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**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1992 - 93**

1993

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

DR. C. B. PURANDARE

SHRI R. S. BIDIKAR (upto 24-12-1992)

(Nominee of Bank of India)

SHRI S. V. NIGHOSKAR (w.e.f. 24-12-1992)

(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 N. C. SAYTA

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 Third Annual General Meeting of The Godavari Sugar Mills Limited will be held on Friday the 24th September, 1993 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, 1993 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 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 :

"RESOLVED THAT Shri Indubhai C. Patel be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri B.R.Barwale be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in supersession of the Resolution passed at the 43rd Annual General Meeting of the Company held on 31st March, 1983 and pursuant to clause (d) of sub-section (1) of Section 293 of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing moneys for the purpose of the Company from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed, if any by the Company (apart from the temporary loans obtained by the Company from the Company's

Bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free Reserves that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys can be borrowed by the Directors shall not at any time exceed Rs.60 crores."

By Order of the Board of Directors,

K. J. SOMAIYA

Chairman

BOMBAY : Dated 4th August, 1993.

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

The following Explanatory Statement is given in respect of Special Business set out in Item Nos. 5 to 7 of the accompanying Notice pursuant to the provisions contained in Section 173 (2) of the Companies Act, 1956.

5. Shri Indubhai C. Patel was appointed as an Additional Director of the Company with effect from 4th August, 1993. Pursuant to Section 260 of the Companies Act, 1956 Shri Indubhai C. Patel will hold Office of Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from a member (alongwith the deposit of Rs.500/-) proposing the candidature of Shri Indubhai C. Patel for the Office of Director under the provision of Section 257 of the Companies Act, 1956.

Shri Indubhai C. Patel has vast experience of the Sugar Industry and has been associated with various bodies of the Industry. He is Vice President of Indian Sugar & General Industry Export Import Corporation Ltd. In view of his considerable experience, in the opinion of the Directors, it will be in the interest of the Company that Shri Indubhai C. Patel be appointed as a Director of the Company.

The Directors commend the resolution for your approval.

Other than Shri Indubhai C. Patel none of the other Directors of the Company are in any way, concerned or interested in this resolution.

6. Shri B.R.Barwale was appointed as an Additional Director of the Company with effect from 4th August, 1993. Pursuant to Section 260 of the Companies Act, 1956 Shri B.R.Barwale will hold Office of the Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from a member (alongwith the deposit of Rs.500/-) proposing the candidature of Shri B.R.Barwale for the Office of Director under the provisions of Section 257 of the Companies Act, 1956.

Shri B.R.Barwale is the Chairman of Maharashtra Hybrid Seeds Co.Ltd. and has vast experience in Rural & Agricultural Development.

In the opinion of the Directors, it will be in the interest of the Company that Shri B.R.Barwale be appointed as a Director of the Company.

The Directors commend the resolution for your approval.

Other than Shri B.R.Barwale none of the other Directors of the Company are in any way, concerned or interested in this resolution.

7. At the Annual General Meeting of the Company held on 31st March, 1983 an Ordinary Resolution was passed by the Members pursuant to Section 293 (1)(d) of the Companies Act, 1956 authorising the Board of Directors of the Company to borrow moneys from time to time, provided that the borrowings in excess of the aggregate of the paid up capital and free reserves do not at any time exceed Rs.40 Crores.

In order to provide for additional funds that may be needed, for future modernisation/expansion/diversification activities, it is proposed to increase the limit of Rs.40 Crores to Rs.60 Crores. Accordingly, the sanction of the shareholders under section 293 (1)(d) of the Companies Act, is being requested to enable the Directors to borrow moneys to the extent of Rs.60 Crores in supersession of the earlier Resolution passed on 31st March, 1983.

By Order of the Board of Directors,

K. J. SOMAIYA
Chairman

BOMBAY : Dated 4th August, 1993.

THE GODAVARI SUGAR MILLS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fifty-third Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 1993.

(A) FINANCIAL RESULTS :

	Rs. (in Lacs)	Rs. (in Lacs)
Gross operating Profit		687.31
Less : Interest	280.31	
Depreciation	69.85	
Provision for Taxation	60.00	
		410.16
Net Profit for the year		277.15
Add : Adjustment for Excess Cane Price Provision for earlier years.		108.04
		385.19
Less : Brought forward loss from earlier years.		163.71
Balance carried to Balance Sheet		221.48

(B) MANUFACTURING RESULTS OF SAMEERWADI :

The results for the year reflect working of two crushing seasons i.e. part of 1991-92 and part of 1992-93. It covers the period from 1-4-1992 to 14-6-1992 and 1-12-1992 to 31-3-1993 the results whereof are produced below :

	1-4-92 To 14-6-92	1-12-92 To 31-3-93	Total
Cane Crushed (M.T.)	2,97,476	5,60,931	8,58,407
Sugar Manufactured (Qtls.)	3,13,430	6,68,900	9,82,330
Recovery (%)			11.42%

The final figures of crushing and production for seasons 1992-93 and comparative figures for 1991-92 are as under :

	1992-93	1991-92
Cane Crushed (M.T.)	6,36,560	8,80,743
Sugar Manufactured (Qtls.)	7,65,300	10,12,580
Recovery (%)	11.96%	11.35%

(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) LEVY PRICE MATTERS IN SUPREME COURT - 1974-75 TO 1979-80 :

The Writ Petitions of sugar factories in various High Courts transferred to Supreme Court in respect of seasons 1978-79 and 1979-80 were heard by a Division Bench in May/June, 1993. The arguments on both sides are deemed concluded and the written submission and counters by both sides have been filed. The Judgement is awaited.

