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**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1982-83**

1983

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 (Up to August, 1983)

SHRI B. L. SRIDHAR (From September, 1983)

(Nominee of Karnataka State Government)

SHRI SHANTILAL KARAMSHI SOMAIYA

*gratuity liability
as on 30-9-84*

Bankers:

BANK OF INDIA

UNION BANK OF INDIA

VIJAYA BANK

BANK OF MAHARASHTRA

BANK OF BARODA

17.0.655451

Calc 39,96,179

Salc 30,12,363

SNR 10.61,121

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 Fortyfourth Annual General Meeting of the Godavari Sugar Mills Limited will be held on Thursday the 29th March, 1984 at 4.00 P.M. at the Registered Office of the Company at Fazalbhoj Building, 45/47, 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 1983.
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 N. C. Sayta who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,

K. J. SOMAIYA

Managing Director

^{2nd}
Bombay : Dated 1st March, 1984.

Note : 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.

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, 1983.

FINANCIAL RESULTS :

The Working of the Company for the year under report has resulted in an operating surplus of Rs. 567.64 lacs without providing for interest and Depreciation. After providing interest of Rs. 440.07 lacs but before providing Depreciation, the working for the year resulted in a net profit of Rs. 127.57 lacs. This has considerably helped to reduce the carried forward loss. However, in view of the carried forward loss balance, no provision has been made for depreciation. The Directors also do not recommend Dividend on Equity and Preference Shares for the year ended 30th September, 1983.

MANUFACTURING RESULTS :

The working of the Company's three sugar factories during 1982-83 season was satisfactory. The Units together crushed 10,71,235 tonnes of cane and produced 11,37,589 quintals of sugar. This was in line with the sugar production of 82.31 lac tonnes achieved in the country in the year.

SUGAR POLICY :

The Policy of partial decontrol of sugar continued unchanged during 1982-83 season. However there was no realistic revision of Levy Prices reflecting the escalations in several components of the cost of manufacture. As a result, the industry continued to remain under great handicap.

WRIT PETITIONS FOR LEVY SUGAR PRICES :

- (a) The position regarding Writ Petitions in respect of levy sugar Prices from 1974-75 to 1979-80 is the same as reported in last report.
- (b)
 - (i) 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 the season 1980-81 is pending in the Supreme Court.
 - (ii) The Writ Petitions of the Company in Delhi High Court against Levy Sugar Price notifications of Govt. of India denying Company's Lakshmiwadi factory the compensation by way of additional price of Rs. 26/- per quintal available to old (more than 25 years old) factories having a licensed capacity of less than 1,250 tonnes crushing per day are pending final disposal.
 - (iii) For 1983-84 season also the Company has been 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 amount with interest at 15% per annum from the date of payment to the date of refund.

WRIT PETITIONS FOR CANE PURCHASE-TAX IN RESPECT OF SAMEERWADI FACTORY :

The Writ Petitions filed by the Company in the High Court of Karnataka at Bangalore have been finally disposed off up-holding the Company's contention that the new factories are eligible for moratorium of 10 years period for payment of cane Purchase-tax (and not for 5 years as contended by the Govt.) The judgment was delivered by the court vide their Order dated 20th/21st September, 1983.

CURRENT WORKING :

The Crushing operations during current season 1983-84 have been unsatisfactory, essentially due to sharp fall in cane availability. The Sameerwadi factory stopped crushing for the season on 22nd February, 1984 with a crush of 2,16,957 tonnes of cane as the cane in the area has been exhausted. The Factory had to close early this season due to heavy and unprecedented diversion of cane to manufacture of jaggery due to highly attractive jaggery prices ranging from Rs. 280/- to Rs. 370/- per quintal prevailing throughout the season. The other Co-operative factories also in the area have been similarly affected on account of this factor and a few of them have already stopped their crushing for the season.

The cane crushing in Maharashtra has also suffered a severe setback. In Maharashtra, almost in the entire State, cane supply has been affected adversely because of conditions of drought and shortfall of adsali crop. The Sakarwadi and Lakshmiwadi Factories of the Company are likely to stop crushing in the first week of March 1984 with an estimated total crush of about 2,60,000 tonnes of cane for both the Factories together.

Thus the total crushing at all three factories of the Company during the season is estimated at about 4,80,000 tonnes of cane against 10,71,235 tonnes of cane crushed in 1982-83 season. The working of all the three Sugar Factories during current season, therefore, would prove to be a great setback.

LEVY SUGAR PRICES FOR 1983-84

The Levy Sugar prices for the season 1983-84 as announced by the Government of India have been higher by Rs. 13.50 per quintal in respect of Maharashtra Zone and Rs. 19.18 per quintal for Karnataka Zone as compared to those for the season 1982-83. The Government decided not to accept the recommendations of Bureau of Industrial Cost and Prices for fixing levy prices for 1983-84 season. The levy prices for 1983-84 season have been announced on the basis of cost schedules as worked out earlier by High Level Committee in 1980 after giving effect to certain escalations in the cost.

While fixing the levy prices, the Government has assumed the figures of duration and recovery on a higher level against the actuals which will now be much less especially in Maharashtra and Karnataka. The Industry is, therefore, representing to Government to revise the levy sugar prices by taking actual duration and recovery so as not to put the factories into loss.

