

51

**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1990-91**

1991

THE GODAVARI SUGAR MILLS LIMITED

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

Board of Directors :

SHRI K. J. SOMAIYA

Chairman

DR. B. V. BHOOTA

SHRI N. C. SAYTA

SHRI N. B. HADKER (upto 1-10-1990)

SHRI M. R. SHROFF

SHRI P. PURI (upto 28-6-1991)

(Nominee of Karnataka State Government)

DR C. B. PURANDARE

DR S M. PATHAK (upto 16-8-1991)

(Nominee of Bank of India)

SHRI R. S. BIDIKAR (w.e.f. 16-8-1991)

(Nominee of Bank of India)

SHRI K. PERSHAD

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

DR. S. K. SOMAIYA

SHRI P. M. KAVADIA

(Whole-time Director)

SHRI S. R. PARIKH

Secretary — General Manager (Finance)

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 Fifty-first Annual General Meeting of The Godavari Sugar Mills Limited will be held on Tuesday the 8th October, 1991 at 4.00 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 Audited Balance Sheet as at 31st March, 1991 and the Profit and Loss Account for the year ended on that date, and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri K. J. Somaiya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. S. K. Somaiya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. B. V. Bhoota 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 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 re-appointment of Shri P. M. Kavadia, as a Whole-time Director of the Company for a period of three years from 1st October, 1991 and for the payment to him as Whole-time Director the following remuneration and perquisites :

Salary	:	Rs. 14,000 — 500 — 15,000.
Commission	:	1% of Net Profits subject to a limit of Rs. 50,000/-
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 month's 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 telephones 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 percent 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."

By Order of the Board of Directors,

S. K. SOMAIYA
Director

BOMBAY : Dated 5th September, 1991

NOTE : 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.

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

ITEM No 6

Shri P. M. Kavadia was appointed Whole-time Director of the Company for a period of three years from 1st October, 1988 to 30th September, 1991.

The Board of Directors in their Meeting held on 5th September, 1991 have re-appointed him for a further period of 3 years from 1st October, 1991 to 30th September, 1994 on the terms and conditions as set out in the Resolution. The Board recommends the re-appointment of Shri P. M. Kavadia as Whole-time Director as under his able guidance and leadership the Company has made steady progress and achieved increased production and profitability and in the opinion of the Board of Directors, the remuneration proposed to be paid to Shri P.M. Kavadia is reasonable considering his experience and expertise and commensurate with the duties and responsibilities of the Whole-time Director. Necessary approval will be taken from Central Government, as Shri P. M. Kavadia is 72 years old, and his re-appointment does not fall within the provisions prescribed under Schedule XIII of the Companies Act.

The Board commends the resolution for approval.

Shri P. M. Kavadia may be deemed to be interested in this resolution.

By Order of the Board of Directors,

S. K. SOMAIYA
Director

BOMBAY: Dated 5th September, 1991.

THE GODAVARI SUGAR MILLS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fifty-first Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March, 1991.

(A) FINANCIAL RESULTS :

	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
Gross Operating Profit			554.97
<i>Less:</i> Interest	319.95		
Depreciation	50.34		
			<u>370.29</u>
Net Profit for the year			184.68
<i>Add:</i> ADJUSTMENTS FOR SAKARWADI/LAKSHMIWADI FACTORIES :			
Profit on Sale of Assets	238.31		
Government Liabilities written back	239.60		
Interest on Cash Credit Account written back	327.95		
		<u>805.86</u>	
<i>Less:</i> Interest on Cash Credit Account for closure period	511.95		
Interest to Govt. of Maharashtra and its Subsidiary of earlier period	117.57		
Sugar Cane Purchase-tax of earlier period	20.68		
Rates and Taxes of earlier period	0.61	650.81	155.05
			<u>339.73</u>
<i>Less:</i> Provision for arrears of Depreciation of earlier years upto 1986-87			161.80
Balance Profit for the year			<u>177.93</u>
<i>Less:</i> Brought forward loss from previous year	557.72		
Provision for Wealth-tax and Income-tax for earlier years	4.43		
			<u>562.15</u>
Balance loss carried to Balance Sheet.			<u><u>384.22</u></u>

(B) MANUFACTURING RESULTS OF SAMEERWADI :

The results for the year reflect working of two crushing seasons i.e. 1989-90 and part of 1990-91. It covers the period from 1-4-1990 to 15-5-1990 and 15-10-1990 to 31-3-1991 the results whereof are produced below :

	1-4-90 to 15-5-90	15-10-90 to 31-3-91	Total
Cane Crushed (M.T.)	1,71,193	6,98,604	8,69,797
Sugar Manufactured (Qtls.)	1,83,130	7,88,400	9,71,530
Recovery (%)			11.17

The final figures of crushing and production for season 1990-91 and comparative figures for 1989-90 are as under.

	1990-91	1989-90
Cane Crushed (M.T.)	9,73,376	7,47,373
Sugar Manufactured (Qtls.)	10,50,870	8,11,520
Recovery (%)	10.79	10.74

(C) REHABILITATION SCHEME SANCTIONED BY B.I.F.R.:

During the year under report, The Board for Industrial and Financial Reconstruction (B.I.F.R.) held two hearings on 26-6-90 and 27-12-90. In the subsequent hearing on 10-5-91 the Board formulated a Draft scheme for rehabilitation of the Company and thereafter circulated the same to concerned parties. This Scheme has been finally sanctioned by the B.I.F.R. at the hearing held at Delhi on 30th August, 1991.

(D) LEGAL MATTERS :

As mentioned in the last year's Report, the Supreme Court had dismissed the Civil Miscellaneous Petition filed by 38 permanent workers of Lakshmiwadi Factory, and the Company as per the Consent Terms filed in Supreme Court and the Agreement arrived at with the recognised Labour Union, had deposited with the Ahmednagar Labour Court, the amount payable to these 38 workers.

Before the filing of the above Consent Terms, these 38 workers had filed an Application in Ahmednagar Labour Court, demanding 100% wages, bonus, D.A. etc. for the same period. The Labour Court had given judgement on 19th June, 1991 in favour of these workers inspite of the Supreme Court's Order dismissing their Petition for similar prayers. The Company has filed a Writ Petition in High Court of Bombay (Aurangabad Bench) against the Order of the Ahmednagar Labour Court and pending admission of the Petition, the payment has been stayed.

(E) CANE PRICE FOR THE SEASON 1989-90 :

On the basis of the working results for the season 1989-90 and after prolonged discussions with representatives of Cane Growers Association at Sameerwadi, the final Cane Price for the season 1989-90 was settled at Rs. 418/- per tonne ex-field, and the payments were also made and completed accordingly.

Subsequently, the representatives of Karnataka Rajya Raytha Sangha pressed through the State Government authorities to revise the price upwards and pay a higher price. There was no justification for such a demand and the Company explained the matter fully to the State Government authorities and clarified that the final Cane Price was already settled and payments had been completed. The representatives of the Cane Growers Association at Sameerwadi also concurred with this stand. In as much as there was no justification for reopening the price once already settled, the matter raised by the Raytha Sangha stands dropped.

