"	Salaries and Wages	68,602	
2,280	"	Bonus of Previous years	—	
275	"	Workmen and Staff Welfare Expenses	610	
8,896	"	Stores inclusive of Seeds and Manures	13,654	
21,337	"	Irrigation Rates and Taxes	19,059	
11,498	"	Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram and Travelling Expenses)	4,800	
2,003	"	Depreciation	1,733	
6,482	"	Legal Charges	3,198	
10	"	Loose Tools Written Off	10	
1,18,108				1,20,585
5,81,45,752	"	Locally Purchased Cane		15,42,75,422
1,10,33,124	"	Salaries and Wages (after deducting Rs. 35,04,288/- charged to Repairs and Other relevant heads)	1,37,86,892	
15,02,611	"	Bonus to Employees (Inclusive of Previous years)	14,49,227	
60,037	"	Company's Contribution to Employees Family Pension Fund Scheme	70,485	
1,68,728	"	Contribution to Provident Fund of the Company and Administrative Charges	1,38,280	
2,36,704	"	Gratuity	5,89,745	
9,34,880	"	Company's Contribution to Govt. Provident Fund and Administrative Charges	10,56,324	
1,39,36,084				
15,70,41,319				
		Carried Over	1,70,90,953	17,07,61,836

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1981

For the year ended 30th Sept. 1980				
Rupees		Rupees	Rupees	Rupees
	By SALES:			
19,16,02,173	Sugar		22,62,15,770	
14,71,617	Molasses	21,67,266		
3,37,492	Less: Transferred to Molasses Storage Fund	2,80,557		
11,34,125			18,86,709	
19,27,36,298				22,81,02,479
16,39,619	" Sundry Receipts from Flour Mills, Dairy etc.			16,07,866
3,03,761	" Income from Immovable Property			2,75,442
1,20,572	" Sundry Receipts being Market Value of Farm Produce etc.			2,01,739
49,399	" Dividend			44,884
	" Interest:			
8,58,854	On Loans and Others		7,06,671	
99,820	From Subsidiary Company		1,16,580	
	From Banks:			
1,58,985	On Fixed Deposits		6,16,615	
11,17,659				14,39,866
10,869	" Profit on Sale of Assets			—
1,77,527	" Sundry Credit Balances written back			6,17,415
92,213	" Excess Provision for Irrigation dues written back ..			—
33,145	" Claims and Refunds			4,476
3,42,146	" Refund of Income Tax			—
3,30,867	" Excess Provision for Gratuity Insurance Premium written back			—
—	" Rebate on Excise Duty			1,14,530
—	" Additional Expected Realisation on Molasses Exported in earlier years			15,48,257
—	" Claim on Sugar Export as per Award			4,18,382
—	" Excess Provision of Doubtful Debts written back ..			4,245
—	" Excess Provision of Sugar Brokerage written back ..			57,518
—	" Excess Provision of Interest written back			1,94,133
19,69,54,075		Carried Over		23,46,31,232

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1980				
Rupees			Rupees	Rupees
15,70,41,319		Brought Forward	1,70,90,953	17,07,61,836
1,39,36,084	To	Contribution to Deposit Link Insurance Fund and Administrative Charges	92,013	
81,559				
4,18,740	"	Workmen & Staff Welfare Expenses	6,19,802	
13,765	"	Workmen's Compensation	2,657	
1,44,50,148				1,78,05,425
	"	Stores, Chemicals & Spares Parts (after deducting Rs. 92,45,355/- to Agriculture, Capital, Repairs & Other relevant heads)		27,59,408
25,68,640				
19,66,929	"	Power and Fuel		22,55,959
	"	Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 15,64,343/- Previous year Rs. 19,11,983/-)	37,04,211	
39,96,728				
7,45,633	"	Repairs to Buildings (inclusive of Salaries & Wages Rs. 3,20,997/- Previous year Rs. 3,13,343/-)	6,55,975	
	"	Other Repairs (inclusive of Salaries & Wages Rs. 72,199/- Previous year Rs. 85,461/-)	2,14,534	
2,47,396				
49,89,757	"			45,74,720
50,32,712	"	Sugar Cane Purchase Tax		91,60,338
2,51,980	"	Gratuity Insurance		2,96,361
4,13,356	"	Insurance Premium		4,79,096
1,36,27,687	"	Excise Duty on Sugar		3,16,28,705
1,93,742	"	Excise Duty on Molasses		8,04,792
12,982	"	Excise Duty on Tariff Item No. 68		58,590
4,383	"	Excise Duty on Electricity		4,005
22,57,953	"	Packing and Forwarding		48,22,061
2,13,705	"	Rent (Received Rs. 1,200/- Previous year Rs. 1,200/-)		2,11,835
3,19,728	"	Rates and Taxes		3,57,368
4,72,633	"	Brokerage and Commission (including Guarantee Commission Rs. 3,90,768/- Previous year Rs. 2,53,587/-)		6,27,607
	"	Miscellaneous Expenses (Including Printing and Stationery, Postage and Telegrams, Telephone, Motor Car Maintenance etc.)		42,52,932
42,44,155				
20,80,61,809		Carried Over		25,08,61,038