BUFFER STOCK :

The Government of India has increased the quantity of buffer stock being held by sugar factories from 5 lac to 10 lac tonnes. However, the reimbursement of handling/interest charges to be made on the buffer stock from October 1982 onwards has not yet been granted to any of the factories.

OTHER MATTERS :

Deposits from 16 parties aggregating to Rs. 43,500/- which had matured during the year were outstanding with the Company on 30th September, 1983 as the depositors had not claimed the same.

Your Directors place on record their appreciation of the co-operation and assistance extended by Company's Bankers viz. Bank of India and Union Bank of India, Vijaya Bank, Karnataka State Financial Corporation as well as the Maharashtra and the Karnataka Governments.

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 N. C. Sayta 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

^{2nd}
Bombay, Dated : 1st March, 1984

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1983

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 Stock is fair and proper in accordance with normally accepted principles and is on the same basis as in the last year except that during the year excise duty has not been included in to valuation of the closing stock of Sugar.
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, 1983 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 209 (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 2nd March, 1984.

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1982		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 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 :				
17,37,256	As per Last Balance Sheet	20,93,107			
3,55,851	Add : Transferred from Molasses Sales	2,35,726			
20,93,107				23,28,833	
63,65,724					66,01,450
2,62,16,674					
	Carried Over				2,64,52,400

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1983

As at 30th Sept. 1982	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS : (At Cost or Book Value) :			
11,58,29,463	Gross Block		12,52,39,215	
2,68,59,935	Less : Depreciation Written off upto 30th September, 1983		2,68,61,593	
8,89,69,528	Net Depreciated Block as per Schedule "A" Attached		9,83,77,622	
6,80,283	Capital Work-in-Progress		80,22,606	
8,96,49,811				10,64,00,228
	II. INVESTMENTS (At Cost) :			
	(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/- paid-up per Share ..		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	100 9½% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid-up 10,000			
15,000	Less : 100 Shares redeemed			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			4,54,000	
5,64,000				
8,96,49,811				
	Carried Over		5,54,000	10,64,00,228

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1982	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
2,62,16,674	Brought Forward		2,64,52,400
	III. SECURED LOANS :		
7,91,26,364	(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	11,98,55,767	
3,54,13,490	(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		
3,51,46,600	(i) Bank of India	5,32,27,568	
	(ii) Union Bank of India	5,10,62,983	
7,05,60,090			10,42,90,551
14,96,86,454			22,41,46,318
	NOTE : The Company has created 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.		
9,00,000	(i) Bank of India	2,00,00,300	
20,00,000	(ii) Karnataka State Financial Corporation (instalment payable within a year Rs.2,50,000/-)	2,50,000	
	(iii) Vijaya Bank	20,00,000	
2,97,00,200			2,22,50,300
1,14,65,170	(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)		1,01,06,578
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. 3,80,000/-)		7,80,000
19,16,31,824			
2,62,16,674	Carried Over	25,72,83,196	2,64,52,400

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1983

As at 30th Sept. 1982	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,96,49,811	Brought Forward		5,54,000	10,64,00,228
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	
41,820	(vi) 7 Years National Savings Certificates		8,920	
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	50,08,250		
	Aggregate unquoted Investments 1,31,159	—		
68,29,054	67,86,154	50,08,250		67,86,154
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)			
1,85,61,903	Stock on hand (including Machineries of Rs. 4,81,803/-)	1,54,65,618		
22,55,506	In Transit	14,68,420		
2,08,17,409			1,69,34,038	
8,984	(ii) Loose Tools and Implements (at per inventories valued and certified by Managing Director)		8,083	
2,08,26,393				
9,64,78,865	Carried Over		1,69,42,121	11,31,86,382

THE GODAVARI SUGAR BALANCE SHEET

As at 30th Sept. 1982		LIABILITIES (Contd.)	
Rupees		Rupees	Rupees
2,62,16,674	Brought Forward	25,72,83,196	2,64,52,400
19,16,31,824			
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 of Fixed Assets of Sakarwadi and Lakshmiwadi Factories ..	20,00,000	
1,57,69,034	(g) Interest accrued and due on above	2,20,18,565	
—	(h) Deferred payments against Machinery purchased under IDBI Bills Rediscounting Scheme (Guaranteed by Nationalised Banks)	71,15,992	
20,94,00,858			28,84,17,753
7,085	IV. UNSECURED LOANS:	5,19,742	
13,21,100	(i) From Others	3,91,100	
7,45,506	(ii) Public Fixed Deposits	50,222	
50,45,468	(iii) From Banks	50,45,625	
71,19,159	(iv) Cane Purchase Tax Loan from Karnataka & Maharashtra Governments		60,06,689
10,81,10,337	V. CURRENT LIABILITIES AND PROVISIONS :		
—	(A) CURRENT LIABILITIES:	10,86,38,015	
2,78,876	(i) Sundry Creditors	11,74,471	
8,000	(ii) Bills Payable	3,09,276	
19,75,759	(iii) Advances from Customers against Sale of Land and Wood	27,000	
4,878	(iv) Advance against Lease Rent	23,20,111	
33,70,889	(v) Security Deposit from Bagaitdars	4,878	
1,99,122	(vi) Security Deposit from Customers	33,70,889	
2,96,180	(vii) For Taxation	1,99,122	
9,58,939	(viii) Due to Partnership Firm of Khanapur Farms ..	4,49,715	
11,52,02,980	(ix) Due for Managing Director's Remuneration & Commission	10,50,176	
35,79,39,671	(x) Interest Accrued but not due on Loans ..		11,75,43,653
			43,84,20,495
	Carried Over		

