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**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1991-92**

1992

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 M. R. SHROFF (upto 17-12-1991)

DR. C. B. PURANDARE

SHRI R. S. BIDIKAR

(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 and 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-second Annual General Meeting of The Godavari Sugar Mills Limited will be held on Wednesday the 30th September, 1992 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, 1992 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 N. C. Sayta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. C. B. Purandare who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 :

5. To consider and if thought fit to pass with or without modifications, the following resolution as Ordinary Resolution :
 - (a) "RESOLVED THAT the Authorised Capital of the Company be increased from Rs. 3,00,00,000/- divided into 2,30,000 Equity Shares of Rs. 100/- each, 20,000 7.8572% per annum (subject to deduction of tax at source as may be required under the law for the time being in force) Redeemable Cumulative Second Preference Shares of Rs. 100/- each and 50,000 9½% per annum (subject to deduction of tax at source as may be required under the law for the time being in force) Redeemable Cumulative Third Preference Shares of Rs. 100/- each to Rs. 5,00,00,000/- divided into 4,30,000 Equity Shares of Rs. 100/- each, 20,000 7.8572% per annum (subject to deduction of tax at source as may be required under the law for the time being in force) Redeemable Cumulative Second Preference Shares of Rs. 100/- each and 50,000 9½% per annum (subject to deduction of tax at source as may be required under the law for the time being in force) Redeemable Cumulative Third Preference Shares of Rs. 100/- each."
 - (b) "RESOLVED THAT Clause V of the Memorandum of Association of the Company be altered by substituting the words and figures Rs. 3,00,00,000/- divided into 2,30,000 Equity Shares of Rs. 100/- each by the words and figures Rs. 5,00,00,000/- divided into 4,30,000 Equity Shares of Rs. 100/- each."
6. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution :

"RESOLVED THAT Article 4 of the Articles of Association of the Company be altered by substituting the words and figures Rs. 3,00,00,000/- divided into 2,30,000 Equity Shares of Rs. 100/- each by the words and figures Rs. 5,00,00,000/- divided into 4,30,000 Equity Shares of Rs. 100/- each."
7. To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution :

"RESOLVED THAT in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue for cash at par 10,000/- (Ten Thousand) Equity Shares of Rs. 100/- each of the aggregate value of Rs. 10 lacs (Rupees Ten lacs only) to such persons whether shareholder of the Company or not and at such time as the Board of Directors may in their absolute discretion think fit, and the holders of the new Equity Shares will have the same rights as the existing shareholders from the date of allotment."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to prescribe the form of application, to determine the amount payable on application and by way of further calls, if any, in respect of the said Shares and to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable or expedient for raising the paid up equity capital of the Company by Rs. 10 lacs and the allotment of Equity Shares in favour of any person or body/bodies corporate."

By Order of the Board of Directors,

K. J. SOMAIYA

Chairman

BOMBAY : Dated 26th August, 1992.

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 NOS :

- 5 & 6. To enable the Company to provide for any further issue of capital, it is necessary to increase the Authorised Capital of the Company from Rs. 3,00,00,000/- to Rs. 5,00,00,000/-. Resolution No. 5(a) authorises for increase in the Share Capital.

Alterations to Memorandum and Articles of Association are proposed to be made to reflect the increased Authorised Capital. Resolution No. 5(b) and 6 provide for these alterations.

7. Members may recall that as per the final order of B.I.F.R. dated 30-8-91, the promoters of the Company had to bring in contribution of Rs. 40 lakhs, (Rs. 30 lakhs during 1991-92 and Rs. 10 lakhs during 1992-93). At the Extra-Ordinary General Meeting held on 20-4-1992 members authorised the Board of Directors to issue 30,000 Equity Shares of Rs. 100/- each aggregating Rs. 30 lakhs, which have been issued.

To further comply with the directions of B.I.F.R. Order, it is now proposed to issue balance 10,000 Equity Shares of Rs. 100/- each aggregating Rs. 10 lakhs to such persons whether shareholder of the Company or not.

Necessary sanction of the members is sought under Section 81 of the Companies Act, 1956 for issue of these Shares.

Shri K. J. Somaiya and Dr. S. K. Somaiya, Directors of the Company may be deemed to be interested in this resolution.

By Order of the Board of Directors,

K. J. SOMAIYA

Chairman

BOMBAY : Dated 26th August, 1992.

THE GODAVARI SUGAR MILLS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fifty-Second Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March, 1992.

(A) FINANCIAL RESULTS :

	<i>Rs. (in lacs)</i>	<i>Rs. (in lacs)</i>
Gross Operating Profit		581.57
Less : Interest	287.93	
Depreciation	73.13	
Net Profit for the year		361.06
		220.51
Less : Brought forward loss from previous year		384.22
Balance loss carried to Balance Sheet		163.71

(B) MANUFACTURING RESULTS OF SAMEERWADI :

The results for the year reflect working of two crushing seasons i.e. part of 1990-91 and part of 1991-92. It covers the period from 1-4-1991 to 16-6-1991 and 6-11-1991 to 31-3-1992 the results whereof are produced below :

	1-4-91 To 16-6-91	6-11-91 To 31-3-92	Total
Cane Crushed (M.T.)	2,74,672	5,83,267	8,57,939
Sugar Manufactured (Qtls.)	2,65,410	6,99,150	9,64,560
Recovery (%)			11.24

The final figures of crushing and production for season 1991-92 and comparative figures for 1990-91 are as under :

	1991-92	1990-91
Cane Crushed (M.T.)	8,80,743	9,73,376
Sugar Manufactured (Qtls.)	10,12,580	10,53,810
Recovery (%)	11.35	10.79

(C) LEGAL MATTERS :

The Company's Writ Petition in High Court of Bombay (Aurangabad Bench) against the Order dated 19-6-1991 of the Ahmednagar Labour Court in favour of 38 workers of Lakshmiwadi Factory for their demand of 100 % wages, Bonus, D.A., etc. for the period of closure of Sakarwadi/Lakshmiwadi factories is pending. In the meantime, the payment has been stayed by the High Court.

