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**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1994-95**

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 N.C.SAYTA

SHRI S.V.NIGHOSKAR

(Nominee of Bank of India)

SHRI K.PERSHAD

SHRI B.R.BARWALE

SHRI INDUBHAI C. PATEL

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 LTD.

NOTICE

Notice is hereby given that Fifty-fifth Annual General Meeting of The Godavari Sugar Mills Limited will be held on Friday the 29th September, 1995 at 5.00 p.m. at the Registered Office of the Company at Fazalbhoj Building, 45/47, Mahatma Gandhi Road, Bombay-400 023. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt Audited Balance Sheet as at 31st March, 1995 and the Profit and Loss Account for the year ended on that date, and the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity and Preference Shares.
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 Director in place of Shri. B. R. Barwale who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Indubhai C. Patel who retires by rotation and being eligible, offers himself for re-appointment.
6. 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:

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

"RESOLEVED THAT Shri Kailash Pershad be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT consent of the company be and is hereby accorded under Section 314 and other applicable provisions, if any, of the Companies Act, 1956 to Shri Samir S. Somaiya, a relative of Shri K.J. Somaiya and Dr. S.K. Somaiya holding and continuing to hold office or place of profit in the company and receiving such sums of money, as may be decided by the Board of Directors within the limits prescribed under the Act."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government in the applicability of the provisions of Section 314 of the Companies Act, the Board of Directors be and is hereby authorised to vary or increase the amount payable to Shri Samir S. Somaiya within such revised limit or ceiling without any further reference to the company in General Meeting."

By Order of the Board of Directors,

K.J. SOMAIYA

Chairman

BOMBAY : Dated 2nd September, 1995.

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 OF THE COMPANIES ACT, 1956.

ITEM NOS :

7. Shri Kailash Pershad was appointed as a Special Director by B.I.F.R. with effect from 17-9-1988. As per the B. I. F. R. order dated 29th November, 1994, the Company's case was closed and his appointment as Special Director was discharged.

In view of valuable guidance given by Shri Kailash Pershad as Nominee Director of the Company during his tenure for about six years, the Directors have appointed him as Additional Director in the meeting held on 27-12-1994.

Pursuant to Section 260 of the Companies Act, 1956, Shri Kailash Pershad will hold office of Director until the date of ensuing Annual General Meeting. The Company has received a Notice in writing from a member (alongwith the deposit of required amount) proposing the candidature of Shri Kailash Pershad for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

None of the Directors other than Shri Kailash Pershad are interested in the resolution.

The Directors recommend the resolution for your approval.

8. It is proposed that an amount not exceeding the limit as prescribed under Section 314 and other provisions of the Companies Act, 1956 as amended from time to time be paid as retainer fee to Shri Samir S. Somaiya, a technocrat and management consultant. Shri Samir S. Somaiya is related to Shri K.J. Somaiya and Dr. S.K. Somaiya, Directors of the Company. Necessary consent is required to be taken pursuant to Section 314 of the Act for payment to Shri Samir S. Somaiya.

Shri K.J. Somaiya and Dr. S.K. Somaiya are deemed to be interested in the resolution.

The Board recommends the resolution for your approval.

By Order of the Board of Directors

K.J. SOMAIYA
Chairman

BOMBAY : Dated 2nd September, 1995.

THE GODAVARI SUGAR MILLS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fifty-fifth Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March, 1995.

A) FINANCIAL RESULTS :

(Rs.in Lacs)

Gross Operating Profit	1,183.12	
Less : Interest	468.03	
Depreciation	30.90	
Provision for Taxation	150.00	
	<u>648.93</u>	
Net Profit for the year	534.19	
Adding thereto :		
Balance Profit brought forward from last year	3.67	
Excess Provision for Cane Purchase Tax for 1991-92	24.54	
Levy Sugar price difference receivable for earlier years	204.17	
Interest on Fixed Deposits of earlier years	100.79	
Interest on other Deposits	5.62	
	<u>338.79</u>	
	872.98	
Less : Short Provision for		
Cane Purchase for 1992-93	173.93	
Short Provision for taxation for earlier years	379.08	
Interest to be received from Banks for 1990-91 reversed	34.79	
	<u>587.80</u>	
Profit available for appropriation	285.18	
APPROPRIATIONS :		
Proposed Dividend :		
(i) On Preference Shares @ 7.8572% (Subject to deduction of Tax)	1.46	
(ii) On Equity Shares @ 15% (Subject to deduction of Tax)	48.82	
	<u>50.28</u>	
Transfer to General Reserve	230.00	
Balance carried to Balance Sheet	4.90	
	<u>285.18</u>	

(B) MANUFACTURING RESULTS OF SAMEERWADI :

The results for the year reflect working of two crushing seasons i.e. part of 1993-94 and part of 1994-95. It covers the period from 1-4-1994 to 22-4-1994 and 7-9-1994 to 31-3-1995 the results whereof are produced below :

Period	Cane Crushed (M.T.)	Sugar Manufactured (Qtl.)
1-4-1994 to 22-4-1994	86,387	96,100
7-9-1994 to 31-3-1995	8,97,270	10,59,380
Total	9,83,657	11,55,480

Average recovery works out to 11.71%

The final figures of crushing and production for season 1994-95 and comparative figures for 1993-94 are as under:-

	1994-95		1993-94	
	Sep'94	Oct'94		
	to		Jun'95	Total
Cane Crushed (M.T.)	63230	1197578	1260808	825960
Sugar Manufactured	64350	1395740	1460090	941500
Recovery (%) (Qtl.)	10.58	11.63	11.59	11.38

The Directors are pleased to report that the Sameerwadi Factory stood first in whole of India in Production during 1994-95 (including September 1994 production). If September 1994 production is excluded, Sameerwadi ranked on Second position, with its production of 13,95,740 quintals next to Krishna S.S.K. Ltd., Karad, which produced 14,44,250/- quintals of sugar.