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1983

As at 30th Sept. 1982	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,64,78,865	Brought Forward		169,42,121	11,31,86,382
2,08,26,393	(iii) Stock-in-trade (as per inventories valued and certified by Managing Director)			
14,30,31,056	(a) Sugar at Realised/Realisable Value ..	20,77,01,780		
19,568	(b) Stock of Grains, Cotton, etc. at Market Rate	23,949		
11,47,778	(c) Molasses at Market Rate	17,91,430		
14,41,98,402			20,95,17,159	
	(iv) Sundry Debtors: (Unsecured and considered good except otherwise stated)			
28,65,140	(a) Debts Outstanding for more than six months	28,09,865		
69,277	(b) Considered Doubtful	69,277		
29,34,417		28,79,142		
69,277	Less: Provision for Doubtful Debts ..	69,277		
28,65,140		28,09,865		
38,16,832	(c) Other Debts	78,48,394		
66,81,972			1,06,58,259	
	(v) CASH AND BANK BALANCES:			
26,18,026	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 40,432/- and cheques on hand Rs. 8,69,427/-)	17,03,559		
11,92,873	In Current Account with Scheduled Banks ..	21,96,914		
	In Current Account with Non-Scheduled Banks:			
3,865	(a) Madhavpura Mercantile Co-operative Bank Ltd., Bombay (Maximum Debit Balance during the year Rs. 51,350/- Previous year Rs. 1,65,865/-)	3,865		
436	(b) Ahmednagar Dist. Central Co-operative Bank Ltd., Shrirampur (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		
4,402		4,402		
38,15,301				
17,17,06,767				
9,64,78,865	Carried Over	39,04,875	23,71,17,539	11,31,86,382

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1982		LIABILITIES (Contd.)	
Rupees		Rupees	Rupees
35,79,39,671		Brought Forward	43,84,20,495
	CONTINGENT LIABILITIES (Not Provided for):		
	(i) Uncalled Liability on Partly Paid Shares held as Investment 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	3,78,327	
	(iii) In respect of guarantee given to a Bank for the Loan granted to Somaiya Organics (India) Limited	42,90,000	
42,90,000			
	(iv) In respect of development charges payable to Government in instalment for leasehold Lands at Gandhidham	—	
11,494			
	(v) In respect of dividend payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1-6-1973 to 30-9-1983	15,02,808	
13,57,375			
	(vi) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Bank of Baroda to Cane Cultivators	28,51,459	
30,47,538			
	(vii) 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	2,09,70,730	
1,83,20,762			
	(viii) 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 Dhyaneshwar Sahakari Sakhar Karakhana Ltd. against payment of Sugarcane supplied during the year 1981-82	—	
10,00,000			
	(ix) In respect of additional price, if any, payable for cane purchased by Sakarwadi/Lakshmiwadi Factories during 1982-83 season from cultivators and Maharashtra State Farming Corporation over and above ex-field price of Rs. 200/- per tonne (Previous year Rs. 205/-) and Rs. 195/- per tonne (Previous year Rs. 200/-) respectively provided in the accounts	not yet determined	
not determined			
35,79,39,671	Total Rupees :		43,84,20,495

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1983

As at 30th Sept. 1982	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,64,78,865	Brought Forward	39,04,875	23,71,17,539	11,31,86,382
17,17,06,767				
38,15,301	Fixed Deposits with Scheduled Banks (Under lien for the Guarantees)	91,29,871		
88,28,521	Accrued Interest on Fixed Deposits	5,29,694		
3,46,131				
1,29,89,953			1,35,64,440	
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
	Loans to Others (Including Doubt- ful Loans of Rs. 4,79,130/- not provided for)	20,72,072		
27,67,486	Interest accrued on above	55,66,105		
72,12,526				
99,80,012		76,38,177		
9,356	Considered Doubtful	9,356		
99,89,368		76,47,533		
9,356	Less: Provision for Doubtful Loans	9,356		
99,80,012			76,38,177	
	Loans to subsidiary company of which the Company is a Holding Company :-			
	Godavari Investment & Finance Corporation Ltd.	2,86,571		
5,49,132	Interest Accrued on above	8,32,488		
7,65,542				
13,14,674			11,19,059	
	Advance recoverable in Cash or Kind or for Value to be received (including Advances of Officers of the Company Rs. 68,848/- Maximum Debit Bal- ance during the year Rs. 86,357/-; Rs. 13,59,460/-, in dispute, Rs. 11,91,662/- advance against Share Purchase and Rs. 4,42,425 paid to Banks in respect of defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee)	2,72,90,585		
2,35,54,528	Considered Doubtful	64,126		
64,126				
2,36,18,654		2,73,54,711		
64,126	Less: Provision for Doubtful Advances	64,126		
2,35,54,528			2,72,90,585	
	Income-tax deducted at source from Interest and Dividend		8,18,236	
5,91,065	Deposit with Irrigation Department, Railway, High Courts and Others		65,35,029	
58,36,567	Due from Partnership Firm of Lakh Farms		98,962	
98,962				
22,60,72,528				29,41,82,027
	MISCELLANEOUS EXPENDITURE :			
	Profit and Loss Account :			
	Balance as per Profit & Loss Account		3,79,16,698	
4,22,52,890	Less: Deducted from General Reserve as per Contra		68,64,612	
68,64,612				
3,53,88,278				3,10,52,086
35,79,39,671	Total Rupees :			43,84,20,495