(F) PETITIONS FOR LEVY SUGAR PRICE :

(i) For Seasons 1974-75 to 1977-78 :

The Writ Petitions filed by the Company for the season 1974-75 in respect of Sakarwadi, Lakshmiwadi and Sameerwadi Factories and from 1975-76 to 1977-78 for Sakarwadi and Lakshmiwadi Factories have been disposed of by the High Court of Bombay by a common Order in respect of all the Sugar Factories in Maharashtra which have filed Writ Petitions. As per Court's Order, the decision of the Supreme Court would be implemented for these seasons also by the Central Government.

(ii) For Season 1975-76 for Sameerwadi Factory :

The Appeal of Sameerwadi Factory alongwith other Sugar Factories in Karnataka filed in Supreme Court against the Order of Division Bench of Karnataka High Court's Order dated 4th October, 1980 upholding the Levy Price determination of Government of India and reversing Single Judge's Order dated 4th October, 1979 in favour of the factories in respect of the season 1975-76 is pending. As per the directions of the Supreme Court in the Interim Order dated 14th October, 1981, the Company is continuing to renew the Bank Guarantees for levy price difference of Rs. 26.50 lacs for Sameerwadi Factory.

(iii) For Season 1977-78 for Sameerwadi Factory :

The Writ Petitions filed by the Union of India against the Judgement dated 3rd October, 1980 of a Division Bench of the Karnataka High Court upholding the

Single Judge's Order for the season 1977-78 is pending. The Supreme Court had ordered on 19-3-82 that the effect should be given to the Judgement of the High Court directing the Central Government to redetermine the Levy Sugar Price of factories in Karnataka Zone and had extended the time by 4 months. However, no action has been taken by the Government of India in this regard.

(iv) For Seasons 1978-79 and 1979-80 :

The Writ Petitions of all the Sugar Factories for seasons 1978-79 and 1979-80 have been transferred to the Supreme Court, which were heard on only some points in February 1986. The said Petitions are not yet disposed of.

At the request of the Attorney General of India, the Division Bench of Supreme Court, headed by the Chief Justice, on 10th May, 1991 granted permission to the Government of India to negotiate for an "out of Court Settlement" of the pending Levy Sugar Price Cases of the Sugar Factories for various seasons. The matter is being pursued by both the Associations of the Industry.

(v) For Season 1985-86 for Sameerwadi Factory :

The Company's Writ Petition No. 9255/1986 for Sameerwadi Factory alongwith similar Writ Petitions for other Sugar Factories in Karnataka for the season 1985-86 was dismissed by the High Court of Karnataka on 20th December, 1990. The Company had filed an Appeal against this Order before the Division Bench of the High Court which has been dismissed on 4th August, 1991. It is proposed to file an Appeal in Supreme Court against this Order.

(G) ADDITIONAL LEVY PRICE OF LAKSHMIWADI :

Appeal of Government of India against Delhi High Court's Order dated 28th May, 1991 allowing Company's Writ Petition challenging the deletion of Lakshmiwadi Factory from Schedule VI entitling Additional Levy Price of Rs. 26/- per qtl. for the season 1980-81 is pending in Supreme Court. For seasons 1981-82 to 1983-84, Delhi High Court has by interim orders allowed Lakshmiwadi Factory to collect Rs. 26/- per qtl. for Levy Sugar. The Special Leave Petition filed by Government of India in Supreme Court against interim Order of Delhi High Court for the year 1983-84 has been dismissed by Order dated 7th May, 1991. Above Writ Petitions of the Company for the seasons 1981-82 to 1983-84 are pending in Delhi High Court.

(H) SUGAR POLICY FOR 1990-91 SEASON :

- (a) The Government of India fixed Statutory Minimum Cane Price of sugar cane at Rs. 23/- per quintal for season 1990-91 against Rs. 22/- per quintal fixed for 1989-90 season at 8.5% recovery.
- (b) The 'State Advised Cane Price' fixed by the Karnataka Government for season 1990-91 was Rs. 360/- per M.T. Ex-factory as against Rs. 325/- per M.T. for 1989-90 season. As informally agreed in the presence of State Government authorities for Belgaum-Bijapur factories, Sameerwadi Factory paid first instalment of Rs. 325/- per M.T. Ex-field.

(I) EXPORT OF SUGAR :

The Company has entered into Agreement with Indian Sugar Industry Export Corporation Ltd. under their export scheme to supply for export 3,20,000 qtls. of Free Sale Sugar of season 1990-91 from Sameerwadi Factory. Out of this quantity, 1,31,840 qtls. of Sugar has already been despatched to Goa Port till date. Balance quantity is under despatch.

(J) MAHARASHTRA UNITS (LAKSHMIWADI AND SAKARWADI FACTORIES) :

The Company has realised the proceeds from sale of Assets of Sakarwadi and Lakshmiwadi Factories and discharged the liabilities of these factories including those of Bank of India and Government of Maharashtra.

(K) APPOINTMENT OF WHOLE-TIME DIRECTOR OF THE COMPANY :

The present term of Shri P. M. Kavadia, Whole-time Director expires on 30th September, 1991. The Board have re-appointed him as Whole-time Director for a further period of 3 years from 1st October, 1991 to 30th September, 1994, subject to the approval of members and Central Government. Although Shri P. M. Kavadia is 72 years old, he is physically fit and mentally agile. Under his able guidance and leadership for the past 3 years, the Company has made steady progress and achieved increased production and profitability.

(L) DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY, ETC :

The particulars about 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 Annexure forming part of this report.

(M) AUDITORS :

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

(N) GENERAL :

- (i) Three of your Directors viz. Shri K. J. Somaiya, Dr. S.K. Somaiya and Dr. B. V. Bhoota retire from the Board by rotation and being eligible offer themselves for re-appointment. During the year Shri N. B. Hadker resigned from the Board due to reasons of old age. Shri Pradeep Puri, Nominee Director of Government of Karnataka and Dr. S. M. Pathak, Nominee Director of Bank of India resigned from the Board due to withdrawal of their nominations by Govt. of Karnataka and Bank of India respectively. Shri R. S. Bidikar, has been nominated as Director by Bank of India in place of Dr. S. M. Pathak.

The Board places on record its appreciation of the valuable services rendered by Shri N. B. Hadker, Shri Pradeep Puri and Dr. S. M. Pathak during their tenure as Directors of the Company and welcomes Shri R. S. Bidikar on the Board.

- (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,

S. K. SOMAIYA }
P. M. KAVADIA } *Directors*

BOMBAY : Dated 5th September, 1991

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, 1991.

Conservation of Energy/Technology Absorption/Foreign Exchange earnings and out go :

(A) CONSERVATION OF ENERGY :

In addition to the existing steam economy measures, it is planned to add two more vapour cells so as to work the existing quadruple system as quintuple followed by vapour cell. This will enable us to achieve higher production with fuel economy.