The matters for 1974-75 to 1977-78 also rest on the judgement of 1978-79 and 1979-80 and will be applicable to these years on the same principles as laid down by the Supreme Court for the year 1978-79 and 1979-80.

(E) LEVY PRICE 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.

(F) 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.

(G) DE-CONTROL OF MOLASSES :

The Government of India, Ministry of Chemicals and Fertilizers vide Notification dated 10th June, 1993 has rescinded the Molasses Control Order with immediate effect. This would improve the molasses sales realisation to the Company.

(H) SUGAR POLICY FOR 1992-93 :

The Government of India announced on 16-2-1993 the Sugar Policy for the season 1992-93. Salient features of which are as under :

- i) Levy: free ratio of sugar changed to 40:60 for the 1992-93 season from the earlier ratio of 45:55.
- ii) The Statutory Minimum Price of Sugar Cane payable by Sugar Factories for 1992-93 season raised to Rs.31/- per quintal linked to 8.5% recovery against Rs.26/- per quintal for previous season.
- iii) The Statutory Minimum Price of Sugar Cane for 1993-94 season fixed at Rs.32.50 per quintal linked to 8.5% recovery.
- iv) The present incentive scheme for new sugar units and expansion projects licensed during the period 7th Sept., 1990 to 31st March, 1994 has been revised under which the extent of incentives has been increased substantially.
- v) The Bureau of Industrial Costs and Prices will undertake fresh study of the mode of incentives to be given to new sugar factories and expansion projects to be licensed from 1st April, 1994 and upto the end of the Eighth Five Year Plan period.
- vi) Incentives also announced for mid-crushing during 1-1-93 to 30-4-93 and for late crushing of cane during 1-5-93 to 31-7-93 for the season 1992-93 under which additional/incremental production during mid-crushing would be entitled to 80% free sale while total production during late crushing period was entitled to 72% free sale.
- vii) Buffer stock of 5 lakh tonnes of sugar to be created from 1-4-93 and sugar factories to be reimbursed the storage, interest and insurance charges from Sugar Development Fund.

The Government of India has issued orders for maintenance of buffer stock of 5 lac tonnes of Sugar from 1-4-93 to 30-9-93. Sameerwadi factory's share in the buffer stock has been determined at 3747.3 M. Tonnes worked out Prorata to marketable production during 1991-92 season.

(I) **EXPORT OF SUGAR :**

Against the export order of 10,000 tonnes of Sugar the Company has already despatched 6,000 tonnes, 98% proceeds thereof have been received.

Since the lifting was to have been completed by end of May, 1993 we have already advised ISIEC that we are not liable to give any further quantity for exports from the balance 4000 tonnes remained as on 31st May, 1993.

(J) **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.

(K) **AUDITORS :**

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

(L) **GENERAL :**

- (i) Shri Indubhai C. Patel and Shri B. R. Barwale were appointed as Additional Directors of the Company on 4-8-1993. They will hold the Office of Director up to the date of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received notices from a member under Section 257 of the Companies Act, 1956 proposing their appointment as Directors subject to retirement by rotation.

Both the above Directors are distinguished in their respective fields. Your Directors are of the view that the vast experience of both Shri Indubhai Patel and Shri Barwale will contribute to the growth of the Company.

- (ii) Two of your Directors viz. Shri K.J. Somaiya and Dr. S.K. Somaiya retire from the Board by rotation and being eligible offer themselves for re-appointment. During the year Shri S.V. Nighoskar was nominated on the Board by Bank of India in place of Shri R.S. Bidikar.

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

- (iii) Your Directors place on record their sincere appreciation of the co-operation and assistance extended by nominee directors of B.I.F.R. and Bank of India, the Company's Bankers viz. Bank of India and Union Bank of India, the Karnataka Government, the cultivators and the labour and staff of the Company.
- (iv) The Statement concerning employees as required by provisions of Section 217(2A) of the Companies Act, 1956 is attached as per Schedule "B".
- (v) 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 4TH August, 1993.

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, 1993.

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 One more vapour cell so as to work the existing evaporator system as quintuple followed by vapour cell. This will enable us to achieve higher production with fuel economy. 500 KVA power Capacitors costing Rs.1,65,000 are added to the system. Also plate type heat exchanger costing about 8 lakhs is added. Three Nos 750 Kg. Machines, with micro processed based thyristor controlled drive have been added in replacement of 4 Nos. of KCP machines.

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	10,51,633	9,62,088
Total Amount	Rs.	20,76,526	15,59,120
Rate	Rs./KWH	1.97	1.62
(B) Own Generation			
(1) Through Diesel Generator			
Unit	KWH	1,54,020	77,264
Unit per litre of Diesel Oil	KWH/Lt.	2.6	2.84
Cost per Unit	Rs./KWH	2.48	2.10
(2) Through Steam Turbine Generator			
Unit	KWH	1,86,38,208	1,92,05,921
Unit per Kg. of Bagasse	KWH	0.16	0.16
Cost Unit	Rs./KWH	0.79	0.6
2. COAL (IInd GRADE) :			
Quantity	M.T.	543	95
Total Amount	Rs.	7,34,200	10,54,55
Average Rate	Rs./M.T.	1,352	1,10
(The Coal is used for manufacture of lime only)			
3. OTHERS/INTERNAL GENERATION :			
FIREWOOD			
Total Cost	M.T.	283	51
Rate/Unit	Rs.	1,91,411	3,62,02
	Rs./M.T.	676	70
BAGASSE			
Purchased	M.T.	NIL	N
Produced & Utilised for Power Generation	M.T.	1,17,021	1,24,36
Total Cost	Rs.	1,46,27,625	1,24,36,23
Rate (Average)	Rs./M.T.	125	10