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1982	Additions during the year	Deduction for Sale during the year
(1)	(2)	(3)	(4)
Freehold Land (Book Value)	28,72,056	57,000	5,213
Leasehold Land Development Expenses	2,27,431	11,494	—
Leasehold Premium on Garage	12,000	—	—
Building & Pucca Quarters at Factories	2,24,15,370	3,63,674	—
Temporary Quarters	7,18,143	82,716	—
Temporary Quarters at Farms	2,38,768	—	—
Pucca Quarters at Farms	2,18,633	—	—
General Machinery (Book Value)	6,87,84,727	67,94,135	—
Electrical Machinery	48,17,474	1,979	—
Agricultural Machinery (Book Value)	33,63,205	—	—
Locomotives	92,974	—	—
Electrical Installations & Fittings	10,79,822	1,56,583	—
Furniture & Office Equipments	25,81,309	87,943	1,800
Weigh Bridges	4,23,121	19,848	—
Trolley Lines	6,28,058	—	—
Railway Siding	1,26,075	—	—
Molasses Storage Tanks	8,98,488	17,02,391	—
Motor Cars, Lorries & Cycles (Book Value)	23,91,617	76,774	—
Carts & Trucks (Book Value)	3,82,416	—	—
Laboratory Apparatus	1,39,187	4,100	—
Roads & Drainage & Tube Wells	15,84,944	34,989	—
Dead Stock	1,37,517	23,138	—
Library	7,758	—	—
Medical Instruments	363	—	—
Irrigation Lifts	12,03,771	—	—
Live Stock	95,386	—	—
Total Rupees:	11,54,40,613	94,16,764	7,013

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 2nd March, 1984.

MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1983

Gross Block as on 30th Sept. 1983	Depreciation Written off upto 30th Sept. 1982	Depreciation Provided during the year	Total Depreciation Upto 30th Sept. 1983	Net Depreciated Block as at 30th Sept. 1983	Net Depreciated Block as at 30th Sept. 1982
(5)	(6)	(7)	(8)	(9)	(10)
29,23,843	—	—	—	29,23,843	28,72,056
2,38,925	—	—	—	2,38,925	2,27,431
12,000	7,600	300	7,900	4,100	4,400
2,27,79,044	30,96,794	—	30,96,794	1,96,82,250	1,93,18,576
8,00,859	2,28,272	—	2,28,272	5,72,587	4,89,871
2,38,768	1,52,246	—	1,52,246	86,522	86,522
2,18,633	74,421	869	75,290	1,43,343	1,44,212
7,55,78,862	1,29,36,492	—	1,29,36,492	6,26,42,370	5,58,48,235
48,19,453	18,71,223	—	18,71,223	29,48,230	29,46,251
33,63,205	31,66,305	375	31,66,680	1,96,525	1,96,900
92,974	86,792	—	86,792	6,182	6,182
12,36,405	99,724	—	99,724	11,36,681	9,80,098
26,67,452	7,57,154	102	7,57,256	19,10,196	18,24,155
4,42,969	1,61,531	4	1,61,535	2,81,434	2,61,590
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
26,00,879	—	—	—	26,00,879	8,98,488
24,68,391	9,27,675	1	9,27,676	15,40,715	14,63,942
3,82,416	3,02,591	—	3,02,591	79,825	79,825
1,43,287	36,698	—	36,698	1,06,589	1,02,489
16,19,933	7,72,642	—	7,72,642	8,47,291	8,12,302
1,60,655	62,564	—	62,564	98,091	74,953
7,758	5,490	—	5,490	2,268	2,268
363	347	—	347	16	16
12,03,771	9,48,080	7	9,48,087	2,55,684	2,55,691
95,386	82,171	—	82,171	13,215	13,215
12,48,50,364	2,64,71,085	1,658	2,64,72,743	9,83,77,621	8,89,69,528

K. J. SOMAIYA

Chairman and Managing Director

S. N. VAIDYA
N. C. SAYTA
B. L. SRIDHAR
S. K. SOMAIYA

Directors

S. R. PARIKH
Secretary

BOMBAY : Dated 1st March, 1984.

