

49

**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**Report & Accounts for Eighteen  
Months Ending 31st March, 1989**

1989

# 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 NAVINCHANDRA CHUNILAL SAYTA

SHRI NARHARI BABAJIRAO HADKER

SHRI MINOO RUSTOMJI SHROFF

SHRI R. SURESH

(Nominee of Karnataka State Government)

DR. CHANDRAPRAKASH BHALCHANDRA PURANDARE

DR. SURYA MANI PATHAK

(Nominee of Bank of India)

SHRI KAILASH PERSHAD

(Nominee of B. I. F. R.)

DR. SHANTILAL KARAMSHI SOMAIYA

SHRI PURSHOTTAM MAVJI KAVADIA  
*(Whole-time Director)*

## 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 Fortyninth Annual General Meeting of The Godavari Sugar Mills Limited will be held on Monday, the 24th day of July, 1989 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 the Directors' Report and Audited Statement of Accounts for the period ended 31st March, 1989.
2. To elect a Director in place of Shri K. J. Somaiya, who retires by rotation, but being eligible, offers himself for re-election.
3. To elect a Director in place of Dr. S. K. Somaiya, who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Dr. B. V. Bhoota, 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.

### SPECIAL BUSINESS :

6. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the Company hereby approves the appointment of Shri P. M. Kavadia, as a Whole-time Director of the Company for a period of three years from 1st October, 1988 and for the payment to him as Whole-time Director the following remuneration and perquisites.

**Salary** : Rs. 12,000-500-13,500

**Commission** : 1% of Net Profits subject to a limit of Rs. 30,000/-

**Perquisites** :

### CATEGORY 'A'

1. **Housing** :
  - (i) The expenditure by the Company on hiring unfurnished accommodation will be subject to the ceiling of sixty percent of the salary over and above ten percent payable by Shri P. M. Kavadia.
  - (ii) In case the accommodation is owned by the Company, 10 percent of the salary of Shri P. M. Kavadia shall be deducted by the Company.
  - (iii) In case no accommodation is provided by the Company, Shri P. M. Kavadia shall be entitled to House Rent Allowance subject to the ceiling laid down in (i) above.
2. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of the salary.
3. **Medical Reimbursement** : Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.



4. **Leave Travel Concession** : For self and family once in a year incurred in accordance with the rules specified by the Company.
5. **Club Fees** : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
6. **Personal Accident Insurance**: Premium not to exceed Rs. 1,000/- per annum.

*Explanation* : For the purpose of Category 'A' "Family" means the spouse, the dependent children and dependent parents.

#### **CATEGORY 'B'**

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
2. Gratuity payable shall not exceed half month's salary for each completed year of service subject to a ceiling of Rs. 1,00,000/-.

#### **CATEGORY 'C'**

1. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Shri P. M. Kavadia.
2. In the event of absence or inadequacy of profits in any year, Shri P. M. Kavadia shall be eligible for the perquisites referred above and salary subject to a cut of 10 per cent as and by way of minimum remuneration. Provided however that the perquisites shall be payable on the basis of the substantive salary. The value of perquisites shall be restricted to an amount equal to annual salary or Rs. 1,35,000/- per annum whichever is less.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to pay such increased/higher/additional remuneration as may be permissible by reason of amendment of the provisions of the Companies Act, 1956 and/or any rules, notifications or guidelines issued hereunder."

"AND RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this Resolution."

7. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that consent/approval be and is hereby accorded under Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to the approval of Central Govt., if found necessary for the appointment of Shri H. A. Shah as a Director (Works) of the Company for a period of 3 years from 1st October, 1988 and for the payment to him as Director (Works) of the following remuneration and perquisites".

1. **Salary** : Rs. 6,500/- per month.  
**Bonus/Production Incentive** : As paid to other Senior Officers of the Company.
2. **Housing** : Furnished Quarters at Factory.
3. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of the salary.
4. **Medical Reimbursement** : As per Company's Rules.



5. **Leave Travel Concession** : For self and family once in a year incurred in accordance with the rules specified by the Company.
6. Contribution to Provident Fund, Superannuation Fund, or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
7. Gratuity payable shall not exceed half month's salary for each completed year of service subject to a ceiling of Rs. 50,000/-.
8. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Shri H. A. Shah.

In the event of loss or inadequacy of profits, the salary shall be reduced by 10 per cent, provided however that the perquisites shall be payable on the basis of the substantive salary.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to pay such increased/higher/additional remuneration as may be permissible by reason of amendment of the provisions of the Companies Act, 1956 and/or any rules, notifications or guidelines issued thereunder."

"AND RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this Resolution."

8. To consider, and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution :

"RESOLVED that the Articles of Association of the Company be altered as follows :

- (i) Clause (e) of Article 6 be substituted by the following:-

"(e) The Company shall be at liberty at any time and from time to time by giving three months notice in writing, to redeem all or any of the Preference Shares and in the event of the Company choosing to redeem only some of the Preference Shares, which shall be in absolute discretion of the Directors, to adopt such method as they may think fit for selecting such of the said Shares for being redeemed as they may think fit;

Provided, however, that the Company shall redeem before the expiry of ten years from the commencement of the Companies (Amendment) Act, 1988 all the Preference Shares issued prior to such commencement."

- (ii) Article 82 be deleted;
- (iii) Substitute in line 2 of Article 86(1) the words "Rupees five hundred" in place of the words "Rupees Two hundred".
- (iv) At the end of Article 95 the sentence be continued and the following words be added :

"alongwith a deposit of a sum of Rs. 500/- which shall be refunded to such person or as the case may be to such member, if the person succeeds in getting elected as a Director."

By Order of the Board of Directors.

**K. J. SOMAIYA**  
Chairman

BOMBAY : Dated 21st June, 1989

- Notes :**
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
  2. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.



# THE GODAVARI SUGAR MILLS LIMITED

## EXPLANATORY STATEMENT

The following Explanatory Statement is given in respect of Items No. 6 to 8 of the Special Business mentioned in the accompanying Notice pursuant to the provisions of Section 173(2) of the Companies Act, 1956.

### *ITEM No. 6 :*

Shri P. M. Kavadia is associated with the Company since September, 1963 and prior to his appointment as Whole-time Director of the Company, was the Chief Executive of the Company.

Shri P. M. Kavadia has worked as a member of Zoning Committee appointed by Govt. of Maharashtra. He is Vice President of Deccan Sugar Factories Association and Past Chairman of Indian Chemical Manufacturers Association, Western Region. He is also Vice President of All-India Alcohol Based Industries Development Association.

In the past 25 years he has been instrumental in planning and implementation of Company's Sameerwadi project and in its various expansion schemes. Shri P. M. Kavadia is also responsible for various diversification plans and the Board thinks it fit that his appointment would be of advantage to the Company and commends the resolution for approval.

The Draft Agreement executed between the Company and Shri P. M. Kavadia is open for inspection at the Registered Office of the Company on any working day between 11 A. M. and 1 P.M.

This may be treated as an abstract of the Draft Agreement between the Company and Shri P. M. Kavadia pursuant to Sec. 302 of the Companies Act, 1956.

This appointment is subject to approval of the shareholders of the Company and the Central Government. Hence this resolution is commended for approval of the Shareholders.

None of the Directors of the Company except Shri P. M. Kavadia may be deemed to be concerned or interested in this resolution.

### *ITEM No. 7 :*

Shri H. A. Shah is associated with the Company as the General Manager at Sameerwadi since August, 1987. He is highly qualified and has about 30 years experience in Sugar Industry.

The Board of Directors feel that his appointment as a Director (Works) shall be of advantage to the Company and commends the resolution for approval.

The terms of appointment are within the parameters fixed in Schedule XIII of the Companies Act, 1956. Hence the approval of the Central Government for this appointment would not be necessary.

The draft Agreement executed between the Company and Shri H. A. Shah is open for inspection at the Registered Office of the Company on any working day between 11 A.M. and 1 P.M.

This may be treated as an abstract of the Draft Agreement between the Company and Shri H. A. Shah pursuant to Sec. 302 of the Companies Act, 1956.

This appointment is subject to approval of the Shareholders of the Company. Hence, this Resolution is commended for approval of the Shareholders.

None of the Directors of the Company except Shri H. A. Shah may be deemed to be concerned or interested in this Resolution.



**ITEM No. 8 :**

- (i) The Company has issued Preference Shares, which are 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.

Under the provision of Section 80A of the Companies Act, 1956 introduced by the Companies (Amendment) Act, 1988, such redeemable Preference Shares are to be redeemed within a period of ten years from the date of commencement of the Companies (Amendment) Act, 1988 i.e. 15-6-1988.

The proposed amendment of Article 6 is to bring the said Article in line with the provisions of the said Section 80A.

- (ii) The Institutions of Managing Agents, Secretaries and Treasurers have been deleted from the Companies Act, 1956 under Companies (Amendment) Act, (XVII of 1969). Article 82 is proposed to be deleted keeping in line with the amended provisions of the Companies Act, 1956.

- (iii) At present, as per the provisions of Article 86(i) of the Articles of Association of the Company, each Director is entitled to a meeting fee of Rs. 200/- for meetings of Board of Directors attended by him.

In view of the amendments made in the Companies Act, 1956, Company can increase the amount of meeting fees payable to a Director upto Rs. 500/-. Hence it is proposed to amend the Article 86 suitably to increase the meeting fees upto Rs. 500/-.

All the Directors may be deemed to be interested in this Resolution to the extent of Meeting Fees that may be paid to each of them.

- (iv) Section 257 of the Companies Act, 1956 as amended now provides that a deposit of a sum of Rs. 500/- be made with a Company while giving notice of intention to propose any person for appointment to the Office of a Director. Article 95 is accordingly proposed to be altered.

By Order of the Board of Directors,

**K. J. SOMAIYA**  
Chairman

BOMBAY : Dated 21st June, 1989



# THE GODAVARI SUGAR MILLS LIMITED

## DIRECTORS' REPORT

Your Directors are pleased to submit their Report for the period of 18 months from 1st October, 1987 to 31st March, 1989.

### (A) EXTENSION OF ACCOUNTING YEAR :

To comply with amended provisions of Income-tax Act, 1961 and as approved by Registrar of Companies, Maharashtra, the Company has extended the accounting year ending 30th September, 1988 and has prepared Accounts for a period of 18 months from 1st October, 1987 to 31st March, 1989.

