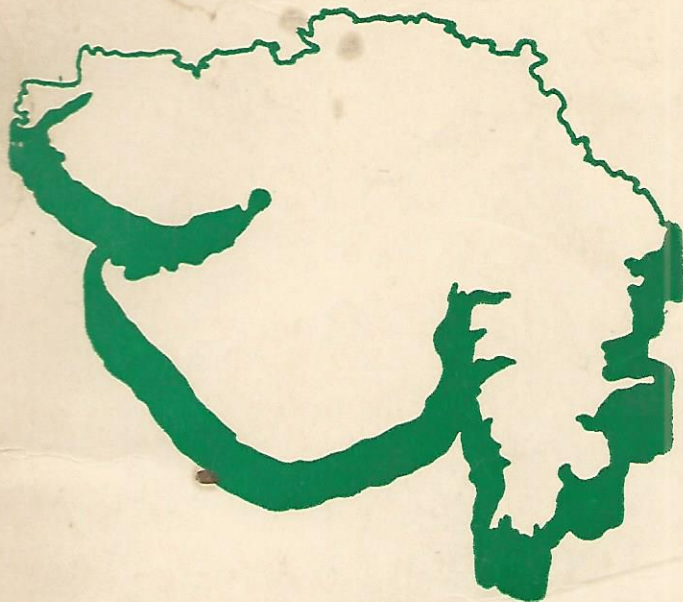


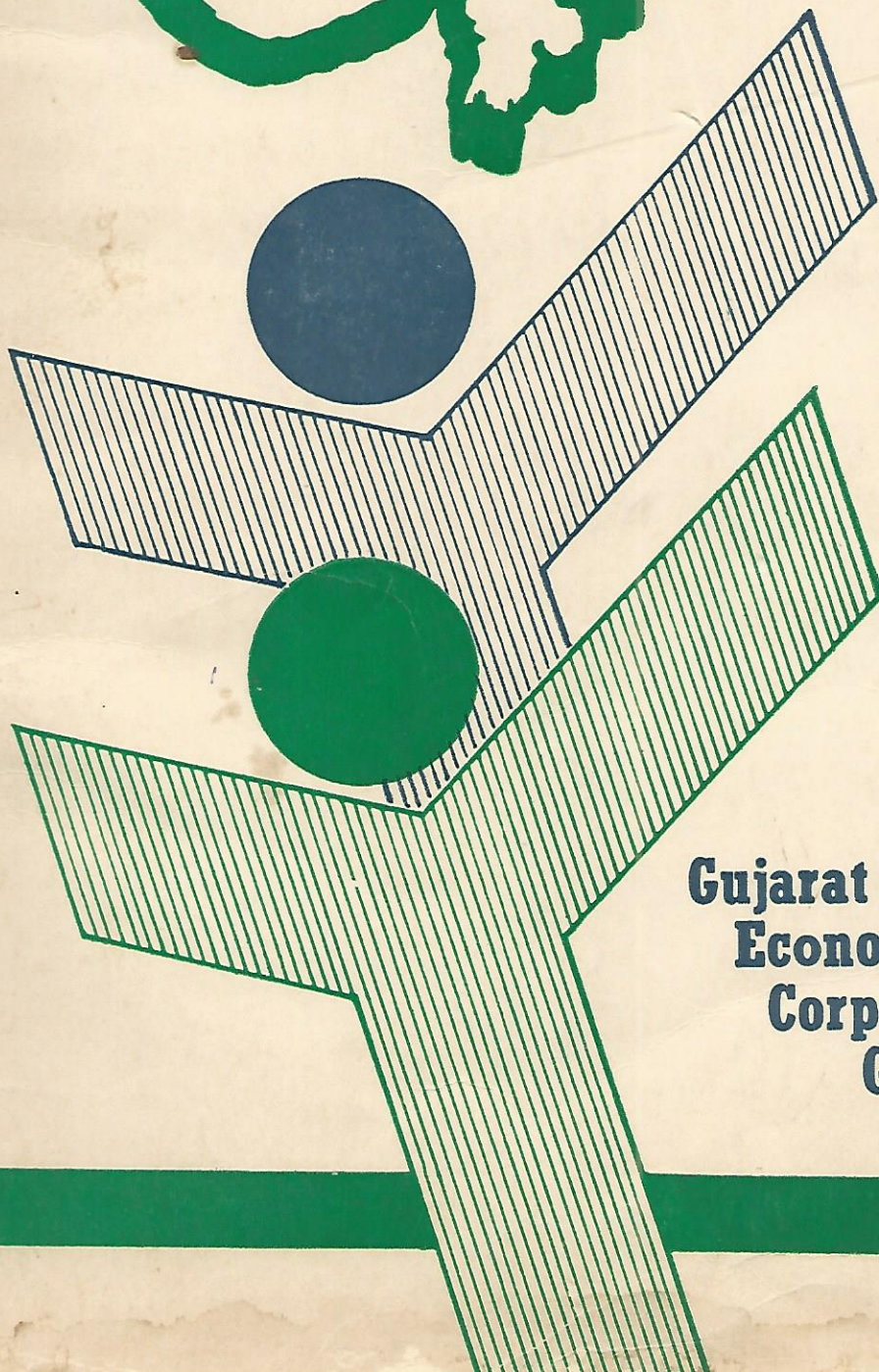


GSCEDC (A Govt. of Gujarat Undertaking)



Annual Report

1984-85



**Gujarat Scheduled Castes
Economic Development
Corporation Limited
Gandhinagar**

Gujarat Scheduled Caste Economic Development Corporation Limited, Gandhinagar.

1984-85

BOARD OF DIRECTORS

1. **Chairman** : Shri Revabhai S. Parmar (Non-Government).

MANAGING DIRECTOR

1. Shri R. S. Chhaya I.A.S. (up to 30-4-84)
2. Shri N. B. Dhrangadharia (from 1-5-84 to 13-11-84)
3. Shri H. C. Haldar I.A.S. (14-11-84 on wards)

MEMBERS OF BOARD OF DIRECTORS

(A) Non-Government

1. Shri Punjabhai Valabhai Sarikhada
2. Shri Vithalbhai R. Chauhan
3. Shri Ambalal S. Nadia
4. Shri Bhanabhai Bharti
5. Shri Jashwantbhai Makwana
6. Shri Naranbhai P. Chanchiya
7. Shri Haribhai R. Doria
8. Shai Motibhai M. Chavda
9. Shri Manilal R. Shrimali
10. Shri Ishwarlal N. Parmar
11. Shri Kantilal M. Makwana
12. Shri Hamirbhai Rajaram Mangaliya

(B) Government

1. Shri N. B. Dhrangadharia, Deputy Secretary,
Social Welfare and Tribal Development Department
(from 19-11-1982)
2. Shri Kundanlal, Joint Secretary,
and Director (Institutional Finance),
Finance Department.
3. Shri Haresh Patra, Director,
Social Welfare Department,
Ahmedabad.
4. (a) Shri K. Madukumar Director,