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1982			Rupees	Rupees
		To		
		Opening Stock on 1st October, 1982		
		Sugar	14,30,31,056	
3,52,23,884		Less : Excise Duty on Sugar	1,78,66,700	
44,59,459			<u>12,51,64,356</u>	
3,07,64,425				
4,39,859		Molasses	<u>11,47,778</u>	
3,12,04,284				12,63,12,134
11,451		" Opening Crop-in-Progress	—	
88,867		" Salaries and Wages	86,234	
3,657		" Stores inclusive of Seeds and Manures	10,004	
17,737		" Irrigation Rates and Taxes	19,131	
5,515		" Miscellaneous Expenses (Including Printing and Stationery, Postage and Telegrams and Travelling Expenses)	6,035	
1,525		" Depreciation	1,358	
2,740		" Legal Charges	2,046	
1,31,492				<u>1,24,808</u>
25,98,21,494		" Locally Purchased Cane		23,92,30,877
2,02,73,268		" Salaries and Wages (after deducting Rs. 51,36,754/- charged to Repairs and Other relevant heads) ..	2,03,04,026	
14,17,796		" Bonus to Employees (Inclusive of Previous years) ..	26,81,092	
91,892		" Company's Contribution to Employees Family Pension Fund Scheme	99,557	
1,80,701		" Contribution to Provident Fund of the Company and Administrative Charges	2,06,329	
4,15,301		" Gratuity	1,22,349	
14,45,460		" Company's Contribution to Govt. Provident Fund and Administrative Charges	14,62,090	
2,38,24,418				
29,11,57,270				
		Carried Over	2,48,75,443	36,56,67,819

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1983

For the Year ended 30th Sept. 1982				
Rupees		Rupees	Rupees	Rupees
	By SALES :			
31,68,09,391	Sugar		33,93,70,768	
27,45,180	Molasses	20,06,604		
3,55,851	Less : Transferred to Molasses Storage Fund	2,35,726		
23,89,329			17,70,878	
31,91,98,720				34,11,41,646
8,87,066	" Sundry Receipts from Flour Mills, Dairy etc.			9,71,724
3,09,755	" Income from Immovable Property			3,01,087
1,85,876	" Sundry Receipts being Market Value of Farm Produce etc.			1,98,887
45,286	" Dividend			81
	" Interest :			
6,17,389	On Loans and Others		2,96,866	
1,02,211	From Subsidiary Company		66,946	
—	On Government Securities		15,410	
	From Banks :			
6,42,068	On Fixed Deposits & Others		8,61,635	
13,61,668				12,40,857
29,604	" Sundry Credit Balances Written back			48,182
34,447	" Claims and Refunds			2,30,338
46,40,677	" Rebate on Excise Duty			21,32,175
—	" Excess Provision of Cane Purchase Tax of earlier years Written back			2,47,107
—	" Profit on Sale of Assets			30,287
32,66,93,099				34,65,42,371

Carried Over

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1982			Rupees	Rupees
Rupees		Brought Forward	2,48,75,443	36,56,67,819
29,11,57,270				
2,38,24,418				
1,19,660	To	Contribution to Deposit Linked Insurance Fund and Administrative Charges	1,25,822	
6,57,652	"	Workmen and Staff Welfare Expenses	7,79,385	
24,742	"	Workmen's Compensation	2,221	
2,46,26,472				2,57,82,871
57,76,321	"	Stores, Chemicals & Spare Parts (after deducting Rs. 2,27,13,313/- to Capital, Repairs and Other relevant heads)		68,74,835
28,39,033	"	Power and Fuel		28,33,882
64,36,119	"	Repairs to Plant & Machinery (inclusive of Salaries and Wages Rs. 26,31,237/- Previous year Rs. 20,34,315/-)	69,04,087	
8,86,500	"	Repairs to Buildings (inclusive of Salaries & Wages Rs. 4,15,697/- Previous year Rs. 4,00,320/-)	9,66,191	
3,28,895	"	Other Repairs (inclusive of Salaries and Wages Rs. 1,59,289/- Previous year Rs. 1,45,306/-)	5,58,676	
76,51,514				84,28,954
1,63,56,453	"	Sugar Cane Purchase Tax		1,62,07,173
3,34,832	"	Gratuity Insurance		3,68,626
6,23,577	"	Insurance Premium		7,77,218
5,34,44,206	"	Excise Duty on Sugar	3,83,51,170	
—	"	Excise Duty on Tariff Item No.52	856	
9,74,006	"	Excise Duty on Molasses	7,31,979	
59,760	"	Excise Duty on Tariff Item No. 68	28,274	
10,132	"	Excise Duty on Electricity *	6,869	
5,44,88,104				3,91,19,148
16,79,320	"	Sugar Cess		1,19,90,582
87,68,628	"	Packing and Forwarding		91,44,018
2,07,995	"	Rent		2,48,155
4,18,051	"	Rates and Taxes		5,88,760
5,80,761	"	Brokerage and Commission (Inclusive of Guarantee Commission Rs. 4,90,237/- Previous year Rs. 3,61,082/-)		7,45,357
53,97,124	"	Miscellaneous Expenses (Including Printing and Stationery, Postage & Telegrams, Telephone, Motor Car Maintenance etc.)		65,93,324
15,885	"	Sales Tax		1,607
—	"	Open Yard Sugar Storage Expenses		3,42,714
42,09,21,340		Carried Over		49,57,15,043

