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**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1983-84**

1984

# 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*

DR. BABOOBHAI VRAJLAL BHOOTA

SHRI SHRIDHAR NARAYAN VAIDYA

SHRI NAVINCHANDRA CHUNILAL SAYTA

SHRI NARHARI BABAJIRAO HADKER

SHRI MINOO RUSTOMJI SHROFF

SHRI P. S. V. RAO  
(Nominee of Karnataka State Government)

SHRI NARESH HARKISONDAS THANAWALA

DR. CHANDRAPRAKASH BHALCHANDRA PURANDARE

SHRI 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 Fortyfifth Annual General Meeting of The Godavari Sugar Mills Limited, will be held on Tuesday the 2nd April, 1985 at 4-00 P.M. (S.T.) at the Registered Office of the Company at Fazalbhoj Building, 4th floor, 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, 1984.
2. To appoint a Director in place of Dr. B. V. Bhoota who retires by rotation but, being eligible, offers himself for re-election.
3. To appoint a Director in place of Dr. C. B. Purandare who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri S. N. Vaidya who retires by rotation but, being eligible, offers himself for re-election.
5. To appoint a Director in place of Shri M. R. Shroff who was appointed an Additional Director and who holds office upto the date of the next Annual General Meeting of the Company, under Section 262 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of Companies Act, 1956, proposing his candidature for the office of Director.
6. To appoint a Director in place of Shri N. B. Hadker who was appointed an Additional Director and who holds office upto the date of the next Annual General Meeting of the Company, under Sec. 262 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of Companies Act, 1956, proposing his candidature for the office of Director.
7. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

## ORDINARY RESOLUTION

"RESOLVED that the Company doth hereby accord its approval to the payment of remuneration and perquisites and giving of benefits and amenities as set out hereinafter to Shri K. J. Somaiya on his appointment as Managing Director of the Company for a further period of five years with effect from 1st June, 1985 and that the Board of Directors be and are hereby empowered to accept any variation in the aforesaid terms as may be directed by the Central Government and agreed to by the said Managing Director.

- (1) Salary : Rs. 7,500/- per month.
- (2) Commission : 1% (One per cent) of the Net Profits as computed in the manner laid down in Section 309(5) of the Companies Act, 1956 Subject to a maximum of 50% (fifty per cent) of the annual salary.
- (3) Perquisites : Managing Director shall be entitled to the following perquisites and benefits.
  - (A) (i) Free furnished residential accommodation or unfurnished accommodation, with Company's furniture on rental basis as per scheme applicable to Senior Executives of the Company and gas, electricity, Water and other amenities;
  - (ii) Reimbursement of actual medical expenses including hospitalisation, nursing home and surgical charges for himself, his wife and dependent children, Subject to a ceiling of one month's salary per year or three months' salary for a period of three years;
  - (iii) Reimbursement of actual travelling expenses for proceeding on leave from Bombay to any place in India and returning therefrom once in a year in respect of himself, his wife and dependent children;

- (iv) Personal Accident Insurance Policy in accordance with the scheme applicable to Senior Executives;
- (v) Reimbursement of membership fees for clubs not exceeding two;
- (vi) Reimbursement of expenses on two servants;
- (B) (i) Company's contribution to provident fund and superannuation fund to the extent these either singly or put together are not taxable under the Income-tax Act for the time being in force;
- (ii) Gratuity in accordance with the scheme for the Senior Executives of the Company;
- (C) (i) Free use of Company's car for Company's work as well as for personal purposes along with driver, petrol, cost of repairs, overhauling, maintenance and garage rent all at Company's Cost;
- (ii) Telephone facility at residence at Company's Cost;
- (iii) Privilege leave with full pay for 30 days in a year which may be accumulated up to 60 days, Casual leave 10 days in a year and Sick leave 15 days in a year which may be accumulated as per the rules of the Company.

"PROVIDED that, the monetary value of the perquisites at sub-clause (A) above shall not exceed an amount equal to the annual salary or Rs. 45,000/- per annum whichever is less."

"RESOLVED further that the remuneration aforesaid including expressly the benefits and amenities aforesaid with the exception of commission payable on net profits shall nevertheless be paid and allowed as the minimum remuneration for any year in the case of absence or inadequacy of profits for such year."

"RESOLVED further that in case of non-availability or inability of the Managing Director to attend to the business of the Company due to circumstances beyond his control for a continuous period of over one month at a time, he shall nevertheless be regarded as continuing in the service of the Company as the Managing Director but during such period of non-availability or inability he shall be entitled to the said perquisites and a moiety of monthly salary aforesaid notwithstanding that the monetary value of such perquisites may be in excess of annual salary, it being understood that the amount of commission to which he will be entitled will remain unaffected; it being also understood that such non-availability for a period beyond one month may, at the option of the Managing Director be treated as leave to the extent he wishes and to which he is entitled."

"AND RESOLVED further that Shri K. J. Somaiya be paid such higher remuneration as may be permitted and/or allowed from time to time by the Central Government either through specific orders or by any general order, rule, notification or guidelines or otherwise."

8. 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 1st March, 1985

- 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 items No. 5, 6 and 7 is annexed herewith.
  3. Members are requested to notify immediately any change of address to the Company.

## EXPLANATORY STATEMENT

The following explanatory statement is given in respect of items No. 5, 6 and 7 of Special Business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of the Companies Act, 1956.

### *Items No. 5 and 6*

Shri M. R. Shroff and Shri N. B. Hadker were appointed as Additional Directors by the Board of Directors in their meeting held on 30th June, 1984, in terms of provisions of Section 260 of the Companies Act, 1956. Shri M. R. Shroff and Shri N. B. Hadker held office as Directors upto the date of the next Annual General Meeting of the Company. They have, however, offered themselves re-appointment and the Company has received notices in writing proposing their candidature for the aforesaid offices. The said appointments are within the strength fixed by Article No. 80 of the Articles of Association of the Company.

Shri M. R. Shroff is a very well-known Management Consultant. He is B.Sc. of Bombay University and F.C.M.A. of London and F.I.C.W.A., similarly, Shri N. B. Hadker is B.E., F.I.E.M. Cons. E (India) and is a well-known Consulting Engineer practising at Bombay. He is a Partner in the firms of Hadker, Prabhu and Associates — the famous firm of consulting Engineers.

The Company will greatly benefit by the association of these Professional Directors on the Board of the Company.

### INTEREST OF DIRECTORS :

Shri M. R. Shroff and Shri N. B. Hadker may be deemed to be interested in the resolutions under item Nos. 5 and 6 as it pertains to their appointment as Directors. No other Director is interested in the said resolutions.

### *Item No. 7*

The present tenure of Shri K. J. Somaiya as Managing Director of the Company will expire on 31st May, 1985. The Board of Directors of the Company at their meeting held on 1st March, 1985 have re-appointed Shri K. J. Somaiya as Managing Director of the Company for a further period of five years with effect from 1st June, 1985 on the terms of remuneration as set out in the resolution. The said appointment is subject to the approval of Central Government. The remuneration payable to Shri K. J. Somaiya is subject to the approval of Central Government and the shareholders of the Company and hence the proposed resolution.