Similarly in Cane Crushing (including September 1994 crushing) Sameerwadi Factory stood Second in India, next to Yamunanagar. If September 1994 crushing is excluded, Sameerwadi stands Fourth in whole of India.

(C) LEGAL MATTERS :

- The appeals filed by 38 workers of erstwhile Lakshmiwadi factory for reinstatement from 8-4-1988 in Industrial Court at Ahmednagar against Judgement of Labour Court at Ahmednagar in favour of the Company are admitted. Same are pending.
- The Company's Writ Petition in High Court of Bombay (Aurangabad Bench) against the order dated 19-6-1991 of the Ahmednagar Industrial Court in favour of 38 workers of erstwhile Lakshmiwadi Factory for their demand of 100% Wages, Bonus, D.A., etc. for the period of Closure i.e. from 15-12-1986 to 8-4-1988 is pending but, the payments have been stayed by the High Court.

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

The Constitution Bench of the Supreme Court delivered judgement on 22-9-1993 ordering the Central Government to refix the Levy Prices for all the sugar zones for seasons 1974-75 to 1979-80 taking into consideration the provisions of Clause 5(A) of the Sugar (Control) Order, 1966 as also the provisions of Section 3(3) (c) of the Essential Commodities Act. The Government was also allowed to encash 50% of the Bank Guarantees provided by the sugar factories.

The Government of India has refixed the Levy Sugar Prices for all the zones for seasons 1974-75 to 1979-80 vide notifications dated 22-2-1995. These prices are higher than the prices allowed by High Court of Bombay and Karnataka High Court at Bangalore except for 1977-78 and 1978-79 seasons in respect of Sameerwadi factory and for 1978-79 seasons in respect of erstwhile Sakarwadi / Lakshmiwadi factories. The Company is therefore putting up its claim for the amount of difference receivable as per these notifications. The Company had filed Civil Applications in Bombay High Court in respect of its erstwhile Lakshmiwadi & Sakarwadi factories for seasons 1974-75 to 1977-78 and for Sameerwadi for 1974-75 season for return of Bank Guarantees / Cash Deposits lying in High Court. The High Court has passed order on 30-6-1995 in case of Phaltan Sugar Works Ltd. and similar orders were passed in respect of all the factories including ours on 20-7-1995. The High Court has granted the Prayers of Company and has directed the Registrar of High Court to return the Bank Guarantees / Cash Deposits with its office. The Company is following up the matters with the Registrar. The Company is following up with its Advocates at Bangalore for similar action for Sameerwadi factory. Since the matters pertaining to seasons 1978-79 and 1979-80 have been transferred to Supreme Court, Company is advised that applications would have to be made to Supreme Court for suitable direction for refund of Cash Deposits as the same is beyond its earlier directions i.e. encashment of 50% Bank Guarantees given in judgement dtd. 22-9-1993. Necessary steps are being taken in the matter.

(E) LEVY PRICE FOR SEASON 1985-86 FOR SAMEERWADI FACTORY :

The Company has filed an Appeal in Supreme Court against the Order dated 20-12-1990 of High Court of Karnataka dismissing Company's Writ Petition for Sameerwadi factory for Season 1985-86. The same 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 erstwhile Lakshmiwadi factory from Schedule VI entitling 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 the Factory to collect Rs.26/- per Qtl. for Levy Sugar.

(G) DEREGISTRATION FROM BIFR:

At the request of the Company, it has been deregistered by BIFR vide order dated 29-11-1994, as the company is making profits continuously and has started paying Income tax and dividends.

(H) DIVIDENDS :

The Directors recommend for consideration of Shareholders at the Annual General Meeting, payment of Preference Dividend at 7.8572% on the Redeemable Preference Shares and also 15% Dividend on Equity Shares subject to deduction of tax for the year ended 31st March, 1995.

(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) Dr. S. K. Somaiya, Shri B.R. Barwale and Shri I. C. Patel retire from the Board by rotation and being eligible offer themselves for re-appointment.
- (ii) Your Directors place on record their sincere appreciation of the co-operation and assistance extended by the 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 staff of the Company.
- (iii) There were no employees drawing remuneration of Rs.3 lacs or more per year or Rs. 25,000/- per month or more during the year or for part of the year.
- (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 2nd September, 1995.

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, 1995

Conservation of Energy/Technology Absorption/Foreign Exchange earnings and outgo.

(A) CONSERVATION OF ENERGY

In addition to the existing steam economy measures, it is planned to add Double effect Vapour Cell to modify to existing evaporator system which will enable us to achieve higher production with fuel economy.

