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**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1981-82**

**1982**

# **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 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

## NOTICE

NOTICE is hereby given that Forty-third Annual General Meeting of the Godavari Sugar Mills Limited will be held on Thursday, the 31st March, 1983 at 12-00, noon 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, 1982.
2. To elect a Director in place of Dr. S. K. Somaiya who retires by rotation but, being eligible, offers himself for re-election.
3. To elect a Director in place of Shri D. M. Popat 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 42nd Annual General Meeting of the Company held on 1st April, 1982 and pursuant to Clause (d) of Sub-section (1) of Section 293 of the Companies Act, 1956, consent of the 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 upto which the moneys can be borrowed by the Directors shall not at any time exceed Rs. 40 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 28th February, 1983

- 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 1st April, 1982, the Board of Directors were authorised to borrow funds upto a limit of Rs. 30 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. 30 crores be increased to Rs. 40 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 28th February, 1983



# 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, 1982.

### FINANCIAL RESULTS :

The working of the Company for the year under report has resulted in an operating surplus of Rs. 465.60 lacs without providing for interest and Depreciation. After providing interest of Rs. 306.09 lacs but before providing Depreciation, the working for the year resulted in a Net Profit of Rs. 159.51 lacs. This has considerably helped to reduce the carried forward loss. However, 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, 1982.

### MANUFACTURING RESULTS :

The working of Company's three sugar factories during 1981-82 season marked a record performance in the history of the Company. The units together crushed 11,01,435 tonnes of cane and produced 11,31,185 Quintals of sugar. This was in line with the record sugar production of 84.35 lac tonnes achieved in the country. As per directives of Maharashtra and Karnataka Governments to crush all the available cane in the area, all the three factories were obliged to continue crushing upto the early part of June 1982 which affected the recovery especially in Company's factories in Maharashtra.

### SUGAR POLICY :

The policy of partial decontrol for sugar continued during the year 1981-82. As a result of record production in the country and disproportionately high monthly releases of free sale sugar by Government, the free market prices have been continuously declining since March, 1982 and have fallen drastically from August, 1982. As a result, the difference between prices of free sale sugar and levy sugar has narrowed down. Further, Sugar Development Cess was introduced from 1st June 1982 at Rs. 5/- per quintal and increased to Rs. 14/- per quintal with effect from 1st November, 1982. Similarly Excise Duty on free sugar which was reduced to 11.25% from 1-8-1982 was restored to 15.90% from 1-12-1982.

All the above factors have led to lower net realisation from free sale sugar; otherwise the financial results for 1981-82 season would have been better than those achieved.

### 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 the Supreme Court are pending disposal.
- (b) The Appeal of Government of India against Delhi High Court's order confirming its interim order allowing Lakshmiwadi factory to charge additional levy price of Rs. 26/- per quintal for season 1980-81 has been pending in the Supreme Court.
- (c) For 1981-82 season also, Lakshmiwadi factory was placed in schedule V of Notification for levy sugar prices thereby denying compensation by way of additional price of Rs. 26/- per quintal available to old (more than 25 years old) factories having licensed capacity of less than 1250 tonnes crushing per day. Hence the Company was obliged to file Writ Petition in Delhi High Court and obtained an interim order authorising Lakshmiwadi factory to charge additional price of Rs. 26/- per quintal. The matter is not yet finally disposed off.



- (d) In respect of levy sugar prices applicable to Lakshmiwadi factory for 1982-83 season also the Company was obliged to file a Writ Petition in Delhi High Court on the same ground. The court has granted an interim stay and has authorised Lakshmiwadi factory to charge additional price of Rs. 26 per quintal on the condition that if the Company fails in the Writ Petition it has to refund the extra amount with interest at 12% per annum from the date of payment to the date of refund.

#### **CURRENT WORKING :**

The crushing operations during Current Season 1982-83 are expected to be equally good. The Government of India has fixed the minimum cane price for 1982-83 season at the same level of Rs. 130 per tonne linked to 8.5% recovery inspite of Agriculture Price Commission's recommendations to fix the same at Rs. 155/- per tonne. As is well-known the actual cane prices payable by the factories as advised by the State Governments have been much higher. The levy sugar prices notified for current season 1982-83 are not economic. For Maharashtra the levy price is higher by Rs. 2.37 per quintal while for Karnataka the same is lower by 0.56 per quintal. Apart from the question of cane price, it is the feeling in the Industry that the new levy prices do not fully reflect the escalations on various elements of cost.

The Government of India has after a long delay accepted Industry's request to create "Buffer stock". However against Industry's request of 15 lac tonnes, it has created Buffer stock of only 5 lac tonnes. On the quantity of buffer stock allocated to each factory, Government has announced to reimburse handling/interest charges at the rate of 19½ % per annum.

#### **OTHER MATTERS :**

Deposits from two parties aggregating to Rs. 6,000/- which had matured during the year were outstanding with the Company on 30th September, 1982 as the depositors had not claimed them.

Your Directors place on record their appreciation of the co-operation and assistance extended by Company's bankers, Bank of India, and Union Bank of India, Vijaya Bank and Karnataka Government as well as 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., Dr. S. K. Somaiya and Shri D. M. Popat 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.

For Order of the Board of Directors,

**K. J. SOMAIYA**

*Chairman*

BOMBAY : Dated 28th February, 1983.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1982

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 have 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, 1982 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 profit for that year.

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

**G. P. BHATT**

*Partner*

BOMBAY : Dated 28th February, 1983.



