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**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1984-85**

1985

# THE GODAVARI SUGAR MILLS LIMITED

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

## **Board of Directors :**

SHRI KARAMSHI JETHABHAI SOMAIYA  
*Chairman and Managing Director*

DR. BABOOBHAI VRAJLAL BHOOTA

SHRI SHRIDHAR NARAYAN VAIDYA

SHRI NAVINCHANDRA CHUNILAL SAYTA

SHRI NARHARI BABAJIRAO HADKER

SHRI MINOO RUSTOMJI SHROFF

SHRI P. S. V. RAO  
(Nominee of Karnataka State Government)

SHRI NARESH HARKISONDAS THANAWALA

DR. CHANDRAPRAKASH BHALCHANDRA PURANDARE

SHRI HARISHCHANDRA JAYANTILAL MEHTA  
(Nominee of Bank of India)

SHRI SHANTILAL KARAMSHI SOMAIYA

## **Bankers :**

BANK OF INDIA

UNION BANK OF INDIA

VIJAYA BANK

## **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 Fortysixth Annual General Meeting of The Godavari Sugar Mills Limited, will be held on Tuesday the 8th April, 1986 at 3-00 p.m. (S.T.) at the Registered Office of the Company at Fazalbhoj Building, 45/47, Mahatma Gandhi Road, Fort, Bombay-400 023 to transact the following business :

1. To receive and adopt Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1985.
2. To appoint a Director in place of Shri K. J. Somaiya who retires by rotation but, being eligible, offers himself for re-election.
3. To appoint a Director in place of Shri S. K. Somaiya who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri N. C. Sayta who retires by rotation but, being eligible, offers himself for re-election.
5. To appoint a Director in place of Shri N. H. Thanawala who retires by rotation but, being eligible, offers himself for re-election.
6. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,

**K. J. SOMAIYA**  
*Managing Director.*

Bombay : Dated 6th March, 1986.

- Notes :**
1. 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.
  2. Members are requested to notify immediately any change of address to the Company.

# THE GODAVARI SUGAR MILLS LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in submitting their Report on the Audited Accounts of the Company for the year ended 30th September, 1985.

### (A) FINANCIAL RESULTS :

The working of the Company for the year under report has resulted in an operating surplus of Rs. 147.75 lacs without providing for interest and depreciation; after providing interest of Rs. 313.35 lacs but without providing for depreciation, the working for the year resulted in a loss of Rs. 165.60 lacs. In view of the carry forward loss, no provision has been made for the depreciation. The Directors do not recommend any dividend on Equity and Preference Shares for the year ended 30th September, 1985.

### (B) MANUFACTURING RESULTS :

#### (i) Sameerwadi Factory in Karnataka :

Sameerwadi factory in Karnataka crushed 3,13,364 tonnes of cane and produced 3,22,761 quintals of sugar as against 2,16,957 tonnes of cane and 2,29,360 quintals of sugar last year, reflecting an improvement over the last season. Crushing would have been more, had there not been cultivators' agitation for cane price at the commencement of the crushing season, as a result of which the Factory could start crushing only on 17th December, 1984 i.e. after an interruption of about one month.

#### (ii) Sakarwadi and Lakshmiwadi factories in Maharashtra :

Pursuant to the discussions held with the representatives of the cane growers and the Govt. of Maharashtra, it was decided to Co-operativise these two factories, as already reported last year. For this purpose, the possession of the two factories was handed over to the Joint Management Committees appointed by the Govt. of Maharashtra, which operated the factories during the Season 1984-85. Hence the profits and/or losses of these factories for the season 1984-85 are not required to be reflected and hence not reflected in the Company's Accounts.

Since then, the Government of Maharashtra had decided in October, 1985, to run only one of the two factories and thereafter on 9th December, 1985, the Government decided to stop the process of cooperativisation and hand over the factories back to your Company, which is not acceptable to your Company. However, the matter is subjudice in a Special Writ Petition filed before the Supreme Court of India against an Order passed by the High Court of Bombay on a Writ Petition filed by the workers as also a Writ Petition filed by your Company.

### (C) WRIT PETITIONS FOR LEVY SUGAR PRICE :

The Writ Petitions in respect of levy sugar prices for 1974-75 to 1977-78 are pending in various High Courts. The Writ Petitions of all the Sugar Factories for seasons 1978-79 and 1979-80 transferred to the Supreme Court have still not come up for hearing. However, the constitutional issues about the validity of Section 3 (3C) of the Essential Commodities Act and the fixation of Levy price on the basis of geographical zoning are presently being heard.

### (D) ADDITIONAL LEVY PRICE FOR LAKSHMIWADI :

(i) The Appeal of Government of India against Delhi High Court's Order allowing the Company's Writ Petition thereby permitting Lakshmiwadi Factory to retain additional levy price of Rs. 26/- per quintal for the season 1980-81 is still pending in the Supreme Court.

(ii) The Writ Petitions of the Company in Delhi High Court for the seasons 1981-82 to 1983-84 against the Levy Sugar Price Notifications of the Govt. of India denying Company's Lakshmiwadi Factory the compensation by way of additional price of Rs. 26/- per quintal are pending in Delhi High Court. The Company has already recovered from

the Govt. nominees an additional price of Rs. 26/- per quintal as per the Interim Orders of the Court for the relevant seasons.

**(E) LEVY SUGAR PRICE FOR 1984-85 SEASON :**

The dual pricing system was continued by the Govt. during 1984-85. The Govt. of India fixed the price of levy sugar for Karnataka Zone for 1984-85 at Ex-factory price of Rs. 339.38 per quintal of S-30 grade with proportionate variations for other grades in respect of Karnataka Zone in which Company's Sameerwadi Factory is located.

**(F) SUGAR POLICY FOR 1985-86 SEASON :**

(i) *Levy Sugar Prices* : The Govt. of India fixed the levy sugar price for Karnataka Zone at Rs. 362.34 per quintal of S-30 grade with proportionate variations for other grades. This price is although more by Rs. 22.96 per quintal compared to 1984-85 season, the Govt. of India had not taken into account certain elements of escalation in cost, including the increase in the cane purchase tax made by the State Govt. On representation made by the Karnataka Sugar Factories, the Govt. of India vide Order dated 23rd January, 1986, revised the price to Rs. 365.42 per quintal i.e. an increase of Rs. 3.08 per quintal.

(ii) *Minimum Cane Price* : For the season 1985-86, the statutory minimum cane price has been increased to Rs. 16.50 per quintal linked to basic recovery percentage of 8.5% or below with a premium of 19.412 ps. per quintal for every 0.1% increase in recovery of 8.5% as recommended by the Agricultural Prices Commission. The Central Govt. has already fixed in advance the statutory minimum cane price for next season 1986-87 at Rs. 17/- per quintal linked to the basic recovery of 8.5%. Thus the Govt. has initiated steps towards a long term sugar policy.

**(G) CURRENT WORKING AT SAMEERWADI FACTORY (KARNATAKA) :**

The Company continued the same cane price policy of paying "Ex-field" cane price, linking the same with neighbouring factory namely Raibag S. S. K. Ltd. Although the diversion of cane to manufacturers of jaggery as also to other neighbouring co-operative factories has continued, the factory is likely to crush about 4,50,000 tonnes of cane during the current season. This target would be achieved of course, subject to the factory being able to make timely cane price payments to cultivators on early release of working Capital funds by the Company's Bankers.

Your Directors place on record their appreciation of the co-operation and assistance extended by Company's Bankers viz. Bank of India and Union Bank of India, Vijaya Bank as well as the State Governments.

The Statement concerning employees as required by Sub-section (2-A) of Section 217 of the Companies Act, 1956, as amended, is attached as per Schedule 'B'.

Four of your Directors, viz. Shri K. J. Somaiya, Shri S. K. Somaiya, Shri N. C. Sayta and Shri N. H. Thanawala retire by Rotation but, being eligible, offer themselves for re-election.

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

By Order of the Board of Directors,

Bombay, Dated 6th March, 1986.