		Current Year	Previous Year
(B) CONSUMPTION PER UNIT OF SUGAR PRODUCTION :			
Electricity	KWH/QTLS	19.76	19.95
COAL (GRADE-II)	MT/QTLS	0.000589	0.000942
Fire Wood	MT/QTLS	0.000308	0.000508
Bagasse	MT/QTLS	0.13	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 or 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 ensuring better recovery / 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	6,10,793
(iii) Total	6,10,793
(iv) Total R & D expenditure as a percentage of total turnover	0.10%

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

1. Efforts :

The efforts of R & D Unit have achieved water economy by recirculation and consequent reduction in effluent generation besides effecting steam economy, higher imbibition, improved low grade boiling etc. Further the factory has installed sugar entrainment arrestors with encouraging results.

Benefits :

1. There has been improvement in crushing rate with improved results, Sugar recovery has improved with better quality of sugar cane.
2. 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. NIL.

By Order of the Board of Directors,
K.J. SOMAIYA
Chairman

THE GODAVARI SUGAR MILLS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1993

We have examined the attached Balance Sheet and the Profit and Loss Account annexed thereto which are in agreement with the Company's Books of Accounts.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 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 procedure 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 :
 - a) We are satisfied that the valuation of its stocks is fair and proper in accordance with normally accepted accounting principles;
 - b) The Company has changed the basis of valuation of finished goods (free sale sugar) as compared to earlier year as described in Note No.3 of Schedule of notes forming part of the accounts stating also its effect on current year profit.
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. The Company has not given any Loans to any company, firm and other parties. Advances in the nature of loans are being recovered as stipulated.
6. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchases of Raw Materials, Stores, Plant and Machineries, Equipment and Other Assets and for the sale of goods.
7. According to information and explanations given to us, there have been no transactions of purchases of plant and machineries, equipments and fixed assets of goods and materials and sale of goods, materials and services, made in 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. Provision of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits are not applicable as the Company has not invited any Deposits from the Public.
10. Company has maintained reasonable records for the sale and disposal of by-products and scrap.
11. In our opinion, Company has an adequate Internal Audit System commensurate with the size and nature of its business.
12. According to the records produced and information given to us, we are of the opinion, that the Cost Records and Accounts as prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 have been maintained by the Company but no detailed examination of such Records and Accounts has been carried out by us.
13. The Company is regular in depositing Provident Fund dues with the appropriate authorities.
14. According to information and explanation given to us and records examined by us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty outstanding for a period exceeding six months from the date they become payable.
15. No personal expenses have been charged to revenue account.
16. The Company was declared Sick Industrial Company and the relief package for its revival as approved by B.I.F.R. is under implementation.

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 and Loss Account subject to Note No.3 regarding change in the basis of valuation of finished goods and its effect on the profit of the year of the Company and read with other notes thereon give the information required by the Act in the 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 4TH August, 1993.

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1992	LIABILITIES			
Rupees			Rupees	Rupees
	I. SHARE CAPITAL :			
23,000,000	4,30,000 Ordinary (Equity) Shares of Rs.100/- each ...		43,000,000	
2,000,000	20,000 7.8572% subject to deduction of tax at source Redeemable Cumulative Second Preference Shares of Rs.100/- each		2,000,000	
	50,000 9 1/2% subject to deduction of tax at source Redeemable Cumulative Third Preference Share of Rs.100/- each		5,000,000	
5,000,000				
30,000,000				5,00,00,000
	ISSUED AND SUBSCRIBED CAPITAL :			
	2,30,000 Ordinary (Equity) Shares of Rs.100/- each fully paid up; of the above shares 1,70,000 shares are allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve		23,000,000	
20,000,000				
3,000,000	Share Application Money		1,000,000	
	18,509 1/2 7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of of Rs.100/- each fully paid-up, liable to be redeemed at the option of the Company at any time and from time to time after giving three month's notice of the intention to redeem the same		1,850,950	
1,850,950				
24,850,950				25,850,950
	II. RESERVES AND SURPLUS :			
	(A) GENERAL RESERVE :			
15,177,041	As per Last Balance Sheet	15,177,041		
15,177,041	Less: Shown as deduction from Profit & Loss Account as per Contra			
			15,177,041	
	(B) INVESTMENT ALLOWANCE RESERVE :			
1,000,000	As per last Balance sheet (Against above, Plant and Machinery Costing Rs.NIL Purchased, previous year Rs.1,72,34,305/-)		1,000,000	
	(C) Profit and Loss Account			
—	Profit as per Profit and Loss Account		22,147,639	
				38,324,680
25,850,950	Carried Over			64,175,630

MILLS LIMITED

AS AT 31ST MARCH, 1993

As at 31st March, 1992	ASSETS		
Rupees		Rupees	Rupees
	I. FIXED ASSETS : (At Cost or Book Value)		
143,630,697	Gross Block . . .	155,548,746	
115,840,900	LESS : Depreciation Written off upto 31st March, 1993 . . .	122,826,390	
27,789,797	Net Depreciated Block as per Schedule "A" attached . . .	32,722,356	
1,572,043	Capital Work-in-Progress	538,594	
29,361,840			33,260,950
	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 (unquoted)	100,000	
100,000			
	(B) OTHER INVESTMENTS:		
	(i) One Ordinary Share of Maharashtra State Co- Operative Bank Ltd., of Rs.50/- fully paid-up	78	
78			
	(ii) National Defence Certificate Deposited with Electricity Department, Bhopal... ..	2,500	
2,500			
221,500	(iii) National Savings Certificates	221,500	
	(iv) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur	1,500	
1,500			
325,578			
29,361,840	Carried Over	325,578	33,260,950

