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**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1986-87**

1987

# 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 M. KRISHNAMURTHY  
(Nominee of Karnataka State Government)

DR. CHANDRAPRAKASH BHALCHANDRA PURANDARE

DR. SURYA MANI PATHAK  
(Nominee of Bank of India)

DR. 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 Fortyeighth Annual General Meeting of The Godavari Sugar Mills Limited will be held on Friday, the 8th day of April, 1988 at 3-00 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, 1987.
2. To appoint a Director in place of Shri N. C. Sayta, who retires by rotation but, being eligible, offers himself for re-election.
3. To appoint a Director in place of Shri M. R. Shroff, who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint a Director in place of Dr. C. B. Purandare, 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

Bombay : Dated 11th March, 1988

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

**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, 1987.

### (A) FINANCIAL RESULTS :

The working of the Company for the year has resulted in an operating surplus of Rs. 393.82 lacs without providing for interest and depreciation. After providing interest of Rs. 254.78 lacs and wealth tax of Rs. 0.25 lacs there is a surplus of Rs. 138.79 lacs. It has been decided to provide a part of the depreciation amounting to Rs. 138.48 lacs. This brings the working for the year to a net profit of Rs. 0.31 lacs. The Directors regret their inability to declare any dividend on Equity and Preference Shares for the year ended 30th September, 1987.

### (B) MANUFACTURING RESULTS : (1986-87)

*Sameerwadi factory in Karnataka :*

The Karnataka Unit viz. Sameerwadi factory crushed 5,68,145 tonnes of cane and produced 5,89,988 quintals of sugar as against the previous year's crushing of 4,59,633 tonnes of cane and a production of 4,85,630 quintals of sugar reflecting an improvement over last season's working.

### (C) CURRENT WORKING AT SAMEERWADI FACTORY IN KARNATAKA (1987-88):

(i) The Factory expects to crush about 7 lac tonnes of cane during the current season 1987-88, against a crushing of 5.68 lac tonnes last season. As a result of higher crushing expected, the financial results are expected to improve further.

(ii) *Completion of Expansion of Sameerwadi Factory:*

The Trial runs of the newly added Plant for expansion of capacity from 3500 tonnes per day to 5000 tonnes per day were taken in April/May 1987. After properly overhauling the new Milling Tandem, the same has started working during Current season from the 1st week of January, 1988. However, in absence of a mechanical unloader, the cane has to be fed by manual labour as a result, feeding of the cane to the new Tandem is not adequate for its capacity of 1500 tonnes per day. Steps are being taken to fit a mechanical Cane Unloader.

(iii) Further, the K.C.P. Centrifugal machines installed in 1972 have got worn out and are not functioning well. They are to be replaced by continuous Automatic Centrifugal Machines. Some further balancing equipments to improve the efficiencies are also required to be installed. The Company has already made a request to its Bankers to allow this Capital Expenditure, which apart from improving efficiencies will ensure a smooth and trouble free continuous crushing of 5000 tonnes per day on a regular basis. This request of the Company is awaiting consideration by the Company's Bankers.

### (D) MAHARASHTRA UNITS:

*Sakarwadi and Lakshmiwadi factories in Maharashtra :*

These two Maharashtra Units continued to remain closed in season 1986-87 under the Management of the Govt. of 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. Since last Directors' Report, the Supreme Court has passed further Interim Orders till date as under:

(a) Directing Joint Management Committees appointed by Government of Maharashtra to pay out of funds in their possession, 50% of the wages of the workmen from 16.4.1986 to 23.4.1987;



- (b) Directing the Government as well as the Company to take steps to implement expeditiously the report containing the recommendations of the 3-Member Committee appointed by the Government, vide G. R. dated 3rd December, 1986;
- (c) Asking the Government to obtain valuation of the Factories by an Expert Committee, if for the purpose of implementing the report of the Committee it was necessary to obtain such valuation;
- (d) Clarifying that the Company is not bound by the Valuation arrived at by the Committee and that if so advised, the Company is at liberty to negotiate directly with the Purchasers concerned;
- (e) Directing that the Valuation Committee appointed by the Government be let to consider the valuation of the Assets of the Sugar Mills made at the instance of the company by reputed valuers viz. Universal Surveyors and Adjusters Pvt. Ltd;

The Expert Committee appointed by the Government has already started its work and it is expected that a satisfactory workable solution would be found for these two sugar factories with the co-operation and assistance of the Government of Maharashtra and Company's Bankers.

#### **(E) WRIT PETITIONS FOR LEVY SUGAR PRICE :**

The Writ Petitions in respect of Levy Sugar Price for the Seasons 1974-75 to 1979-80 and 1985-86 (for Sameerwadi only) 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 had come for hearing in February 1986 and were heard for a number of days. But as several of the learned Judges who had heard the matter have since retired without delivering the judgement, the said hearing has been in vain. The arguments advanced before the Supreme Court were on the constitutional validity of Section 3 (3C) of the Essential Commodities Act, its true effect and fixation of Levy Price on the basis of geographical zoning.

#### **(F) ADDITIONAL LEVY PRICE FOR LAKSHMIWADI :**

- (a) 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.
- (b) 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 Lakshmiwadi Factory the additional price of Rs. 26/- per quintal are pending in 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.

#### **(G) LEVY SUGAR PRICE FOR 1986-87 SEASON :**

The dual pricing system was continued by Government of India during 1986-87. However, the proportion of Levy and free sale quota was changed in 1986-87 from 55 : 45 to 50 : 50. The Government fixed levy sugar price for Karnataka Zone at Rs. 378.32 per quintal of S-30 grade with corresponding differential for other grades against Rs. 365.42 per quintal for the season 1985-86, granting an increase of Rs. 12.90 per quintal.

#### **(H) SUGAR POLICY FOR 1987-88 :**

As per new Sugar Policy of Government of India for Season 1987-88, 50 : 50 ratio of Levy and free sale quota has been continued as in 1986-87. The statutory minimum price of sugar cane has been raised from Rs. 18/- per quintal to Rs. 18.50 per quintal linked to 8.5% recovery. The Government of India has fixed Levy Sugar Price at Rs. 397.42 per quintal for Karnataka Zone for S-30 grade sugar against price of Rs. 378.32 per quintal during 1986-87 season which gives an increase of Rs. 19.10 per quintal.



**(I) PAYMENT OF CANE DUES TO THE MAHARASHTRA STATE FARMING CORPORATION :**

As the Co-operativisation of Sakarwadi/Lakshmiwadi Factories in Maharashtra has not yet been completed, the liabilities of these factories to the Bank of India, Government of Maharashtra, Maharashtra State Farming Corporation Ltd., etc. could not be paid. In the meantime, Maharashtra State Farming Corporation Ltd. filed Application No. 484 of 1986 in the High Court of Bombay under the provisions of the Companies Act, 1956 for recovery of their dues for cane supplied to Sakarwadi and Lakshmiwadi Factories during the season 1983-84. The same has not yet been admitted by the Court.

In this matter, the Company has already negotiated with the Corporation for withdrawal of the Petition by them on execution of Agreement to pay the amount due alongwith interest for quarterly instalments subject to Company furnishing a Revolving Bank Guarantee for each instalment. The Company has made request to Bank of India for this Guarantee. On furnishing this Guarantee and execution of the Agreement, the Corporation has agreed to withdraw the application from the Court.