**K. J. SOMAIYA**  
Chairman

# THE GODAVARI SUGAR MILLS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1985

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

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 issued by the Central Government and on the basis of such checks as we consider appropriate, we report as under :

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 serious discrepancies were noticed.
2. No Fixed Assets of the Company have been revalued during the year.
3. The Stocks of Finished Goods, Raw Materials, Stores and Spares etc. were physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies notified on verification between physical stock and the Stock as shown in the Books have been properly dealt with in the Books of Accounts. In our opinion, valuation of the above mentioned Stock is fair and proper and in accordance with normally accepted principles and is on the same basis as in the last year.
4. The Company has not taken any loans from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
5. Loans given to Companies, Firms and other Parties, and interest thereon have not become due on 30th September, 1985 as per the stipulations agreed upon between the Companies and the Parties. Loans and Advances in the nature of loan given to Employees are recovered regularly 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.
7. The Company has not purchased Stores exceeding Rs. 10,000/- from Companies in which Directors are interested.
8. As informed to us and as per usual practice, unsaleable and obsolete stock of Stores is shown at NIL value and no provision for the loss has been made in the accounts.
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 the Deposits from the Public.
10. Company has maintained reasonable records for the sale and disposal of by-products.
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.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 & according to the explanations given to us, the said Balance Sheet and Profit & Loss Account subject to Note No. 2 regarding non-provision of depreciation, Note No. 5 regarding non-provision of gratuity, Note No. 7 regarding non-provision of demand raised by Excise Dept., Note No. 9 regarding non-inclusion of Profit/Loss, and Assets/Liabilities created/disposed off by Joint Management Committee during the season 1984-85 and read with other notes thereon give the information required by the Act in manner so required and present a true and fair view of the state of the company's affairs at the close of the above financial year and of the Loss for that year.

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

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

BOMBAY : Dated 6th March, 1986.

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1984	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	<b>I. SHARE CAPITAL :</b>			
	<b>AUTHORISED CAPITAL :</b>			
2,30,00,000	2,30,000 Ordinary (Equity) Shares of Rs. 100/- each .. .. .		2,30,00,000	
20,00,000	20,000 7.8572% subject to deduction of tax at source Redeemable Cumulative Second Preference Shares of Rs. 100/- each ..		20,00,000	
50,00,000	50,000 9½% subject to deduction of tax at source Redeemable Cumulative Third Preference Shares of Rs. 100/- each ..		50,00,000	
<u>3,00,00,000</u>				<u>3,00,00,000</u>
	<b>ISSUED AND SUBSCRIBED CAPITAL :</b>			
1,80,00,000	1,80,000 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 ..		1,80,00,000	
18,50,950	18,509½ 7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after giving three months' notice of the intention to redeem the same .. .. .		18,50,950	
<u>1,98,50,950</u>				<u>1,98,50,950</u>
	<b>II. RESERVES AND SURPLUS :</b>			
	<b>(A) GENERAL RESERVE :</b>			
68,64,612	As per last Balance Sheet .. .. .	68,64,612		
68,64,612	Less: Shown as deduction from Profit & Loss Account as per Contra .. .. .	68,64,612		
	<b>(B) DEVELOPMENT REBATE RESERVE :</b>			
42,72,617	As per Last Balance Sheet .. .. .		42,72,617	
	<b>(C) STORAGE FUND FOR MOLASSES :</b>			
23,28,833	As per last Balance Sheet .. .. .	25,23,103		
1,94,270	Add: Transferred from Molasses Sales .. .. .	6,61,590		
<u>25,23,103</u>			<u>31,84,693</u>	
67,95,720				74,57,310
<u>2,66,46,670</u>				<u>2,73,08,260</u>
	Carried Over			

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1985

As at 30th Sept. 1984	ASSETS	
Rupees		Rupees
	<b>I. FIXED ASSETS : (At Cost or Book Value) :</b>	
13,39,26,200	Gross Block .. .. .	13,52,17,812
2,64,74,278	Less: Depreciation Written off upto 30th September, 1985 .. .. .	2,64,50,296
10,74,51,922	Net Depreciated Block as per Schedule "A" Attached	10,87,67,516
1,40,47,278	Capital Work-in-Progress .. .. .	1,44,22,475
15,17,414	Advance to Contractors .. .. .	15,33,447
12,30,16,614		12,47,23,438
	<b>II. INVESTMENTS (At Cost) :</b>	
	<b>(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANIES :</b>	
1,00,000	2,000 Partly paid-up Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Ltd., of Rs. 100/- each Rs. 50/- Paid up per Share	1,00,000
1,00,000		
12,30,16,614		
	Carried Over	1,00,000
		12,47,23,438

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1984	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,66,46,670	Brought Forward			2,73,08,260
	<b>III. SECURED LOANS :</b>			
	(a) Cash Credit Account with Bank of India against hypothecation of all tangible movable Assets of the Company including Stocks of Sugar, Stores, Chemicals, Spares etc. at Sakarwadi and Lakshmiwadi Factories and fully guaranteed by two Directors .. .. .		5,03,13,515	
6,40,46,359				
	(b) Cash Credit Account with Banks against hypothecation of all tangible movable Assets of the Company including stocks of Sugar, Stores, Chemicals, Spares etc. of the Company's Unit at Sameerwadi and fully guaranteed by two Directors.			
	(i) Bank of India .. .. .	3,86,73,344		
4,09,95,763	(ii) Union Bank of India .. .. .	3,74,13,446		
4,02,88,193				
			7,60,86,790	
8,12,83,956				12,64,00,305
14,53,30,315				
	<b>NOTES :</b>			
	(i) The Company has created third charge in favour of Bank of India on Fixed Assets of the three Sugar Factories of the Company for Cash Credit and guarantee facilities			
	(ii) The Company has agreed to create 3rd Pari Passu charge in favour of Union Bank of India on Fixed Assets of Sameerwadi Factory for Cash Credit/Guarantee facilities granted by the Bank.			
	(c) Term Loans Secured against Joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situated at Sakarwadi (Kanhegaon), Lakshmiwadi (Kopergaon) in the State of Maharashtra and at Sameerwadi in the State of Karnataka (but excluding Agricultural Assets) and hypothecation of movable Machinery with Bank of India acting for itself and as Agent of Vijaya Bank.			
	(i) Bank of India .. .. .	4,15,22,745		
3,86,02,866	(ii) Vijaya Bank .. .. .	21,79,357		
20,13,404				
			4,37,02,102	
4,06,16,270				
	(d) Term Loan from Union Bank of India against Guarantee from the Government of Karnataka against Second charge by way of Equitable Mortgage of Company's Sugar Factories' Fixed Assets (Excluding Agricultural Assets)		1,14,53,165	
1,04,43,949				
	(e) Term Loan from Karnataka State Government against Second charge by way of Equitable Mortgage on Fixed Assets of Sameerwadi (excluding Agricultural Assets) (Instalment payable within a year Rs. 3,90,000/-)		3,90,000	
3,90,000				
19,67,80,534				
2,66,46,670	Carried Over		18,19,45,572	2,73,08,260

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1985

As at 30th Sept. 1984		ASSETS (Contd.)		
Rupees		Rupees	Rupees	Rupees
12,30,16,614	Brought Forward		1,00,000	12,47,23,438
1,00,000	(B) OTHER INVESTMENTS :			
61,99,000	(i) Investment in Shares of Somaiya Organics (India) Ltd. 61,990 Equity Shares of Rs. 100/- each fully paid-up .. .. .		61,99,000	
	Out of the above 5,000 Shares have been deposited with The New India Assurance Co. Ltd., as Security for fulfilment of Agreement and undertaking by the Company to purchase from them 4,000 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Limited.			
10,000	Guarantee Commission paid for Purchase of Shares .. .. .		10,000	
7,161	(ii) 77 Equity Shares of Rs. 100/- each fully paid-up of Sugar Selling Agency Private Limited .. .. .		7,161	
78	(iii) One Ordinary Share of Maharashtra State Co-operative Bank Limited of Rs. 50/- fully paid-up .. .. .		78	
2,500	(iv) National Defence Certificates Deposited with Electricity Department, Bhopal .. .. .		2,000	
7,820	(v) 7 Years National Savings Certificates .. .. .		6,600	
1,500	(vi) National Savings Certificates Deposited with Excise Commissioner, U. P. and Hydro Electric Division, Gorakhpur .. .. .		1,500	
1,995	(vii) 4½% U. P. State Development Loan of 1972 (Face Value Rs. 2,000/-) .. .. .		1,995	
1,000	(viii) National Savings Certificates of the Face Value of Rs. 1,000/- deposited as Security Deposit with Central Excise Authority, Mudhol .. .. .		1,000	
		<i>Cost</i>	<i>Market Value</i>	
	Aggregate quoted Investments	61,99,000	46,49,250	
	Aggregate unquoted Investments	1,30,334	—	
63,31,054		63,29,334	46,49,250	63,29,334
	<b>III. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(A) CURRENT ASSETS :			
	(i) Stores, Chemicals and Spares (at Cost as per inventories valued and certified by Managing Director)			
1,70,38,491	Stock on hand (including Machineries of Rs. 2,40,237/-) .. .. .		1,49,33,328	
2,85,406	In Transit .. .. .		6,05,335	
1,73,23,897			1,55,38,663	
1,73,23,897				
12,93,47,668	Carried Over		1,55,38,663	13,10,52,772

