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**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1989-90**

1990

# 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 PRADEEP PURI  
(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

## 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 Fiftieth Annual General Meeting of The Godavari Sugar Mills Limited will be held on Tuesday, the 16th October, 1990 at 3.00 p.m. at the Registered Office of the Company at Fazalbhoy Building, 45/47, Mahatma Gandhi Road, Bombay-400 023, to transact the following business :

1. To consider and adopt the Balance Sheet as at 31st March, 1990 and the Profit and Loss Account for the year ended on that date, and the Directors' and Auditor's Reports thereon.
2. To appoint a Director in place of Shri M. R. Shroff, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri N. C. Sayta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. C. B. Purandare who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner ;

- (i) Article 12 be substituted by the following :

- (1) If a share certificate is defaced, lost or destroyed, it may be renewed on such terms, if any, as to evidence and indemnity as the Directors think fit.
- (2) The Board of Directors may at their discretion charge and recover the Stamp Duty payable on Share Certificates issued in replacement of those that are torn, defaced, lost or destroyed or issued on splitting or consolidation of Share Certificates, into a denomination other than marketable lot and such payment shall be made by the shareholder receiving the certificate prior to the issue of Share Certificate."

- (ii) Article 29 be substituted by the following :

"Shares in the Company shall be transferred in such form as have been introduced vide the Companies (Central Government's) General Rules and Forms or as may be prescribed by the Central Government from time to time."

- (iii) Insert the following Article after the existing Article No. 76 as Article No. 76A.

"76 A — Before or on the declaration of the result of the voting on any Resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken

by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid-up."

(iv) Article 140 be substituted by the following :

"Where any instrument for transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall :

- (a) transfer the dividend in relation to such shares to an account called "Unpaid dividend Account" unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee in such instrument or transfer; and
- (b) keep in abeyance in relation to such shares any offer of right shares pursuant to Section 81(1) of the Act and any issue of fully paid-up bonus shares under Section 205(3) of the Act."

(v) Article 144 be substituted by the following :

"All dividends unpaid/unclaimed, after having been declared by the Company shall be dealt with as per the provisions of Section 205A of the Companies Act, 1956, or such other statutory provisions as may be applicable.

By Order of the Board of Directors

**K. J. SOMAIYA**

*Chairman*

BOMBAY : Dated 4th September, 1990.

- Notes :**
- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
  - 2. The relevant Explanatory Statement setting out all material facts concerning the aforesaid Special Business as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.

# THE GODAVARI SUGAR MILLS LIMITED

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

### ITEM No.6

The Companies (Amendment) Act, 1988 has made certain changes in the Companies Act, 1956 necessitating corresponding changes in certain Articles of the Company's Articles of Association.

#### (i) Article No. 12 :

Till recently, the Stamp Duty payable on the issue of Share Certificates was Re. 1/- per certificate which was not recovered from Shareholders. According to the recent amendment to the Bombay Stamp Act, 1958 the Stamp Duty in the issue of Share Certificate is revised to Re. 1/- for every Rs. 100/- or part thereof of the value of Shares. This will impose considerable burden on the Company whenever it is called upon to issue certificates arising out of splitting, consolidation or issue of duplicate share certificates. Therefore, it is proposed to authorise the Board of Directors to recover the Stamp Duty from Shareholders who want new certificates to be issued under the above circumstances.

Accordingly, Article No. 12 is proposed to be altered.

#### (ii) Article No. 29 :

The form through which shares of the Company can be transferred has been modified vide the Companies (Central Government's) General Rules and Forms (Amendment) Rules, 1988 vide GSR dated 22-4-1988.

The amendment to Article No. 29 now proposed to be substituted seeks to give effect to the above amendment.

#### (iii) Article No. 76A :

Prior to the aforesaid amendment act, pursuant to Section 179 of the Act, a poll could be demanded by five members present in person or by proxy or by members having not less than one-tenth of the total voting power or by members holding shares on which aggregate sum of not less than one-tenth of the total sum has been paid-up. This Section has been amended so that a poll can be demanded by members having not less than one-tenth of the total voting power in respect of the Resolution or on which an aggregate sum of not less than Rs. 50,000/- (Rupees fifty thousand) has been paid-up.

The Article now proposed to be inserted seeks to give effect to the above amendment.

#### (iv) Article No. 140 :

The amendment to Section 206A of the Act provides that where the shares have been lodged for transfer but the Company has not registered transfer of these shares, it shall transfer the dividend in relation to such shares to a special account and keep in abeyance any offer of right shares and any issue of fully paid bonus shares in relation to such shares. The amendment to Article No. 140 is to bring the said Article in line with Section 206A of the Act.

(v) *Article No. 144 :*

Section 205A of the Companies Act, 1956 provides that any amount transferred to unpaid/unclaimed dividend lying with the Company for a period of three years from the date of such transfer, shall be transferred to the General Revenue Account of the Central Govt. but a claim to any money so transferred to the General Revenue Account may be preferred to the Central Govt. by the person to whom the money is due.

The amendment to Article No. 144 now proposed to be substituted seeks to give effect to the above amendment.

None of the Directors of the Company are concerned or interested in the said Resolution.

A copy of the Articles of Association of the Company together with the proposed alterations is open for inspection by the member/s of the Company at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days of the Company upto and including the day of the Meeting.

By Order of the Board of Directors

**K. J. SOMAIYA**

*Chairman*

BOMBAY : Dated 4th September, 1990.

# THE GODAVARI SUGAR MILLS LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fiftieth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1990.

### (A) FINANCIAL RESULTS :

The Operating Results of the Company for the year ended 31-3-1990 are as under :-

	Rs. (lacs)	Rs. (lacs)
Gross Operating Surplus		433.45
Less : Interest		222.20
		<u>211.25</u>
Less : Depreciation	57.04	
Investment Allowance	5.75	62.79
Net Profit for the year		<u>148.46</u>
Add: ADJUSTMENTS FOR LAKSHMIWADI FACTORY:		
Profit on Sale of Plant and Machinery	292.01	
Government Liabilities written back	107.06	399.07
		<u>547.53</u>
Less : Provision for arrears of depreciation of earlier years		546.55
Balance Profit		<u>0.98</u>
Less : Brought forward loss from last year	551.90	
Provision for Wealth-tax for earlier years	6.80	558.70
Balance loss carried to Balance Sheet		<u><u>557.72</u></u>

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

The results for the year reflect working of two crushing seasons i.e. 1988-89 and part of 1989-90. It covers the period 1-4-1989 to 3-5-1989 and 8-11-1989 to 31-3-1990 the results whereof are produced below :

	1-4-89 to 3-5-89	8-11-89 to 31-3-90	Total
Cane Crushed (M.T.)	93,150	5,76,130	6,69,280
Sugar Manufactured (Qtls.)	1,02,010	6,28,390	7,30,400
Average Recovery (%)			11.18%

The crushing achieved by Sameerwadi Factory during season 1989-90 was 7,47,373 tonnes of cane with a bagging of 8,11,520 quintals which were the highest in the whole of Karnataka State. The season's average recovery at Sameerwadi was 10.74%.

### (C) MAHARASHTRA UNITS (LAKSHMIWADI AND SAKARWADI FACTORIES) :

#### (i) Lakshmiwadi :

There has been further progress in the process of co-operativisation of Maharashtra Units and in the disposal of their assets. Sale Price of Plant and Machinery of Rs. 340 lacs as per Agreement has been fully received from Rajgadh S. S. K. Ltd., which has been appropriated towards principal dues of Bank of India and towards due for cane and labour. The Land and Buildings would be disposed by Govt.

of Maharashtra and sale proceeds thereof would be utilised towards the principal dues of the factory to Maharashtra State Farming Corporation Limited, Govt. of Maharashtra towards Agri. Income Tax, Cane Purchase Tax, Electricity dues etc. and to Central Govt. for Excise duty relieving the Company of these dues including interest and penalty for Lakshmiwadi.

(ii) *Sakarwadi :*

The Maharashtra Govt. ultimately decided to allot the Plant and Machinery of our Sakarwadi factory to The Jawahar S. S. K. Ltd. which is putting up a co-operative unit at Hupri (Dist-Kolhapur). The Agreement for sale of Plant and Machinery at Rs. 246 lacs and Stores at Rs. 18 lacs has been executed with Jawahar S. S. K. Ltd., and advance of Rs. 30 lacs has been received. The Balance amount would be received in instalments. As per this Agreement, the Purchaser will take possession of Land and Buildings of Sakarwadi and will clear the dues of the factory to Govt. of Maharashtra and its Corporations and Departments and to Central Government for Excise Duty and would relieve the Company from its liabilities including interest and penalty for Sakarwadi.