(D) 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 off 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.

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

The Writ Petition 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 which have been transferred to the Supreme Court, 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 through which negotiations for settlement are in progress.

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

The Company's Writ Petition 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's Appeal against this Order before the Division Bench of the High Court has been dismissed on 4th August, 1991. The Company has filed an Appeal in Supreme Court against this Order, which is admitted and pending.

(E) 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 it to 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 the Petitions are pending in Delhi High Court which has by interim Orders allowed Lakshmiwadi Factory to collect Rs. 26/- per qtl. for levy Sugar.

(F) SUGAR POLICY FOR 1991-92 SEASON :

- (a) The Government of India fixed Statutory Minimum Cane Price of Sugar Cane at Rs. 26/- per qtl. for season 1991-92 against Rs. 23/- per qtl. fixed for 1990-91 season at 8.5% recovery.
- (b) The State Advised Cane Price fixed by the Karnataka Government for season 1991-92 was Rs. 360/- per M.T. linked with 8.5% recovery Ex-Factory as against Rs. 360/- per M.T. for 1990-91 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. Steps are being taken for payment of the second instalment of Rs. 100/- per tonne, as being paid by neighbouring factories.

(G) EXPORT OF SUGAR :

The Company has entered into Agreement with Indian Sugar Industry Export Corporation Ltd., under their export scheme to supply for export 2,00,000 qtls. of Free Sale Sugar of season 1991-92 from Sameerwadi Factory. Out of this quantity, 1,87,100 qtls. of Sugar has already been despatched to Goa Port till date. Balance quantity is under despatch.

(H) IMPLEMENTATION OF B.I.F.R. REHABILITATION SCHEME :

The Company and the Promoters have already implemented conditions applicable to them as per Rehabilitation Scheme approved by B.I.F.R. vide order dated 30th August, 1991. The Union Bank of India has confirmed and communicated its approval to the Scheme, while Bank of India is in process of doing so.

(I) 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.

(J) AUDITORS :

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

(K) GENERAL :

- (i) Two of your Directors viz. Shri N. C. Sayta and Dr. C. B. Purandare retire from the Board by rotation and being eligible offer themselves for re-appointment. During the year, Shri M. R. Shroff resigned from the Board.

The Board places on record its appreciation of the valuable services rendered by Shri M. R. Shroff during his tenure as Director of the Company.

- (ii) Your Directors place on record their sincere appreciation of the co-operation and assistance extended by the B.I.F.R. and the Special Director appointed by it, the Company's Bankers viz. Bank of India and Union Bank of India as well as the Karnataka Government.
- (iii) The Statement concerning employees as required by amended provisions of Section 217(2A) 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 26th August, 1992.

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, 1992.

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

		Current Year	Previous Year
(A) POWER AND FUEL CONSUMPTION :			
1. ELECTRICITY :			
(A) Purchased			
Unit	KWH	9,62,088	10,80,617
Total Amount	Rs.	15,59,120	13,22,269
Rate/Unit	Rs./KWH	1.62	1.22
(B) Own Generation			
(1) Through Diesel Generator			
Unit	KWH	77,264	42,600
Unit per lit. of Diesel Oil	KWH	2.84	3.00
Cost per Unit	Rs./KWH	2.10	2.00
(2) Through Steam Turbine Generator			
Unit	KWH	1,92,05,925	1,90,24,995
Unit per kg. of Bagasse	KWH	0.15	0.16
Cost Unit	Rs./KWH	0.65	0.63
(Rs. 100/Tonne of Bagasse)			
2. COAL (IInd GRADE) :			
Quantity	M.T.	953	913
Total Amount	Rs.	10,54,557	10,47,215
Average Rate	Rs./MT	1,107	1,147
(The Coal is used for manufacture of lime only)			
3. OTHERS/INTERNAL GENERATION :			
FIREWOOD			
Quantity	M.T.	514	370
Total Cost	Rs.	3,62,022	2,45,117
Rate/Unit	Rs./MT	704	662
BAGASSE			
Purchased	M.T.	NIL	NIL
Produced & Utilised for Power Generation	M.T.	1,24,362	1,20,277
Total Cost	Rs.	1,24,36,230	1,20,27,698
Rate (Average)	Rs./MT	100	100

		Current Year	Previous Year
(B) CONSUMPTION PER UNIT OF SUGAR PRODUCTION :			
Electricity	KWH/QTLS	19.95	19.17
COAL (GRADE-II)	MT/QTLS	0.000942	0.000868
Fire Wood	MT/QTLS	0.000508	0.000351
Bagasse	MT/QTLS	0.29	0.29

(B) TECHNOLOGY ABSORPTION :

(e) 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 up-gradation of process technology, product improvement, conservation of energy and water, recovery improvement and cost reductions. The Company has identified and applied cost effective process additives & has adopted improved technology in milling with better results.

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 results and ensuring better recovery as well as quality of sugar.

3. Future Plan of action :

In future, R & D efforts will be continued to adopt automatic process control system at different stations to increase crushing capacity to reduce steam consumption with reduced Mill stoppages.

4. Expenditure on R & D :

(i) Capital	NIL
(ii) Recurring	6,19,009
(iii) Total	6,19,009
(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 achieved water economy and reduction in effluent, steam economy, optimum imbibition, improved low grade boiling, adopted new milling technology, entrainment arrestors with encouraging results.

Benefits :

- There has been improvement in crushing rate with improved results. Sugar recovery has improved with better quality of sugar cane.
- We have not imported any technology.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

There has been no Foreign Exchange earnings during the year. The total Foreign Exchange out goings during the year under review amounted to Rs. 70,098/-.