THE YEAR ENDED 30TH SEPTEMBER, 1983

THE YEAR ENDED 30TH SEPTEMBER, 1983

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1982									
Rupees								Rupees	Rupees
42,09,21,340							Brought Forward		49,57,15,043
	To	Interest:							
2,21,34,612		Cash Credit Account						3,48,27,132	
77,79,452		Fixed Loans						77,04,046	
3,60,374		Fixed Deposits						3,40,351	
1,20,000		Debentures						1,20,000	
2,15,081		Other Loans						10,15,877	
3,06,09,519									4,40,07,406
4,400	"	Directors' Fees							2,800
1,33,721	"	Directors' Travelling Expenses							1,77,884
	"	Managing Director's Remuneration							
1,20,000		Remuneration						1,20,000	
1,01,180		Commission on Profit						33,535	
2,21,180									1,53,535
	"	Payment to Auditors:							
25,000		Audit Fees						25,000	
—		Cost Auditors Fees						10,000	
750		Payment to Auditors in Other Capacity						—	
—		Cost Auditors Travelling Expenses						856	
715		Auditors Travelling Expenses						8,584	
26,465									44,440
23,46,704	"	Agricultural Development Expenses (Inclusive of Salaries & Wages Rs. 19,30,531/- Previous year Rs. 17,72,299/-)							24,07,302
2,66,956	"	Expenses on Scientific Research							3,01,505
2,15,431	"	Legal Expenses							2,84,858
1,000	"	Loose Tools and Implements Written Off							900
7,830	"	Loss on Sale of Assets							1,200
1,66,356	"	Loss Due to Fire							—
300	"	Premium on Leasehold Garage Written Off							300
—		Excess Provision of Excise Duty Rebate of earlier years written off							1,81,672
1,59,50,731	"	Balance being Profit for the year							1,27,56,736
47,08,71,933							Total Rupees :		55,60,35,581

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1983

[illegible]

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1982				
Rupees			Rupees	Rupees
4,91,69,321	To	Balance of Loss Brought Forward from Last Year's Balance Sheet		4,22,52,890
27,04,283	"	Payment of Additional Cane Price of Previous Years to Maharashtra State Farming Corporation as per agreement		27,04,283
63,30,017	"	Provision for Additional Cane Price of earlier years (including interest)		57,16,261
NOTE:				
Computation of Managing Director's Commission is as follows:				
1,59,50,731		Net Profit/Loss as per Profit and Loss Account	1,27,56,736	
		Add/Less:		
2,21,180	(i)	Managing Director's Remuneration	1,53,535	
1,525	(ii)	Depreciation of Agriculture Section	1,358	
2,22,705			1,54,893	
1,61,73,436			1,29,11,629	
		Less/Add		
39,96,914	(i)	Depreciation to the extent specified in Section 350 of Companies Act 1956	74,38,912	
20,58,565	(ii)	Estimated Liability of Bonus	21,19,215	
60,55,479			95,58,127	
1,01,17,957		Net Profit for Calculating Managing Director's Commission	33,53,502	
1,01,180		1% of the Net Profit of Rs. 33,53,502	33,535	
		Total Managerial Remuneration :		
1,20,000		Remuneration	1,20,000	
1,01,180		Commission on Profit	33,535	
10,000		Company's Contribution to Provident Fund	10,000	
5,400		Perquisite for use of Company's Car	5,400	
2,36,580			1,68,935	
5,82,03,621		Total Rupees :		5,06,73,434

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 2nd March, 1984

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1983

For the Year ended 30th Sept. 1982		
Rupees		Rupees
1,59,50,731	By Balance being Profit Brought Forward from Profit & Loss Account	1,27,56,736
4,22,52,890	" Balance carried to Balance Sheet	3,79,16,698
<u>5,82,03,621</u>	Total Rupees :	<u>5,06,73,434</u>

K. J. SOMAIYA

Chairman and Managing Director

S. N. VAIDYA

N. C. SAYTA

B. L. SRIDHAR

S. K. SOMAIYA

Directors

S. R. PARIKH
Secretary

OMBAY : Dated 1st March, 1984

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. 74,37,554/- (Previous Year Rs. 39,91,914/-).
- (b) Total arrears of Depreciation upto 30th September, 1983 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 is Rs. 6,43,13,247/- (Previous year Rs. 5,68,75,693/-).
- (3) No Provision has been made in respect of Balance of Loss of Rs. 16,306/- as on 31st May, 1983 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. 21,19,215/-.
- (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1983 as per the Actuary's Certificate is Rs. 73,33,493/-. 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. 34,33,868/- upto 31-3-1983 is covered. No provision has been made for the balance of the gratuity liability in the accounts.
- (6) Company has paid Rs. 46,642/- as advance against Purchase of Agricultural Lands in Karnataka State for a price of Rs. 62,637/-. 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. 1,21,69,274/- paid as per agreement had been provided. Balance amount of Rs. 40,56,426/- 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. 1,53,535/- 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.
- (9) Unlike in earlier years, the closing stock of Sugar has been valued without making Provision of excise duty. This, however, does not in any way affect profit/loss for the year.

	Number	Salary, Bonus & Allowances	Contribution to Provident Fund & Other Funds
(10) (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)	20	9,01,806/-	54,007/-
(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.	2	12,763/-	806/-
(11) 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

BOMBAY : Dated 2nd March, 1984.