Ministry of Home, Government of India,
New Delhi.

(b) Shri D. B. S. Sohal (from 2.2.1984),
Deputy Secretary, Ministry of Home,
New Delhi.

Invited : Shri R. N. Kawatra.

AUDITORS

1. Internal Auditor

M/s. B. R. Patel & Co.,
154/3, "CH", Sector No, 17,
Gandhinagar-382 017.

2. Statutory Auditor

Chandrakant & Chandulal
Chartered Accountants,
1st Floor, Patel Market,
Sakar Bazar,
Ahmedabad-380 001.

BANKERS

1. Central Bank of India,	Sector 16,	Gandhinagar
2. Bank of India,	Sector 16,	Gandhinagar
3. Syndicate Bank,	Sector 16,	Gandhinagar
4. Indian Overseas Bank,	Sector 16,	Gandhinagar
5. United Commercial Bank,	Sector 16,	Gandhinagar
6. Punjab National Bank	Sector 16,	Gandhinagar
7. State Bank of Saurashtra,	Sector 22,	Gandhinagar
8. Dena Bank,	Sector 22,	Gandhinagar
9. State Bank of India,	Sector 10,	Gandhinagar
10. Bank of Maharashtra,	Sector 21,	Gandhinagar
11. Allahabad Bank,	Sector 21,	Gandhinagar
12. Bank of Baroda,	Sector 21,	Gandhinagar
13. Union Bank of India.	Sector 17,	Gandhinagar

REGISTERED OFFICE

3rd Floor,
Balvantrai Mehta Panchayat Bhavan,
Sector 17, Gandhinagar-380 017.

Gujarat Scheduled Caste Economic Development Corporation Limited, Gandhinagar.

DIRECTORS' REPORT

To,
The Members of Gujarat Scheduled Caste
Economic Development Corporation Limited.
Gandhinagar.