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1981

For the year ended 30th Sept. 1980				
Rupees				
19,69,54,075	Brought Forward			
	By	Stock-in-trade (as taken Valued and Certified by Managing Director)	Rupees	Rupees
				23,46,31,232
1,59,32,629	"	Sugar at Realised/Realisable Value	3,52,23,884	
4,33,200	"	Molasses at Market Rate	4,39,859	
1,63,65,829				
1,63,23,753	"	Balance being Loss for the year		3,56,63,743
				52,12,811
22,96,43,657	Carried Over			
				27,55,07,786

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1980			
Rupees		Rupees	Rupees
20,80,61,809	Brought Forward		25,08,61,038
	To Interest:		
96,05,915	Cash Credit Account	1,30,30,412	
89,74,617	Fixed Loans	82,93,219	
4,36,394	Fixed Deposits	4,27,349	
1,20,000	Debentures	1,20,000	
2,52,838	Other Loans	1,94,863	
1,93,89,764			2,20,65,843
4,040	.. Directors' Fees		3,600
1,42,877	.. Directors' Travelling Expenses		82,985
60,000	.. Managing Director's Remuneration		60,000
	.. Payment to Auditors:		
25,000	.. Audit Fees	25,000	
8,000	.. Cost Audit fees	—	
895	.. Auditors Travelling Expenses	1,524	
262	.. Cost Auditors' Travelling Expenses	—	
34,157			26,524
16,88,293	.. Agricultural Development Expenses (Inclusive of Salaries & Wages Rs. 15,46,749/- . Previous year Rs. 12,99,935/-)		20,49,258
1,27,958	.. Expenses on Scientific Research		1,77,230
1,31,317	.. Legal Expenses		1,74,590
1,232	.. Loose Tools & Implements written off		1,110
300	.. Premium on Lease hold Garage written off		300
1,910	.. Loss on Sale of Assets		—
—	.. Sundry Debit Balances written off		5,308
22,96,43,657	Total Rupees :		27,55,07,786

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1981

For the year ended 30th Sept. 1980	
<div data-bbox="145 318 218 343">Rupees</div> <div data-bbox="94 357 218 382">22,96,43,657</div> <div data-bbox="80 1738 203 1763"><hr/>22,96,43,657<hr/></div>	<div data-bbox="669 363 827 388">Brought Forward</div> <div data-bbox="1295 328 1365 353">Rupees</div> <div data-bbox="1237 367 1365 392">27,55,07,786</div> <div data-bbox="677 1744 812 1769">Total Rupees :</div> <div data-bbox="1223 1752 1346 1777"><hr/>27,55,07,786<hr/></div>