Shri K. J. Somaiya has been the Managing Director of the Company for the last 15 years during which period the Company has registered considerable all round progress. In view of his long and very close association with the administration of the Company to which he has rendered valuable services and his intimate knowledge and practical experience of its affairs the Board is of opinion that Shri K. J. Somaiya is a befitting choice to hold office as Managing Director to ensure smooth continuity of management of the Company.

The above resolution has been proposed on the basis of the prevailing guidelines applicable to the appointment of Shri K. J. Somaiya as Managing Director. In the event of the Central Government permitting any increased remuneration, it is proposed to pay such increased remuneration to Shri K. J. Somaiya. The approval of the members of the Company is, therefore, specifically taken for paying such increased remuneration.

The draft agreement proposed to be executed between the Company and Shri K. J. Somaiya is open for inspection at the Registered Office of the Company on any working day between 11.00 AM and 1.00 P.M.

This may be treated as an abstract of the draft agreement between the Company and Shri K. J. Somaiya pursuant to Section 302 of the Companies Act, 1956.

### INTEREST OF DIRECTORS :

Two of the Directors viz. Shri K. J. Somaiya and Dr. S. K. Somaiya are interested in the ordinary resolution set out in item No. 7 of the Notice. No other Director is interested in the said resolution.

By Order of the Board of Directors,

**K. J. SOMAIYA**  
*Managing Director*

Bombay : Dated 1st March, 1985.

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## DIRECTORS' REPORT

Your Directors have pleasure in submitting their Report on the Audited Accounts of the Company for the year ended 30th September, 1984.

### FINANCIAL RESULTS :

The working of the Company for the year under report has resulted in an operating surplus of Rs. 233.24 lacs without providing for interest and depreciation. After providing interest of Rs. 409.95 lacs but without providing for depreciation, the working for the year resulted in a loss of Rs. 176.71 lacs. In view of the carry forward loss, no provision has been made for the depreciation. The Directors also do not recommend any Dividend on Equity and Preference Shares for the year ended 30th September, 1984.

### MANUFACTURING RESULTS :

The working of the Company's three Sugar Factories during 1983-84 season was unsatisfactory. All the three Units crushed 4,95,342 tonnes of cane and produced 5,33,869 quintals of sugar as against 10,71,235 tonnes of cane and 11,37,589 quintals of sugar last year, a drop of over 50% per cent. This reflects the national trend in sugar production in the country which fell from 8.2 million tonnes in 1982-83 to 5.9 million tonne in 1983-84.

### SUGAR POLICY :

There was no change in the dual pricing system and partial De-control Policy for sugar followed by the Government of India since 1979-80. The prices of levy sugar fixed by Government were extremely low and did not take into account several escalations in cost of production.

### WRIT PETITIONS FOR LEVY SUGAR PRICES :

- (a) The Writ Petitions in respect of Levy Sugar Prices from 1974-75 to 1977-78 are pending in different High Courts. Applications made by Attorney General of India for transferring the Writ Petitions of all the Sugar Factories for seasons 1978-79 and 1979-80 to the Supreme Court are likely to come up for hearing before Supreme Court in March, 1985.
- (b) (i) The Appeal of Government of India against Delhi High Court's Order allowing, the Company's writ petition thereby permitting Lakshmiwadi Factory to retain 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 for the seasons 1981-82 to 1983-84 against Levy Sugar price Notifications of Government 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 recently came up for hearing. The same were adjourned for directions to 11th March, 1985.

### CO-OPERATIVISATION OF SAKARWADI AND LAKSHMIWADI FACTORIES :

Over the years, the cane supplies at our Units at Sakarwadi and Lakshmiwadi have been showing very wide fluctuations. These fluctuations have been far more serious compared to the national averages. Due to concentration of Co-operative Sugar Factories around our units, inspite of our continued representations and protests against their operations in our area, they have made serious inroads into the cane supplies. Further, there were proposals from neighbouring cane growers and their Co-operative Societies indicating interest in our Sakarwadi and Lakshmiwadi Factories.

In view of this background, the Management decided to seriously consider the proposals received for co-operativisation of these two factories. Subsequently, joint discussions were held and a meeting of all those interested was held in the presence of the Chief Minister of Maharashtra, Shri Vasant Dada Patil. Pursuant thereto, it was decided that these factories should be co-operativised and for that purpose, the assets of the said factories be evaluated. It was also decided that in view of the time that would be required for valuation of the factories and for the establishment of co-operative Societies, an interim arrangement be made for operation of

the two factories of the Company from 1984-85 season by appointing Joint Management Committees. These decisions have been later ratified by Government Resolution dated 30th October, 1984.

As a result of the above Government Resolution, the Sakarwadi and Lakshmiwadi Factories are being operated by the Joint Management Committees through their respective Member Secretary and the Managing Director appointed by the Chairman of the Joint Management Committees and the profit or loss of the factories from the 1984-85 season onwards will not be on the Company's account.

At the instance of the Joint Management Committees, the Company has agreed to procure Working Capital finance from the Bank of India on account of the Joint Management Committees for the two factories in view of the fact that the completion of the formalities for formation of the Co-operative Societies would take some time.

### **CURRENT WORKING AT SAMEERWADI (KARNATAKA)**

The Company was faced with an agitation from the cultivators about the cane price at the commencement of the season. The cultivators wanted the factory to declare ex-field cane price instead of its practice to declare Ex-factory price and to link the same with the price declared by the neighbouring Co-operative Factories. With a view to have optimum cane procurement, the company has agreed to the demand of cultivators for an ex-field price and has also linked the same with the neighbouring co-operative factory, namely Raibag S. S. K. Ltd. As a result of the agitation, the Factory could start crushing for the season only on 17-12-1984 i.e. after an interruption of about one month.

The Factory continues to face the diversion of cane to manufacturers of jaggery as also to other neighbouring Co-operative Factories in the area. Despite this, factory is likely to crush about 1/3rd more cane than in the 1983-84 season though the national-production would be more or less at the previous season's level. Operating results may not show commensurate improvement in view of the exceedingly high debt service burden. The Board feels sanguine that the Company is likely to turn the corner as soon as the financial reliefs which are being sympathetically considered by the Company's Bankers materialise.

### **LEVY SUGAR PRICES FOR 1984-85 SEASON :**

To facilitate timely release of Levy Sugar out of production of the current season, Government of India has issued Order dated 31-1-1985 fixing the same ex-factory prices of Levy Sugar as were fixed for 1983-84 season's production. The Ministry of Food & Agriculture, Government of India, has indicated to all the sugar factories (as per their letter dated 1st February 1985) that this order is expected to be superseded soon by announcement of fresh levy prices. By this letter, the Government has assured that it will endeavour to adjust the difference, if any, between the prices to be announced and prices now notified in respect of quantity delivered by the factories before such revision.

### **BUFFER STOCK SUBSIDY CLAIMS :**

The Company has received from the Government of India Rs. 47.59 lacs against its claims of about Rs. 124.85 lacs towards reimbursement of handling and interest charges of buffer stock from October, 1982 onwards. The Company is following up for getting reimbursement of the balance amount.

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 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'.

Three of your Directors, viz. Dr. B. V. Bhoote, Dr. C. B. Purandare and Shri. S. N. Vaidya retire by Rotation but, being eligible, offer themselves for re-election.

Two of your Directors viz. Shri M. R. Shroff and Shri N. B. Hadker who were appointed Additional Directors, also retire but, being eligible, offer themselves for re-election.