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1984	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
2,66,46,670	Brought Forward	18,19,45,572	2,73,08,260
19,67,80,534			
20,00,000	(f) 200 6% Debentures of Rs. 10,000/- each fully paid-up redeemables at the option of the Company secured by negative lien on Fixed Assets of Sakarwadi and Lakshmiwadi Factories .. .. .	20,00,000	
9,22,223	(g) Interest accrued and due on above .. .. .	1,35,100	
1,31,75,365	(h) Deferred Payments against Machinery Purchased under IDBI Bills Rediscounting Scheme (Guaranteed by Nationalised Banks)	1,01,77,479	
21,28,78,122			19,42,58,151
	<b>IV. UNSECURED LOANS :</b>		
2,98,07,227	Cane Purchase Tax Loan from Karantaka & Maharashtra Governments .. .. .		2,83,07,227
	<b>V. CURRENT LIABILITIES AND PROVISIONS :</b>		
	(A) CURRENT LIABILITIES :		
4,77,66,959	(i) Sundry Creditors .. .. .	5,71,01,529	
2,77,583	(ii) Bills Payable .. .. .	—	
3,10,276	(iii) Advances from Customers against Sale of Land .. .. .	3,30,276	
35,000	(iv) Advance against Lease Rent .. .. .	20,000	
23,50,567	(v) Security Deposit from Bagaitdars .. .. .	24,22,480	
24,878	(vi) Security Deposit from Customers .. .. .	4,878	
33,70,889	(vii) For Taxation .. .. .	33,70,889	
1,99,122	(viii) Due to Partnership Firm of Khanapur Farms ..	1,99,122	
3,14,715	(ix) Due for Managing Director's Remuneration & Commission .. .. .	1,49,500	
7,20,117	(x) Interest Accrued but not due on Loans ..	8,57,153	
5,53,70,106		6,44,55,827	
	(B) PROVISIONS :		
	Provision for Wealth Tax .. .. .	50,000	
	Less: Paid .. .. .	23,300	26,700
			6,44,82,527
32,47,02,125	Carried Over		31,43,56,165

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1985

As at 30th Sept. 1984	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,93,47,668	Brought Forward		1,55,38,663	13,10,52,772
1,73,23,897				
7,274	(ii) Loose Tools and Implements (as per inventories valued and certified by Managing Director) .. .. .		7,274	
5,70,32,929	(iii) Stock-in-trade (as per inventories valued and Certified by Managing Director)			
	(a) Sugar at Realised/Realisable Value ..	3,11,77,624		
32,042	(b) Stock of Grains, Cotton, etc. at Market Rate .. .. .	11,250		
18,67,069	(c) Molasses at Market Rate .. .. .	4,92,745		
5,89,32,040			3,16,81,619	
	(iv) Sundry Debtors (Unsecured and considered good except otherwise stated)			
14,77,469	(a) Debts Outstanding for more than six months .. .. .	13,51,121		
43,388	(b) Considered Doubtful .. .. .	43,388		
15,20,857		13,94,509		
43,388	Less: Provision for Doubtful Debts .. .. .	43,388		
14,77,469		13,51,121		
41,69,784	(c) Others Debts .. .. .	42,46,613		
56,47,253			55,97,734	
	(v) CASH AND BANK BALANCES :			
46,19,432	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 46,497/-) .. .. .	11,36,527		
24,41,806	In Current Account with Scheduled Banks ..	30,90,020		
	In Current Account with Non-Scheduled Banks :			
3,865	(a) Madhavpura Mercantile Co-operative Bank Ltd. Bombay (Maximum Debit Balance during the year Rs. 4301/- Previous year Rs. 4,301/-) .. .. .	4,301		
436	(b) Ahmednagar Dist. Central Co-operative Bank Ltd. Shirampur (Maximum Debit Balance during the year Rs. 436/- Previous year Rs. 436/-) .. .. .	—		
101	(c) Mudhol Urban Co-operative Bank Ltd. Mudhol (Maximum Debit Balance during the year Rs. 101/- Previous year Rs. 101/-) .. .. .	101		
4,402		4,402		
91,80,731	Fixed Deposits with Scheduled Banks (Under lien for the Guarantees) .. .. .	92,94,983		
10,43,612	Accrued Interest on Fixed Deposits .. .. .	3,43,566		
1,72,89,983			1,38,69,498	
9,92,00,447				
12,93,47,668	Carried Over		6,66,94,788	13,10,52,772

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1984	LIABILITIES (Contd.)	
Rupees		Rupees      Rupees
32,47,02,125	Brought Forward	31,43,56,165
	<b>CONTINGENT LIABILITIES (Not Provided for) :</b>	
	(i) Uncalled Liability on Partly paid Shares held as Investment in Godavari Investment and Finance Corporation Ltd., a subsidiary Company ..	1,00,000
1,00,000		
	(ii) In respect of Counter-guarantees given to others .. .. .	3,41,327
3,78,327		
	(iii) In respect of guarantee given to a Bank for the Loan granted to Somaiya Organics (India) Limited .. .. .	—
42,90,000		
	(iv) In respect of dividend payable on 7.8572% Redeemable Cumulative Performance Shares for the period 1-6-1973 to 30-9-1985 .. .. .	17,93,674
16,48,241		
	(v) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Bank of Baroda to Cane Cultivators .. .. .	35,000
13,76,848		
	(vi) In respect of counter-guarantees given by the Company in favour of Bank of India in lieu of guarantees given by the Bank 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. ..	2,09,70,730
2,09,70,730		
	(vii) In respect of Cash Credit Accounts with Bank of India under the name "Godavari Sugar Mills Ltd."—Account Joint Management Committee Sakarwadi and "Godavari Sugar Mills Ltd."—Account Joint Management Committee, Lakshmiwadi for working Capital Finance provided to Joint Management Committee Sakarwadi and Joint Management Committee Lakshmiwadi and utilised by them (and not by the Company) for the Season 1984-85. The Company has executed documents with a view to comply with the formalities for Facilitating Co-operativisation and operations at Sakarwadi and Lakshmiwadi units with a clear understanding with the concerned Bank that no liability of the Company will eventually Crystallise.	4,50,00,000
—		
<u>32,47,02,125</u>	Total Rupees :	<u>31,43,56,165</u>

Accompanying to our Report of even date  
For **AMBALAL THAKKAR & CO.,**  
CHARTERED ACCOUNTANTS

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1985

As at 30th Sept. 1984	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,93,47,668	Brought Forward		6,66,94,788	13,10,52,772
9,92,00,447				
	<b>(B) LOANS AND ADVANCES :</b>			
	(Unsecured and considered good except otherwise stated)			
	Loans to Others (including Doubtful Loans of Rs. 4,79,130/- not provided for) .. .. . 18,99,685			
19,80,189				
42,89,608	Interest accrued on above .. .. .			26,18,077
62,69,797		45,17,762		
9,356	Considered Doubtful .. .. .		9,356	
62,79,153		45,27,118		
9,356	Less: Provision for Doubtful Loans .. .. .		9,356	
62,69,797			45,17,762	
	Loans to subsidiary Company of which the Company is a Holding Company:-			
	Godavari Investment & Finance Corporation Ltd.			
1,76,796	Interest Accrued on above .. .. .	48,212		
8,77,606		8,88,755		
10,54,402			9,36,967	
	Advances recoverable in Cash or Kind or for Value to be received (including Advances to Officers of the Company Rs. 61,703/- Maximum Debit Balance during the year Rs. 1,00,155/- In dispute, Rs. 9,61,101/-; Advance against Share Purchase Rs. 11,91,662/- and paid to Banks in respect of defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee Rs. 4,25,443/-)			
3,53,44,322	Considered Doubtful .. .. .	3,61,71,224		
64,126		64,126		
3,54,08,448		3,62,35,350		
64,126	Less: Provision for Doubtful Advances .. .. .		64,126	
3,53,44,322			3,61,71,224	
4,45,534	Income-tax deducted at source from Interest .. .. .		9,25,787	
59,91,885	Deposit with Irrigation Department, Railway, High Courts and Others .. .. .		55,82,385	
98,962	Due from Partnership Firm of Lakh Farms .. .. .		98,962	
14,84,05,349			11,49,27,875	
	<b>MISCELLANEOUS EXPENDITURE :</b>			
	Profit and Loss Account :			
5,38,13,720	Balance as per Profit & Loss Account .. .. .		7,52,40,130	
68,64,612	Less: Deducted from General Reserve as per Contra .. .. .		68,64,612	
4,69,49,108				6,83,75,518
32,47,02,125	Total Rupees :			31,43,56,165