**(D) HEARINGS BEFORE B.I.F.R. :**

During the year under report, B.I.F.R. held one hearing. In the subsequent hearing on 26-6-90 a 'Draft Rehabilitation Scheme' prepared by Industrial Finance Corporation of India, the 'Operating Agency' was presented. Bank of India has been advised to take a decision about the waiver of uncharged interest for the period of closure on Cash Credit A/c. for Sakarwadi/Lakshmiwadi as recommended in the Draft Package, owing to the fact that the period of closure was involuntary and due to reasons beyond the control of the Company'.

**(E) SETTLEMENT OF DEMAND BY KARNATAKA SUGAR WORKERS FEDERATION :**

With reference to the charter of demands submitted by the Karnataka Sugar Workers Federation on 6-12-89, a Conciliation Meeting was conducted by the Commissioner of Labour on 31-1-90 and a settlement was reached and signed by the representatives of Managements and workers federation.

**(F) SUPREME COURT MATTERS :**

The Special Leave Petition No. 334/86 against the Order of High Court of Bombay, in the matter of Co-operativisation of Lakshmiwadi and Sakarwadi units was disposed of by the Supreme Court vide order dated 16-4-90 since it became infructuous on account of Maharashtra Govt. Co-operativising both the units.

Similarly, in view of the settlement arrived at with the Representative Union viz. the Kopergaon Taluka Kamgar Sabha for balance wages of all the workers of Sakarwadi and Lakshmiwadi, the Supreme Court vide the same order dated 16-4-90 dismissed special leave petition No. 487/86 filed by Sabha as well as Civil Miscellaneous Petition No. 14127/89 filed by 38 workers of Lakshmiwadi factory.

The Memorandum of Settlement between the Company and the Representative Union of Sakarwadi and Lakshmiwadi workers was filed with the Labour Commissioner, Bombay on 29-4-90.

**(G) 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 and Loss Account in the respective accounting years.

**(H) 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.

**(I) SUGAR POLICY FOR 1989-90 SEASON :**

- (a) The Government of India fixed statutory Minimum price of Sugar Cane at Rs. 22/- per qtl. against Rs. 19.50 per qtl. fixed for 1988-89 season linked to 8.5% recovery. On the above basis, the minimum sugar cane price Ex-gate for Sameerwadi was fixed by Govt. of India at Rs. 297.60 per tonne for Season 1989-90 against Rs. 243.20 per tonne for 1988-89.
- (b) The Dual pricing system and the percentage of 45:55 for release of Levy and Free Sale Sugar continued during this period. Consequent to the increase in Statutory minimum price for Sugar Cane, the Levy Sugar Price for 1989-90 season was notified on 27-1-90 according to which Levy Price for S-30 for Karnataka Zone as applicable to Sameerwadi factory was increased to Rs. 469.77 per qtl. from Rs. 408.88 per qtl. fixed for 1988-89 season production.
- (c) The 'State Advised Cane Price' fixed by the Karnataka Govt. for season 1989-90 was Rs. 325 per M.T. against Rs. 285 per M.T. for 1988-89 season. This 'State Advised Cane Price' is on the factory delivery basis. However, the actual Cane Price required to be paid by the factories in North Karnataka is much higher and that too on an "ex-field basis" with harvesting and transport expenses being borne by the factories.

**(J) AUDITORS' REPORT :**

With reference to the Notes to the Accounts referred to by the Auditors' in their Report to the Members, the Directors State that the said Notes are self-explanatory.

**(K) AUDITORS :**

M/S. Ambalal Thakkar & Co., Auditors of the Company retire and being eligible offer themselves for re-appointment.

**(L) 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) GENERAL :**

- (i) Three of your Directors viz. Shri M. R. Shroff, Shri N. C. Satya and Dr. C. B. Purandare retire from the Board by rotation and being eligible offer themselves for reappointment.

During the year Shri Pradeep Puri, Director of Sugar and Additional Registrar of Co-operative Societies was nominated in place of Shri R. Suresh as Nominee Director by Govt. of Karnataka. The Board while welcoming Shri Pradeep Puri places on record its appreciation of the valuable service rendered by Shri R. Suresh during his tenure as Director.

- (ii) Your Directors place on record their sincere appreciation of the co-operation and assistance extended by the Company's Bankers viz. Bank of India and Union Bank of India as well as the Karnataka and Maharashtra Governments.
- (iii) The Statement concerning employees as required by amended provisions of Section 217 (2-A) of the Companies Act, 1956 is attached as per Schedule 'B'.
- (iv) A statement relating to Subsidiary Company-Godavari Investment & Finance Corporation Limited, pursuant to Section 212 of the Companies Act, 1956 is attached to the Balance Sheet.

By Order of the Board of Directors

**K. J. SOMAIYA**

*Chairman*

BOMBAY : Dated 5th September, 1990.

# 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 year ended 31st March, 1990

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 Cell of adequate capacity with Vapour Bleeding arrangements 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 : See Form A

### FORM 'A'

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

		Current Year	Previous Year
		1-4-1989 to 31-3-1990	1-10-1987 to 31-3-1989
<b>A. POWER AND FUEL CONSUMPTION :</b>			
<b>1. ELECTRICITY :</b>			
<b>(A) Purchased</b>			
Unit	KWH	7,38,751	12,66,933
Total Amount	RS	8,55,382	13,83,948
Rate/Unit	RS/KWH	1.16	1.09
<b>(B) Own Generation</b>			
<b>(1) Through Diesel Generator.</b>			
Unit	KWH	70,110	65,173
Unit per Ltr. of Diesel Oil	KWH	3.3	3.3
Cost per Unit	RS/KWH	2.50	2.36
<b>(2) Through Steam Turbine Generator.</b>			
Units	KWH	1,53,81,655	2,44,26,954
Units per Kg. of Bagasse	KWH	0.16	0.14
Cost/Unit	RS/KWH	0.63	0.72
<b>2. COAL (IInd GRADE)</b>			
Quantity	MT	744	1,123
Total Cost	RS	7,00,298	8,44,971
Average Rate	RS/MT	942	752
The coal is used for manufacture of lime only.			

		Current Year	Previous Year
		1-4-1989 to 31-3-1990	1-10-1987 to 31-3-1989
<b>3. FURNACE OIL :</b>			
Qty.	KL		
Total Amount	RS	NIL	NIL
Average Rate	RS		
<b>4. OTHERS/INTERNAL GENERATION :</b>			
FIRE WOOD			
Quantity	MT	287	1,030
Total Cost	RS	1,56,179	6,92,060
Rate/Unit	RS/MT	543.57	671.90
BAGASSE			
Purchased	MT	NIL	421.45
Produced & Utilised for Power Generation	MT	96,763	1,70,096
Total Cost	RS	77,41,040	1,70,51,700
Rate (Average)	RS/MT	80	100
<b>B. CONSUMPTION PER UNIT OF SUGAR PRODUCTION</b>			
Electricity	KWH/QTLS	22.08	24.12
Furnace Oil		NIL	NIL
COAL (GRADE II) (used for Manufacture of lime only.)	MT/QTLS	NIL	NIL
Fire Wood	MT/QTLS	0.0004	0.0009
Bagasse	MT/QTLS	0.132	0.159

**(B) TECHNOLOGY ABSORPTION**

(a) Efforts made in technology absorption as per Form B.

**FORM 'B'**

(Disclosure of Particulars with respect to Technology Absorption)

**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 continued 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	3,81,135
(iii) Total	<u>3,81,135</u>
(iv) Total R & D expenditure as a Percentage of total turnover	<u>0.10%</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 Fuel 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 year under Report. Out go of Foreign Exchange was equivalent to Rs. 50,416/- for import of Spares.

By Order of the Board of Directors

K. J. SOMAIYA

Chairman

BOMBAY : Dated 5th September, 1990

# THE GODAVARI SUGAR MILLS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1990

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 year 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 period.
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.
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 year 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. Provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits are not applicable as the Company has not invited any 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 Industrial Finance Corporation of India, the 'Operating Agency' appointed by BIFR after having declared the Company as sick, prepared Draft Relief Package. The matter regarding reliefs is under negotiations with banks as directed by BIFR in last hearing.