By Order of the Board of Directors,

K. J. SOMAIYA
Chairman

BOMBAY : Dated 26th August, 1992.

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1991		LIABILITIES			
Rupees			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		
3,00,00,000					3,00,00,000
	ISSUED AND SUBSCRIBED CAPITAL :				
2,00,00,000	2,00,000 Ordinary (Equity) Shares of Rs. 100/- each fully Paidup; 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		
	Share Application Money		30,00,000		
18,50,950	18,509½ 7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully Paid-up liable to be redee- med 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		
2,18,50,950					2,48,50,950
	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	1,51,77,041			
	(B) INVESTMENT ALLOWANCE RESERVE :				
10,00,000	As per Last Balance Sheet (Against above, Plant and Machinery costing Rs. 1,35,79,871/- purchased. Previous year Rs. 36,54,434/-)	10,00,000			
					10,00,000
2,28,50,950					
	Carried Over				2,58,50,950

MILLS LIMITED

AS AT 31ST MARCH, 1992

As at 31st March, 1991	ASSETS	
Rupees		Rupees Rupees
	I. FIXED ASSETS : (At Cost or Book Value)	
12,94,58,882	Gross Block	14,36,30,697
10,85,28,093	Less : Depreciation Written off upto 31st March, 1992 ..	11,58,40,900
2,09,30,789	Net Depreciated Block as per Schedule 'A' attached	2,77,89,797
26,80,043	Capital Work-in-Progress	15,72,043
2,36,10,832		2,93,61,840
	II. INVESTMENTS : (At Cost)	
	(A) INVESTMENT IN SHARES OF SUBSIDIARY COMPANY :	
1,00,000	2,000 Partly Paid-up Ordinary (Equity) Shares of Godavari Investment and Finance Corporation Limited of Rs. 100/- each Rs. 50/- Paid-up per Share (Unquoted)	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	—
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
2,21,500	(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
19,74,578		
2,36,10,832	Carried Over	3,25,578 2,93,61,840

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1991	LIABILITIES (Contd.)				
Rupees		Rupees	Rupees	Rupees	
2,28,50,950	Brought Forward				2,58,50,950
	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	100			
6,68,63,931	(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.				
5,91,93,163	(i) Bank of India			1,74,70,046	
12,60,57,094	(ii) Union Bank of India			3,34,12,424	
15,09,64,801			5,08,82,470		
				5,08,82,570	
	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.				
2,00,00,200	(c) Term Loan from Bank of India			2,00,00,200	
31,53,817	(d) Interest accrued and due on Term Loan from Bank of India			51,88,674	
27,32,321	(e) Demand Loan from Bank of India			100	
	NOTE :				
	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.				
64,00,678	(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).				64,01,000
18,32,51,817					
2,28,50,950	Carried Over		8,24,72,544		2,58,50,950

MILLS LIMITED

AS AT 31ST MARCH, 1992

As at 31st March, 1991	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,36,10,832	Brought Forward		3,25,578	2,93,61,840
19,74,578				
1,995	(vi) 4½% U.P. State Development Loan of 1972 (Face Value Rs. 2,000/-)		1,995	
1,000	(vii) National Savings Certificate of the Face Value of Rs. 1,000/- Deposited as Security Deposit with Central Excise Authority, Bijapur		1,000	
19,77,573				3,28,573
III. CURRENT ASSETS, LOANS AND ADVANCES :				
(A) CURRENT ASSETS :				
1,55,07,809	(i) Stores, Chemicals and Spares (At cost as per inventories valued and certified by a Director)	2,00,74,355		
31,12,025	In Transit	45,64,600		
1,86,19,834			2,46,38,955	
	(ii) Stock in-trade (as per inventories valued and certified by a Director)			
34,81,16,491	(a) Sugar at Realised/Realisable Value	30,19,38,408		
46,35,400	(b) Sugar in Process at Cost	70,72,596		
21,514	(c) Stock of Grains, Cotton, etc. at Market Rate	—		
11,96,489	(d) Molasses at Controlled Rate	6,97,408		
35,39,69,894			30,97,08,412	
37,25,89,728				
2,55,88,405	Carried Over		33,43,47,367	2,96,90,413

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1991	LIABILITIES (Contd.)				
Rupees			Rupees	Rupees	Rupees
2,28,50,950	Brought Forward	8,24,72,544	2,58,50,950	
18,32,51,817	(g) Working Capital Term Loan (Converted from Cash Credit Account for Sameerwadi)				
1,78,00,000	(i) Bank of India	1,78,00,000		
1,78,00,000	(ii) Union Bank of India	1,78,00,000		
3,56,00,000				3,56,00,000	
1,84,00,000	(h) Funded Interest A/c. I (Closure period Interest for Sakarwadi/Lakshmiwadi Units)				
	Bank of India		1,84,00,000	
1,62,97,632	(i) Funded Interest A/c. II (Converted from Term Loan Account)				
	Bank of India		1,62,97,632	
1,44,50,000	(j) Funded Interest A/c. III (Converted from Cash Credit Account for Sameerwadi)				
1,44,50,000	(i) Bank of India	1,44,50,000		
	(ii) Union Bank of India	1,44,50,000		
2,89,00,000				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	
10,000	(l) Interest Accrued and due on above		1,20,000	
34,45,529	(m) Deferred Payments against Machinery purchased under IDBI Bills Rediscounting Scheme.			
28,79,04,978					18,37,90,176
1,07,05,655	IV. UNSECURED LOANS :				
—	Cane Purchase Tax Loan from Karnataka Government	..	80,13,405		
	Inter Corporate Deposit	10,68,408		
1,07,05,655					90,81,813
19,91,83,761	V. CURRENT LIABILITIES AND PROVISIONS :				
3,34,076	(A) CURRENT LIABILITIES :				
18,65,605	(i) Sundry Creditors	22,60,47,735		
4,878	(ii) Advances from Customers against Sale of Land	..	3,34,076		
30,000	(iii) Security Deposit from Bagaitdars	6,41,093		
13,84,584	(iv) Security Deposit from Customers	4,878		
35,42,684	(v) Due to Whole-time Director	50,000		
	(vi) Interest Accrued but not due on Loan	5,70,764		
	(vii) Interest Suspense	58,99,316		
20,63,45,588				23,35,47,862	
10,50,942	(B) PROVISIONS :				
47,765	Provision for Wealth Tax	10,03,177		
10,03,177	Less : Paid			
20,73,48,765				10,03,177	
52,88,10,348					23,45,51,039
	Carried Over			45,32,73,978