In a highly seasonal industry like Sugar, the adoption of a uniform year ending March has created many distortions. Firstly, the results cover working of nearly 1.75 seasons, as against one in the previous year. Secondly, March year ending reflects the peak of the crushing seasons as against the end of the crushing season in the previous year ending September, reflected in the much higher level of finished stocks of sugar. For the above reasons, the Accounts for the period are not comparable with those of the previous year.

### (B) FINANCIAL RESULTS :

The working of the Company for the period of 18 months has resulted in an operating surplus of Rs. 605.85 lacs before providing for interest and depreciation. After providing interest of Rs. 401.89 lacs, depreciation of Rs. 114.04 lacs and Investment Allowance Reserve of Rs. 4.25 lacs, there was a net profit of Rs. 85.67 lacs. The Directors regret their inability to declare any dividend on Equity and Preference Shares for the period ended 31st March, 1989.

### (C) MANUFACTURING RESULTS OF SAMEERWADI FACTORY IN KARNATAKA :

The results for the 18 months reflect working of two crushing seasons i.e. 1987-88 and part of 1988-89. It covers the period 1-10-1987 to 30-9-1988 and part of 1988-89—1-10-1988 to 31-3-1989 — the results whereof are produced below :

It may be noted here that generally all over India, the sugarcane crushing period/duration is from October/November to April of each year. The Sugar Year is reckoned from 1st October to 30th March. As a result, the working upto March would reflect policies of Government of India for two seasons.

	1987-88	Part of 1988-89 (Upto 31-3-1989)
Cane crushed (M.T.)	7,14,434.805	3,00,220
Sugar manufactured (Qtls.)	7,29,602	3,38,010
Recovery (%)	10.13	11.49

The crushing achieved by Sameerwadi Factory during 1987-88 was the highest in the whole of Karnataka.

An unprecedented agitation by the Cane Growers was started at Sameerwadi in August/September, 1988 before the commencement of the 1988-89 Cane Crushing season. Sameerwadi's cane price was linked to the cane price of the neighbouring Chikodi Co-operative Factory (Doodhganga S.S.K. — Chikodi) for three seasons from 1986-87 to 1988-89 inclusive. Chikodi Factory paid additional amount in July, 1988 for the cane supplies made in 1986-87, as authorised by the State Government. While so authorising this additional payment, the Karnataka Government clearly stipulated that this amount be paid as "Incentive" and not as "part of cane price". According to the Company, the "incentive" payment was not part of the "Chikodi Price — linking arrangement".



The Company, therefore, took up the matter with the Cultivators and the Karnataka Government Authorities. With the assistance and co-operation of all concerned, the Company has been able to delink Sameerwadi's Cane Price from that of Chikodi Factory from 1988-89 season. However, the discussions and negotiations took a long time and the settlement could be arrived at by end of December, 1988 and crushing for the season 1988-89 could, therefore, be started only from 5th January, 1989. As a result, the Cane crushing and production for whole season 1988-89 (the duration of the season lasted upto 3rd May, 1989) was 3,93,411.925 tonnes and 4,40,020 quintals only, a sharp fall of 44% from the high record achieved during the previous season. The recovery was, however, slightly better at 11.11% compared to 10.27% in the earlier season. In the year under report, working of the factory upto 31-3-1989 has been taken into account. The working for the balance period i.e. 1st April, 1989 to 3rd May, 1989 will be reflected in the next Accounting Year.

**(D) MAHARASHTRA UNITS (SAKARWADI & LAKSHMIWADI FACTORIES) :**

- (i) The Special Leave Petition (Civil) filed by the Company in the Supreme Court in the matter of co-operativisation of Sakarwadi and Lakshmiwadi factories is pending. The hearings fixed from time to time since the last Directors' Report, have been adjourned. Interim Orders, having no material effect, have been passed by the Court.
- (ii) The Valuation Committees appointed by Government of Maharashtra have already finalised the valuation of plant and machinery of Sakarwadi and Lakshmiwadi factories at a price of Rs. 246 lacs and Rs. 340 lacs respectively, and allocated these factories to Shivshakti S.S.K. Ltd., Bhoom and Rajgad S.S.K. Ltd., Bhor.
- (iii) The Chief Minister of Maharashtra convened a meeting of the promoters of Rajgad S.S.K. Ltd. and the representative of the Company to decide on the further steps to be taken in respect of the Lakshmiwadi Unit and advised the Company to accept the valuation made by the Government. Accordingly, an Agreement for sale of plant & machinery of Lakshmiwadi Factory at a price of Rs. 340 lacs has been executed on 15-11-1988 with Rajgad Sahakari Sakhar Karkhana Ltd., Bhor and advance of Rs. 50 lacs has been received which has been deposited with Bank of India.
- (iv) For the apportionment of sale proceeds of plant and machinery, various meetings under the Chairmanship of the Chief Minister were held with the major Creditors for Sakarwadi/Lakshmiwadi Factories, namely, Bank of India, Government of Maharashtra and Maharashtra State Farming Corporation, in which Secretary of the Factory's Labour Union was also present.
- (v) Bank of India, which is having charge on fixed Assets of Lakshmiwadi factory, has agreed to release their charge in favour of Government of Maharashtra on receipt of total amount of Rs. 285.25 lacs being their principal dues in cash credit account apportioned by them for this factory. The Government of Maharashtra will receive their dues out of sale proceeds of land and buildings of Lakshmiwadi Factory. The State Govt. is favourably considering the waiver of interest/penalty and part of their principal dues, (including that of Maharashtra State Farming Corporation, a Government of Maharashtra Undertaking).
- (vi) It is expected that the balance sale price of Rs. 290 lacs would be received soon and the transaction would be completed with the co-operation and assistance of Shri Anantrao Thopte, chief promoter of Rajgad S.S.K. Ltd. and others concerned in the matter.
- (vii) The Govt. of Maharashtra had allotted plant and machinery of Sakarwadi also to Shivshakti Sahakari Sakhar Karkhana Ltd., Bhoom, Dist. Osmanabad. However, the Company has not agreed with this proposal in view of low valuation by the Valuation Committee.

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

The Writ Petitions in respect of levy sugar price for the Seasons 1974-75 to 1977-78 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, which were heard in February, 1986, are not yet disposed off.



**(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 the 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) SUGAR POLICY FOR 1987-88 AND 1988-89 SEASONS :**

- (a) The Dual Pricing System continued during this period. The proportion of Levy and Free Sale changed to 45 : 55 in 1988-89 season. The levy sugar price for S-30 sugar fixed for the Karnataka Zone as applicable to our Sameerwadi Factory was as under:-

1987-88	Rs. 398.40 per quintal
1988-89	Rs. 408.88 per quintal

- (b) The Govt. of India fixed the statutory minimum price of sugar cane as under :

1987-88	Rs. 18.50 per quintal
1988-89	Rs. 19.50 per quintal

both linked to 8.5% recovery.

On the above basis, the minimum sugar cane price for Sameerwadi was fixed by the Government of India at Rs. 230.70 per tonne and Rs. 243.20 per tonne for seasons 1987-88 and 1988-89 respectively.

- (c) The "State Advised Cane Prices" fixed by the Karnataka Government for the seasons 1987-88 and 1988-89 are Rs. 275/- and Rs. 285/- per M.T. respectively. These are the State advised cane prices on the factory delivery basis. However, the actual cane prices being required to be paid by the factories in North Karnataka are much higher and that too, on an "ex-field basis", with harvesting and transport expenses being borne by the factories.

**(H) PAYMENT OF CANE DUES TO MAHARASHTRA STATE FARMING CORPORATION LIMITED :**

The Application No. 484 of 1986 filed by the Maharashtra State Farming Corporation Ltd. in the High Court of Bombay under the provisions of Companies Act, 1956 for recovery of their dues was dismissed by the High Court vide its Order dated 28th June, 1988.

**(I) APPLICATION TO B.I.F.R. UNDER SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 :**

The Company's Application in Form 'A' made to the B.I.F.R. came up for hearing on 26th April, 1988. The Company has been declared a Sick Industrial Undertaking; and Shri Kailash Pershad has been appointed by the B.I.F.R. as a Special Director on the Board of the Company.

Second hearing was held by the B.I.F.R. on 9th March, 1989. Upon consideration of the material and the submissions made before the B.I.F.R., it considered expedient in public interest to attempt to revive the Company and appointed Industrial Financial Corporation of India as the "Operating Agency" for preparing a Scheme of rehabilitation of the Company in terms of Section 17(3) of SIC (SP) Act, 1985, taking into consideration the following :



- (i) An appropriate settlement of dispute with the Govt. of Maharashtra for Company's Lakshmiwadi and Sakarwadi units and explore Company's suggestion to shift Sakarwadi Unit to any location within or outside Maharashtra and rehabilitating it by increasing its capacity.
- (ii) To clearly establish the technical, economic and commercial viability of the Company.
- (iii) Necessary projections of production, sales, input-requirements, cash requirements, Schedule of repayments of loans based on realistic assumptions.
- (iv) Reliefs/concessions from financial institutions and banks within R.B.I. parameters. Reliefs/concessions from the Govt. of Karnataka and Govt. of Maharashtra considered necessary for revival of the Company as per the State Governments general guidelines for sick industries and clearly spelling and quantifying institutionwise sacrifices on the part of Banks, institutions and State Governments.
- (v) The scheme to be for a period of 7 to 10 years with an acceptable DSCR of 1.33:1. In case the resultant DSCR is less than 1.33:1, the gap (interest-free fund required) to achieve the stipulated DSCR should be indicated.
- (vi) Suitable provisions for strengthening the management, financial discipline and accountability, etc.

#### **APPOINTMENT OF WHOLE-TIME DIRECTOR OF THE COMPANY :**

Having regard to the amendment in the Companies Act, Shri P. M. Kavadia, who has been Chief Executive of the Company for a number of years, has been appointed "Whole-time Director" from 1st October, 1988 for a period of 3 years as per terms and conditions detailed in the Agreement executed with him. Although he has crossed the age of 65 years, he is physically fit and mentally agile for the post. As required by the Companies Act, Company would be obtaining Central Government's approval after taking approval of the Shareholders in the forthcoming Annual General Meeting.

Shri H. A. Shah, General Manager at Sameerwadi was appointed as Director (Works) of the Company by the Board of Directors in their meeting held on 17th September, 1988 for a period of 3 years with effect from 1st October, 1988, within the parameters fixed in Schedule XIII of the Companies Act, 1956. He has since resigned from the Company due to personal reasons.

