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**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1985-86**

**1986**

# **THE GODAVARI SUGAR MILLS LIMITED**

(Incorporated under the Indian Companies Act, VII of 1913)

## **Board of Directors :**

SHRI KARAMSHI JETHABHAI SOMAIYA  
*Chairman*

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)

DR. CHANDRAPRAKASH BHALCHANDRA PURANDARE

SHRI SHASHIKANT PADMANABH WAGH  
(Nominee of Bank of India)

SHRI SHANTILAL KARAMSHI SOMAIYA

## **Bankers :**

BANK OF INDIA

UNION BANK OF INDIA

VIJAYA BANK

## **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 Fortyseventh Annual General Meeting of The Godavari Sugar Mills Limited will be held on Tuesday the 31st March, 1987 at 4.00 P.M. (S.T.) at the Registered Office of the Company at Fazalbhoy Building, 45/47, Mahatma Gandhi Road, Fort, 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, 1986.
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 Shri S. N. Vaidya who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri N. B. Hadker who retires by rotation but, being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,

**K. J. SOMAIYA**  
*Chairman.*

Bombay : Dated 2nd March, 1987.

**Note :** A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member.



# THE GODAVARI SUGAR MILLS LIMITED

## DIRECTORS' REPORT

Your Directors are pleased to submit their report for the year ended 30th September, 1986.

### (A) FINANCIAL RESULTS :

The working of the Company for the year has resulted in an operating surplus of Rs. 323.54 lacs without providing for interest and depreciation. After providing interest of Rs. 272.62 lacs, but without providing for depreciation, the working for the year resulted in a profit of Rs. 50.92 lacs. In view of the carry forward loss, no provision has been made for depreciation. The Directors regret their inability to recommend any dividend on Equity and Preference Shares for the year ended 30th September, 1986.

### (B) MANUFACTURING RESULTS :

#### (i) Sameerwadi Factory in Karnataka :

The Factory crushed 4,59,633 tonnes of cane and produced 4,85,630 quintals of sugar as against 3,13,364 tonnes of cane and 3,22,761 quintals of sugar last year, reflecting an improvement over the last season.

#### (ii) Sakarwadi and Lakshmiwadi Factories in Maharashtra :

As reported last year, the Special Civil Application filed by the Company in the Supreme Court in the matter of co-operativisation of Sakarwadi and Lakshmiwadi Factories is pending final disposal.

Initially by an Interim Order dated 28th January, 1986 the Hon'ble Supreme Court directed the Chairman, Joint Management Committee to pay Wages of the Permanent Workmen of the factories upto 15th February, 1986. Thereafter when the matter came up before that Court on 4th April, 1986, after hearing counsels of all the parties, it passed an interim order to the effect that the matter required sympathetic consideration of the Government of Maharashtra so that the factories are put back on their feet, the workmen are not displaced and the interest of the cane growers is protected. The Supreme Court also directed that the permanent workers be paid 50% of their wages from 16-2-1986 to 15-4-1986 by the State Government/Joint Management Committees. These directions of the Court have been implemented.

In view of the Supreme Court's above Order, and having regard to the co-operativisation having been already decided and acted upon in respect of these units, the Company made fresh specific alternative proposals to the Government of Maharashtra in August 1986 as under :

- (i) to run both Sakarwadi and Lakshmiwadi Factories as a Government Enterprise.
- (ii) to ask the Maharashtra State Farming Corporation Ltd., a wholly owned State Government undertaking, to run the above two units.
- (iii) to find suitable party from among 51 co-operative societies which have applied for licence for establishing sugar factories, and are not likely to get the same in the near future under the present policy of Government of India, to take over both the units in co-operative sector.

The Directors are pleased to report that the Government of Maharashtra has given a favourable response to the above alternative proposals and has vide Government Resolution dated 3rd December, 1986, appointed a three man-committee for studying the prospects of take over of joint stock sugar units in Maharashtra by the proposed co-operative sugar factories in the vicinity, and ways and means of achieving this objective and to examine the three alternatives suggested by the Company. The Committee has started its work and it is expected that a satisfactory workable solution would be found for these two factories of the Company.

### (C) WRIT PETITIONS FOR LEVY SUGAR PRICE :

The Writ Petitions in respect of Levy Sugar Price for 1974-75 to 1978-79 are pending in various courts. The Writ Petitions of all the Sugar Factories for Seasons 1978-79 and



1979-80 transferred to the Supreme Court have still not come up for hearing. The arguments on the constitutional issues about the validity of Section 3(3C) of the Essential Commodities Act, its true effect and fixation of Levy Price on the basis of geographical zoning were heard in February, 1986 but judgment of Supreme Court has not been delivered so far.

**(D) ADDITIONAL LEVY PRICE FOR LAKSHMIWADI :**

- (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 still 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 the Levy Sugar Price Notifications of the Government of India denying Company's Lakshmiwadi factory the additional price of Rs. 26/- per quintal are pending in the Delhi High Court. The Company has already recovered from the Government nominees an additional price of Rs. 26/- per quintal as per the interim orders of the Court for the relevant seasons and has credited the same to Profit & Loss Account in the respective accounting years.

**(E) LEVY SUGAR PRICE FOR 1985-86 SEASON :**

The dual pricing system was continued by the Govt. of India during 1985-86 season. The proportion of Levy and Free sale quota has been changed from 65 : 35 to 55 : 45. The Government fixed the Levy Sugar Price for Karnataka Zone at Rs. 362.76 per quintal against Rs. 339.80 per quintal for the season 1984-85 granting an increase of Rs. 22.96 per quintal. On representations made by the Karnataka Sugar Factories, the Government of India vide Order dated 23-1-1986 revised the price to Rs. 365.84 per quintal i.e. an increase of Rs. 3.08 per quintal to cover increased cost due to increase in Cane Purchase-tax made by the State Government.

However, as the Government had not taken into account escalation in cost under other heads, the Company filed a Writ Petition in the Karnataka High Court in June 1986 as done by other Sugar Factories in the State and obtained an interim order from the court authorising the factory to charge a price of Rs. 375.77 per quintal of S-29 grade with corresponding differentials for other grades of sugar subject to furnishing the bank guarantees to cover the difference in price. Accordingly, the factory has charged a higher levy sugar price as allowed by the court and is furnishing bank guarantee every month against (100%) full deposit to cover the price difference. The Company has included this price difference in the sugar sales reflected in the Profit & Loss Account for the year.

**(F) SUGAR POLICY FOR 1986-87 SEASON :**

As per the new sugar policy announced by the Government of India for the season 1986-87, the ratio of levy and free sale quota for all the factories has been revised to 50 : 50 as against 55 : 45 for the season 1985-86. For the 1986-87 season the statutory minimum price of sugarcane has been raised from Rs. 16.50 per quintal to Rs. 17/- per quintal linked to 8.5% recovery. These measures will help improve the viability of the Sugar Industry.

The Government of India has fixed the levy sugar price at Rs. 378.74 per quintal for Karnataka Zone for S-30, as against a fair levy sugar price of Rs. 405 per quintal assessed by the South India Sugar Mills Association. Representations have been made to the Government to look into this disparity in an effort to have the levy price realistically determined.

**(G) CURRENT WORKING AT SAMEERWADI FACTORY (KARNATAKA):**

The Cane Price of the Sameerwadi Factory had been linked with that of Raibag S. S. K. Ltd., since 1984-85. However, to meet with the fresh demands of the cultivators made in the beginning of the current season 1986-87, the Company agreed to link the cane price with that of Dudhganga S. S. K. Ltd., Chikodi.

The diversion of cane to neighbouring co-operative factories continued during this season also. However, due to increased area under cane, as a result of the development efforts



of the Company, the factory expects to crush about 5 lac tonnes of cane during the current season 1986-87.