FORM 'A'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		<i>Current Year</i>	<i>Previous Year</i>
(A) POWER AND FUEL CONSUMPTION :			
1. ELECTRICITY :			
(A) Purchased			
Unit	KWH	10,80,617	7,38,751
Total Amount	RS	13,22,269	8,55,382
Rate/Unit	RS/KWH	1.22	1.16
(B) Own Generation			
(1) Through Diesel Generator			
Unit	KWH	42,600	70,110
Unit per Ltr. of Diesel Oil	KWH	3.00	3.33
Cost per unit	RS/KWH	2.00	2.50
(2) Through steam turbine generator			
Unit	KWH	1,90,24,995	1,53,81,655
Unit per kg. of Bagasse.	KWH	0.16	0.16
Cost Unit	RS/KWH	0.63	0.63
2. COAL (IInd GRADE)			
Quantity	MT	913	744
Total Cost	RS	10,47,215	7,00,298
Average Rate	RS/MT	1,147	942
The coal is used for manufacture of lime only.			
3. FURNACE OIL :			
Quantity	KL		
Total Amount	RS	NIL	NIL
Average Rate	RS		
4. OTHERS/INTERNAL GENERATION :			
FIRE WOOD			
Quantity	MT	370	287
Total Cost	RS	2,45,117	1,56,179
Rate/Unit	RS/MT	662	544
BAGASSE			
Purchased	MT	NIL	NIL
Produced & Utilised for power Generation	MT	1,20,277	96,763
Total Cost	RS	1,20,27,698	77,41,040
Rate (Average)	RS/MT	100	80

(B) CONSUMPTION PER UNIT OF SUGAR PRODUCTION :

		Current Year	Previous Year
Electricity	KWH/QTLS	19.17	22.08
Furnace Oil		NIL	NIL
COAL (GRADE-II)	MT/QTLS.	0.000868	NIL
Fire Wood	MT/QTLS	0.000351	0.0004
Bagasse	MT/QTLS	0.29	0.132

(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 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 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	4,68,839
(iii) Total	<u>4,68,839</u>

(iv) Total R & D expenditure as a percentage of total turnover. 0.09%

Technology absorption, adoption and innovation :

1. Efforts :

The efforts of R & D unit have led to reduction in water consumption as well as effluent, steam economy optimisation of imbibition, improved laboratory analysis of varieties of cane sampling and low grade bailing resulting in over all improvement of milling, efficiency, production and sugar quality.

Benefits :

1. There has been overall improvement in milling results contributing to improved yield and quality of sugar.

2. We have not imported any technology.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

There has been no Foreign Exchange earnings and outgo during the year under Report.

By Order of the Board of Directors,

S. K. SOMAIYA }
P. M. KAVADIA } *Directors*

THE GODAVARI SUGAR MILLS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1991

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 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.
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.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper Books of Accounts as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of these books.

In our opinion, and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss Account read with 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, 1991.

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1990	LIABILITIES			
Rupees			Rupees	Rupees
	I. SHARE CAPITAL :			
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>	
	ISSUED AND SUBSCRIBED CAPITAL :			
2,00,00,000	2,00,000	Ordinary (Equity) Shares of Rs. 100/- each fully Paid up; of the above shares 1,70,000 share are allotted as fully Paid-up by way of Bonus Shares by Capitalisation of General Reserve	2,00,00,000	
18,50,950	18,509½	7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully Paid, liable to be redeemed at the option of the Company at any time and from time to time after giving three months' notice of the intention to redeem the same	18,50,950	
<u>2,18,50,950</u>			<u>2,18,50,950</u>	
	II. RESERVES AND SURPLUS :			
	(A) GENERAL RESERVE :			
1,51,77,041		As per last Balance Sheet	1,51,77,041	
1,51,77,041		Less : Shown as deduction from Profit and Loss Account as per Contra	<u>1,51,77,041</u>	
—			—	
	(B) INVESTMENT ALLOWANCE RESERVE :			
4,25,000		Balance as on 31-3-1990	10,00,000	
5,75,000		Created during the year	—	
10,00,000		(Against above, Plant and Machinery costing Rs. 36,54,434/- purchased. Previous year Rs. 28,71,736/-)	<u>10,00,000</u>	
<u>2,28,50,950</u>			<u>2,28,50,950</u>	
	Carried Over			

MILLS LIMITED
AS AT 31ST MARCH, 1991

As at 31st March, 1990	ASSETS	
Rupees		Rupees Rupees
	I. FIXED ASSETS : (At Cost or Book Value)	
14,89,18,033	Gross Block	12,94,58,882
9,91,03,545	Less : Depreciation Written off upto 31st March, 1991	10,85,28,093
4,98,14,488	Net Depreciated Block as per Schedule "A" attached	2,09,30,789
4,22,868	Capital Work-in-Progress	26,80,043
5,02,37,356		2,36,10,832
	II. INVESTMENTS : (At Cost)	
	(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 :	
	(i) 16,490 Equity Shares of Somaiya Organics (India) Limited, of Face Value of Rs. 100/- each	16,49,000
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
1,71,500	(iv) National Savings Certificates	2,21,500
1,500	(v) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur	1,500
19,24,578		19,74,578
5,02,37,356	Carried Over	2,36,10,832

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1990	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,28,50,950	Brought Forward			2,28,50,950
	III. SECURED LOANS :			
2,49,07,707	(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		
8,23,42,983	(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.			
7,37,26,689	(i) Bank of India	6,68,63,931		
15,60,69,672	(ii) Union Bank of India	5,91,93,163		
18,09,77,379		12,60,57,094		
			15,09,64,801	
	<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 on Leasehold lands at Kandla and has agreed to create First Pari Passu Charge on two Flats at Bombay for these facilities.</p>			
3,86,25,132	(c) Term Loan from Bank of India :		2,00,00,200	
12,49,316	(d) Interest accrued and due on Term Loan of Bank of India		31,53,817	
26,26,309	(e) Demand Loan from Bank of India		27,32,321	
	NOTE :			
	<p>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 on Leasehold Lands at Kandla and also by Company's agreeing to create First Pari Passu Equitable Mortgage jointly with Union Bank of India on two flats at Bombay as collateral security.</p>			
69,60,678	(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).		64,00,678	
23,04,38,814				
2,28,50,950	Carried Over		18,32,51,817	2,28,50,950

MILLS LIMITED

AS AT 31ST MARCH, 1991

As at 31st March, 1990	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
5,02,37,356	Brought Forward		19,74,578	2,36,10,832
19,24,578				
1,995	(vi) 4½% U.P. State Development Loan of 1972 (Face Value Rs. 2,000/-)		1,995	
1,000	(vii) National Savings Certificates of the Face Value of Rs. 1,000/- Deposited as Security Deposit with Central Excise Authority, Bijapur		1,000	
		<i>Cost</i>	<i>Market Value</i>	
	Aggregate Quoted Investments	16,49,000	10,88,340	
	Aggregate Unquoted Investments	3,28,573	3,28,573	
19,27,573		<u>19,77,573</u>	<u>14,16,913</u>	19,77,573
	III. CURRENT ASSETS, LOANS AND ADVANCES :			
	(A) CURRENT ASSETS :			
1,58,25,454	(i) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director)		1,55,07,809	
18,19,921	In Transit		31,12,025	
1,76,45,375			<u>1,86,19,834</u>	
3,643	(ii) Loose Tools and Implements		—	
	(iii) Stock-in-trade (as per Inventories valued and certified by a Director)			
23,24,49,861	(a) Sugar at Realised/Realisable Value ..		34,81,16,491	
54,75,400	(b) Sugar in process		46,35,400	
—	(c) Stock of Grains, Cotton, etc. at Market Rate		21,514	
9,722	(d) Crop-in-Progress		—	
10,34,455	(e) Molasses at Controlled Rate		11,96,489	
23,89,69,438			<u>35,39,69,894</u>	
25,66,18,456				
5,21,64,929	Carried Over		<u>37,25,89,728</u>	<u>2,55,88,405</u>