**(J) APPLICATION TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION UNDER SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 :**

As per the notification dated 29th April, 1987 of the Government of India, the provisions of Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 came into force from 15th May, 1987. The Company had consulted and obtained a written opinion of an eminent Counsel and Ex-Chief Justice of India, according to which the Company could not be regarded as Sick Industrial Company in view of the fact that it has not suffered Cash losses during the last two consecutive years. However, at the instance of Company's Bankers, Bank of India, the Company has made an application to the Board for Industrial and Financial Reconstruction (BIFR) in Form 'A' under Section 15 of the Act. The hearing of the Application was fixed by the Board on 4th December, 1987. Due to short notice as well as due to the fact that the delegation of the Sugar Industry, both Indian Sugar Mills Association and Deccan Sugar Factories Association were to meet the Chairman of the Board and submit a Memorandum thereafter on the specific problems of Sugar Industry as also to enable the Board to consider the Application of the Company based on latest Audited Accounts for 1986-87, the Company requested B.I.F.R to postpone the hearing, which request was agreed to by the Board. The Company would now be submitting the Audited Accounts to the Board to enable it to consider this Application.

**GENERAL :**

- (i) Three of your Directors viz. Shri N. C. Sayta, Shri M. R. Shroff, and Dr. C. B. Purandare, retire by rotation but being eligible, offer themselves for re-election.
- (ii) 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 Karnataka and Maharashtra State Governments.
- (iii) 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 11th March, 1988.



# THE GODAVARI SUGAR MILLS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1987

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, 1987 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 purpose 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. 2 regarding provision/non-provision of depreciation, Note No. 5 regarding non-provision of gratuity and Note No. 8 regarding non-provision of electricity charges of Sakarwadi and Lakshmiwadi factories for the period January, 1986 to March, 1987 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 the year.

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

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

BOMBAY : Dated : 11th March, 1988.



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1986	LIABILITIES			
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	2,00,000 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. ..		2,00,00,000	
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			2,18,50,950	
10,00,000	Shares application Money for 10,000 Equity Shares of Rs. 100/- each ..			
2,08,50,950				2,18,50,950
	<b>II. RESERVES AND SURPLUS :</b>			
	(A) GENERAL RESERVE :			
68,64,612	As per Last Balance Sheet .. .. .	68,64,612		
68,64,612	Less: Shown as deduction from Profit & Loss Account as per Contra. .. .. .	68,64,612		
42,72,617	(B) DEVELOPMENT REBATE RESERVE :			
	As per last Balance Sheet. . . . .		42,72,617	
31,84,694	(C) STORAGE FUND FOR MOLASSES :			
	As per Last Balance Sheet .. .. .	36,04,312		
4,19,618	Add: Transferred from Molasses Sale .. .. .	4,35,500		
36,04,312			40,39,812	
78,76,929				83,12,429
2,87,27,879				3,01,63,379
	Carried Over			



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1987

As at 30th Sept. 1986		ASSETS	
Rupees		Rupees	Rupees
	<b>I. FIXED ASSETS : (At cost or book Value) :</b>		
13,95,33,776	Gross Block .. .. .	16,41,50,651	
2,64,51,641	Less: Depreciation Written off Upto 30th September, 1987 .. .. .	4,02,65,994	
11,30,82,135	Net Depreciated Block as per Schedule "A" attached	12,38,84,657	
1,26,31,150	Capital Work-in-Progress .. .. .	20,83,500	
12,57,13,285			12,59,68,157
	<b>II. INVESTMENTS (At Cost) :</b>		
	(A) INVESTMENT 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 :		
	(i) 61,990 Equity Shares of Somaiya Organics (India) Ltd., of face value of Rs. 100/- each 61,99,000		
	Add : 10,000 shares repurchased from Institutions transferred from advances recover- able in cash or kind 15,01,662		
	71,990 77,00,662		
	Less: 33,950 Shares sold during the year 38,96,662		
61,99,000	38,040	38,04,000	
	(out of above, 16,490 Shares are lying with New India Assurance Co. Ltd.)		
10,000	Guarantee Commission paid for the purchase of shares	—	
7,161	(ii) 77 equity shares of Rs. 100/- each fully paid- up of Sugar Selling Agency Private Limited ..	7,861	
78	(iii) One Ordinary Share of Maharashtra State Co- Operative Bank Ltd. of Rs. 50/- fully paid-up .. .. .	78	
2,000	(iv) National Defence Certificates Deposited with Electricity Department, Bhopal .. .. .	2,500	
6,600	(v) 7 Years National Savings Certificates (Deposit- ed with Excise Department Mudhol) ..	70,600	
1,500	(vi) National Savings Certificates Deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur .. .. .	1,500	
63,26,339			
12,57,13,285	Carried Over	39,86,539	12,59,68,157



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1986		LIABILITIES (Contd.)			
Rupees			Rupees	Rupees	Rupees
2,87,27,879		Brought Forward			3,01,63,379
		III. SECURED LOANS :			
5,24,07,546		(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 .. .. .	5,23,92,024		
4,17,98,669		(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 .. .. .			
4,22,79,420		(i) Bank of India .. .. .	3,62,96,857		
8,40,78,089		(ii) Union Bank of India .. .. .	3,64,83,449		
13,64,85,635			7,27,80,306		
		NOTES :		12,51,72,330	
		(i) The Company has created third charge in favour of Bank of India on Fixed Assets (excluding Agricultural Assets) of the three Sugar factories of the Company for Cash Credit & guarantee facilities.			
		(ii) The Company has agreed to create 3rd Pari Passu charge in favour of Union Bank of India on Fixed Assets (excluding Agricultural Assets) of Sameerwadi factory for Cash Credit/Guarantee facilities granted by the Bank.			
4,61,47,591		(c) Term Loan 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 Sameerwadi in the State of Karnataka (excluding Agricultural Assets) and hypothecation of movable machinery with Bank of India acting for itself and as Agent of Vijaya Bank. .. .. .			
17,10,361		(i) Bank of India .. .. .	4,58,45,686		
4,78,57,952		(ii) Vijaya Bank .. .. .	11,79,887		
1,14,89,067		(d) Term Loan from Union Bank of India against guarantee from the Government of Karnataka against second charge by way of equitable Mortgage of Fixed Assets of the three Sugar factories of the Company (Excluding Agricultural Assets) ..	4,70,25,573		
—		(e) Demand Loan from Bank of India against agreement to create first charge of fixed Assets of the three Sugar factories of the Company (Excluding Agricultural Assets) .. .. .	95,90,702		
19,58,32,654			19,77,526		
2,87,27,879		Carried Over	18,37,66,131		3,01,63,379