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1983

(12) 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 & 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	39,382.8	14,30,31,056	113,758.9	378.9	89,719.9	33,93,70,768	63,042.9	20,77,01,780
Molasses	26,172	11,47,778	45,048	—	23,241	20,06,604	47,978	17,91,430

Raw Materials Purchased & Consumed :

	<i>Quantity Purchased & Consumed M.T.</i>	<i>Value Rs.</i>
Sugarcane	10,71,235.248	23,92,30,877
<i>Stores & Spares Consumed :</i>	<i>Value Rs.</i>	<i>%</i>
Imported	39,364	0.57%
Indigenous	68,35,471	99.43%
	68,74,835	100.00%

C.I.F. Value of Imports :

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

(13) Expenses incurred in foreign currency Rs. 37,095/- (*Previous year 24,080/-*)

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

(15) Figures of Previous year have been regrouped and recast 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

S. N. VAIDYA
N. C. SAYTA
B. L. SRIDHAR
S. K. SOMAIYA

Directors

BOMBAY : Dated 1st March, 1984

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1983

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 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	84	Managing Director	1,20,000/- (*)	Contractual for Five Years from 1-6-1980	As approved by Central Government	About 44 Years	1- 6-1970	NIL
2.	Shri P. M. Kavadia	65	Chief Executive	79,376/-	Permanent	As per Company's Rules	M.A. LL.B. About 38 Years	1- 9-1963	Manager, Narsee Nagsee & Co.
3.	Shri S. R. Parikh	50	Secretary	49,751/-	Permanent, subject to termination by One Months notice on either side	As per Company's Rules	B.Com. F.C.A. About 27 Years	2- 1-1960	Great Eastern Shipping Co. Limited
4.	Shri S. N. Kalabhairavan	71	Officer on Special Duty	49,826/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) About 50 Years	1- 3-1971	Officer on Special Duty, Mangalore Chemicals & Fertilizers Ltd.
5.	Shri J. N. Patel	60	General Manager	67,032/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) Hons. About 32 Years	2- 4-1951	NIL
6.	Shri P. D. Bhise	58	Agri. Dev. Manager	41,858/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Agri. Diploma About 34 Years	1- 9-1949	NIL
7.	Shri S. G. Athavale	35	Chief Engineer & Factory Manager	48,839/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 12 Years	11- 7-1971	NIL
8.	Shri T. T. Oommen	56	General Manager	71,200/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc., F.S.T.A. About 36 Years	24-10-1981	Tech. Adviser to Kerala Govt., Gen. Manager, Travancore Sugar & Chemicals Ltd.
9.	Shri R. S. Shukla	49	Works Manager	60,450/-	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 26 Years	11- 6-1981	Ch. Engineer, Hindustan Sugar Mills Ltd.
10.	Shri M. K. Kucheria	49	Chief Chemist	42,524/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. A.N.S.I. About 25 Years	1-10-1979	Ch. Chemist, Belganga S.S.K. Ltd.

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

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 V. S. Somaiya	45	Cane Manager	54,975/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) Hons. About 22 Years	17-10-1980	Cane Supdt. Tungabhadra Sugar Works Ltd.
2.	Shri B. M. Murugkar	53	Manager	44,679/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 25 Years	24-8-1963	Agri. Officer, Tribal Development Project Kanpur.
3.	Shri S. P. Chitanavis	66	Agri. Dev. Manager	41,247/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 34 Years	13-7-1949	Agri. Officer, Baroda State Agri. Dept. Agri. Office.
4.	Shri T. P. Nagda	51	Manager	39,336/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 32 Years	30-6-1958	Accountant, M/s. Warden Co. Pvt. Ltd. Bombay.
5.	Shri B. V. Pradhan	59	Officer on Special Duty	36,000/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., C.A. About 28 Years	2-9-1982	Chief Finance Manager Indian Oil Corp. Ltd.
6.	Shri R. T. Shah	46	Office Manager	40,104/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. LL.B. About 23 Years	19-12-1960	NIL
7.	Shri V. V. Joshi	30	Accounts Asst.	38,250/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M.Com. About 7 Years	1-4-1977	NIL
8.	Shri A. B. Gandhi	39	Chief Engineer	36,480/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 14 Years	24- 7-1969	NIL
9.	Shri S. M. Deshpande	49	Chief Engineer	38,316/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. Mech. About 15 Years	30-6-1969	Bharat Forge Co. Ltd. Poona, as a Trainee Engineer
10.	Shri P. M. Kulkarni	44	Agri. Dev. Manager	36,972/-	Permanent, Subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 21 Years	4- 8-1972	Belapur Sugar & Allied Ind. Harigaon.
11.	Shri A. A. Zende	48	Chief Chemist	38,598/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. A.V.S.D. Kanpur	24-11-1965	NIL
(b) EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW									
12.	Shri S. K. Marathe	35	Cost Accountant	3,457/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M.Com. (Hons) A.I.C.W.A. About 19 Years	30-8-1983	The Morarji Gokuldas Spg. Wvg. Co. Ltd. as a Cost Accountant
13.	Shri A. S. Satyanarayan	42	Chief Engineer	10,112/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) A.N.S.I.	8-7-1983	Kothari Sugar & Chemicals Deshnur Bellary as Chief Engineer

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 1st March, 1984.

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, 1983.