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1980				
Rupees		Rupees	Rupees	Rupees
2,06,07,252	To Balance of loss, brought forward from last year's Balance Sheet			3,96,35,288
1,63,23,753	" Balance being loss brought forward from Profit and Loss Account			52,12,811
27,04,283	" Provision for Additional Cane Price of Previous years (to MSFC as per Agreement)			27,04,283
—	" Provision for Additional Cane Price of Previous year ..			10,73,327
—	" H. & C. Wages difference for 1979-80			5,43,612
NOTE :				
Computation of Managing Director's Commission is as follows:				
1,63,23,753	Net Profit/Loss as per Profit & Loss A/c.		52,12,811	
60,000	Add/Less:			
2,003	(i) Managing Director's Remuneration	60,000		
	(ii) Depreciation of Agriculture Section	1,733		
62,003			61,733	
1,62,61,750			51,51,078	
Less/Add				
35,15,335	(i) Depreciation to the extent specified in Section 350 of Companies Act 1956	36,73,316		
12,00,000	(ii) Estimated Liability of Bonus	14,25,000		
47,15,335			50,98,316	
2,09,77,085	Net Loss for Calculating Managing Director's Commission		1,02,49,394	
Nil	Managing Director's Commission ..		Nil	
Total Managerial Remuneration:				
60,000	Remuneration		60,000	
5,000	Company's Contribution to Provident Fund		5,000	
5,400	Perquisite for use of Company's Car		5,400	
70,400			70,400	
3,96,35,288		Total Rupees :		4,91,69,321

Accompanying to our Report of even date
For **AMBALAL THAKKAR & CO.,**
CHARTERED ACCOUNTANTS
G. P. BHATT
Partner

BOMBAY : Dated 27th February, 1982

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1981

For the year - ended 30th Sept. 1980	
<p>Rupees</p> <p>3,96,35,288</p>	<p>By Balance Carried to Balance Sheet</p> <p>Rupees</p> <p>4,91,69,321</p>
<p>3,96,35,288</p>	<p>Total Rupees : 4,91,69,321</p>

BOMBAY : Dated 27th February, 1982

S. R. PARIKH
Secretary

K. J. SOMAIYA
Chairman and Managing Director

S. N. VAIDYA
D. M. POPAT
N. C. SAYTA
S. R. C. SETTY
S. K. SOMAIYA

} Directors

THE GODAVARI SUGAR

BALANCE SHEET

NOTES:

- (1) Partnership Firm of Somaiya Farms, Lakh and Somaiya Farms, Khanapur in which Company is a Partner has no activity since 1976-77, as the Agricultural Lands have been held by Maharashtra Government as "SURPLUS LANDS" under Maharashtra Agricultural Lands (Ceiling on Holdings) Act.
- (2) (a) No Depreciation has been provided during the year in respect of Fixed Assets of the Company except of Narmada Farms amounting to Rs. 36,73,316/- (Previous Year Rs. 35,13,332/-).
- (b) Total arrears of Depreciation upto 30th September, 1981 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 is Rs. 5,30,17,966/- (Previous Year Rs. 4,93,44,650/-).
- (3) No Provision has been made in respect of Balance of Loss of Rs. 18,416/- as on 31st May, 1981 of Godavari Investment & Finance Corporation Limited.
- (4) During the year no Provision for Bonus has been made as the same is debited to Profit & Loss Account as and when paid. Liability of the Bonus for the year under Report according to Bonus Act comes to about Rs. 14,25,000/-.
- (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1981, as per the Actuary's Certificate is Rs. 53,12,244/- . However, the Company has taken Group Gratuity Policy with the Life Insurance Corporation of India for its Sakarwadi and Lakshmiwadi factories, according to which a liability of Rs. 29,71,669/- upto 31-3-1981 is covered. No provision has been made for the balance of the gratuity liability in the accounts.
- (6) Company has paid Rs. 70,111/- as advance against Purchase of Agricultural Lands in Karnataka State for a Price of Rs. 1,02,314/- . Although Company is in possession of these lands it is not possible to transfer the lands in the name of the Company due to Land Ceiling Act. Necessary Steps are being taken in the matter.
- (7) Out of Cane Price of Rs. 1,62,25,700/- agreed to be paid to Maharashtra State Farming Corporation Limited for Cane Supplied during Season 1969-1970 to 1975-1976, Rs. 67,60,708/- paid as per agreement had been provided. Balance amount of Rs. 94,64,992/- has not been provided in the Books of Accounts except Rs. 9,96,068/- provided in the year 1969-1970.