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1990	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,28,50,950				
23,04,38,814	Brought Forward		18,32,51,817	2,28,50,950
—	(g) Working Capital Term Loan (Converted from Cash Credit Account for Sameerwadi)			
—	(i) Bank of India	1,78,00,000		
	(ii) Union Bank of India	1,78,00,000		
			3,56,00,000	
—	(h) Funded Interest A/c. I (Closure period interest for Sakarwadi/Lakshmiwadi Units)			
	Bank of India		1,84,00,000	
—	(i) Funded Interest A/c. II (Converted from Term Loan Account)			
	Bank of India		1,62,97,632	
—	(j) Funded Interest A/c. III (Converted from Cash Credit Account for Sameerwadi)			
—	(i) Bank of India	1,44,50,000		
	(ii) Union Bank of India	1,44,50,000		
			2,89,00,000	
20,00,000	(k) 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	
1,00,000	(l) Interest accrued and due on above		10,000	
	(m) 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 Leasehold Lands at Kandla and agreement to create First Pari Passu Equitable Mortgage on two flats at Bombay		34,45,529	
64,64,329				
23,90,03,143				28,79,04,978
1,75,22,888	IV. UNSECURED LOANS : Cane Purchase Tax Loan from Karnataka Government			1,07,05,655
13,41,61,445	V. CURRENT LIABILITIES AND PROVISIONS : (A) CURRENT LIABILITIES :			
3,34,076	(i) Sundry Creditors		19,91,83,761	
24,08,525	(ii) Advances from Customers against Sale of Land		3,34,076	
4,878	(iii) Security Deposit from Bagaitdars		18,65,605	
5,79,879	(iv) Security Deposit from Customers		4,878	
30,000	(v) For Taxation (Agriculture Income-tax)		—	
16,18,784	(vi) Due to Whole-time Director		30,000	
16,86,437	(vii) Interest Accrued but not due on Loan		13,84,584	
	(viii) Interest Suspense		35,42,684	
			20,63,45,588	
14,08,24,024	(B) PROVISIONS :			
9,30,000	Provision for Wealth Tax	10,50,942		
71,065	Less : Paid	47,765		
8,58,935			10,03,177	
14,16,82,959				20,73,48,765
42,10,59,940	Carried Over			52,88,10,348

MILLS LIMITED

AS AT 31ST MARCH, 1991

As at 31st March, 1990	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
5,21,64,929	Brought Forward		37,25,89,728	2,55,88,405
25,66,18,456				
	(iv) Sundry Debtors (Unsecured and considered good except otherwise stated)			
7,47,122	(a) Debts outstanding for more than six months	7,18,959		
76,07,747	(b) Other Debts	87,05,622		
83,54,869			94,24,581	
	(v) CASH AND BANK BALANCES :			
3,17,826	Cash, Cheques and Drafts on hand and in transit (including Stamps on hand Rs. 5,127)	11,46,256		
70,06,780	In Current Account with Scheduled Banks ..	47,37,263		
	In Current Account with Non-Scheduled Bank :			
78,110	Bijapur District Central Co-Operative Bank Ltd., Mahalingpur (Maximum Debit Balance during the year Rs. 27,03,621/- Previous year Rs. 14,20,492)	3,50,808		
—	In Bank of India for Deposit of Sale Proceed of Plant & Machinery of Sakarwadi	1,52,55,000		
5,000	Fixed Deposit with Scheduled Bank (Lodged with Excise Department, Mudhol)	5,000		
1,61,55,370	Fixed Deposit with Scheduled Banks (Under lien for the Guarantees)	1,89,53,116		
22,92,882	Accrued Interest on above	13,51,383		
2,58,55,968			4,17,98,826	
29,08,29,293				
5,21,64,929	Carried Over		42,38,13,135	2,55,88,405

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1990	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
42,10,59,940	Brought Forward ..		52,88,10,348
	CONTINGENT LIABILITIES (Not Provided for) :		
	(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 31.3.1991.	25,93,856	
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			
42,10,59,940	Total Rupees		52,88,10,348

Accompanying to our Report of even date

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

G. P. BHATT
Partner

MILLS LIMITED

AS AT 31ST MARCH, 1991

As at 31st March, 1990	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
5,21,64,929	Brought Forward		42,38,13,135	2,55,88,405
29,08,29,293				
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
—	Loans to subsidiary Company—Godavari Investment and Finance Corporation Ltd.	—		
6,47,965	Accrued Interest due on above	—		
24,82,707	Interest on Deferred Payment under IDBI Scheme ..		13,82,707	
2,74,40,715	Advances Recoverable in Cash or Kind or for value to be received (including Advances to the Officers of the Company Rs. 31,200/- (Maximum Debit Balance during the year Rs. 31,200/-). Amount in dispute Rs. 9,16,101/- and paid to Banks in respect of Defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee Rs. 3,46,738/-)	4,22,00,386		
64,126	Considered Doubtful	64,126		
2,75,04,841		4,22,64,512		
64,126	Less : Provision for Doubtful Advances	64,126		
2,74,40,715			4,22,00,386	
10,86,490	Income-tax deducted at source from Interest ..		6,97,533	
58,12,547	Deposit with High Court & Others		76,09,060	
—	Interest Credit to be received from Banks ..		42,73,762	
32,82,99,717				47,99,76,583
	MISCELLANEOUS EXPENDITURE :			
5,57,72,335	Profit and Loss Account :		3,84,22,401	
1,51,77,041	Less : Deducted from General Reserve as per Contra		1,51,77,041	
4,05,95,294				2,32,45,360
42,10,59,940	Total Rupees			52,88,10,348

S. R. PARIKH
Secretary-
General Manager (Finance)

S. K. SOMAIYA
R. S. BIDIKAR
C. B. PURANDARE
B. V. BHOOTA

P. M. KAVADIA
(Whole-time Director)
N. C. SAYTA
K. PERSHAD

} Directors

BOMBAY : Dated 5th September, 1991.

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st April, 1990	Additions during the year	Deduction for Sale during the year	Gross Block as on 31st March, 1991
(1)	(2)	(3)	(4)	(5)
Freehold Land (Book Value)	22,00,392	—	5,94,501	16,05,891
Leasehold Land Development Expenses	2,38,925	—	—	2,38,925
Leasehold Premium on Garage	12,000	—	—	12,000
Building & Pucca Quarters at Factories	2,13,31,083	1,03,528	54,57,278	1,59,77,333
Temporary Quarters	7,48,627	—	1,12,166	6,36,461
Temporary Quarters at Farms	2,38,518	—	97,360	1,41,158
General Machinery (Book Value)	10,24,80,412	7,73,698	1,11,66,925	9,20,87,185
Electrical Machinery	54,59,286	—	15,45,039	39,14,247
Agricultural Machinery (Book Value)	13,98,135	—	4,91,715	9,06,420
Locomotives	92,974	—	92,974	—
Electrical Installation & Fittings	12,67,149	—	1,02,603	11,64,546
Furniture & Office Equipments	27,78,033	1,57,712	4,36,612	24,99,133
Weigh Bridges	15,50,832	8,69,044	1,04,195	23,15,681
Trolley Lines	5,96,120	—	5,96,120	—
Railway Siding	1,26,075	—	1,26,075	—
Molasses & Other Storage Tanks	32,51,975	—	—	32,51,975
Motor Cars, Lorries & Cycles (Book Value)	24,07,442	2,64,201	6,45,952	20,25,691
Carts & Trucks (Book Value)	3,29,991	4,19,630	2,92,447	4,57,174
Laboratory Apparatus	1,71,618	—	25,552	1,46,066
Roads & Drainage & Tube Wells	11,85,966	3,98,114	1,66,855	14,17,225
Dead Stock	2,10,337	25,477	48,567	1,87,247
Library	6,893	—	—	6,893
Medical Instruments	60	—	60	—
Irrigation Lifts	7,40,142	—	3,10,419	4,29,723
Live Stock	95,048	—	57,140	37,908
Total Rupees ..	14,89,18,033	30,11,404	2,24,70,555	12,94,58,882