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

By Order of the Board of Directors.

**K. J. SOMAIYA**  
Chairman

Bombay : Dated 1st March, 1985.

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1984

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 and 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, 1984 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. Provision 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. 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 & Loss Account "Subject to Note No. 5 regarding non-provision for accrued liability for gratuity" and read with other notes thereon give the information required by the Act in the manner so required and present a true and fair view of the state of the Company's affairs as at the close of the above financial year and of the Loss for that year.

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

**G. P. BHATT**  
*Partner*

BOMBAY : Dated 1st March, 1985

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1983	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	
<u>3,00,00,000</u>				<u>3,00,00,000</u>
	<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. 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	
<u>1,98,50,950</u>			<u>1,98,50,950</u>	
	<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		
—				
42,72,617	<b>(B) DEVELOPMENT REBATE RESERVE :</b> As per last Balance Sheet .. .. .		42,72,617	
20,93,107	<b>(C) STORAGE FUND FOR MOLASSES :</b> As per last Balance Sheet .. .. .	23,28,833		
2,35,726	Add: Transferred from Molasses Sales .. .. .	1,94,270		
<u>23,28,833</u>			<u>25,23,103</u>	
66,01,450				67,95,720
<u>2,64,52,400</u>				<u>2,66,46,670</u>
	Carried Over			

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1984

As at 30th Sept. 1983	ASSETS		Rupees	Rupees
<i>Rupees</i>			<i>Rupees</i>	<i>Rupees</i>
	<b>I. FIXED ASSETS : (At Cost or Book Value) :</b>			
12,52,39,215	Gross Block .. .. .		13,39,26,200	
2,68,61,593	Less: Depreciation Written off upto 30th September, 1984 .. .. .		<u>2,64,74,278</u>	
9,83,77,622	Net Depreciated Block as per Schedule 'A' Attached		10,74,51,922	
80,22,606	Capital Work-in-Progress .. .. .		1,40,47,278	
—	Advance to Contractors .. .. .		<u>15,17,414</u>	
<u>10,64,00,228</u>				12,30,16,614
	<b>II. INVESTMENTS (At Cost) :</b>			
	<b>(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANIES :</b>			
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>(B) OTHER INVESTMENTS :</b>			
4,54,000	(i) investment in Shares of Oriental Power Cables Ltd., 4,200 Equity Shares of Rs. 100/- each fully paid-up .. .. .		—	
<u>5,54,000</u>				
<u>10,64,00,228</u>			<u>1,00,000</u>	<u>12,30,16,614</u>
	Carried Over			

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1983	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,64,52,400	Brought Forward			2,66,46,670
	<b>III. SECURED LOANS :</b>			
11,98,55,767	(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 .. .. .		6,40,46,359	
5,32,27,568	(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.			
5,10,62,983	(i) Bank of India .. .. .	4,09,95,763		
	(ii) Union Bank of India .. .. .	4,02,88,193		
10,42,90,551			8,12,83,956	
22,41,46,318			14,53,30,315	
	NOTES : The Company has agreed to create 3rd charge in favour of Bank of India on Fixed Assets of three Sugar Factories for Cash Credit/Guarantee facilities granted by the Bank.			
2,00,00,300	(c) Term Loans Secured against Joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situated at Sakarwadi (Kanhegaon) Lakshmiwadi (Kopergaon) in the State of Maharashtra and at Sameerwadi in the State of Karnataka (but excluding Agricultural Assets) and hypothecation of movable Machinery with Bank of India acting for itself and as agent of Vijaya Bank.			
2,50,000	(i) Bank of India .. .. .	3,86,02,866		
20,00,000	(ii) Karnataka State Financial Corporation .. .. .			
	(iii) Vijaya Bank .. .. .	20,13,404		
2,22,50,300			4,06,16,270	
1,01,06,578	(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) .. .. .		1,04,43,949	
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. 3,90,000/-) .. .. .		3,90,000	
25,72,83,196				
2,64,52,400	Carried Over		19,67,80,534	2,66,46,670

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1984

As at 30th Sept. 1983	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
10,64,00,228	Brought Forward		1,00,000	12,30,16,614
5,54,000				
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) Limited			
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 Private Limited .. ..		7,161	
78	(iv) One Ordinary Shares of Maharashtra State Co-operative Bank Limited of Rs. 50/- fully paid-up .. ..		78	
2,500	(v) National Defence Certificates Deposited with Electricity Department, Bhopal .. ..		2,500	
8,920	(vi) 7 Years National Savings Certificates .. ..		7,820	
	(vii) National Savings Certificates Deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur .. ..		1,500	
1,500	(viii) 4½% U.P. State Development Loan of 1972 (Face Value Rs. 2,000/-) .. ..		1,995	
1,995	(ix) National Savings Certificates of the Face Value of Rs. 1,000/- deposited as Security Deposit with Central Excise Authority, Mudhol .. ..		1,000	
	<i>Cost</i>	<i>Market Value</i>		
	Aggregate quoted Investments 61,99,000	46,49,250		
	Aggregate unquoted Investments 1,32,054	—		
67,86,154		63,31,054	46,49,250	63,31,054
<b>III. CURRENT ASSETS, LOANS AND ADVANCES :</b>				
<b>(A) CURRENT ASSETS :</b>				
	(i) Stores, Chemicals and Spares (at Cost as per inventories valued and certified by Managing Director)			
1,54,65,618	Stock on hand (including Machineries of Rs. 4,47,630/-) .. ..	1,70,38,491		
14,68,420	In Transit .. ..	2,85,406		
1,69,34,038			1,73,23,897	
8,083	(ii) Loose Tools and implements (as per inventories valued and certified by Managing Director) .. ..		7,274	
1,69,42,121				
11,31,86,382	Carried Over		1,73,31,171	12,93,47,668

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1983	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,64,52,400	Brought Forward		19,67,80,534	2,66,46,670
25,72,83,196				
20,00,000	(f) 200 6% Debentures of Rs. 10,000/- each fully paid-up redeemable at the option of the Company secured by negative lien on Fixed Assets of Sakarwadi and Lakshmiwadi Factories ..		20,00,000	
2,20,18,565	(g) Interest accrued and due on above .. ..		9,22,223	
71,15,992	(h) Deferred Payments against Machinery Purchased under IDBI Bills Rediscounting Scheme (Guaranteed by Nationalised Banks) .. ..		1,31,75,365	
28,84,17,753			<u>21,28,78,122</u>	21,28,78,122
	<b>IV. UNSECURED LOANS</b>			
5,19,742	(i) From Others .. ..		—	
3,91,100	(ii) Public Fixed Deposits .. ..		—	
50,222	(iii) From Banks .. ..		—	
50,45,625	(iv) Cane Purchase Tax Loan from Karnataka & Maharashtra Governments .. ..		2,98,07,227	
60,06,689			<u>2,98,07,227</u>	2,98,07,227
	<b>V. CURRENT LIABILITIES AND PROVISIONS</b>			
	(A) CURRENT LIABILITIES :			
10,86,38,015	(i) Sundry Creditors .. ..		4,77,66,959	
11,74,471	(ii) Bills Payable .. ..		2,77,583	
3,09,276	(iii) Advances from Customers against Sale of Land and Wood .. ..		3,10,276	
27,000	(iv) Advance against Lease Rent .. ..		35,000	
23,20,111	(v) Security Deposit from Bagaitdars .. ..		23,50,567	
4,878	(vi) Security Deposit from Customers .. ..		24,878	
33,70,889	(vii) For Taxation .. ..		33,70,889	
1,99,122	(viii) Due to Partnership Firm of Khanapur Farms .. ..		1,99,122	
4,49,715	(ix) Due for Managing Director's Remuneration & Commission .. ..		3,14,715	
10,50,176	(x) Interest Accrued but not due on Loans .. ..		7,20,117	
11,75,43,653			<u>5,53,70,106</u>	5,53,70,106
43,84,20,495	Carried Over			<u>32,47,02,125</u>