	Number	Salary, Bonus & Allowances	Contribution to Provident Fund & Other Funds		
(8) (a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 36,000/- (Other than Managing Director)	8	3,57,866/-	23,993/-		
(b) Employees of the Company who are in receipt of or entitled to receive emoluments amounting to Rs. 3,000/- per mensem for part of the year	3	67,270/-	4,332/-		
(9) Information in respect of Partnership Firms in which the Company is a Partner :					
(a) Somaiya Farms-Lakh		(b) Somaiya Farms-Khanapur			
<i>Name of Partners</i>	<i>Capital</i>	<i>Share of Profit</i>	<i>Name of Partners</i>	<i>Capital</i>	<i>Share of Profit</i>
(i) Godavari Sugar Mills Limited	1,82,735	25.00%	(i) Godavari Sugar Mills Limited	Nil	25.00%
(ii) Shri L. V. Satpute	26,449	18.75%	(ii) Shri M. J. Patel	75,099	18.75%
(iii) Shri D. M. Patel	19,836	14.0625%	(iii) Shri C. J. Patel	75,099	18.75%
(iv) Shri N. G. Patel	19,836	14.0625%	(iv) Shri C. B. Patel	75,099	18.75%
(v) Shri J. C. Patel	19,836	14.0625%	(v) Shri S. P. Patel	75,099	18.75%
(vi) Shri B. H. Patel	19,836	14.0625%			

Accompanying to our Report of even date

For **AMBALAL THAKKAR & CO.,**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

BOMBAY: Dated 27th February, 1982

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1981

(10) Quantitative information in respect of goods manufactured :

<i>Name of the Factory</i>	<i>Licenced Capacity</i>	<i>Installed capacity as certified by Manager of respective factories.</i>
Sakarwadi	1016	1200/1250
Lakshmiwadi	1016	1500/1600
Sameerwadi	5000	3500

<i>Goods Manufactured</i>	<i>Opening Stock</i>		<i>Production Quantity M.T.</i>	<i>Quantity sent for reprocessing & loss due to driage etc. M.T.</i>	<i>Sales</i>		<i>Closing Stock</i>	
	<i>Quantity M.T.</i>	<i>Value Rs.</i>			<i>Quantity M.T.</i>	<i>Value Rs.</i>	<i>Quantity M.T.</i>	<i>Value Rs.</i>
Sugar	4,018.5	1,59,32,629	56,728.5	677.8	51,473.5	22,62,15,770	8,595.7	3,52,23,884
Molasses	14,925	4,33,200	23,152	—	26,296	21,67,266	11,781	4,39,859

Raw Materials Purchased & Consumed :

	<i>Quantity Purchased & Consumed M.T.</i>	<i>Value Rs.</i>
Sugarcane	5,43,042.652	15,42,75,422
<i>Stores & Spares Consumed :</i>	<i>Value Rs.</i>	<i>%</i>
Imported	1,23,562	4.48%
Indigenous	26,35,846	95.52%
	27,59,408	100.00%

C.I.F. Value of Imports:

	<i>Purchased</i>
(i) Raw Materials	NIL
(ii) Stores & Spares	1,73,763
(iii) Capital Goods	NIL

(11) Details of quantity etc. in respect of Farm Produce are not readily available and therefore not shown.

(12) Figures of previous year have been regrouped and recasted wherever necessary, so as to make them comparable with the current year figures.

In the opinion of the Board, the Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business. The provision for all known liabilities and depreciation is adequate and not in excess of the amount reasonably necessary.

K. J. SOMAIYA

Chairman and Managing Director,

S. N. VAIDYA
D. M. POPAT
N. C. SAYTA
S. R. C. SETTY
S. K. SOMAIYA

Directors

S. R. PARIKH
Secretary

BOMBAY : Dated 27th February, 1982

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1981

Schedule 'B'

Statement Under Section 217(2-A) of the Companies Act, 1956, read with Rules 2 of the Companies (Particulars of Employees) Rules 1975 in regard to :

- (a) Employees of the Company who were employed throughout the year under review and were in receipt of remuneration for that period in the aggregate of not less than Rs. 36,000/-.
- (b) Employees of the Company who were employed for a part of the year under review and were in receipt of remuneration at a rate which in the aggregate was not less than Rs. 3,000/- per month.