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1992	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
25,850,950	Brought Forward		64,175,630
	III. SECURED LOANS :		
100	(a) Cash Credit Account with Bank of India fully guaranteed by two Directors	100	
	(b) Cash Credit Account with Banks against hypotheca- tion 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.		
17,470,046	(i) Bank of India	6,68,18,246	
33,412,424	(ii) Union Bank of India	7,98,97,646	
50,882,470		146,715,892	
50,882,570			146,715,992
	The Company has created third charge in favour of Bank of India on Fixed Assets (excluding Agricultural Assets) 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, at Mahabaleshwar and on Lease hold Land at Kandla and has agreed to create, First Pari Passu Charge on two Flats at Bombay for these facilities.		
	(c) Term Loans:		
20,000,200	Bank of India		20,000,200
100	(d) 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 Company (Excluding Agricultural Assets) and Secured Collaterally by First Pari Passu Equitable Mortgage jointly with Union Bank of India on Building at Bombay, Mahabaleshwar & on Leasehold Land at Kandla and agreeing to create First Pari Passu Equitable Mortgage jointly with Union Bank of India on two flats at Bombay as collateral security.		
6,401,000	(e) Term Loan from Union Bank of India against Pari Passu first charge to be created on the Fixed Assets of Sameerwadi Factory.		5,701,000
77,283,870			
25,850,950	Carried Over		172,417,292 64,175,630

MILLS LIMITED

AS AT 31ST MARCH, 1993

As at 31st March, 1992	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
29,361,840	Brought Forward		325,578	33,260,950
325,578				
1,995	(v) 4 1/2% U.P. State Development Loan of 1972 (Face Value Rs.2,000/-)		1,995	
1,000	(vi) National Savings Certificates of the Face Value of Rs.1000/- Deposited as Security Deposit with Central Excise Authority, Bijapur		1,000	
328,573				328,573
III. CURRENT ASSETS, LOANS AND ADVANCES :				
(A) CURRENT ASSETS :				
20,074,355	(i) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director) . . .	22,029,098		
4,564,600	In Transit	593,796		
24,638,955			22,622,894	
301,938,408	(ii) Stock-in-trade (as per Inventories valued and certified by a Director)			
7,072,596	(a) Sugar at Realised Value, and Cost	447,390,527		
697,408	(b) Sugar in Process at Cost	6,023,510		
309,708,412	(c) Molasses at Controlled Rate	978,348		
			454,392,385	
334,347,367				
29,690,413	Carried Over		477,015,279	33,589,523

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1992	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
25,850,950				
77,283,870	Brought Forward	172,417,292	64,175,630	
17,800,000	(f) Working Capital Term Loan (Converted from Cash Credit Account for Sameerwadi)			
17,800,000	i) Bank of India	17,800,000		
	ii) Union Bank of India	17,800,000		
35,600,000			35,600,000	
18,400,000	(g) Funded Interest A/c.I			
5,188,674	(Closure period Interest for Sakarwadi / Lakshmiwadi Units)			
	Bank of India		18,400,000	
16,297,632	Interest accrued on above		5,858,613	
	(h) Funded Interest A/c.II			
	(Converted from Term Loan Account) Bank of India		16,297,632	
14,450,000	(i) Funded Interest A/c.III			
14,450,000	(Converted from Cash Credit A/c. for Sameerwadi)			
28,900,000	i) Bank of India	14,450,000		
	ii) Union Bank of India	14,450,000		
181,670,176			28,900,000	
				277,473,537
8,013,405	IV. UNSECURED LOANS :			
1,068,408	(a) Cane Purchase Tax Loan from Karnataka Government . . .	5,321,155		
2,000,000	(b) Inter Corporate Deposit	286,166		
120,000	(c) 200 6% Debentures of Rs.10,000/- each fully paid-up Redeemable at the option of the Company	2,000,000		
	(d) Interest accrued and due on above	—		
11,201,813				7,607,321
	V. CURRENT LIABILITIES AND PROVISIONS :			
226,047,735	(A) CURRENT LIABILITIES :			
334,076	(i) Sundry Creditors	247,713,640		
641,093	(ii) Advance from Customers against sale of Land	334,076		
4,878	(iii) Security Deposit of Bagaitdars	631,869		
50,000	(iv) Security Deposit from Customers	4,878		
570,764	(v) Due to Whole-time Director	50,000		
5,899,316	(vi) Interest Accrued but not due on Loan	565,375		
	(vii) Interest Suspense	8,693,773		
233,547,862			257,993,611	
—	(B) PROVISIONS :			
1,003,177	Provision for Income Tax	6,000,000		
1,003,177	Provision for Wealth Tax	872,931		
234,551,039			6,872,931	
453,273,978	Carried Over			264,866,542
				614,123,030