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1984

As at 30th Sept. 1983	ASSETS (Contd.)		
Rupees		Rupees	Rupees
11,31,86,382	Brought Forward		12,93,47,668
1,69,42,121			
20,77,01,780	(iii) Stock-in-trade (as per inventories valued and certified by Managing Director)		
23,949	(a) Sugar at Realised/Realisable Value ..	5,70,32,929	
17,91,430	(b) Stock of Grains, Cotton, etc. at Market Rate .. .. .	32,042	
	(c) Molasses at Market Rate .. .. .	18,67,069	
20,95,17,159	(iv) Sundry Debtors (Unsecured and considered good except otherwise stated)		5,89,32,040
28,09,865	(a) Debts Outstanding for more than six months .. .. .	14,77,469	
69,277	(b) Considered Doubtful .. .. .	43,388	
		15,20,857	
28,79,142	Less: Provision for Doubtful Debts ..	43,388	
69,277		14,77,469	
28,09,865	(c) Other Debts .. .. .	41,69,784	
78,48,394			56,47,253
1,06,58,259	(v) CASH AND BANK BALANCES :		
	Cash, Cheques and Drafts on Hand (including Stamps on hand Rs. 46,779/-, cheques on hand Rs. 17,91,360/- and cash-in-transit Rs. 15,00,000/-) .. .. .	46,19,432	
17,03,559	In Current Account with Scheduled Banks	24,41,806	
21,96,914	In Current Account with Non-Scheduled Banks :		
	(a) Madhavpura Mercantile Co-operative Bank Ltd. Bombay (Maximum Debit Balance during the year Rs. 46,865/- Previous year Rs. 51,350/-) ..	3,865	
3,865	(b) Ahmednagar Dist. Central Co-operative Bank Ltd. Shirampur (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	Fixed Deposits with Scheduled Banks (Under lien for the Guarantees) .. .. .	91,80,731	
91,29,871	Accrued Interest on Fixed Deposits .. .. .	10,43,612	
5,29,694			1,72,89,983
1,35,64,440			
25,06,81,979			
11,31,86,382	Carried Over		9,92,00,447
			12,93,47,668

# THE GODAVARI SUGAR BALANCE SHEET

As at 30th Sept. 1983	LIABILITIES (Contd.)	
Rupees 43,84,20,495	Brought Forward	Rupees Rupees 32,47,02,125
	<b>CONTINGENT LIABILITIES (Not Provided for) :</b>	
1,00,000	(i) Uncalled Liability on Partly Paid Shares held as Investment in Godavari Investment and Finance Corporation Ltd., a subsidiary company ..	1,00,000
3,78,327	(ii) In respect of Counter-guarantees given to others .. .. .	3,78,327
42,90,000	(iii) In respect of guarantee given to a Bank for the Loan granted to Somaiya Organics (India) Limited ..	42,90,000
15,02,808	(iv) In respect of dividend payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1-6-1973 to 30-9-1984 .. .. .	16,48,241
28,51,459	(v) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Bank of Baroda to Cane Cultivators ..	13,76,848
2,09,70,730	(vi) 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
not determined	(vii) In respect of additional price, if any, payable for cane purchased by Sakarwadi/Lakshmiwadi Factories during 1983-84 season from cultivators for cane received within 30 miles, and from Maharashtra State Farming Corporation & Cultivators for Cane received above 30 miles, over & above ex-field price of Rs. 220/- per and Rs. 205/- per tonne (Previous year Rs. 200/- for cultivators Rs. 195/- for M.S.F.C.) respectively provided in the accounts	not determined
<u>43,84,20,495</u>	Total Rupees :	<u>32,47,02,125</u>

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



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1984

As at 30th Sept. 1983	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
11,31,86,382	Brought Forward		9,92,00,447	12,93,47,668
25,06,81,979				
	<b>(B) LOANS AND ADVANCES :</b>			
	(Unsecured and considered good except otherwise stated)			
	Loans to Others (including Doubtful Loans of Rs. 4,79,130/- not provided for) .. .. . 19,80,189			
20,72,072				
55,66,105				42,89,608
76,38,177		62,69,797		
9,356	Considered Doubtful .. .. .	9,356		
76,47,533		62,79,153		
9,356	Less: Provision for Doubtful Loans .. .. .	9,356		
76,38,177			62,69,797	
	Loans to subsidiary Company of which the Company is a Holding Company :-			
	Godavari Investment & Finance Corporation Ltd. . . . . 1,76,796			
2,86,571		1,76,796		
8,32,488	Interest Accrued on above .. .. .	8,77,606		
11,19,059			10,54,402	
	Advance recoverable in Cash or Kind or for Value to be received (including Advances to Officers of the Company Rs. 60,181/- Maximum Debit Balance during theyear Rs.74,772/-; Rs.9,16,101/- in dispute, Rs. 11,91,662/- Advance against Share Purchase and Rs. 5,05,644/- paid to Banks in respect of defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee)			
2,72,90,585		3,53,44,322		
64,126	Considered Doubtful .. .. .	64,126		
2,73,54,711		3,54,08,448		
64,126	Less: Provision for Doubtful Advances .. .. .	64,126		
2,72,90,585			3,53,44,322	
8,18,236	Income-tax deducted at source from Interest and Dividend .. .. .	4,45,534		
65,35,029	Deposit with Irrigation Department, Railway, High Courts and Others .. .. .	59,91,885		
98,962	Due from Partnership Firm of Lakh Farms .. .. .	98,962		
29,41,82,027				14,84,05,349
	<b>MISCELLANEOUS EXPENDITURE :</b>			
	Profit and Loss Account :			
3,79,16,698	Balance as per Profit & Loss Account .. .. .	5,38,13,720		
68,64,612	Less: Deducted from General Reserve as per Contra .. .. .	68,64,612		
3,10,52,086				4,69,49,108
43,84,20,495	Total Rupees :			32,47,02,125