(a) EMPLOYED THROUGHOUT THE YEAR UNDER REVIEW

Sr. No.	Name of Employee	Age	Designation	Remuneration Rs.	Nature of Employment (Whether Contractual or otherwise)	Other terms and Conditions	Qualifications & Experience (Years)	Date of Commencement of employment	Last Employment
1.	Shri K. J. Somaiya	82	Managing Director	60,000/- (*)	Contractual for Five Years from 1.6.1980	As approved by Central Government	About 42 Years	1-6-1970	NIL
2.	Shri P. M. Kavadia	63	Chief Executive	66,654/-	Permanent	As per Company's Rules	M.A. LL.B. About 36 years	1.9.1963	Manager, Narsee Nagsee & Co. NIL
3.	Shri J. N. Patel	59	General Manager (Agri.)	65,100/-	Permanent, subject to Termination by One Month's notice on either side.	As per Company's Rules	B.Sc. (Agri) Hons. About 31 Years	1.3.1951	
4.	Shri S. R. Parikh	48	Secretary	48,900/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., F.C.A. About 25 Years	2.1.1960	Great Eastern Shipping Co. Ltd.
5.	Shri P. S. Daftary	63	Purchase Officer	41,950/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 42 Years	1.9.1939	NIL
6.	Shri S. G. Athavale	33	Chief Engineer	40,776/-	Permanent	As per Company's Rules	B.E. (Mech) 10 years	11-7.1971	NIL
7.	Shri S. N. Kalbhairavan	69	Officer on Special Duty	41,550/-	Permanent, Subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) 48 Years	1.3.1971	Officer on Special Duty, Mangalore Chemical & Fertilizers Ltd.
8.	Shri V. S. Somaiya	43	Cane Manager	39,955/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri) Hons. About 20 Years	17.10.1980	Cane Superintendent, Tungabhadra Sugar Works.
9.	Shri M K. Kucheria	47	Chief Chemist	36,974/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. A.N.S.I. About 22 Years	1.10.1979	Chief Chemist, Belganga, S.S.K. Ltd.

(*) Provided but not paid as the approval of the Central Government is awaited.

(b) EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW

1.	Shri M. Y. Khurjekar	62	Joint General Manager	30,355/-	Permanent subject to termination by Three Month's notice on either side	As per Company's Rules	B.A., M.A. Part I About 26 Years	15.6.1980	Managing Director, Saswad Mali Sahakari Sakhar Karkhane Ltd. Malinagar
2.	Shri B. A. Chaugule	61	General Manager	25,503/-	Permanent, subject to termination by Three Month's notice on either side	As per Company's Rules	M.Sc; Ph.D. (California)	1.5.1981	Vice-Chancellor, Punjabrao University
3.	Shri R. S. Shukla	47	Chief Engineer	15,744/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Engg.) C. Engg. FIE (India) About 23 Years	11.6.1981	Chief Engineer, Hindustan Sugar Mills Limited

Note : None of the above employees, except the Managing Director is a relative of any Director of the Company.

By Order of the Board of Directors,
K. J. SOMAIYA
Managing Director

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

(i) The Godavari Sugar Mills Limited, holds the whole of the subscribed capital of Rs. 2,00,000/- of which Rs. 1,00,000/- has been paid-up in Godavari Investment & Finance Corporation Limited as at 31st May, 1981.

(ii) *Advances* : The Advances to subsidiary was as follows :

	<i>As on</i>	<i>Amount</i>
(a) Godavari Investment & Finance Corporation Limited	31st May 1981	Rs. 12,00,745/-

(iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 833/- for the year ended 31st May, 1981. The Net Loss after adjusting the previous years' Loss from this year comes to Rs. 18,416/-. The said Loss has been carried to the Balance Sheet of this Company and no adjustment has been made in the Books of the Godavari Sugar Mills Limited in respect of the said Loss of the subsidiary Company.

(iv) There has been no change in the interest of the Godavari Sugar Mills Ltd., in Godavari Investment & Finance Corporation Ltd., between 1st June, 1981 & 30th September, 1981. Further, there have been no material changes during the period in Godavari Investment & Finance Corporation Ltd. in respect of Fixed Assets, Investments, moneys lent and moneys borrowed by it for any purpose other than that of meeting current Liabilities.

K. J. SOMAIYA
Chairman and Managing Director

S. N. VAIDYA
D. M. POPAT
N. C. SAYTA
S. R. C. SETTY
S. K. SOMAIYA

} *Directors*

S. R. PARIKH
Secretary

BOMBAY : Dated 27th February, 1982

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Twenty-Sixth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1981.

The working of the Company for the year resulted in a Profit of Rs. 833/- after providing Rs. 1,665/- for taxation. After adjusting the same from last years' loss, and after debiting short provision for taxation amounting to Rs. 408/-, the net carried forward loss comes to Rs. 18,416/- which has been carried forward to next year. In view of this, Directors do not recommend any dividend for the year.