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1987

As at 30th Sept. 1986	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,57,13,285	Brought Forward		39,86,539	12,59,68,157
63,26,339				
1,995	(vii) 4½% U.P. State Development Loan of 1972 (Face Value Rs. 2,000/-) .. .. .		1,995	
1,000	(viii) National Saving Certificates of the Face Value of Rs. 1,000/- deposited as security deposit with Central Excise Authority Mudhol. .. .. .		1,000	
		Market Value		
	Aggregate quoted Investments 38,04,000	28,91,040		
	Aggregate unquoted Investments 1,85,534	1,84,334		
63,29,334	39,89,534	30,75,374		39,89,534
III. CURRENT ASSETS, LOANS AND ADVANCES :				
(A) CURRENT ASSETS :				
1,34,92,159	(i) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director) Stock in hand .. .. .	1,55,03,786		
11,34,329	In Transit .. .. .	24,57,610		
1,46,26,488			1,79,61,396	
7,274	(ii) Loose Tools and Implements (as per inven- tories valued and certified by a Director) ..		7,274	
4,21,58,426	(iii) Stock-in-trade (as per inventories valued and certified by a Director) .. .. .			
15,395	(a) Sugar at Realised/Realisable value ..	4,88,66,230		
25,205	(b) Stock of Grains, Cotton, etc. at Market Rate .. .. .	9,202		
2,01,062	(c) Crop in Progress .. .. .	30,515		
4,24,00,088	(d) Molasses at Controlled Rate ..	2,01,062		
			4,91,07,009	
5,70,33,850				
13,20,42,619	Carried Over		6,70,75,679	12,99,57,691



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1986	LIABILITIES (Contd)			
Rupees		Rupees	Rupees	Rupees
2,87,27,879	Brought Forward		18,37,66,131	3,01,63,379
19,58,32,654				
3,90,000	(e) Term Loan from Karnataka State Government against second charge by way of equitable Mortgage on fixed Assets of Samcerwadi (excluding Agricultural Assets) .. .. .		—	
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	
2,55,100	(g) Interest accrued and due on above .. .. .		22,32,483	
67,41,913	(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 this Scheme) .. .. .		1,62,63,613	
20,52,19,667				20,42,62,227
	<b>IV. UNSECURED LOANS :</b>			
2,68,07,228	Cane Purchase Tax Loan from Karnataka & Maharashtra Governments. .. .. .			2,53,18,179
	<b>V. CURRENT LIABILITIES AND PROVISIONS :</b>			
	<b>(A) CURRENT LIABILITIES :</b>			
5,29,57,722	(i) Sundry Creditors .. .. .		7,63,51,062	
3,30,276	(ii) Advances from Customers against sale of Land .. .. .		3,30,276	
3,000	(iii) Advances against Lease Rent .. .. .		—	
24,14,275	(iv) Security Deposit from Bagaitdars .. .. .		24,10,975	
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	
—	(viii) Due to Managing Director .. .. .		73,557	
10,09,431	(ix) Interest Accrued but not due on Loan .. .. .		11,99,138	
6,02,89,593			8,39,39,897	
	<b>(B) PROVISION :</b>			
75,000	Provision for Wealth Tax .. .. .	1,00,000		
34,950	Less : Paid .. .. .	46,600		
40,050			53,400	
6,03,29,643				8,39,93,297
32,10,84,417	Carried Over			34,37,37,082



# MILLS LIMITED, BOMBAY

ASSETS AT 30TH SEPTEMBER, 1987

As at 30th Sept. 1986	ASSETS (Contd.)		
Rupees		Rupees	Rupees
13,20,42,619	Brought Forward	6,70,75,679	12,99,57,691
5,70,33,850			
	(iv) Sundry Debtors (unsecured and considered good except otherwise stated)		
14,88,179	(a) Debts Outstanding for more than six months	21,62,377	
43,388	(b) Considered Doubtful	43,233	
15,31,567		22,05,610	
43,388	Less : Provision for Doubtful Debts	43,233	
14,88,179		21,62,377	
36,46,253	(c) Other Debts	54,34,754	75,97,131
51,34,432			
	(v) CASH AND BANK BALANCES :		
8,84,977	Cash, Cheques and Drafts on hand and in transit (including Stamps on hand Rs. 54,825/-)	25,24,184	
22,65,877	In Current Account with Scheduled Banks	17,63,584	
	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. 4301)	4,301	
101	(b) Mudhol Urban Co-Operative Bank Ltd. Mudhol (Maximum Debit Balance during the year Rs. 101/- previous year Rs. 101/-)	101	
—	(c) Bijapur District Central Co-Operative Bank Ltd., Mahalingpur (Maximum Debit Balance during the year Rs. 8,19,326/- previous year Rs. NIL)	8,136	12,538
4,402	Fixed Deposit with Scheduled Bank (Lodged with Excise Department Mudhol)	5,000	
1,17,08,371	Fixed Deposits with Scheduled Banks (Under lien for the Guarantees)	1,28,00,071	
7,06,925	Accrued Interest on above	14,91,770	
1,55,70,552			1,85,97,147
7,77,38,834			9,32,69,957
13,20,42,619	Carried Over	9,32,69,957	12,99,57,691



## BALANCE SHEET

32,10,84,417

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

BOMBAY : Dated 11th March, 1988



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1987

As at 30th Sept. 1986	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
13,20,42,619	Brought Forward		9,32,69,957	12,99,57,691
7,77,38,834				
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
	Loans to Others (including Doubtful			
14,94,532	Loans of Rs. 4,79,130/- not provided for) .. .. .	21,89,125		
19,83,686	Interest Accrued on above .. .. .	5,31,556		
34,78,218		27,20,681		
9,356	Considered Doubtful .. .. .	9,356		
34,87,574		27,30,037		
9,356	Less: Provision for Doubtful Loans .. .. .	9,356		
34,78,218			27,20,681	
	Loans to Subsidiary Company of which the Company is a Holding Company:-			
	Godavari Investment & Finance Corporation Ltd. .. .. .	65,731		
40,165	Accrued Interest .. .. .	8,95,374		
8,95,374				
9,35,539			9,61,105	
—	Interest on Deferred Payment under IDBI Scheme		34,44,114	
	Advances Recoverable in Cash or kind or for value to be received (Including Advances to the Officers of the Company Rs. 71,894/- (Maximum Debit Balance during the year Rs. 81,673/-). Amount in dispute Rs. 9,16,101/- and paid to Banks in respect of Defaulting Cultivators for Agriculture Finance facilities under Company's Guarantees Rs. 4,36,923/-) .. .. .	3,99,72,537		
3,36,00,373	Considered Doubtful .. .. .	64,126		
64,126				
3,36,64,499		4,00,36,663		
64,126	Less: Provision for Doubtful Advances .. .. .	64,126		
3,36,00,373			3,99,72,537	
12,72,519	Income-tax deducted at source from Interest .. .. .		17,07,298	
55,07,176	Deposit with High Court & others .. .. .		52,26,063	
98,962	Due from Partnership Firm of Lakh Farms .. .. .		98,962	
12,26,31,621				14,74,00,717
	MISCELLANEOUS EXPENDITURE :			
	Profit and Loss Account .. .. .		7,32,43,286	
7,32,74,789	Less: Deducted from General Reserve as per Contra .. .. .		68,64,612	
68,64,612				
6,64,10,177				6,63,78,674
32,10,84,417	Total Rupees :			34,37,37,082

BOMBAY : Dated 11th March, 1988

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. M. PATHAK  
B. V. BHOOTA  
N. B. HADKER  
N. C. SAYTA