FORM "A"

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(A) POWER AND FUEL CONSUMPTION

1. ELECTRICITY

(a) Purchased -

Units	KWH	7,05,857
Total Amount	Rs.	14,93,614
Rate	Rs./KWH	2.12

(b) Own Generation -

i) Through Diesel Generator

Units	KWH	1,59,324
Units per litre of Diesel Oil	KWH/Ltr.	3.74
Cost per Unit	Rs./KWH	2.20

ii) Through Steam Turbine Generator

Units	KWH	2,09,50,971
Units per K.G. of Bagasse	KWH	0.61
Cost per Unit	Rs./KWH	0.61

2. COAL (IInd GRADE)

Quantity	M.T.	291.98
Total Amount	Rs.	4,43,399
Average Rate	Rs./M.T.	1,579

(The Coal is used for manufacture of Lime only)

3. OTHER/ INTERNAL GENERATIONS

Fire Wood	M.T.	352.410
Total Cost	Rs.	2,39,184
Rate/Unit	Rs./M.T.	679

BAGASSE

Purchased	M.T.	NIL
Produced & Utilised for Power Generation	M.T.	1,20,167
Total Cost	Rs.	1,20,16,740
Rate (Average)	Rs./M.T.	100

(B) CONSUMPTION PER UNIT OF SUGAR PRODUCTION

Electricity	KWH/QTLS.	19.19
COAL (IInd GRADE)	M.T./QTLS.	0.000253
Fire Wood	M.T./QTLS.	0.000304
Bagasse	M.T./QTLS.	0.12

(B) TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form "B"

FORM "B"

(Disclosure of Particulars with respect to Technology Absorption)

RESEARCH AND DEVELOPMENT (R & D)

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

The Company has In-house R&D registered with Department of Scientific and Industrial Research. R&D activities are related to upgradation of process technology, product improvement, conservation of energy and water recovery improvement and cost reductions. R & D Department has indentified cost effective process additives and improved technology in milling for better results.

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

R&D activities have helped in improving process control, steam economy and has given better working results of recovery and quality sugar.

3. Future Plan of Action :

In future R&D efforts will be continued towards improved process control system at different stations to increase crushing capacity, and to reduce mill stoppages programme of Co-generation of power is under active consideration.

4. Expenditure on R&D :

i) Capital

NIL

9,05,415

ii) Recurring

9,05,415

iii) Total

0.09%

iv) Total R&D expenditure as a percentage of total turnover

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

The efforts of R&D unit have resulted in water economy and reduction in effluent; steam economy, optimum imbibition, improved low grade boiling, adoption of new milling technology with encouraging results. Commissioning of continuous pan gave better results with higher throughput.

Benefits :

1. There has been improvement in crushing rate also resulting in higher total crush with improved results like higher sugar recovery, better sugar quality etc.
2. We have not imported any technology.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

There has been no Foreign Exchange earnings. Outgo of Foreign Exchange was of Rs. 5,46,889 during the year under report.

BY ORDER OF THE BOARD OF DIRECTORS,

K. J. SOMAIYA
Chairman

BOMBAY : Dated 2nd September, 1995.

THE GODAVARI SUGAR MILLS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1995

We have examined the attached Balance Sheet and the Profit and Loss Account annexed thereto which are in agreement with the Company's Book 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 had 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 we are satisfied that the valuation of its stocks is fair and proper in accordance with normally accepted accounting principles.
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, Equipments and Other Assets and for the sale of goods.
7. According to information and explanation given to us, there have been no transactions of purchases of 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. The 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 had been carried out by us.
13. The Company is regular in depositing Provident Fund dues with the appropriate authorities.
14. According to information and explanations 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. Net worth of the Company has become positive and therefore the Company is deregistered under B.I.F.R.

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 read with 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 Profit for the year.

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

G. P. BHATT
Partner

BOMBAY : Dated 2nd September, 1995.

THE GODAVARI SUGAR MILLS LIMITED

Balance Sheet as at 31st March, 1995

			(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
SOURCES OF FUNDS :	SCHEDULES			
SHAREHOLDERS' FUNDS :				
(a) Share Capital	1		498.51	258.51
(b) Reserves & Surplus	2		846.67	855.44
			<u>1,345.18</u>	<u>1,113.95</u>
LOANS :				
(a) Secured Loans	3		3,325.96	2,986.55
(b) Unsecured Loans	4		1,213.56	777.83
			<u>4,539.52</u>	<u>3,764.38</u>
TOTAL FUNDS EMPLOYED			<u>5,884.70</u>	<u>4,878.33</u>
APPLICATION OF FUNDS :				
FIXED ASSETS :	5			
(a) Gross Block		1,920.56		1,609.12
(b) Less : Depreciation		<u>1,053.09</u>		<u>1,022.18</u>
(c) Net Block			867.47	586.94
(d) Advance paid for construction work in progress			<u>35.50</u>	<u>55.67</u>
			902.97	642.61
INVESTMENTS	6		2.63	2.68
CURRENT ASSETS				
(a) Inventories	7	7,236.77		6,101.55
(b) Debtors	8	196.13		27.06
(c) Cash/ Bank Balances	9	100.57		220.58
(d) Fixed Deposits	10	303.67		267.97
(e) Loans and Advances	11	1098.06		796.91
		<u>8,935.20</u>		<u>7,414.07</u>
LESS : CURRENT LIABILITIES				
(a) Current Liabilities	12	3,755.82		2,754.73
(b) Provisions		<u>200.28</u>		<u>426.30</u>
		<u>3,956.10</u>		<u>3,181.03</u>
Net Current Assets			4,979.10	4,233.04
TOTAL ASSETS			<u>5,884.70</u>	<u>4,878.33</u>
CONTINGENT LIABILITIES	13			
NOTES ON ACCOUNTS	20			

Accompanying to our Report of even date annexed

For AMBALAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

G.P.BHATT
Partner

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

K.J.SOMAIYA
Chairman

S.K.SOMAIYA
K. PERSHAD

B.V.BHOOTA
P.M.KAVADIA
(Whole-time Director)

B.R.BARWALE
I.C.PATEL
N.C.SAYTA

Directors

BOMBAY : Dated 2nd September, 1995

BOMBAY : Dated 2nd September, 1995.