Accompanying to our Report of even date

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

G. P. BHATT
Partner

MILLS LIMITED

Forming Part of Balance Sheet as at 31st March, 1991

Depreciation Written off Upto 1st April, 1990	Depreciation Written off during the year	Arrears of Depreciation Provided during the year	Depreciation Written back on Sale/ disposal	Total Depreciation Upto 31st March, 1991	Net Depreciated Block as at 31st March, 1991	Net Depreciated Block as at 31st March, 1990
(6)	(7)	(8)	(9)	(10)	(11)	(12)
—	—	—	—	—	16,05,891	22,00,392
—	—	—	—	—	2,38,925	2,38,925
9,850	300	—	—	10,150	1,850	2,150
81,04,028	4,83,458	29,76,205	19,39,621	96,24,070	63,53,263	1,32,27,055
4,68,975	9,470	90,261	1,12,166	4,56,540	1,79,921	2,79,652
2,14,006	1,087	2,773	97,361	1,20,505	20,653	24,512
7,62,07,327	36,91,548	1,04,02,625	58,28,279	8,44,73,221	76,13,964	2,62,73,085
38,90,060	1,10,178	8,40,393	11,53,142	36,87,489	2,26,758	15,69,226
12,35,642	9,622	49,116	4,42,490	8,51,890	54,530	1,62,493
86,792	—	—	86,792	—	—	6,182
8,26,978	25,173	2,07,035	37,284	10,21,902	1,42,644	4,40,171
16,63,644	64,009	3,97,730	2,01,041	19,24,342	5,74,791	11,14,389
8,08,633	1,99,362	2,65,894	87,930	11,85,959	11,29,722	7,42,199
5,59,035	—	—	5,59,035	—	—	37,085
1,08,145	—	—	1,08,145	—	—	17,930
14,17,617	1,67,359	7,18,628	—	23,03,604	9,48,371	18,34,358
16,87,283	2,06,815	59,294	3,35,328	16,18,064	4,07,627	7,20,159
2,74,530	1,457	5,309	2,50,114	31,182	4,25,992	55,461
1,13,570	4,420	21,777	18,745	1,21,022	25,044	58,048
5,35,896	46,610	82,944	1,33,824	5,31,626	8,85,599	6,50,070
1,12,718	10,429	37,383	32,384	1,28,146	59,101	97,619
5,558	—	538	—	6,096	797	1,335
56	—	—	56	—	—	4
6,91,031	4,035	22,517	3,10,329	4,07,254	22,469	49,111
82,171	—	—	57,140	25,031	12,877	12,877
9,91,03,545	50,35,332	1,61,80,422	1,17,91,206	10,85,28,093	2,09,30,789	4,98,14,488

S. R. PARIKH
Secretary-
General Manager (Finance)

S. K. SOMAIYA
R. S. BIDIKAR
C. B. PURANDARE
B. V. BHOOTA

P. M. KAVADIA
Whole-time Director
N. C. SAYTA
K. PERSHAD

Directors

BOMBAY : Dated 5th September, 1991.

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1990	Rupees	Rupees	Rupees	Rupees
		Rupees	Rupees	Rupees
	To	Opening Stock on 1st April, 1990 :		
13,95,09,164	..	Sugar	23,24,49,862	
33,83,450	..	Sugar-in-Progress	54,75,400	
2,51,833	..	Molasses	10,34,455	
2,01,062	..	Less : Stock of Molasses written off	—	
50,771			10,34,455	
14,29,43,385		Agricultural Section :		23,89,59,717
97,596	..	Salaries and Wages	73,969	
1,000	..	Bonus	1,000	
11,715	..	Stores inclusive of Seeds and Manures	13,104	
18,183	..	Irrigation Rates and Taxes	18,528	
2,802	..	Electricity Charges	1,266	
21,554	..	Miscellaneous Expenses (including Printing and Stationery, Postage and Telegram and Travelling Expenses)	10,723	
1,763	..	Depreciation	1,490	
12,035	..	Legal Charges	2,479	
1,66,648				1,22,559
30,44,77,220	..	Locally Purchased Cane (includes Rs. 34,22,511/- of earlier year)		43,38,17,310
7,30,248	..	Lease Rent		7,94,287
2,18,15,496	..	Salaries and Wages (after deducting Rs. 49,53,350/- Charged to Repair and other relevant heads)	2,05,80,186	
34,79,606	..	Bonus to Employees	51,47,427	
1,57,794	..	Company's Contribution to Employees Family Pension Fund Scheme	2,23,422	
2,63,494	..	Contribution to Provident Fund of the Company and Administrative Charges	3,32,587	
8,70,014	..	Gratuity	—	
9,54,666	..	Group Gratuity Insurance Premium	10,61,604	
13,97,186	..	Company's Contribution to Government Provident Fund and Administrative Charges	16,13,128	
2,89,38,256				
44,83,17,501		Carried Over	2,89,58,354	67,36,93,873

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1991

For the Year ended 31st March, 1990		Rupees	Rupees
		Rupees	Rupees
	By SALES :		
37,42,12,976	" Sugar	52,28,97,614	
43,77,436	" Molasses	77,75,892	
37,85,90,412			53,06,73,506
44,11,187	" Sundry Receipts		62,49,346
5,74,747	" Income from Immovable Property		5,52,956
42,987	" Sundry Receipts being Market Value of Farm Produce etc.		63,847
6	" Dividend		—
1,07,500	" Share in Profit of Partnership Firm		79,500
	" INTEREST :		
3,35,399	" Loans and Others	3,19,642	
—	" Of Previous year Written back	8,966	
—	" Cash Credit A/c. Written back	3,27,95,404	
—	" Interest Credit to be received from Banks	42,73,762	
47,791	" Fixed Deposits and Others		
3,83,190			3,73,97,774
—	" Sundry Credit Balances Written back		2,91,568
71,978	" Claims and Refund		1,19,503
1,08,125	" Rebate on Excise Duty		—
1,01,023	" Profit on Sale of Agricultural Lands/Assets		44,512
1,07,05,757	" Govt. Liabilities Written back		2,39,59,552
2,92,01,398	" Profit on Sale of Fixed Assets		2,38,30,854
42,42,98,310			62,32,62,918
	Carried Over		