K. J. SOMAIYA  
Chairman & Managing Director

B. V. BHOOTA                      N. C. SAYTA  
N. H. THANAWALA                S. N. VAIDYA  
C. B. PURANDARE  
Directors

BOMBAY : Dated 6th March 1986

S. R. PARIKH  
Secretary

# THE GODAVARI SUGAR

## Schedule 'A'

### Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1984	Additions during the year	Deduction for Sale during the year
(1)	(2)	(3)	(4)
Freehold Land (Book Value) .. .. .	29,23,843	—	—
Leasehold Land Development Expenses .. .. .	2,38,925	—	—
Leasehold Premium on Garage .. .. .	12,000	—	—
Building & Pucca Quarters at Factories .. .. .	2,36,61,351	97,966	—
Temporary Quarters .. .. .	8,48,973	—	—
Temporary Quarters at Farms .. .. .	2,38,768	—	—
Pucca Quarters at Farms .. .. .	2,18,633	—	—
General Machinery (Book Value) .. .. .	8,22,45,410	2,62,184	29,500
Electrical Machinery .. .. .	59,90,434	47,745	—
Agricultural Machinery (Book Value) .. .. .	33,63,205	—	—
Locomotives .. .. .	92,974	—	—
Electrical Installations & Fittings .. .. .	13,30,134	—	—
Furniture & Office Equipments .. .. .	27,34,318	80,891	1,500
Weigh Bridges .. .. .	4,42,969	8,50,606	—
Trolley Lines .. .. .	6,28,058	—	—
Railway Siding .. .. .	1,26,075	—	—
Molasses Storage Tanks .. .. .	26,00,879	—	—
Motor Cars, Lorries & Cycles (Book Value) .. .. .	25,76,488	—	62,824
Carts & Trucks (Book Value) .. .. .	3,88,416	—	—
Laboratory Apparatus .. .. .	1,61,504	3,250	—
Roads & Drainage, Tube Wells .. .. .	16,19,933	42,794	—
Dead Stock .. .. .	1,75,632	—	—
Library .. .. .	7,758	—	—
Medical Instruments .. .. .	363	—	—
Irrigation Lifts .. .. .	12,03,771	—	—
Live Stock .. .. .	95,386	—	—
<b>Total Rupees :</b> .. .. .	<b>13,39,26,200</b>	<b>13,85,436</b>	<b>93,824</b>

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1985

Gross Block as on 30th Sept. 1985	Depreciation Written off Upto 30th Sept. 1984	Depreciation Provided during the year	Deduction of Depreciation on account of transfer	Total Depreciation Upto 30th Sept. 1985	Net Depreciated Block as at 30th Sept. 1985	Net Depreciated Block as at 30th Sept. 1984.
(5)	(6)	(7)	(8)	(9)	(10)	(11)
29,23,843	—	—	—	—	29,23,843	29,23,843
2,38,925	—	—	—	—	2,38,925	2,38,925
12,000	8,200	300	—	8,500	3,500	3,800
2,37,59,317	30,96,794	—	—	30,96,794	2,06,62,523	2,05,64,557
8,48,973	2,28,272	—	—	2,28,272	6,20,701	6,20,701
2,38,768	1,52,246	—	—	1,52,246	86,522	86,522
2,18,633	76,138	826	—	76,964	1,41,669	1,42,495
8,24,78,094	1,29,36,492	—	—	1,29,36,492	6,95,41,602	6,93,08,918
60,38,179	18,71,223	—	—	18,71,223	41,66,956	41,19,211
33,63,205	31,66,961	211	—	31,67,172	1,96,033	1,96,244
92,974	86,792	—	—	86,792	6,182	6,182
13,30,134	99,724	—	—	99,724	12,30,410	12,30,410
28,13,709	7,57,347	82	—	7,57,429	20,56,280	19,76,971
12,93,575	1,61,539	3	—	1,61,542	11,32,033	2,81,430
6,28,058	5,86,128	—	—	5,86,128	41,930	41,930
1,26,075	1,08,145	—	—	1,08,145	17,930	17,930
26,00,879	—	—	—	—	26,00,879	26,00,879
25,13,664	9,27,683	2	25,409	9,02,276	16,11,388	16,48,805
3,88,416	3,02,591	—	—	3,02,591	85,825	85,825
1,64,754	36,698	—	—	36,698	1,28,056	1,24,806
16,62,727	7,72,642	—	—	7,72,642	8,90,085	8,47,291
1,75,632	62,564	—	—	62,564	1,13,068	1,13,068
7,758	5,490	—	—	5,490	2,268	2,268
363	347	—	—	347	16	16
12,03,771	9,48,091	3	—	9,48,094	2,55,677	2,55,680
95,386	82,171	—	—	82,171	13,215	13,215
13,52,17,812	2,64,74,278	1,427	25,409	2,64,50,296	10,87,67,516	10,74,51,922

K. J. SOMAIYA  
Chairman & Managing Director

B. V. BHOOTA      N. C. SAYTA  
N. H. THANAWALA      S. N. VAIDYA  
C. B. PURANDARE  
Directors

S. R. PARIKH  
Secretary

BOMBAY : Dated 6th March 1986



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1985

For the year ended 30th Sept. 1984		Rupees	Rupees	Rupees
	By SALES :			
38,46,16,225	Sugar .. .. .		18,14,22,792	
13,41,567	Molasses .. .. .	34,27,121		
1,94,270	Less : Transferred to Molasses Storage Fund .. ..	6,61,590		
11,47,297			<u>27,65,531</u>	
38,57,63,522				18,41,88,323
34,29,217	.. Sundry Receipts from Flour Mills, Dairy Old Materials etc.			21,98,508
2,90,729	.. Income from Immovable Property .. .. .			10,69,755
2,40,618	.. Sundry Receipts being Market Value of Farm Produce etc.			2,66,261
1,352	.. Dividend .. .. .			5
—	.. Insurance Premium Refund .. .. .			60,528
	.. INTEREST :			
3,28,784	On Loans and Others .. .. .		6,63,549	
46,419	From Subsidiary Company .. .. .		9847	
187	On Government Securities .. .. .		280	
6,66,524	On Fixed Deposits & Others .. .. .		<u>8,81,792</u>	
10,41,914				15,55,468
1,06,136	.. Sundry Credit Balance Written back .. .. .			7,809
8,23,750	.. Claims and Refunds .. .. .			6,829
1,20,054	.. Excess Provision of Interest Written back .. .. .			—
80,02,872	.. Claims for Holding Charges on Buffer Stocks of Sugar ..			—
39,31,826	.. Excess Provision of Cane Price of Previous Year Written back .. .. .			—
—	.. Rebate on Excise Duty .. .. .			14,449
40,37,51,990				<u>18,93,67,935</u>
	Carried Over			