MILLS LIMITED

AS AT 31ST MARCH, 1992

As at 31st March, 1991	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,55,88,405	Brought Forward		33,43,47,367	2,96,90,413
37,25,89,728				
	(iv) Sundry Debtors (Unsecured and considered good except otherwise stated)			
7,18,959	(a) Debts Outstanding for more than six months ..	29,73,299		
87,05,622	(b) Other Debts	84,43,667		
94,24,581			1,14,16,966	
	(v) CASH AND BANK BALANCES :			
11,46,256	Cash, Cheques and Drafts on Hand and in transit (including Stamps on hand Rs. 10,618/-)	6,80,572		
47,37,263	In Current Account with Scheduled Banks	1,01,56,173		
	In Current Account with Non-Scheduled Bank :			
3,50,808	Bijapur District Central Co-operative Bank Limited, Mahalingpur (Maximum Debit Balance during the year Rs. 32,32,345/- Previous year Rs. 27,03,621/-)	3,21,000		
1,52,55,000	In Bank of India for Deposit of Sale Proceed of Plant & Machinery of Sakarwadi	—		
5,000	Fixed Deposit with Scheduled Bank (Lodged with Excise Department, Mudhol)	5,000		
1,89,53,116	Fixed Deposit with Scheduled Banks (Under lien for the Guarantee)	2,03,53,824		
13,51,383	Accrued Interest on above	22,70,116		
4,17,98,826			3,37,86,685	
42,38,13,135				
2,55,88,405	Carried Over		37,95,51,018	2,96,90,413

BALANCE SHEET

52,88,10,348

Total Rupees

45,32,73,978

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

G. P. BHATT
Partner

BOMBAY : Dated 26th August, 1992.

MILLS LIMITED

AS AT 31ST MARCH, 1992

As at 31st March, 1991	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,55,88,405	Brought Forward ..		37,95,51,018	2,96,90,413
42,38,13,135				
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
13,82,707	Interest on Deferred Payment under IDBI Scheme ..		—	
	Advances Recoverable in Cash or Kind or for value to be received (including Advances to the Officers of the Company Rs. 62,606/-) (Maximum Debit Balance during the year Rs. 62,606/- Amount in dispute Rs. 8,79,258/- and paid to Banks in respect of Defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee Rs. 3,34,299/-)	2,94,93,756		
4,21,21,960				
64,126	Considered Doubtful	64,126		
4,21,86,086		2,95,57,882		
64,126	Less : Provision for Doubtful Advances	64,126		
4,21,21,960			2,94,93,756	
6,97,533	Income-tax deducted at Source from Interest		6,99,841	
76,87,486	Deposit with High Court and Others		83,71,315	
42,73,762	Interest Credit to be received from Banks		42,73,762	
47,99,76,583				42,23,89,692
	MISCELLANEOUS EXPENDITURE :			
3,84,22,401	Profit and Loss Account :		1,63,70,914	
1,51,77,041	Less : Deducted from General Reserve as per Contra ..		1,51,77,041	
2,32,45,360				11,93,873
52,88,10,348	Total Rupees :			45,32,73,978

BOMBAY : Dated 26th August, 1992.

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

K. J. SOMAIYA
Chairman
S. K. SOMAIYA
N. C. SAYTA
C. B. PURANDARE

B. V. BHOOTA
P. M. KAVADIA
(Whole-time Director)
R. S. BIDIAR
K. PERSHAD

Directors

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st April, 1991	Additions during the year	Deduction for sale during the year	Gross Block as on 31st March, 1992
(1)	(2)	(3)	(4)	(5)
Freehold Land (Book Value)	16,05,891	—	—	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	1,59,77,333	39,91,954	—	1,99,69,287
Temporary Quarters	6,36,461	—	—	6,36,461
Temporary Quarters at Farms	1,41,158	—	—	1,41,158
General Machinery (Book Value)	9,20,87,185	99,25,437	—	10,20,12,622
Electrical Machinery	39,14,247	—	—	39,14,247
Agricultural Machinery (Book Value)	9,06,420	—	—	9,06,420
Electrical Installation & Fittings	11,64,546	—	—	11,64,546
Furniture & Office Equipments	24,99,133	80,791	—	25,79,924
Weigh Bridges	23,15,681	3,875	—	23,19,556
Molasses & Other Storage Tanks	32,51,975	—	—	32,51,975
Motor Cars, Lorries & Cycles (Book Value)	20,25,691	—	—	20,25,691
Carts & Trucks (Book Value)	4,57,174	—	—	4,57,174
Laboratory Apparatus	1,46,066	1,52,516	—	2,98,582
Roads & Drainage & Tube Wells	14,17,225	—	—	14,17,225
Dead Stock	1,87,247	17,242	—	2,04,489
Library	6,893	—	—	6,893
Irrigation Lifts	4,29,723	—	—	4,29,723
Live Stock	37,908	—	—	37,908
Total Rupees : ..	12,94,58,882	1,41,71,815	—	14,36,30,697

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 26th August, 1992.