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1981	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	<b>I. SHARE CAPITAL :</b>			
	<b>AUTHORISED CAPITAL :</b>			
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
	<b>ISSUED AND SUBSCRIBED CAPITAL :</b>			
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. 10/- 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
	<b>II. RESERVES AND SURPLUS:</b>			
	<b>(A) GENERAL RESERVE:</b>			
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>(B) DEVELOPMENT REBATE RESERVE:</b>			
42,72,617	As per last Balance Sheet .. .. .		42,72,617	
42,72,617				
	<b>(C) STORAGE FUND FOR MOLASSES:</b>			
14,56,698	As per Last Balance Sheet .. .. .	17,37,256		
2,80,557	Add: Transferred from Molasses Sales .. .. .	3,55,851		
17,37,255			20,93,107	
60,09,872				63,65,724
2,58,60,822	Carried Over			2,62,16,674



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1982

As at 30th Sept. 1981	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS: (At Cost or Book Value):</b>			
11,44,27,846	Gross Block .. .. .	11,58,29,463		
2,69,44,354	Less: Depreciation Written off upto 30th September, 1982 .. .. .	2,68,59,935		
8,74,83,492	Net Depreciated Block as per Schedule "A" Attached	8,89,69,528		
11,07,952	Capital Work-in-Progress .. .. .	6,80,283		
8,85,91,444				8,96,49,811
	<b>II. INVESTMENTS (At Cost):</b>			
	(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANIES:			
1,00,000	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		
4,54,000	(B) OTHER INVESTMENTS:			
	(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			
15,000	Less: 150 Shares redeemed .. 15,000			
10,000		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. ..			
4,64,000			4,64,000	
5,64,000				
8,85,91,444	Carried Over	5,64,000		8,96,49,811

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1981	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,58,60,822	Brought Forward			2,62,16,674
	<b>III. SECURED LOANS:</b>			
3,88,58,995	(a) Cash Credit Account with Bank of India against hypothecation of all tangible movable Assets of the Company including Stocks of Sugar, Stores, Chemicals, Spares, etc. at Sakarwadi and Lakshmiwadi Factories and fully guaranteed by two Directors .. .. .		7,91,26,364	
1,68,28,864	(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 .. .. .			
1,34,08,926	(i) Bank of India .. .. .	3,54,13,490		
	(ii) Union Bank of India .. .. .	3,51,46,600		
3,02,37,790			7,05,60,090	
6,90,96,785			14,96,86,454	
	NOTE: The Company has agreed to create third charge in favour of Bank of India on Fixed Assets of three Sugar factories for Cash Credit/guarantee facilities granted by the Bank.			
2,68,00,200	(c) Term Loans Secured against Joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situated at Sakarwadi (Kanhgaon) Lakshmiwadi (Kopergaon) 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 .. .. .			
12,00,000	(i) Bank of India .. .. .	2,68,00,200		
20,00,000	(ii) Karnataka State Financial Corporation (instalment payable within a year Rs. 3,00,000/-) .. .. .	9,00,000		
3,00,00,200	(iii) Vijaya Bank (Instalment Payable within a year Rs. 5,00,000/-) .. .. .	20,00,000		
			2,97,00,200	
82,91,648	(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) .. .. .		1,14,65,170	
7,80,000	(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/-) .. .. .		7,80,000	
10,81,68,633				
2,58,60,822	Carried Over		19,16,31,824	2,62,16,674



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1982

As at 30th Sept. 1981	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,85,91,444	Brought Forward		5,64,000	8,96,49,811
5,64,000				
61,99,000	(ii) Investment in Shares of Somaiya Organics (India) Ltd. 61,990 Equity Shares of Rs. 100/- each fully paid-up .. .. .		61,99,000	
	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/- fully paid-up .. .. .		78	
2,500	(v) National Defence Certificates deposited with Electricity Department, Bhopal .. .. .		2,500	
38,720	(vi) 7 years National Savings Certificates .. .. .		41,820	
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	
		Market Value		
	Cost			
	Aggregate quoted Investments 66,54,995	72,79,890		
	Aggregate unquoted Investments 1,74,059	—		
68,25,954	68,29,054	72,79,890		
				68,29,054
III. CURRENT ASSETS, AND ADVANCES:				
(A) CURRENT ASSETS:				
	(i) Stores, Chemicals and Spares (at cost as per Inventories valued and certified by Managing Director)			
1,39,87,542	Stock on hand (including Machineries of Rs. 21,93,126/-) .. .. .	1,85,61,903		
9,42,207	In Transit .. .. .	22,55,506		
1,49,29,749			2,08,17,409	
9,984	(ii) Loose Tools and Implements (as per inventories valued and certified by Managing Director) .. .. .		8,984	
1,49,39,733				
9,54,17,398	Carried Over		2,08,26,393	9,64,78,865



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1921	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
2,58,60,822	Brought Forward	19,16,31,824	2,62,16,674
10,81,68,633			
	(f) 200 6% Debentures of Rs. 10,000/- each fully paid-up redeemable at the option of the Company. Secured by negative lien of Fixed Assets of Sakarwadi and Lakshmiwadi Factories .. .. .	20,00,000	
20,00,000			
1,81,44,577	(g) Interest accrued and due on above .. .. .	1,57,69,034	
12,83,13,210			20,94,00,858
	<b>IV. UNSECURED LOANS:</b>		
7,085	(i) From Others .. .. .	7,085	
14,73,000	(ii) Public Fixed Deposits .. .. .	13,21,100	
71,000	(iii) Public Loans (Guaranteed by a Director) .. .. .	—	
1,301	(iv) From Banks .. .. .	7,45,506	
50,45,468	(v) Cane Purchase Tax Loan from Karnataka & Maharashtra Governments .. .. .	50,45,468	
65,97,854			71,19,159
	<b>V. CURRENT LIABILITIES AND PROVISIONS :</b>		
	<b>(A) CURRENT LIABILITIES:</b>		
7,38,39,823	(i) Sundry Creditors .. .. .	10,81,10,337	
14,60,000	(ii) Bills Payable .. .. .	—	
2,70,076	(iii) Advance from Customers against Sale of Land & Wood .. .. .	2,78,876	
15,000	(iv) Advance against Lease Rent .. .. .	8,000	
16,89,155	(v) Security Deposit from Bagaitdars .. .. .	19,75,759	
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	
75,000	(ix) Due for Managing Director's Remuneration & Commission .. .. .	2,96,180	
6,12,542	(x) Interest Accrued but not due on Loans .. .. .	9,58,939	
8,15,36,485		11,52,02,980	
	<b>(B) PROVISIONS:</b>		
2,000	Provision for Bonus .. .. .	—	
8,15,38,485			11,52,02,980
24,23,10,371	Carried Over		35,79,39,671