MILLS LIMITED

AS AT 31ST MARCH, 1993

As at 31st March, 1992	ASSETS (Contd.)		
Rupees		Rupees	Rupees
29,690,413	Brought Forward	477,015,279	33,589,523
334,347,367			
	(iii) Sundry Debtors (Unsecured and considered good except otherwise stated)		
2,973,299	(a) Debts Outstanding for more than six months	2,344,072	
8,443,667	(b) Other Debts	17,710,103	
11,416,966			20,054,175
	(iv) CASH AND BANK BALANCES :		
680,572	Cash, Cheques and Drafts on hand and in transit (including stamps on hand Rs.12,096/-) ...	728,549	
10,156,173	In Current Account with Scheduled Banks ...	8,839,713	
	In Current Account with non-Scheduled Banks:		
	Bijapur District Central Co-op. Bank Ltd., Mahalingpur (Maximum Debit Balance during the year Rs.25,64,961/- Previous Year Rs.32,32,345/-) ...	564,189	
321,000			
5,000	Fixed Deposits with Scheduled Bank (Lodged with Excise Department Mudhol)...	5,000	
20,353,824	Fixed Deposit with Scheduled Banks (Under lien for the Guarantees) ...	20,625,374	
2,270,116	Accrued Interest on above ...	4,793,023	
33,786,685			35,555,848
379,551,018			
29,690,413	Carried Over	532,625,302	33,589,523

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st March, 1992	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
453,273,978	Brought Forward		614,123,030
	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	100,000	
1,00,000			
	(ii) In respect of Counter Guarantees given to Others	—	
3,21,327			
	(iii) In respect of Dividend Payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1-6-1973 to 31-3-1993	2,884,722	
27,39,289			
	(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			
453,273,978	TOTAL RUPEES :		614,123,030

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 4th August, 1993.

MILLS LIMITED

AS AT 31ST MARCH, 1993

As at 31st March, 1992	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
29,690,413	Brought Forward		532,625,302	33,589,523
379,551,018				
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
	Advances Recoverable in Cash or Kind or for value to be received (including Advances to the Officers of the Company Rs.63,806/-) (Maximum Debit Balance during the year Rs.63,806/- Amount in dispute Rs.1,86,801/- towards due for Central Excise Duty.) ...	31,740,036		
29,493,756				
64,126	Considered Doubtful	64,126		
29,557,882		31,804,162		
64,126	Less: Provision for Doubtful Advances ...	64,126		
29,493,756			31,740,036	
—	Advance Income Tax		4,000,000	
699,841	Income-tax deducted at source from Interest		562,316	
8,371,315	Deposit with High Court & Others		7,332,091	
4,273,762	Interest Credit to be received from Bank ...		4,273,762	
422,389,692				580,533,507
	MISCELLANEOUS EXPENDITURE :			
	Profit and Loss Account		—	
	LESS: Deducted from General Reserve as per			
16,370,914	Contra		—	
15,177,041				
1,193,873				
453,273,978	TOTAL RUPEES:			614,123,030

K.J.SOMAIYA

Chairman

S.K.SOMAIYA

N.C.SAYTA

C.B.PURANDARE

B.V.BHOOTA

P.M.KAVADIA

(Whole-time Director)

S.V.NIGHOSKAR

K.PERSHAD

Directors

BOMBAY : Dated 4th August, 1993. General Manager (Finance)

S.R.PARIKH

Secretary and

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st April, 1992	Additions during the year	Deduction for sale during the year	Gross Block as on 31st March, 1993
(1)	(2)	(3)	(4)	(5)
Freehold Land (Book Value)	1,605,891	—	—	1,605,891
Leasehold Land Development Expenses	238,925	—	—	238,925
Leasehold Premium on Garage	12,000	—	—	12,000
Buildings & Pucca Quarters at Factories	19,969,287	6,132,536	—	26,101,823
Temporary Quarters	636,461	—	—	636,461
Temporary Quarters at Farms	141,158	—	—	141,158
General Machinery (Book Value)	102,012,622	5,144,069	—	107,156,691
Electrical Machinery	3,914,247	395,281	—	4,309,528
Agricultural Machinery (Book Value)	906,420	—	—	906,420
Electrical Installation & Fittings	1,164,546	—	—	1,164,546
Furniture & Office Equipments	2,579,924	103,299	—	2,683,223
Weigh Bridges	2,319,556	—	—	2,319,556
Molasses & Other Storage Tanks	3,251,975	—	—	3,251,975
Motor Cars, Lorries & Cycles (Book Value)	2,025,691	125,104	—	2,150,795
Carts & Trucks (Book Value)	457,174	—	—	457,174
Laboratory Apparatus	298,582	17,760	—	316,342
Roads & Drainage & Tube Wells	1,417,225	—	—	1,417,225
Dead Stock	204,489	—	—	204,489
Library	6,893	—	—	6,893
Irrigation Lifts	429,723	—	—	429,723
Live Stock	37,908	—	—	37,908
Total Rupees :	143,630,697	11,918,049	—	155,548,746

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

BOMBAY : Dated 4th August, 1993.

MILLS LIMITED

Forming Part of Balance Sheet as at 31st March, 1993

Depreciation Written off Upto 31st March, 1992	Depreciation Written off during the year	Total Depreciation Upto 31st March, 1993	Net Depreciated Block as at 31 st March, 1993	Net Depreciated Block as at 31st March, 1992
(6)	(7)	(8)	(9)	(10)
—	—	—	1,605,891	1,605,891
—	—	—	238,925	238,925
10,450	300	10,750	1,250	1,550
10,334,466	937,230	11,271,696	14,830,127	9,634,821
465,536	8,546	474,082	162,379	170,925
121,538	981	122,519	18,639	19,620
90,329,571	5,268,931	95,598,502	11,558,189	11,683,051
3,763,265	171,163	3,934,428	375,100	150,982
860,070	6,952	867,022	39,398	46,350
1,043,299	18,187	1,061,486	103,060	121,247
1,990,010	69,415	2,059,425	623,798	589,914
1,355,999	144,533	1,500,532	819,024	963,557
2,445,860	120,917	2,566,777	685,198	806,115
1,783,515	157,382	1,940,897	209,898	242,176
32,385	965	33,350	423,824	424,789
147,656	25,303	172,959	143,383	150,926
575,906	42,066	617,972	799,253	841,319
139,598	9,733	149,331	55,158	64,891
6,096	—	6,096	797	797
410,649	2,886	413,535	16,188	19,074
25,031	—	25,031	12,877	12,877
115,840,900	6,985,490	122,826,390	32,722,356	27,789,797

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)
S.V.NIGHOSKAR
K.PERSHAD

Directors

BOMBAY : Dated 4th August, 1993.