MILLS LIMITED

Forming Part of Balance Sheet as at 31st March, 1992

Depreciation Written off Upto 31st March, 1991	Depreciation Written off during the year	Total Depreciation Upto 31st March, 1992	Net Depreciated Block as at 31st March, 1992	Net Depreciated Block as at 31st March, 1991
(6)	(7)	(8)	(9)	(10)
—	—	—	16,05,891	16,05,891
—	—	—	2,38,925	2,38,925
10,150	300	10,450	1,550	1,850
96,24,070	7,10,396	1,03,34,466	96,34,821	63,53,263
4,56,540	8,996	4,65,536	1,70,925	1,79,921
1,20,505	1,033	1,21,538	19,620	20,653
8,44,73,221	58,56,350	9,03,29,571	1,16,83,051	76,13,964
36,87,489	75,776	37,63,265	1,50,982	2,26,758
8,51,890	8,180	8,60,070	46,350	54,530
10,21,902	21,397	10,43,299	1,21,247	1,42,644
19,24,342	65,668	19,90,010	5,89,914	5,74,791
11,85,959	1,70,040	13,55,999	9,63,557	11,29,722
23,03,604	1,42,256	24,45,860	8,06,115	9,48,371
16,18,064	1,65,451	17,83,515	2,42,176	4,07,627
31,182	1,203	32,385	4,24,789	4,25,992
1,21,022	26,634	1,47,656	1,50,926	25,044
5,31,626	44,280	5,75,906	8,41,319	8,85,599
1,28,146	11,452	1,39,598	64,891	59,101
6,096	—	6,096	797	797
4,07,254	3,395	4,10,649	19,074	22,469
25,031	—	25,031	12,877	12,877
10,85,28,093	73,12,807	11,58,40,900	2,77,89,797	2,09,30,789

BOMBAY : Dated 26th August, 1992.

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

K. J. SOMAIYA
Chairman
S. K. SOMAIYA
N. C. SAYTA
C. B. PURANDARE

B. V. BHOOTA
P. M. KAVADIA
(Whole-time Director)
R. S. BIDIKAR
K. PERSHAD

Directors

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 31st March, 1991			Rupees	Rupees
		To Opening Stock on 1st April, 1991 :		
23,24,49,862	To Sugar		34,81,16,491	
54,75,400	" Sugar-in-Process		46,35,400	
10,34,455	" Molasses		11,96,489	
23,89,59,717				35,39,48,380
	Agricultural Section :			
73,969	" Salaries and Wages		22,980	
1,000	" Bonus		1,000	
13,104	" Stores inclusive of Seeds and Manures		—	
18,528	" Irrigation Rates and Taxes		20,603	
1,266	" Electricity Charges		—	
10,723	" Miscellaneous Expenses		8,079	
1,490	" Depreciation		1,406	
2,479	" Legal Charges		6,189	
1,22,559				60,257
43,38,17,310	" Locally Purchased Cane			43,16,45,366
7,94,287	" Lease Rent			9,46,138
2,05,80,186	" Salaries and Wages (after deducting Rs. 34,14,247/- charged to Repairs and other relevant heads)		2,70,94,200	
51,47,427	" Bonus to Employees		58,43,720	
2,23,422	" Company's Contribution to Employees Family Pension Fund Scheme		2,34,156	
3,32,587	" Contribution to Provident Fund of the Company and Administrative Charges		3,29,125	
—	" Gratuity		1,00,000	
10,61,604	" Group Gratuity Insurance Premium		15,20,999	
16,13,128	" Company's Contribution to Government Provident Fund and Administrative Charges		18,69,785	
2,89,58,354				
67,36,93,873		Carried Over	3,69,91,985	78,66,00,141

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1992

For the year ended 31st March, 1991			Rupees	Rupees
	By SALES:			
52,28,97,614	" Sugar		71,43,54,041	
77,75,892	" Molasses		82,77,004	
53,06,73,506				72,26,31,045
62,49,346	" Sundry Receipts			53,61,216
5,52,956	" Income from Immovable Property			2,09,039
1,43,347	" Sundry Receipts being Market Value of Farm Produce etc. ..			85,000
—	" Dividend			5
	" INTEREST :			
3,19,642	" Loans and Others		2,43,907	
8,966	" Of Previous year Written back		2,85,649	
3,27,95,404	" Cash Credit A/c. Written back		—	
42,73,762	" Interest Credit to be received from Banks		—	
3,73,97,774				5,29,556
2,91,568	" Sundry Credit Balances Written back			2,43,168
1,19,503	" Claims and Refund			44,533
44,512	" Profit on Sale of Agricultural Lands/Assets			—
2,39,59,552	" Govt. Liabilities Written back			—
2,38,30,854	" Profit on Sale of Fixed Assets			—
62,32,62,918	Carried Over			72,91,03,562

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1991			
Rupees		Rupees	Rupees
67,36,93,873	Brought Forward	3,69,91,985	78,66,00,141
2,89,58,354			
93,894	To Contribution to Deposit Linked Insurance Fund and Administrative Charges	1,14,009	
20,44,709	.. Workmen and Staff Welfare Expenses	19,97,806	
3,10,96,957			3,91,03,800
90,86,784	.. Stores, Chemicals and Spare Parts		1,16,05,294
23,27,980	.. Power and Fuel		26,34,274
1,53,74,627	.. Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 24,14,134/- Previous year Rs. 18,20,341/-)	2,56,91,385	
8,81,214	.. Repairs to Building (inclusive of Salaries & Wages Rs. 2,39,980/- Previous year Rs. 2,15,970/-)	14,17,242	
6,00,466	.. Other Repairs (inclusive of Salaries and Wages Rs. 36,817/- Previous year Rs. 24,980/-)	8,80,255	
1,68,56,307			2,79,88,882
2,68,33,340	.. Sugar Cane Purchase Tax		2,61,32,249
9,38,305	.. Insurance Premium		16,39,205
3,58,34,564	.. Excise Duty on Sugar	3,77,60,791	
40,28,271	.. Excise Duty on Molasses	52,60,043	
3,98,62,835			4,30,20,834
1,11,93,644	.. Sugar Development Cess		1,44,43,366
1,61,78,295	.. Packing, Forwarding and Storage Expenses		1,28,52,750
2,60,878	.. Rent		3,66,032
6,54,057	.. Rates and Taxes		3,34,613
2,12,492	.. Loss on Sale of Stores and Spares		50,000
—	.. Loss on Sale of Investments		3,95,760
7,40,363	.. Brokerage and Commission (inclusive of Guarantee Commission of Rs. 7,97,750/- Previous Year Rs. 4,59,238/-)		7,97,750
70,38,232	.. Miscellaneous expenses		86,16,111
5,322	.. Additional Sales Tax		7,720
83,69,79,664	Carried Over		97,65,88,781