Directors



# THE GODAVARI SUGAR

## Schedule 'A'

## Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1986	Additions during the Year	Deduction for Sale during the year	Gross Block as on 30th Sept. 1987
(1)	(2)	(3)	(4)	(5)
Freehold Land (Book Value) .. .. .	29,14,054	74,019	3,24,696	26,63,377
Leasehold Land Development Expenses .. .. .	2,38,925	—	—	2,38,925
Leasehold Premium on Garage .. .. .	12,000	—	—	12,000
Building & Pucca Quarters at Factories .. .. .	2,38,01,987	11,28,435	—	2,49,30,422
Temporary Quarters .. .. .	8,48,973	—	—	8,48,973
Temporary Quarters at Farms .. .. .	2,38,768	—	—	2,38,768
Pucca Quarters at Farms .. .. .	2,18,633	—	—	2,18,633
General Machinery (Book Value) .. .. .	8,66,01,539	2,32,48,466	—	10,98,50,005
Electrical Machinery .. .. .	60,38,179	—	—	60,38,179
Agricultural Machinery (Book Value) .. .. .	33,63,205	43,317	—	34,06,522
Locomotives .. .. .	92,974	—	—	92,974
Electrical Installation & Fittings .. .. .	13,30,134	—	—	13,30,134
Furniture & Office Equipments .. .. .	28,46,157	50,395	—	28,96,552
Weigh Bridges .. .. .	12,93,575	3,85,071	—	16,78,646
Trolley Lines .. .. .	6,28,058	—	—	6,28,058
Railway Siding .. .. .	1,26,075	—	—	1,26,075
Molasses Storage Tanks .. .. .	26,00,879	—	—	26,00,879
Motor Cars, Lorries & Cycles (Book Value) .. .. .	25,34,983	—	38,500	24,96,483
Carts & Trucks (Book Value) .. .. .	3,88,416	—	—	3,88,416
Laboratory Apparatus .. .. .	1,95,144	7,801	—	2,02,945
Roads & Drainage & Tube Wells .. .. .	16,96,177	42,567	—	17,38,744
Dead Stock .. .. .	2,17,663	—	—	2,17,663
Library .. .. .	7,758	—	—	7,758
Medical Instruments .. .. .	363	—	—	363
Irrigation Lifts .. .. .	12,03,771	—	—	12,03,771
Live Stock .. .. .	95,386	—	—	95,386
Total Rupees .. .. .	13,95,33,776	2,49,80,071	3,63,196	16,41,50,651

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner



# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1987

Depreciation Written off Upto 30th Sept. 1986	Depreciation Provided/ Amount written off during the year	Deduction of Depreciation on account of transfer	Total Depreciation Upto 30th Sept. 1987	Net Depreciated Block as at 30th Sept. 1987	Net Depreciated Block as at 30th Sept. 1986
(6)	(7)	(8)	(9)	(10)	(11)
—	—	—	—	26,63,377	29,14,054
—	—	—	—	2,38,925	2,38,925
8,800	300	—	9,100	2,900	3,200
30,96,794	—	—	30,96,794	2,18,33,628	2,07,05,193
2,28,272	—	—	2,28,272	6,20,701	6,20,701
1,52,246	—	—	1,52,246	86,522	86,522
77,770	786	—	78,556	1,40,077	1,40,863
1,29,36,492	1,29,17,959	—	2,58,54,451	8,39,95,554	7,36,65,047
18,71,223	2,45,593	—	21,16,816	39,21,363	41,66,956
31,67,330	118	—	31,67,448	2,39,074	1,95,875
86,792	—	—	86,792	6,182	6,182
99,724	1,09,823	—	2,09,547	11,20,587	12,30,410
7,57,503	166	—	7,57,669	21,38,883	20,88,654
1,61,545	3,49,119	—	5,10,664	11,67,982	11,32,030
5,86,128	—	—	5,86,128	41,930	41,930
1,08,145	—	—	1,08,145	17,930	17,930
—	1,72,011	—	1,72,011	24,28,868	26,00,879
9,02,278	20,720	33,764	8,89,234	16,07,249	16,32,705
3,02,591	4,760	—	3,07,351	81,065	85,825
36,698	22,361	—	59,059	1,43,886	1,58,446
7,72,642	—	—	7,72,642	9,66,102	9,23,535
62,564	4,400	—	66,964	1,50,699	1,55,099
5,490	—	—	5,490	2,268	2,268
347	—	—	347	16	16
9,48,096	1	—	9,48,097	2,55,674	2,55,675
82,171	—	—	82,171	13,215	13,215
2,64,51,641	1,38,48,117	33,764	4,02,65,994	12,38,84,657	11,30,82,135

BOMBAY : Dated 11th March, 1988

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. M. PATHAK  
B. V. BHOOTA  
N. B. HADKER  
N. C. SAYTA

Directors



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1986				
Rupees			Rupees	Rupees
	To Opening Stock on 1st October, 1986			
3,11,77,624	„ Sugar .. .. .	4,21,58,426		
4,92,745	„ Molasses .. .. .	2,01,062		
3,16,70,369				4,23,59,488
	Agriculture Section :			
1,74,503	„ Salaries and Wages .. .. .	1,13,910		
1,155	„ Company's Contribution to Govt. Provident Fund ..	—		
4,004	„ Bonus .. .. .	1,500		
10,804	„ Stores inclusive of Seeds and Manures .. ..	17,259		
21,918	„ Irrigation Rates & Taxes .. .. .	20,859		
8,339	„ Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram and Travelling Expenses) ..	7,137		
1,045	„ Depreciation .. .. .	1,076		
613	„ Legal Charges .. .. .	6,972		
2,22,381				1,68,713
13,30,11,063	„ Locally purchased cane .. .. .			17,01,24,086
79,91,487	„ Salaries and Wages (after deducting Rs. 33,29,427/- Charged to Repairs & Other relevant heads) .. ..	1,04,93,362		
33,35,922	„ Bonus to Employees .. .. .	19,91,543		
1,01,372	„ Company's Contribution to Employees Family Pension Fund Scheme .. .. .	1,18,345		
91,373	„ Contribution to Provident Fund of the Company and Administrative Charges .. .. .	1,47,344		
17,10,084	„ Gratuity .. .. .	23,35,213		
6,12,187	„ Company's Contribution to Government Provident Fund and Administrative Charges .. .. .	7,45,868		
1,38,42,425				
16,49,03,813				
	Carried Over	1,58,31,675		21,26,52,287



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1987

For the year ended 30th Sept. 1986				
Rupees		Rupees	Rupees	Rupees
	By SALES :			
22,01,65,141	„ Sugar .. .. .		28,59,10,153	
19,50,559	„ Molasses .. .. .	19,59,750		
4,19,618	„ Less : Transferred to Molasses Storage Fund .. ..	4,35,500		
15,30,941			15,24,250	
22,16,96,082				28,74,34,403
19,75,402	„ Sundry Receipts from Flour Mills, Dairy, etc. ..			31,38,575
7,56,072	„ Income from Immoveable Property .. .. .			5,17,178
3,07,278	„ Sundry Receipts being Market Value of Farm Produce etc.			2,80,601
835	„ Dividend .. .. .			242
15,080	„ Refund of Insurance Premium of earlier years .. ..			—
1,81,296	„ INTEREST :			
6,619	On Loans and Others .. .. .	5,76,364		
15,23,848	From Subsidiary Company .. .. .	4,153		
17,11,763	On Fixed Deposits & Others .. .. .	12,91,657		
52	„ Sundry Credit Balances Written Back .. ..			18,72,174
2,132	„ Claims and Refund .. .. .			2,41,823
11,22,215	„ Rebate on Excise Duty .. .. .			17,034
85,999	„ Additional Realisation on Molasses Export .. ..			5,01,681
3,15,805	„ Profit on Sale of Assets .. .. .			—
—	„ Excess Provision Written Back .. .. .			4,428
				9,556
22,79,88,715				
	Carried Over			29,40,17,695