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 31st March, 1992			
Rupees		Rupees	Rupees
	To Opening Stock on 1st April, 1992 :		
348,116,491	To Sugar	301,938,408	
4,635,400	" Sugar-in-Process	7,072,596	
1,196,489	" Molasses	697,408	
353,948,380			309,708,412
	Agricultural Section :		
22,980	" Salaries and Wages	27,060	
1,000	" Bonus	1,000	
—	" Workmen & Staff Welfare Expenses	2,684	
20,603	" Irrigation Rates and Taxes	10,639	
8,079	" Miscellaneous Expenses	7,421	
1,406	" Depreciation	1,326	
6,189	" Legal Charges	2,030	
60,257			52,160
431,645,366	" Locally Purchased Cane		497,103,989
946,138	" Lease Rent		1,102,052
27,094,200	" Salaries and Wages , , , , ,	32,776,387	
5,843,720	" Bonus to Employees	6,597,053	
234,156	" Company's Contribution to Employees Family Pension Fund Scheme	261,066	
329,125	" Contribution to Provident Fund of the Company and Administrative Charges	363,978	
100,000	" Gratuity	123,129	
1,520,999	" Group Gratuity Insurance Premium	1,058,084	
1,869,785	" Company's Contribution to Government Provident Fund and Administrative Charges	20,89,246	
36,991,985			
786,600,141	CARRIED OVER	43,268,943	807,966,613

THE YEAR ENDED 31ST MARCH, 1993

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 31st March, 1992			Rupees	Rupees
Rupees				
786,600,141	BROUGHT FORWARD		43,268,943	807,966,613
36,991,985				
114,009	To Contribution to Deposit Link Insurance Fund and Administrative Charges		124,833	
1,997,806	" Workmen and Staff Welfare Expenses		1,944,272	
39,103,800				45,338,048
11,605,294	" Stores, Chemicals and Spare Parts			13,396,218
2,634,274	" Power and Fuel			3,166,748
25,691,385	" Repairs to Plant & Machinery		19,755,057	
1,417,242	" Repairs to Building		1,448,885	
880,255	" Other Repairs		434,521	
27,988,882				21,638,463
26,132,249	" Sugar Cane Purchase Tax			44,634,619
1,639,205	" Insurance Premium			1,748,537
37,760,791	" Excise Duty on Sugar		35,186,484	
5,260,043	" Excise Duty on Molasses		5,583,373	
43,020,834				40,769,857
14,443,366	" Sugar Development Cess			11,961,964
12,852,750	" Packing, Forwarding and Storage Expenses			16,638,217
366,032	" Rent			258,089
334,613	" Rates and Taxes			1,555,556
50,000	" Loss on Sale of Stores and Spares			—
395,760	" Loss on Sale of Investment			—
797,750	" Guarantee Commission			776,897
8,616,111	" Miscellaneous Expenses			8,641,563
7,720	" Additional Sales Tax			15
976,588,781	CARRIED OVER			1,018,491,404

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1993

[illegible]

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 31st March, 1992			Rupees	Rupees
Rupees				
976,588,781	BROUGHT FORWARD			1,018,491,404
	To INTEREST:			
18,019,988	Cash Credit Account		19,537,860	
8,314,434	Fixed Loans		7,973,353	
120,000	Debentures		120,000	
653,210	Other Loans		242,573	
1,382,707	Deferred Payment Guarantee Facility		-	
302,186	Inter Corporate Deposit		157,385	
28,792,525				28,031,171
18,500	To Directors' Fees			22,500
436,250	" Directors' Travelling Expenses			193,617
237,029	" Whole-time Directors' Remuneration			221,000
-	" Reversal of Excise Rebate for 1967-68 and 1974-75			943,433
573,465	" Advances Written Off			-
22,078	" Charity and Donation			6,981
	To PAYMENT TO AUDITORS:			
20,000	Audit Fees		20,000	
7,500	Tax Audit Fees		7,500	
4,025	Auditors' Travelling Expenses		4,304	
31,525				31,804
-	" Concurrent Auditors' Fees			30,000
847	" Cost Auditors' Travelling Expenses			-
1,470,143	" Agricultural Development Expenses			1,510,866
619,009	" Expenses on Scientific Research			610,793
607,401	" Legal Expenses			398,300
3,100	" Professional Tax			3,100
300	" Premium on Leasehold Garage Written off			300
7,311,101	" Depreciation			6,983,864
10,607	" Sundry Debit Balances Written Off			336,738
36,843	" Excess Provision of Rebate on Excise Duty Written Off			-
983	" Excess Provision of Claims Written Off			-
-	" Provision of Income Tax for the Year			6,000,000
22,051,487	" Balance being Profit for the year			27,715,022
1,038,811,974	TOTAL RUPEES:			1,091,530,893