#### **GENERAL :**

- (i) Three of your Directors viz. Shri K. J. Somaiya, Dr. S. K. Somaiya and Dr. B. V. Bhoota 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 amended provisions of Section 217(2A) of Companies Act, 1956 is attached as per Schedule 'B'.
- (iv) DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY ETC.

The particulars with respect to conservation of energy, etc. pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are set out in the statement annexed hereto which is forming part of this report.

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 21st June, 1989



# THE GODAVARI SUGAR MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT

Information in accordance with the Companies (Disclosure of Particulars, in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the period ended 31st March, 1989

Conservation of Energy/Technology absorption/Foreign Exchange earnings and Out Go:

### (A) CONSERVATION OF ENERGY :

#### (a) Energy conservation measures taken :

We have installed additional Vapour line juice heaters, Vapour Cell of adequate capacity and introduced dynamic juice heating system to achieve maximum steam economy in process steam consumption.

#### (b) Additional investment and proposal, if any, being implemented for reduction in consumption of energy:—No proposals are being contemplated at present.

#### (c) Impact of the measures at (a) and (b) above.

— The above measures have resulted in smooth process operations with continuous flow of steam.

#### (d) Total energy consumption and energy consumption per unit of production.

— Total consumption of power for the last three years has averaged 23 KN/qntl. well within the average for the Industry.

### ANNEXURE

### FORM 'A'

(See Rule 2)

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Period		Previous Year	
	1-10-1987 to 30-9-1988	Oct. '88 to March '89	1986-87	
<b>A. POWER AND FUEL CONSUMPTION :</b>				
<b>1. ELECTRICITY :</b>				
<b>(A) Purchased</b>				
Unit	KWH	6,95,411	5,71,522	8,52,120
Total Amount	RS	7,70,661	6,13,287	8,96,046
Rate/Unit	RS/KWH	1.11	1.07	1.05
<b>(B) Own Generation</b>				
<b>(1) Through Diesel Generator</b>				
Unit	KWH	54,049	11,124	52,800
Units per Ltr. of Diesel Oil	KWH	3.3	3.3	3.3
Cost Per Unit	RS/KWH	2.30	2.41	2.19
<b>(2) Through Steam Turbine Generator</b>				
Units	KWH	172,70,280	71,56,674	138,55,535
Units per Kg. of Bagasse	KWH	0.14	0.14	0.14
Cost/Unit	RS/KWH	0.72	0.72	0.72
<b>2. COAL (IInd GRADE)</b>				
Quantity	MT	771	352	579
Total Cost	RS	6,22,975	2,21,996	3,64,599
Average Rate	RS/MT	752	630	639

The steam coal is used for manufacture of lime only.



		Current Period		Previous Year
		1-10-1987	Oct. '88	1986-87
		to 30-9-1988	to March '89	
<b>3. FURNACE OIL :</b>				
Qty.	KL			
Total Amount	RS	NIL	NIL	NIL
Average Rate	RS			
<b>4. OTHER MATERIAL GENERATION</b>				
<b>FIRE WOOD</b>				
Quantity	MT	784.5	245.5	286
Total Cost	RS	5,03,415	1,88,645	1,28,493
Rate /Unit	RS/MT	641.63	768.43	449
<b>BAGASSE</b>				
Purchased	MT	—	421.45	—
Produced & Utilised for Power Generation	MT	1,20,446	49,650	97,317
Total Cost (At the Rate of Rs. 100/MT)	RS	1,20,44,600	50,07,100	97,31,700
Rate	RS/MT.	100	100	100
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>				
SUGAR :	KWH/QTLS.	24.6	23.0	25
Electricity	KWH	1,80,19,740	77,39,316	1,47,60,455
Furnace Oil		NIL	NIL	NIL
COAL (GRADE II) (used for Manufacture of lime only)	MT	771	352	579
Fire Wood	MT	784.5	245.5	286
Bagasse	MT	1,20,446	50,071.45	97,317

### (B) TECHNOLOGY ABSORPTION

#### FORM 'B'

#### RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D is carried out by the Company :

The Company has In-House R & D registered with Department of Scientific and Industrial Research. R & D activities are related to upgradation of process technology, product improvement, conservation of energy and water, recovery improvement and overall cost reduction.

2. Benefits derived as a result of above R & D :

R & D activities have helped in improving process control and steam economy and given better milling results and ensuring high quality sugar.

3. Future Plan of action :

In future, R & D EFFORTS WILL BE DIRECTED to adopt automatic process control system at different stations to reduce steam consumption, to increase crushing capacity and to reduce mill stoppages.



4. Expenditure on R & D :

(i) Capital	NIL
(ii) Recurring	3,87,451
(iii) Total	<u>3,87,451</u>
(iv) Total R & D expenditure as a Percentage of total turnover	<u>0.08%</u>

Technology absorption, adoption and innovation :

1. Efforts :-

- (i) R & D Unit has developed and adopted water management system which has reduced raw water consumption substantially and minimized effluent load.
- (ii) Designed and installed steam saving devices.
- (iii) Worked on optimization of imbibition, helped to adopt underfeeder rollers on all mills, installed lotus roller, and adopted modified cane knives to improve mill working.
- (iv) Developed new method to determine bagasse pol accurately.
- (v) Work on improvement in low grade boiling helped to achieve better results.
- (vi) Optimising dosages of clarificants.
- (vii) Regular flue gas analysis to optimize air fuel ratio.

2. Benefits :-

There has been overall improvement in milling results contributed to improve yield and quality of sugar.

3. We have not imported any technology.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

There has been no Foreign Exchange earnings during the period under Report. Out go of Foreign Exchange was equivalent to Rs. 20,996/- for import of Spares.

By Order of the Board of Directors,

**K. J. SOMAIYA**  
Chairman

BOMBAY : Dated 21st June, 1989



# THE GODAVARI SUGAR MILLS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 1989

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 (Auditor's Report) Order, 1988 in our opinion, and on the basis of such checks of books and records as we considered appropriate, and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:-

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 period and no material discrepancies were noticed.
2. The fixed Assets of the Company have not been revalued during the year.
3. Physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials and no material discrepancies have been noticed on such physical verification as compared to book records. The procedures followed by the Management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business. On the basis of our examination, we are satisfied that the valuation of these stocks is fair and proper in accordance with normally accepted accounting principles applied on the same basis in the previous 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 or covered by the definition of Companies under the same Management under Section 370(1B) of the Companies Act, 1956.
5. There have been no loans to any Company, firm and other parties. However, Company has placed Fixed Deposit of Rs. 4 lacs with Testeels Ltd, Ahmedabad. There is no recovery either of principal or interest since the date of deposits. We are informed that Testeels Ltd has been declared 'Sick Industrial Company' by BIFR under Sick Industrial Companies (Special Provision) Act, 1985.
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 and for the sale of goods.
7. According to information and explanation given to us, there have been no transactions of purchases of goods and materials and sale of goods, materials and services, made pursuance of contracts or arrangements entered in the register(s) maintained under section 301 of the Companies Act, 1956, and aggregating during the period to Rs. 50,000/- or more in respect of each party.
8. Reasonable provision has been made in the Accounts for unserviceable or damaged stores, raw material and finished goods.
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 and scrap.



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.
14. According to information and explanation given to us and records examined by us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty outstanding for a period exceeding six months from the date they become payable.
15. No personal expenses have been charged to revenue Account.
16. The Company has been declared as Sick Industrial Undertaking by B.I.F.R. vide its order passed on 26th April, 1988 and an Operating Agency has been appointed for preparing a revival package vide order passed on 9th March, 1989.

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 explanation given to us the said Balance Sheet and Profit & Loss Account subject to Note No. 2 regarding arrears of Depreciation, Note No. 5 regarding non-provision of Bonus, Note No. 6 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 21st June, 1989



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1987	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	
<u>3,00,00,000</u>				<u>3,00,00,000</u>
	<b>ISSUED AND SUBSCRIBED CAPITAL :</b>			
2,00,00,000	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	18,509	7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after giving three months' notice of the intention to redeem the same. .. .. .	18,50,950	
<u>2,18,50,950</u>				<u>2,18,50,950</u>
	<b>II. RESERVES AND SURPLUS :</b>			
	<b>(A) GENERAL RESERVE :</b>			
68,64,612		As per Last Balance Sheet .. .. .	68,64,612	
—		Add: Development Rebate Reserve of period beyond 8 years transferred .. .. .	42,72,617	
—		Add: Storage fund for Molasses transferred ..	40,39,812	
<u>68,64,612</u>			<u>1,51,77,041</u>	
68,64,612		Less: Shown as deduction from Profit & Loss Account as per Contra .. .. .	1,51,77,041	
—				
42,72,617		<b>(B) DEVELOPMENT REBATE RESERVE :</b>		
—		As per Last Balance Sheet .. .. .	42,72,617	
—		Less: Transferred to General Reserve .. .. .	42,72,617	
<u>42,72,617</u>				
36,04,312		<b>(C) STORAGE FUND FOR MOLASSES :</b>		
4,35,500		As per Last Balance Sheet .. .. .	40,39,812	
—		Add: Transferred from Profit and Loss Account ..	—	
<u>40,39,812</u>			<u>40,39,812</u>	
40,39,812		Less: Transferred to General Reserve .. .. .	40,39,812	
—				
—		<b>(D) INVESTMENT ALLOWANCE RESERVE :</b>		
—		Created during the period .. .. .	4,25,000	
<u>83,12,429</u>				<u>4,25,000</u>
<u>3,01,63,379</u>		Carried Over		<u>2,22,75,950</u>



# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1989

As per 31st Sept. 1987	ASSETS	
Rupees		Rupees
	<b>I. FIXED ASSETS : (At Cost or Book Value) :</b>	
16,41,50,651	Gross Block .. .. .	16,68,34,398
4,02,65,994	Less: Depreciation Written off Upto 31st March, 1989 .. .. .	5,16,70,572
12,38,84,657	Net Depreciated Block as per Schedule "A" attached	11,51,63,826
20,83,500	Capital Work-in-Progress .. .. .	3,51,083
12,59,68,157		11,55,14,909
	<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 and Finance Corporation Limited of Rs. 100/- each Rs. 50/- paid up per Share .. .. .	1,00,000
	(B) OTHER INVESTMENTS :	
	(i) 38,040 Equity Shares of Somaiya Organics (India) Ltd., of face value of Rs. 100/- each 38,04,000	
38,04,000	Less: 21,550 Shares sold during the period .. .. . 21,55,000	
	16,490	16,49,000
7,861	(16,490 Shares are lying with New India Assurance Co. Ltd.)	
	(ii) 77 Equity Shares of Rs. 100/- each fully paid-up of Sugar Selling Agency Private Limited .. .. . 7,861	
	Less: Sold during the period .. .. . 7,861	
7,861		
	(iii) One Ordinary Share of Maharashtra State Co-operative Bank Ltd., of Rs. 50/- fully paid-up .. .. .	78
78		
2,500	(iv) National Defence Certificate Deposited with Electricity Department, Bhopal .. .. .	2,500
70,600	(v) 7 Years National Savings Certificates (Deposited with Excise Department, Mudhol) .. .. .	66,200
1,500	(vi) National Savings Certificates Deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur .. .. .	1,500
39,86,539		
12,59,68,157	Carried Over	18,19,278
		11,55,14,909



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1987	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
3,01,63,379	Brought Forward			2,22,75,950
	<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	5,14,51,670		
5,23,92,024				
	(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 .. .. .	5,54,13,228		
3,62,96,857	(ii) Union Bank of India .. .. .	6,00,74,700		
3,64,83,449				
		11,54,87,928		
7,27,80,306				
12,51,72,330				16,69,39,598
	<b>NOTES :</b>			
	(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.			
	(c) Term Loan Secured against Joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situated at Sakarwadi ( Kanhegaon ), Lakshmiwadi (Kopergaon) in the State of Maharashtra and 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.			
	(i) Bank of India .. .. .	4,31,93,126		
4,58,45,686	(ii) Vijaya Bank .. .. .	3,50,229		
11,79,887				
4,70,25,573				4,35,43,355
	(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)			
95,90,702				78,14,678
	(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)			
19,77,526				52,51,309
18,37,66,131				
3,01,63,379	Carried Over		22,35,48,940	2,22,75,950



# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1989

As at 30th Sept. 1987	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,59,68,157	Brought Forward		18,19,278	11,55,14,909
39,86,539				
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	
		<i>Cost</i>	<i>Market Value</i>	
	Aggregate quoted Investments	16,49,000	12,53,240	
	Aggregate Unquoted Investments	1,73,273	1,73,273	
39,89,534		18,22,273	14,26,513	18,22,273
<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 a Director)		1,88,15,651	
1,55,03,786				
24,57,610	In Transit		5,51,164	
1,79,61,396				1,93,66,815
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)			
4,88,66,230	(a) Sugar at Realised/Realisable Value		13,95,09,164	
—	(b) Sugar in Process		33,83,450	
9,202	(c) Stock of Grains, Cotton, etc. at Market Rate		41,168	
30,515	(d) Crop-in-Progress		16,193	
2,01,062	(e) Molasses at Controlled Rate		2,51,833	
4,91,07,009				14,32,01,808
6,70,75,679				
12,99,57,691	Carried Over		16,25,75,897	11,73,37,182



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1987	LIABILITIES (Contd.)		
Rupees	Rupees	Rupees	Rupees
3,01,63,379	Brought Forward	22,35,48,940	2,22,75,950
18,37,66,131			
20,00,000	(e) 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	
22,32,483	(f) Interest accrued and due on above .. .. .	40,000	
1,62,63,613	(g) 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) .. .. .	94,44,013	
20,42,62,227			23,50,32,953
	<b>IV. UNSECURED LOANS :</b>		
2,53,18,179	Cane Purchase Tax Loan from Karnataka & Maharashtra Governments .. .. .		2,27,02,578
	<b>V. CURRENT LIABILITIES AND PROVISIONS</b>		
	<b>(A) CURRENT LIABILITIES :</b>		
7,63,51,062	(i) Sundry Creditors .. .. .	12,35,02,183	
3,30,276	(ii) Advances from Customers against Sale of Land .. .. .	3,30,276	
—	(iii) Advances from Customers against Sale of Machineries .. .. .	50,00,000	
24,10,975	(iv) Security Deposit from Bagaitdars .. .. .	24,10,525	
4,878	(v) Security Deposit from Customers .. .. .	4,878	
33,70,889	(vi) For Taxation (Agriculture Income Tax) .. .. .	11,95,759	
1,99,122	(vii) Due to Partnership firm of Khanapur Farms .. .. .	—	
73,557	(viii) Due to Managing Director .. .. .	—	
—	(ix) Due to Wholetime Director .. .. .	42,000	
11,99,138	(x) Interest Accrued but not due on Loan .. .. .	15,06,607	
8,39,39,897		13,39,92,228	
	<b>(B) PROVISION :</b>		
1,00,000	Provision for Wealth Tax .. .. .	1,25,000	
46,600	Less : Paid .. .. .	59,415	
53,400			65,585
8,39,93,297			13,40,57,813
34,37,37,082	Carried Over		41,40,69,294



# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1989

As at 30th Sept. 1987	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,99,57,691	Brought Forward		16,25,75,897	11,73,37,182
6,70,75,679				
	(iv) Sundry Debtors (unsecured and considered good except otherwise stated) .. .. .			
21,62,377	(a) Debts Outstanding for more than six months .. .. .	30,45,806		
43,233	(b) Considered Doubtful .. .. .	43,233		
22,05,610		30,89,039		
43,233	Less : Provision for Doubtful Debts .. .. .	43,233		
21,62,377		30,45,806		
54,34,754	(c) Other Debts .. .. .	62,95,062		
75,97,131			93,40,868	
	(v) CASH AND BANK BALANCES :			
	Cash, Cheques and Drafts on hand and in transit (including stamps on hand Rs. 51,342 and Rs. 50,00,000/- in Transit) .. .. .	61,62,767		
25,24,184				
	In Current Account with Scheduled Banks (including Rs. 50 lacs in a separate Account, received as Advance against Sale of Plant and Machinery of Lakshmiwadi Factory) ..	1,26,26,776		
17,63,584				
	In Current Account with non-Scheduled Banks :			
	(a) Madhavpura Mercantile Co-Operative Bank Ltd., Bombay (Maximum Debit Balance during the year Rs. 4,301/- previous year Rs. 4,301/-) .. .. .	436		
4,301	(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. 10,83,939/- Previous Year Rs. 8,19,326/-) .. .. .	28,920		
8,136				
12,538		29,356		
	Fixed Deposits with Scheduled Bank (Lodged with Excise Department Mudhol) .. .. .	5,000		
5,000				
	Fixed Deposits with Scheduled Banks (Under lien for the Guarantees) .. .. .	1,58,20,226		
1,28,00,071				
14,91,770	Accrued Interest on above .. .. .	8,93,197		
1,85,97,147			3,55,37,322	
9,32,69,957				
12,99,57,691	Carried Over		20,74,54,087	11,73,37,182



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1987	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
34,37,37,082	Brought Forward			41,40,69,294
	<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 31-3-1989 .. .. .	20,84,540		23,02,990
	(iv) In respect of Guarantee given by the Company for repayment of Agricultural Loans given by the Bank of Baroda to Cane Cultivators .. .. .	1,89,121		1,95,998
	(v) In respect of Counter-Guarantees given by the Company in favour of Banks in lieu of guarantees given by them 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 .. .. .	2,27,07,970		2,27,07,970
	(vi) In respect of Interest on Cash Credit Account for Sakarwadi/Lakshmiwadi Factories not charged by the Bank for the present for the period 1-1-86 to 31-3-1989 .. .. .	1,66,23,454		3,72,10,367
<u>34,37,37,082</u>	Total Rupees			<u>41,40,69,294</u>

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner



# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1989

As at 30th Sept. 1987	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,99,57,691	Brought Forward		20,74,54,087	11,73,37,182
9,32,69,957				
	<b>(B) LOANS AND ADVANCES:</b>			
	(Unsecured and considered good except otherwise stated)			
21,89,125	Loans to Others .. .. .	4,00,000		
5,31,556	Interest Accrued on above	—		
27,20,681		4,00,000		
9,356	Considered Doubtful .. .. .	—		
27,30,037		4,00,000		
9,356	Less: Provision for Doubtful Loans .. .. .	—		
27,20,681			4,00,000	
	Loans to Subsidiary Company of which the Company is a Holding Company:-			
65,731	Godavari Investment & Finance Corporation Ltd. .. .. .	6,50,369		
8,95,374	Accrued Interest .. .. .	3,807		
9,61,105			6,54,176	
34,44,114	Interest on Deferred Payment under IDBI Scheme		32,85,907	
	Advances Recoverable in Cash or Kind or for value to be received (Including Advances to the Officers of the Company Rs. 9,495/- (Maximum Debit Balance during the year Rs. 2,33,184/-). Amount in dispute Rs. 67,11,737/- and paid to Banks in respect of Defaulting Cultivators for Agriculture Finance facilities under Company's Guarantees Rs. 3,93,385/-) .. .. .			
3,99,72,537	Considered Doubtful .. .. .	3,81,65,086		
64,126		64,126		
4,00,36,663	Less: Provision for Doubtful Advances .. .. .	3,82,29,212		
64,126		64,126		
3,99,72,537			3,81,65,086	
17,07,298	Income-tax deducted at source from Interest ..		10,86,490	
52,26,063	Deposit with High Court & Others .. .. .		56,73,586	
98,962	Due from Partnership Firm of Lakh Farms ..		—	
14,74,00,717				25,67,19,332
	<b>MISCELLANEOUS EXPENDITURE:</b>			
7,32,43,286	Profit and Loss Account .. .. .		5,51,89,821	
68,64,612	Less: Deducted from General Reserve as per Contra .. .. .		1,51,77,041	
6,63,78,674				4,00,12,780
34,37,37,082	Total Rupees:			41,40,69,294

BOMBAY : Dated 21st June, 1989

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. K. SOMAIYA  
M. R. SHROFF  
N. C. SAYTA