**(H) COMPLETION OF EXPANSION OF SAMEERWADI FACTORY :**

Your Directors are pleased to inform that the Company's Bankers, Bank of India and Union Bank of India, in November 1986 approved the balance cost for expansion of the capacity of Sameerwadi Factory to 5,000 tonnes per day, pending half way since last two seasons and sanctioned deferred payment guarantee facility to complete the project. The Company expects to commission the increased capacity in the next few weeks.

**(I) COST AUDIT :**

The Company Law Board vide order dated 13th June, 1986 had directed that an audit of the cost accounts maintained by the Company in respect of its Sakarwadi, Lakshmiwadi and Sameerwadi units, for the year ended 30-9-1986 relating to Sugar, be conducted by a Cost Auditor. As Sakarwadi and Lakshmiwadi factories did not work during the 1985-86 season, the Company Law Board has waived this requirement for these factories. The cost accounts of Sameerwadi Factory have been audited and the cost audit report has been filed by the Cost Auditor with the Central Government.

**(J) GENERAL :**

- (i) The term of Shri K. J. Somaiya as Managing Director of the Company expired on 31st December, 1986. The Company will now be managed by the Board of Directors. Shri K. J. Somaiya continues to be Chairman and Director of the Company.
- (ii) Three of your Directors viz. Dr. B. V. Bhoota, Shri S. N. Vaidya and Shri N. B. Hadker, retire by rotation but, being eligible, offer themselves for re-election.
- (iii) Your Directors place on record their sincere appreciation of the co-operation and assistance extended by the Company's Bankers viz. the Bank of India and Union Bank of India as well as the Maharashtra and Karnataka State Governments.
- (iv) The statement concerning employees, as required by Sub-Section (2A) of Section 217 of Companies Act, 1956, as amended, is attached as per Schedule, 'B'.

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 28th February, 1987



# THE GODAVARI SUGAR MILLS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1986

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

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets. Physical verification of all the Assets has been conducted by the Management at the close of the year and no serious discrepancies were noticed.
2. No Fixed Assets of the Company have been revalued during the year.
3. The Stocks of Finished Goods, Raw Materials, Stores and Spares etc., were physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies notified on verification between physical stock and the Stock as shown in the Books have been properly dealt with in the Books of Accounts. In our opinion, valuation of the above mentioned Stocks is fair and proper 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, 1986 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 not purchased Stores exceeding Rs. 10,000/- from Companies in which Directors are interested.
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 & according to the explanations given to us, the said Balance Sheet and Profit & Loss Account subject to Note No. 2 regarding non-provision of depreciation, Note No. 5 regarding non-provision of gratuity, and read with other notes thereon give the information required by the Act in manner so required and present a true and fair view of the state of the Company's affairs at the close of the above financial year and of the Profit for that year.

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

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

BOMBAY : Dated 28th February, 1987.



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1985	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	<b>I. SHARE CAPITAL :</b>			
2,30,00,000	2,30,000 Ordinary (Equity) Shares of Rs. 100/- each .. .. .		2,30,00,000	
20,00,000	20,000 7.8572% subject to deduction of tax at source Redeemable Cumulative Second Preference Shares of Rs. 100/- each .. .. .		20,00,000	
50,00,000	50,000 9½% subject to deduction of tax at source Redeemable Cumulative Third Preference shares of Rs. 100/- each .. .. .		50,00,000	
3,00,00,000				3,00,00,000
	<b>ISSUED AND SUBSCRIBED CAPITAL :</b>			
1,80,00,000	1,80,000 Ordinary (Equity) Shares of Rs. 100/- each fully paid-up; of the above shares 1,70,000 shares are allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve ..		1,80,00,000	
18,50,950	18,509½ 7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 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	
—	Share Application Money for 10,000 Equity Shares of Rs. 100/- each ..		10,00,000	
1,98,50,950				2,08,50,950
	<b>II. RESERVES AND SURPLUS :</b>			
	<b>(A) GENERAL RESERVE :</b>			
68,64,612	As per Last Balance Sheet .. .. .	68,64,612		
68,64,612	Less: Shown as deduction from Profit & Loss Account as per Contra .. .. .	68,64,612		
—				
42,72,617	<b>(B) DEVELOPMENT REBATE RESERVE :</b>			
	As per Last Balance Sheet .. .. .		42,72,617	
25,23,103	<b>(C) STORAGE FUND FOR MOLASSES :</b>			
6,61,590	As per Last Balance Sheet .. .. .	31,84,694		
31,84,693	Add: Transferred from Molasses Sale .. .. .	4,19,618		
74,57,310			36,04,312	
2,73,08,260				78,76,929
	Carried Over			2,87,27,879



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1986

As at 30th Sept. 1985	ASSETS		
Rupees		Rupees	Rupees
	<b>I. FIXED ASSETS : (At Cost or Book Value) :</b>		
13,52,17,812	Gross Block .. .. .	13,95,33,776	
2,64,50,296	Less: Depreciation Written off Upto 30th September, 1986 .. .. .	2,64,51,641	
10,87,67,516	Net Depreciated Block as per Schedule "A" attached	11 30,82,135	
1,44,22,475	Capital Work-in-Progress .. .. .	1,26,31,150	
15,33,447	Advances to Contractors .. .. .	—	
12,47,23,438			12,57,13,285
	<b>II. INVESTMENTS (At Cost) :</b>		
	(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANY :		
1,00,000	2,000 Partly paid-up Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Limited of Rs. 100/- each Rs. 50/- Paid up per Share .. .. .	1,00,000	
	(B) OTHER INVESTMENTS :		
61,99,000	(i) Investment in Shares of Somaiya Organics (India) Ltd., 61,990 Equity Shares of Rs. 100/- each fully paid-up (56,990 shares lying with New India Assurance Company Limited.)	61,99,000	
10,000	Guarantee Commission paid for Purchase of Shares .. .. .	10,000	
7,161	(ii) 77 Equity Shares of Rs. 100/- each fully paid- up of Sugar Selling Agency Private Limited. .	7,161	
78	(iii) One Ordinary Share of Maharashtra State Co- Operative Bank Limited of Rs. 50/- fully Paid-up .. .. .	78	
2,000	(iv) National Defence Certificates Deposited with Electricity Department, Bhopal .. .. .	2,000	
6,600	(v) 7 Years National Savings Certificates ..	6,600	
1,500	(vi) National Savings Certificates Deposited with Excise Commissioner, U. P. and Hydro Electric Division, Gorakhpur .. .. .	1,500	
63,26,339			
12,47,23,438	Carried Over	63,26,339	12,57,13,285



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1985	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,73,08,260	Brought Forward			2,87,27,879
	<b>III. SECURED LOANS :</b>			
	(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 .. .. .		5,24,07,546	
5,03,13,515				
	(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			
	(i) Bank of India .. .. .	4,17,98,669		
3,86,73,344				
	(ii) Union Bank of India .. .. .	4,22,79,420		
3,74,13,446				
7,60,86,790			8,40,78,089	
12,64,00,305			13,64,85,635	
	<b>NOTES :</b>			
	(i) The Company has created third charge in favour of Bank of India on Fixed Assets of the three sugar factories of the Company for Cash Credit and guarantee facilities,			
	(ii) The Company has agreed to create 3rd Pari Passu charge in favour of Union Bank of India on Fixed Assets of Sameerwadi Factory for Cash Credit/Guarantee facilities granted by the Bank.			
	(c) Term Loans Secured against Joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situated at Sakarwadi (Kanhagaon), 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.			
4,15,22,745	(i) Bank of India .. .. .	4,61,47,591		
21,79,357	(ii) Vijaya Bank .. .. .	17,10,361		
4,37,02,102			4,78,57,952	
	(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) .. .. .		1,14,89,067	
1,14,53,165				
18,15,55,572				
2,73,08,260	Carried Over	19,58,32,654		2,87,27,879