# MILLS LIMITED, BOMBAY

## S AT 30TH SEPTEMBER, 1982

As at 30th Sept. 1981	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,54,17,398	Brought Forward		2,08,26,393	9,64,78,865
1,49,39,733	(iii) Stock-in-trade (as per inventories valued and certified by Managing Director) ..			
3,52,23,884	(a) Sugar at Realised/Realisable Value ..	14,30,31,056		
7,492	(b) Stock of Grains, Cotton, etc. at Market Rate .. .. .	19,568		
4,39,859	(c) Molasses at Market Rate .. .. .	11,47,778		
3,56,71,235			14,41,98,402	
11,451	(iv) Crop-in-Progress (at cost as valued & certified by Managing Director) .. ..		—	
	(v) Sundry Debtors: (Unsecured and considered good except otherwise stated)			
13,17,478	(a) Debts Outstanding for more than six months .. .. .	28,65,140		
69,562	(b) Considered Doubtful .. .. .	69,277		
		29,34,417		
13,87,040	Less: Provision for Doubtful Debts ..	69,277		
69,562				
13,17,478	(c) Other Debts .. .. .	28,65,140		
30,26,940		38,16,832		
43,44,418			66,81,972	
	(vi) CASH AND BANK BALANCES:			
	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 17,778/- and cheques on hand Rs. 5,38,581/-) .. ..	26,18,026		
20,33,786	In Current Account with Scheduled Banks ..	11,92,873		
6,85,494	In Current Account with Non-Scheduled Banks:			
	(a) Madhavapura Mercantile Co-operative Bank Ltd., Bombay (Maximum Debit Balance during the year Rs. 1,65,865/- Previous year Rs. 13,865/-) ..	3,865		
3,865				
	(b) Ahmednagar Dist. Central Co-operative Bank Ltd., Shrirampur (Maximum Debit Balance during the year Rs. 436/- Previous year Rs. 436/-) ..	436		
436				
	(c) Mudhol Urban Co-operative Bank Ltd., Mudhol (Maximum Debit Balance during the year Rs. 101/- Previous year Rs. 101/-) ..	101		
101				
4,402		4,402		
27,23,682				
5,49,66,837				
9,54,17,398	Carried Over	38,15,301	17,17,06,767	9,64,78,865



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1981		LIABILITIES (Contd.)	
Rupees		Rupees	Rupees
24,23,10,371			35,79,39,671
	Brought Forward		
	<b>CONTINGENT LIABILITIES (Not Provided for):</b>		
	(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
1,00,000			
	(ii) In respect of Counter-guarantees given to others	57,000	57,000
57,000			
	(iii) In respect of guarantee given to a Bank for the Loan granted to Somaiya Organics (India) Limited	42,90,000	42,90,000
42,90,000			
	(iv) In respect of estimated purchase commitments on Capital Purchases	—	—
—			
	(v) In respect of development charges payable to Government in 3 instalments for leasehold Lands at Gandhidham	11,494	11,494
22,988			
	(vi) In respect of dividend payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1-6-1973 to 30-9-1982	13,57,375	13,57,375
12,11,942			
	(vii) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Bank of Baroda to Cane Cultivators	30,47,538	30,47,538
35,40,336			
	(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 1979-80	1,83,20,762	1,83,20,762
1,83,75,762			
	(ix) In respect of additional price if any payable for cane purchased by Sakarwadi/Lakshmiwadi Factories during 1981-82 season from cultivators and Maharashtra State Farming Corporation over and above price of Rs. 205/- per tonne and Rs. 200/- per tonne (Ex-Field) respectively provided in the accounts	not yet determined	
	(x) In respect of Counter-guarantee given by the Company in favour of Bank of India in lieu of guarantee given by the Bank in favour of Dhyaneswar Sakhari Sakhar Karakhana against payment of Sugarcane supplied during the year 1981-82	10,00,000	10,00,000
—			
24,23,10,371	Total Rupees:		35,79,39,671



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1982

As at 30th Sept. 1981	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,54,17,398	Brought Forward	38,15,301	17,17,06,767	9,64,78,865
5,49,66,837				
27,23,682				
88,26,871	Fixed Deposits with Scheduled Banks (Under lien for the guarantees) .. .. .	88,28,521		
2,22,555	Accrued Interest on Fixed Deposits .. .. .	3,46,131		
1,17,73,108			1,29,89,953	
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated)			
45,77,921	Loans to Others (Including Doubt- ful Loans of Rs. 4,79,130/- not provided for) .. .. .	27,67,486		
68,02,378	Interest accrued on above .. .. .	72,12,526		
1,13,80,299				
9,356	Considered Doubtful .. .. .	99,80,012		
1,13,89,655		9,356		
9,356	Less: Provision for Doubtful Loans .. .. .	99,89,368		
1,13,80,299		9,356		
			99,80,012	
8,89,442	Loans to subsidiary company of which the Company is a Holding Company			
6,63,331	Godavari Investment & Finance Corporation Ltd. .. .. .	5,49,132		
15,52,773	Interest accrued on above .. .. .	7,65,542		
			13,14,674	
1,90,87,769	Advances recoverable in cash or kind or for value to be received (including Advances to Officers of the Company Rs. 74,453/- Maximum Debit Bala- nce during the year Rs. 83,203/-; Rs. 13,59,460/-, in dispute, Rs. 11,91,662/- advance against Share Purchase and Rs. 4,82,008/- paid to Banks in respect of defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee) ..	2,35,54,528		
64,126	Considered Doubtful .. .. .	64,126		
1,91,51,895		2,36,18,654		
64,126	Less: Provision for Doubtful Advances .. .. .	64,126		
1,90,87,769			2,35,54,528	
8,14,490	Income-tax deducted at source from Interest and Dividend .. .. .		5,91,065	
49,14,026	Deposit with Irrigation Department, Railways, High Courts and Others .. .. .		58,36,567	
98,962	Due from Partnership Firm of Lakh Farms .. .. .		98,962	
10,45,88,264				22,60,72,528
	MISCELLANEOUS EXPENDITURE:			
4,91,69,321	Profit and Loss Account:			
68,64,612	Balance as per Profit & Loss Account .. .. .	4,22,52,890		
4,23,04,709	Less: Deducted from General Reserve as per Contra .. .. .	68,64,612		
24,23,10,371				3,53,88,278
	Total Rupees:			35,79,39,671