B. V. BHOOTA  
P. M. KAVADIA  
(Whole-time Director)  
N. B. HADKER  
K. PERSHAD

Directors



# THE GODAVARI SUGAR

## Schedule of Fixed Assets Attached to and

### Schedule 'A'

PARTICULARS	Gross Block as on 1st October, 1987	Additions during the Year	Deduction for Sale during the year	Gross Block as on 31st March, 1989
(1)	(2)	(3)	(4)	(5)
	26,63,377	58,806	27,550	26,94,633
Freehold Land (Book Value) .. .. .	2,38,925	—	—	2,38,925
Leasehold Land Development Expenses .. .. .	12,000	—	—	12,000
Leasehold Premium on Garage .. . . .	2,49,30,422	1,28,857	—	2,50,59,279
Building & Pucca Quarters at Factories .. .. .	8,48,973	—	—	8,48,973
Temporary Quarters .. .. .	2,38,768	—	—	2,38,768
Temporary Quarters at Farms .. .. .	2,18,633	—	—	2,18,633
Pucca Quarters at Farms .. .. .	10,98,50,005	5,28,117	1,36,810(*)	11,02,41,312
General Machinery (Book Value) .. .. .	60,38,179	3,11,697(*)	—	63,49,876
Electrical Machinery .. .. .	34,06,522	—	—	34,06,522
Agricultural Machinery (Book Value) .. .. .	92,974	—	—	92,974
Locomotives .. .. .	13,30,134	—	—	13,30,134
Electrical Installation & Fittings .. .. .	28,96,552	51,391(*)	—	29,47,943
Furniture & Office Equipments .. .. .	16,78,646	—	—	16,78,646
Weigh Bridges .. .. .	6,28,058	—	—	6,28,058
Trolley Lines .. .. .	1,26,075	—	—	1,26,075
Railway Siding .. .. .	26,00,879	13,49,635	—	39,50,514
Molasses & Other Storage Tanks .. .. .	24,96,483	1,13,008	—	26,09,491
Motor Cars, Lorries & Cycles (Book Value) .. .. .	3,88,416	—	—	3,88,416
Carts & Trucks (Book Value) .. .. .	2,02,945	—	—	2,02,945
Laboratory Apparatus .. .. .	17,38,744	2,95,298	—	20,34,042
Roads & Drainage & Tube Wells .. .. .	2,17,663	11,298	—	2,28,961
Dead Stock .. .. .	7,758	—	—	7,758
Library .. .. .	363	—	—	363
Medical Instruments .. .. .	12,03,771	—	—	12,03,771
Irrigation Lifts .. .. .	95,386	—	—	95,386
Live Stock .. .. .				
<b>Total Rupees .. .. .</b>	<b>16,41,50,651</b>	<b>28,48,107</b>	<b>1,64,360</b>	<b>16,68,34,398</b>

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 31st March, 1989

Depreciation Written off Upto 30th September, 1987	Depreciation Provided/ Amount Written off during the period	Total Depreciation Upto 31st March, 1989	Net Depreciated Block as at 31st March, 1989	Net Depreciated Block as at 30th September, 1987
(6)	(7)	(8)	(9)	(10)
—	—	—	26,94,633	26,63,377
—	—	—	2,38,925	2,38,925
9,100	450	9,550	2,450	2,900
30,96,794	10,21,308	41,18,102	2,09,41,177	2,18,33,628
2,28,272	23,224	2,51,493	5,97,480	6,20,701
1,52,246	—	1,52,246	86,522	86,522
78,556	—	78,556	1,40,077	1,40,077
2,58,54,451	91,80,759	3,50,35,210	7,52,06,102	8,39,95,554
21,16,816	3,26,519	24,43,335	39,06,541	39,21,363
31,67,448	2,916	31,70,364	2,36,158	2,39,074
86,792	—	86,792	6,182	6,182
2,09,547	49,428	2,58,975	10,71,159	11,20,587
7,57,669	99,136	8,56,805	20,91,138	21,38,883
5,10,664	1,57,129	6,67,793	10,10,853	11,67,982
5,86,128	—	5,86,128	41,930	41,930
1,08,145	—	1,08,145	17,930	17,930
1,72,011	3,93,858	5,65,869	33,84,645	24,28,868
8,89,234	65,181	9,54,415	16,55,076	16,07,249
3,07,351	1,662	3,09,013	79,403	81,065
59,059	10,064	69,123	1,33,822	1,43,886
7,72,642	47,657	8,20,299	12,13,743	9,66,102
66,964	17,589	84,553	1,44,408	1,50,699
5,490	—	5,490	2,268	2,268
347	—	347	16	16
9,48,097	7,701	9,55,798	2,47,973	2,55,674
82,171	—	82,171	13,215	13,215
4,02,65,994	1,14,04,578	5,16,70,572	11,51,63,826	12,38,84,657

(\*) General Machinery of Rs. 73,849/- has been transferred to Electrical Machinery Rs. 62,551/- and Dead Stock Rs. 11,298/-

BOMBAY : Dated 21st June, 1989

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. K. SOMAIYA  
M. R. SHROFF  
N. C. SAYTA

B. V. BHOOTA  
P. M. KAVADIA  
(Whole-time Director)  
N. B. HADKER  
K. PERSHAD

Directors



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1987		Rupees	Rupees
	To Opening Stock on 1st October, 1987		
4,21,58,426	.. Sugar .. .. .	4,88,66,230	
2,01,062	.. Molasses .. .. .	2,01,062	
4,23,59,488			4,90,67,292
	Agriculture Section :		
1,13,910	.. Salaries and Wages .. .. .	1,26,178	
1,500	.. Bonus .. .. .	1,000	
17,259	.. Stores inclusive of Seeds and Manures .. ..	21,276	
20,859	.. Irrigation Rates and Taxes .. .. .	23,088	
—	.. Electricity Charges .. .. .	6,243	
7,137	.. Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram and Travelling Expenses) .. .. .	1,462	
1,076	.. Depreciation .. .. .	2,611	
6,972	.. Legal Charges .. .. .	—	
1,68,713			1,81,858
17,01,24,086	.. Locally Purchased Cane (includes Rs. 1,98,46,300/- of earlier years) .. .. .		36,01,34,320
1,04,93,362	.. Salaries and wages (after deducting Rs. 51,19,594/- Charged to Repairs & Other relevant heads) .. ..	2,34,33,759	
19,91,543	.. Bonus to Employees .. .. .	50,21,453	
1,18,345	.. Company's Contribution to Employees Family Pension Fund Scheme .. .. .	2,23,375	
1,47,344	.. Contribution to Provident Fund of the Company and Administrative Charges .. .. .	1,99,854	
23,35,213	.. Gratuity .. .. .	54,64,706	
—	.. Group Gratuity Insurance Premium .. .. .	13,21,306	
7,45,868	.. Company's Contribution to Government Provident Fund and Administrative Charges .. .. .	14,40,886	
1,58,31,675			
21,26,52,287	Carried Over	3,71,05,339	40,93,83,470



# MILLS LIMITED, BOMBAY

THE PERIOD ENDED 31ST MARCH, 1989

For the year ended 30th Sept. 1987		Rupees	Rupees	Rupees
	By SALES :			
28,59,10,153	.. Sugar .. .. .		47,66,76,208	
19,59,750	.. Molasses .. .. .	73,03,888		
4,35,500	.. Less : Transferred to Molasses Storage Fund .. ..	—		
15,24,250			73,03,888	
28,74,34,403				48,39,80,096
31,38,575	.. Sundry Receipts .. .. .			54,35,316
5,17,178	.. Income from Immovable Property .. .. .			8,71,254
2,80,601	.. Sundry Receipts being Market Value of Farm Produce etc. .. .. .			1,09,346
242	.. Dividend .. .. .			5
—	.. Share in Profit of Partnership Firms .. .. .			1,51,477
	.. INTEREST :			
5,76,364	.. On Loans and Others .. .. .		11,96,503	
—	.. On 7 Years National Savings Certificates .. .. .		2,215	
4,153	.. From Subsidiary Company .. .. .		3,807	
12,91,657	.. On Fixed Deposits & Others .. .. .		21,52,780	
18,72,174				33,55,305
2,41,823	.. Sundry Credit Balances Written back .. .. .			4,56,794
17,034	.. Claims and Refund .. .. .			19,769
5,01,681	.. Rebate on Excise Duty .. .. .			29,90,232
4,428	.. Profit on Sale of Agricultural Lands/Assets .. .. .			2,64,949
9,556	.. Excess Provision on Agri. Finance Written back .. ..			—
29,40,17,695				49,76,34,543

Carried Over



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1987		Rupees	Rupees
21,26,52,287	Brought Forward	3,71,05,339	40,93,83,470
1,58,31,675			
67,332	To Contribution to Deposit Linked Insurance Fund and Administrative Charges .. .. .	1,13,639	
7,38,555	.. Workmen and Staff Welfare Expenses .. .. .	13,48,378	
—	.. Workmen Compensation .. .. .	19,573	
1,66,37,562		<hr/>	3,85,86,929
38,94,236	.. Stores, Chemicals & Spare Parts .. .. .		72,50,405
8,42,287	.. Power and Fuel .. .. .		26,52,593
69,80,983	.. Repairs to Plant & Machinery (Inclusive of Salaries & Wages Rs. 14,93,349/- Previous Year Rs. 10,64,944/-)	1,58,95,610	
3,44,910	.. Repairs to Buildings (Inclusive of Salaries & Wages Rs. 2,95,646/- Previous Year Rs. 1,61,420/-) .. .. .	9,50,363	
1,10,481	.. Other Repairs (Inclusive of Salaries and Wages Rs. 21,873/- Previous Year Rs. 21,402/-) .. .. .	3,53,477	
74,36,374		<hr/>	1,71,99,450
1,12,51,984	.. Sugar Cane Purchase Tax .. .. .		2,00,85,415
6,87,333	.. Insurance Premium .. .. .		14,65,445
2,50,07,788	.. Excise Duty on Sugar .. .. .	3,93,14,248	
6,53,250	.. Excise Duty on Molasses .. .. .	28,94,580	
—	.. Excise Duty on Job Work .. .. .	1,403	
2,871	.. Excise Duty on Tariff Item No. 68 .. .. .	110	
2,56,63,909		<hr/>	4,22,10,341
79,90,108	.. Sugar Development Cess .. .. .		1,25,47,528
66,27,645	.. Packing and Forwarding .. .. .		1,20,22,391
2,07,951	.. Rent .. .. .		2,95,522
3,42,965	.. Rates and Taxes .. .. .		6,24,239
—	.. Loss on Sale of Stores Materials .. .. .		1,00,600
4,25,953	.. Brokerage and Commission (inclusive of Guarantee Commission of Rs. 5,82,170/- Previous year Rs. 4,20,649/-) .. .. .		5,82,170
35,79,684	.. Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram, Telephone Charges, Motor Car Maintenance etc.) .. .. .		72,48,842
—	.. Additional Sales Tax .. .. .		7,713
29,82,40,278	Carried Over		<hr/> 57,22,63,053