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1984		Rupees	Rupees
32,40,12,088	Brought Forward	1,62,77,264	14,10,49,913
2,44,30,596			
1,23,717	To Contribution to Deposit Linked Insurance Fund and Administrative Charges .. .. .	62,623	
12,28,092	.. Workmen and Staff Welfare Expenses .. .. .	5,74,531	
609	.. Workmen's Compensation .. .. .	68,100	
2,57,83,014		<hr/>	1,69,82,518
35,00,863	.. Stores, Chemicals & Spare Parts (after deducting Rs. 80,88,127/- Charged to Capital, Repairs and Other relevant heads) .. .. .		20,05,149
27,42,761	.. Power and Fuel .. .. .		9,76,973
46,43,526	.. Repairs to Plant & Machinery (inclusive of Salaries and Wages Rs. 8,36,309/- Previous year Rs. 11,10,072/-)	24,93,254	
6,18,493	.. Repairs to Buildings (inclusive of Salaries & Wages Rs. 1,61,611/- Previous year Rs. 2,89,107/-)	4,60,836	
3,15,095	.. Other Repairs (inclusive of Salaries & Wages Rs. 29,592/- Previous year Rs. 1,21,514/-)	74,990	
55,77,114		<hr/>	30,29,080
82,61,245	.. Sugar Cane Purchase Tax .. .. .		59,51,947
4,01,838	.. Gratuity Insurance Premium .. .. .		2,44,445
8,62,748	.. Insurance Premium .. .. .		4,88,375
3,80,83,256	.. Excise Duty on Sugar .. .. .	1,77,03,459	
872	.. Excise Duty on Tariff Item No. 52 .. .. .	—	
4,44,976	.. Excise Duty on Molasses .. .. .	14,38,390	
2,450	.. Excise Duty on Tariff Item No. 68 .. .. .	70,046	
5,031	.. Excise Duty on Electricity .. .. .	—	
3,85,36,585		<hr/>	1,92,11,895
1,36,36,644	.. Sugar Development Cess .. .. .		57,00,478
46,55,075	.. Packing and Forwarding .. .. .		37,68,197
—	.. Sugar Transportation Charges .. .. .		33,307
2,10,861	.. Rent .. .. .		89,268
3,70,614	.. Rates and Taxes .. .. .		2,25,114
12,11,517	.. Brokerage and Commission (inclusive of Guarantee Commission Rs. 4,40,908/- Previous year Rs. 8,96,427/-)		5,49,020
56,82,645	.. Miscellaneous Expenses (including Printing and Stationery, Postage & Telegrams, Telephone, Motor Car Maintenance etc.) .. .. .		32,42,568
254	.. Sales Tax .. .. .		11,622
43,54,45,866	Carried Over		<hr/> 20,35,59,869

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1985

<i>For the year ended 30th Sept. 1984</i>		Rupees	Rupees
40,37,51,990	Brought Forward		18,93,67,935
—	By Provision of Condensor Water Charges for earlier years Written back . . . . .		9,211
	„ Stock-in-trade (as taken, valued and certified by Mana- ging Director)		
5,70,32,929	Sugar at Realised/Realisable Value . . . . .	3,11,77,624	
18,67,070	Molasses at Market Rate . . . . .	4,92,745	
5,88,99,999			3,16,70,369
1,76,71,120	„ Balance being loss for the year . . . . .		1,65,60,199
48,03,23,109	Carried Over		23,76,07,714

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1984		Rupees		Rupees
43,54,45,866	Brought Forward			20,35,59,869
	<b>To INTEREST :</b>			
3,32,04,555	Cash Credit Account .. .. .		2,33,28,341	
72,18,066	Fixed Loans .. .. .		74,82,780	
1,21,240	Fixed Deposits .. .. .		1,13,515	
1,20,000	Debentures .. .. .		1,20,000	
3,31,354	Other Loans .. .. .		2,90,167	
4,09,95,215			<u>3,13,34,803</u>	
2,800	.. Directors' Fees .. .. .			7,650
1,39,488	.. Directors' Travelling Expenses .. .. .			1,13,288
1,20,000	.. Managing Director s Remuneration .. .. .			81,000
	<b>.. PAYMENT TO AUDITORS :</b>			
25,000	Audit Fees .. .. .		12,500	
—	Tax Audit Fees .. .. .		15,000	
875	Cost Auditors Travelling Expenses .. .. .		—	
5,344	Auditors Travelling Expenses .. .. .		634	
31,219			<u>28,134</u>	
28,01,339	.. Agricultural Development Expenses (inclusive of Salaries & Wages Rs.15,42,830/-, Previous Year Rs. 20,85,716/-)			21,09,574
2,07,027	.. Expenses on Scientific Research .. .. .			1,86,108
2,19,615	.. Legal Expenses .. .. .			1,63,950
810	.. Loose Tools and Implements Written off .. .. .			—
—	.. Loss on Sale of Assets .. .. .			19,558
3,07,000	.. Loss on Sale of Shares .. .. .			—
300	.. Premium on Leasehold Garage Written off .. .. .			300
52,430	.. Excess Provision of Excise Duty Rebate of earlier years Written off .. .. .			3,480
<u>48,03,23,109</u>			<u>23,76,07,714</u>	
	Total Rupees			

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1985

<i>For the year ended 30th Sept. 1984</i>		
<i>Rupees</i> 48,03,23,109	Brought Forward	<i>Rupees</i> 23,76,07,714
<u>48,03,23,109</u>	Total Rupees	<u>23,76,07,714</u>

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the Year  
ended  
30th Sept. 1984

Rupees

		Rupees	Rupees	Rupees
3,79,16,698	To Balance of Loss Brought Forward from Last Year's Balance Sheet .. .. .			5,38,13,720
1,76,71,120	.. Balance being Loss Brought Forward from Profit & Loss Account .. .. .			1,65,60,199
27,04,283	.. Provision for Additional Cane Price of Previous years to Maharashtra State Farming Corporation as per agreement.			13,52,143
3,524	.. Provision for Additional Cane Price of earlier Years. ..			37,10,283
—	.. Provision for Wealth Tax (including for earlier year) ..			50,000

**NOTE :**

Computation of Managing Director's Commission is as follows :

1,76,71,120	Net Profit/Loss as per Profit & Loss A/c.			(1,65,60,199)
1,20,000	Add/Less :			
1,235	(i) Managing Director's Remuneration	81,000		
1,21,235	(ii) Depreciation of Agriculture Section	1,127		
1,75,49,885			82,127	
			1,64,78,072	
	<b>Less/Add:</b>			
66,51,020	(i) Depreciation to the extent specified in Section 350 of Companies Act 1956 .. ..	53,78,373		
19,53,510	(ii) Estimated Liability of Bonus ..	8,00,000		
86,04,530			61,78,373	
2,61,54,415	Net Profit for Calculating Managing Director's Commission .. ..		(2,26,56,445)	
—	1% of the Net Profit .. .. .			—
1,20,000	Total Managerial Remuneration ..		81,000	
—	Commission on Profit .. .. .			—
10,000	Company's Contribution to Provident Fund .. .. .			—
5,400	Perquisite for use of Company's Car		5,400	
1,35,400			86,400	

5,82,95,625

Total Rupees

7,54,86,345

Accompanying to our Report of even date

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

**G. P. BHATT**  
Partner

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1985

<i>For the Year ended 30th Sept. 1984</i>		Rupees
<i>Rupees</i>		
44,81,905	By Claims for Holding Charges for Previous year on Buffer Stocks of Sugar .. .. .	—
—	.. Excess Provision for Managing Director's Remuneration in earlier years written back .. .. .	2,46,215
5,38,13,720	.. Balance carried to Balance Sheet .. .. .	7,52,40,130
<u>5,82,95,625</u>	Total Rupees	<u>7,54,86,345</u>