THE YEAR ENDED 31ST MARCH, 1993

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 31st March, 1992			Rupees	Rupees	Rupees
Rupees					
38,422,401	To	Balance of Loss Brought Forward from Last Year's Balance Sheet			16,370,914
-	"	Short Provision of Cane Price for 91-92			4,042,041
-	"	Balance carried to Balance Sheet			22,147,639
		NOTE: Computation of Whole-time Director's commission is as follows:-			
		2,20,51,487 Net Profit as per Profit & Loss Account		27,715,022	
		Add:			
		2,53,229 (i) Whole Time Director's Remuneration	221,000		
		73,12,807 (ii) Depreciation Provided	6,985,490		
		<u>75,66,036</u>		<u>7,206,490</u>	
		2,96,17,523		34,921,512	
		Less:			
		i) Depreciation to the extent specified in Section 350 of Companies Act, 1956	6,985,490		
		73,12,807			
		38,00,000 ii) Estimated Liability of Bonus	4,000,000		
		<u>1,11,12,807</u>		<u>10,985,490</u>	
		1,85,04,716		23,936,022	
		1,85,047 Commission @1% on the Net Profit		239,360	
		<u>50,000</u> As per Agreement Limited to		<u>50,000</u>	
		Total Managerial Remuneration:			
		2,12,000 Remuneration		171,000	
		16,200 Company's Contribution to Provident Fund		17,100	
		25,029 Perquisites		—	
		<u>2,53,229</u>		<u>188,100</u>	
38,422,401		TOTAL RUPEES:			42,560,594

Accompanying to our Report of even date

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

G. P. BHATT
Partner

BOMBAY : Dated 4th August, 1993.

THE YEAR ENDED 31ST MARCH, 1993

		K.J.SOMAIYA	B.V.BHOOTA	} Directors
		Chairman	P.M.KAVADIA	
	S.R.PARIKH	S.K.SOMAIYA	(Whole-time Director)	
	Secretary and	N.C.SAYTA	S.V.NIGHOSKAR	
	General Manager (Finance)	C.B.PURANDARE	K.PERSHAD	

BOMBAY : Dated 4th August, 1993.

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 Liability as on 31/3/1993 for accrued gratuity to employees under the Payment of Gratuity Act, 1972 as per Actuary's Certificate is Rs.94,97,801/-. The same is covered under Cash Accumulation Scheme of Group Gratuity Insurance with Life Insurance Corporation of India.

- (2) Income Tax Assessments upto Accounting Year ending 31/3/1990 (Upto Assessment Year 1990-91) have been completed and demand of Rs.170.65 lacs was raised for Assessment Year 1990-91 which is contested in appeal. Similarly an Income Tax demand of Rs.5.77 lacs has been raised for Assessment Year 1992-93 on Assessment made under Section 143 (1) of Income Tax Act, 1961. Wealth Tax Assessment upto Assessment Year 1990-91 have been completed and their liabilities have been duly provided.

- (3) Closing Stock of Levy Sugar is valued at Levy Price fixed by Government. Stock of Free Sale Sugar sold upto 31/7/93 is valued at Realised value and Balance Stock on hand on that date is valued at Cost. This has resulted in change in basis of Valuation of Closing Stock of Free Sugar, as in past the same was valued at Realised/ Realisable value; thereby stating the Profit less by Rs.273.16 lacs. This is in keeping with Provisions of Companies Bill 1993, which will need compliance from next year.

- (4) During the year, no provision for Bonus has been made as the same is Debited to Profit and Loss Account as and when paid. Liability of the Bonus for the year under report according to Bonus Act comes to about Rs.40 lacs.

- (5) 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.

(6) Break-up of Expenditure on Employees:-

	Numbers	Salary, Bonus & Allowance	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.	3 (5)	5,52,222 (8,74,268)	39,080 (61,205)
(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.	2 (1)	87,461 (1,11,704)	3,943 (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 4 th August, 1993.

MILLS LIMITED

THE YEAR ENDED 31ST MARCH, 1993

(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	49,580.5 (56,929.9)	30,90,11,004 (35,27,51,891)	98,233.0 (96,456.0)	835.9 (638.5)	85,442.6 (1,03,166.9)	61,73,61,312 (71,43,54,041)	61,535.0 (49,580.5)	45,34,14,037 (30,90,11,004)
Molasses	8,459.129 (9,970.744)	6,97,408 (11,96,489)	30,630.870 (32,468.280)	- (-)	32,295.915 (33,979.895)	91,28,475 (82,77,004)	6,794.084 (8,459.129)	9,78,348 (6,97,408)

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		8,49,823 (Nett)	49,71,03,989	8,49,360 (Nett)	43,16,45,366
Stores and Spares Consumed:		Value Rs.	%	Value Rs.	%
Imported		11,120	0.08	18,812	0.16
Indigenous		1,33,85,098	99.92	1,15,86,482	99.84
		1,33,96,218	100%	1,16,05,294	100%

I.F. Value of Imports:

		Previous Year
i) Raw Materials	NIL	NIL
ii) Stores and Spares	NIL	NIL
iii) Capital Goods	NIL	NIL
Expenses incurred in Foreign Currency	NIL	70,098

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.

		K.J.SOMAIYA	B.V.BHOOTA	} Directors
		Chairman	P.M.KAVADIA	
S.R.PARIKH		S.K.SOMAIYA	(Whole-time Director)	
Secretary and		N.C.SAYTA	S.V.NIGHOSKAR	
General Manager (Finance)		C.B.PURANDARE	K.PERSHAD	

BOMBAY : Dated 4th August, 1993.