You are requested to appoint Auditors for the Current year and fix their remuneration.

Yours faithfully,

For and on Behalf of the Board of Directors

S. K. SOMAIYA

Director

BOMBAY : Dated 2nd November, 1981.

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Godavari Investment & Finance Corporation Limited as at 31st May, 1981 and the annexed Profit and Loss Account for the year ended on that date and have to report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit;
2. In our opinion, proper Books of Accounts, as required by law, have been kept by the Company so far as appears from our examination of the Books;
3. The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the Books of Accounts;
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and given a true and fair view;
 - (a) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31st May, 1981 and
 - (b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 we further state that :

1. As the Company has no Fixed Assets, provision regarding maintenance of records is not applicable.
2. As there are no Fixed Assets, question of revaluation of Assets does not arise.
3. The Stock of Stores has been Physically verified by the Management. No variation is noticed on the verification by the Management. In our opinion the valuation of the Stores is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the last year.
4. The Company has obtained loan from the Holding Company.
5. Loans and Advances in the nature of Loans to the Cane Growers are given under arrangement to supply Cane to the Holding Company and regular recovery thereof is made. The adequate provision for doubtful loans is made by the Company and adequate documents and records are maintained for the loans granted to Cane Growers against the Land Mortgage Agreements.
6. In our opinion and in accordance with the information and explanations given to us there is adequate internal Control procedure commensurate with the size of the Company and the nature of the business.
7. Not applicable as the Company has no Purchase of Stores, during the year under reference.
8. Not applicable as the Company has no unserviceable or damaged Stores during the year under reference.
9. Provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits are not applicable as the Company has not invited the Deposits from the Public.
10. As it is Servicing Company there are no by-products of Scrap.
11. As the paid-up Capital of the Company does not exceed Rs. 25 Lacs, there is no internal Audit System.
12. Maintenance of Cost Records has not been prescribed u/s. 209(1)(d) of the Companies Act, 1956.
13. According to the records of the Company it has regularly deposited during the period Provident Fund dues with the appropriate authorities.
14. Though the Company is a Servicing Company no consumption of Stores etc. is involved in rendering the Service. The Company has the Income as Commission, Supervision Charges and Interest.

For **N. P. PATWA & COMPANY**
CHARTERED ACCOUNTANTS

N. P. PATWA
Proprietor

BOMBAY : Dated 3rd November, 1981.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1980	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	I. AUTHORISED CAPITAL :			
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each			5,00,000
	II. SUBSCRIBED CAPITAL:			
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company The Godavari Sugar Mills Ltd., and its nominees			1,00,000
	III. UNSECURED LOANS:			
6,58,132	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited		6,73,840	
3,18,073	Interest due on above		4,10,230	
9,76,205				10,84,070
	IV. CURRENT LIABILITIES AND PROVISIONS:			
	(A) CURRENT LIABILITIES:			
1,00,572	(i) Sundry Creditors		1,01,845	
2,803	(ii) Estimated Unearned Finance charges on Hire Purchase carried forward		2,803	
92,157	(iii) Interest accrued but not due on Loans		1,16,675	
1,95,532			2,21,323	
	(B) PROVISIONS:			
4,781	For Taxation		5,436	
2,00,313				2,26,759
	NOTES:			
	(1) Out of Land Mortgages Agreements for Loans given to Bagaitdars, Agreements for Loans Amounting to Rs. 5,264/- have been either sent for Registration or under execution.			
	(2) The number of Employees of the Company who are in receipt of or are entitled to receive emoluments amounting in the aggregate of Rs. 3,000/- or more per mensem for the whole year or any part of the year are—NIL.			
	(3) Sundry Debtors and Creditors, Loans and Advances are subject to confirmation from the Parties.			
	(4) Figures of Previous year are recasted wherever necessary.			
	(5) As this is not a manufacturing Company, the requirement of giving quantitative information in respect of goods manufactured is not applicable			
12,76,518	Total Rupees :			14,10,829

Referred to in our Report of even date
For **N. P. PATWA & COMPANY**
CHARTERED ACCOUNTANTS
N. P. PATWA
Proprietor