K. J. SOMAIYA  
*Chairman & Managing Director*

B. V. BHOOTA      N. C. SAYTA  
N. H. THANAWALA    S. N. VAIDYA  
C. B. PURANDARE  
*Directors*

S. R. PARIKH  
*Secretary*

BOMBAY : Dated 6th March 1986

# THE GODAVARI SUGAR

## BALANCE SHEET

- NOTES :**
- (1) Partnership Firms of Somaiya Farms, Lakh and Somaiya Farms, Khanapur in which Company is a Partner has no activity since 1976-77, as the Agricultural Lands have been held by Maharashtra Government as "SURPLUS LANDS" under Maharashtra Agricultural Lands (Ceiling on Holdings) Act.
  - (2) (a) No Depreciation has been provided during the year in respect of Fixed Assets of the Company except of Narmada Farm amounting to Rs. 53,78,373/- (Previous Year Rs. 66,51,020/-).
  - (b) Total arrears of Depreciation upto 30th September, 1985 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 is Rs. 7,63,00,714/- (Previous Year Rs. 7,09,64,267/-), after adjusting Rs. 41,926/- on Assets disposed of Finance Corporation Limited.
  - (3) No Provision has been made in respect of Balance of Loss of Rs. 21,890/- as on 31st May, 1985 of Godavari Investment and
  - (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 Rs. 8.00 Lacs.
  - (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1985 as per the Actuary's Certificate is Rs. 1,01,45,432/-. However, the Company has taken Group Gratuity Policy with the Life Insurance Corporation of India for its Sakarwadi and Lakshmiwadi factories, according to which estimated liability of about Rs. 35 lacs upto 31-3-1985 is covered. No provision has been made for the balance of the gratuity liability in the accounts.
  - (6) Company has paid Rs. 46,442/- as advance against Purchase of Agricultural Lands in Karnataka State for a price of Rs. 62,637/- Due to Land Ceiling Act, these lands are surrendered to respective Cultivators. Necessary Steps are being taken to recover the amount paid.
  - (7) The Books of Accounts of Head Office at Bombay and Cane Ledgers maintained at factories along with other files and records were seized by the Excise Dept. on 8th August, 1985. Hence, Audit has been done of xerox copies of the Books of Accounts and records.  
On verification of the records seized, the Excise Dept. has issued show cause notices seeking to levy Excise Duty of Rs. 2,42,624/- for Sakarwadi and Rs. 2,89,719/- for Lakshmiwadi. No Provision has been made in the books for the above demand as the same is disputed.
  - (8) The Company has received approval from the Central Government vide letters dated 14-2-1986 and 17-2-1986 for appointment of Shri K. J. Somaiya as Managing Director of the Company and Payment of remuneration to him from 1-6-1980 to 31-12-1986. The Excess Provision made in the Books of Rs. 2,46,215/- towards remuneration and commission during the period 1-6-1980 to 30-9-1984 has been written back in the Accounts.
  - (9) Pursuant to Govt. Resolution dated 30th October, 1984 of Government of Maharashtra, to Co-Operativise Company's Sakarwadi and Lakshmiwadi Factories, the possession of these factories was handed over to the Joint Management Committees appointed by the Govt., which operated these factories during the season 1984-85. Hence the Profit/Loss of these factories for the season 1984-85 and Assets/Liabilities created/disposed of by Joint Management Committee during the season are not reflected in the Company's Accounts.

**(10) Break up of Expenditure on Employees :**

	Numbers	Salary Bonus & Allowances	Contribution to Provident Fund & Other Funds
(a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 36,000/- (Other than Managing Director)	31 (26)	13,32,490/- (11,62,776/-)	89,067/- (70,101/-)
(b) Employees of the Company who are in receipt of or entitled to receive emoluments amounting to Rs. 3,000/- per mensem for part of the year.	13 (5)	80,700/- (1,51,396/-)	2,325/- (5,662/-)

Note :- Figures shown in Brackets Pertain to Previous year.

**(11) Information in respect of Partnership Firms in which the Company is a Partner :**

**(a) Somaiya Farms — Lakh**

Name of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Limited	1,82,735	25.00%
(ii) Shri L. V. Satpute	26,449	18.75%
(iii) Shri D. M. Patel	19,836	14.0625%
(iv) Shri N. G. Patel	19,836	14.0625%
(v) Shri J. C. Patel	19,836	14.0625%
(vi) Shri H. B. Patel	19,836	14.0625%

**(b) Somaiya Farms — Khanapur**

Name of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Limited	Nil	25.00%
(ii) Shri M. J. Patel	75,099	18.75%
(iii) Shri C. J. Patel	75,099	18.75%
(iv) Shri C. B. Patel	75,099	18.75%
(v) Shri S. P. Patel	75,099	18.75%

Accompanying to our Report of even date  
For **AMBALAL THAKKAR & CO.**  
CHARTERED ACCOUNTANTS

**G. P. BHATT**  
Partner

# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1985

(12) Quantitative information in respect of goods manufactured:

Name of the Factories	Licensed capacity	Installed capacity as certified by Factory Manager
Sakarwadi	1016	1200/1250
Lakshmiwadi	1016	1500/1600
Sameerwadi	5000	3500

(Refer note no. 9 in respect of Sakarwadi / Lakshmiwadi)

Goods Manufactured	Opening Stock		Production Quantity M.T.	Quantity sent for reprocessing & loss due to drainage etc. M.T.	Sales		Closing Stock	
	Quantity M.T.	Value Rs.			Quantity M.T.	Value Rs.	Quantity M.T.	Value Rs.
Sugar	16,604.8 (63,042.9)	5,70,32,929 (20,77,01,780)	32,276.1 (53,386.9)	709.1 (2,420.4)	40,717.7 (97,404.6)	18,14,22,792 (38,46,16,225)	7,454.1 (16,604.8)	3,11,77,624 (5,70,32,929)
Molasses	51,335.84 (47,978)	18,67,070 (17,91,430)	12,077.10 (19,479.6)	3,035.51 —	46,690.08 (16,121.76)	34,27,121 (13,41,567)	13,687.35 (51,335.84)	4,92,745 (18,67,070)

Note :- Figures shown in Brackets Pertain to Previous year.

Raw Materials Purchased & Consumed:	Quantity Purchased & Consumed M.T.	Value Rs.	Previous year Quantity Purchased & Consumed M.T.	Previous year Value Rs.
Sugarcane	3,13,364	8,19,47,579	4,95,342	11,43,38,620
Stores & Spares Consumed :	Value	%	Value	%
Imported	16,079	0.80	38,799	1.10
Indigenous	19,89,070	99.20	34,62,064	98.90
	<u>20,05,149</u>	<u>100.00</u>	<u>35,00,863</u>	<u>100.00</u>

C.I.F. Value of Imports:	Purchased	Previous year
(i) Raw Materials	NIL	NIL
(ii) Stores & Spares	NIL	NIL
(iii) Capital Goods	NIL	NIL

(13) Expenses incurred in foreign Currency NIL 6557

(14) Details of quantity etc. in respect of Farm Produce are not readily available and therefore not shown.

(15) Figures of Previous year have been regrouped and recast wherever necessary, so as to make them comparable with the Current Year figures.

In the opinion of the Board, the Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business. The provision for all known liabilities and depreciation is adequate and not in excess of the amount reasonably necessary.

K. J. SOMAIYA  
Chairman & Managing Director

B. V. BHOOTA N. C. SAYTA  
N. H. THANAWALA S. N. VAIDYA  
C. B. PURANDARE

S. R. PARIKH  
Secretary

Directors

BOMBAY : Dated 6th March 1986

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED  
30TH SEPTEMBER, 1985

## Schedule 'B'

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

- (a) Employees of the Company who were employed throughout the year under review and were in receipt of remuneration for the period in the aggregate of not less than Rs. 36,000/-.
- (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. 3,000/- per month.

(a) EMPLOYED THROUGHOUT THE YEAR UNDER RREVIEW

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 K. J. Somaiya	86	Managing Director	81,000/-	Contractual for Five Years from 1-6-1980	As approved by Central Government	About 46 Years	1- 6-1970	NIL
2.	Shri P. M. Kavadia	67	Chief Executive	72,204/-	Permanent	As per Company's Rules	M.A. LL.B. About 40 Years	1- 9-1963	Manager, Narsee Nagsee & Co.
3.	Shri S. R. Parikh	52	Secretary	55,620/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., F.C.A. About 29 Years	2- 1-1960	Great Eastern Shipping Co. Limited
4.	Shri S. N. Kalabhairavan	73	Officer on Special Duty	56,107/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. (Hons) About 52 Years	1- 3-1971	Officer on Special Duty, Mangalore Chemicals & Fertilisers Ltd.
5.	Shri T. T. Oommen	58	General Manager	68,004/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc., F.S.T.A. About 38 Years	24-10-1981	Tech. Adviser to Kerala Govt. Gen. Manager Travancore Sugar & Chemicals Ltd.
6.	Shri R. T. Shah	48	Office Manager	54,441/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. About 25 Years	19-12-1960	NIL
7.	Shri V. V. Iyer	39	Executive	47,892/-	Permanent, subject to termination by One Month's notice	As per Company's Rules	M. Com., B.G.L. About 19 Years	6- 5-1969	Typist K. Mohanlal & Co.
8.	Shri V. V. Joshi	32	Executive	52,257/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M. Com. About 8 Years	1- 4-1977	NIL
9.	Shri P. B. Bhimjiani	44	Senior Accountant	40,659/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. A.C.A. About 15 Years	17- 7-1984	Accounts Officer Garware Marine Ind. Ltd.
10.	Shri H. R. Kotak	45	Legal Adviser	40,980/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A. LL.B. About 12 Years	1-11-1973	NIL
11.	Shri A. G. Desai	39	Sr. Clerk	42,832/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 24 Years	23- 4-1962	Clerk, Gujarat Association Federation
12.	Shri A. V. Shah	46	Accounts Assistant	44,221/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 21 Years	16- 6-1967	Accounts Asstt. M/s. Trans-mission Pvt Ltd.
13.	Shri N. V. Kotak	49	Accounts Assistant	43,708/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 27 Years	13- 5-1958	NIL