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1986

As at 30th Sept. 1985	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,47,23,438	Brought Forward		63,26,339	12,57,13,285
63,26,339	(vii) 4½% U. P. State Development Loan of 1972 (Face Value Rs. 2,000/-) .. .. .		1,995	
1,995	(viii) National Savings Certificates of the Face value of Rs. 1,000/- deposited as Security Deposit with Central Excise Authority, Mudhol ..		1,000	
1,000				
		Cost	Market Value	
	Aggregate quoted Investments	61,99,000	43,39,300	
	Aggregate unquoted Investments	1,30,334	—	
63,29,334		63,29,334	43,39,300	63,29,334
<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 Director) Stock on hand (including Machineries of Rs. 4,14,944/- .. .. .		1,34,92,159	
1,49,33,328	In Transit .. .. .		11,34,329	
6,05,335				
1,55,38,663				1,46,26,488
7,274	(ii) Loose Tools and Implements (as per inven- tories valued and Certified by a Director) ..			7,274
	(iii) Stock-in-trade (as per inventories valued and certified by a Director) .. .. .			
3,11,77,624	(a) Sugar at Realised/Realisable Value ..		4,21,58,426	
11,250	(b) Stock of Grains, Cotton, etc. at Market Rate .. .. .		15,395	
—	(c) Crop in Progress .. .. .		25,205	
4,92,745	(d) Molasses at Market Rate .. .. .		2,01,062	
3,16,81,619				4,24,00,088
4,72,27,556				
13,10,52,772	Carried Over		5,70,33,850	13,20,42,619



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1985	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,73,08,260	Brought Forward		19,58,32,654	2,87,27,879
18,15,55,572				
3,90,000	(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	
20,00,000	(f) 200 6% Debentures of Rs. 10,000/- each fully paid-up redeemable at the option of the Company secured by negative lien on Fixed Assets of Sakarwadi and Lakshmiwadi Factories .. .. .		20,00,000	
1,35,100	(g) Interest accrued and due on above .. .. .		2,55,100	
1,01,77,479	(h) Deferred Payments against Machinery Purchased under IDBI Bills Rediscounting Scheme (Guaranteed by Nationalised Banks against security of first Pari Passu Equitable Mortgage of specific Machineries Purchased under the Scheme) .. .. .		67,41,913	
19,42,58,151				20,52,19,667
	<b>IV. UNSECURED LOANS :</b>			
2,83,07,227	Cane Purchase Tax Loan from Karnataka & Maharashtra Governments .. .. .			2,68,07,228
	<b>V. CURRENT LIABILITIES AND PROVISIONS :</b>			
	<b>(A) CURRENT LIABILITIES :</b>			
5,71,01,529	(i) Sundry Creditors .. .. .		5,29,57,722	
3,30,276	(ii) Advances from Customers against Sale of Land .. .. .		3,30,276	
20,000	(iii) Advance against Lease Rent .. .. .		3,000	
24,22,480	(iv) Security Deposit from Bagaitdars .. .. .		24,14,275	
4,878	(v) Security Deposit from Customers .. .. .		4,878	
33,70,889	(vi) For Taxation .. .. .		33,70,889	
1,99,122	(vii) Due to Partnership Firm of Khanapur Farms .. .. .		1,99,122	
1,49,500	(viii) Due for Managing Director's Remuneration & Commission .. .. .		—	
8,57,153	(ix) Interest Accrued but not due on Loans .. .. .		10,09,431	
6,44,55,827			6,02,89,593	
	<b>(B) PROVISIONS :</b>			
50,000	Provision for Wealth Tax .. .. .	75,000		
23,300	Less: Paid .. .. .	34,950		
26,700			40,050	
6,44,82,527				6,03,29,643
31,43,56,165	Carried Over			32,10,84,417



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1986

As at 30th Sept. 1985	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
13,10,52,772	Brought Forward		5,70,33,850	13,20,42,619
4,72,27,556	(iv) Sundry Debtors (Unsecured and considered good except otherwise stated)			
13,51,121	(a) Debts Outstanding for more than six months .. .. .	14,88,179		
43,388	(b) Considered Doubtful .. .. .	43,388		
13,94,509		15,31,567		
43,388	Less: Provision for Doubtful Debts .. .. .	43,388		
13,51,121		14,88,179		
42,46,613	(c) Other Debts .. .. .	36,46,253		
55,97,734			51,34,432	
	(v) CASH AND BANK BALANCES:			
11,36,527	Cash, Cheques and Drafts on hand (including Stamps on Hand Rs. 50,529/-) .. .. .	8,84,977		
30,90,020	In Current Account with Scheduled Banks ..	22,65,877		
	In Current Account with Non-Scheduled Banks:			
4,301	(a) Madhavpura Mercantile Co-Operative Bank Ltd., Bombay (Maximum Debit Balance during the year Rs. 4,301/- Previous year Rs. 4,301/-) .. .. .	4,301		
101	(b) Mudhol Urban Co-Operative Bank Ltd., Mudhol (Maximum Debit Balance during the year Rs. 101/- Previous year Rs. 101/-) .. .. .	101		
4,402		4,402		
92,94,983	Fixed Deposits with Scheduled Banks (Under lien for the Guarantees) .. .. .	1,17,08,371		
3,43,566	Accrued Interest on Fixed Deposits .. .. .	7,06,925		
1,38,69,498			1,55,70,552	
6,66,94,788				
13,10,52,772	Carried Over		7,77,38,834	13,20,42,619



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1985	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
31,43,56,165	Brought Forward		32,10,84,417
	<b>CONTINGENT LIABILITIES (Not Provided for) :</b>		
	(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	(ii) In respect of Counter-guarantees given to others . . . . .	3,21,327	
3,21,327	(iii) In respect of dividend payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1.6.1973 to 30.9.1986 . . . . .	19,39,107	
17,93,674	(iv) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Bank of Baroda to Cane Cultivators . . . . .	36,109	
35,000	(v) In respect of counter-guarantees given by the Company in favour of Banks in lieu of guarantees given by the Banks 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 and 1985-86 . . . . .	2,16,16,581	
2,09,70,730	(vi) In respect of Cash Credit Accounts with Bank of India under the name "Godavari Sugar Mills Ltd.,— "Account Joint Management Committee Sakarwadi and "Godavari Sugar Mills Ltd.—Account Joint Management Committee, Lakshmiwadi for working Capital Finance provided to Joint Management Committee Sakarwadi and Joint Management Committee Lakshmiwadi and utilised by them (and not by the Company) for the Season 1984-85. The Company had executed documents with a view to Comply with the formalities for facilitating co-operativisation and operations at Sakarwadi and Lakshmiwadi Units with a clear understanding with the concerned Bank that no liability of the company will eventually crystallise. . . . .	—	
4,50,00,000	(vii) In respect of Interest on Cash Credit Account for Sakarwadi/Lakshmiwadi factories not charged by the Bank for the period 1.1.86 to 30.9.86 . . . . .	69,80,426	
—			
31,43,56,165	Total Rupees :		32,10,84,417