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1981

As at 31st May, 1980	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS:			
5,918	(i) Stock in trade (at Cost) (as per inventories taken valued and Certified by a Director)			
	Machinery, Stores and Spares		5,918	
	(ii) SUNDRY DEBTORS:			
	(Unsecured and considered good as certified by a Director except otherwise stated)			
	For supply of Spares and fittings supplied to Cane Growers and for the Supervision charges and Hire Purchase Instalments due from them			
1,03,530	Outstanding for more than six months ..	1,03,843		
43,941	Considered Doubtful	43,941		
1,47,471		1,47,784		
43,941	Less: Provision for Doubtful Debts ..	43,941		
1,03,530	Other Debts	1,03,843		
16,722		19,292		
1,20,252			1,23,135	
471	(iii) CASH AND BANK BALANCES:			
3,417	Cash on Hand	334		
534	Stamp Papers on Hand	7,411		
	In Current Account with a Scheduled Bank	1,594		
4,422			9,339	
	(B) LOANS AND ADVANCES:			
	(Secured and considered good as certified by a Director except otherwise stated)			
	(i) Loans to Cane Growers under arrangement to Supply Cane to the Holding Company The Godavari Sugar Mills Limited in terms of Agreements:			
8,95,050	Secured	10,00,134		
36,261	Considered Doubtful	36,261		
9,31,311		10,36,395		
36,261	Less: Provision for Doubtful Loans ..	36,261		
8,95,050	Loans to Others	10,00,134		
1,27,525	Add: Interest Accrued on above ..	1,27,525		
74,011		92,502		
2,01,536		2,20,027		
10,96,586	(ii) Deposit		12,20,161	
29,000	(iii) Advances recoverable in Cash or Kind ..		29,000	
1,087	(iv) Advance Income Tax		1,087	
412			3,773	
12,57,677				13,92,413
18,841	II. MISCELLANEOUS EXPENDITURE:			
	Profit & Loss Account			18,416
12,76,518	Total Rupees :			14,10,829

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

BOMBAY : Dated 2nd November, 1981

S. K. SOMAIYA
S. R. PARIKH
Y. P. DANDIWALA } Directors

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st May, 1980			
Rupees			Rupees
	To	Opening Stock:	
5,918		Machinery Spares and Fittings	5,918
15,425	"	Salary	15,832
2,031	"	Bonus	655
69	"	Company's Contribution (to The Holding Company) towards Provident Fund	—
1,133	"	Company's Contribution to Government Provident Fund & Administrative Charges	1,298
55	"	Company's Contribution to Deposit Link Insurance Scheme & Administrative Charges	78
5,271	"	Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses, Printing and Stationery etc.	4,466
10	"	Insurance Premium	10
9,600	"	Office Rent	9,600
	"	Interest :	
92,157		On Current Account (To the Holding Company) The Godavari Sugar Mills Ltd.	1,16,675
500	"	Audit Fees	500
3,771	"	Provision for Taxation	1,665
1,627	"	Profit Carried Down	833
<u>1,37,567</u>		Total Rupees :	<u>1,57,530</u>
20,470	"	Loss as per Last Balance Sheet	18,841
—	"	Short Provision for Taxation in respect of Previous year	408
<u>20,470</u>		Total Rupees :	<u>19,249</u>

Referred to in our Report of even date
For **N. P. PATWA & COMPANY**
CHARTERED ACCOUNTANTS
N. P. PATWA
Proprietor

BOMBAY : Dated 3rd November, 1981

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1981

For the Year ended 31st May, 1980			
Rupees			Rupees
24,785	By Commission on Cane from Holding Company The Godavari Sugar Mills Limited		22,675
66,389	" Interest on Loans		87,661
40,475	" Supervision charges from Cane Growers		41,276
5,918	" Closing Stock of Machinery Stores and Spares Parts (at Cost)		5,918
<u>1,37,567</u>		Total Rupees :	<u>1,57,530</u>
1,627	By Profit Brought Down		833
2	" Excess Provision of Taxation Written back		—
18,841	" Loss Carried to Balance Sheet		18,416
<u>20,470</u>		Total Rupees:	<u>19,249</u>

BOMBAY : Dated 2nd November, 1981

S. K. SOMAIYA
S. R. PARIKH
Y. P. DANDIWALA } Directors