<i>Sr. No.</i>	<i>Name of Employee</i>	<i>Age</i>	<i>Designation</i>	<i>Remuneration Rs.</i>	<i>Nature of Employment (Whether Contractual or otherwise)</i>	<i>Other terms and Conditions</i>	<i>Qualifications &amp; Experience (Years)</i>	<i>Date of Commencement of employment</i>	<i>Last Employment</i>
14.	Shri V. R. Parikh	53	Accounts Assistant	39,090/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A., LL.B. About 31 Years	25- 3-1968	Accountant, Shri Ramkrishna Mills Ltd.
15.	Shri C. N. Shukla	59	Comptist-Cum-Clerk	38,683/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 33 Years	1- 6-1959	Comptist-Cum-Clerk, Shivrajpur Syndicate Ltd.
16.	Shri V. A. Jairaman	52	P. A. Cum-Steno	42,366/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 16 Years	11-10-1971	Sales Asstt.-Cum-Steno The Fort William Co. Ltd.
17.	Shri L. B. Thakkar	49	Cashier	38,383/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 23 Years	20- 4-1963	Accountant L.B. Rupawate
18.	Shri A. L. Ashar	36	Public Relation Officer	40,937/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 18 Years	21- 2-1968	NIL
19.	Shri J. V. Shettigar	38	Sr. Steno	40,419/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., LL.B. About 15 Years	21- 1-1971	Steno Typist Ratan Batra Pvt. Ltd.
20.	Shri C. K. S. Mani	49	Jr. Steno	40,183/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 25 Years	16- 4-1964	Stenographer Natwar Parikh & Co.
21.	Shri T. I. Khombhadia	39	Sr. Clerk	37,754/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 16 Years	8- 3-1971	Clerk A. B. Modi & Co.
22.	Shri S. C. Desai	37	Sr. Clerk	36,568/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com. About 15 Years	25- 8-1970	Clerk Somaiya Organo Chemicals Ltd.
23.	Shri A. R. Rangnathan	48	Typist	39,389/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 29 Years	16- 5-1956	NIL
24.	Shri R. B. Jangam	42	Clerk	36,017/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 23 Years	20- 4-1962	NIL
25.	Shri H. V. Sheth	47	Clerk	36,017/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C., G.C.D. About 18 Years	22- 2-1971	Accounts-Asstt. Fazalbhoy Investment Co.
26.	Shri A. G. Tamhane	45	Stenographer	39,879/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	S.S.C. About 14 Years	23- 4-1971	Stenographer Chemox Pvt. Ltd.
27.	Shri V. S. Somaiya	47	Cane Manager	60,857/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) Hons. About 24 Years	17-10-1980	Cane Supdt. Tungabhadra Sugar Works Ltd.
28.	Shri M. K. Kucheria	51	Factory Chemist	53,817/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	BSc., A.N.S.I. About 27 Years	1-10-1979	Chief Chemist Belganga S. S. K. Ltd.
29.	Shri T. P. Nagda	53	Manager	48,924/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com. About 34 Years	30- 6-1958	Accountant M/s. Warden Pvt. Ltd., Bombay.
30.	Shri A. S. Satyanarayan	44	Chief Engineer	56,638/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) A.N.S.I. About 13 Years	8- 7-1983	Chief Eng. Kothari Sugar & Chemicals,

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
31.	Shri M. K. Pujar	45	Chief Accounts Officer	40,524/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.A., B.Com., C.A., About 18 Years.	19-11-1971	Shri Ram Mills Ltd.
32.	Shri S. K. Marathe	37	Cost Accountant	44,587/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	M. Com. (Hons.) A.I.C.W.A., About 21 Years	30- 8-1983	Cost Accountant The Morarji Gokuldas Spp. & Wvg. Co. Ltd.
(b) EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW									
1.	Shri J. N. Patel	62	General Manager	13,015/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Sc. (Agri.) Hons About 34 Years	2- 4-1951	NIL
2.	Shri B. M. Murugkar	55	Dy. General Manager	5,083/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Sc. (Agri.), About 27 Years	24- 8-1963	Tribal Development project,
3.	Shri S. G. Athavale	37	Chief Engineer & Factory Manager	10,438/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 14 Years	11- 7-1971	NIL
4.	Shri C. D. Kale	58	Manager	3,484/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 30 Years	4- 7-1981	Estate Manager Maharashtra State Farming Corporation
5.	Shri A. A. Zende	50	Chief Chemist	8,588/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc., N.S.E. About 20 Years	24-11-1965	NIL
6.	Shri S. M. Deshpande	51	Chief Engineer	4,039/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Mech.) About 17 Years.	30- 6-1969	Trainee Engineer Bharat Forge Co. Ltd.
7.	Shri D. M. Kulkarni	52	Chief Chemist	4,205/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc., A.N.S.I. About 30 Years	8-11-1955	NIL
8.	Shri J. C. Oswal	47	Chief Accountant	9,083/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B. Com. About 24 Years	7- 8-1963	Accounts Clerk M. S. Co-op. Bank Ltd.
9.	Shri P. D. Bhise	60	Agri. Devp. Manager	9,038/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Agri. Diploma About 36 Years	1- 9 1949	NIL
10.	Shri P. V. Chaudhry	59	Agri. Devp. Manager	5,854/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 20 years	15- 3-1983	NIL
11.	Shri B. S. Wakankar	55	Senior Electrical Engineer	3,334/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Diploma Electrical Engineer. About 26 Years	22-10-1963	Electrical Engineers, Chitgle Sugar Work Ltd.
12.	Shri S. P. Chitanvis	68	Agri. Devp. Manager	3,845/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) About 36 Years	13- 7-1949	Agri. Officer Baroda State Agri. Dept.
13.	Shri R. R. Pawar	62	Senior Mechanical Engineer	3,019/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Non-Matric About 43 Years	31- 5-1942	NIL

Note: None of the above employees, except the Managing Director is a relative of any Director of the Company.

By Order of the Board of Directors,

K. J. SOMAIYA

Managing Director

BOMBAY : Dated 6th March 1986

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

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

(i) The Godavari Sugar Mills Limited, holds the whole of the subscribed capital of Rs. 2,00,000/- of which Rs. 1,00,000/- has been paid-up in Godavari Investment & Finance Corporation Limited as at 31st May, 1985.

(ii) *Advances:* The Advance to subsidiary was as follows :

	<i>As on</i>	<i>Amount</i>
(a) Godavari Investment & Finance Corporation Limited	<i>31st May, 1985</i>	<i>Rs. 9,50,732/-</i>

(iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 1,777/- for the year ended 31st May, 1985. The Net Loss after adjusting the previous years' Loss from this year comes to Rs. 21,890/-. The said Loss has been carried to the Balance Sheet of this Company and no adjustment has been made in the Books of Godavari Sugar Mills Limited in respect of the said Loss of the Subsidiary Company.

(iv) There has been no change in the interest of the Godavari Sugar Mills Limited, in Godavari Investment & Finance Corporation Ltd., Between 1st June, 1985 & 30th September, 1985. Further there have been no material changes during the period in Godavari Investment & Finance Corporation Ltd., in respect of Fixed Assets, Investments, moneys lent and money borrowed by it for any purpose other than that of meeting current Liabilities.

K. J. SOMAIYA  
*Chairman & Managing Director*

B. V. BHOOTA      N. C. SAYTA  
N. H. THANAWALA      S. N. VAIDYA  
C. B. PURANDARE  
*Directors*

S. R. PARIKH  
*Secretary*

BOMBAY : Dated 6th March 1986

# GODAVARI INVESTMENT AND FINANCE CORPORATION LTD., BOMBAY

## DIRECTORS' REPORT

The Shareholders,

Godavari Investment & Finance Corporation Limited,  
BOMBAY.

Your Directors submit herewith their Thirtieth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1985.

The Working of the Company for the year resulted in a Profit of Rs. 1,777/- after providing Rs. 3,822/- for taxation. After adjusting the same from last years' loss, the Net Carried Forward loss comes to Rs. 21,890/- which has been Carried Forward to the next year. In view of this, the Directors do not recommend any dividend for the year.

You are requested to appoint Auditors for the Current Year and to fix their remuneration.

Yours faithfully

For and on behalf of the Board of Directors,

**R. VENKATRAMAN**

**J. P. DASTUR**

*Directors*

BOMBAY : Dated : 2nd November, 1985.