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1986				
Rupees			Rupees	Rupees
16,49,03,813		Brought Forward	1,58,31,675	21,26,52,287
1,38,42,425				
57,736	To Contribution to Deposit Linked Insurance Fund and Administrative Charges .. .. .		67,332	
7,59,759	.. Workmen and Staff Welfare Expenses .. .. .		7,38,555	
1,46,59,920				1,66,37,562
32,19,706	.. Stores, Chemicals & Spare Parts .. .. .			38,94,236
8,21,647	.. Power and Fuel .. .. .			8,42,287
37,02,281	.. Repairs to Plant & Machinery (Inclusive of Salaries & Wages Rs. 10,64,944/- Previous Year Rs. 8,85,568/-) .. .. .		69,80,983	
2,66,149	.. Repairs to Buildings (Inclusive of Salaries & Wages Rs. 1,61,420/-, Previous Year Rs. 1,32,533/-) .. .. .		3,44,910	
67,416	.. Other Repairs (Inclusive of Salaries & Wages Rs. 21,402/- Previous Year Rs. 22,868/-) .. .. .		1,10,481	
40,35,846				74,36,374
94,42,849	.. Sugar Cane Purchase Tax .. .. .			1,12,51,984
7,06,198	.. Insurance Premium .. .. .			6,87,333
1,96,58,770	.. Excise Duty on Sugar .. .. .		2,50,07,788	
6,91,808	.. Excise Duty on Molasses .. .. .		6,53,250	
8,954	.. Excise Duty on Tariff Item No. 68 .. .. .		2,871	
2,03,59,532				2,56,63,909
62,60,338	.. Sugar Development Cess .. .. .			79,90,108
70,06,822	.. Packing and Forwarding .. .. .			66,27,645
1,38,126	.. Rent .. .. .			2,07,951
3,35,649	.. Rates and Taxes .. .. .			3,42,965
4,89,326	.. Brokerage and Commission (inclusive of Guarantee commission of Rs. 4,20,649/- previous year Rs. 4,25,241/-) .. .. .			4,25,953
28,12,833	.. Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram, Telephone Charges, Motor Car Maintenance etc.) .. .. .			35,79,684
23,51,92,605		Carried Over		29,82,40,278



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1987

For the year ended 30th Sept. 1986			
Rupees		Rupees	Rupees
22,79,88,715	Brought Forward		29,40,17,695
	By Stock in Trade (as taken, valued and certified by a Director).		
4,21,58,426	„ Sugar at Realised/Realisable Value . . . . .	4,88,66,230	
2,01,062	„ Molasses at Controlled Rate . . . . .	2,01,062	
4,23,59,488			4,90,67,292
27,03,48,203	Carried Over		34,30,84,987



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1986			
23,51,92,605		Brought Forward	29,82,40,278
	To INTEREST :		
1,89,06,138	Cash Credit Accounts .. .. .	1,69,09,803	
79,24,919	Fixed Loans .. .. .	82,07,678	
2,06,063	Fixed Deposits .. .. .	2,06,063	
1,20,000	Debentures .. .. .	1,20,000	
1,04,931	Other Loans .. .. .	34,156	
2,72,62,051			2,54,77,700
7,650	.. Directors' Fees .. .. .	7,200	
1,32,457	.. Directors' Travelling Expenses .. .. .	1,26,736	
81,000	.. Managing Directors' Remuneration .. .. .	22,150	
—	.. Gratuity to Managing Director .. .. .	73,557	
	.. PAYMENT TO AUDITORS :		
12,500	.. Audit Fees .. .. .	12,500	
5,000	.. Tax Audit Fees .. .. .	5,000	
—	.. Auditors' Travelling Expenses .. .. .	1,024	
17,500			18,524
20,97,989	.. Agricultural Development Expenses (inclusive of Salaries & Wages Rs. 16,32,060/- Previous Year Rs. 14,97,628/-) ..	28,41,922	
2,32,289	.. Expenses on Scientific Research .. .. .	3,35,837	
2,31,722	.. Legal Expenses .. .. .	4,25,847	
—	.. Loss on Sale of Shares .. .. .	13,46,462	
—	.. Loss on Sale of Assets .. .. .	2,55,067	
300	.. Premium on Leasehold Garage Written Off .. .. .	300	
—	.. Depreciation .. .. .	1,38,46,741	
—	.. Sundry Debit Balances Written Off .. .. .	10,163	
25,000	.. Provision for Wealth Tax .. .. .	25,000	
50,67,640	.. Balance being Profit for the Year .. .. .	31,503	
27,03,48,203		Total Rupees	34,30,84,987



THE YEAR ENDED 30TH SEPTEMBER, 1987

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# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1986				
Rupees		Rupees	Rupees	Rupees
7,52,40,130	To Balance of Loss Brought forward from Last Year's Balance Sheet .. .. .			7,32,74,789
31,02,299	„ Provision for Additional Cane price for 1984-85 Season ..			—
NOTE :				
Computation of Managing Director's Commission is as follows :				
50,67,640	Net Profit/Loss as per Profit & Loss Account .. .. .		31,503	
81,000	Add/Less :			
—	(i) Managing Director's Remuneration ..	22,150		
1,045	(ii) Managing Director's Gratuity ..	73,557		
25,000	(iii) Depreciation Provided ..	1,38,48,117		
	(iv) Provision for Wealth Tax ..	25,000		
1,07,045			1,39,68,824	
51,74,685			1,40,00,327	
Less/Add :				
55,36,531	(i) Depreciation to the extent specified in Section 350 of Companies Act, 1956 ..	1,52,21,304		
15,00,000	(ii) Estimated Liability of Bonus ..	15,00,000		
70,36,531			1,67,21,304	
(18,61,846)			(27,20,977)	
—	Commission @ 1% of the Net Profit ..		—	
—			—	
Total Managerial Remuneration :—				
81,000	Remuneration .. .. .		20,250	
15,270	Company's Contribution to Provident Fund ..		1,689	
5,400	Perquisites .. .. .		3,250	
1,01,670			25,189	
7,83,42,429	Total Rupees			7,32,74,789