K. J. SOMAIYA  
Chairman & Managing Director

P. S. V. RAO	S. K. SOMAIYA
M. R. SHROFF	B. V. BHOOTA
N. H. THANAWALA	N. C. SAYTA
	N. B. HADKER

Directors

S. R. PARIKH  
Secretary

BOMBAY : Dated 1st March 1985

# THE GODAVARI SUGAR

## Schedule 'A'

### Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1983	Additions during the year	Deduction for Sale during the year
(1)	(2)	(3)	(4)
Freehold Land (Book Value) .. .. .	29,23,843	—	—
Leasehold Land Development Expenses .. .. .	2,38,925	—	—
Leasehold Premium on Garage .. .. .	12,000	—	—
Building & Pucca Quarters at Factories .. .. .	2,27,79,044	8,82,307	—
Temporary Quarters .. .. .	8,00,859	48,114	—
Temporary Quarters at Farms .. .. .	2,38,768	—	—
Pucca Quarters at Farms .. .. .	2,18,633	—	—
General Machinery (Book Value) .. .. .	7,55,78,862	66,66,548	—
Electrical Machinery .. .. .	48,19,453	11,70,981	—
Agricultural Machinery (Book Value) .. .. .	33,63,205	—	—
Locomotives .. .. .	92,974	—	—
Electrical Installations & Fittings .. .. .	12,36,405	93,729	—
Furniture & Office Equipments .. .. .	26,67,452	66,866	—
Weigh Bridges .. .. .	4,42,969	—	—
Trolley Lines .. .. .	6,28,058	—	—
Railway Siding .. .. .	1,26,075	—	—
Molasses Storage Tanks .. .. .	26,00,879	—	—
Motor Cars, Lorries & Cycles (Book Value) .. .. .	24,68,391	1,08,097	—
Carts & Trucks (Book Value) .. .. .	3,82,416	6,000	—
Laboratory Apparatus .. .. .	1,43,287	18,217	—
Roads & Drainage, Tube Wells .. .. .	16,19,933	—	—
Dead Stock .. .. .	1,60,655	14,977	—
Library .. .. .	7,758	—	—
Medical Instruments .. .. .	363	—	—
Irrigation Lifts .. .. .	12,03,771	—	—
Live Stock .. .. .	95,386	—	—
<b>Total Rupees .. .. .</b>	<b>12,48,50,364</b>	<b>90,75,836</b>	<b>—</b>

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

BOMBAY : Dated 1st March 1985

# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1984

Gross Block as on 30th Sept. 1984	Depreciation Written off upto 30th Sept. 1983	Depreciation Provided during the year	Total Depreciation upto 30th Sept. 1984	Net Depreciated Block as at 30th Sept. 1984	Net Depreciated Block as at 30th Sept. 1983
(5)	(6)	(7)	(8)	(9)	(10)
29,23,843	—	—	—	29,23,843	29,23,843
2,38,925	—	—	—	2,38,925	2,38,925
12,000	7,900	300	8,200	3,800	4,100
2,36,61,351	30,96,794	—	30,96,794	2,05,64,557	1,96,82,250
8,48,973	2,28,272	—	2,28,272	6,20,701	5,72,587
2,38,768	1,52,246	—	1,52,246	86,522	86,522
2,18,633	75,290	848	76,138	1,42,495	1,43,343
8,22,45,410	1,29,36,492	—	1,29,36,492	6,93,08,918	6,26,42,370
59,90,434	18,71,223	—	18,71,223	41,19,211	29,48,230
33,63,205	31,66,680	281	31,66,961	1,96,244	1,96,525
92,974	86,792	—	86,792	6,182	6,182
13,30,134	99,724	—	99,724	12,30,410	11,36,681
27,34,318	7,57,256	91	7,57,347	19,76,971	19,10,196
4,42,969	1,61,535	4	1,61,539	2,81,430	2,81,434
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	26,00,879
25,76,488	9,27,676	7	9,27,683	16,48,805	15,40,715
3,88,416	3,02,591	—	3,02,591	85,825	79,825
1,61,504	36,698	—	36,698	1,24,806	1,06,589
16,19,933	7,72,642	—	7,72,642	8,47,291	8,47,291
1,75,632	62,564	—	62,564	1,13,068	98,091
7,758	5,490	—	5,490	2,268	2,268
363	347	—	347	16	16
12,03,771	9,48,087	4	9,48,091	2,55,680	2,55,684
95,386	82,171	—	82,171	13,215	13,215
13,39,26,200	2,64,72,743	1,535	2,64,74,278	10,74,51,922	9,83,77,621

K. J. SOMAIYA  
Chairman & Managing Director

P. S. V. RAO

M. R. SHROFF

N. H. THANAWALA

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B. V. BHOOTA

N. C. SAYTA

N. B. HADKER

Directors

S. R. PARIKH  
Secretary

BOMBAY : Dated 1st March 1985

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1983		Rupees	Rupees
	Rupees		Rupees
	To Opening Stock on 1st October, 1983		
12,51,64,356	Sugar .. .. .	20,77,01,780	
11,47,778	Molasses .. .. .	17,91,430	
12,63,12,134		<hr/>	20,94,93,210
86,234	" Salaries and Wages .. .. .	1,27,320	
10,004	" Stores inclusive of Seeds and Manures .. .. .	14,111	
19,131	" Irrigation Rates & Taxes .. .. .	21,774	
6,035	" Miscellaneous Expenses (including Printing & Stationery, Postage & Telegrams and Travelling Expenses) .. .. .	13,096	
1,358	" Depreciation .. .. .	1,235	
2,046	" Legal Charges .. .. .	2,722	
1,24,808		<hr/>	1,80,258
23,92,30,877	" Locally Purchased Cane .. .. .		11,43,38,620
2,03,04,026	" Salaries and Wages (after deducting Rs. 36,06,410/- charged to Repairs and Other relevant heads) .. .. .	1,80,36,365	
26,81,092	" Bonus to Employees (inclusive of Previous years) .. .. .	38,69,535	
99,557	" Company's Contribution to Employees Family Pension Fund Scheme .. .. .	1,04,383	
2,06,329	" Contribution to Provident Fund of the Company and Administrative Charges .. .. .	2,37,809	
1,22,349	" Gratuity .. .. .	7,38,636	
14,62,090	" Company's Contribution to Govt. Provident Fund and Administrative Charges .. .. .	14,43,868	
<hr/>		<hr/>	
2,48,75,443			
36,56,67,819			
	Carried Over	<hr/>	<hr/>
		2,44,30,596	32,40,12,088

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1984

For the year ended 30th Sept. 1983		Rupees	Rupees	Rupees
	By SALES :			
33,93,70,768	Sugar .. .. .		38,46,16,225	
20,06,604	Molasses .. .. .	13,41,567		
2,35,726	Less: Transferred to Molasses Storage Fund .. ..	1,94,270		
<u>17,70,878</u>			<u>11,47,297</u>	
34,11,41,646				38,57,63,522
9,71,724	.. Sundry Receipts from Flour Mills, Dairy etc. .. ..			34,29,217
3,01,087	.. Income from Immovable Property .. .. .			2,90,729
1,98,887	.. Sundry Receipts being Market Value of Farm Produce etc.			2,40,618
81	.. Dividend .. .. .			1,352
	.. Interest :			
2,96,866	On Loans and Others .. .. .		3,28,784	
66,946	From Subsidiary Company .. .. .		46,419	
15,410	On Government Securities .. .. .		187	
8,61,635	On Fixed Deposits & Others .. .. .		6,66,524	
<u>12,40,857</u>				<u>10,41,914</u>
48,182	.. Sundry Credit Balances Written back .. .. .			1,06,136
2,30,338	.. Claims and Refunds .. .. .			8,23,750
2,47,107	.. Excess Provision of Cane Purchase Tax of earlier years written back .. .. .			—
—	.. Excess Provision of Interest Written back .. .. .			1,20,054
30,287	.. Profit on Sale of Assets .. .. .			—
—	.. Claims for Holding Charges towards Buffer Stock ..			80,02,872
—	.. Excess Provision of Cane Price of Previous year Written back			39,31,826
21,32,175	.. Rebate on Excise Duty .. .. .			—
<u>34,65,42,371</u>				<u>40,37,51,990</u>