THE GODAVARI SUGAR MILLS LIMITED

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1993

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	74	Whole-Time Director	238,100	Contractual Subject to termination by six month's notice on either side	As per Company's Rules	M.A., LL.B. About 47 Years	01/09/1963	Manager, Narsee Nagsee & Co.
2.	Shri. S.R. Parikh	59	Secretary and General Manager (Finance)	203,621	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Com., F.C.A. About 36 Years	02/01/1960	Great Eastern Shipping Co.Ltd.
3.	Shri. J.N. Patel	69	General Manager	149,581	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Sc.(Agri.) About 40 Years	01/07/1987	General Manager, Somaiya Organo-Chemicals Ltd.

(b) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

1.	Shri. A.S. Satyanarayan	50	Project Manager	42,650	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.E.(Mech) About 22 Years	08/07/1983	Chief Engineer, Kothari Sugar & Chemicals
2.	Shri. S. Sharanappa	51	General Manager	44,811	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	M.A. About 32 Years	14/12/1992	General Manager, The Mansurpur Sugar Mills Ltd.

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

BOMBAY: Dated 4 th August, 1993

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,1993.
- (ii) Godavari Investment and Finance Corporation Limited earned a Profit of Rs.6,316/- for the year ended 31st March,1993. After adjusting the Previous Year's Loss of Rs.7,614/- the Loss comes to Rs.1,298/-. The said Loss has been carried to the Balance Sheet of Subsidiary Company and no adjustment has been made in the Book of The Godavari Sugar Mills Limited for the same.
- (iii) There has been no changes in the Interest of the Company in Godavari Investment and Finance Corporation Limited during the year ended 31st March,1993.

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)
S.V.NIGHOSKAR
K.PERSHAD

Directors

BOMBAY : Dated 4th August,1993.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED

DIRECTORS' REPORT

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

Your Directors submit herewith their Thirtyeighth Annual Report and Audited Accounts of the Company for the year ended 31st March, 1993.

The working of the Company for the year resulted in a Profit of Rs.14,861/- mainly due to recovery of amounts from Bagaitdars which were written off in previous years. After providing for taxation of Rs.8,545/- and adjusting the previous year's loss of Rs.7,614/- the total carried forward loss comes to Rs.1,298/- which has been carried to the next year. In view of this, the Directors do not recommend any dividend for the year.

DIRECTORS :

Shri R. Venkatraman and Shri J. P. Dastur Directors, retire from the Board by rotation and being eligible offer themselves for re-appointment.

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

Bombay : Dated 31st July, 1993.

Directors

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, 1993 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, 1993 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, 1993, 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 (0) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For **Y.S. MUZUMDAR & CO.**
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR
Proprietor

BOMBAY : Dated 31st July, 1993.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st March, 1992	LIABILITIES	
Rupees		Rupees Rupees
	I. AUTHORISED CAPITAL :	
500,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each	500,000
	II. SUBSCRIBED CAPITAL :	
100,000	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	100,000
	III. CURRENT LIABILITIES AND PROVISIONS :	
	(A) CURRENT LIABILITIES :	
32,988	Sundry Creditors	32,988
648	(B) Provision for Taxation	9,193
33,636		42,181
	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	
133,636	TOTAL RUPEES :	142,181

Accompanying to our Report of even date annexed

For **Y. S. MUZUMDAR & CO.**
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR
Proprietor

BOMBAY : Dated 31st July, 1993.

FINANCE CORPORATION LTD.

AS AT 31ST MARCH, 1993

As at 31st March, 1992	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS AND ADVANCES :			
	(A) CASH AND BANK BALANCES :			
87	Cash on Hand	147		
1,046	In Current Account with a Schedule Bank	101,375		
1,133			101,522	
	(B) LOANS AND ADVANCES :			
	(Secured and considered good as Certified by a Director except otherwise stated)			
4,338	(i) Loans to Cane Growers		4,338	
29,000	(ii) Deposits		29,000	
91,356	(iii) Advances recoverable in cash or kind		3,501	
195	(iv) Advance Income-tax		791	
—	(v) Income Tax deducted at source		1,731	
126,022				140,883
	MISCELLANEOUS EXPENSES :			
7,614	Loss as per Profit and Loss Account			1,298
133,636	TOTAL RUPEES :			142,181

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

S. K. SOMAIYA

R. VENKATRAMAN

Directors

BOMBAY : Dated 31st July, 1993.

PROFIT & LOSS ACCOUNT FOR

For the year ended 31st March, 1992			Rupees
Rupees			
1,200	To Salary		1,200
600	" Profession Tax		600
51	" Miscellaneous Expenses		1,839
1,200	" Office Rent		1,200
500	" Audit Fees		500
57	" Sundry Debit Balance Written Off		—
—	" Provision for Taxation		8,545
6,862	" Profit Carried Down		6,316
10,470	TOTAL RUPEES :		20,200
14,476	To Balance as per last Balance Sheet		7,614
14,476	TOTAL RUPEES :		7,614

Accompanying to our Report of even date annexed

For Y. S. MUZUMDAR & CO.
CHARTERED ACCOUNTANTS

Y. S. MUZUMDAR
Proprietor

BOMBAY : Dated 31st July, 1993.

FINANCE CORPORATION LTD.

THE YEAR ENDED 31ST MARCH, 1993

For the year ended 31st March, 1992		
<i>Rupees</i>		<i>Rupees</i>
3,202	By Interest on Loans	2,775
7,268	" Recovery from Sundry Debit Balances Written Off	10,425
—	" Dividend.	7,000
10,470	TOTAL RUPEES	20,200
6,862	By Profit Brought Down	6,316
7,614	" Loss Carried to Balance Sheet	1,298
14,476	TOTAL RUPEES :	7,614

OMBAY : Dated 31st July, 1993.

S. K. SOMAIYA
R. VENKATRAMAN } Directors