# THE GODAVARI SUGAR

## Schedule 'A'

## Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1981	Additions during the year	Deduction of Sale during the year
(1)	(2)	(3)	(4)
Freehold Land (Book Value) .. .. .	28,32,742	39,314	—
Leasehold Land Premium .. .. .	3,88,850	—	—
Leasehold Land Development Expenses .. .. .	2,15,937	11,494	—
Leasehold Premium on Garage .. .. .	12,000	—	—
Building & Pucca Quarters at Factories .. .. .	2,26,09,511	53,184	2,47,325
Temporary Quarters .. .. .	6,80,233	37,910	—
Temporary Quarters at Farms .. .. .	2,38,768	—	—
Pucca Quarters at Farms .. .. .	2,18,633	—	—
General Machinery (Book Value) .. .. .	6,82,56,329	14,26,886	—
Electrical Machinery .. .. .	48,17,474	—	—
Agricultural Machinery (Book Value) .. .. .	33,63,205	—	—
Locomotives .. .. .	92,974	—	—
Electrical Installations & Fittings .. .. .	10,28,828	50,994	—
Furniture & Office Equipments .. .. .	25,91,113	1,56,111	1,65,915
Weigh Bridges .. .. .	4,23,121	—	—
Trolley Lines .. .. .	6,28,058	—	—
Railway Siding .. .. .	1,26,075	—	—
Motor Cars, Lorries & Cycles (Book Value) .. .. .	24,20,447	—	28,830
Carts & Trucks (Book Value) .. .. .	3,82,416	—	—
Laboratory Apparatus .. .. .	1,33,749	5,438	—
Roads & Drainage & Tube Wells .. .. .	15,24,088	60,856	—
Dead Stock .. .. .	1,37,517	—	—
Library .. .. .	7,758	—	—
Medical Instruments .. .. .	363	—	—
Irrigation Lifts .. .. .	12,03,771	—	—
Live Stock .. .. .	93,886	1,500	—
<b>Total Rupees: .. .. .</b>	<b>11,44,27,846</b>	<b>18,43,687</b>	<b>4,42,070</b>

NOTES: Cost of Deductions in Assets taken as per the Insurance Surveyors certificate and depreciation written back is calculated on such value.

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

BOMBAY: Dated 28th February, 1983



# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1982

61,76,988.68  
47,61,066.67  
14,15,380.24  
13.

Gross Block as on 30th Sept. 1982	Depreciation Written off upto 30th Sept. 1981	Depreciation Provided during the year	Deduction of Depreciation on account of transfer	Total Depreciation Upto 30th Sept. 1982	Net Depreciated Block as at 30th Sept. 1982	Net Depreciated Block as at 30th Sept. 1981
(5)	(6)	(7)	(8)	(9)	(10)	(11)
28,72,056	—	—	—	—	28,72,056	28,32,742
3,88,850	3,88,850	—	—	3,88,850	—	—
2,27,431	—	—	—	—	2,27,431	2,15,937
12,000	7,300	300	—	7,600	4,400	4,700
2,24,15,370	31,20,615	—	23,821	30,96,794	1,93,18,576	1,94,88,896
7,18,143	2,28,272	—	—	2,28,272	4,89,871	4,51,961
2,38,768	1,52,246	—	—	1,52,246	86,522	86,522
2,18,633	73,529	892	—	74,421	1,44,212	1,45,104
6,96,83,215	1,29,36,492	—	—	1,29,36,492	5,67,46,723	5,53,19,837
48,17,474	18,71,223	—	—	18,71,223	29,46,251	29,46,251
33,63,205	31,65,805	500	—	31,66,305	1,96,900	1,97,400
92,974	86,792	—	—	86,792	6,182	6,182
10,79,822	99,724	—	—	99,724	9,80,098	9,29,104
25,81,309	8,19,464	113	62,423	7,57,154	18,24,155	17,71,649
4,23,121	1,61,526	5	—	1,61,531	2,61,590	2,61,595
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
23,91,617	9,27,670	5	—	9,27,675	14,63,942	14,92,777
3,82,416	3,02,591	—	—	3,02,591	79,825	79,825
1,39,187	36,698	—	—	36,698	1,02,489	97,051
15,84,944	7,72,642	—	—	7,72,642	8,12,302	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	9,48,070	10	—	9,48,080	2,55,691	2,55,701
95,386	82,171	—	—	82,171	13,215	11,715
11,58,29,463	2,69,44,354	1,825	86,244	2,68,59,935	8,89,69,528	8,74,83,492

K. J. SOMAIYA  
Chairman and Managing Director

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

Directors

S. R. PARIKH  
Secretary

BOMBAY: Dated 28th February, 1983.