# MILLS LIMITED, BOMBAY

THE PERIOD ENDED 31ST MARCH, 1989

<i>For the year ended 30th Sept. 1987</i>		Rupees	Rupees
29,40,17,695	Brought Forward		49,76,34,543
	.. Stock in Trade (as taken, valued and certified by a Director)		
4,88,66,230	.. Sugar at Realised/Realisable Value .. .. .	13,95,09,164	
—	.. Sugar in Process at Cost .. .. .	33,83,450	
2,01,062	.. Molasses at Controlled Rate .. .. .	2,51,833	
4,90,67,292		<u>                    </u>	14,31,44,447
<u>34,30,84,987</u>	Carried Over		<u>64,07,78,990</u> ✓



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1987		Rupees	Rupees
29,82,40,278	Brought Forward		57,22,63,053
	To INTEREST :		
1,69,09,803	Cash Credit Accounts .. .. .	2,68,30,202	
82,07,678	Fixed Loans .. .. .	1,25,77,995	
2,06,063	Fixed Deposits .. .. .	3,08,589	
1,20,000	Debentures .. .. .	1,80,000	
34,156	Other Loans .. .. .	1,33,527	
—	Deferred Payment guarantee facility .. .. .	1,58,207	
2,54,77,700			4,01,88,520
7,200	.. Directors' Fees .. .. .		8,400
1,26,736	.. Directors' Travelling Expenses .. .. .		2,58,830
22,150	.. Managing Director's Remuneration .. .. .		—
—	.. Whole-time Director's Remuneration .. .. .		72,000
73,557	.. Gratuity to Managing Director .. .. .		—
—	.. Charity and Donation .. .. .		14,144
	.. PAYMENT TO AUDITORS :		
12,500	.. Audit Fees .. .. .	21,500	
5,000	.. Tax Audit Fees .. .. .	7,500	
1,024	.. Auditors' Travelling Expenses .. .. .	674	
18,524			29,674
28,41,922	.. Agricultural Development Expenses (inclusive of Salaries & Wages Rs. 27,03,860/- Previous Year Rs. 16,32,060/-) .. .. .		42,77,563
—	.. Contribution to Scientific Research Institution .. .. .		2,00,000
3,35,837	.. Expenses on Scientific Research .. .. .		3,87,451
4,25,847	.. Legal Expenses .. .. .		8,57,897
13,46,462	.. Loss on Sale of Shares .. .. .		5,16,976
2,55,067	.. Loss on Sale of Assets .. .. .		—
300	.. Premium on Leasehold Garage Written Off .. .. .		450
1,38,46,741	.. Depreciation .. .. .		1,14,01,517
10,163	.. Sundry Debit Balance Written Off .. .. .		12,85,042
25,000	.. Provision for Wealth Tax .. .. .		25,000
—	.. Investment Allowance Reserve .. .. .		4,25,000
31,503	.. Balance being Profit for the period .. .. .		85,67,473
34,30,84,987	Total Rupees		64,07,78,990



# MILLS LIMITED, BOMBAY

THE PERIOD ENDED 31ST MARCH, 1989

<i>For the year ended 30th Sept. 1987</i>		
<i>Rupees</i> 34,30,84,987	Brought Forward	<i>Rupees</i> 64,07,78,990
<u>34 30 84 987</u>	Total Rupees	<u>64,07,78,990</u>



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1987		Rupees	Rupees	Rupees
7,32,74,789	To Balance of Loss Brought Forward from Last Year's Balance Sheet .. .. .			7,32,43,286
	.. Income Tax Refund Wrongly Credited to Profit & Loss Account in 1974-75 .. .. .			2,97,728
	<b>NOTE :</b>			
	Computation of Managing Director's/Whole-time Director's Commission is as follows :			
	Net Profit (Loss) as per Profit & Loss Account .. .. .		85,67,473	
	<i>Add :</i>			
22,150	(i) (Managing Director's)/Whole-time Director's Remuneration ..	72,000		
73,557	(ii) (Managing Director's Gratuity) ..	N.A.		
1,38,48,117	(iii) Depreciation Provided .. .. .	1,14,04,578		
25,000	(iv) Provision for Wealth Tax .. .. .	25,000		
<u>1,39,68,824</u>				<u>1,15,01,578</u>
<u>1,40,00,327</u>				<u>2,00,69,051</u>
	<i>Less</i>			
1,52,21,304	(i) Depreciation to the extent specified in Section 350 of Companies Act, 1956 .. .. .	1,14,04,578		
<u>15,00,000</u>	(ii) Estimated Liability of Bonus .. .. .	<u>10,00,000</u>		
<u>1,67,21,304</u>				<u>1,24,04,578</u>
<u>(27,20,977)</u>				<u>76,64,473</u>
<u>—</u>	Commission @ 1% of the Net Profit (Limited to Rs. 30,000/- as per Agreement)			<u>76,645</u>
	<b>Total Managerial Remuneration:-</b>			
20,250	Remuneration .. .. .			1,11,000
1,689	Company's Contribution to Provident Fund .. .. .			9,250
3,250	Perquisites .. .. .			<u>—</u>
<u>25,189</u>				<u>1,20,250</u>
	N.A. : Not Applicable			
	(Managing Director's) pertains to previous year.			
<u>7,32,74,789</u>	<b>Total Rupees</b>			<u>7,35,41,014</u>

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

BOMBAY : Dated 21st June, 1989



# MILLS LIMITED, BOMBAY

THE PERIOD ENDED 31ST MARCH, 1989

<i>For the year ended 30th Sept. 1987</i>		Rupees
<i>Rupees</i>		
31,503	By Balance being Profit brought Forward from Profit and Loss Account .. .. .	85,67,473
—	.. Excess Liability for Agriculture Income Tax Written back	21,27,130
—	.. Refund of Electricity charges of earlier period ..	3,09,216
—	.. Excess Provision for Additional Cane Price of earlier year written back .. .. .	73,47,374
7,32,43,286	.. Balance Carried to Balance Sheet .. .. .	5,51,89,821
<u>7,32,74,789</u>	Total Rupees	<u>7,35,41,014</u>

BOMBAY : Dated 21st June, 1989

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. K. SOMAIYA  
M. R. SHROFF  
N. C. SAYTA

B. V. BHOOTA  
P. M. KAVADIA  
(Whole-time Director)  
N. B. HADKER  
K. PERSHAD

} Directors



# THE GODAVARI SUGAR

## NOTES FORMING PART OF ACCOUNTS FOR

- NOTES :**
- (1) Partnership Firms of Somaiya Farms, Lakh and Khanapur in which Company was a Partner and in which there was no activity since 1976-77, have been dissolved and the effect of Loss/Profit has been given in the Accounts of the Company for period under report as per the Profit and Loss Account of these two firms.
  - (2) Depreciation of Rs. 1,14,04,578/- for the Current Year has been provided as per rates prescribed under Schedule XIV of the Companies Act, 1956. The arrears of Depreciation are Rs. 8,32,10,432/- upto 30-9-1987.
  - (3) Income Tax Assessments upto Accounting Year ending 30-9-87 (Upto Asst. Year 1988-89) have been completed and no demand is outstanding. Wealth Tax Assessment for Accounting year 1984-85 (First year after the Wealth Tax Act was made applicable to Certain Assets of closely held companies) has been completed, according to which Balance demand of Rs. 1,18,602/- has been raised which has not been provided in the books as the same has been disputed and appeal has been filed.
  - (4) No Provision has been made in respect of Balance Carried Forward Loss of Rs. 18,090/- as on 31st March, 1989 of Godavari Investment and Finance Corporation Limited, a 100% subsidiary of the Company.
  - (5) 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 period under report according to Bonus Act comes to about Rs. 10 Lacs.
  - (6) The total Liability as on 31-3-1989 for accrued gratuity to employees of Sameerwadi and Head Office under the Payment of Gratuity Act, 1972 as per the Actuary's Certificate is Rs. 52,34,866/-. The Gratuity liability for Sakarwadi/Lakshmiwadi factories works out to Rs. 7,87,982/-. The Gratuity liabilities have been covered under the Policies with Life Insurance Corporation of India.
  - (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 Petitions filed by the workers as also by the Company against G.R. Dated 9th December, 1985 of Government of Maharashtra in the matter of Co-operativisation of Company's Sakarwadi/Lakshmiwadi Factories in Maharashtra is pending. Since the date of approval of the Accounts for the year ending 30-9-1987, no interim order having material effect has been passed by the Supreme Court.
  - (8) Demand of Maharashtra State Electricity Board for Rs. 6,99,827/- for Electricity charges on Sakarwadi and Lakshmiwadi Factories for the period January 1986 to March 1987 has not been provided as the Company contends that from November, 1984 onwards, the factories were handed over to Joint Management Committees appointed by Government of Maharashtra for Co-operativisation, who have to pay this liability.
  - (9) Civil Suits filed for recovery of Cane dues/interest by M/S. Satpuda Tapi Parasar S. S. K. Ltd. for Rs. 3.01 lacs in Sr. Division Court at Dhulia and by Shri Dynaneshwar S.S.K. Ltd. for Rs. 3.49 lacs in Co-operative Court at Shrirampur are pending.
  - (10) Application No. 484 of 1986 filed in High Court of Bombay under Provisions of Companies Act, 1956 by Maharashtra State Farming Corporation Ltd., has been dismissed by the High Court vide order dated 28th June, 1986. The Company's request to Maharashtra Government for waiver of interest charged by Maharashtra State Farming Corporation Limited is under consideration of the Government. Hence Company has not made provision for Rs. 55.73 lacs towards interest charged by the Corporation.