THE YEAR ENDED 31ST MARCH, 1992

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1991									
Rupees								Rupees	Rupees
83,69,79,664			Brought Forward					97,65,88,781	
	To INTEREST :								
6,15,65,932	Cash Credit Account						1,80,19,988		
1,91,27,319	Fixed Loans						83,14,434		
1,12,447	Fixed Deposits						—		
1,20,000	Debentures						1,20,000		
1,25,07,854	Other Loans						6,53,210		
11,00,000	Deferred Payment Guarantee Facility						13,82,707		
4,13,637	Inter Corporate Deposit						3,02,186		
5,81,941	Interest Outstanding from a subsidiary Company Written off						—		
9,55,29,130								2,87,92,525	
23,000	To Directors' Fees						18,500		
2,78,633	„ Directors' Travelling Expenses						4,36,250		
1,83,000	„ Whole-time Directors' Remuneration						2,37,029		
—	„ Advances Written off						5,73,465		
23,639	„ Charity and Donation						22,078		
	„ PAYMENT TO AUDITORS :								
20,000	„ Audit Fees						20,000		
5,000	„ Tax Audit Fees						7,500		
5,311	„ Auditors' Travelling Expenses						4,025		
30,311								31,525	
7,000	„ Cost Audit Fees						—		
—	„ Cost Auditors Travelling Expenses						847		
7,000								847	
40,78,138	To Agricultural Development Expenses						14,70,143		
4,68,839	„ Expenses on Scientific Research						6,19,009		
4,78,616	„ Legal Expenses						6,07,401		
3,100	„ Professional Tax						3,100		
3,644	„ Loose Tools Written off						—		
300	„ Premium on Leasehold Garage Written off						300		
2,12,13,964	„ Depreciation						73,11,101		
17,587	„ Sundry Debit Balances Written off						10,607		
—	„ Excess Provision of Rebate on Excise Duty Written off						36,843		
—	„ Excess Provision of Claims Written off						983		
1,00,000	„ Provision for Wealth Tax						—		
1,77,92,734	„ Balance being Profit for the year						2,20,51,487		
97,72,11,299			Total Rupees :					1,03,88,11,974	

1992

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1991			Rupees	Rupees	Rupees
Rupees		To	Balance of Loss Brought Forward from Last Year's Balance Sheet		3,84,22,401
5,57,72,335					
4,21,644		"	Provision for Wealth Tax of earlier years		—
21,156		"	Income Tax for earlier year		—
NOTE :					
Computation of Whole-time Director's Commission is as follows :-					
1,77,92,734	Net Profit as per Profit and Loss Account			2,20,51,487	
1,61,80,422	Add : Arrears of Depreciation of earlier years			—	
1,38,86,176	Expenses of period prior to appointment			—	
61,33,333	Interest of period prior to appointment			—	
5,39,92,665				2,20,51,487	
Less :					
44,512	(i) Profit on Sale of Agri. Lands			—	
2,39,59,552	(ii) Govt. Liabilities Written back			—	
2,38,30,854	(iii) Profit on Sale of Fixed Assets			—	
4,78,34,918				—	
61,57,747				2,20,51,487	
Add :					
2,06,468	(i) Whole-time Director's Remuneration		2,53,229		
50,35,332	(ii) Depreciation Provided		73,12,807		
1,00,000	(iii) Provision for Wealth Tax		—		
53,41,800				75,66,036	
1,14,99,547				2,96,17,523	
Less :					
50,35,332	(i) Depreciation to the extent specified in Section 350 of Companies Act, 1956		73,12,807		
21,00,000	(ii) Estimated Liability of Bonus		38,00,000		
71,35,332				1,11,12,807	
43,64,215				1,85,04,716	
43,642	Commission @ 1% on the Net Profit			1,85,047	
30,000	As per Agreement Limited to			50,000	
Total Managerial Remuneration :					
1,83,000	Remuneration			2,12,000	
15,300	Company's Contribution to Provident Fund			16,200	
8,168	Perquisites			25,029	
2,06,468				2,53,229	
5,62,15,135	Total Rupees :				3,84,22,401

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 26th August, 1992.

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1992

For the Year ended 31st March, 1991			
Rupees			Rupees
1,77,92,734	By Balance being Profit Brought Down from Profit and Loss Account		2,20,51,487
3,84,22,401	„ Balance Carried to Balance Sheet		1,63,70,914
5,62,15,135		Total Rupees :	3,84,22,401

BOMBAY : Dated 26th August, 1992.