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

	<i>As on</i>	<i>Amount</i>
(a) Godavari Investment & Finance Corporation Limited	<i>31st May, 1983</i>	<i>Rs. 10,65,360/-</i>

(iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 550/- for the year ended 31st May, 1983. The Net Loss after adjusting the previous years' Loss from this year comes to Rs. 16,306/-. The said Loss has been carried to the Balance Sheet of this Company and no adjustment has been made in the Books of 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, 1983 & 30th September, 1983. 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
N. C. SAYTA
B. L. SRIDHAR
S. K. SOMAIYA

} *Directors*

S. R. PARIKH
Secretary

BOMBAY : Dated 1st March, 1984.

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their twenty-eighth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1983.

The Working of the Company for the Year resulted in a Profit of Rs. 550/- after Providing Rs. 1,181/- for taxation. After adjusting the same from last year's loss, the Net Carried Forward loss comes to Rs. 16,306/- which has been Carried Forward to next year. In view of this, the Directors do not recommend any dividend for the year.

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

Yours faithfully,

For and on behalf of the Board of Directors

S. R. PARIKH
Y. P. DANDIWALA
Directors

BOMBAY : Dated : 4th November, 1983.

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, 1983 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 Companies Act, 1956 in the manner so required and give 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, 1983 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 explanation 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 : Dated 3rd November, 1983.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1982	LIABILITIES		
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 Com- pany The Godavari Sugar Mills Ltd. and its nominees		1,00,000
	III. UNSECURED LOANS :		
5,60,030	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited	4,05,082	
5,26,905	Interest due on above	6,60,278	
10,86,935			10,65,360
	IV. CURRENT LIABILITIES AND PROVISIONS :		
	(A) CURRENT LIABILITIES :		
1,17,470	(i) Sundry Creditors	1,24,595	
2,803	(ii) Estimated Unearned Finance Charges on Hire Purchase carried forward	2,803	
1,33,374	(iii) Interest accrued but not due on Loans ..	81,582	
2,53,647		2,08,980	
	(B) PROVISION :		
8,538	For Taxation	4,283	
2,62,185			2,13,263
	NOTES:		
	(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 are 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 recast wherever necessary.		
14,49,120	Total Rupees :		13,78,623

Referred to in our Report of even date

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

N. P. PATWA
(Proprietor)

BOMBAY : Dated 3rd November, 1983.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1983

As at 31st May, 1982	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)			
95,887	For Supply of Spares and fittings supplied to Cane Growers and for the Supervision charges and Hire Purchase instalments due from them:			
43,941	Outstanding for more than six months ..	90,130		
	Considered Doubtful	43,941		
1,39,828		1,34,071		
43,941	Less: Provision for Doubtful Debts ..	43,941		
95,887		90,130		
15,397	Other Debts	16,699		
1,11,284			1,06,829	
1,914	(iii) CASH AND BANK BALANCES			
3,226	Cash on Hand	813		
3,843	Stamp Papers on Hand	9,436		
	In Current Account with a Scheduled Bank	1,843		
8,983			12,092	
	(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 :			
10,33,707	Secured	9,47,441		
36,261	Considered Doubtful	36,262		
10,69,968		9,83,703		
36,261	Less: Provision for Doubtful Loans ..	36,262		
10,33,707		9,47,441		
1,27,525	Loans to others	1,27,525		
1,10,993	Add: Interest Accrued on above	1,29,485		
2,38,518		2,57,010		
12,72,225			12,04,451	
29,000	(ii) Deposit		29,000	
1,082	(iii) Advance recoverable in Cash or Kind ..		1,362	
3,773	(iv) Advance Income-Tax		2,665	
14,32,265				13,62,317
	II. MISCELLANEOUS EXPENDITURE :			
	PROFIT AND LOSS ACCOUNT			
16,855	Loss as per Profit & Loss Account			16,306
14,49,120	Total Rupees :			13,78,623

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

BOMBAY : Dated 1st November, 1983.

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

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the year ended 31st May, 1982			
Rupees			Rupees
	To	Opening Stock :	
5,918		Machinery Spares and Fittings	5,918
31,841	"	Salary	43,593
672	"	Bonus	2,391
2,560	"	Govt. Provident Fund Company's Contribution and Administrative Charges	3,540
138	"	Company's Contribution to Deposit-Linked Insurance Scheme & Administrative Charges	200
2,810	"	Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses ..	2,232
421	"	Printing and Stationery	1,872
35	"	Insurance Premium	—
9,600	"	Office Rent	9,600
	"	Interest :	
1,33,374		On Current Account (To the Holding Company) The Godavari Sugar Mills Ltd.	81,582
1,285	"	Legal Expenses	—
—	"	Petrol & Diesel Expenses	25,121
500	"	Audit Fees	500
3,102	"	Provision for Taxation	1,181
1,561	"	Profit Carried Down	550
1,93,817		Total Rupees :	1,78,280
18,416	To	Balance as per Last Balance Sheet	16,854
—	"	Short Provision for Taxation in respect of Earlier years	2
18,416		Total Rupees :	16,856

Referred to in our Report of even date

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

N. P. PATWA
Proprietor

BOMBAY : Dated 3rd November, 1983.

THE YEAR ENDED 31ST MAY, 1983

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