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.,  
CHARTERED ACCOUNTANTS

G. P. BHATT  
Partner

BOMBAY : Dated 28th February, 1987



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1986

As at 30th Sept. 1985	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
13,10,52,772	Brought Forward		7,77,38,834	13,20,42,619
6,66,94,788				
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
18,99,685	Loans to Others (including Doubtful			
26,18,077	Loans of Rs. 4,79,130/- not provided for) .. .. .	14,94,532		
	Interest accrued on above .. .. .	19,83,686		
45,17,762			34,78,218	
9,356	Considered Doubtful .. .. .	9,356		
45,27,118			34,87,574	
9,356	Less : Provision for Doubtful Loans .. .. .	9,356		
45,17,762				34,78,218
	Loans to subsidiary Company of which the Com- pany is a Holding Company :-			
48,212	Godavari Investment & Finance			
8,88,755	Corporation Ltd. .. .. .	40,165		
	Accrued Interest .. .. .	8,95,374		
9,36,967				9,35,539
	Advances recoverable in Cash or Kind or for Value to be received (including Advances to Officers of the Company Rs. 60,204/- Maximum Debit Balance during the year Rs. 70,981/-. In dispute, Rs. 9,16,101/-. Advance against Share Purchase Rs. 14,91,662/- and paid to Banks in respect of defaulting Cultivators for Agriculture Finance facilities under Company's Guarantees Rs. 4,19,891/-) .. .. .	3,36,00,373		
3,61,71,224	Considered Doubtful .. .. .	64,126		
64,126			3,36,64,499	
3,62,35,350	Less : Provision for Doubtful Advances .. .. .	64,126		
64,126				3,36,00,373
3,61,71,224	Income-tax deducted at source from Interest ..		12,72,519	
9,25,787	Deposit with Irrigation Department, Railway, High Courts and Others .. .. .		55,07,176	
55,82,385	Due from Partnership Firm of Lakh Farms ..		98,962	
98,962				12,26,31,621
11,49,27,875	MISCELLANEOUS EXPENDITURE:			
	Profit and Loss Account :			
7,52,40,130	Balance as per Profit & Loss Account .. .. .		7,32,74,789	
68,64,612	Less : Deducted from General Reserve as per Contra .. .. .		68,64,612	
6,83,75,518				6,64,10,177
31,43,56,165	Total Rupees			32,10,84,417

K. J. SOMAIYA  
Chairman

B. V. BHOOTA  
N. B. HADKER  
C. B. PURANDARE  
N. C. SAYTA  
M. R. SHROFF  
S. K. SOMAIYA  
Directors

BOMBAY : Dated 28th February, 1987

S. R. PARIKH  
Secretary



# THE GODAVARI SUGAR

## Schedule 'A'

## Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1985	Additions during the year	Deduction for Sale during the year
(1)	(2)	(3)	(4)
Freehold Land (Book Value) .. .. .	29,23,843	12,923	22,712
Leasehold Land Development Expenses .. .. .	2,38,925	—	—
Leasehold Premium on Garage .. .. .	12,000	—	—
Building & Pucca Quarters at Factories .. .. .	2,37,59,317	42,670	—
Temporary Quarters .. .. .	8,48,973	—	—
Temporary Quarters at Farms .. .. .	2,38,768	—	—
Pucca Quarters at Farms .. .. .	2,18,633	—	—
General Machinery (Book Value) .. .. .	8,24,78,094	41,23,445	—
Electrical Machinery .. .. .	60,38,179	—	—
Agricultural Machinery (Book Value) .. .. .	33,63,205	—	—
Locomotives .. .. .	92,974	—	—
Electrical Installation & Fittings .. .. .	13,30,134	—	—
Furniture & Office equipments .. .. .	28,13,709	32,448	—
Weigh Bridges .. .. .	12,93,575	—	—
Trolley Lines .. .. .	6,28,058	—	—
Railway Siding .. .. .	1,26,075	—	—
Molasses Storage Tanks .. .. .	26,00,879	—	—
Motor Cars, Lorries & Cycles (Book Value) .. .. .	25,13,664	21,319	—
Carts & Trucks (Book Value) .. .. .	3,88,416	—	—
Laboratory Apparatus .. .. .	1,64,754	30,390	—
Roads & Drainage, Tube Wells .. .. .	16,62,727	33,450	—
Dead Stock .. .. .	1,75,632	42,031	—
Library .. .. .	7,758	—	—
Medical Instruments .. .. .	363	—	—
Irrigation Lifts .. .. .	12,03,771	—	—
Live Stock .. .. .	95,386	—	—
<b>Total Rupees .. .. .</b>	<b>13,52,17,812</b>	<b>43,38,676</b>	<b>22,712</b>

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

BOMBAY : Dated 28th February, 1987

# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1986

Gross Block as on 30th Sept. 1986	Depreciation Written off Upto 30th Sept. 1985	Depreciation Provided during the year	Total Depreciation Upto 30th Sept. 1986	Net Depreciated Block as at 30th Sept. 1986	Net Depreciated Block as at 30th Sept. 1985
(5)	(6)	(7)	(8)	(9)	(10)
29,14,054	—	—	—	29,14,054	29,23,843
2,38,925	—	—	—	2,38,925	2,38,925
12,000	8,500	300	8,800	3,200	3,500
2,38,01,987	30,96,794	—	30,96,794	2,07,05,193	2,06,62,523
8,48,973	2,28,272	—	2,28,272	6,20,701	6,20,701
2,38,768	1,52,246	—	1,52,246	86,522	86,522
2,18,633	76,964	806	77,770	1,40,863	1,41,669
8,66,01,539	1,29,36,492	—	1,29,36,492	7,36,65,047	6,95,41,602
60,38,179	18,71,223	—	18,71,223	41,66,956	41,66,956
33,63,205	31,67,172	158	31,67,330	1,95,875	1,96,033
92,974	86,792	—	86,792	6,182	6,182
13,30,134	99,724	—	99,724	12,30,410	12,30,410
28,46,157	7,57,429	74	7,57,503	20,88,654	20,56,280
12,93,575	1,61,542	3	1,61,545	11,32,030	11,32,033
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
25,34,983	9,02,276	2	9,02,278	16,32,705	16,11,388
3,88,416	3,02,591	—	3,02,591	85,825	85,825
1,95,144	36,698	—	36,698	1,58,446	1,28,056
16,96,177	7,72,642	—	7,72,642	9,23,535	8,90,085
2,17,663	62,564	—	62,564	1,55,099	1,13,068
7,758	5,490	—	5,490	2,268	2,268
363	347	—	347	16	16
12,03,771	9,48,094	2	9,48,096	2,55,675	2,55,677
95,386	82,171	—	82,171	13,215	13,215
13,95,33,776	2,64,50,296	1,345	2,64,51,641	11,30,82,135	10,87,67,516

K. J. SOMAIYA  
Chairman

B. V. BHOOTA  
N. B. HADKER  
C. B. PURANDARE  
N. C. SAYTA  
M. R. SHROFF  
S. K. SOMAIYA  
Directors

BOMBAY: Dated 28th February, 1987

S. R. PARIKH  
Secretary



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1985				
Rupees			Rupees	Rupees
	To Opening Stock on 1st October, 1985			
5,70,32,929	Sugar .. .. .		3,11,77,624	
18,67,070	Molasses .. .. .		4,92,745	
5,88,99,999				3,16,70,369
1,14,804	" Salaries and Wages .. .. .		1,74,503	
—	" Company's Contribution to Govt. Provident Fund ..		1,155	
750	" Bonus .. .. .		4,004	
36,221	" Stores inclusive of Seeds and Manures .. ..		10,804	
37,051	" Irrigation Rates and Taxes .. .. .		21,918	
4,455	" Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram and Travelling Expenses)		8,339	
1,127	" Depreciation .. .. .		1,045	
7,927	" Legal Charges .. .. .		613	
2,02,335				2,22,381
8,19,47,579	" Locally Purchased Cane .. .. .			13,30,11,063
98,13,689	" Salaries and Wages (after deducting Rs. 25,38,597/- charged to Repairs & Other relevant heads) .. ..		79,91,487	
38,14,160	" Bonus to Employees (inclusive of Previous years) ..		33,35,922	
98,389	" Company's Contribution to Employees Family Pension Fund Scheme .. .. .		1,01,372	
1,91,691	" Contribution to Provident Fund of the Company and Administrative Charges .. .. .		91,373	
7,48,729	" Gratuity .. .. .		17,10,084	
9,57,089	" Retirement Compensation .. .. .		—	
6,53,517	" Company's Contribution to Government Provident Fund & Administrative Charges .. .. .		6,12,187	
1,62,77,264				
14,10,49,913		Carried Over	1,38,42,425	16,49,03,813