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 and Loss Account subject to Note No. 6 regarding accounting of Interest on Fixed Deposits with Banks and its effects on Profit for the year, 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 5th September, 1990**

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31th March, 1989	LIABILITIES			
Rupees			Rupees	Rupees
	<b>I. SHARE CAPITAL :</b>			
2,30,00,000	2,30,000	Ordinary (Equity) Shares of Rs. 100/- each .. .. .	2,30,00,000	
20,00,000	20,000	7.8572% subject to deduction of tax at source Redeemable Cumulative Second Preference Shares of Rs. 100/- each	20,00,000	
50,00,000	50,000	9½% subject to deduction of tax at source Redeemable Cumulative Third Preference Shares of Rs. 100/- each ..	50,00,000	
3,00,00,000				3,00,00,000
	<b>ISSUED AND SUBSCRIBED CAPITAL :</b>			
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	18,509½	7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after giving three month's notice of the intention to redeem the same .. .. .	18,50,950	
2,18,50,950				2,18,50,950
	<b>II. RESERVES AND SURPLUS :</b>			
	<b>(A) GENERAL RESERVE :</b>			
68,64,612		As per Last Balance Sheet .. .. .	1,51,77,041	
42,72,617		Add: Development Rebate Reserve of period beyond 8 years transferred .. .. .	—	
40,39,812		Add: Storage Fund for Molasses transferred ..	—	
1,51,77,041			1,51,77,041	
1,51,77,041		Less: Shown as deduction from Profit & Loss Account as per Contra .. .. .	1,51,77,041	
	<b>(C) INVESTMENT ALLOWANCE RESERVE :</b>			
4,25,000		As per last Balance sheet .. .. .	4,25,000	
4,25,000		Add: Created during the year .. .. .	5,75,000	
			10,00,000	
2,22,75,950				10,00,000
		Carried Over		2,28,50,950

# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS		
Rupees		Rupees	Rupees
	<b>I. FIXED ASSETS : (At Cost or Book Value)</b>		
16,68,34,398	Gross Block .. .. .	14,89,18,033	
5,16,70,572	Less : Depreciation Written off Upto 31st March, 1990 ..	9,91,03,545	
11,51,63,826	Net Depreciated Block as per Schedule "A" attached ..	4,98,14,488	
3,51,083	Capital Work-in-Progress .. .. .	4,22,868	
11,55,14,909			5,02,37,356
	<b>II. INVESTMENTS : (At Cost)</b>		
	(A) INVESTMENT IN SHARES OF SUBSIDIARY COMPANY :		
	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	
1,00,000			
	(B) OTHER INVESTMENTS :		
16,49,000	(i) 16,490 Equity Shares of Somaiya Organics (India) Limited, of face value of Rs. 100/- each	16,49,000	
78	(ii) One Ordinary Share of Maharashtra State Co-Operative Bank Ltd., of Rs. 50/- fully paid-up	78	
2,500	(iii) National Defence Certificate deposited with Electricity Department, Bhopal .. .. .	2,500	
66,200	(iv) 7 Years National Savings Certificates (Deposited with Excise Department, Mudhol) .. .. .	1,71,500	
1,500	(v) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur .. .. .	1,500	
18,19,278			
11,55,14,909	Carried Over	19,24,578	5,02,37,356

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st March, 1989	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,22,75,950	Brought Forward			2,28,50,950
	<b>III. SECURED LOANS :</b> .. .. .			
5,14,51,670	(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 Factory and fully guaranteed by two Directors .. .. .	2,49,07,707		
5,54,13,228 6,00,74,700	(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 .. .. . 8,23,42,983 (ii) Union Bank of India .. .. . 7,37,26,689			
11,54,87,928		15,60,69,672		
16,69,39,598			18,09,77,379	
	<p>The Company has created third charge in favour of Bank of India on Fixed Assets (excluding Agricultural Assets) of the two Sugar factories of the Company for Cash Credit and guarantee facilities. The Company has also created First Pari Passu Charge in favour of Bank of India and Union Bank of India on Company's Building at Bombay and has agreed to create, First Pari Passu Charge on Leasehold Lands at Kandla and two Flats at Bombay for these facilities.</p>			
4,31,93,126 3,50,229	(c) Term Loans : (i) Bank of India .. .. . 3,86,25,132 (ii) Vijaya Bank .. .. . —			
4,35,43,355			3,86,25,132	
—	(d) Interest accrued and due on Term Loan of Bank of India .. .. .		12,49,316	
52,51,309	(e) Demand Loan from Bank of India .. .. .		26,26,309	
	<b>NOTE :</b> Term Loan and Demand Loan from Bank of India are secured by First Pari Passu Charge by way of Equitable Mortgage on Fixed Assets of the two Sugar factories of the Company (Excluding Agricultural Assets) and Secured Collaterally by First Pari Passu Equitable Mortgage jointly with Union Bank of India on Building at Bombay and also by Company's agreeing to create First Pari Passu Equitable Mortgage jointly with Union Bank of India on Leasehold Lands at Kandla and two flats at Bombay as collateral security. .. .. .			
78,14,678	(f) 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 Sugar factories of the Company (Excluding Agricultural Assets). .. .. .		69,60,678	
22,35,48,940				
2,22,75,950	Carried Over	23,04,38,814		2,28,50,950

# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
11,55,14,909	Brought Forward		19,24,578	5,02,37,356
18,19,278	(vi) 4½% U. P. State Development Loan of 1972 (Face Value Rs. 2,000/-) .. .. .		1,995	
1,995	(vii) National Saving Certificates of the Face Value of Rs. 1000/- Deposited as Security Deposit with Central Excise Authority, Mudhol .. .. .		1,000	
1,000				
	Cost	Market Value		
	Aggregate quoted Investments 16,49,000	12,53,240		
	Aggregate Unquoted Investments 2,78,573	2,78,573		
18,22,273	19,27,573	15,31,813		19,27,573
<b>III. CURRENT ASSETS, LOANS AND ADVANCES :</b>				
<b>(A) CURRENT ASSETS :</b>				
1,88,15,651	(i) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director)	1,58,25,454		
5,51,164	In Transit .. .. .	18,19,921		
1,93,66,815			1,76,45,375	
7,274	(ii) Loose Tools and Implements (as per inventories Certifies by a Director) .. .. .		3,643	
13,95,09,164	(iii) Stock-in-trade (as per Inventories valued and certified by a Director) .. .. .			
33,83,450	(a) Sugar at Realised/Realisable Value ..	23,24,49,862		
41,168	(b) Sugar in process .. .. .	54,75,400		
16,193	(c) Stock of Grains, Cotton, etc. at Market Rate .. .. .	—		
2,51,833	(d) Crop-in-Progress .. .. .	9,721		
14,32,01,808	(e) Molasses at Controlled Rate .. .. .	10,34,455		
			23,89,69,438	
16,25,75,897				
11,73,37,182	Carried Over		25,66,18,456	5,21,64,929

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st March, 1989	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,22,75,950				
22,35,48,940	Brought Forward	23,04,38,814		2,28,50,950
20,00,000	(g) 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 Factory .. .. .	20,00,000		
40,000	(h) Interest accrued and due on above .. .. .	1,00,000		
	(i) 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) as well as against First Pari Passu Equitable Mortgage on Building at Bombay and agreement to create First Pari Passu Equitable Mortgage on Leasehold Lands at Kandla and two flats at Bombay .. .. .		64,64,329	
94,44,013				23,90,03,143
23,50,32,953				
	<b>IV. UNSECURED LOANS :</b>			
2,27,02,578	Cane Purchase Tax Loan from Karnataka and Maharashtra Governments .. .. .			1,75,22,888
	<b>V. CURRENT LIABILITIES AND PROVISIONS :</b>			
	<b>(A) CURRENT LIABILITIES :</b>			
12,35,02,183	(i) Sundry Creditors .. .. .	13,41,61,445		
3,30,276	(ii) Advances from Customers against Sale of Land .. .. .	3,34,076		
50,00,000	(iii) Advances from Customers against Sale of Machineries .. .. .			
24,10,525	(iv) Security Deposit of Bagaitdars .. .. .	24,08,525		
4,878	(v) Security Deposit from Customers .. .. .	4,878		
11,95,759	(vi) For Taxation (Agriculture Income Tax) .. .. .	5,79,879		
42,000	(vii) Due to Wholetime Director .. .. .	30,000		
15,06,607	(viii) Interest Accrued but not due on Loan .. .. .	16,18,784		
—	(ix) Interest Suspense .. .. .	16,86,437		
13,39,92,228		14,08,24,024		
	<b>(B) PROVISIONS :</b>			
1,25,000	Provision for Wealth Tax .. .. .	9,30,000		
59,415	Less : Paid .. .. .	71,065		
65,585			8,58,935	
13,40,57,813				14,16,82,959
41,40,69,294	Carried Over			42,10,59,940

# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
11,73,37,182	Brought Forward ..		25,66,18,456	5,21,64,929
16,25,75,897	(iv) Sundry Debtors (Unsecured and considered good except otherwise stated) .. ..			
30,45,806	(a) Debts Outstanding for more than six months .. ..	7,47,122		
43,233	(b) Considered Doubtful .. ..	—		
30,89,039		7,47,122		
43,233	Less : Provision for Doubtful Debts .. ..	—		
30,45,806		7,47,122		
62,95,062	(c) Other Debts .. ..	76,07,747		
93,40,868			83,54,869	
	(v) CASH AND BANK BALANCES :			
61,62,767	Cash, Cheques and Drafts on hand and in transit (including Stamps on hand Rs. 9,901/-)	3,17,826		
1,26,26,776	In Current Account with Scheduled Banks ..	70,06,780		
	In Current Account with non-Scheduled Banks :			
436	(a) Ahmednagar District Central Co-op Bank Ltd. (Maximum Debit Balance during the year Rs. 436/- Previous year Rs. 436/-) .. ..	—		
28,920	(b) Bijapur District Central Co-Operative Bank Ltd., Mahalingpur (Maximum Debit Balance during the year Rs. 14,20,492/- Previous Year Rs. 10,83,939/-) .. ..	78,110		
29,356		78,110		
5,000	Fixed Deposits with Scheduled Bank (Lodged with Excise Department Mudhol) .. ..	5,000		
1,58,20,226	Fixed Deposit with Scheduled Banks (Under lien for the Guarantees) .. ..	1,61,55,370		
8,93,197	Accrued Interest on above .. ..	22,92,882		
3,55,37,322			2,58,55,968	
20,74,54,087				
11,73,37,182	Carried Over ..		29,08,29,293	5,21,64,929

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st March, 1989		LIABILITIES (Contd.)	
Rupees		Rupees	Rupees
41,40,69,294	Brought Forward ..		42,10,59,940
	<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 .. .. .	1,00,000	
1,00,000			1,00,000
	(ii) In respect of Counter Guarantees given to Others .. .. .	3,21,327	
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 31-3-1990 .. .. .	23,02,990	
23,02,990			24,48,423
	(iv) 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			2,27,07,970
41,40,69,294	Total Rupees ..		42,10,59,940

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

BOMBAY : Dated 5th September, 1990

# MILLS LIMITED, BOMBAY

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
11,73,37,182	Brought Forward ..		29,08,29,293	5,21,64,929
20,74,54,087				
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
4,00,000	Loans to others .. .. .	—		
	Loans to Subsidiary Company of which the Company is a Holding Company :			
6,50,369	Godavari Investment & Finance Corporation Ltd. ..	—		
3,807	Accrued Interest .. .. .	6,47,965		
6,54,176			6,47,965	
32,85,907	Interest on Deferred Payment under IDBI Scheme ..		24,82,707	
	Advances Recoverable in Cash or Kind or for value to be received (including Advances to the Officers of the Company Rs. 18,231/-) (Maximum Debit Balance during the year Rs. 24,731/-). Amount in dispute Rs. 9,16,101/- and paid to Banks in respect of Defaulting Cultivators for Agriculture Finance facilities under Company's Guarantees Rs. 3,47,692)	2,74,40,715		
3,81,65,086	Considered Doubtful .. .. .	64,126		
64,126		2,75,04,841		
3,82,29,212				
64,126	Less : Provision for Doubtful Advances .. ..	64,126		
3,81,65,086			2,74,40,715	
10,86,490	Income-tax deducted at source from Interest ..		10,86,490	
56,73,586	Deposit with High Court & Others .. .. .		58,12,547	
25,67,19,332				32,82,99,717
	MISCELLANEOUS EXPENDITURE :			
5,51,89,821	Profit and Loss Account .. .. .	5,57,72,335		
1,51,77,041	Less : Deducted from General Reserve as per Contra	1,51,77,041		
4,00,12,780				4,05,95,294
41,40,69,294	Total Rupees ..			42,10,59,940

# THE GODAVARI SUGAR

## Schedule 'A'

## Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st April, 1989	Additions during the Year	Deduction for Sale during the year	Gross Block as on 31st March, 1990
(1)	(2)	(3)	(4)	(5)
Freehold Land (Book Value) .. .. .	26,94,630	—	4,94,238	22,00,392
Leasehold Land Development Expenses .. .. .	2,38,925	—	—	2,38,925
Leasehold Premium on Garage .. .. .	12,000	—	—	12,000
Building & Pucca Quarters at Factories .. .. .	2,52,77,916	83,954	40,30,787	2,13,31,083
Temporary Quarters .. .. .	8,48,973	—	1,00,346	7,48,627
Temporary Quarters at Farms .. .. .	2,38,768	—	250	2,38,518
General Machinery (Book Value) .. .. .	11,02,41,313	28,06,341	1,05,67,242	10,24,80,412
Electrical Machinery .. .. .	63,49,878	65,395	9,55,987	54,59,286
Agricultural Machinery (Book Value) .. .. .	34,06,521	62,340	20,70,726	13,98,135
Locomotives .. .. .	92,974	—	—	92,974
Electrical Installation & Fittings .. .. .	13,30,134	—	62,985	12,67,149
Furniture & Office Equipments .. .. .	29,47,944	94,358	2,64,269	27,78,033
Weigh Bridges .. .. .	16,78,647	—	1,27,815	15,50,832
Trolley Lines .. .. .	6,28,058	—	31,938	5,96,120
Railway Siding .. .. .	1,26,075	—	—	1,26,075
Molasses & Other Storage Tanks .. .. .	39,50,513	—	6,98,538	32,51,975
Motor Cars, Lorries & Cycles (Book Value) .. .. .	26,09,615	2,95,731	4,97,904	24,07,442
Carts & Trucks (Book Value) .. .. .	3,88,289	—	58,298	3,29,991
Laboratory Apparatus .. .. .	2,02,946	—	31,328	1,71,618
Roads & Drainage & Tube Wells .. .. .	20,34,042	20,734	8,68,810	11,85,966
Dead Stock .. .. .	2,28,960	—	18,623	2,10,337
Library .. .. .	7,758	—	865	6,893
Medical Instruments .. .. .	363	—	303	60
Irrigation Lifts .. .. .	12,03,773	—	4,63,631	7,40,142
Live Stock .. .. .	95,383	—	335	95,048
<b>Total Rupees : ..</b>	<b>16,68,34,398</b>	<b>34,28,853</b>	<b>2,13,45,218</b>	<b>14,89,18,033</b>

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

BOMBAY : Dated 5th September, 1990

# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 31st March, 1990

Depreciation Written off Upto 1st April, 1989	Depreciation Written off during the year	Arrears of Depreciation Provided during the year	Depreciation Written back on Sale/ disposal	Total Depreciation Upto 31st March, 1990	Net Depreciated Block as at 31st March, 1990	Net Depreciated Block as at 31st March, 1989
(6)	(7)	(8)	(9)	(10)	(11)	(12)
—	—	—	—	—	22,00,392	26,94,633
—	—	—	—	—	2,38,925	2,38,925
9,550	300	—	—	9,850	2,150	2,450
41,98,665	5,71,858	46,49,989	13,16,484	81,04,028	1,32,27,055	2,10,81,254
2,47,742	9,968	3,11,611	1,00,346	4,68,975	2,79,652	5,97,480
1,53,991	1,144	58,871	—	2,14,006	24,512	86,522
3,49,96,467	44,42,775	4,38,10,636	70,42,551	7,62,07,327	2,62,73,085	7,52,06,102
25,05,886	1,42,346	20,21,474	7,79,646	38,90,060	15,69,226	39,06,541
31,70,463	11,322	1,00,591	20,46,734	12,35,642	1,62,493	2,36,158
86,792	—	—	—	86,792	6,182	6,182
2,58,975	29,615	6,00,828	62,440	8,26,978	4,40,171	10,71,159
8,59,268	87,807	8,05,423	88,854	16,63,644	11,14,389	20,91,138
6,67,794	81,183	1,32,645	72,989	8,08,633	7,42,199	10,10,853
5,86,128	—	—	27,093	5,59,035	37,085	41,930
1,08,145	—	—	—	1,08,145	17,930	17,930
5,53,095	1,96,894	6,67,628	—	14,17,617	18,34,358	33,84,645
9,54,539	82,201	9,06,260	2,55,717	16,87,283	7,20,159	16,55,076
3,08,885	860	16,621	51,836	2,74,530	55,461	79,403
69,125	5,200	57,199	17,954	1,13,570	58,048	1,33,822
8,20,299	27,572	2,93,880	6,05,855	5,35,896	6,50,070	12,13,743
70,956	7,774	51,478	17,490	1,12,718	97,619	1,44,408
5,490	—	716	648	5,558	1,335	2,268
347	—	—	291	56	4	16
9,55,799	4,699	1,69,458	4,38,925	6,91,031	49,111	2,47,973
82,171	—	—	—	82,171	12,877	13,215
5,16,70,572	57,03,518	5,46,55,308	1,29,25,853	9,91,03,545	4,98,14,488	11,51,63,826