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1981				
Rupees			Rupees	Rupees
	To	Opening Stock on 1st October, 1981		
1,59,32,629	Sugar .. .. .		3,52,23,884	
4,33,200	Molasses .. .. .		4,39,859	
1,63,65,829				3,56,63,743
8,919	" Opening Crop-in-Progress .. .. .		11,451	
68,602	" Salaries and Wages .. .. .		88,867	
610	" Workmen and Staff Welfare Expenses .. .. .		—	
13,654	" Stores inclusive of Seeds and Manures .. .. .		3,657	
19,059	" Irrigation Rates and Taxes .. .. .		17,737	
4,800	" Miscellaneous Expenses (Including Printing and Stationery, Postage and Telegrams and Travelling Expenses)		5,515	
1,733	" Depreciation .. .. .		1,525	
3,198	" Legal Charges .. .. .		2,740	
10	" Loose Tools Written off .. .. .		—	
1,20,585				1,31,492
15,42,75,422	" Locally Purchased Cane .. .. .			25,98,21,494
1,37,86,892	" Salaries and Wages (after deducting Rs. 43,52,241/- charged to Repairs and Other relevant heads) .. .. .		2,02,73,268	
14,49,227	" Bonus to Employees (Inclusive of Previous years) .. .. .		14,17,796	
70,485	" Company's Contribution to Employees Family Pension Fund Scheme .. .. .		91,892	
1,38,280	" Contribution to Provident Fund of the Company and Administrative Charges .. .. .		1,80,701	
5,89,745	" Gratuity .. .. .		4,15,301	
10,56,324	" Company's Contribution to Govt. Provident Fund and Administrative Charges .. .. .		14,45,460	
1,70,90,953				
17,07,61,836				
	Carried Over		2,38,24,418	29,56,16,729



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1982

For the Year ended 30th Sept. 1981				
Rupees		Rupees	Rupees	Rupees
	By SALES:			
22,62,15,770	Sugar .. .. .		31,68,09,391	
21,67,266	Molasses .. .. .	27,45,180		
2,80,557	Less: Transferred to Molasses Storage Fund .. ..	3,55,851		
18,86,709			23,89,329	
22,81,02,479				31,91,98,720
16,07,866	" Sundry Receipts from Flour Mills, Dairy etc. .. ..			8,87,066
2,75,442	" Income from Immovable Property .. .. .			3,09,755
2,01,739	" Sundry Receipts being Market Value of Farm Produce etc. .. .. .			1,85,876
44,884	" Dividend .. .. .			45,286
	" Interest:			
7,06,671	On Loans and Others .. .. .		6,17,389	
1,16,580	From Subsidiary Company .. .. .		1,02,211	
	From Banks:			
6,16,615	On Fixed Deposits .. .. .		6,42,068	
14,39,866				13,61,668
6,17,415	" Sundry Credit Balances Written back .. .. .			29,604
4,476	" Claims and Refunds .. .. .			34,447
1,14,530	" Rebate on Excise Duty .. .. .			46,40,677
15,48,257	" Additional Expected Realisation on Molasses Exported in earlier years .. .. .			—
4,18,382	" Claim on Sugar Export as per Award .. .. .			—
4,245	" Excess Provision of Doubtful Debts Written back .. ..			—
57,518	" Excess Provision of Sugar Brokerage Written back .. ..			—
1,94,133	" Excess Provision of Interest Written back .. .. .			—
23,46,31,232				
		Carried Over		32,66,93,099

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1981			
Rupees		Rupees	Rupees
17,07,61,836	Brought Forward	2,38,24,418	29,56,16,729
1,70,90,953			
92,013	To Contribution to Deposit Link Insurance Fund and Administrative Charges .. .. .	1,19,660	
6,19,802	" Workmen and Staff Welfare Expenses .. .. .	6,57,652	
2,657	" Workmen's Compensation .. .. .	24,742	
1,78,05,425			2,46,26,472
27,59,408	" Stores, Chemicals & Spare Parts (after deducting Rs. 1,64,48,167/- to Agriculture, Capital, Repairs & Other relevant heads) .. .. .		57,76,321
22,55,959	" Power and Fuel .. .. .		28,39,033
37,04,211	" Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 20,34,315/- Previous year Rs. 15,64,343/-)	64,36,119	
6,55,975	" Repairs to Building (inclusive of Salaries & Wages Rs. 400,320/- Previous year Rs. 3,20,997/-) .. .. .	8,86,500	
2,14,534	" Other Repairs (inclusive of Salaries & Wages Rs. 1,45,306/- Previous year Rs. 72,199/-) .. .. .	3,28,895	
45,74,720			76,51,514
91,60,338	" Sugar Cane Purchase Tax .. .. .		1,63,56,453
2,96,361	" Gratuity Insurance .. .. .		3,34,832
4,79,096	" Insurance Premium .. .. .		6,23,577
3,16,28,705	" Excise Duty on Sugar .. .. .		4,89,84,747
8,04,792	" Excise Duty on Molasses .. .. .		9,74,006
58,590	" Excise Duty on Tariff Item No. 68 .. .. .		59,760
—	" Sugar Cess .. .. .		16,79,320
4,005	" Excise Duty on Electricity .. .. .		10,132
48,22,061	" Packing and Forwarding .. .. .		87,68,628
2,11,835	" Rent .. .. .		2,07,995
3,57,368	" Rates and Taxes .. .. .		4,18,051
6,27,607	" Brokerage and Commission (Including Guarantee Commission Rs. 3,61,082/- Previous year Rs. 3,90,768/-)		5,80,761
42,58,240	" Miscellaneous Expenses (Including Printing & Stationery, Postage & Telegrams, Telephone, Motor Car Maintenance etc.) .. .. .		53,97,124
—	" Sales Tax .. .. .		15,885
25,08,66,346	Carried Over		42,09,21,340