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1986

For the year ended 30th Sept. 1985				
Rupees		Rupees	Rupees	Rupees
	By SALES :			
18,14,22,792	Sugar .. .. .		22,01,65,141	
34,27,121	Molasses .. .. .	19,50,559		
6,61,590	Less : Transferred to Molasses Storage Fund .. ..	4,19,618		
27,65,531			15,30,941	
18,41,88,323				22,16,96,082
21,98,508	„ Sundry Receipts from Flour Mills, Dairy, Old Materials etc.			19,75,402
10,69,755	„ Income from Immovable Property .. .. .			7,56,072
2,66,261	„ Sundry Receipts being Market Value of Farm Produce etc.			3,07,278
5	„ Dividend .. .. .			835
60,528	„ Refund of Insurance Premium of earlier years .. ..			15,080
	„ INTEREST :			
6,63,549	On Loans and Others .. .. .		1,81,296	
9,847	From Subsidiary Company .. .. .		6,619	
280	On Government Securities .. .. .		—	
8,81,792	On Fixed Deposits & Others .. .. .		15,23,848	
15,55,468				17,11,763
7,809	„ Sundry Credit Balance Written back .. .. .			52
6,829	„ Claims and Refunds .. .. .			2,132
14,449	„ Rebate on Excise Duty .. .. .			11,22,215
—	„ Additional Realisation on Molasses Export .. ..			85,999
—	„ Profit on Sale of Assets .. .. .			3,15,805
18,93,67,935		Carried Over		22,79,88,715



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1985			
Rupees		Rupees	Rupees
14,10,49,913	Brought Forward	1,38,42,425	16,49,03,813
1,62,77,264			
62,623	To Contribution to Deposit Linked Insurance Fund and Administrative charges .. .. .	57,736	
5,74,531	.. Workmen and Staff Welfare Expenses .. .. .	7,59,759	
68,100	.. Workmen's Compensation .. .. .	—	
1,69,82,518			1,46,59,920
	.. Stores, Chemicals & Spare Parts (after deducting Rs. 1,05,02,894/- charged to Capital, Repairs and Other relevant heads) .. .. .		32,19,706
20,05,149			
9,76,973	.. Power and Fuel .. .. .		8,21,647
	.. Repairs to Plant & Machinery (inclusive of Salaries and Wages Rs. 8,85,568/- Previous year Rs. 8,36,309/-) .. .. .	37,02,281	
24,93,254			
4,60,836	.. Repairs to Buildings (inclusive of Salaries & Wages Rs. 1,32,533/- Previous year Rs. 1,61,611/-) .. .. .	2,66,149	
	.. Other Repairs (inclusive of Salaries & Wages Rs. 22,868/- Previous year Rs. 29,592/-) .. .. .	67,416	
74,990			
30,29,080			40,35,846
59,51,947	.. Sugar Cane Purchase Tax .. .. .		94,42,849
2,44,445	.. Gratuity Insurance Premium .. .. .		—
4,88,375	.. Insurance Premium .. .. .		7,06,198
1,77,03,459	.. Excise Duty on Sugar .. .. .	1,96,58,770	
14,38,390	.. Excise Duty on Molasses .. .. .	6,91,808	
70,046	.. Excise Duty on Tariff Item No. 68 .. .. .	8,954	
1,92,11,895			2,03,59,532
57,00,478	.. Sugar Development Cess .. .. .		62,60,338
37,68,197	.. Packing and Forwarding .. .. .		70,05,456
33,307	.. Sugar Transportation Charges .. .. .		1,366
89,268	.. Rent .. .. .		1,38,126
2,25,114	.. Rates and Taxes .. .. .		3,35,649
	.. Brokerage and Commission (inclusive of Guarantee Commission Rs. 4,25,241/- Previous year Rs. 4,40,908/-) .. .. .		4,89,326
5,49,020	.. Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram, Telephone, Motor Car Maintenance etc.) .. .. .		28,12,833
32,42,568			
11,622	.. Sales Tax .. .. .		—
20,35,59,869	Carried Over		23,51,92,605

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1986

For the year ended 30th Sept. 1985			
Rupees		Rupees	Rupees
18,93,67,935	Brought Forward		22,79,88,715
9,211	By Provision of Condensor Water Charges for earlier years written back .. .. .		
	„ Stock-in-trade (as taken, valued and certified by a Director) .. .. .		
3,11,77,624	Sugar at Realised /Realisable Value .. .. .	4,21,58,426	
4,92,745	Molasses at Market Rate .. .. .	2,01,062	
3,16,70,369			4,23,59,488
1,65,60,199	„ Balance being loss for the year .. .. .		—
23,76,07,714	Carried Over		27,03,48,203



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1985									
Rupees								Rupees	Rupees
20,35,59,869						Brought Forward			23,51,92,605
						To INTEREST :			
2,33,28,341		Cash Credit Account	..	..	..	..	..	1,89,06,138	
74,82,780		„ Fixed Loans	..	..	..	..	..	79,24,919	
1,13,515		Fixed Deposits	..	..	..	..	..	2,06,063	
1,20,000		Debentures	..	..	..	..	..	1,20,000	
2,90,167		Other Loans	..	..	..	..	..	1,04,931	
3,13,34,803									2,72,62,051
7,650		„ Directors' Fees	..	..	..	..	..		7,650
1,13,288		„ Directors' Travelling Expenses	..	..	..	..	..		1,32,457
81,000		„ Managing Director's Remuneration	..	..	..	..	..		81,000
		„ PAYMENT TO AUDITORS :							
12,500		Audit Fees	..	..	..	..	..	12,500	
15,000		Tax Audit Fees	..	..	..	..	..	5,000	
634		Auditor's Travelling Expenses	..	..	..	..	..	—	
28,134									17,500
21,09,574		„ Agricultural Development Expenses (inclusive of Salaries & Wages Rs. 14,97,628/-, Previous Year Rs. 15,42,830/-)							20,97,989
1,86,108		„ Expenses on Scientific Research	..	..	..	..	..		2,32,289
1,63,950		„ Legal Expenses	..	..	..	..	..		2,31,722
19,558		„ Loss on Sale of Assets	..	..	..	..	..		—
300		„ Premium on Leasehold Garage Written off	..	..	..	..	..		300
3,480		„ Excess Provision of Excise Duty Rebate of earlier years Written off	..	..	..	..	..		—
—		„ Balance being Profit for the year	..	..	..	..	..		50,92,640
23,76,07,714								Total Rupees :	27,03,48,203

## MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1986

[illegible]



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept, 1985			Rupees	Rupees	Rupees
Rupees					
5,38,13,720	To Balance of Loss Brought Forward from Last Year's Balance Sheet .. .. .				7,52,40,130
1,65,60,199	" Balance being Loss Brought Forward from Profit and Loss Account .. .. .				—
13,52,143	" Provision for Additional Cane Price of Previous years to Maharashtra State Farming Corporation as per Agreement				—
37,10,283	" Provision for Additional Cane Price for 1984-85 season				31,02,299
50,000	" Provision for Wealth Tax .. .. .				25,000
	NOTE :				
	Computation of Managing Director's Commission is as follows :				
	Net Profit/Loss as per Profit & Loss Account .. .. .			50,92,640	
(1,65,60,199)	Add/Less :				
81,000	(i) Managing Director's Remuneration	81,000			
1,127	(ii) Depreciation of Agriculture Section	1,045			
82,127				82,045	
(1,64,78,072)				51,74,685	
	Less/Add :				
	(i) Depreciation to the extent specified in Section 350 of Companies Act 1956 .. .. .	55,36,531			
53,78,373					
8,00,000	(ii) Estimated Liability of Bonus ..	15,00,000			
61,78,373				70,36,531	
(2,26,56,445)				(18,61,846)	
—	1% of the Net Profit .. .. .				
81,000	Total Managerial Remuneration ..			81,000	
—	Commission on Profit .. .. .				
—	Company's Contribution to Provident Fund .. .. .				
5,400	Perquisite for use of Company's Car ..			5,400	
86,400				86,400	
7,54,86,345	Total Rupees :				7,83,67,429