BOMBAY : Dated 4th September, 1990

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. K. SOMAIYA  
S. M. PATHAK  
C. B. PURANDARE

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

Directors

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the period ended 31st March, 1989				
Rupees		Rupees	Rupees	Rupees
	To Opening Stock on 1st April, 1989 :			
4,88,66,230	" Sugar .. .. .		13,95,09,164	
—	" Sugar-in-Process .. .. .		33,83,450	
2,01,062	" Molasses .. .. .	2,51,833		
—	Less : Written off .. .. .	2,01,062	50,771	
4,90,67,292				14,29,43,385
	Agricultural Section :			
1,26,178	" Salaries and Wages .. .. .		97,596	
1,000	" Bonus .. .. .		1,000	
21,276	" Stores inclusive of Seeds and Manures .. .. .		11,715	
23,088	" Irrigation Rates and Taxes .. .. .		18,183	
6,243	" Electricity Charges .. .. .		2,802	
1,462	" Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram and Travelling Expenses) .. .. .		21,554	
2,611	" Depreciation .. .. .		1,763	
—	" Legal Charges .. .. .		12,035	
1,81,858				1,66,648
36,01,34,320	" Locally Purchased Cane (includes Rs. 1,55,94,467/- of earlier years) .. .. .			30,44,77,220
2,34,33,759	" Salaries and Wages (after deducting Rs. 47,62,704/- charges to Repair and Other relevant heads and including labour dues of Rs. 45,39,000/- refer Note No. 7e) .. .. .		2,18,15,496	
50,21,453	" Bonus to Employees .. .. .		34,79,606	
2,23,375	" Company's Contribution to Employees Family Pension Fund Scheme .. .. .		1,57,794	
1,99,854	" Contribution to Provident Fund of the Company and Administrative Charges .. .. .		2,63,494	
54,64,706	" Gratuity .. .. .		8,70,014	
13,21,306	" Group Gratuity Insurance Premium .. .. .		9,54,666	
14,40,886	" Company's Contribution to Government Provident Fund and Administrative Charges .. .. .		13,97,186	
—	" Lease Rent .. .. .		7,30,248	
3,71,05,339				
40,93,83,470				
	Carried Over		2,96,68,504	44,75,87,253

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MARCH, 1990

For the period ended 31st March, 1989			
Rupees		Rupees	Rupees
	By SALES :		
47,66,76,208	" Sugar .. .. .	37,42,12,976	
73,03,888	" Molasses .. .. .	43,77,436	
48,39,80,096			37,85,90,412
54,35,316	" Sundry Receipts .. .. .		44,11,187
8,71,254	" Income from Immovable Property .. .. .		5,74,747
1,09,346	" Sundry Receipts being Market Value of Farm Produce etc. .. .. .		42,987
5	" Dividend .. .. .		6
1,51,477	" Share in Profit of Partnership Firm .. .. .		1,07,500
	" INTEREST :		
11,96,503	" On Loans and Others .. .. .	3,35,399	
2,215	" On 7 years National Saving Certificates .. .. .	—	
3,807	" From Subsidiary Company .. .. .	—	
21,52,780	" On Fixed Deposits and Others .. .. .	47,791	
33,55,305			3,83,190
4,56,794	" Sundry Credit Balances Written back .. .. .		—
19,769	" Claims and Refund .. .. .		71,978
29,90,232	" Rebate on Excise Duty .. .. .		1,08,125
2,64,949	" Profit on Sale of Agricultural Lands/Assets .. .. .		1,01,023
—	" Govt. Liabilities written back .. .. .		1,07,05,757
—	" Profit on Sale of Plant & Machinery .. .. .		2,92,01,398
49,76,34,543			42,42,98,310

Carried Over

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the period ended 31st March, 1989				
Rupees			Rupees	Rupees
40,93,83,470		Brought Forward	2,96,68,504	44,75,87,253
3,71,05,339	To Contribution to Deposit Linked Insurance Fund and Administrative Charges .. .. .		83,614	
1,13,639	.. Workmen and Staff Welfare Expenses .. .. .		9,54,843	
13,48,378	.. Workmen Compensation .. .. .		60,000	
19,573				
3,85,86,929				3,07,66,961
72,50,405	.. Stores, Chemicals & Spare Parts .. .. .			69,18,549
26,52,593	.. Power and Fuel .. .. .			19,65,819
1,58,95,610	.. Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 16,67,800/- Previous year Rs. 14,93,349/-) ..		1,05,64,698	
9,50,363	.. Repairs to Buildings (inclusive of Salaries & Wages Rs. 2,30,646/- Previous year Rs. 2,95,646/-) ..		8,59,423	
3,53,477	.. Other Repairs (inclusive of Salaries and Wages Rs. 19,614/- Previous year Rs. 21,873/-) .. ..		3,40,947	
1,71,99,450				1,17,65,068
2,00,85,415	.. Sugar Cane Purchase Tax .. .. .			1,32,41,610
14,65,445	.. Insurance Premium .. .. .			7,43,201
3,93,14,248	.. Excise Duty on Sugar .. .. .		2,65,72,992	
28,94,580	.. Excise Duty on Molasses .. .. .		23,03,946	
1,403	.. Excise Duty on Job Work .. .. .		—	
110	.. Excise Duty on Tariff Item No. 68 .. .. .		—	
	.. Excise Duty on Sugar & Power Generation (of earlier years)		7,19,000	
4,22,10,341				2,95,95,938
1,25,47,528	.. Sugar Development Cess .. .. .			84,19,236
1,20,22,391	.. Packing and Forwarding .. .. .			1,04,22,437
2,95,522	.. Rent .. .. .			3,89,575
6,24,239	.. Rates and Taxes .. .. .			4,08,669
1,00,600	.. Stores and Spares Written off .. .. .			2,76,660
5,82,170	.. Brokerage and Commission (inclusive of Guarantee Commission of Rs. 1,74,522/- Previous Year Rs. 5,82,170/-)			2,43,523
72,48,842	.. Miscellaneous Expenses (including Printing & Stationery, Postage & Telegram, Telephone Charges, Motor Car Maintenance etc.) .. .. .			57,89,495
7,713	.. Additional Sales Tax .. .. .			3,329
57,22,63,053		Carried Over		56,85,37,323