S. R. PARIKH
*Secretary and
General Manager (Finance)*

K. J. SOMAIYA
Chairman
S. K. SOMAIYA
N. C. SAYTA
C. B. PURANDARE

B. V. BHOOTA
P. M. KAVADIA
(Whole-time Director)
R. S. BIDIKAR
K. PERSHAD

Directors

THE GODAVARI SUGAR

NOTES FORMING PART OF ACCOUNTS FOR

NOTES : (1) SIGNIFICANT ACCOUNTING POLICIES :

- (a) System of Accounting :
- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
 - (ii) Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing Power of Money.
- (b) The total Liability as on 31-3-1992 for accrued gratuity to employees under the Payment of Gratuity Act, 1972 as per Actuary's Certificate is Rs. 81,23,200/-. The same is covered under Cash Accumulation Scheme of Group Gratuity Insurance with Life Insurance Corporation of India.
- (2) (a) 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.
- (b) No Provision for Income tax has been made in view of the carried forward losses and unabsorbed depreciation.
- (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. 38 Lacs.
- (4) No Provision has been made in the Accounts for following Disputed Liabilities in respect of Sameerwadi Factory :
- (a) Demand vide Notice dated 18-7-1991 for Rs. 56.99 lacs from Commercial Tax Dept. for payment of Cane Purchase Tax @ 9.75% advalorem on Harvesting and Transport charges of Rs. 584.54 lacs paid for the period 1-4-1990 to 30-6-1991.
 - (b) Demand of Rs. 79.30 lacs from Superintendent of Excise, Bijapur on 2736.945 M.T. of Molasses destroyed in 1990 with the permission of Central and State Excise Departments.
 - (c) Demand of Rs. 30.73 Lacs (including interest of Rs. 13.16 lacs) plus interest @ Rs. 21,715.50 per month for the period beyond 15-8-1991 raised by Director of Sugar, New Delhi vide letter dated 10-3-1992 for depositing the additional Levy Price earlier collected together with interest in Levy Sugar Price Equalisation Fund in view of dismissal of Company's appeal by Division Bench of High Court of Karnataka filed against Single Judge's order of the same Court dismissing Writ Petition filed for Levy Price determination for season 1985-86. The company has filed an appeal against this order, which is admitted and pending.
- (5) Credit has not been taken in the Accounts for Interest relief of about Rs. 40/- lacs to be received from Bank of India/Union Bank of India for the year under report as per Relief Scheme approved by BIFR, as the effect to be given to the Scheme by the Banks is pending.

(6) 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 1,44,000/- per annum.	5 (5)	8,74,268 (8,02,085)	61,205 (57,645)
(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	1 (NIL)	1,11,704 (—)	7,005 (—)

NOTE : Figures shown 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 26th August, 1992.

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1992

(7) Quantitative information in respect of goods manufactured :

Name of the Factory	Licensed Capacity M.T.	Installed capacity as certified by the Factory Manager M.T.
Sameerwadi	5,000	5,000

Goods Manufactured	Opening Stock		Production Quantity M.T.	Quantity sent for reprocessing & loss due to Driage etc. M.T.	Sales		Closing Stock	
	Quantity M.T.	Value Rs.			Quantity M.T.	Value Rs.	Quantity M.T.	Value Rs.
Sugar	56,929.9 (40,729.3)	35,27,51,891 (23,79,25,262)	96,456.0 (97,354.1)	638.5 (1,198.9)	1,03,166.9 (79,954.6)	71,43,54,041 (52,28,97,614)	49,580.5 (56,929.9)	30,90,11,004 (35,27,51,892)
Molasses	9,970.744 (8,620.455)	11,96,489 (10,34,455)	32,468.280 (33,296.620)	— (0.161)	33,979.895 (31,946.170)	82,77,004 (77,75,892)	8,459.129 (9,970.744)	6,97,408 (11,96,489)

Note : Figures in bracket pertain to previous year.

Raw Materials Purchased and Consumed :		Quantity Purchased & Consumed (M.T.)	Value Rs.	Previous year Quantity Purchased & Consumed (M.T.)	Value Rs.
Sugar Cane		8,49,360 (Nett)	43,16,45,366	8,61,197 (Nett)	43,38,17,310
Stores and Spares Consumed :		Value Rs.	%	Value Rs.	%
Imported		18,812	0.16	—	—
Indigenous		1,15,86,482	99.84	90,86,784	100%
		1,16,05,294	100%	90,86,784	100%

C.I.F. Value of Imports :

		Previous Year
(i) Raw Materials	NIL	NIL
(ii) Stores and Spares	NIL	NIL
(iii) Capital Goods	NIL	NIL

(8) Expenses incurred in Foreign Currency	70,098	NIL
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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 26th August, 1992.	S. R. PARIKH Secretary and General Manager (Finance)	K. J. SOMAIYA Chairman	B. V. BHOOTA P. M. KAVADIA (Whole-time Director)	} Directors
		S. K. SOMAIYA N. C. SAYTA C. B. PURANDARE	R. S. BIDIKAR K. PERSHAD	

THE GODAVARI SUGAR MILLS LIMITED

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1992

Schedule 'B'

Statement Under Section 217(2A) 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	73	Whole-Time Director	2,53,229	Contractual Subject to termination by six months notice on either side	As per Company's Rules	M.A., LL.B. About 46 Years	1-9-1963	Manager, Narsee Nagsee & Co.
2.	Shri S. R. Parikh	58	Secretary and General Manager (Finance)	1,45,631	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B. Com., F.C.A. About 35 Years	2-1-1960	Great Eastern Shipping Co., Ltd.
3.	Shri R. T. Shah	54	Office Manager	1,50,253	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B. Com., LL. B., About 32 Years	19-12-1960	NIL
4.	Shri J. N. Patel	68	General Manager	1,62,273	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 39 Years	1-7-1987	General Manager, Somaiya Organo-Chemicals Ltd.
5.	Shri A. S. Satyanarayan	49	Project Manager	2,24,087	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.E. (Mech.) About 21 Years	8-7-1983	Chief Engineer, Kothari Sugar & Chemicals

(b) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

1.	Shri B. M. Murugkar	62	General Manager	1,18,709	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 32 Years	1-7-1987	Dy. General Manager, Somaiya Organo-Chemicals Ltd.
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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, Allowance etc. including arrears, Commission (if any) and Company's contribution to Provident Fund.