Carried Over

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1983		Rupees	Rupees
36,56,67,819			
2,48,75,443	Brought Forward	2,44,30,596	32,40,12,088
1,25,822	To Contribution to Deposit Linked Insurance Fund and Administrative Charges .. .. .		
7,79,385	.. Workmen and Staff Welfare Expenses .. .. .	1,23,717	
2,221	.. Workmen's Compensation .. .. .	12,28,092	
2,57,82,871		609	
68,74,835	.. Stores, Chemicals & Spare Parts (after deducting Rs. 1,89,86,103/- to Capital, Repairs and Other relevant heads) .. .. .		2,57,83,014
28,33,882	.. Power and Fuel .. .. .		35,00,863
69,04,087	.. Repairs to Plant & Machinery (inclusive of Salaries and Wages Rs. 11,10,072/- Previous year Rs. 26,31,237/-)		27,42,761
9,66,191	.. Repairs to Buildings (inclusive of Salaries & Wages Rs. 2,89,107/- Previous year Rs. 4,15,697/-)	46,43,526	
5,58,676	.. Other Repairs (inclusive of Salaries and Wages Rs. 1,21,514/- Previous year Rs. 1,59,289/-)	6,18,493	
84,28,954		3,15,095	
1,62,07,173	.. Sugar Cane Purchase Tax .. .. .		55,77,114
3,68,626	.. Gratuity Insurance Premium .. .. .		82,61,245
7,77,218	.. Insurance Premium .. .. .		4,01,838
3,83,51,170	.. Excise Duty on Sugar .. .. .		8,62,748
856	.. Excise Duty on Tariff Item No. 52 .. .. .	3,80,83,256	
7,31,979	.. Excise Duty on Molasses .. .. .	872	
28,274	.. Excise Duty on Tariff Item No. 68 .. .. .	4,44,976	
6,869	.. Excise Duty on Electricity .. .. .	2,450	
3,91,19,148		5,031	
1,19,90,582	.. Sugar Cess .. .. .		3,85,36,585
91,44,018	.. Packing and Forwarding .. .. .		1,36,36,644
2,48,155	.. Rent .. .. .		46,55,075
5,88,760	.. Rates and Taxes .. .. .		2,10,861
7,45,357	.. Brokerage and Commission (inclusive of Guarantee Commission Rs. 8,96,427/- Previous year Rs. 4,90,237/-)		3,70,614
65,93,324	.. Miscellaneous Expenses (including Printing and Stationery, Postage & Telegrams, Telephone, Motor Car Maintenance etc.) .. .. .		12,11,517
1,607	.. Sales Tax .. .. .		56,82,645
3,42,714	.. Open Yard Sugar Storage Expenses .. .. .		254
49,57,15,043	Carried Over		43,54,45,866

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1984

<i>For the year ended 30th Sept. 1983</i>		Rupees	Rupees
<i>Rupees</i>			
34,65,42,371	Brought Forward		40,37,51,990
	By Stock -in-trade (as taken, valued and certified by Managing Director)		
20,77,01,780	Sugar at Realised/Realisable Value .. .. .	5,70,32,929	
17,91,430	Molasses at Market Rate .. .. .	18,67,070	
20,94,93,210			5,88,99,999
—	.. Balance being loss for the year .. .. .		1,76,71,120
<u>55,60,35,581</u>	Carried Over		<u>48,03,23,109</u>





# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1984

<i>For the Year ended 30th Sept. 1983</i>		
<i>Rupees</i> 55,60,35,581	Brought Forward	<i>Rupees</i> 48,03,23,109
<u>55,60,35,581</u>	Total Rupees :	<u>48,03,23,109</u>

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1983		Rupees
4,22,52,890	To Balance of Loss Brought Forward from Last Year's Balance Sheet .. .. .	3,79,16,698
—	.. Balance being loss Brought Forward from Profit & Loss Account	1,76,71,120
27,04,283	.. Payment of Additional Cane Price of Previous Years to Maharashtra State Farming Corporation as per agreement .. .. .	27,04,283
57,16,261	.. Provision for Additional Cane Price of earlier years (including interest) .. .. .	3,524
NOTE:		
Computation of Managing Director's Commission is as follows:		
1,27,56,736	Net Profit/Loss as per Profit & Loss A/c. Add/Less:	(1,76,71,120)
1,53,535	(i) Managing Director's Remuneration 1,20,000	
1,358	(ii) Depreciation of Agriculture Section 1,235	
<u>1,54,893</u>		<u>1,21,235</u>
1,29,11,629		1,75,49,885
Less/Add		
74,38,912	(i) Depreciation to the extent specified in Section 350 of Companies Act 1956 .. .. .	66,51,020
21,19,215	(ii) Estimated Liability of Bonus .. .. .	19,53,510
<u>95,58,127</u>		<u>86,04,530</u>
33,53,502	Net Profit for Calculating Managing Director's Commission .. .. .	(2,61,54,415)
33,535	1% of the Net Profit .. .. .	—
Total Managerial Remuneration:		
1,20,000	Remuneration .. .. .	1,20,000
33,535	Commission on Profit .. .. .	—
10,000	Company's Contribution to Provident Fund .. .. .	10,000
5,400	Perquisite for use of Company's Car .. .. .	5,400
<u>1,68,935</u>		<u>1,35,400</u>
<u>5,06,73,434</u>	Total Rupees :	<u>5,82,95,625</u>

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1984

<i>For the Year ended 30th Sept. 1983</i>		Rupees
<i>Rupees</i>		
1,27,56,736	By Balance being Profit Brought Forward from Profit & Loss Account .. .. .	—
—	.. Claims for Holding charges towards Buffer Stock of previous year .. .. .	44,81,905
3,79,16,698	.. Balance carried to Balance Sheet .. .. .	5,38,13,720
<u>5,06,73,434</u>	Total Rupees :	<u>5,82,95,625</u>

BOMBAY : Dated 1st March 1985

S. R. PARIKH  
*Secretary*

K. J. SOMAIYA  
*Chairman & Managing Director*

P. S. V. RAO	S. K. SOMAIYA
M. R. SHROFF	B. V. BHOOTA
N. H. THANAWALA	N. C. SAYTA
	N. B. HADKER

*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. 66,51,020/- (Previous Year Rs. 74,37,554/-).
  - (b) Total arrears of Depreciation upto 30th September, 1984 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 is Rs. 7,09,64,267/- (Previous Year Rs. 6,43,13,247).
  - (3) No Provision has been made in respect of Balance of Loss of Rs. 15,632/- as on 31st May, 1984 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. 19,53,510/-.
  - (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1984 as per the Actuary's Certificate is Rs. 93,25,114/-. However, the Company has taken Group Gratuity Policy with the Life Insurance Corporation of India for its Sakarwadi and Lakshmiwadi factories, according to which estimated liability of Rs. 38 lacs upto 31-3-1984 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 Seasons 1969-70 to 1975-76, Rs. 1,48,73,557/- paid as per agreement had been provided. Out of balance amount of Rs. 13,52,143/- an amount of Rs. 9,96,068/- has been provided in the year 1969-70.
  - (8) Company has provided Managing Director's Remuneration and Commission totalling Rs 1,20,000/- 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)	26	11,62,776/-	70,101/-
(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.	5	1,51,396/-	5,662/-