THE YEAR ENDED 31ST MARCH, 1990

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# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the period ended 31st March, 1989			
57,22,63,053		Brought Forward	56,85,37,323
	To INTEREST :		
2,68,30,202	Cash Credit Account .. .. .	1,25,81,934	
1,25,77,995	Fixed Loans .. .. .	74,81,667	
3,08,589	Fixed Deposits .. .. .	1,12,447	
1,80,000	Debentures .. .. .	1,20,000	
1,33,527	Other Loans .. .. .	9,24,143	
1,58,207	Deferred Payment Guarantee facility .. .. .	8,03,200	
—	Inter Corporate Deposit .. .. .	1,97,043	
4,01,88,520			2,22,20,434
8,400	To Directors' Fees .. .. .		12,900
2,58,830	„ Directors' Travelling Expenses .. .. .		1,29,394
72,000	„ Whole time Director's Remuneration .. .. .		1,92,000
—	„ Advances and Loans Written Off .. .. .		15,11,330
14,144	„ Charity and Donation .. .. .		39,353
	„ PAYMENT TO AUDITORS :		
18,750	Audit Fees .. .. .	20,000	
7,500	Tax Audit Fees .. .. .	5,000	
674	Auditors' Travelling Expenses .. .. .	5,437	
26,924			30,437
—	„ Cost Audit Fees .. .. .	10,500	
—	„ Cost Auditors' Travelling Expenses .. .. .	1,000	
			11,500
42,77,563	„ Agricultural Development Expenses (inclusive of Salaries and Wages Rs. 23,51,534/- Previous year Rs. 27,03,860/-) .. .. .		31,70,664
2,00,000	„ Contribution to Scientific Research Institution .. .. .		—
—	„ Stock of Molasses Written off .. .. .		2,01,062
3,87,451	„ Expenses on Scientific Research .. .. .		3,81,135
8,60,647	„ Legal Expenses .. .. .		3,68,950
5,16,976	„ Loss on Sale of Shares .. .. .		—
—	„ Loss on Sale of Assets .. .. .		335
—	„ Loose Tools Written off .. .. .		3,630
450	„ Premium on Leasehold Garage Written off .. .. .		300
1,14,01,517	„ Depreciation (including arrears of Depreciation of Rs. 5,46,55,308/- Refer Note No. 1) .. .. .		6,03,56,763
12,85,042	„ Sundry Debit Balances Written Off .. .. .		52,93,031
25,000	„ Provision for Wealth Tax .. .. .		1,25,000
4,25,000	„ Investment Allowance Reserve .. .. .		6,75,000
85,67,473	„ Balance being Profit for the year carried down .. .. .		97,486
64,07,78,990		Total Rupees	66,32,58,027

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MARCH, 1990

For the period ended 31st March, 1989		
Rupees 64,07,78,990	Brought Forward	Rupees 66,32,58,027
64,07,78,990	Total Rupees	66,32,58,027

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the period ended 31st March, 1989				
Rupees			Rupees	Rupees
7,32,43,286	To Balance of Loss Brought Forward from Last Year's Balance Sheet .. .. .			5,51,89,821
2,97,728	" Income Tax Refund Wrongly Credited to Profit & Loss Account in 1974-75 .. .. .			—
—	" Provision for Wealth Tax earlier years .. .. .			6,80,000
	NOTE : Computation of Whole-time Director's Commission is as follows :-			
85,67,473	Net Profit as per Profit and Loss Account .. .. .		97,486	
—	Add : Arrears of Depreciation of earlier years .. .. .		5,46,55,308	
85,67,473			5,47,52,794	
—	Less :			
—	(i) Profit on Sale of Agri. Lands ..	1,01,023		
—	(ii) Govt. Liabilities Written back ..	1,07,05,757		
—	(iii) Profit on Sale of Plant and Machinery .. .. .	2,92,01,398		
—			4,00,08,178	
85,67,473			1,47,44,616	
72,000	Add :			
1,14,04,578	(i) Whole-time Director's Remuneration ..	1,92,000		
25,000	(ii) Depreciation Provided .. .. .	57,03,518		
	(iii) Provision for Wealth Tax .. .. .	1,25,000		
1,15,01,578			60,20,518	
2,00,69,051			2,07,65,134	
	Less :			
1,14,04,578	(i) Depreciation to the extent specified in Section 350 of Companies Act, 1956 .. .. .	57,03,518		
10,00,000	(ii) Estimated Liability of Bonus .. .. .	10,00,000		
1,24,04,578			67,03,518	
76,64,473			1,40,61,616	
76,645	Commission @ 1% on the Net Profit ..		1,40,616	
15,000	As per Agreement Limited to .. .. .		30,000	
1,11,000	Total Managerial Remuneration : Remuneration .. .. .		1,92,000	
9,250	Company's Contribution to Provident Fund .. .. .		14,300	
—	Perquisites .. .. .		—	
1,20,250			2,06,300	
7,35,41,014	Total Rupees			5,58,69,821

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.  
CHARTERED ACCOUNTANTS

G. P. BHATT  
Partner

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MARCH, 1990

For the period ended 31st March, 1989			
Rupees			Rupees
85,67,473	By Balance being Profit brought down from Profit and Loss Account .. .. .		97,486
21,27,130	„ Excess Liability for Agriculture Income Tax Written back .. .. .		—
3,09,216	„ Refund of Electricity Charges of earlier period .. .. .		—
73,47,374	„ Excess provision for Additional Cane Price of earlier year Written back .. .. .		—
5,51,89,821	„ Balance Carried to Balance Sheet .. .. .		5,57,72,335
7,35,41,014		Total Rupees	5,58,69,821

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. K. SOMAIYA  
S. M. PATHAK  
C. B. PURANDARE

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

} Directors

BOMBAY : Dated 4th September, 1990

# THE GODAVARI SUGAR

## NOTES FORMING PART OF ACCOUNTS FOR

- NOTES :**
- (1) Out of arrears of Depreciation of Rs. 8,32,10,432 as on 31-3-89, depreciation of Rs. 5,46,55,308/- (Rs. 5,35,94,041/- for Sameerwadi factory after adjustment of depreciation of Rs. 1,80,766/- on sale of Assets upto Accounting year 1982-83 and Rs. 10,61,267/- for Head Office upto Accounting year 1978-79 has been provided during the year. After deducting the arrears of depreciation of Rs. 54,49,808/- of Lakshmiwadi factory due to sale of all assets during the year, the balance unprovided depreciation as on 31-3-1990 amounts to Rs. 2,29,24,550/-. This includes arrears of depreciation of Rs. 67,44,128/- on Assets of Sakarwadi factory for which agreement for sale has been finalised subsequent to close of the Accounting year under report.
  - (2) Income Tax Assessments upto Accounting Year ending 30-9-1987 (Upto Assessment Year 1988-89) have been completed and there is no demand payable. Wealth Tax Assessment upto Assessment Year 1988-89 have been completed and their liabilities have been duly Provided.
  - (3) No provision has been made in respect of Balance Carried Forward Loss of Rs. 13,639/- as on 31st March, 1990 of Godavari Investment and Finance Corporation Limited, a 100% subsidiary of the Company.
  - (4) During the year, no provision for Bonus has been made as the same is Debited to Profit and Loss Account as and when paid, Liability of the bonus for the period under report according to Bonus Act comes to about Rs. 10 lacs.
  - (5) The total Liability as on 31-3-1990 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. 58,59,000/-. The same is covered under Cash Accumulation Scheme of Group Gratuity Insurance with Life Insurance Corporation of India. Gratuity Liability for Sakarwadi and Lakshmiwadi Factories have been fully provided in books.
  - (6) Interest of Rs. 16.68 Lacs on Fixed Deposit of Rs. 161.55 Lacs with Banks against their guarantees for Levy Sugar Price difference has been Credited to Interest suspense Account and shown under Current Liabilities in Balance Sheet instead of Crediting the same to Profit and Loss Account, consequently having impact on the Profit for the year by an equivalent amount. This has been done as the levy price matters are pending in the Courts and as per interim orders vide which the Company was authorised to charge higher levy price, the amount is to be refunded with interest, in case the writ petitions are ultimately decided against the industry.
  - (7) **Co-operativisation and Legal Matters of Sakarwadi/Lakshmiwadi Factories :**  
 The Co-operativisation process for Lakshmiwadi and Sakarwadi factories have been completed by Govt. of Maharashtra vide Govt. Orders dated 20th October, 1989 and 23rd January, 1990 respectively. On the basis of above Orders, following Developments have taken place:-
    - (a) Sale of Plant & Machinery of Lakshmiwadi has been finalised at Rs. 340 lacs and payment is fully received. Against Land and Buildings being taken over by Govt. of Maharashtra, Company is relieved of all dues of Lakshmiwadi to Corporations/Departments/bodies of Govt. of Maharashtra as well as Central Excise Duty Demand of Govt. of India as detailed in the Order. After adjusting the net block of Land and Buildings of Rs. 33.85 lacs against the total liabilities of Rs. 140.91 lacs taken over by Govt. of Maharashtra, the balance amount of Rs. 107.06 lacs has been written back to Profit and Loss Account.
    - (b) Similarly, after the close of the Accounting year under report, Assets of Sakarwadi factory namely Plant and Machinery have been sold at Rs. 246 lacs and Stores, Spares etc. have been sold at Rs. 18 lacs to Jawahar S. S. K. Ltd., Hupri, and advance of Rs. 30 lacs has been received. Balance amount would be received in instalments. As per this Agreement Jawahar S. S. K. Ltd., would take over net block valuing Rs. 41.82 lacs of land and Buildings of Sakarwadi factory and will pay to Govt. of Maharashtra and its institutions dues of Sakarwadi as well as Excise Duty Payable to Central Govt. totalling Rs. 155.85 lacs as detailed in Govt. Order. The balance liabilities of Rs. 114.03 lacs would be written back in next Accounting Year.
    - (c) Interest/Penalty charged by State Govt. and its bodies corporate including Maharashtra State Finance Corporation of about Rs. 138 lacs have been waived.
    - (d) Supreme Court vide its Order dated 16-4-1990 has disposed of Company's SLP No. 334/86, SLP No. 467/86 filed by Kopergaon Taluka Kamgar Sabha and Civil Misc. Petition No. 14127/89 filed by 38 Workers and has decided as under:-
      - (i) Company's Special Leave Petition No. 334/86 has become infructuous in view of G.R. dated 20-10-89 and 23-1-90 of Govt. of Maharashtra Co-operativising Lakshmiwadi and Sakarwadi factories of the Company, which was the point raised in the Writ Petitions before the High Court of Bombay.
      - (ii) Special Leave Petition No. 487/86 filed by the Kopergaon Taluka Kamgar Sabha was dismissed in view of compromise arrived at with the Company for payment of Labour dues upto the date of their resignations.
      - (iii) As Company had already agreed to give relief as above to all Workmen including 38 Workers as per agreement with the Representative Labour Union, the Civil Miscellaneous Petition No. 14127/89 filed by 38 Workers for reliefs was dismissed.
    - (e) Provision has been made in Accounts for labour dues of Rs. 45.39 lacs of Sakarwadi and Lakshmiwadi as per Agreements executed with Kopergaon Taluka Kamgar Sabha.
    - (f) M/S. Satpude Tapi Parisar S. S. K. Ltd., and Dyaneshwar S. S. K. Ltd. have agreed to withdraw Civil Suits filed by them for recovery of Cane dues and Interest in view of the over all settlement as per Govt. Orders referred above.