By Order of the Board of Directors,

K. J. SOMAIYA
Chairman

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, 1992.
- (ii) Godavari Investment and Finance Corporation Limited earned a Profit of Rs. 6,862/- for the year ended 31st March, 1992. After adjusting the Previous Year's Loss of Rs. 14,476/-, the Loss comes to 7,614/-. 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 for the same.
- (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, 1992.

S. R. PARIKH
*Secretary and
General Manager (Finance)*

K. J. SOMAIYA
Chairman
S. K. SOMAIYA
N. C. SAYTA
C. B. PURANDARE

B. V. BHOOTA
P. M. KAVADIA
(Whole-time Director)
R. S. BIDIKAR
K. PERSHAD

} *Directors*

BOMBAY : Dated 26th August, 1992:

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED

DIRECTORS' REPORT

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

Your Directors submit herewith their Thirtyseventh Annual Report and Audited Accounts of the Company for the year ended 31st March, 1992.

The working of the Company for the year resulted in a Profit of Rs. 6,862/- mainly due to recovery of amounts from Bagaitdars which were written off in Previous years. After adjusting the previous year's loss of Rs. 14,476/- the total carried forward loss comes to Rs. 7,614/- which has been carried to the next year. In view of this, the Directors do not recommend any dividend for the year.

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.

For and on behalf of the Board of Directors,

S. K. SOMAIYA

R. VENKATRAMAN

Directors

BOMBAY : Dated 17th August, 1992.

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, 1992 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 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, 1992 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 does not have any Fixed Assets, Clause I & II of Para 4A of the Order do not apply. As the Company has not carried on any manufacturing or trading activity clause III, IV, V, VI, X, XI, XII, XIV, XVI of Paragraph 4A of the Order are not applicable to the Company.
2. As the Company has not taken any loans from any body, clause VII of Paragraph 4A of the Order is not applicable to the Company.
3. The Company has given Loans and advances in the nature of the Loans to the parties who are repaying Principal and interest thereon.
4. As the Company has not invited any Deposits from Public, the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 are not applicable to the Company.
5. As the Paid-up Capital of the Company is less than Rs. 25 Lakhs, provisions of the maintenance of Internal Audit system do not apply.
6. We are informed that the Company is not covered by the Employees State Insurance Act, 1948 and Employees Provident Fund Act and therefore clause XVII does not apply.
7. According to the information and explanations given to us there are no undisputed amounts payable in respect of Income-tax, Wealth Tax etc. which have remained outstanding as at 31st March, 1992, for a period of more than six months from the date they become payable.
8. According to the information and explanations given to us and the records of the Company examined by us no personal expenses have been charged to revenue account.
9. The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

**For IYER & MUZUMDAR
CHARTERED ACCOUNTANTS**

Y. S. MUZUMDAR
Partner

BOMBAY : Dated 17th August, 1992.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st March, 1991	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 Limited		1,00,000
	III. CURRENT LIABILITIES AND PROVISIONS :		
	(A) CURRENT LIABILITIES :		
32,988	Sundry Creditors	32,988	
648	(B) Provision for Taxation	648	
33,636			33,636
	NOTE : 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 mensem for the whole year or any part of the year are — NIL.		
1,33,636	Total Rupees :		1,33,636

As per our Report of even date annexed

For **IYER & MUZUMDAR**
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR
Partner

BOMBAY : Dated : 17th August, 1992.

FINANCE CORPORATION LTD.

AS AT 31ST MARCH, 1992

As at 31st March, 1991	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS AND ADVANCES :			
	(A) CASH AND BANK BALANCES :			
138	Cash on Hand	87		
2,146	In Current Account with a Scheduled Bank	1,046		
2,284			1,133	
	(B) LOANS AND ADVANCES :			
	(Secured and considered good as Certified by a Director except otherwise stated)			
87,580	(i) Loans to Cane Growers		4,338	
29,000	(ii) Deposits		29,000	
101	(iii) Advances recoverable in Cash or Kind		91,356	
195	(iv) Advance Income-tax		195	
1,19,160				1,26,022
	MISCELLANEOUS EXPENSES :			
14,476	Loss as per Profit & Loss Account			7,614
1,33,636				
	Total Rupees :			1,33,636

Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

MBAY : Dated 17th August, 1992.

S. K. SOMAIYA
R. VENKATRAMAN } Directors

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st March, 1991				
Rupees			Rupees	Rupees
	To Opening Stock :			
16,496	Machinery, Spares and Fittings	—		
16,496	Less : Transferred to Godavari Sugar Mills Limited at Cost ..	—		
—				
1,200	„ Salary			1,200
—	„ Professional Tax			600
320	„ Miscellaneous Expenses			51
1,200	„ Office Rent			1,200
500	„ Audit Fees			500
808	„ Sundry Debit Balance Written off			57
5,81,130	„ Loans and Advances to Cultivators Written off			—
—	„ Profit Carried down			6,862
5,85,158	Total Rupees :			10,470
13,639	To Balance as per Last Balance Sheet			14,476
837	„ Loss Carried Down			—
14,476	Total Rupees :			14,476

As per our Report of even date annexed

For IYER & MUZUMDAR
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR
Partner

BOMBAY : Dated 17th August, 1992.

FINANCE CORPORATION LTD.

THE YEAR ENDED 31ST MARCH, 1992

For the Year ended 31st March, 1991			
Rupees			Rupees
1,900	By Interest on Loans		3,202
—	„ Recovery from Sundry Debit Balances Written off		7,268
480	„ Miscellaneous Receipts		—
5,81,941	„ Outstanding Interest to Holding Company Written back ..		—
837	„ Loss Carried Down		—
5,85,158	Total Rupees :		10,470
—	„ Profit Brought Down		6,862
14,476	„ Loss Carried to Balance Sheet		7,614
14,476	Total Rupees :		14,476

BOMBAY : Dated 17th August, 1992.

S. K. SOMAIYA
R. VENKATRAMAN } Directors