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1982

For the Year ended 30th Sept. 1981				
Rupees			Rupees	Rupees
23,46,31,232		Brought Forward		32,66,93,099
	By Stock-in-trade (as taken, valued and Certified by Managing Director)			
3,52,23,884	„ Sugar at Realised/Realisable Value .. .. .		14,30,31,056	
4,39,859	„ Molasses at Market Rate .. .. .		11,47,778	
3,56,63,743				14,41,78,834
52,12,811	„ Balance being Loss for the year .. .. .			—
27,55,07,786		Carried Over		47,08,71,933

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1981			
Rupees		Rupees	Rupees
25,08,66,346		Brought Forward	42,09,21,340
	To Interest:		
1,30,30,412	Cash Credit Account .. .. .	2,21,34,612	
82,93,219	Fixed Loans .. .. .	77,79,452	
4,27,349	Fixed Deposits .. .. .	3,60,374	
1,20,000	Debentures .. .. .	1,20,000	
1,94,863	Other Loans .. .. .	2,15,081	
2,20,65,843			3,06,09,519
3,600	" Directors' Fees .. .. .		4,400
82,985	" Directors' Travelling Expenses .. .. .		1,33,721
	" Managing Director's Remuneration		
60,000	Remuneration .. .. .	1,20,000	
—	Commission on Profit .. .. .	1,01,180	
60,000			2,21,180
	" Payment to Auditors:		
25,000	Audit Fees .. .. .	25,000	
—	Payment to Auditors in Other Capacity .. .. .	750	
1,524	Auditors Travelling Expenses .. .. .	715	
26,524			26,465
	" Agricultural Development Expenses (Inclusive of Salaries & Wages Rs. 17,72,299/- Previous year Rs. 15,46,749/-) .. .. .		23,46,704
20,49,258			
1,77,230	" Expenses on Scientific Research .. .. .		2,66,956
1,74,590	" Legal Expenses .. .. .		2,15,431
1,110	" Loose Tools and Implements Written off .. .. .		1,000
—	" Loss on Sale of Asset .. .. .		7,830
—	" Loss Due to Fire .. .. .		1,66,356
300	" Premium on Leasehold Garage Written off .. .. .		300
—	" Balance being Profit for the year .. .. .		1,59,50,731
27,55,07,786		Total Rupees :	47,08,71,933



## MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1982

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the Year  
ended  
30th Sept. 1981

Rupees		Rupees	Rupees
	To Balance of Loss, Brought Forward from Last Years Balance Sheet .. .. .		4,91,69,321
3,96,35,288	" Balance being Loss Brought Forward from Profit and Loss Account .. .. .		—
52,12,811	" Payment of Additional Cane Price of Previous Years to Maharashtra State Farming Corporation as per agreement .. .. .		27,04,283
27,04,283	" Provision for Additional Cane Price of 1980-81 .. .. .		63,30,017
10,73,327	" H. & C. Wages difference for 1979-80 .. .. .		—
5,43,612			
	NOTE:		
	Computation of Managing Director's Commission is as follows:		
52,12,811	Net Profit/Loss as per Profit & Loss A/c.	1,59,50,731	
	Add/Less:		
60,000	(i) Managing Director's Remuneration .. .. .	2,21,180	
1,733	(ii) Depreciation of Agriculture Section .. .. .	1,525	
61,733			2,22,705
51,51,078			1,61,73,436
	Less/Add		
36,73,316	(i) Depreciation to the extent specified in Section 350 of Companies Act 1956 .. .. .	39,96,914	
14,25,000	(ii) Estimated Liability of Bonus .. .. .	20,58,565	
50,98,316			60,55,479
1,02,49,394	Net Loss/Profit for Calculating Managing Director's Commission .. .. .	1,01,17,957	
Nil	1% of the Net Profit of Rs. 1,01,17,957/-	1,01,180	
	Total Managerial Remuneration :		
60,000	Remuneration .. .. .	1,20,000	
—	Commission on Profit .. .. .	1,01,180	
5,000	Company's Contribution to Provident Fund .. .. .	10,000	
5,400	Perquisite for use of Company's Car .. .. .	5,400	
70,400		2,36,580	
			5,82,03,621
4,91,69,321			

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner



THE YEAR ENDED 30TH SEPTEMBER, 1982

BOMBAY: Dated 28th February, 1983.

S. R. PARIKH  
*Secretary*

K. J. SOMAIYA  
*Chairman and Managing Director*

D. M. POPAT

N. C. SAYTA

S. N. VAIDYA

S. K. SOMAIYA

}

*Directors*

# THE GODAVARI SUGAR

## BALANCE SHEET

### NOTES:

- (1) Partnership Firms 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. 39,91,914/- (Previous Year Rs. 36,73,316/-).
- (b) Total arrears of Depreciation upto 30th September, 1982 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 is Rs. 5,68,75,693/- (Previous year Rs. 5,30,17,966/-). after adjusting Rs. 1,34,187/- on Assets destroyed and sold.
- (3) No Provision has been made in respect of Balance of Loss of Rs. 16,855/- as on 31st May, 1982 of Godavari Investment and 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 Rs. 20,58,565/-.
- (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1982, as per the Actuary's Certificate is Rs. 59,69,447/- . 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. 34,02,573/- upto 31-3-1982 is covered. No provision has been made for the balance of the gratuity liability in the accounts.
- (6) Company has paid Rs. 49,600/- as advance against Purchase of Agricultural Lands in Karnataka State for a price of Rs. 65,875/-. Due to Land Ceiling Act, these lands are surrendered to respective Cultivators. Necessary Steps are being taken to recover the amount paid.
- (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 1969-70 to 1975-76, Rs. 94,64,991/- paid as per agreement had been provided. Balance amount of Rs. 67,60,709/- has not been provided in the Books of Accounts except Rs. 9,96,068/- provided in the year 1969-70.
- (8) Company has provided Managing Director's Remuneration and Commission totalling Rs. 2,21,180 as per terms approved by Shareholders in the Annual General Meeting held on 12th April, 1980. The same is subject to approval of Central Government.