THE GODAVARI SUGAR MILLS LIMITED

Profit and Loss Account for the year ended 31st March, 1995

		(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
INCOME :	SCHEDULES		
Sales	14	11,047.77	9,102.41
Other Income	15	104.00	74.63
Increase in Stock	16	1,184.58	1,274.67
		<u>12,336.35</u>	<u>10,451.71</u>
EXPENDITURE :			
Sugar Cane Cost		8,678.26	7,395.47
Manufacturing and Other Expenses	17	1,671.76	1,365.38
Excise Duty & Sugar Development Cess		803.21	721.58
Interest & Financial Charges	18	468.03	350.29
Depreciation	5	30.90	26.66
		<u>11,652.16</u>	<u>9,859.38</u>
PROFIT BEFORE TAX :		684.19	592.33
Provision for Taxation		<u>150.00</u>	<u>300.00</u>
Net Profit for the Year		534.19	292.33
Balance Profit brought forward from last year		3.67	221.47
Levy Sugar Price Difference receivable for earlier years		204.17	---
Write backs-Depreciation		---	232.74
- Provision of Cane Cost		24.54	---
- Wealth Tax Liability - Refund		---	13.43
- Interest on Fixed Deposits of earlier years		100.79	---
- Interest on other Deposits		5.62	---
		<u>872.98</u>	<u>759.97</u>
Reversal of interest to be received from Bank for 1990-91		34.79	---
Provisions - Cane Cost		173.93	---
- Short Provision for Taxation for earlier years		379.08	---
		<u>587.80</u>	<u>---</u>
Profit available for appropriations		<u>285.18</u>	<u>759.97</u>
APPROPRIATIONS :			
Proposed Dividend			
(a) On Preference Share @ 7.8572%		1.46	30.30
(b) On Equity Shares @ 15%		48.82	36.00
General Reserve		230.00	690.00
Balance Carried to Balance Sheet		4.90	3.67
		<u>285.18</u>	<u>759.97</u>
Computation of Whole-time Director's Commission	19		
Notes on Accounts	20		

Companying to our Report of even date annexed

For AMBALAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

G.P.BHATT
Partner

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

K.J.SOMAIYA
Chairman

S.K.SOMAIYA
K. PERSHAD

B.V.BHOOTA
P.M.KAVADIA
(Whole-time Director)

B.R.BARWALE
I.C.PATEL
N.C.SAYTA

Directors

BOMBAY : Dated 2nd September, 1995

BOMBAY : Dated 2nd September, 1995.

THE GODAVARI SUGAR MILLS LIMITED

(Rs. in lacs)
31-03-95

(Rs. in lacs)
31-03-94

Schedules annexed to and forming part of Balance Sheet as at 31st March, 1995 and Profit & Loss Account for the year ended 31st March, 1995.

SCHEDULE 1 - SHARE CAPITAL

AUTHORISED :

1,93,00,000	Ordinary (Equity) Shares of Rs.10/- each	1,930.00	430.00
20,000	7.8572% subject to deduction of tax at source Redeemable Cumulative Second Preference Shares of Rs. 100/- each	20.00	20.00
50,000	9 ½ subject to deduction of tax at source Redeemable Cumulative Third Preference Shares of Rs. 100/- each	50.00	50.00
		<u>2,000.00</u>	<u>500.00</u>

ISSUED AND SUBSCRIBED CAPITAL :

48,00,000	Ordinary (Equity Shares of Rs.10/- each fully Paid up. Out of the above shares 41,00,000 shares are allotted as fully paid up by way of Bonus Shares, by capitalisation of General Reserve.	480.00	240.00
18,509 ½	7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares 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.	18.51	18.51
		<u>498.51</u>	<u>258.51</u>

SCHEDULE 2 - RESERVES AND SURPLUS :

(A) GENERAL RESERVE :			
As per last Balance Sheet	841.77		151.77
Less : Utilised for Bonus Shares	240.00		---
	601.77		151.77
Add : Transferred from Profit during the year	230.00		690.00
		831.77	841.77
(B) Investment Allowance Reserve		10.00	10.00
(C) Profit & Loss Account		4.90	3.67
		<u>846.67</u>	<u>855.44</u>

THE GODAVARI SUGAR MILLS LIMITED

	(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
SCHEDULE 3 - SECURED LOANS :		
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 , second charge by way of Equitable Mortgage on Block of Fixed Assets and fully guaranteed by two Directors		
(i) Bank of India	1,309.30	1,025.77
(ii) Union Bank of India	1,591.62	1,160.32
	<u>2,900.92</u>	<u>2,186.09</u>
b) Term Loans :		
(i) Bank of India	81.00	114.00
(ii) Union Bank of India	27.00	37.00
	<u>108.00</u>	<u>151.00</u>
c) Working Capital Term Loan		
(i) Bank of India	52.48	178.00
(ii) Union Bank of India	52.39	81.38
	<u>104.87</u>	<u>259.38</u>
d) Funded Interest A/c. I Bank of India	60.00	91.00
e) Funded Interest A/c. II Bank of India	54.97	81.98
f) Funded Interest A/c. III		
(i) Bank of India	48.60	144.50
(ii) Union Bank of India	48.60	72.60
	<u>97.20</u>	<u>217.10</u>
NOTE :		
Term Loan and Other Loans as above are secured by First Pari Passu Charge by way of Equitable Mortgage on Fixed Assets of the Company (excluding Agricultural Assets) and agreeing to create First Pari Passu Equitable Mortgage on two flats at Bombay as collateral security.		
	<u>3,325.96</u>	<u>2,986.55</u>

SCHEDULE 4 - UNSECURED LOANS :