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.,  
CHARTERED ACCOUNTANTS

G. P. BHATT  
Partner

BOMBAY : Dated 28th February, 1987

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1986

For the year ended 30th Sept. 1985	
Rupees	Rupees
—	By Balance being Profit Brought Forward from Profit & Loss Account . . . . . 50,92,640
2,46,215	„ Excess Provision for Managing Director's Remuneration in earlier years written back . . . . . —
7,52,40,130	„ Balance carried to Balance Sheet . . . . . 7,32,74,789
7,54,86,345	Total Rupees : 7,83,67,429

BOMBAY : Dated 28th February, 1987

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman

B. V. BHOOTA      N. C. SAYTA  
N. B. HADKER      M. R. SHROFF  
C. B. PURANDARE      S. K. SOMAIYA  
Directors



# THE GODAVARI SUGAR

## BALANCE SHEET

- NOTES :**
- (1) Partnership Firms of Somaiya Farms, Lakh and Somaiya Farms, Khanapur in which Company is a Partner has no activity since 1976-77, as the Agricultural Lands have been held by Maharashtra Government as "SURPLUS LANDS" under Maharashtra Agricultural Lands (Ceiling on Holdings) Act.
  - (2) (a) No Depreciation has been provided during the year in respect of Fixed Assets of the Company except of Narmada Farms amounting to Rs. 55,36,531/- (Previous year Rs. 53,78,373/-).  
(b) Total arrears of Depreciation upto 30th September, 1986 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 is Rs. 8,18,37,245/- (Previous Year Rs. 7,63,00,714/-) after adjusting Rs. 41,926/- on Assets disposed of.
  - (3) No provision has been made in respect of Balance of Loss of Rs. 22,078/- as on 31st May, 1986 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 and Loss Account as and when paid. Liability of the Bonus for the year under Report according to Bonus Act comes to about Rs. 15.00 Lacs.
  - (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1986 as per the Actuary's Certificate is Rs. 93,17,978/- Against above, estimated liability of about Rs. 30 lacs upto 31-3-1986 is covered under group gratuity policy with the Life Insurance Corporation of India for employees of Sakarwadi and Lakshmiwadi factories. No provision has been made for the balance of the gratuity liability in the accounts, as the same is provided on cash basis.
  - (6) Company has paid Rs. 46,442/- 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) After working of Sakarwadi and Lakshmiwadi Units during 1984-85 season by the Joint Management Committees appointed by Government of Maharashtra in the process of co-operativisation as per Government Resolution dated 30th October, 1984, the Government vide Resolution dated 29th October, 1985 appointed a combined Joint Management Committee to run one of the factories in view of the lesser availability of Cane due to drought conditions in the Area. However, thereafter the Govt. passed a revised Resolution dated 9th December, 1985 directing that with the close of the 1984-85 crushing season (i.e. 30th Sept. 1985), the management of the Sakarwadi and Lakshmiwadi Units shall stand re-transferred to the Company and the process of co-operativisation of the these two units shall be stopped forthwith. In the mean time, the workers union at the factories had filed a Writ Petition in the High Court against Government of Maharashtra for wages and other reliefs. The Company filed Writ Petition in High Court of Bombay against the above G. R. dated 9th December, 1985. The High Court granted certain reliefs. The Company thereafter filed Special Civil Application before the Supreme Court of India against an order passed by the High Court of Bombay on the Writ Petition filed by the workers as also the Writ Petition filed by the Company. This Special Civil Application is pending before Supreme Court.  
As a result of above developments, the Government of Maharashtra or its Joint Management Committees did not work Company's Sakarwadi and Lakshmiwadi Units at all during 1985-86 Season under report. The Salaries and Wages etc. of the employees have been paid from time to time by the Joint Management Committees appointed by the Government as under :—  
(a) From October 1985 to 18th December 1985 and balance of Bonus for 1984-85 as per High Court of Bombay's order dated 18th December 1985.  
(b) From 19th December, 1985 to 15th February 1986 as per Supreme Court's interim order dated 28-1-1986.  
(c) 50% of the Wages from 16th February 1986 to 15th April 1986 as per Supreme Court's interim order dated 8-4-1986.

(8) Break up of Expenditure on Employees :	Number	Salary Bonus & Allowances	Contribution to Provident Fund & Other Funds
(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)	29 (31)	12,20,075 (13,32,490)	83,082 (89,067)
(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 (13)	63,131 (80,700)	2,219 (2,325)

**Note :** Figures shown in brackets pertain to previous year.

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

(a) Somaiya Farms—Lakh

*Names of Partners*

(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 H. B. Patel	19,836	14.0625%

(b) Somaiya Farms—Khanapur

*Names of Partners*

(i) Godavari Sugar Mills Ltd.	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 28th February, 1987



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1986

## (10) Quantitative information in respect of goods manufactured :

<i>Names of the Factories</i>	<i>Licensed capacity</i>	<i>Installed capacity as certified by Factory Manager</i>
Sakarwadi	1016	1200/1250
Lakshmiwadi	1016	1500/1600
Sameerwadi	5000	3500

(Refer note No. 7 in respect of Sakarwadi/Lakshmiwadi)

<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	7,454.1 (16,604.8)	3,11,77,624 (5,70,32,929)	48,563.0 (32,276.1)	897.7 (709.1)	44,716.7 (40,717.7)	22,01,65,141 (18,14,22,792)	10,402.7 (7,454.1)	4,21,58,426 (3,11,77,624)
Molasses	13,687.35 (51,335.84)	4,92,745 (18,67,070)	17,694.900 (12,077.10)	3,455 (3,035.51)	23,056.81 (46,690.08)	12,50,560 (34,27,121)	12,455.295 (13,687.35)	2,01,062 (4,92,745)

Out of Closing Stock of Molasses, 2736.945 Tonnes at Sameerwadi is in sludge form not for Sale and hence not valued. Similarly balance quantity of 5985.053 Tonnes at Lakshmiwadi lying since two years in Kutcha Pits although valued at Rs. 2,01,062 is not Saleable and will have to be written off after obtaining permission from the Government.

**Note :** Figures shown in brackets pertain to previous year.

## Raw Materials Purchased & Consumed :

	<i>Quantity Purchased &amp; Consumed M.T.</i>	<i>Value Rs.</i>	<i>Previous year Quantity Purchased &amp; Consumed M.T.</i>	<i>Previous year Value Rs.</i>
Sugarcane	4,59,633	13,30,11,063	3,13,364	8,19,47,579

## Stores & Spares Consumed :

	<i>Value</i>	<i>%</i>	<i>Value</i>	<i>%</i>
Imported	6,467	0.20	16,079	0.80
Indigenous	32,13,239	99.80	19,89,070	99.20
	32,19,706	100.00	20,05,149	100.00

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

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

(11) Expenses incurred in foreign currency

NIL NIL

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

(13) Figures of previous year have been regrouped and recast wherever necessary so as to make them comparable with the current year's 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