Accompanying to our Report of even date

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

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

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MARCH, 1990

- (8) In respect of Interest on Cash Credit Account with Bank of India for Sakarwadi and Lakshmiwadi Factories for the period from 1-1-86 to 31-3-90 amounting to Rs. 511.95 lacs, Industrial Finance Corporation of India, the Operating Agency appointed by BIFR has in its Draft Relief Package, recommended that the same should be fully waived. Bank of India has not agreed to waive the same fully. As advised by BIFR in last hearing, the matter is under negotiation, with the Bank. Hence no provision has been made in the Accounts.

(9) Break-up of Expenditure on Employees :

	Numbers	Salary, Bonus & Allowance	Contribution to Provident Fund & Other Fund
(a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 72,000/- per annum. (Previous period of 18 months Rs. 1,08,000/-)	16 (4)	17,33,478 (4,56,130)	1,08,823 (32,580)
(b) Employees of the Company who are in receipt of or entitled to receive emoluments amounting to Rs. 6,000/- per month for part or the year	1 (1)	22,967 (52,000)	542 (4,331)

NOTE : Figures shown in brackets pertain to previous year.

(10) Quantitative information in respect of goods manufactured :

Name of the Factories

	Licensed Capacity M.T.	Installed capacity as certified by Factory Manager M.T.
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 & loss due to drainage etc. M.T.	Sales		Closing Stock	
	Quantity M.T.	Value Rs.			Quantity M.T.	Value Rs.	Quantity MT.	Value Rs.
Sugar	28,255.6 (11,772.9)	14,28,92,614 (5,50,22,206)	73,040 (1,06,761.20)	428.900 (653.300)	60,137.4 (89,625.20)	37,42,12,976 (47,66,76,208)	40,729.3 (28,255.6)	23,79,25,262 (14,28,92,614)
Molasses	6,113.916 (8,368.573)	2,51,833 (2,01,062)	26,376.88 (42,342.127)	5,585,053* (2,736.780)	18,285.29 (41,860.000)	43,77,436 (73,03,888)	8,620.45 (6,113.916)	10,34,455 (2,51,833)

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

(2) Quantity of 5585.053 tonnes at Lakshmiwadi lying since five years in kutcha Pit although valued at Rs. 2,01,062/- was in sludge form and not saleable. The same is written off.

Raw Materials Purchased and Consumed :

	Quantity Purchased & Consumed M.T.	Value Rs.	Previous year Quantity Purchased & Consumed M.T.	Value Rs.
Sugarcane	6,62,637 (Nett)	28,88,82,753	10,04,550 (Nett)	36,01,34,320
Stores & Spares Consumed :	Value Rs.	%	Value Rs.	%
Imported	67,409	1%	64,165	1%
Indigenous	68,48,232	99%	71,86,240	99%
	69,15,641	100%	72,50,405	100%

C.I.F. Value of Imports :

	Purchased	Previous Year
(i) Raw Materials	NIL	NIL
(ii) Stores and Spares	Rs. 50,416	Rs. 20,996
(iii) Capital Goods	NIL	NIL
(11) Expenses incurred in Foreign Currency	Rs. 50,416	NIL
(12) Figures for the Current year are for 12 Months against 18 Months of the Previous year. Hence the same are not comparable. Figure of Previous period 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 4th September, 1990

S. R. PARIKH  
Secretary

K. J. SOMAIYA  
Chairman  
S. K. SOMAIYA  
S. M. PATHAK  
C. B. PURANDARE

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 YEAR ENDED 31ST MARCH, 1990

### Schedule 'B'

Statement Under Section 217 (2-A) of the Companies Act, 1956, read with Rule 2 of the Companies (Particulars of Employees) Rules 1975 in regard to :

- (a) Employees of the Company who were employed throughout the year under review and were in receipt of remuneration for the year in the aggregate of not less than Rs. 72,000/-.
- (b) Employees of the Company who were employed for a part of the year under review and were in receipt of remuneration at a rate which in the aggregate was not less than Rs. 6,000/- per month.

(a) EMPLOYED THROUGHOUT THE YEAR UNDER REVIEW

Sr. No.	Name of Employee	Age	Designation	Remuneration Rs.	Nature of Employment (Whether Contractual or otherwise)	Other terms and Conditions	Qualifications & Experience (Years)	Date of Commencement of employment	Last Employment
1.	Shri P. M. Kavadia	71	Whole Time Director	2,58,700	Permanent	As per Company's Rules	M.A., LL.B. About 44 Years	1-9-1963	Manager, Narsee Nagsee & Co.
2.	Shri S. R. Parikh	56	Secretary-General Manager (Finance)	2,60,372	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com., F.C.A. About 33 Years	2-1-1960	Great Eastern Shipping Co., Ltd.
3.	Shri S. N. Kalabhairavan	77	Officer on Special Duty	97,037	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) About 56 Years	1-3-1971	Officer on Special Duty, Mangalore Chemicals & Fertiliser Ltd.
4.	Shri R. T. Shah	52	Office Manager	79,185	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. About 29 Years	19-12-1960	NIL
5.	Shri V. V. Iyer	43	Executive	75,880	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M. Com., B.G.L. About 23 Years	6-4-1969	Typist K. Mohonlal & Co.
6.	Shri V. V. Johsi	36	Executive	79,288	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M. Com., About 13 Years	1-4-1977	NIL
7.	Shri P. B. Bhimjiani	48	Chief Accountant	84,415	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. A.C.A. About 19 Years	17-7-1984	Accounts Officer, Garware Marine Industries Ltd.
8.	Shri H. R. Kotak	49	Legal Adviser	80,713	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. LL.B. About 16 Years	1-11-1973	NIL
9.	Shri B. M. Murugkar	60	General Manager	1,53,313	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 30 Years	1-7-1987	Dy. General Manager, Somaiya Organo-Chemicals Ltd.

Sr. No.	Name of Employee	Age	Designation	Remuneration Rs.	Nature of Employment (Whether Contractual or otherwise)	Other terms and Conditions	Qualifications & Experience (years)	Date of Commencement of employment	Last Employment
10.	Shri A. V. Shah	50	Accountant	83,467	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 25 Years	16-6-1967	Accounts Asstt. M/s Transmission Pvt. Ltd.
11.	Shri N. V. Kotak	53	Accounts Assistant	75,182	Permanent, subject to termination by One month's notice on either side	As per Company's Rules	B.Com., About 31 Years	13-5-1958	NIL
12.	Shri A. S. Satyanarayan	47	Project Manager	1,15,672	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 19 Years	8-7-1983	Chief Engineer Kothari Sugar & Chemicals
13.	Shri J. N. Patel	66	General Manager	1,46,876	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 37 Years	1-7-1987	General Manager Somaiya Organo-Chemicals Ltd.
14.	Shri T. P. Nagda	57	General Manager	83,964	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 38 Years	30-6-1958	Accountant, M/s. Warden Pvt. Ltd.
15.	Shri S. G. Haval	47	Chief Engineer	80,275	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 30 Years	7-8-1987	Bidar S. S. K. Ltd., Hallikhed, Dist. Bidar
16.	Shri P. M. Kulkarni	53	Cane Manager	87,962	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 31 Years	1-9-1987	Maharashtra Sugar Mills Ltd., Shrirampur, Tilaknagar

(b) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

1.	H. A. Shah	62	General Manager	23,509	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Hons) About 37 Years	13-8-1987	Chief Executive Triveni Engg. Work Khatauli (U.P.)
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Note: None of the employees mentioned above is a relative of any Director of the Company.