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1990		Rupees	Rupees
44,83,17,501	Brought Forward	2,89,58,354	67,36,93,873
2,89,38,256			
83,614	To Contribution to Deposit Link Insurance Fund and Administrative Charges	93,894	
9,54,843	.. Workmen and Staff Welfare Expenses	20,44,709	
60,000	.. Workmen Compensation	—	
3,00,36,713		—————	3,10,96,957
69,18,549	.. Stores, Chemicals & Spare Parts		90,86,784
19,65,819	.. Power and Fuel		23,27,980
1,05,64,698	.. Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 18,20,341/- Previous year Rs. 16,67,800/-) ..	1,53,74,627	
8,59,423	.. Repairs to Building (inclusive of Salaries & Wages Rs. 2,15,970/- Previous year Rs. 2,30,646/-)	8,81,214	
3,40,947	.. Other Repairs (inclusive of Salaries and Wages Rs. 24,980/- Previous year Rs. 19,614/-)	6,00,466	
1,17,65,068		—————	1,68,56,307
1,32,41,610	.. Sugar Cane Purchase Tax (including Rs. 20,68,075/- of earlier period)		2,68,33,340
7,43,201	.. Insurance Premium		9,38,305
2,65,72,992	.. Excise Duty on Sugar	3,58,34,564	
23,03,946	.. Excise Duty on Molasses	40,28,271	
7,19,000	.. Excise Duty on Sugar & Power Generation (of earlier years)	—	
2,95,95,938		—————	3,98,62,835
84,19,236	.. Sugar Development Cess		1,11,93,644
1,04,22,437	.. Packing, Forwarding and Storage Expenses		1,61,78,295
3,89,575	.. Rent		2,60,878
4,08,669	.. Rates and Taxes		6,54,657
2,76,660	.. Loss on Sale of Stores and Spares		2,12,492
2,43,523	.. Brokerage and Commission (inclusive of Guarantee Commission of Rs. 4,59,238/- Previous year Rs. 1,74,522/-)		7,40,363
57,89,495	.. Miscellaneous Expenses (including Printing & Stationery, Postage & Telegram, Telephone Charges, Motor Car Maintenance etc.)		70,40,732
3,329	.. Additional Sales Tax		5,322
56,85,37,323	Carried Over	—————	83,69,82,764

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1991

<i>For the Year ended 31st March, 1990</i>		Rupees	Rupees
42,42,98,310	Brought Forward		62,32,62,918
	By Stock in Trade (as taken, Valued and Certified by a Director)		
23,24,49,862	.. Sugar at Realised/Realisable Value	34,81,16,492	
54,75,400	.. Sugar in Process at Cost	46,35,400	
10,34,455	.. Molasses at Controlled Rate	11,96,489	
23,89,59,717			35,39,48,381
66,32,58,027	Carried Over		97,72,11,299

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1990		Rupees		Rupees
56,85,37,323				
	Brought Forward			83,69,82,764
	To INTEREST :			
1,25,81,934	Cash Credit Account (including Rs. 511.95 Lacs for earlier Period)	6,15,65,932		
74,81,667	Fixed Loans	1,91,27,319		
1,12,447	Fixed Deposits	1,12,447		
1,20,000	Debentures	1,20,000		
9,24,143	Other Loans (including Rs. 1,17,57,101/- of earlier period)	1,25,07,854		
8,03,200	Deferred Payment Guarantee Facility	11,00,000		
1,97,043	Inter Corporate Deposit	4,13,637		
—	Interest Outstanding from a subsidiary Co. written off ..	5,81,941		
2,22,20,434		<hr/>		9,55,29,130
12,900	To Directors' Fees			23,000
1,29,394	.. Directors' Travelling Expenses			2,78,633
1,92,000	.. Whole-time Directors' Remuneration			1,83,000
15,11,330	.. Advances and Loans written off			—
39,353	.. Charity and Donation			23,639
	.. PAYMENT TO AUDITORS :			
20,000	Audit Fees	20,000		
5,000	Tax Audit Fees	5,000		
5,437	Auditors' Travelling Expenses	5,311		
30,437		<hr/>		30,311
10,500	.. Cost Audit Fees	7,000		
1,000	.. Cost Auditors Travelling Expenses	—		
11,500		<hr/>		7,000
	To Agricultural Development Expenses (inclusive of Salaries and Wages Rs. 23,80,917/- Previous year Rs. 23,51,534/-)			40,78,138
31,70,664	.. Stock of Molasses written off			—
2,01,062	.. Expenses on Scientific Research			4,68,839
3,81,135	.. Legal Expenses			4,78,616
3,68,950	.. Loss on Sale of Assets			—
335	.. Loose Tools written off			3,644
3,630	.. Premium on Leasehold Garage written off			300
300	.. Depreciation (including arrears of Depreciation of Rs. 1,61,80,422/-)			2,12,13,964
6,03,56,763	.. Sundry Debit Balance written off			17,587
52,93,031	.. Provision for Wealth Tax			1,00,000
1,25,000	.. Investment Allowance Reserve			—
5,75,000	.. Balance being Profit for the year			1,77,92,734
97,486				<hr/>
66,32,58,027	Total Rupees			97,72,11,299

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1991

<i>For the Year ended 31st March, 1990</i>		<i>Rupees</i>
<i>Rupees</i> 66,32,58,027	Brought Forward	97,72,11,299
<u>66,32,58,027</u>	Total Rupees :	<u>97,72,11,299</u>

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1990		Rupees	Rupees	Rupees
5,51,89,821	To Balance of Loss Brought Forward from Last Year's Balance Sheet			5,57,72,335
6,80,000	.. Provision for Wealth Tax of earlier years			4,21,644
—	.. Income Tax for earlier year			21,156
	NOTE : Computation of Whole-time Directors' Commission is as follows:-			
97,486	Net Profit as per Profit and Loss Account		1,77,92,734	
5,46,55,308	Add: Arrears of Depreciation of earlier years		1,61,80,422	
—	Expenses of period prior to appointment		1,38,86,176	
—	Interest of period prior to appointment		61,33,333	
5,47,52,794			5,39,92,665	
	Less :			
1,01,023	(i) Profit on Sale of Agri. Lands	44,512		
1,07,05,757	(ii) Govt. Liabilities Written back	2,39,59,552		
2,92,01,398	(iii) Profit on Sale of Fixed Assets	2,38,30,854		
4,00,08,178			4,78,34,918	
1,47,44,616			61,57,747	
	Add :			
1,92,000	(i) Whole-time Directors' Remuneration	2,06,468		
57,03,518	(ii) Depreciation Provided	50,35,332		
1,25,000	(iii) Provision for Wealth Tax	1,00,000		
60,20,518			53,41,800	
2,07,65,134			1,14,99,547	
	Less :			
57,03,518	(i) Depreciation to the extent specified in Section 350 of Companies Act, 1956	50,35,332		
10,00,000	(ii) Estimated Liability of Bonus	21,00,000		
67,03,518			71,35,332	
1,40,61,616			43,64,215	
1,40,616	Commission @ 1% on the Net Profit		43,642	
30,000	As per Agreement Limited to		30,000	
	Total Managerial Remuneration :			
1,92,000	Remuneration		1,83,000	
14,300	Company's Contribution to Provident Fund		15,300	
—	Perquisites		8,168	
2,06,300			2,06,468	
5,58,69,821	Total Rupees :			5,62,15,135

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 5th September, 1991.