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner



AS AT 30TH SEPTEMBER, 1987

K. J. SOMAIYA  
Chairman  
S. M. PATHAK  
B. V. BHOOA  
N. B. HADKER  
N. C. SAYTA

} Directors

S. R. PARIKH  
*Secretary*



# 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) Depreciation of Rs. 1,38,48,117 has been provided during the year out of Depreciation of Rs. 1,52,21,304 for the year;  
(b) Total arrears of Depreciation upto 30th September, 1987 computed in accordance with Section 205(2) of the Companies Act, 1956, is Rs. 8,32,10,432 (Previous Year Rs. 8,18,37,245).
  - (3) No provision has been made in respect of balance of loss Rs. 21,512/- as on 31st May, 1987 of Godavari Investment and Finance Corporation Limited, a Subsidiary of the Company.
  - (4) During the year, no provision for Bonus has been made as the same is debited to Profit & Loss Account as and when paid. Liability of the Bonus for the year under Report according to Bonus Act comes to about Rs. 15 lacs.
  - (5) The total liability for accrued gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1987 as per the Actuary's Certificate is Rs. 66,69,002. Against above, estimated liability of about Rs. 23 lacs upto 31-3-1986 is covered under Group Gratuity Policy with 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 accounted 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) Special Civil Application filed by the Company in 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 against G.R. dated 9th December, 1985 in the matter of Co-operativisation of Company's Sakarwadi/Lakshmiwadi Factories in Maharashtra is pending. By Interim Orders passed from time to time since the date of approval of the Accounts for the year ending 30-9-1986, Supreme Court has :
    - (a) directed Joint Management Committees appointed by Government of Maharashtra to pay out of funds in their possession, 50% of the wages of the workmen from 16.4.1986 to 23.4.1987;
    - (b) directed the Government as well as the Company to take steps to implement expeditiously the Report containing recommendations of the Committee appointed by the Government by G.R. dated 3.12.1986.
    - (c) asked Government to obtain valuation of the Factories by an Expert Committee, if for the purpose of implementing the Report of the Committee it was necessary to obtain such valuation;
    - (d) clarified that the Company is not bound by the valuation arrived at by the Committee and that, if so advised, the Company is at liberty to negotiate directly with the Purchasers concerned;
    - (e) directed that the Valuation Committee appointed by the Government be let to consider the Valuation of the Sugar Mills made at the instance of the Company by reputed valuer viz. Universal Surveyors and Adjusters Pvt. Ltd.
  - (8) Maharashtra State Electricity Board has raised Demand for Electricity charges on Sakarwadi and Lakshmiwadi Factories for the period January 1986 to March 1987 totaling Rs. 7,89,566/-. The same has not been provided as the Company contends that from November 1984 onwards, the Factories have been handed over to Joint Management Committees appointed by Government of Maharashtra for Co-operativisation. Hence, this Liability has to be paid by them.
  - (9) M/s. Satpuda Tapi Parasar S.S.K. Ltd. has filed Civil Suit for Rs. 3.01 lacs (Rs. 2.40 lacs cane dues plus interest of Rs. 0.61 lac) in Sr. Division Court at Dhulia. Similarly Shri Dynaneshwar Sahakari Karkhana Ltd., Ahmednagar has filed Civil Suit for Rs. 3.49 lacs (Rs. 2.12 lacs cane dues plus interest of Rs. 1.37 lacs) in Co-operative Court, Shirampur. The same are pending. In the meantime, Company is trying to have settlement with the parties out of Court in the matter of interest demanded by them.
  - (10) The Maharashtra State Farming Corporation Ltd. filed Application No. 484 of 1986 under the provisions of Companies Act, 1956 in the High Court of Bombay for recovery of their dues for cane supplied to Sakarwadi/Lakshmiwadi Factories. The same is not yet admitted. In the meantime, the Company has already negotiated for withdrawal of the application by them on execution of Agreement to pay the amount alongwith interest in quarterly instalments subject to Company furnishing Revolving Bank Guarantee for each instalment. Company has made request to Bank of India for this Guarantee. On furnishing this Guarantee, the Application would be withdrawn.  
As per the Agreement to be executed with the Maharashtra State Farming Corporation Ltd., the amount due upto 30.11.1987 works out to Rs. 161.24 lacs including interest of Rs. 38.97 lacs upto 31.12.1986 and Rs. 22.84 lacs from 1.1.1987 to 30.11.1987. In the books, the provision made for this liability is Rs. 105.51 lacs. Short fall if any would be provided in the year of payment.

(11) Break up of Expenditure on Employees:	Number	Salary, Bonus & Allowances	Contribution to Provident Fund & Other Fund
(a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 36,000/- per annum.	45 (29)	18,98,852 (12,20,075)	1,22,001 ( 83,082)
(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 (other than Managing Director).	9 (2)	1,98,082 ( 63,131)	12,136 (2,219)

Note : Figures shown in brackets pertain to previous year.

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

BOMBAY : Dated 11th March, 1988



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1987

(12) Information in respect of Partnership firms in which Company is a Partner.

(a) Somaiya Farms — Lakh

Name of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Ltd.	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	Capital	Share of Profit
(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%

(13) Quantitative information in respect of goods manufactured:  
Name of the Factories.

	Licensed capacity	Installed capacity as certified by Factory Manager
* Sakarwadi	1016	1200/1250
* Lakshmiwadi	1016	1500/1600
* Sameerwadi	5000	5000
* Factories non-operative since 1985-86 (Refer Note No. 7)		

Goods Manufactured	Opening Stock		Production Quantity M.T.	Quantity sent for reprocessing and loss due to drainage, etc. M.T.	Sales		Closing Stock	
	Quantity M.T.	Value Rs.			Quantity M.T.	Value Rs.	Quantity M.T.	Value Rs.
Sugar	10,402.7 (7,454.1)	4,21,58,426 (3,11,77,624)	58,998.8 (48,563.0)	556.4 (897.7)	57,072.2 (44,716.7)	28,59,10,153 (22,01,65,141)	11,772.9 (10,402.7)	5,50,22,206 (4,21,58,426)
Molasses	8,321.998 (13,687.358)	2,01,062 (4,92,745)	21,821.575 (17,694,900)	— (3.455)	21,775 (23,056.805)	19,59,750 (18,50,560)	8,368,573 (8,321.998)	2,01,062 (2,01,062)

Note:- (i) Figures in bracket pertain to previous year.

(ii) Out of Closing Stock of Molasses, 2783.520 tonnes at Sameerwadi is in sludge form not for sale and hence not valued. Similarly balance quantity of 5,585.053 tonnes at Lakshmiwadi lying since three years in Kutch Pits although valued at Rs. 2,01,062/- is not saleable and will have to be written off after obtaining permission from the Government.

Raw Materials Purchased and Consumed:

	Quantity Purchased & consumed (M.T.)	Value Rs.	Previous year Quantity Purchased & consumed (M.T.)	Value Rs.
Sugarcane	5,68,145	17,01,24,086	4,59,633	13,30,11,063
Stores & Spares Consumed:	Valued	%	Value	%
Imported	—	—	6,467	0.20
Indigenous	38,94,236	100.00	32,13,239	99.80
	38,94,236	100.00	32,19,706	100.00

I.F. Value of Imports:

	Purchased	Previous year
(i) Raw Materials	Nil	Nil
(ii) Stores & Spares	Nil	Nil
(iii) Capital Goods	Nil	Nil
(14) Expenses incurred in Foreign Currency.	Nil	Nil

(15) Figures of Previous Year have been 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 known Liabilities and Depreciation is adequate and not in excess of the amount reasonably necessary.