**(11) Break up of Expenditure on Employees :**

	<i>Number</i>	<i>Salary, Bonus &amp; Allowances</i>	<i>Contribution to Provident Fund &amp; Other Fund</i>
(a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 72,000/- per annum and Rs. 1,08,000 for the period of 18 months ( <i>Previous year Rs. 36,000/- per annum</i> )	4	4,56,130	32,580
	(45)	(18,98,852)	(1,22,001)
(b) Employees of the Company who are in receipt of or entitled to receive emoluments amounting to Rs. 6,000/- per mensem for part of the year ( <i>Previous year Rs. 3,000/- per mensem</i> )	1	52,000	4,331
	(9)	(1,98,082)	(12,136)

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



# MILLS LIMITED, BOMBAY

THE PERIOD ENDED 31ST MARCH, 1989

(12) 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	11,772.9 (10,402.7)	5,50,22,206 (4,21,58,426)	1,06,761.20 (58,998.8)	653.300 (556.4)	89,625.20 (57,072.2)	47,66,76,208 (28,59,10,153)	28,255.6 (11,772.9)	14,28,92,614 (5,50,22,206)
Molasses	(*) 8,368.573 (8,321.988)	2,01,062 (2,01,062)	42,342.127 (21,821.575)	2,736.780(*) (—)	41,860.000 (21,775)	73,03,888 (19,59,750)	6,113.916 (8,368.573)	2,51,833 (2,01,062)

Notes:- (1) Figures in bracket pertain to Previous year.

(2) (a) Out of Opening Stock of Molasses at Sameerwadi, a quantity of 2783.520 tonnes was in sludge form and not saleable. With the permission from Government 2736.780 tonnes were destroyed.

(b) Similarly balance quantity of 5585.053 tonnes at Lakshmiwadi lying since four years in Kutcha Pit although valued at Rs. 2,01,062/- is also in sludge form and not saleable. The same will be written off after obtaining permission from Government.

## Raw Materials Purchased and Consumed:

	Quantity Purchased & Consumed (M.T.)	Value Rs.	Previous year Quantity Purchased & Consumed (M.T.)	Value Rs.
Sugarcane	10,04,550	36,01,34,320	5,68,145	17,01,24,086
<b>Stores &amp; Spares Consumed:</b>				
		Value		%
Imported		64,165	—	—
Indigenous		71,86,240	38,94,236	100
		72,50,405	38,94,236	100

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

	Purchased	Previous year
(i) Raw Materials	Nil	Nil
(ii) Stores and Spares	20,996	Nil
(iii) Capital Goods	Nil	Nil
(13) Expenses incurred in Foreign Currency	Nil	Nil

(14) Figures for the Current Period are for 18 months against 12 Months of the Previous year. Hence the same are not comparable. Figures of Previous year have been recast wherever necessary.

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 21st June, 1989

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. K. SOMAIYA  
M. R. SHROFF  
N. C. SAYTA

B. V. BHOOTA  
P. M. KAVADIA  
(Whole-time Director)  
N. B. HADKER  
K. PERSHAD

Directors



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE PERIOD ENDED  
31ST MARCH, 1989

## 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 period from 1-10-1987 to 31-3-1989 under review and were in receipt of remuneration for the period in the aggregate of not less than Rs. 1,08,000/-.
- (b) Employees of the Company who were employed for a part of the period under review and were in receipt of remuneration at a rate which in the aggregate was not less than Rs. 6,000/- per month.

### (a) EMPLOYED THROUGHOUT THE PERIOD 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	70	Chief Executive (Whole time Director w.e.f. 1-10-1988)	1,29,053	Permanent	As per Company's Rules	M.A., LL.B. About 43 Years	1-9-1963	Manager, Narsee Nagsee & Co.,
2.	Shri J. N. Patel	65	General Manager	1,16,081	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) (Hons) 36 Years	1-7-1987	Dy. General Manager Somaiya Organo-Chemicals Ltd.
3.	Shri H. A. Shah	61	Director (Works)	1,30,143	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Hons) AIIBI About 36 Years	13-8-1987	Chief Executive Triveni Engg. Works Khatauli (U.P.)
4.	Shri R. T. Shah	51	Office Manager	1,13,433	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. About 28 Years	19-12-1960	Nil

### (B) EMPLOYED FOR PART OF THE PERIOD UNDER REVIEW

1.	Shri A. S. Satyanarayan	46	Project Manager	56,331	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) ANSI (Sug. Engg.) About 18 Years	1-8-1988	Chief Engineer Kagera Sugar Ltd. Tanzania
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Note : None of the employee is related to any of the Directors of the Company.

By Order of the Board of Directors,

K. J. SOMAIYA  
Chairman

BOMBAY : Dated 21st June, 1989



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

AGM B/S

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

### (A) For the year ending 31st May, 1988.

- (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, 1988.
- (ii) *Advances* : The Advance to the said subsidiary Company as on 31st May, 1988 was Rs. 8,47,666/-.
- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 3,025/- for the year ended 31st May, 1988. The net Loss after adjusting the previous years' Loss from this year's profit comes to Rs. 18,487/-. The said loss has been carried to the Balance Sheet of Subsidiary Company and no adjustment has been made in the Books of The Godavari Sugar Mills Limited in respect of the said Loss of the Subsidiary Company.
- (iv) There has been no change in the interest of the Company in Godavari Investment & Finance Corporation Ltd., between 1st June, 1988 & 31st March, 1989. 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.

### (B) For the period 1-6-1988 to 31-3-1989

- (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 March, 1989.
- (ii) *Advances* : The Advance to the said subsidiary Company as on 31st March, 1989 was Rs. 6,47,965/-.
- (iii) Godavari Investment & Finance Corporation Limited made a Profit after tax of Rs. 397/- for the period ended 31st March, 1989. The net Loss after adjusting the previous years' Loss from this year's profit comes to Rs. 18,090/-. The said loss has been carried to the Balance Sheet of Subsidiary Company and no adjustment has been made in the Books of The Godavari Sugar Mills Limited in respect of the said Loss of the subsidiary Company.

BOMBAY : Dated 21st June, 1989

S. R. PARIKH  
*Secretary*

K. J. SOMAIYA  
*Chairman*  
S. K. SOMAIYA  
M. R. SHROFF  
N. C. SAYTA

B. V. BHOOTA  
P. M. KAVADIA  
*(Whole-time Director)*  
N. B. HADKER  
K. PERSHAD

} *Directors*



# GODAVARI INVESTMENT AND FINANCE CORPORATION LTD., BOMBAY

## DIRECTORS' REPORT

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

Your Directors submit herewith their Thirty-Third Annual Report and Audited Accounts of the Company for the year ended 31st May, 1988.

The Working of the Company for the year resulted in a Profit of Rs. 3,025/- after providing Rs. 4,537/- for taxation. After adjusting the same from last year's loss, the Net Carried Forward loss comes to Rs. 18,487/- which has been Carried Forward to the next year. In view of this, the Directors do not recommend any dividend for the year.

In view of the Amendments introduced in the Income Tax Act, 1961, the ensuing year of the Company shall be for a period of 10 months i.e. from June, 1988 to March, 1989 and thereafter from April to March.

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

**R. VENKATRAMAN  
JAMSHED P. DASTUR**

*Directors*

BOMBAY : Dated 28th October, 1988.



# 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, 1988 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, 1988 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. 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 IYER & MUZUMDAR**  
**CHARTERED ACCOUNTANTS**

**Y. S. MUZUMDAR**  
*Partner*

BOMBAY : Dated 28th October, 1988.



# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1987	LIABILITIES		
Rupees	Rupees	Rupees	Rupees
	<b>I. AUTHORISED CAPITAL :</b>		
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each ..		5,00,000
	<b>II. SUBSCRIBED CAPITAL :</b>		
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 100/- each 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>		
54,370	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited .. .. .	—	
8,95,374	Interest due on above .. .. .	8,47,666	
9,49,744			8,47,666
	<b>IV. CURRENT LIABILITIES AND PROVISIONS :</b>		
	<b>(A) CURRENT LIABILITIES :</b>		
49,962	(i) Sundry Creditors .. .. .	40,163	
2,803	(ii) Estimated Unearned Finance Charges on Hire Purchase carried forward .. .. .	2,803	
4,152	(iii) Interest accrued but not due on Loans ..	3,806	
56,917		46,772	
	<b>(B) PROVISIONS :</b>		
5,955	For Taxation .. .. .	10,492	
62,872			57,264
	<b>NOTES :</b>		
	(1) Out of Land Mortgage Agreements for Loans given to Bagaidars, 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 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.		
11,12,616	Total Rupees		10,04,930

As per our Report of even date annexed

For **IYER & MUZUMDAR**  
CHARTERED ACCOUNTANTS

**Y. S. MUZUMDAR**  
Partner



# FINANCE CORPORATION LTD., BOMBAY

AT 31ST MAY, 1988

AGM

As at 31st May, 1987	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(A) CURRENT ASSETS :			
	(i) Stock in trade (at cost) (as per inventories taken, valued and Certified by a Director)			
22,414	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.			
64,372	Outstanding for More than six Months ..	64,372		
43,941	Considered doubtful .. .. .	43,941		
		1,08,313		
1,08,313	Less : Provision for Doubtful Debts .. ..	43,941		
43,941		64,372		
	Other Debts .. .. .	—		
64,372			64,372	
—				
64,372			64,372	
	(iii) CASH AND BANK BALANCES :			
	Cash on Hand .. .. .	36		
36	Stamp Papers on Hand .. .. .	666		
666	In Current Account with a Scheduled Bank	1,192		
344				
1,046			1,894	
	(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:			
	Secured .. .. .	6,49,973		
6,49,973	Considered Doubtful .. .. .	36,261		
36,261		6,86,234		
6,86,234	Less : Provision for Doubtful Loans .. ..	36,261		
36,261		6,49,973		
	Loans to Others .. .. .	—		
6,49,973	Add: Interest Accrued on Loan .. .. .	2,14,015		
1,41,525				
1,77,999		2,14,015		
3,19,524				
	(ii) Deposits .. .. .		8,63,988	
9,69,497	(iii) Advances recoverable in Cash or in Kind ..		29,000	
29,000	(iv) Advance Income-tax .. .. .		953	
953			3,822	
3,822				
10,91,104			9,86,443	
	<b>II. MISCELLANEOUS EXPENDITURE :</b>			
	PROFIT AND LOSS ACCOUNT :			
	Loss as per Profit and Loss Account .. .. .			18,487
21,512				
11,12,616	Total Rupees			10,04,930

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.