The Fifth Annual Report of your Corporation covering the financial implications and working for the year ending on 31st March, 1985 is presented by the Directors.

SHARE CAPITAL :

Authorised share capital : Rs. 10 crores.

Paid-up share capital : Rs. 8-80 crores.

The contribution in share capital of the State Government and Central Government is in the ratio of 51 : 49 respectively.

FINANCIAL RESULTS :

(Rs. in lacs)		
	Current year.	Previous year.
1. Income		
1.1 Interest	66.55	65.21
1.2 Administrative grant received from Government.	—	10.00
1.3 Other income.	—	0.01
Total :	66.55	75.22
2. Expenditure :		
2.1 Interest on loan	7.90	12.21
2.2 Administrative and office. expenditure.	26.04	18.44
Total :	33.94	30.65
3. Excess of income before deprecia- tion and provision.	32.61	44.57
4. Less :		
4.1 Depreciation	00.81	0.88
4.2 Bad-debt reserve and provision of margin money floating Fund.	17.79	16.41
	18.60	17.29
5. Excess income carried forward	14.01	27.28

ACTIVITIES DURING THE YEAR :

1. Subsidy Scheme :

The scheme of paying 100% subsidy (upto a maximum limit of Rs. 750/-) to each beneficiary is implimented by Corporation. Under the scheme, the following achievements have been gained by the Corporation during the current year :

Details	Subsidy sanctioned for small and cottage industries.		Subsidy sanctioned for milch cattle.	
	No. of benefi- ciaries.	Amount (Rs. in lacs)	No. of benefi- ciaries.	Amount (Rs. in lacs.)
Year				
During 1984-85	32,842	234.83	675	4.38
Up to 31.3.85	1,20,032	860.12	6106	42.26

2. Margin-money deposit scheme :

Under this scheme, 25% amount of the total finance advanced by the banks, is given as M.M.D. to Banks by the Corporation. The progress made by the Corporation under the scheme is as under :

Details.	No. of benefi- ciaries.	Amount paid as margin- money deposit (Rs. in lacs)	Amount of institutional loan. (Rs. in lacs)
Year			
During 1984-85	866	3.54	14.16
upto 31.3.85	18,668	73.63	293.51

3. Scheme of Finance to the Co-operative Societies :

There is a scheme for financing Co-operative societies for economical activities by the Corporation where institutional finance is not available. The following progress has been made under the scheme during the year : 84-85

Details	No. of Societies	Amount (Rs. in lacs)
1. Share loan	6	0.41
2. Working Capital loan.	24	12.74

4 Subsidy Schemes for Bamboo Worker's Co-operatives :

There is a scheme of granting subsidy to scavengers' and Bamboo workers' co-operative societies

The Corporation grants the subsidy to each member of the Society @ Rs. 1.23 per bamboo for a maximum number of 200 bamboos under the scheme. Progress of the scheme is as under :

Details	No. of Co-operatives.	No. of beneficiaries	Amount of subsidy. (Rs. in lacs)
Year			
During 1984-35	3	250	0.29
Upto 31-3-1985	23	1239	0.93

5 Achievement in obtaining institutional finance :

Under the subsidy scheme, the margin money deposit scheme and the direct finance scheme, the Corporation has been successful in obtaining the following institutional finance.

Details	No. of beneficiaries	Amount of institutional finance (Rs. in lacs)
Year		
During 1984-35	29,934	375.69
Upto 31-3-1985	1,74,482	2325.74

6 Direct Finance :

Covered by the guarantee of Gujarat Government, the Corporation has obtained Bank loan of Rs. 347 lacs and financed to individuals under direct finance scheme. As the bankers have shown reluctance in advancing loan on applications recommended by the Corporation and loan has become easily available, the Corporation has discontinued advancing directly to individuals. Out of the direct finance during the previous year, Rs. 14.95 lacs have been recovered during the year.

Programme of the Corporation during the Sixth Five Year Plan :

According to the 1981 census, the population of Scheduled Caste in Gujarat is of 24 lacs consisting of 4.80 lacs families. A programme was made to bring such families above the poverty line by providing proper source of income through the stipulated schemes and total loan amount of Rs. 23,25,74,935/- has been advanced covering 1,74,482 families in the Sixth Plan.

AUDITORS

Under Section 619 (2) of the Company Act, Company Law Board has appointed Messers Chandrakant & Chandulal Chartered Accountants, Ahmedabad as statutory auditors for the year 1984-85.