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1991

<i>For the Year ended 31st March, 1990</i>		Rupees
<i>Rupees</i>		
97,486	By Balance being Profit Brought down from Profit and Loss Account	1,77,92,734
5,57,72,335	.. Balance Carried to Balance Sheet	3,84,22,401
<u>5,58,69,821</u>	Total Rupees :	<u>5,62,15,135</u>

BOMBAY : Dated 5th September, 1991.

S. R. PARIKH
Secretary-
General Manager (Finance)

S. K. SOMAIYA
R. S. BIDIKAR
C. B. PURANDARE
B. V. BHOOTA

P. M. KAVADIA
(Whole-time Director)
N. C. SAYTA
K. PERSHAD

} Directors

THE GODAVARI SUGAR

NOTES FORMING PART OF ACCOUNTS FOR

- NOTES : (1) Out of arrears of Depreciation of Rs. 2,29,24,550/- as on 31.3.90, Depreciation of Rs. 1,61,80,422/- (Rs. 1,55,69,827/- for Sameerwadi Factory, and Rs. 6,10,595/- for Head Office) has been provided during the year. The Balance arrears of Depreciation of Rs. 67,44,128/- on Assets of Sakarwadi Factory has been adjusted on Sale of these assets during the year.
- (2) Income Tax Assessments upto Accounting Year ending 31.3.1989 (upto Assessment Year 1989-90) 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) During the year, no provision for Bonus has been made as the same is Debited to Profit and Loss Account as and when paid. Liability of the Bonus for the year under report according to Bonus Act comes to about Rs. 21 Lacs.
- (4) The Total Liability as on 31.3.1991 for accrued gratuity to employees under the Payment of Gratuity Act, 1972 as per the Actuary's Certificate is Rs. 67,17,963/-. The same is covered under Cash Accumulation Scheme of Group Gratuity Insurance with Life Insurance Corporation of India.

(5) Accounts for the year under report are prepared after making adjustments as per Rehabilitation Scheme sanctioned by BIFR.

(6) Break-up of Expenditure on Employees :

	Numbers	Salary, Bonus & Allowance	Contribution to Provident Fund and Other Fund
(a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 1,44,000/- per annum (Previous year Rs. 72,000/-)	5 (16)	8,02,085 (17,33,478)	57,645 (1,08,823)
(b) Employees of the Company who are in receipt of or entitled to receive emoluments amounting to Rs. 12,000/- per month for part of the year (Previous year Rs. 6,000/- Per Month)	NIL (1)	— (22,967)	— (542)

NOTE : Figures shown in brackets pertain to previous year.

(7) Quantitative information in respect of goods manufactured :

Name of the Factory	Licensed Capacity	Installed capacity as certified by Factory Manager
	M.T.	M.T.
Sameerwadi	5000	5000

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 M.T.	Value Rs.
Sugar	40,729.3 (28,255.6)	23,79,25,262 (14,28,92,614)	97,354.1 (73,040.0)	1,198.9 (428.9)	79,954.6 (60,137.4)	52,28,97,614 (37,42,12,976)	56,929.9 (40,729.3)	35,27,51,892 (23,79,25,262)
Molasses	8,620.455 (6,113.916)	10,34,455 (2,51,833)	33,296.620 (26,376.880)	0.161 (5,585.053)	31,946.170 (18,285.29)	77,75,892 (43,77,436)	9,970.744 (8,620.450)	11,96,489 (10,34,455)

Note : Figures in bracket pertain to previous year.

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 5th September, 1991.

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1991

<i>Raw Materials Purchased and Consumed :</i>	<i>Quantity Purchased & Consumed (M.T.)</i>	<i>Value Rs.</i>	<i>Previous Year Quantity Purchased & Consumed (M.T.)</i>	<i>Value Rs.</i>
Sugar Cane	8,61,197 (Nett)	41,36,44,010	6,62,637 (Nett)	28,88,82,753
<i>Stores & Spares Consumed :</i>	<i>Value Rs.</i>	<i>%</i>	<i>Value Rs.</i>	<i>%</i>
Imported	—	—	67,409	1%
Indigenous	90,86,784	100%	68,48,232	99%
	<u>90,86,784</u>	<u>100%</u>	<u>69,15,641</u>	<u>100%</u>
<i>C.I.F. Value of Imports :</i>			<i>Previous Year</i>	
(i) Raw Materials	NIL		NIL	
(ii) Stores and Spares	NIL		Rs. 50,416	
(iii) Capital Goods	NIL		NIL	
(8) Expenses incurred in Foreign Currency	NIL		Rs. 50,416	

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.

S. R. PARIKH
Secretary-
General Manager (Finance)

S. K. SOMAIYA
R. S. BIDIKAR
C. B. PURANDARE
B. V. BHOOTA

P. M. KAVADIA
(Whole-time Director)
N. C. SAYTA
K. PERSHAD

Directors

BOMBAY : Dated 5th September, 1991.

THE GODAVARI SUGAR MILLS LIMITED

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1991

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. 1,44,000/-.
- (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. 12,000/- 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	72	Whole-Time Director	2,06,468	Permanent	As per Company's Rules	M.A., LL.B. About 45 Years	1-9-1963	Manager, Narsee Nagsee & Co.
2.	Shri S. R. Parikh	57	Secretary-General Manager (Finance)	1,68,832	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B. Com., F.C.A. About 34 Years	2-1-1960	Great Eastern Shipping Co., Ltd.
3.	Shri B. M. Murugkar	61	General Manager	1,53,072	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 31 Years	1-7-1987	Dy. General Manager Somaiya Organo-Chemicals Ltd.
4.	Shri J. N. Patel	67	General Manager	1,50,873	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 38 Years	1-7-1987	General Manager, Somaiya Organo-Chemicals Ltd.
5.	Shri A. S. Satyanarayan	48	Project Manager	1,80,485	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.E. (Mech.) About 20 Years	8-7-1983	Chief Engineer, Kothari Sugar & Chemicals

(b) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

— N I L —

Note: None of the employees mentioned above is a relative of any Director of the Company.

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

By Order of the Board of Directors,

S. K. SOMAIYA

P. M. KAVADIA

} Directors

BOMBAY: Dated 5th September, 1991

THE GODAVARI SUGAR MILLS LIMITED

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 and Finance Corporation Limited as at 31st March, 1991.
- (ii) Godavari Investment and Finance Corporation Limited incurred a Loss of Rs. 837/- for the year ended 31st March, 1991. The Net Loss after adjusting Previous Years' Loss comes to Rs. 14,476/- .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.
- (iii) There has been no change in the Interest of the Company in Godavari Investment and Finance Corporation Ltd., during the year ended 31st March, 1991.
- (vi) Since 1984, the Sugar manufacturing Units at Lakshmiwadi and at Sakarwadi have been closed down. These Units have been disposed of by the Company. As a result the Debtors and Advances to Cultivators under Tripartite Agreement, to supply Cane to the Company's Sakarwadi and Lakshmiwadi factories could not be recovered by the subsidiary Company and have been written off during the year ended 31st March, 1991. The Company has therefore written off the outstanding interest due from the subsidiary Company.

S. R. PARIKH
Secretary-
General Manager (Finance)

S. K. SOMAIYA
R. S. BIDIKAR
C. B. PURANDARE
B. V. BHOOTA

P. M. KAVADIA
(Whole-time Director)
N. C. SAYTA
K. PERSHAD

} *Directors*

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED

DIRECTORS' REPORT

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

Your Directors submit herewith their Thirtysixth Annual Report and Audited Accounts of the Company for the year ended 31st March, 1991.