	Number	Salary, Bonus & Allowances	Contribution to Provident Fund & Other Funds
(9) (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)	15	7,63,305/-	41,428/-
(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	4	45,816/-	2,301/-

- (10) Information in respect of Partnership Firms in which the Company is a Partner :

(a) Somaiya Farms-Lakh

Names of Partners	Capital	Share of profit
(i) Godavari Sugar Mills Limited	1,82,735	25.00%
(ii) Shri L. V. Satpute	26,449	18.75%
(iii) Shri D. M. Patel	19,836	14.0625%
(iv) Shri N. G. Patel	19,836	14.0625%
(v) Shri J. C. Patel	19,836	14.0625%
(vi) Shri B. H. Patel	19,836	14.0625%

(b) Somaiya Farms-Khanapur

Names of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Limited	Nil	25.00%
(ii) Shri M. J. Patel	75,099	18.75%
(iii) Shri C. J. Patel	75,099	18.75%
(iv) Shri C. B. Patel	75,099	18.75%
(v) Shri S. P. Patel	75,099	18.75%

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.  
CHARTERED ACCOUNTANTS

G. P. BHATT  
Partner



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1982

(11) Quantitative information in respect of goods manufactured :

<i>Name of the Factory</i>	<i>Licensed 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 &amp; loss due to drilage 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	8,595.7	3,52,23,884	1,13,118.5	276	32,055.4	31,68,09,391	39,382.8	14,30,31,056
Molasses	11,781	4,39,859	48,476	3,165	30,920	27,45,180	26,172	11,47,778

*Raw Materials Purchased & Consumed:*

	<i>Quantity Purchased &amp; Consumed M.T.</i>	<i>Value Rs.</i>
Sugarcane	11,01,435.079	25,98,21,494
<i>Stores &amp; Spares Consumed:</i>	<i>Value Rs.</i>	<i>%</i>
Imported	36,352	0.63%
Indigenous	57,39,969	99.37%
	57,76,321	100.00%

*C.I.F. Value of Imports:*

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

(12) Expenses incurred in foreign currency Rs. 24,080/- (*Previous year NIL*)

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

(14) 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. R. PARIKH  
*Secretary*

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

*Directors*

BOMBAY: Dated 28th February, 1983.

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1982

### Schedule 'B'

Statement Under Section 217(2-A) of the Companies Act, 1956, read with Rule 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 the year 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 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	83	Managing Director	120,000/- (*)	Contractual for Five Years from 1-6-1980	As approved by Central Government	About 43 Years	1- 6-1970	NIL
2.	Shri P. M. Kavadia	64	Chief Executive	75,070/-	Permanent	As per Company's Rules	M.A. LL.B. About 37 Years	1- 9-1963	Managing Director, Narsee Nagjee & Co. Ltd.
3.	Shri S. R. Parikh	49	Secretary	52,799/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. F.C.A. About 26 Years	2- 1-1960	General Manager, Great Eastern Shipping Limited
4.	Shri S. N. Kalabhairavan	70	Officer on Special Duty	48,995/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) About 49 Years	1- 3-1971	Officer in Charge, Special Mangalore Chemicals & Fertilizers Ltd.
5.	Shri J. N. Patel	59	General Manager	64,803/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) Hons. About 31 Years	2- 4-1951	NIL
6.	Shri P. D. Bhise	57	Agri. Dev. Manager	36,573/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Agri. Diploma About 33 Years	1- 9-1949	NIL
7.	Shri S. G. Athavale	34	Chief Engineer & Factory Manager	43,690/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 11 Years	11- 7-1971	NIL
8.	Shri T. T. Oommen	55	General Manager	63,273/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. F.S.T.A. About 35 Years	24-10-1981	Tech. Asst. to Kerala Govt., General Manager, Travancore Sugar & Chemicals Ltd.
9.	Shri R. S. Shukla	48	Works Manager	60,143/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. Engr. C. Engr. F.I.E. (India) About 25 Years	11- 6-1981	Ch. Engr. Hindustan Sugar Mills Ltd.
10.	Shri M. K. Kucheria	48	Chief Chemist	45,404/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. A.N.S.I. About 23 Years	1-10-1979	Ch. Chemist, Belgaum S.S.K. Ltd.

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



<i>Sr. No.</i>	<i>Name of Employee</i>	<i>Age</i>	<i>Designation</i>	<i>Remuneration Rs.</i>	<i>Nature of Employment (Whether Contractual or otherwise)</i>	<i>Other terms and Conditions</i>	<i>Qualifications &amp; Experience (Years)</i>	<i>Date of Commencement of employment</i>	<i>Last Employment</i>
11.	Shri V. S. Somaiya	44	Cane Manager	44,275/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) Hons. About 21 Years	17-10-1980	Cane Supdt. Tungabhadra Sugar Works Ltd.
12.	Shri B. M. Murugkar	52	Manager	40,276/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 24 Years	24- 8-1963	NIL
13.	Shri S. P. Chitanavis	65	Agri. Dev. Manager	37,025/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 33 Years	13- 7-1949	NIL
14.	Shri T. P. Nagda	50	Manager	37,241/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 31 Years	30- 6-1958	Accountant M/s. Warden Co. Pvt. Ltd. Bombay

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

1.	Shri P. S. Daftary	64	Purchase Officer	12,448/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 43 Years	1- 9-1939	NIL
2.	Shri B. V. Pradhan	58	Officer on Special Duty	3,000/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. C.A. About 27 Years	2- 9-1982	Chief Finance Manager, Indian Oil Corp. Ltd.
3.	Shri K. N. Krishnaswamy	48	Works Manager	22,584/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc., A.N.S.I. F.S.T.A. About 27 Years	3-12-1981	Gen. Manager cum-Ch. Chemist Gouribidanur S.S.K. Ltd.
4.	Shri. M. Venkatrao	41	Chief Engineer	10,085/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. Mech. B.O.E. A.N.S.I., M.I.E., F.S.T.A. About 19 Years	29- 6-1982	J.P. Mukharjee & Associates

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

BOMBAY: Dated 28th February, 1983,

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

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

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, 1982.