(a) Cane Purchase Tax Loan from Karnataka Government	--	26.29
(b) 200 6% Debentures of Rs.10,000/- each fully paid-up Redeemable at the option of the Company	20.00	20.00
(c) Hire Purchase Finance	348.73	41.29
(d) Deposits from Cultivators	844.83	582.85
(e) Interest accrued on above	--	6.61
(f) Interest Suspense	--	100.79
	<u>1,213.56</u>	<u>777.83</u>

THE GODAVARI SUGAR MILLS LIMITED

SCHEDULE - 5 FIXED ASSETS

PARTICULARS	Gross Block as on 1st April 1994	Additions during the year	Gross Block as on 31st March 1995	Depreciation Written off Upto 31st March 1994	Depreciation Written Off during the year	Total Depreciation Upto 31st March 1995	Net Depreciated Block as at 31st March 1995	Net Depreciated block as at 31st March, 94
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Freehold Land (Book Value)	16.06	----	16.06	----	----	----	16.06	16.06
Leasehold Land Development Expenses	2.39	----	2.39	----	----	----	2.39	2.39
Leasehold Premium on Garage	0.12	----	0.12	0.11	----	0.11	0.01	0.01
Building & Pucca Quarters at Factories	268.39	6.65	275.04	89.00	5.46	94.46	180.58	179.39
Temporary Quarters	6.36	----	6.36	3.73	0.04	3.77	2.59	2.63
Temporary Quarters at Farms	1.41	----	1.41	1.23	----	1.23	0.18	0.18
General Machinery (Book Value)	1,110.26	146.22	1,256.48	798.37	19.99	818.36	438.12	311.89
Electrical Machinery	43.09	139.93	183.02	36.90	0.45	37.35	145.67	6.19
Agricultural Machinery (Book Value)	9.06	----	9.06	8.16	0.05	8.21	0.85	0.91
Electrical Installation & Fittings	11.65	----	11.65	9.26	0.27	9.53	2.12	2.39
Furniture & Office Equipments	28.42	3.89	32.31	18.26	0.84	19.10	13.21	10.16
Weigh Bridges	23.20	----	23.20	10.09	0.73	10.82	12.38	13.11
Molasses & Other Storage Tanks	32.52	----	32.52	18.99	0.68	19.67	12.85	13.53
Motor Cars, Lorries & Cycles (Book Value)	27.50	5.92	33.42	16.64	1.76	18.40	15.02	10.86
Carts & Trucks (Book Value)	4.57	----	4.57	0.30	0.01	0.31	4.26	4.27
Laboratory Apparatus	3.16	0.13	3.29	1.24	0.10	1.34	1.95	1.92
Roads & Drainage & Tube Wells	14.17	----	14.17	4.57	0.16	4.73	9.44	9.60
Dead Stock	2.04	----	2.04	1.11	0.04	1.15	0.89	0.93
Library	0.07	----	0.07	0.06	----	0.06	0.01	0.01
Irrigation Lifts	4.30	----	4.30	3.92	0.02	3.94	0.36	0.38
Live Stock	0.38	----	0.38	0.25	----	0.25	0.13	0.13
Computers	----	8.70	8.70	----	0.30	0.30	8.40	----
Total Rupees :	1,609.12	311.44	1,920.56	1,022.19	30.90	1,053.09	867.47	586.94

THE GODAVARI SUGAR MILLS LIMITED

		(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
SCHEDULE 6 - 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)		1.00	1.00
(B) OTHER INVESTMENTS:			
(i) National Defence Certificate deposited with Electricity Department, Bhopal	0.03		0.03
(ii) 7 Years National Savings Certificates.	1.56		1.61
(iii) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur.	0.01		0.01
(iv) 4 1/2% U.P. State Development Loan of 1972 (Face Value Rs.2,000/-)	0.02		0.02
(v) National Saving Certificate of the Face Value of Rs.1,000/- Deposited as Security Deposit with Central Excise Authority, Bijapur	0.01		0.01
		<u>1.63</u>	<u>1.68</u>
		<u>2.63</u>	<u>2.68</u>
SCHEDULE 7 - INVENTORIES:			
(i) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director)	221.28		260.31
In Transit	12.32		22.65
		233.60	282.96
(ii) Stock-in-trade (as per Inventories valued and certified by a Director)			
(a) Sugar at Realised Value, and Cost (See Note No.4 to accounts)	6,839.02		5,590.76
(b) Sugar in Process at Cost	99.39		113.05
(c) Molasses at Market Rate	42.60		114.78
(d) Bagasses	18.05		—
(e) Standing Crop at Cost	2.32		—
(f) Food Grain at Realised Value	1.79		—
		<u>7,003.17</u>	<u>5,818.59</u>
		<u>7,236.77</u>	<u>6,101.55</u>
SCHEDULE 8 - SUNDRY DEBTORS :			
Sundry Debtors (Unsecured and considered good except otherwise stated)			
(a) Debts Outstanding for more than six months	19.39		15.66
(b) Other Debts	176.74		11.40
		<u>196.13</u>	<u>27.06</u>
SCHEDULE 9 - CASH AND BANK BALANCES :			
Cash, Cheques and Drafts on hand and in transit (including stamps on hand Rs.7,698/-)	16.66		105.10
In Current Account with Scheduled Banks	83.37		112.10
In Current A/c. with non-Scheduled Bank: Bijapur District Central Co-op. Bank Ltd., Mahalingpur (Max. Debit Balance during the year Rs.27,35,635/- Previous Year Rs.31,07,438/-)	0.49		3.33
Fixed Deposits with Scheduled Bank (Lodged with Excise Department, Mudhol)	0.05		0.05
		<u>100.57</u>	<u>220.58</u>
SCHEDULE 10 - FIXED DEPOSITS :			
Fixed Deposit with Scheduled Banks (Under lien for the Guarantees)	266.43		263.24
Accrued Interest on above	37.24		4.73
		<u>303.67</u>	<u>267.97</u>