BOMBAY : Dated 11th March, 1988

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. M. PATHAK  
B. V. BHOOTA  
N. B. HADKER  
N. C. SAYTA

Directors



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1987

### 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 P. M. Kavadia	69	Chief Executive	75,920	Permanent	As per Company's Rules	M.A., LL.B. About 42 Years	1- 9-1963	Manager, Narsee Nagsee & Co.,
2.	Shri S. R. Parikh	54	Secretary	51,626	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., F.C.A. About 31 Years	2- 1-1960	Great Eastern Shipping Co. Ltd.,
3.	Shri S. N. Kalabhairavan	75	Officer on Special Duty	53,352	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) About 54 Years	1- 3-1971	Officer on Special Duty, Mangalore Chemicals & Fertiliser Ltd.
4.	Shri R. T. Shah	50	Office Manager	55,401	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. About 27 Years	19-12-1960	Nil
5.	Shri V. V. Iyer	41	Executive	49,327	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M.Com., B.G.L., About 21 Years	6-4-1969	Typist K. Mohanlal & Co.,
6.	Shri V.V. Joshi	34	Executive	55,633	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M. Com., About 10 Years	1-4-1977	Nil
7.	Shri P. B. Bhimjani	46	Chief Accountant	52,798	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 17 Years	17-7-1984	Accounts Officer, Garware Marine India Ltd.
8.	Shri H. R. Kotak	47	Legal Adviser	48,850	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. LL.B. About 14 Years	1-11-1973	Nil
9.	Shri A. G. Desai	41	Sr. Clerk	44,587	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 26 Years	23-4-1962	Clerk, Gujarat Association Federation



<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>
Shri A. V. Shah	48	Accounts Assistant	46,089	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 23 Years	16-6-1967	Accounts Asstt. M/s Trans. mission Pvt. Ltd.
Shri N. V. Kotak	51	Accounts Assistant	43,182	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 29 Years	13-5-1958	Nil
Shri V. A. Jairaman	54	P.A. Cum-Steno	42,956	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 18 Years	11-10-1971	Sales Asstt. Cum-steno, The Fort William Co Ltd.,
Shri A. L. Ashar	38	Public Relations Officer	43,354	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 19 Years	21-2-1968	Nil
Shri J. V. Shettigar	40	Sr. Steno	43,403	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A., B.Com., L.L.B. About 17 Years	21-1-1971	Steno Typist, Ratan Batra Pvt. Ltd.,
Shri C. K. S. Mani	51	Jr. Steno	43,075	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 27 Years	16-4-1964	Stenographer, Natwar Parikh & Co.
Shri T. I. Khombhadia	41	Accounts Assistant	41,817	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 16 Years	8-3-1971	Clerk A. B. Modi & Co.
Shri S. C. Desai	39	Sr. Clerk	40,068	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 17 Years	25-8-1970	Clerk, Somaiya Organo-Chemicals Ltd.
Shri A. R. Rangnathan	50	Typist	42,282	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 31 Years	16-5-1956	Nil
Shri A. G. Tamhane	47	Stenographer	42,955	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 16 Years	23-4-1971	Stenographer, Chemox Pvt. Ltd.
Shri T. P. Nagda	55	Manager	67,447	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com. About 36 Years	30-6-1958	Accountant, Ms/ Warden Pvt. Ltd.
Shri M. K. Pujar	47	Chief Accounts Officer	58,282	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A.B. Com. C.A. About 20 Years	19-11-1971	Accountant, 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
22.	Shri P. S. Kamate	42	Dy. Chief Engineer	54,818	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E.A.N.S.I. About 16 Years	24-10-1981	Mahadeswar Kollegal
23.	Shri I. B. Adarkatti	38	R & O Manager	52,936	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Chem.) About 14 Years	7-12-1973	Production Engineer Armati Chem.
24.	Shri S. N. Babaleshwar	36	Chief Chemist	52,936	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. A.N.S.I. About 16 Years	19-9-1980	J. P. Mukerji Association
25.	Shri S. R. Pathak	48	Senior Civil Engineer	51,699	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Civil) About 22 Years	12-10-1983	Continental Const Pvt. Ltd. New Delhi Sr. Civil Engineer
26.	Shri L. B. Thakkar	49	Cashier	39,160	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 24 Years	11-4-1963	M/s. L. D. Rupawats, Dadar, Bombay Accounts Clerk
27.	Shri V. R. Parikh	55	Accounts Assistant	39,919	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. LL.B. About 31 Years	25-3-1968	The Nagpur Pioneer Ins. Co. Accounts Assistant.
28.	Shri M. B. Vashi	40	Accounts Assistant	39,539	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 19 Years	28-8-1970	Jr. Clerk P.W.D. Gujarat Govt. Capital Project Gandhinagar (Ahmedabad).
29.	Shri K. H. Desai	40	Sr. Clerk	39,018	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 17 Years	9-8-1971	Audit Assistant. Vijaykumar M. Desai & Co. Bombay.
30.	Shri D. C. Mehta	42	Sr. Clerk	39,018	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	F.Y.B. Com. About 20 Years	25-4-1968	Fairdeal Corporation Pvt. Ltd. Accounts Clerk
31.	Shri R. B. Jangam	44	Clerk	39,365	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 26 Years	20-11-1962	Nil
32.	Shri H. V. Sheth	48	Clerk	39,365	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	G.C.D. About 20 Years	22-2-1971	Fazalbhoy Investment Co. Pvt. Ltd. Assistant Accountant.
33.	Shri P. G. Sabade	37	Steno	36,025	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A.B. Ed., About 11 Years	17-7-1976	Nil



<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>
Shri C. N. Shukla	62	Comp. Clerk	38,627	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 35 Years	1-6-1959	Comp. Clerk. Shivrajpur Syndicate Ltd., Shivrajpur Mines,
Shri S. G. Utekar	34	Sr. Clerk	36,917	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 16 Years	8-10-1971	Nil
Shri C. M. Salian	38	Sr. Clerk	37,966	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 18 Years	28-4-1969	Nil
Shri A. K. Lavingia	38	Sr. Clerk	37,960	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 16 Years	15-1-1972	Nil
Shri S. C. Shah	40	Clerk	38,322	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 20 Years	18-1-1967	Nil
Shri A. D'Counha	42	Clerk	38,314	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 20 Years	7-3-1967	Nil
Shri Y. M. Mulye	40	Clerk	38,314	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 20 Years	12-9-1967	Nil
Shri V. Ramkrishnan	44	Typist	38,314	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 21 Years	13-7-1966	Nil
Shri A. R. Belekar	48	Typist	38,314	Permanent, subject to termination by One Month's notice to either side	As per Company's Rules	F.Y. Arts About 20 Years	7-4-1967	Typist Hindustan Metal Label
Shri H. T. Ravasia	39	Clerk	37,267	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 18 Years	5-6-1969	Ghatkopar Nagrik Sahakari Bhandar Ltd., Bombay.
Shri K. P. Singh	39	Clerk	36,909	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. About 16 Years	20-7-1971	East Sydh Collieries Dhanbad
Shri D. P. Pawar	38	Typist	37,267	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Inter-Com. About 17 Years	4-12-1970	Nil



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
(B) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW									
1.	Shri K. J. Somaiya	88	Managing Director	23,288	Contractual from 1.6.1985 to 31.12.86	As approved by Central Govt.	About 48 Years	1-6-1970	Nil
2.	Shri J. N. Patel	64	General Manager	12,405	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri) (Hons) 35 Years	1-7-1987	General Manager Somaiya Organo Chemicals Ltd.
3.	Shri B. M. Murugkar	57	Dy. General Manager	11,538	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri) About 28 Years	1-7-1987	Dy. General Manager Somaiya Organo Chemicals Ltd.
4.	Shri R. H. Kasliwal	35	Manager	10,292	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. M.B.A. About 10 Years	1-7-1987	Manager Somaiya Organo Chemicals Ltd.
5.	Shri H. A. Shah	60	General Manager	11,358	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Hons.) AIIBI About 35 Years	13-8-1987	Chief Executive Triveni Engg. Works Khatauli (U.P.)
6.	Shri R. G. Sorte	43	Supdt. Engineer	5,800	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) (D.M.E) About 19 Years	1-9-1987	Shree Ganesh SSK Ltd. Ganeshnagar, Maharashtra.
7.	Shri P. M. Kulkarni	50	Cane Manager	4,200	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 28 Years	1-9-1987	Cane Manager Maharashtra Sugar Ltd., Shirampur Tilaknagar.
8.	Shri S. G. Haval	44	Chief Engineer	7,716	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) ANSI About 19 Years	7-8-1987	Chief Engineer SSK Ltd., Hallikhed.
9.	Shri A. S. Satyanarayan	45	Chief Engineer	77,758	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 17 Years	8-7-1983	Chief Engineer Kothari Sugar & Chemicals
10.	Shri M. K. Kucheria	53	Factory Manager	69,152	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. ANSI 27 Years	1-10-1979	Chief Chemist Belganga S.S.K.