B. V. BHOOTA  
N. B. HADKER  
C. B. PURANDARE  
N. C. SAYTA  
M. R. SHROFF  
S. K. SOMAIYA  
Directors

BOMBAY : Dated 28th February, 1987

S. R. PARIKH  
Secretary



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1986

### 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. Somaia	87	Managing Director	93,150/-	Contractual from 1-6-1985 to 31-12-1986	As approved by Central Government	About 47 Years	1-6-1970	NIL
2.	Shri P. M. Kavadia	68	Chief Executive	74,000/-	Permanent	As per Company's Rules	M.A., LL.B. About 41 Years	1-9-1963	Manager Narsee Nagsee & Co.
3.	Shri S. R. Parikh	53	Secretary	50,320/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com., F.C.A. About 30 Years	2-1-1960	Great Eastern Shipping Co. Limited
4.	Shri S. N. Kalabhairavan	74	Officer on Special Duty	52,200/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) About 53 Years	1-3-1971	Officer on Special Duty, Mangalore Chemicals & Fertilisers Ltd.
5.	Shri R. T. Shah	49	Office Manager	49,475/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. About 26 Years	19-12-1960	NIL
6.	Shri V. V. Iyer	40	Executive	43,555/-	Permanent, subject to termination by One Month's notice on other side	As per Company's Rules	M. Com., B. G. L. About 20 Years	6-5-1969	Typist K. Mohanlal & Co.
7.	Shri V. V. Joshi	33	Executive	48,075/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M. Com., About 9 Years	1-4-1977	NIL
8.	Shri P. B. Bhimjani	45	Chief Accountant	46,428/-	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 16 Years	17-7-1984	Accounts Officer Garware Marine Ind. Ltd.
9.	Shri H. R. Kotak	46	Legal Adviser	43,135/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A., LL.B. About 13 Years	1-11-1973	NIL
10.	Shri A. G. Desai	40	Sr. Clerk	40,963/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S. S. C. About 25 Years	23-4-1962	Clerk, Gujarat Association Federation



<i>Sr. No.</i>	<i>Name of Employee</i>	<i>Age</i>	<i>Designation</i>	<i>Remuneration Rs.</i>	<i>Nature of Employment (Whether Contractual or otherwise)</i>	<i>Other terms and Conditions</i>	<i>Qualifications &amp; Experience (Years)</i>	<i>Date of Commencement of employment</i>	<i>Last Employment</i>
11.	Shri A. V. Shah	47	Accounts Assistant	40,647/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S. S. C. About 22 Years	16-6-1967	Accounts Asstt. M/s. Transmission Pvt. Ltd.
12.	Shri N. V. Kotak	50	Accounts Assistant	39,167/-	Permanent, Subject to termination by One Month's notice on either side	As per Company's Rules	B. Com. About 28 Years	13-5-1958	NIL
13.	Shri V. A. Jairaman	53	P. A. Cum-Steno	38,057/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	S. S. C. About 17 Years	11-10-1971	Sales Asstt.-Cum-Steno The Fort William Co. Ltd.
14.	Shri A. L. Ashar	37	Public Relations Officer	36,947/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S. S. C. About 18 Years	21-2-1968	NIL
15.	Shri J. V. Shettigar	39	Sr. Steno	39,577/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com., LL.B. About 16 Years	21-1-1971	Steno Typist Ratan Batra Pvt. Ltd.
16.	Shri C. K. S. Mani	50	Jr. Steno	39,013/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	S.S.C. About 26 Years	16-4-1964	Stenographer Natwar Parikh & Co.
17.	Shri T. I. Khambhadia	40	Sr. Clerk	36,784/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com. About 17 Years	8-3-1971	Clerk A. B. Modi & Co.
18.	Shri S. C. Desai	38	Sr. Clerk	36,084/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com. About 16 Years	25-8-1970	Clerk Somaiya Organo-Chemicals Ltd.
19.	Shri A. R. Rangnathan	49	Typist	38,247/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S. S. C. About 30 Years	16-5-1956	NIL
20.	Shri A. G. Tamhane	46	Stenographer	39,013/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S. S. C. About 15 Years	23-4-1971	Stenographer Chemox Pvt. Ltd.
21.	Shri M. K. Kucheria	52	Factory Manager	56,018/-	Permanent, subject to termination by One month's notice on either side.	As per Company's Rules	B. Sc., A. N. S. I. About 18 Years	1-10-1979	Chief Chemist Balganga S. S. K. Ltd.
22.	Shri T. P. Nagda	54	Manager	52,962/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	B. Com. About 35 Years	30-6-1958	Accountant M/s. Warden Pvt. Ltd.
23.	Shri A. S. Satyanarayan	45	Chief Engineer	60,069/-	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 14 Years	8-7-1983	Chief Eng. Kothari Sugar & Chemicals
24.	Shri M. K. Pujar	46	Chief Accounts Officer	44,337/-	Permanet, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. B. Com. C. A. About 19 Years	19-11-1971	Shri Ram Mills Ltd.



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
25.	Shri S. K. Marathe	38	Cost Accountant	45,784/-	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 22 Years	30-8-1983	Cost Accountant The Morarji Gokuldas Spg. & Wvg. Co. Ltd.
26.	Shri P. S. Kamate	41	Dy. Chief Engineer	43,952/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. A. N. S. I. About 15 Years	24-10-1981	Mahadeswar Kollegal
27.	Shri I. B. Adarkatti	37	R & D Manager	40,932/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	B.E. (Chem.) About 13 Years	7-12-1973	Production Engr. Armati Chem.
28.	Shri S. N. Babaleshwar	35	Chief Chemist	40,932/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	B. Sc., A. N. S. I. About 15 Years	19-9-1980	JP Mukerji Asso.
29.	Shri N. G. Kulkarni	64	A. A. D. M.	38,112/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	B. S. (Agri.) About 39 Years	14-7-1980	NIL
30.	Shri S. R. Pathak	47	Senior Civil Engineer	40,372/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	B. E. (Civil) About 21 Years	12-10-1983	Karks Water Supply Project Iraq.

(b) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

1.	Shri T. T. Oommen	59	General Manager	19,750/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Sc., F. S. T. About 39 Years	24-10-1981	Tech. Adviser to Kerala Govt. Gen. Manager Travancore Sugar & Chemicals Ltd.
2.	Shri V. S. Somaiya	48	Cane Manager	45,600/-	Permanent, subject to termination by One Month's notice on either side,	As per Company's Rules	B. Sc. (Agri.) Hons. About 25 Years	17-10-1980	Cane Supdt. Tungabhadra Sugar Works Ltd.

*Note:* None of the above employees, except Shri K. J. Somaiya is a relative of any Director of the Company.

By Order of the Board of Directors,

K. J. SOMAIYA  
Chairman

BOMBAY : Dated 28th February, 1987

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

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

- (i) The Company 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, 1986.
- (ii) *Advances:* The Advance to the said subsidiary Company as on 31st May 1986 was Rs. 9,70,485/-.
- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 855/- for the year ended 31st May, 1986. The Net Loss after adjusting the previous years' Loss from this year comes to Rs. 22,078/-. 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 Company in Godavari Investment & Finance Corporation Ltd., between 1st June, 1986 & 30th September, 1986. 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.

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K. J. SOMAIYA  
*Chairman*

B. V. BHOOTA	N. C. SAYTA
N. B. HADKER	M. R. SHROFF
C. B. PURANDARE	S. K. SOMAIYA

*Directors*

BOMBAY : Dated 28th February, 1987

S. R. PARIKH  
*Secretary*



# GODAVARI INVESTMENT AND FINANCE CORPORATION LTD., BOMBAY

## DIRECTORS' REPORT

The Shareholders,  
Godavari Investment & Finance Corporation Limited,  
BOMBAY.

Your Directors submit herewith their Thirty First Annual Report and Audited Accounts of the Company for the year ended 31st May, 1986.