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

(a) Somaiya Farms—Lakh

(b) Somaiya Farms—Khanapur

Name of Partners	Capital	Share of Profit	Name of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Limited	1,82,735	25.00%	(i) Godavari Sugar Mills Limited	Nil	25.00%
(ii) Shri L. V Satpute	26,449	18.75%	(ii) Shri M. J. Patel	75,099	18.75%
(iii) Shri D. M. Patel	19,836	14.0625%	(iii) Shri C. J. Patel	75,099	18.75%
(iv) Shri N. G. Patel	19,836	14.0625%	(iv) Shri C. B. Patel	75,099	18.75%
(v) Shri J. C. Patel	19,836	14.0525%	(v) Shri S. P. Patel	75,099	18.75%
(vi) Shri B. H. Patel	19,836	14.0625%			

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1984

(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 drainage 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	63,042.9	20,77,01,780	53,386.9	2,420.4	97,404.6	38,46,16,225	16,604.8	5,70,32,929
Molasses	47,978	17,91,430	19,479.6	—	16,121.76	13,41,567	51,335.84	18,67,070

*Raw Materials Purchased & Consumed :*

	<i>Quantity Purchase &amp; Consumed M.T.</i>	<i>Value Rs.</i>
Sugarcane	4,95,342	11,43,38,620

*Stores & Spares Consumed :*

	<i>Value Rs.</i>	<i>%</i>
Imported	38,799	1.10
Indigenous	34,62,064	98.90
	<u>35,00,863</u>	<u>100.00</u>

*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. 6,557/- (*Previous year 37,095/-*).

(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 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 & Managing Director*

P. S. V. RAO	S. K. SOMAIYA
M. R. SHROFF	B. V. BHOOTA
N. H. THANAWALA	N. C. SAYTA
	N. B. HADKER

*Directors*

S. R. PARIKH  
*Secretary*

BOMBAY: Dated 1st March 1985

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1984

### 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 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	85	Managing Director	1,20,000/- (*)	Contractual for Five Years from 1-6-1980	As approved by Central Government	About 45 Years	1- 6-1970	NIL
2.	Shri P. M. Kavadia	66	Chief Executive	74,600/-	Permanent	As per Company's Rules	M.A.L.L.B. About 39 Years	1- 9-1963	Manager, Narsee Nagsee & Co.
3.	Shri S. R. Parikh	51	Secretary	50,726/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., F.C.A. About 28 Years	2- 1-1960	Great Eastern Shipping Co. Limited
4.	Shri J. N. Patel	61	General Manager	69,420/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri) Hons About 33 Years	2- 4-1951	NIL
5.	Shri S. N. Kalabhairavan	72	Officer on Special Duty	52,007/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) About 51 Years	1- 3-1971	Officer on Special Duty, Mangalore Chemicals & Fertilisers Ltd.
6.	Shri P. D. Bhise	59	Agri. Dev. Manager	45,600/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Agri. Diploma About 35 Years	1- 9-1949	NIL
7.	Shri S. G. Athavale	36	Chief Engineer & Factory Manager	52,680/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 13 Years	11- 7-1971	NIL
8.	Shri T. T. Oommen	57	General Manager	68,002/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. F.S.T.A. About 37 Years	24-10-1981	Tech. Adviser to Kerala Govt. Gen. Manager Travancore Sugar & Chemicals Ltd.
9.	Shri A. A. Zende	49	Chief Chemist	43,668/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc.A.N.S.E. Kanpur, About 19 Years	24-11-1965	NIL
10.	Shri M. K. Kucheria	50	Chief Chemist	50,335/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc.A.N.S.I. About 26 Years	1-10-1979	Chief 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
11.	Shri V. S. Somaiya	46	Cane Manager	55,779/-	Permanent, subject to termination by One Months' notice on either side	As per Company's Rules	B.Sc. (Agri.) Hons. About 23 Years	17-10-1980	Cane Supdt. Tungabhadra Sugar Works Ltd.
12.	Shri B. M. Murugkar	54	Dy. General Manager	48,212/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 26 Years	24- 8-1963	Tribal Development Project, Kanpur
13.	Shri S. P. Chitanvis	67	Agri. Dev. Manager	46,288/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 35 Years	13- 7-1949	Agri-Officer Baroda State Agri. Dept. Agri. Office
14.	Shri T. P. Nagda	52	Manager	48,278/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Ccm. About 33 Years	30- 6-1958	Accountant M/s. Warden Pvt. Ltd., Bombay
15.	Shri R. T. Shah	47	Office Manager	42,693/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. LL.B. About 24 Years	19-12-1960	NIL
16.	Shri V. V. Joshi	31	Executive	41,229/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M.Com. About 8 Years	1- 4-1977	NIL
17.	Shri S. M. Deshpande	50	Chief Engineer	44,060/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. Mech. About 16 Years	30- 6-1969	Trainee Engineer, Bharat Forge Co. Ltd., Poona
18.	Shri A. S. Satyanarayan	43	Chief Engineer	48,525/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) A.N.S.I. About 12 Years	8- 7-1983	Chief Eng. Kothari Sugar & Chemicals, Bellary
19.	Shri V. V. Iyer	38	Executive	36,722/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	M.Com., B.G.L., About 18 Years	6- 5-1969	Typist K. Mohanlal & Co.
20.	Shri M. K. Pujar	44	Chief Accounts Officer	39,475/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	B.A., B.Com. C.A., About 17 Years	19-11-1971	Shri Ram Mills Ltd. Surat
21.	Shri D. M. Kulkarni	51	Chief Chemist	40,464/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc., A.N.S.I. Kanpur About 29 Years	8-11-1985	NIL
22.	Shri B. S. Wakankar	54	Senior Electrical Engineer	37,416/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	D.E.E. About 25 Years	22-10-1963	El. Engineer, Chitale Sugar Works Ltd.
23.	Shri C. D. Kale	57	Manager	44,000/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 29 Years	4- 7-1981	Estate Manager, Maharashtra State Farming Corporation
24.	Shri A. G. Desai	38	Sr. Clerk	38,236/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Inter Ccm. About 23 Years	23- 4-1962	Clerk, Gujarat Association Federation
25.	Shri G. B. Shejwal	60	Sr. Clerk	39,262/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	Non-Metric About 40 Years	1- 5-1947	Store-Clerk, Bombay Dying Mfg. Co.

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
26.	Shri S. Doraiswamy	47	Sr. Steno	36,667/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 24 Years	13- 3-1961	Typist, All India Plastic Mfg. Co.
27.	Shri S. K. Marathe	36	Cost Accountant	38,533/-	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 20 Years	30- 8-1983	Cost Accountant The Morarji Gokuldas Spg. & Wvg. Co. Ltd.
(b) EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW									
1.	Shri R. S. Shukla	50	Works Manager	39,025/-	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 27 Years	11- 6-1981	Chief. Eng. Hindustan Sugar Mills Ltd.
2.	B. V. Pradhan	60	Officer on Special Duty	33,960/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., C.A. About 29 Years	2- 9-1982	Chief Finance Manager Indian Oil Corp. Ltd.
3.	Shri A. B. Gandhi	40	Chief Engineer	35,310/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	B.E. Mech. About 15 Years	24- 7-1969	NIL
4.	Shri P. M. Kulkarni	45	Agri. Dev. Manager	40,692/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 22 Years	4- 8-1972	Belapur Sugar & Allied Industries
5.	Shri P. B. Bhimjiyani	43	Senior Accountant	8,071/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. A.C.A. About 15 Years	17- 7-1984	Accounts Officer Garware Marine Ind. Ltd.