# GODAVARI INVESTMENT AND FINANCE CORPORATION LTD., BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the Balance Sheet of Godavari Investment and Finance Corporation Limited as at 31st May, 1985 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 appears 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 Account;
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st May, 1985 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, 1975 we further state that;

1. As the Company has no fixed Assets, Provision regarding maintenance of records is not applicable.
2. As there are no Fixed Assets, question of revaluation of Assets does not arise.
3. The Stock of Stores has been physically verified by the Management. No variation is noticed on the verification by the Management. In our opinion the valuation of the Stores is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the last year.
4. The Company has obtained loan from the Holding Company.
5. Loans and Advances in the nature of Loans to the Cane Growers are given under arrangement to supply cane to the Holding Company and regular recovery thereof is made. The adequate provision for doubtful loans is made by the Company and adequate documents and records are maintained for the loans granted to Cane Growers against the Land Mortgage Agreements.
6. In our opinion and in accordance with the information and explanation given to us, there is adequate Internal Control procedure commensurate with the size of the Company and the nature of the business.
7. Not applicable as the Company has no Purchase of Stores, during the year under reference.
8. Not applicable as the Company has no unserviceable or damaged Stores during the year under reference.
9. Provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to Deposits are not applicable as the Company has not invited the Deposits from the Public.

10. As it is a Servicing Company, there are no by products or Scrap.
11. As the Paid Up Capital of the Company does not exceed Rs. 25 Lacs there is no Internal Audit System.
12. Maintenance of Cost Records has not been prescribed u/s. 209(1)(d) of the Companies Act, 1956.
13. According to the records of the Company it has regularly deposited during the period Provident Fund dues with the appropriate authorities.
14. Though the Company is a Servicing Company no consumption of Stores etc. is involved in rendering the Service.

The Company has the Income by way of Supervision charges and Interest.

For **N. P. PATWA & COMPANY**  
*CHARTERED ACCOUNTANTS*

**N. P. PATWA**  
*Proprietor*

BOMBAY : Dated 2nd November, 1985.

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1984	LIABILITIES		
Rupees		Rupees	Rupees
5,00,000	<b>I. AUTHORISED CAPITAL :</b>		
	5,000 Ordinary (Equity) Shares of Rs. 100/- each		5,00,000
	<b>II. SUBSCRIBED CAPITAL :</b>		
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company The Godavari Sugar Mills Limited .. .. .		1,00,000
	<b>III. UNSECURED LOANS :</b>		
	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited .. .. .	1,54,658	
2,68,712			
7,41,860	Interest due on above .. .. .	7,96,074	
10,10,572			9,50,732
	<b>IV. CURRENT LIABILITIES AND PROVISIONS:</b>		
	(A) CURRENT LIABILITIES :		
1,31,148	(i) Sundry Creditors .. .. .	1,41,203	
2,803	(ii) Estimated Unearned Finance charges on Hire Purchase carried forward .. .. .	2,803	
54,214	(iii) Interest accrued but not due on Loans ..	31,100	
1,88,165		1,75,106	
	(B) PROVISIONS :		
5,730	For Taxation .. .. .	9,552	
1,93,895			1,84,658
	<b>NOTES :</b>		
	(1) Out of Land Mortgage Agreements for Loans given to Bagaitdars, Agreements for Loans Amounting to Rs. 3,558/- have been either sent for Registration or are under execution.		
	(2) The number of Employees of the Company who are in receipt of or are entitled to receive emoluments amounting the aggregate of Rs. 3,000/- or more per mensem for the whole year or any part of the year are — NIL.		
	(3) Sundry Debtors and Creditors, Loans and Advances are subject to confirmation from the parties.		
	(4) Figures of Previous year are recast wherever necessary.		
13,04,467	Total Rupees		12,35,390

Referred to in our Report of even date  
For **N. P. PATWA & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**N. P. PATWA**  
Proprietor

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1985

As at 31st May, 1984	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(A) CURRENT ASSETS :			
	(i) Stock in trade (at cost) (as per inventories taken, Valued and Certified by a Director)			
5,918	Machinery, Stores and Spares .. .. .		22,415	
	(ii) SUNDRY DEBTORS :			
	(Unsecured and considered good as certified by a Director except otherwise stated)			
	For Supply of Spares and fittings supplied to Cane Growers and for the Supervision charges and Hire Purchase Instalments due from them			
91,598	Outstanding for More than six months .. .. .	69,302		
43,941	Considered doubtful .. .. .	43,941		
1,35,539		1,13,243		
43,941	Less: Provision for Doubtful Debts .. .. .	43,941		
91,598		69,302		
15,908	Other Debts .. .. .	5,259		
1,07,506			74,561	
	(iii) CASH AND BANK BALANCES:			
	Cheque on Hand .. .. .	—		
25,000	Cash on hand .. .. .	86		
86	Stamp Papers on Hand .. .. .	666		
1,116	In Current Account with a Scheduled Bank .. .. .	723		
1,073				
27,275			1,475	
	(B) LOANS AND ADVANCE :			
	(Secured and considered good as Certified by a Director except otherwise stated)			
	(i) Loans to Cane Growers under arrangement to supply Cane to the Holding Company The Goda- vari Sugar Mills Limited in terms of Agreements :			
	Secured .. .. .	6,99,397		
8,37,437	Considered Doubtful .. .. .	36,262		
36,262		7,35,659		
8,73,699	Less: Provision for Doubtful Loans .. .. .	36,262		
36,262		6,99,397		
8,37,437	Loans to Others .. .. .	1,52,525		
1,27,525	Add: Interest Accrued on above .. .. .	1,69,009		
1,47,976				
2,75,501		3,21,534		
11,12,938	(ii) Deposit .. .. .		10,20,931	
29,000	(iii) Advance recoverable in Cash or in Kind .. .. .		29,000	
1,183	(iv) Advance Income-Tax .. .. .		60,103	
5,015			5,015	
12,88,835			12,13,500	
	<b>II. MISCELLANEOUS EXPENDITURE :</b>			
	PROFIT AND LOSS ACCOUNT :			
	Loss as per Profit & Loss Account .. .. .			21,890
15,632				21,890
13,04,467	Total Rupees			12,35,390

In the Opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

R. VENKATRAMAN  
J. P. DASTUR

} Directors

BOMBAY : Dated 1st November, 1985

# GODAVARI INVESTMENT AN

## PROFIT & LOSS ACCOUNT FO

For the year ended 31st May, 1984			Rupees
	Rupees		
		To Opening Stock :	
	5,918	Machinery, Spares and Fittings .. .. .	22,415
	39,213	" Salary .. .. .	50,705
	3,757	" Bonus .. .. .	1,806
	3,168	" Company's Contribution to Govt. Provident Fund ..	2,547
	173	" Company's Contribution to Deposit Linked Insurance Scheme & Administrative Charges .. .. .	28
	5,117	" Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses .. ..	2,769
	1,688	" Printing and Stationery .. .. .	—
	9,600	" Office Rent .. .. .	12,000
		" Interest :	
	54,214	On Current Account (To the Holding Company The Godavari Sugar Mills Ltd.) .. .. .	31,101
	900	" Legal Expenses .. .. .	3,563
	27,074	" Petrol & Diesel Expenses .. .. .	15,398
	500	" Audit Fees .. .. .	500
	1,447	" Provision for Taxation .. .. .	3,822
	674	" Profit Carried Down .. .. .	1,777
	1,53,443	Total Rupees :	1,48,431
	16,306	To Balance as per Last Balance Sheet .. .. .	15,632
	—	" Sundry Debit Balances Written off .. .. .	8,035
	16,306	Total Rupees :	23,667

Referred to in our Report of even date  
For **N. P. PATWA & COMPANY**  
CHARTERED ACCOUNTANTS

**N. P. PATWA**  
Proprietor

BOMBAY : Dated 2nd November 1985

# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1985

<i>For the year ended 31st May, 1984</i>		Rupees
<i>Rupees</i>		
30,886	By Commission on Cane from Holding Company The Godavari Sugar Mills Limited .. .. .	—
79,046	„ Interest on Loans .. .. .	48,204
37,593	„ Supervision Charges from Cane Growers .. .. .	17,812
5,918	„ Closing Stock of Machinery, Stores and Spare Parts at Cost .. .. .	22,415
—	„ Service Charges .. .. .	60,000
<u>1,53,443</u>	Total Rupees :	<u>1,48,431</u>
674	By Profit Brought Down .. .. .	1,777
15,632	„ Loss Carried to Balance Sheet .. .. .	21,890
<u>16,306</u>	Total Rupees :	<u>23,667</u>