THE GODAVARI SUGAR MILLS LIMITED

	(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
SCHEDULE 11 - 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.15,993/-) (Maximum Debit Balance during the year Rs.33,864/- Amount in dispute Rs.1,86,801/- towards due for Central Excise Duty.)	639.45	485.17
Considered Doubtful	0.64	0.64
	640.09	485.81
Less: Provision for Doubtful Advances	0.64	0.64
	639.45	485.17
Income Tax paid (includes Income Tax Deducted at Sources)	55.46	181.78
Deposit with High Court & Others	84.99	79.32
Interest on Hire Purchase Finance	113.99	15.85
Levy Sugar Price Difference	204.17	—
Interest Credit to be received from Bank	—	34.79
	458.61	311.74
	1,098.06	796.91

SCHEDULE 12 - CURRENT LIABILITIES AND PROVISIONS :

(A) CURRENT LIABILITIES :

(i) Sundry Creditors	3,751.98	2,745.25
(ii) Advance from Customers against sale of Land	3.34	3.34
(iii) Due to Whole-time Director	0.50	0.50
(iv) Interest Accrued but not due on Loan	—	5.64

3,755.82 2,754.73

(B) PROVISIONS :

(i) Proposed Dividend		
(a) On Preference Shares	1.46	30.30
(b) On Equity Shares	48.82	36.00
	50.28	66.30
(ii) Provision for Taxation		
Provision for Income Tax	150.00	360.00

200.28 426.30

3,956.10 3,181.03

SCHEDULE 13 - CONTINGENT LIABILITIES (Not Provided for) :

(i) Uncalled Liability on Partly Paid Shares held as Investment in Godavari Investment and Finance Corporation Ltd., a Subsidiary Company.	1.00	1.00
(ii) 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	—	227.08

THE GODAVARI SUGAR MILLS LIMITED

	(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
SCHEDULE 14 - SALES :		
Sugar	10,626.21	8,888.13
Molasses	421.56	214.28
	<u>11,047.77</u>	<u>9,102.41</u>
SCHEDULE 15 - OTHER INCOME :		
Sundry Receipts	60.05	65.13
Income from Immovable Property	1.39	1.43
Sundry Receipts being Market Value of Farm Produce etc.	1.07	0.80
Sundry Credit Balances Written Back	—	0.05
Claims and Refund	—	1.41
Interest on Fixed Deposits and Others	41.43	5.81
Sales Tax Refund	0.06	—
	<u>104.00</u>	<u>74.63</u>
SCHEDULE 16 - INCREASE IN STOCK:		
Closing Stock :		
Sugar	6,839.02	5,590.76
Sugar-in-Process	99.39	113.05
Molasses	42.60	114.78
Bagasses	18.05	—
Standing Crop of Food Grain	2.32	—
Food Grain	1.79	—
	<u>7,003.17</u>	<u>5,818.59</u>
Less: Opening Stock :		
Sugar	5,590.76	4,473.91
Sugar-in-Process	113.05	60.23
Molasses	114.78	9.78
	<u>5,818.59</u>	<u>4,543.92</u>
	<u>1,184.58</u>	<u>1,274.67</u>

THE GODAVARI SUGAR MILLS LIMITED

	(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
SCHEDULE 17 - MANUFACTURING AND OTHER EXPENSES :		
MANUFACTURING EXPENSES :	30.12	32.84
Power and Fuel	254.66	193.38
Packing, Forwarding and Storage	157.01	117.04
Stores, Chemicals and Spare Parts consumed	27.53	12.05
Lease Rent	23.64	17.46
Insurance Premium	15.63	20.37
Agricultural Development Expenses	9.05	7.27
Expenses on Scientific Research	<u>517.64</u>	<u>400.41</u>
REPAIRS AND MAINTENANCE :		
Plant and Machinery	180.48	206.81
Repairs to Building	19.95	23.85
Other Repairs	<u>13.28</u>	<u>12.94</u>
	213.71	243.60
EMPLOYEES REMUNERATION AND BENEFITS :		
Salaries, Wages and Bonus	563.02	449.68
Contribution to Provident Fund & Other Fund	40.25	32.32
Gratuity	0.57	0.35
Welfare Expenses	36.82	24.28
Group Gratuity Insurance Premium	<u>8.38</u>	<u>17.13</u>
	649.04	523.76
OFFICE AND ESTABLISHMENT EXPENSES :		
Rent	8.62	6.44
Rates and Taxes	26.12	22.56
Miscellaneous Expenses	221.99	146.22
Legal and Professional Charges	11.70	5.50
Guarantee Commission	8.38	8.05
Charity and Donation	0.30	0.12
Exhibition Expenses	3.89	—
Sales Tax	0.20	—
Cost Audit Fees and Travelling Expenses	0.13	0.17
Concurrent Audit Fees	<u>—</u>	<u>0.30</u>
	281.33	189.36
AUDITORS' REMUNERATION :		
Audit Fees	0.20	0.20
Tax Audit Fees	0.08	0.08
Auditors' Travelling Expenses	<u>0.03</u>	<u>0.03</u>
	0.31	0.31
DIRECTORS' REMUNERATION, FEES AND TRAVELLING EXPENSES :		
Remuneration	2.71	2.58
Fees	0.30	0.19
Travelling	<u>6.72</u>	<u>5.17</u>
	9.73	7.94
	<u>1,671.76</u>	<u>1,365.38</u>