### Financial Results :

	Rupees	Rupees
Profit for the year after Provision of Rs. 1,283/- for Taxation		855
<b>Adding Thereto :</b>		
Excess provision for income-tax for assessment year 1984-85 written back .. .. .		121
		<u>976</u>
<b>Deducting Therefrom :</b>		
(i) Sundry Debit Balances Written off .. .. .	1,161	
(ii) Short Provision for income-tax for assessment year 1983-84 .. .. .	<u>3</u>	1,164
Loss after adjustments .. .. .		188
Add : Loss brought forward from Previous year ..		21,890
Deficit carried forward to Next Year .. .. .		<u><u>22,078</u></u>

In view of the above position, 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 3rd November, 1986.

# **GODAVARI INVESTMENT AND FINANCE CORPORATION LTD., BOMBAY**

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

We have Audited the Balance Sheet of Godavari Investment and Finance Corporation Limited as at 31st May, 1986 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 affairs of the Company as at 31st May, 1986 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 and in accordance with normally accepted accounting principles and is on the same basis as in the last year.
4. The Company has obtained loan from the Holding Company.
5. Loans and Advances in the nature of Loans to the Cane Growers are given under arrangement to supply cane to the Holding Company and regular recovery thereof is made. The adequate provision for doubtful loans is made by the Company and adequate documents and records are maintained for the loans granted to Cane Growers against the Land Mortgage Agreements.
6. In our opinion and in accordance with the information and explanations given to us, there is adequate Internal Control procedure commensurate with the size of the Company and the nature of the business.
7. Regarding Purchase of Stores, the same is not applicable as the Company did not Purchase any Stores during the year under reference.
8. As regards unserviceable or damaged Stores, the same is not applicable as there were no such 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 Deposits are not applicable as the Company has not invited Deposits from the Public.
10. As it is a 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. Though the Company is a Servicing Company no consumption of Stores etc. is involved in rendering the Service. The Company has the Income by way of Supervision charges and Interest.

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

N. P. PATWA  
*Proprietor.*

BOMBAY : Dated 3rd November, 1986.



# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1985	LIABILITIES		
Rupees		Rupees	Rupees
5,00,000	<b>I. AUTHORISED CAPITAL :</b>		
	5,000 Ordinary (Equity) Shares of Rs. 100/- each		5,00,000
1,00,000	<b>II. SUBSCRIBED CAPITAL :</b>		
	2,000 Ordinary (Equity) Shares of Rs. 100/- each on which Rs. 50/- has been called up, held by Holding Company The Godavari Sugar Mills Limited.		1,00,000
1,54,658	<b>III. UNSECURED LOANS :</b>		
7,96,074	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited	1,43,310	
9,50,732	Interest due on above	8,27,175	9,70,485
	<b>IV. CURRENT LIABILITIES AND PROVISIONS :</b>		
1,41,203	(A) CURRENT LIABILITIES :		
2,803	(i) Sundry Creditors	49,962	
31,100	(ii) Estimated Unearned Finance charges on Hire Purchase carried forward	2,803	
1,75,106	(iii) Interest accrued but not due on Loans	21,051	
9,552	(B) PROVISIONS :	73,816	
1,84,658	For Taxation	5,105	78,921
	<b>NOTES :</b>		
	(1) Out of Land Mortgage Agreements for Loans given to Bagaitdars, Agreements for Loans Amounting to Rs. 3,558/- 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 remuneration amounting in the aggregate to Rs. 3,000/- or more per mensum 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.		
12,35,390	Total Rupees :		11,49,406

Referred to in our Report of even date

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

**N. P. PATWA**  
Proprietor

BOMBAY : Dated 3rd November, 1986

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1986

As at 31st May, 1985	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(A) CURRENT LIABILITIES:			
22,415	(i) Stock in trade (at cost) (as per inventories taken, Valued and Certified by a Director) Machinery, Stores and Spares .. .. .		22,415	
69,302	(ii) SUNDRY DEBTORS :			
43,941	(Unsecured and considered good as certified by a Director except otherwise stated) For Supply of Spares and fittings supplied to Cane Growers and for the supervision charges and Hire Purchase Instalments due from them Outstanding for More than six months .. .. .	67,822		
	Considered doubtful .. .. .	43,941		
1,13,243		1,11,763		
43,941	Less : Provision for Doubtful Debts .. .. .	43,941		
69,302		67,822		
5,259	Other Debts .. .. .	—		
74,561			67,822	
86	(iii) CASH AND BANK BALANCES :			
666	Cash on Hand .. .. .	36		
723	Stamp Papers on Hand .. .. .	666		
1,475	In Current Account with a Scheduled Bank .. .. .	1,099		
			1,801	
	(B) LOANS AND ADVANCES :			
	(Secured and considered good as Certified by a Director except otherwise stated)			
6,99,397	(i) Loans to Cane Growers under arrangement to supply cane to the Holding Company The Godavari Sugar Mills Limited in terms of Agreements :			
36,262	Secured .. .. .	6,69,255		
	Considered Doubtful .. .. .	36,261		
7,35,659		7,05,516		
36,262	Less : Provision for Doubtful Loans .. .. .	36,261		
6,99,397		6,69,255		
1,52,525	Loans to Others .. .. .	1,42,525		
1,69,009	Add : Interest Accrued on above .. .. .	1,89,735		
3,21,534		3,32,260		
10,20,931			10,01,515	
29,000	(ii) Deposit .. .. .		29,000	
60,103	(iii) Advance recoverable in Cash or Kind .. .. .		953	
5,015	(iv) Advance Income-Tax .. .. .		3,822	
12,13,500				11,27,328
	<b>II. MISCELLANEOUS EXPENDITURE :</b>			
21,890	PROFIT AND LOSS ACCOUNT :			
12,35,390	Loss as per Profit and Loss Account .. .. .			22,078
	Total Rupees :			11,49,406

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.

S. K. SOMAIYA  
R. VENKATRAMAN

Directors

BOMBAY : Dated 3rd November, 1986



# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the year ended 31st May, 1985			
Rupees			Rupees
	To Opening Stock :		
22,415	Machinery, Spares and Fittings .. .. .		22,415
50,705	" Salary .. .. .		—
1,806	" Bonus .. .. .		—
2,547	" Company's Contribution to Govt. Provident Fund ..		—
28	" Company's Contribution to Deposit Linked Insurance Scheme & Administrative Charges .. .. .		—
2,769	" Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses etc. ..		1,407
12,000	" Office Rent .. .. .		1,200
	" Interest :		
31,101	On Current Account (To the Holding Company The Godavari Sugar Mills Limited) .. .. .		21,051
3,563	" Legal Expenses .. .. .		—
15,398	" Petrol & Diesel Expenses .. .. .		—
500	" Audit Fees .. .. .		500
3,822	" Provision for Taxation .. .. .		1,283
1,777	" Profit Carried Down .. .. .		855
1,48,431		Total Rupees :	48,711
15,632	To Balance as per Last Balance Sheet .. .. .		21,890
8,035	" Sundry Debit Balance Written off .. .. .		1,161
—	" Short Provision for Taxation for Assessment Year 1983-84 .. .. .		3
23,667		Total Rupees :	23,054

Referred to in our Report of even date

For N. P. PATWA & COMPANY  
CHARTERED ACCOUNTANTS

N. P. PATWA  
Proprietor

BOMBAY : Dated 3rd November, 1986

# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1986

For the year ended 31st May, 1985		
Rupees		Rupees
48,204	By Interest on Loans .. .. .	22,980
17,812	„ Supervision Charges from Cane Growers ..	1,411
22,415	„ Closing Stock of Machinery Stores and Spare Parts (at cost) .. .. .	22,415
60,000	„ Service Charges .. .. .	—
—	„ Miscellaneous Income .. .. .	1,905
1,48,431	Total Rupees :	48,711
1,777	By Profit Brought Down .. .. .	855
—	„ Excess Provision for Taxation for Assessment Year 1984-85 .. .. .	121
21,890	„ Loss Carried to Balance Sheet .. .. .	22,078
23,667	Total Rupees :	23,054