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 1985



# 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, 1984.
- (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, 1984</i> | <i>Rs. 10,10,572/-</i> |
- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 674/- for the year ended 31st May, 1984. The Net Loss after adjusting the previous years' Loss from this year comes to Rs. 15,632/-. 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 Limited, in Godavari Investment & Finance Corporation Ltd., Between 1st June, 1984 & 30th September, 1984. 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 money borrowed by it for any purpose other than that of meeting current Liabilities.

K. J. SOMAIYA

*Chairman & Managing Director*

P. S. V. RAO

M. R. SHROFF

N. H. THANAWALA

S. K. SOMAIYA

B. V. BHOOTA

N. C. SAYTA

N. B. HADKER

*Directors*

S. R. PARIKH

*Secretary*

BOMBAY: Dated 1st March 1985

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

## **DIRECTORS' REPORT**

Gentlemen,

Your Directors submit herewith their twenty-ninth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1984.

The Working of the Company for the Year resulted in a Profit of Rs. 674/- after Providing Rs. 1,447/- for taxation. After adjusting the same from last year's loss, the Net Carried Forward loss comes to Rs. 15,632/- 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. K. SOMAIYA**  
**R. VENKATRAMAN**

*Directors*

BOMBAY : Dated 5th November, 1984.

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

## **AUDITORS' REPORT TO THE SHAREHOLDERS**

We have Audited the Balance Sheet of Godavari Investment & Finance Corporation Limited as at 31st May, 1984, and the Annexed Profit & 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 & 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 explanation 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 the case of the Balance Sheet, of the State of the affairs of the Company as at 31st May, 1984 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, 1984.

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1983	LIABILITIES	
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 Com- pany The Godavari Sugar Mills Limited and its nominees.	1,00,000
	<b>III. UNSECURED LOANS :</b>	
4,05,082	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited .. .. .	2,68,712
6,60,278	Interest due on above .. .. .	7,41,860
10,65,360		10,10,572
	<b>IV. CURRENT LIABILITIES AND PROVISIONS :</b>	
	<b>(A) CURRENT LIABILITIES :</b>	
1,24,595	(i) Sundry Creditors .. .. .	1,31,148
2,803	(ii) Estimated Unearned Finance Charges on Hire Purchase carried forward .. .. .	2,803
81,582	(iii) Interest accrued but not due on Loans ..	54,214
2,08,980		1,88,165
	<b>(B) PROVISIONS :</b>	
4,283	For Taxation .. .. .	5,730
2,13,263		1,93,895
	<b>NOTES :</b>	
	(1) Out of Land Mortgage Agreements for Loans given to Bagaitdars, Agreements for Loans amounting to Rs. 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.	
13,78,623	Total Rupees :	13,04,467

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

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1984

As at 31st May, 1983	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(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)			
90,130	For Supply of Spare and Fittings supplied to Cane Growers and for the Supervision charges and Hire Purchase Instalments due from them	91,598		
43,941	Outstanding for More than six months .. .. .	43,941		
	Considered doubtful .. .. .			
1,34,071				
43,941				
	Less: Provision for Doubtful Debts .. .. .	1,35,539		
90,130		43,941		
16,699				
	Other Debts .. .. .	91,598		
1,06,829		15,908		
	(iii) CASH AND BANK BALANCES :			
813	Cheque on Hand .. .. .	25,000		1,07,506
9,436	Cash on Hand .. .. .	86		
1,843	Stamp Papers on Hand .. .. .	1,116		
	In current Account with a Scheduled Bank .. .. .	1,073		
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 :			
9,47,441	Secured .. .. .	8,37,437		
36,262	Considered Doubtful .. .. .	36,262		
9,83,703				
36,262				
9,47,441	Less : Provision for Doubtful Loans .. .. .	8,73,699		
1,27,525		36,262		
1,29,485				
	Loans to Others .. .. .	8,37,437		
	Add : Interest Accrued on above .. .. .	1,27,525		
		1,47,976		
2,57,010				
		2,75,501		
12,04,451	(ii) Deposit .. .. .		11,12,938	
29,000	(iii) Advance recoverable in Cash or Kind .. .. .		29,000	
1,362	(iv) Advance Income Tax .. .. .		1,183	
2,665			5,015	
13,62,317				
	<b>II. MISCELLANEOUS EXPENDITURE :</b>			12,88,835
16,306	PROFIT AND LOSS ACCOUNT :			
13,78,623	Loss as per Profit & Loss Account .. .. .			15,632
	Total Rupees :			13,04,467

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

BOMBAY : Dated 1st November 1984

S. K. SOMAIYA  
J. P. DASTUR  
R. VENKATRAMAN } Directors

# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

<i>For the Year ended 31st May, 1983</i>		<i>Rupees</i>
	To Opening Stock :	
5,918	Machinery, Spares and Fittings .. .. .	5,918
43,593	" Salary .. .. .	39,213
2,391	" Bonus .. .. .	3,757
3,540	" Company's Contribution to Govt. Provident Fund ..	3,168
200	" Company's Contribution to Deposit Linked Insurance Scheme & Administrative Charges .. .. .	173
2,232	" Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses .. ..	5,117
1,872	" Printing and Stationery .. .. .	1,688
9,600	" Office Rent .. .. .	9,600
	" Interest :	
81,582	On Current Account (To the Holding Company) The Godavari Sugar Mills Ltd. .. .. .	54,214
—	" Legal Expenses .. .. .	900
25,121	" Petrol & Diesel Expenses .. .. .	27,074
500	" Audit Fees .. .. .	500
1,181	" Provision for Taxation .. .. .	1,447
550	" Profit Carried Down .. .. .	674
1,78,280	Total Rupees :	1,53,443
16,854	To Balance as per Last Balance Sheet .. .. .	16,306
2	" Short Provision for Taxation in respect of earlier years	—
16,856	Total Rupees :	16,306

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

**N. P. PATWA**  
Partner

BOMBAY : Dated 3rd November 1984

# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1984

<i>For the Year ended 31st May, 1983</i>		Rupees
<i>Rupees</i>		
29,917	By Commission on Cane from Holding Company The Godavari Sugar Mills Limited .. .. .	30,886
95,439	„ Interest on Loans .. .. .	79,046
46,470	„ Supervision Charges from Cane Growers .. .. .	37,593
5,918	„ Closing Stock of Machinery, Stores and Spare Parts at Cost .. .. .	5,918
536	„ Miscellaneous Receipts .. .. .	—
<u>1,78,280</u>	Total Rupees :	<u>1,53,443</u>
550	By Profit Brought Down .. .. .	674
16,306	„ Loss Carried to Balance Sheet .. .. .	15,632
<u>16,856</u>	Total Rupees :	<u>16,306</u>