THE GODAVARI SUGAR MILLS LIMITED

	(Rs. in lacs) 31-03-95	(Rs. in lacs) 31-03-94
SCHEDULE 18 - INTEREST :		
Cash Credit Account	388.04	268.61
Fixed Loans	63.90	75.30
Debentures	1.20	1.20
Other Loans	0.82	3.09
Hire Purchase Finance	14.07	1.92
Inter Corporate Deposit	—	0.17
	<u>468.03</u>	<u>350.29</u>

SCHEDULE 19 - COMPUTATION OF WHOLE-TIME DIRECTOR'S REMUNERATION

Net Profit as per Profit and Loss Account	534.19	292.33
Add :		
i) Whole-time Director's Remuneration	2.92	2.27
ii) Depreciation	<u>30.90</u>	<u>26.66</u>
	33.82	28.93
	<u>568.01</u>	<u>321.26</u>
Less : Depreciation to the extent specified in Section 350 of Companies Act, 1956	<u>30.90</u>	<u>26.66</u>
	<u>537.11</u>	<u>294.60</u>
Commission @ 1% on the Net Profit	<u>5.37</u>	<u>2.95</u>
As per Agreement Limited to	<u>0.50</u>	<u>0.50</u>
Total Managerial Remuneration:		
Remuneration	2.10	1.77
Commission	0.50	0.50
Company's Contribution to Provident Fund	0.21	0.18
Perquisites	<u>0.11</u>	<u>0.31</u>
	<u>2.92</u>	<u>2.76</u>

THE GODAVARI SUGAR

NOTES FORMING PART OF ACCOUNTS FOR

SCHEDULE 20

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 except bonus which is debited on payment basis.
 - (ii) Financial Statements are based on historical costs.
 - (iii) Fixed Assets are carried at cost of acquisition or construction.
 - (iv) Investments are valued at cost of acquisition.
- (b) The Liability as on 31-3-1995 for accrued gratuity to employees under the Payment of Gratuity Act, 1972 as per Actuary's Certificate is Rs.1,35,96,803/-. The same is covered under Cash Accumulation Scheme of Group Gratuity Insurance with Life Insurance Corporation of India.
- (2) Income Tax and Wealth Tax Assessments upto Accounting Year ending 31-3-1992 (Assessment Year 1992-93) have been completed and the demands have been fully provided although disputed and pending in appeals.
- (3)
 - a) The Company was providing Depreciation on W.D.V. method upto 30-9-1985 on all the assets.
 - b) The Company has provided the depreciation on S.L.M. on the Net Block of Assets as on 1-10-1985 and on all additions made subsequent to the said date.
- (4) The Closing Stock of Levy Sugar is valued at Levy Price Fixed by Government. Stock of Free Sale Sugar sold upto 31-8-1995 is valued at Realised value and Balance Stock on hand on that date is valued at Cost.
- (5) No Provision has been made in the Accounts for following Disputed Liabilities in respect of Sameerwadi Factory.
 - (a) Show Cause Notices for Rs.43.59 lacs and Rs.42.02 lacs for period 1-4-1990 to 31-3-1991 and 1-4-1991 to 31-3-1992 respectively from Dy.Commissioner of Commercial Taxes (Intelligence), Belgaum for payments of Cane Purchase Tax on Harvesting and Transport charges. The same are not provided in books as the Assessing Authority while assessing has already accepted Company's stand for period 1-4-1991 to 31-3-1992 that Purchase Tax can not be levied on Harvesting and Transport Charges.
 - (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 15-8-1992 for depositing the additional Levy Price 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 in Supreme Court against this order, which is admitted and pending.
- (6) Statement under Section 217(2A) of the Companies Act 1956 read with Rule 2 of the Companies (Particulars of Employees) Rules 1975 in regards to :-

	Numbers	Salary, Bonus & Allowance Rs.	Provident Fund & Other Fund Rs.
(a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs.3,00,000/- per annum or Rs.25,000/- per month.	NIL (5)	NIL (10,65,733)	NIL (85,575)
(b) Employees of the Company who are in receipt of or entitled to receive emoluments amounting to Rs.25,000/- per month for part of the year.	NIL (NIL)	NIL (NIL)	NIL (NIL)

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 2nd September, 1995.

MILLS LIMITED

YEAR ENDED 31ST MARCH, 1995

(7) Quantitative information in respect of goods manufactured:

(7) Quantitative information in respect of goods manufactured.					Installed and utilised capacity as certified by the Factory Manager			
Name of the Factory					Licensed Capacity		M.T.	
Sameerwadi					6,440		5,000	
Goods Manufactured	Opening Stock		Production Quantity M.T.	Quantity Sent for reprocessing and loss due to Driage M.T.	Sales		Closing Stock	
	Quantity M.T.	Value Rs.			Quantity M.T.	Value Rs.	Quantity M.T.	Value Rs.
Sugar	57,887.6 (61,535.0)	55,90,75,742 (45,34,14,037)	1,15,548.0 (94,393.2)	192.8 (545.8)	1,01,093.0 (97,494.8)	10,62,620.493 (88,88,13,375)	72,149.8 (57,887.6)	68,39,01,851 (55,90,75,742)
Classes	11,477,994 (6,794.084)	1,14,77,994 (9,78,348)	33,106.000 (29,659.750)	(NIL) (NIL)	36,064.840 (24,975.840)	4,21,56,052 (2,14,28,042)	8,519.154 (11,477.994)	42,59,577 (1,14,77,994)

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	Value Rs.
Sugar Cane	9,73,821 (Nett)	79,75,42,531	8,06,989 (Nett)	67,54,69,904
Stores and Spares Consumed:	Value Rs.	%	Value Rs.	%
Imported	NIL	NIL		
Indigenous	1,57,00,974	100%	1,17,04,246	100%
	1,57,00,974	100%	1,17,04,246	100%

F. Value of Imports:

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

8) Expenses incurred in Foreign Currency

Rs.5,46,889

Rs.5,50,903

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

OMBAY : Dated 2nd September, 1995.