Gross remuneration includes, Salary, Bonus, Allowances, etc. including arrears, Commission (if any) and Company's contribution to Provident Fund.

By Order of the Board of Directors

K. J. SOMAIYA  
Chairman

BOMBAY: Dated 4th September, 1990

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

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

- (i) The Company holds the whole of the subscribed capital of Rs. 2,00,000/- (of which Rs. 1,00,000/- has been paid-up) in Godavari Investment & Finance Corporation Limited as at 31st March, 1990.
- (ii) *Advances* : The Advance to the said subsidiary Company as on 31st March, 1990 was Rs. 6,47,965/-.
- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 432/- for the year ended 31st March, 1990. The net Loss after adjusting the previous years' Loss from this year's profit comes to Rs. 13,639/-. 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., during the year ended 31st March, 1990. Further, there have been no material changes during the year in Godavari Investment & Finance Corporation Ltd., in respect of Fixed Assets, Investments, monies lent and monies borrowed by it for any purpose other than that of meeting Current Liabilities.

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

## **DIRECTORS' REPORT**

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

Your Directors submit herewith their Thirtyfifth Annual Report and Audited Accounts of the Company for the year ended 31st March, 1990.

The Working of the Company for the year resulted in a Profit of Rs. 432/- after providing Rs. 648/- for taxation. After writing back excess provision for taxation of earlier years of Rs.4,019/- and adjusting last year's carried forward loss. the Net Carried Forward Loss comes to Rs. 13,639/- which has been carried 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 Sugarcane to Sakarwadi and Lakshmiwadi Factories of the Holding Company, Godavari Sugar Mills Limited under Tripartite Agreement. As these factories are closed since 1985-86 and the Assets of these factories have been sold to Co-operative Sugar Societies with the approval of Maharashtra Government, 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 out-standings are substantial. Sundry amounts outstanding would have to be written off gradually.

### **DIRECTORS :**

Dr. S. K. Somaiya and Shri N. B. Bora, Directors, retire from the Board by rotation and being eligible offer themselves for re-election.

### **CONSERVATION OF ENERGY ETC :**

The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 with regard to annexing particulars about conservation of Energy/Technical absorption do not apply to the Company.

There was no expenditure/earnings in foreign exchange during the year under report.

### **PARTICULARS OF EMPLOYEES :**

There were no employees, employed during the year or part thereof drawing remuneration as mentioned in Section 217(2A) of the Companies Act, 1956.

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 : 20th August, 1990.

# **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, 1990 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 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, 1990 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, 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 were 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.

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st March, 1989	LIABILITIES			
Rupees			Rupees	Rupees
5,00,000	<b>I. AUTHORISED CAPITAL :</b>			
	5,000 Ordinary (Equity) Shares of Rs. 100/- each ..			5,00,000
1,00,000	<b>II. SUBSCRIBED CAPITAL :</b>			
	2,000 Ordinary (Equity) Shares of Rs. 100/- each on which Rs. 50/- has been Paid and 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	Interest due on Loan .. .. .		6,47,965	
6,47,965	<b>IV. CURRENT LIABILITIES AND PROVISIONS :</b>			6,47,965
	<b>(A) CURRENT LIABILITIES :</b>			
47,779	Sundry Creditors .. .. .		47,461	
47,779			47,461	
	<b>(B) PROVISIONS :</b>			
11,087	For Taxation .. .. .		648	
58,866				48,109
8,06,831	Carried Over			7,96,074

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MARCH, 1990

As at 31st March, 1989	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 .. ..		16,496	
	(ii) SUNDRY DEBTORS :			
	(Unsecured and considered good as Certified by a Director except otherwise Stated)			
63,028	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 .. ..	60,921		
43,941	Considered Doubtful .. ..	43,941		
1,06,969		1,04,862		
43,941	Less : Provision for Doubtful Debts .. ..	43,941		
63,028			60,921	
	(iii) CASH AND BANK BALANCES :			
36	Cash on Hand .. ..	58		
666	Stamp Papers on Hand .. ..	666		
891	In Current Account with a Scheduled Bank	62,761		
1,593			63,485	
87,035	Carried Over		1,40,902	

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st March, 1989	LIABILITIES (Contd.)	
Rupees 8,06,831	Brought Forward	Rupees 7,96,074
<p>NOTES :</p> <p>(1) 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.</p> <p>(2) Figures for the Current year are for 12 months against 10 months of Previous year. Hence same are not comparable and are recast wherever necessary.</p>		
8,06,831	Total Rupees	7,96,074

As per our Report of even date annexed

For IYER & MUZUMDAR  
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR  
Partner

BOMBAY : Dated 20th August, 1990

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
87,035	Brought Forward		1,40,902	—
	(B) LOANS AND ADVANCES :			
	(Secured and considered good as Certified by a Director except otherwise Stated)			
	(i) Loans to Cane Growers under arrangement to supply cane to the Holding Company The Godavari Sugar Mills Limited in terms of Agreements :			
6,16,999	Secured .. .. .	6,12,431		
36,261	Considered Doubtful .. .. .	36,261		
6,53,260		6,48,692		
36,261	Less : Provision for Doubtful Loans .. .. .	36,261		
6,16,999			6,12,431	
29,000	(ii) Deposits .. .. .		29,000	
953	(iii) Advance recoverable in Cash or in Kind .. .. .		102	
4,674	(iv) Advance Income-Tax .. .. .		—	
50,080	(v) Income Tax on Interest deducted at source .. .. .		—	
7,88,741				7,82,435
	II. MISCELLANEOUS EXPENDITURE :			
18,090	Loss as per Profit & Loss Account .. .. .			13,639
8,06,831	Total Rupees			7,96,074

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 18th August, 1990

R. VENKATRAMAN  
J. P. DASTUR } Directors

# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the period ended 31st March, 1989			
Rupees			Rupees
	To Opening Stock :		
22,414	" Machinery, Spares and Fittings (Transferred to Unuseable & Written off Rs, 5,918/-)		16,496
7,550	" Salary .. .. .		10,500
250	" Professional Tax .. .. .		850
—	" Miscellaneous Expenses, Fees and Stamps, Postage and Telegram, Conveyance, Travelling Expenses ..		378
1,000	" Office Rent .. .. .		1,200
—	" Machinery Stores Spare Fittings Unuseable and Written off .. .. .		5,918
500	" Audit Fees .. .. .		500
19,266	" Sundry Debit Balances Written off .. .. .		—
595	" Provision for Taxation .. .. .		648
397	" Profit carried down .. .. .		432
51,972		Total Rupees	36,922
18,487	To Balance as per Last Balance Sheet .. .. .		18,090
18,487		Total Rupees :	18,090

As per our Report of even date annexed

For **IYER & MUZUMDAR**  
CHARTERED ACCOUNTANTS

**Y. S. MUZUMDAR**  
Partner

BOMBAY : Dated 20th August, 1990

# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MARCH, 1990

For the period ended 31st March, 1989			
Rupees			Rupees
25,190	By Interest on Loans .. .. .		2,344
—	„ Interest on Income Tax .. .. .		8,002
22,414	„ Closing Stock of Machinery Stores and Spares Parts at Cost .. .. .		16,496
4,368	„ Sundry Credit Balances Written back .. .. .		—
—	„ Commission .. .. .		10,080
51,972		Total Rupees :	36,922
397	By Profit Brought Down .. .. .		432
—	„ Excess Provision for Taxation of earlier years written back .. .. .		4,019
18,090	„ Loss Carried to Balance Sheet .. .. .		13,639
18,487		Total Rupees :	18,090

BOMBAY : Dated 18th August, 1990

R. VENKATRAMAN }  
J. P. DASTUR } Directors