Note : Out of the above employees, only Shri K. J. Somaiya is a relative of one of the Directors of the Company.

By Order of the Board of Directors,

K. J. SOMAIYA  
Chairman

BOMBAY : Dated 11th March, 1988



# 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, 1987.
- ii) *Advances:* The Advance to the said subsidiary Company as on 31st May 1987 was Rs. 9,49,744/-.
- iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 566/- for the year ended 31st May, 1987. The Net Loss after adjusting the previous years' Loss from this year's profit comes to Rs. 21,512/-. 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, 1987 & 30th September, 1987. Further, there have been no material changes during the period in Godavari Investment & Finance Corporation Ltd., in respect of Fixed Assets, Investments, monies lent and monies borrowed by it for any purpose other than that of meeting Current Liabilities.



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

## **DIRECTORS' REPORT**

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

Your Directors submit herewith their Thirty-Second Annual Report and Audited Accounts of the Company for the year ended 31st May, 1987.

The Working of the Company for the year resulted in a Profit of Rs. 566/- after providing Rs. 850/- for taxation. After adjusting the same from last years' loss, the Net Carried Forward loss comes to Rs. 21,512/- which has been Carried Forward to the 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

**JAMSHED P. DASTUR  
R. VENKATRAMAN**

*Directors*

BOMBAY : Dated 3rd November, 1987



# 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, 1987 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, 1987 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 for Fixed Assets 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 were given under arrangement to supply cane to the Holding Company. 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 Deposits are not applicable as the Company has not invited the 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, provisions regarding Internal Audit System is not applicable.
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 Income by way of Supervision charges and Interest.

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

**N. P. PATWA**  
*Proprietor*

BOMBAY : Dated : 3rd November, 1987.



# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1986	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 on which Rs. 50/- has been called up, held by Holding Company The Godavari Sugar Mills Limited .. .. .		1,00,000
	<b>III. UNSECURED LOANS :</b>		
1,43,310	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited .. .. .	54,370	
8,27,175	Interest due on above .. .. .	8,95,374	
9,70,485			9,49,744
	<b>IV. CURRENT LIABILITIES AND PROVISIONS :</b>		
	<b>(A) CURRENT LIABILITIES :</b>		
49,962	(i) Sundry Creditors .. .. .	49,962	
2,803	(ii) Estimated Unearned Finance Charges on Hire Purchase carried forward .. .. .	2,803	
21,051	(iii) Interest accrued but not due to Loans ..	4,152	
73,816		56,917	
	<b>(B) PROVISIONS :</b>		
5,105	For Taxation .. .. .	5,955	
78,921			62,872
	<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 amount- ing in the aggregate to 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.		
11,49,406	Total Rupees		11,12,616

Referred to in our Report of even date

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

**N. P. PATWA**  
Proprietor



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY. 1987

As at 31st May, 1986	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(A) CURRENT ASSETS :			
22,415	(i) Stock in trade (at cost) (as per inventories taken, valued and Certified by a Director)			
	Machinery, Stores and Spares .. ..		22,414	
	(ii) SUNDRY DEBTORS :			
	(Unsecured and considered good as certified by a Director except otherwise stated)			
	For Supply of Spares and fittings supplied to Cane Growers and for the Supervision charges and Hire Purchase Instalments due from them			
67,822	Outstanding for More than six Months ..	64,372		
43,941	Considered doubtful .. ..	43,941		
1,11,763		1,08,313		
43,941	Less: Provision for Doubtful Debts ..	43,941		
67,822		64,372		
—	Other Debts .. ..	—		
67,822			64,372	
36	(iii) CASH AND BANK BALANCES :			
666	Cash on Hand .. ..	36		
1,099	Stamp Papers on Hand .. ..	666		
	In Current Account with a Scheduled Bank	344		
1,801				1,046
	(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:			
6,69,255	Secured .. ..	6,49,973		
36,261	Considered Doubtful .. ..	36,261		
7,05,516		6,86,234		
36,261	Less: Provision for Doubtful Loans .. ..	36,261		
6,69,255		6,49,973		
1,42,525	Loans to Others .. .. 1,41,525			
1,89,735	Add: Interest Accrued on above .. .. 1,77,999			
3,32,260		3,19,524		
10,01,515			9,69,497	
29,000	(ii) Deposits .. ..		29,000	
953	(iii) Advances recoverable in Cash or in Kind		953	
3,822	(iv) Advance Income-tax .. ..		3,822	
11,27,328				10,91,104
	<b>II. MISCELLANEOUS EXPENDITURE :</b>			
	PROFIT AND LOSS ACCOUNT :			
22,078	Loss as per Profit and Loss Account .. ..			21,512
11,49,406				
	Total Rupees			11,12,616

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 3rd November, 1987

R. VENKATRAMAN }  
J. P. DASTUR } Directors



# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the year ended 31st May, 1986			
Rupees			Rupees
	To	Opening Stock :	
22,415		Machinery, Spares and Fittings .. .. .	22,414
—	"	Salary .. .. .	29,333
—	"	Bonus .. .. .	5,885
—	"	Company's Contribution to Govt. Provident Fund ..	2,444
—	"	Company's Contribution to Deposit Linked Insurance Scheme and Administrative Charges .. ..	251
1,407	"	Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams Conveyance, Travelling Expenses ..	2,165
1,200	"	Office Rent .. .. .	1,200
	"	INTEREST :	
21,051		On Current Account (To the Holding Company The Godavari Sugar Mills Ltd.) .. .. .	36,418
500	"	Audit Fees .. .. .	500
1,283	"	Provision for Taxation .. .. .	850
855	"	Profit Carried Down .. .. .	566
48,711		Total Rupees	1,02,026
21,890	"	Balance as per last Balance Sheet .. .. .	22,078
1,161	"	Sundry Debit Balances Written off .. .. .	—
3	"	Short Provision for Taxation for Assessment Year 1983-84 .. .. .	—
23,054		Total Rupees	22,078

Referred to in our Report of even date

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

**N. P. PATWA**  
Proprietor



# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1987

For the year ended 31st May, 1986			
Rupees			Rupees
22,980	By Interest on Loans .. .. .		79,576
1,411	„ Supervision Charges from Cane Growers .. ..		36
1,905	„ Miscellaneous Income .. .. .		—
22,415	„ Closing Stock of Machinery, Stores and Spare Parts at Cost .. .. .		22,414
48,711		Total Rupees	1,02,026
855	By Profit Brought Down .. .. .		566
121	„ Excess Provision for Taxation for Assessment Year 1984-85 .. .. .		—
22,078	„ Loss Carried to Balance Sheet .. .. .		21,512
23,054		Total Rupees	22,078