THE GODAVARI SUGAR MILLS LIMITED

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

- (1) 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, 1995.
- (2) GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED earned a profit of Rs.2,962/- for the year ended 31st March, 1995. After adding previous year's profit of Rs.155, the Profit comes to Rs.3,117/-. The said Profit has been carried to Balance Sheet of the Subsidiary Company and no adjustment has been made in the Books of the Godavari Sugar Mills Limited for the same.
- (3) There has been no change in the interest of the Company in GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED during the year ended 31st March, 1995.

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

K.J.SOMAIYA
Chairman

S.K.SOMAIYA
K. PERSHAD

B. V. BHOOTA
P.M.KAVADIA
(Whole-time Director)

B.R.BARWALE
I.C.PATEL
N.C.SAYTA

Directors

BOMBAY : Dated 2nd September, 1995.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED

DIRECTORS' REPORT

Dear Shareholders,
Godavari Investment & Finance Corporation Limited,
MUMBAI.

Your Directors submit herewith their Fortieth Annual Report and Audited Accounts of the Company for the year ended 31st March, 1995.

The working of the Company for the year resulted in a Profit of Rs.2,962/-, after providing for taxation of Rs.2,523/-, after adding the previous year's Profit of Rs.155/- the total Profit comes to Rs.3,117/- which has been carried to the next year. In view of this, the Directors do not recommend any dividend for the year.

DIRECTORS :

Shri Y.P.Dandiwala desires to be discontinued as Director of the Company from the conclusion of the Annual General Meeting. Your Director place on record sincere appreciation for the services rendered by him.

The Company has received a notice proposing the candidature of Shri J.R. Shukla for the office of the Directors under Section 257 of the Companies Act 1956, your Director recommend the resolution.

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. VENKATARAMAN

} DIRECTORS

MUMBAI : Dated 1st September, 1995.

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, 1995 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, 1995 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 anybody, clause VII of Paragraph 4A of the Order is not applicable to the Company.
3. The Company has not given any Loans and Advances in the nature of the Loans to the parties who are repaying principle 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, 1995, for a period of more than six months from the date they become payable.

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.

The Company is not a Sick Industrial Company within the meaning of Clause (C) 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 1st September, 1995.

GODAVARI INVESTMENT AND BALANCE SHEET

AS AT 31ST MARCH.1994	LIABILITIES	
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. RESERVES AND SURPLUS : Profit as per Last Balance Sheet	155
155	ADD : Profit during the year	2,962
155	IV. CURRENT LIABILITIES AND PROVISIONS :	
44,223	(A) CURRENT LIABILITIES :	
9,900	Sundry Creditors	44,624
54,123	(B) Provision for Taxation	12,423
	CONTINGENT LIABILITY : For A.Y.1991-92 demand of Income Tax of Rs.5,33,867/- was raised which is disputed and contested in Appeal.	57,047
	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.25,000/- or more per mensem for the whole year or any part of the year - NIL	
1,54,278	TOTAL RUPEES :	1,60,167

Accompanying to our report of even date annexed

FOR Y.S.MUZUMDAR & CO.
CHARTERED ACCOUNTANTS

Y.S.MUZUMDAR
Proprietor

BOMBAY : Dated 1st September, 1995.

FINANCE CORPORATION LIMITED

31ST MARCH, 1995

AS AT T MARCH, 1994		ASSETS			
Rupees			Rupees	Rupees	Rupees
	I. INVESTMENT (AT COST UNQUOTED)				
7,200	200 Fully Paid Up Equity Shares of Mamli Private Limited.				7,200
	II. CURRENT ASSETS, LOANS AND ADVANCES :				
	(A) CASH AND BANK BALANCES :				
137	Cash on Hand	382			
9,353	In Current Account with a Schedule Bank	12,027			
9,490				12,409	
	(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	
1,00,101	(iii) Advances recoverable in Cash or Kind			101	
1,083	(iv) Advance Income Tax			1,083	
3,066	(v) Income Tax deducted at source			6,033	
	(vi) Income Tax for A.Y.1991-92			1,00,000	
1,47,078					1,52,964
1,54,278	TOTAL RUPEES :				1,60,164

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

S.K.SOMAIYA
R.VENKATARAMAN } DIRECTORS

BAY : Dated 1st September, 1995.

**GODAVARI INVESTMENT AND
PROFIT AND LOSS ACCOUNT FOR**

FOR THE YEAR ENDED 31ST MARCH, 1994			Rupees
Rupees			Rupees
1,200	To Salary		1,200
600	To Profession Tax		850
315	To Miscellaneous Expenses		1,765
1,200	To Office Rent		1,200
—	To Professional Fees		3,000
500	To Audit Fees		500
230	To Interest on Income Tax		---
1,355	To Provision for Taxation		2,523
1,000	To Profit Carried Down		2,962
6,400		TOTAL RUPEES :	14,000
1,298	To Balance as per Balance Sheet		---
155	To Profit Carried to Balance Sheet		3,117
1,453			3,117

Accompanying to our report of even date annexed

FOR Y.S.MUZUMDAR & CO.
CHARTERED ACCOUNTANTS

Y.S.MUZUMDAR
Proprietor

BOMBAY : Dated 1st September, 1995.

THE YEAR ENDED 31ST MARCH, 1995

S.K.SOMAIYA

R.VENKATARAMAN

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