The working of the Company for the year resulted in a Loss of Rs. 837/- after writing off Loans and Advances to Cultivators amounting to Rs. 5,81,130/- and after writing back Rs. 5,81,941/- being the interest outstanding and due to holding Company The Godavari Sugar Mills Limited. After adjusting the Previous year's loss, the total carried forward loss comes to Rs. 14,476/- which has been carried to the next year. In view of this, the Directors do not recommend any dividend for the year.

As the Holding Company viz. Godavari Sugar Mills Limited, has sold out its two factories viz. Sakarwadi and Lakshmi-wadi the Directors have thought it fit to write off the Loans and Advances to Cultivators which were given under Tripartite Agreement to supply sugar cane to these factories. Consequently the Interest of Rs. 5.81 Lacs outstanding to the Holding company has also been written back during the year under report.

DIRECTORS :

Shri R. Venkatraman and Shri J. P. Dastur, 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,

S. K. SOMAIYA

R. VENKATRAMAN

Directors

BOMBAY : Dated 20th August, 1991.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Godavari Investment and Finance Corporation Limited as at 31st March, 1991 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 on 31st March, 1991 and

(b) In the case of the Profit and Loss Account, of the Loss 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. As the Company has no Stock of Stores question of physical verification and Valuation thereof does not arise.
4. The Company has obtained loan from the Holding Company which was repaid. The interest on the loan was written back by the Company in consultation with the Holding Company.
5. Many of Loans and Advances to Cultivators were now found non-recoverable and the same are written off.
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 any 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 year 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 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 20th August, 1991.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st March, 1990	LIABILITIES	
Rupees		Rupees Rupees
5,00,000	I. AUTHORISED CAPITAL : 5,000 Ordinary (Equity) Shares of Rs. 100/- each ..	5,00,000
1,00,000	II. SUBSCRIBED CAPITAL : 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 Ltd. ..	1,00,000
6,47,965	III. UNSECURED LOANS : Interest due on Loan from The Godavari Sugar Mills Limited	—
6,47,965	IV. CURRENT LIABILITIES AND PROVISIONS :	
	(A) CURRENT LIABILITIES :	
47,461	Sundry Creditors	32,988
	(B) PROVISIONS :	
648	For Taxation	648
48,109		33,636
7,96,074	Carried Over	1,33,636

FINANCE CORPORATION LTD.

AS AT 31ST MARCH, 1991

As at 31st March, 1990	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS & ADVANCES :			
	(A) CURRENT ASSETS :			
	(i) Stock in trade (At Cost)			
16,496	Machinery, Stores & Spares		—	
	(ii) SUNDRY DEBTORS :			
	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	—		
<u>1,04,862</u>				
43,941	Less : Provision for Doubtful debts	—		
<u>60,921</u>				
	(iii) CASH AND BANK BALANCES :			
58	Cash on Hand	138		
666	Stamp Papers on Hand	—		
62,761	In Current Account with a Scheduled Bank	<u>2,146</u>		
<u>63,485</u>			<u>2,284</u>	
<u>1,40,902</u>	Carried Over		<u>2,284</u>	—

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st March, 1990	LIABILITIES (Contd.)	
Rupees		Rupees
7,96,074	Brought Forward	1,33,636
	NOTE :	
	(1) The number of Employees of the Company who are in receipt of or are entitled to receive remuneration amounting in the aggregate of Rs. 12,000/- or more per mensam for the whole year or any part of the year are — NIL.	
7,96,074	Total Rupees	1,33,636

As per our Report of even date annexed

For IYER & MUZUMDAR
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR
Partner

FINANCE CORPORATION LTD.

AS AT 31ST MARCH, 1991

As at 31st March, 1990	ASSETS				
Rupees		Rupees	Rupees	Rupees	
1,40,902	Brought Forward		2,284		—
	(B) LOANS AND ADVANCES :				
	(Secured and considered good as Certified by a Director except otherwise stated)				
	(i) Loans to Cane Growers under arrangements to Supply Cane to the Holding Company, The Godavari Sugar Mills Ltd., in terms of Aggrements.				
6,12,431	Secured	87,580			
36,261	Considered Doubtful	—			
6,48,692		87,580			
36,261	Less : Provision for Doubtful Loans	—			
6,12,431			87,580		
29,000	(ii) Deposits		29,000		
102	(iii) Advances recoverable in Cash or Kind		101		
—	(iv) Advance Income-tax		195		
7,82,435					1,19,160
13,639	II. MISCELLANEOUS EXPENSES :				
	Loss as per Profit & Loss Account				14,476
7,96,074	Total Rupees :				1,33,636

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.

OMBAY : Dated 20th August, 1991.

S. K. SOMAIYA }
R. VENKATRAMAN } *Directors*

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

<i>For the Year Ended 31st March, 1990</i>		<i>Rupees</i>		<i>Rupees</i>
	To Opening Stock :			
16,496	Machinery, Spares and Fittings (Transferred to Unuseable and Written off)			—
10,500	.. Salary			1,200
850	.. Professional Tax			—
378	.. Miscellaneous Expenses, Fees and Stamps, Postage and Telegrams, Conveyance, Travelling Expenses			320
1,200	.. Office Rent			1,200
5,918	.. Machinery Stores, Spare Fittings (Unuseable and Written off)			—
500	.. Audit Fees			500
—	.. Sundry Debit Balances Written Off			808
—	.. Loans and Advances to Cultivators Written off			5,81,130
648	.. Provision for Taxation			—
432	.. Profit Carried down			—
36,922	Total Rupees :			5,85,158
18,090	.. Balance as per Last Balance Sheet			13,639
—	.. Loss Carried down			837
18,090	Total Rupees :			14,476

As per our Report of even date annexed

For **IYER & MUZUMDAR**
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR
Partner

BOMBAY : Dated 20th August, 1991.

FINANCE CORPORATION LTD.
THE YEAR ENDED 31ST MARCH, 1991

<i>For the Year Ended 31st March, 1990</i>			
<i>Rupees</i>			<i>Rupees</i>
2,344	By Interest on Loans		1,900
8,002	.. Interest on Income Tax		—
16,496	.. Closing Stock of Machinery, Stores and Spares parts at Cost		—
10,080	.. Commission		—
—	.. Miscellaneous Receipts		480
—	.. Outstanding Interest to Holding Company Written back ..		5,81,941
—	.. Loss Carried down		837
<hr/>			
36,922		Total Rupees :	<hr/> <hr/> 5,85,158
432	By Profit Brought Down		—
4,019	.. Excess Provision for Taxation of earlier years Written back		—
13,639	.. Loss Carried to Balance Sheet		14,476
<hr/>			
18,090		Total Rupees :	<hr/> <hr/> 14,476

OMBAY : Dated 20th August 1991.

S. K. SOMAIYA }
R. VENKATRAMAN } *Directors*

ATTENDANCE SLIP

THE GODAVARI SUGAR MILLS LIMITED

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

FIFTYFIRST 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 FIFTY-FIRST ANNUAL GENERAL MEETING held at Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay-400 023, on Tuesday, the 8th October, 1991 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 FIFTY-FIRST ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 8th October, 1991 at 4.00 p.m. and any adjournment thereof :

Signed this.....day of.....1991

.....
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 meeting.