*Advances:* The Advance to subsidiary was as follows:

	<i>As on</i>	<i>Amount</i>
(a) Godavari Investment & Finance Corporation Limited	31st May, 1982	Rs. 12,20,309/-

Godavari Investment & Finance Corporation Limited made a Profit of Rs. 1,561/- for the year ended 31st May, 1982. The Net Loss after adjusting the previous years' Loss from this year comes to Rs. 16,855/-. 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.

There has been no change in the Interest of the Godavari Sugar Mills Ltd., in Godavari Investment & Finance Corporation Ltd., Between 1st June, 1982 & 30th September, 1982. 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*

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

} *Directors*

S. R. PARIKH  
*Secretary*

BAY: Dated 28th February, 1983.



**GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY**

**DIRECTORS' REPORT**

Gentlemen,

Your Directors submit herewith their Twenty-Seventh Annual Report and Audited Accounts of the Company for the year ended 31st May, 1982.

The working of the Company for the year resulted in a Profit of Rs. 1,561/- after providing Rs. 3,102/- for taxation. After adjusting the same from last years' loss, the net carried forward loss comes to Rs. 16,855/- 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 1st November, 1982.

# GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Godavari Investment and Finance Corporation Limited as at 31st May, 1982 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 purpose 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 Company Act, 1956 in the manner so required and give a true and fair view;
  - (a) In case of the Balance Sheet, of the state of the affairs of the Company as at 31st May, 1982 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 or 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 : 3rd November, 1982.

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1981		LIABILITIES		
Rupees		Rupees	Rupees	Rupees
	<b>I. AUTHORISED CAPITAL</b>			
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each .. .. .			5,00,000
	<b>II. SUBSCRIBED CAPITAL:</b>			
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
	<b>III. UNSECURED LOANS:</b>			
6,73,840	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited .. .. .		5,60,030	
4,10,230	Interest due on above .. .. .		5,26,905	
10,84,070				10,86,935
	<b>IV. CURRENT LIABILITIES AND PROVISIONS:</b>			
	(A) CURRENT LIABILITIES:			
1,01,845	(i) Sundry Creditors .. .. .		1,17,470	
2,803	(ii) Estimated Unearned Finance charges on Hire Purchase carried forward .. .. .		2,803	
1,16,675	(iii) Interest accrued but not due on Loans .. .. .		1,33,374	
2,21,323			2,53,647	
5,436	(B) PROVISIONS:			
2,26,759	For Taxation .. .. .		8,538	
				2,62,185
	<b>NOTES:</b>			
	(1) Out of Land Mortgage 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.			
14,10,829		Total Rupees :		14,49,120

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, 1982

As at 31st May, 1981	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES:</b>			
	(A) CURRENT ASSETS:			
	(i) STOCK IN TRADE (at Cost) (as per inventories taken valued and certified by a Director)			
5,918	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			
1,03,843	Outstanding for more than six months ..	95,887		
43,941	Considered Doubtful .. .. .	43,941		
1,47,784		1,39,828		
43,941	Less: Provision for Doubtful Debts .. ..	43,941		
1,03,843		95,887		
19,292	Other Debts .. .. .	15,397		
1,23,135			1,11,284	
	(iii) CASH AND BANK BALANCES:			
334	Cash on Hand .. .. .	1,914		
7,411	Stamp Papers on Hand .. .. .	3,226		
1,594	In current account with a Scheduled Bank ..	3,843		
9,339			8,983	
	(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:			
10,00,134	Secured .. .. .	10,33,707		
36,261	Considered doubtful .. .. .	36,261		
10,36,395		10,69,968		
36,261	Less: Provision for Doubtful Loans .. ..	36,261		
10,00,134		10,33,707		
1,27,525	Loans to Others .. .. .	1,27,525		
92,502	Add: Interest Accrued on above .. .. .	1,10,993		
2,20,027		2,38,518		
12,20,161			12,72,225	
29,000	(ii) Deposit .. .. .		29,000	
1,087	(iii) Advance recoverable in Cash or Kind ..		1,082	
3,773	(iv) Advance Income-Tax .. .. .		3,773	
13,92,413				14,32,265
	<b>II. MISCELLANEOUS EXPENDITURE:</b>			
	PROFIT AND LOSS ACCOUNT:			
18,416	Loss as per Profit & Loss Account .. .. .			16,855
14,10,829				14,49,120
	Total Rupees :			

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.

# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st May, 1981			Rupees	Rupees
Rupees				
	To	Opening Stock:		
5,918		Machinery Spares and Fittings .. .. .		5,918
15,832	"	Salary .. .. .		31,841
655	"	Bonus .. .. .		672
1,298	"	Govt. Provident Fund Company's Contribution and Administrative Charges .. .. .		2,560
78	"	Company's Contribution to Deposit Link Insurance Scheme and Administrative Charges .. .. .		138
4,466	"	Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams Conveyance, Travelling Expenses, Printing and Stationery etc. .. .. .		3,231
10	"	Insurance Premium .. .. .		35
9,600	"	Office Rent .. .. .		9,600
	"	Interest:		
1,16,675		On Current Account (To the Holding Company) The Godavari Sugar Mills Ltd. .. .. .		1,33,374
—	"	Legal Expenses .. .. .		1,285
500	"	Audit Fees .. .. .		500
1,665	"	Provision for Taxation .. .. .		3,102
833	"	Profit Carried Down .. .. .		1,561
1,57,530		Total Rupees :		1,93,817
18,841	"	Balance as per Last Balance Sheet .. .. .		18,416
408	"	Short Provision for Taxation in respect of Previous year		—
19,249		Total Rupees :		18,416

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



THE YEAR ENDED 31ST MAY, 1982

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

} *Directors*