R. VENKATRAMAN }  
J. P. DASTUR } Directors



# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the year ended 31st May, 1987		Rupees
Rupees	To Opening Stock :	Rupees
22,414	Machinery, Spares and Fittings .. .. .	22,414
29,333	" Salary .. .. .	8,400
5,885	" Bonus .. .. .	—
2,444	" Company's Contribution to Govt. Provident Fund ..	—
251	" Company's Contribution to Deposit Linked Insurance Scheme and Administrative Charges .. .. .	—
2,165	" Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses ..	300
1,200	" Office Rent .. .. .	1,200
	" INTEREST :	
36,418	On Current Account (To the Holding Company The Godavari Sugar Mills Ltd.) .. .. .	3,806
500	" Audit Fees .. .. .	500
850	" Provision for Taxation .. .. .	4,537
566	" Profit Carried Down .. .. .	3,025
1,02,026	Total Rupees	44,182
22,078	" Balance as per last Balance Sheet .. .. .	21,512
22,078	Total Rupees	21,512

As per our Report of even date

For **IYER & MUZUMDAR**  
CHARTERED ACCOUNTANTS

**Y. S. MUZUMDAR**  
Partner

BOMBAY : Dated 28th October, 1988



# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1988

<i>For the year ended 31st May, 1987</i>		Rupees
79,576	By Interest on Loans .. .. .	11,669
36	.. Supervision Charges from Cane Growers .. ..	—
22,414	.. Closing Stock of Machinery, Stores and Spare Parts at Cost .. .. .	22,414
—	.. Sundry Credit Balances Written back .. ..	10,099
<b>Total Rupees</b>		<b>44,182</b>
566	By Profit Brought Down .. .. .	3,025
21,512	.. Loss Carried to Balance Sheet .. .. .	18,487
<b>Total Rupees</b>		<b>21,512</b>

# GODAVARI INVESTMENT AND FINANCE CORPORATION LTD., BOMBAY

## DIRECTORS' REPORT

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

Your Directors submit herewith their Thirty-Fourth Annual Report and Audited Accounts of the Company for the period ended 31st March, 1989.

In view of the Amendments introduced in the Income Tax Act, 1961, the Accounts under report are prepared for a period of 10 months from 1st June, 1988 to 31st March, 1989. Hereafter, Accounts would be prepared for the year ending March.

The Working of the Company for the period resulted in a Profit of Rs. 397/- after providing Rs. 595/- for taxation. After adjusting the same from last year's loss, the Net Carried Forward loss comes to Rs. 18,090/- which has been Carried Forward to the next year. In view of this, the Directors do not recommend any dividend for the year.

Company's business was to provide Agriculture Finance and Stores, Spares, Engines and Pumps to cultivators who supplied sugar cane to Sakarwadi and Lakshmiwadi factories of the Holding Company, Godavari Sugar Mills Limited under Tripartite Agreement. As these factories are closed since 1985-86, the Company has no activity since then. As a result, the Company is not able to recover amounts due from cultivators against Loans given and stores, spares etc. supplied to them prior to closure of these factories. Suits have been filed against some of the cultivators whose outstandings are large.

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,

**R. VENKATRAMAN**  
**JAMSHED P. DASTUR**

*Directors*

BOMBAY : Dated 15th June, 1989



# 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 March, 1989 and the Annexed Profit and Loss Account for the period 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 they appear 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 March, 1989 and
  - (b) In the case of the Profit and Loss Account, of the Profit of the Company for the period ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 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. The rate of interest and other terms & conditions are not prejudicial to the interest of the 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, 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 period 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 and also there were no sales during last three years, provisions regarding Internal Audit System are not applicable.
12. Maintenance of Cost Records has not been prescribed u/s. 209(1) (d) of the Companies Act, 1956 to the Company.



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.
15. There are no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty outstanding for a period exceeding six months from the date they become payable.
16. No personal expenses have been charged to revenue account.
17. The Company is not a sick industrial company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.

For **IYER & MUZUMDAR**  
*CHARTERED ACCOUNTANTS*

**Y. S. MUZUMDAR**  
*Partner*

BOMBAY : Dated 15th June, 1989.

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1988	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	<b>I. AUTHORISED CAPITAL :</b>			
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each ..			5,00,000
	<b>II. SUBSCRIBED CAPITAL :</b>			
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 100/- each 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>			
—	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited .. .. .		6,47,965	
8,47,666	Interest due on above .. .. .		—	
8,47,666			6,47,965	6,47,965
	<b>IV. CURRENT LIABILITIES AND PROVISIONS :</b>			
	(A) CURRENT LIABILITIES :			
40,163	(i) Sundry Creditors .. .. .		47,779	
2,803	(ii) Estimated Unearned Finance Charges on Hire Purchase carried forward .. .. .		—	
3,806	(iii) Interest accrued but not due on Loans ..		—	
46,772			47,779	
	(B) PROVISIONS :			
10,492	For Taxation .. .. .		11,087	
57,264			58,866	58,866
	<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 Registraticn 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. 6,000/- 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 for the current period are for 10 months against 12 months of Previous year. Hence same are not comparable and are recast wherever necessary.			
10,04,930	Total Rupees			8,06,831

As per our Report of even date Annexed

For **IYER & MUZUMDAR**  
CHARTERED ACCOUNTANTS

**Y. S. MUZUMDAR**  
Partner



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MARCH, 1989

As at 31st May, 1988	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(A) CURRENT ASSETS :			
22,414	(i) Stock in trade (At cost) (as per inventories taken, valued and Certified by a Director) Machinery, Stores and Spares .. .. .		22,414	
64,372	(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 .. .	63,028		
	Considered Doubtful .. .. .	43,941		
1,08,313		1,06,969		
43,941	Less : Provision for Doubtful Debts .. .. .	43,941		
64,372		63,028		
—	Other Debts .. .. .	—		
64,372			63,028	
36	(iii) CASH AND BANK BALANCES :			
666	Cash on Hand .. .. .	36		
1,192	Stamp Papers on Hand .. .. .	666		
	In Current Account with a Scheduled Bank .. .. .	891		
1,894			1,593	
	(B) LOANS AND ADVANCES :			
	(Secured and considered good as Certified by a Director except otherwise stated)			
6,49,973	(i) Loans to Cane Growers under arrangement to supply cane to the Holding Company The Godavari Sugar Mills Limited in terms of Agreements :			
36,261	Secured .. .. .	6,16,999		
	Considered Doubtful .. .. .	36,261		
6,86,234		6,53,260		
36,261	Less : Provision for Doubtful above .. .. .	36,261		
6,49,973		6,16,999		
—	Loans to Others .. .. .	—		
2,14,015	Add : Interest Accrued on above .. .. .	—		
2,14,015			6,16,999	
8,63,988	(ii) Deposits .. .. .		29,000	
29,000	(iii) Advances recoverable in Cash or Kind .. .		953	
953	(iv) Advance Income-tax .. .. .		4,674	
3,822	(v) Income Tax on interest deducted at source .. .		50,080	
—				
9,86,443				7,88,741
18,487	II. MISCELLANEOUS EXPENDITURE :			
	PROFIT AND LOSS ACCOUNT :			
	Loss as per Profit & Loss Account .. .. .			18,090
10,04,930				8,06,831
	Total Rupees			

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

BOMBAY : Dated 15th June, 1989

R. VENKATRAMAN }  
J. P. DASTUR } Directors

# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR THE PERIOD

<i>For the year ended 31st May, 1988</i>			Rupees
	To Opening Stock :		
22,414	.. Machinery, Spares and Fittings .. .. .		22,414
8,400	.. Salary .. .. .		7,550
300	.. Miscellaneous Expenses, Fees and Stamps, Postage and Telegrams, Conveyance, Travelling Expenses ..		250
1,200	.. Office Rent .. .. .		1,000
	.. INTEREST :		
3,806	.. On Current Account (To the Holding Company The Godavari Sugar Mills Limited) .. .. .		—
500	.. Audit Fees .. .. .		500
—	.. Sundry Debit Balances Written off .. .. .		19,266
4,537	.. Provision for Taxation .. .. .		595
3,025	.. Profit Carried Down .. .. .		397
<u>44,182</u>	<b>Total Rupees</b>		<u>51,972</u>
21,512	.. Balance as per last Balance Sheet .. .. .		18,487
<u>21,512</u>	<b>Total Rupees</b>		<u>18,487</u>

As per our Report of even date annexed

For **IYER & MUZUMDAR**  
**CHARTERED ACCOUNTANTS**

**Y. S. MUZUMDAR**  
*Partner*



# FINANCE CORPORATION LTD., BOMBAY

ENDED 31ST MARCH, 1989

<i>For the year ended 31st May, 1988</i>			
<i>Rupees</i>			<i>Rupees</i>
11,669	By Interest on Loans .. .. .		25,190
22,414	.. Closing Stock of Machinery, Stores and Spare Parts at Cost .. .. .		22,414
10,099	.. Sundry Credit Balances Written back .. .. .		4,368
<u>44,182</u>		Total Rupees	<u>51,972</u>
3,025	.. Profit Brought Down .. .. .		397
18,487	.. Loss Carried to Balance Sheet .. .. .		18,090
<u>21,512</u>		Total Rupees	<u>18,487</u>

BOMBAY : Dated 15th June, 1989

R. VENKATRAMAN }  
 J. P. DASTUR } *Directors*

ATTENDANCE SLIP

**THE GODAVARI SUGAR MILLS LIMITED**

*Registered Office* : Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay 400 023.

**FORTY NINTH ANNUAL GENERAL MEETING**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

I/We hereby record my/our presence at the FORTY NINTH ANNUAL GENERAL MEETING held at Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay-400 023, on Monday, the 24th July, 1989 at 4.00 p.m.

.....  
Name/s of the Shareholder/s or Proxy  
(in Block Letters)

.....  
Regd. Folio No.

.....  
Signature/s of the Shareholder/s or Proxy

..... TEAR HERE .....

**PROXY**

**THE GODAVARI SUGAR MILLS LIMITED**

*Registered Office* : Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay 400 023.

I/We .....

of .....

being a member/members of THE GODAVARI SUGAR MILLS LIMITED, hereby

appoint .....

of .....or failing him.....

of .....or failing him.....

of .....as my/our proxy in my/our absence

to attend and vote for me/us on my/our behalf at the FORTY NINTH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 24th July, 1989, and any adjournment thereof :

Signed this.....day of.....1989

.....  
Regd. Folio No.

Signature .....



**Note** : The Proxy must be deposited at the Registered Office of the Company at Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay 400 023 not less than 48 hours before the time fixed for holding the