PARTICULARS OF EMPLOYEES

The necessary information required under Section 217 (2-A) of Company Act, 1956 read with Company (Particulars of Employees) Rules, 1975, is given in Appendix 'A' as part of this report.

The report of accounts given by Comptroller and Auditor General of India as per Section 619 (4) :

The report given by the Comptroller and Auditor General of India as per Section 619 (4) on the accounts ending as on Dt. 31-3-1985 is appended as Appendix-'B' as part of the Board of Directors' report.

OBLIGATION

The Directors of your Corporation wish to place on record their gratitude to Government of Gujarat and Government of India for their valuable and timely assistance and co-operation as rendered to the Company during the relevant year. The Directors also express their sincere thanks to concerned Ministers and Officers of the State Government and Central Government and Officers of Public and Private Bodies, Banks, Corporations and Boards for rendering valuable directions and taking the through interest in matters relating to the company and also express feeling of appreciation to Officers and employees of the company for rendering valuable services.

Gandhinagar,
30-3-1989

FOR AND ON BEHALF OF THE BOARD
Revabhai S. Parmar
CHAIRMAN

APPENDIX-A

The information required under Section 217 (2-a) of Company's Act, 1956 read with (Company's Particulars of Employees) Rules, 1975 as part of Board of Directors' Report on accounts ending as on Dt. 31-3-1985

Sr. No.	Name and post	Total remuneration	Study	Date of joining service	Age	Details of last service
1	Shri R. S. Chhaya, Managing Director,	Rs. 5115-00	IAS	2-11-1983	58	Retired (from 30-4-1984)
2	H. C. Halder Managing Director.	Rs. 21706-80	IAS	14-11-1984	47	Municipal Corporation Baroda

APPENDIX-B

Review of Accounts of Gujarat Schedule Castes Economic Development Corporation Limited, Gandhinagar for the year ended 31st March 1985 by the Comptroller and Auditor General of India, New Delhi.

1. FINANCIAL POSITION :

The table below summarises the financial position of the Company for the three years upto 1984-85.

Liabilities :	1982-83	1983-84	1984-85
(Rupees in lakhs)			
(a) Paid up capital.	200.00	588.23	780.07
(b) Reserves & Surplus.	54.48	83.07	97.09
(c) Borrowings :			
(i) Loan from banks	277.57	258.88	124.55
(ii) Loans from Government.	4.01	4.01	4.01
(d) Trade dues and Current liabilities.	432.26	267.64	150.68
	968.32	1201.83	1156.40
Assets :			
(a) Fixed Assets :			
(W.D.V. of Gross block)	7.27	7.32	8.00
Less : Depreciation.	2.16	3.05	3.86
Net fixed assets :	5.11	4.27	4.14
(b) (i) Current Assets.	700.56	925.18	872.16
(ii) Loans & Advances.	262.65	272.38	280.10
(c) Miscellaneous expenditure.	—	—	—
	968.32	1201.83	1156.40
Capital employed :	536.06	934.19	1005.72
Net worth (Capital reserve excluded)	238.19	655.01	860.87

Note :- Capital employed represents net fixed assets plus working capital.
 Net worth represents share capital plus free reserves.
 (Excess of Income over expenditure less Miscellaneous expenses.)

2. CAPITAL STRUCTURE :

The debt equity ratio of the company is as follows :-

1982-83	1.41	1
1983-84	0.45	1
1984-85	0.16	1

3 Reserves and surplus :

The Reserves and Surplus of the company was Rs. 97.09 lakhs as on 31st March 1985 as against Rs. 83.77 lakhs as on 31st March 1984. The Reserve and surplus amounted to 8.39 percent of total liability in 1984-85 as against 6.91 percent in 1983-84 and 12.44 percent of equity capital in 1984-85 as against 14.12 percent in 1983-84.

4 Working results :

The working results of the company for the three years upto 1984-85 are as follows :

	1982-83	1983-84	1984-85
	(Rupees in lakhs)		
I. Income :	62.90	75.22	66.55
II. Expenditure :			
(a) Salaries & other expenditure (including depreciation)	19.72	19.32	26.85
(b) Interest on loans.	10.17	12.21	7.90
(c) Provision for bad and doubtful debts and on Margin Money deposits.	15.01	16.42	17.79
III. Excess of income over expenditure.	18.00	27.27	14.01
IV. Percentage of surplus to :			
(a) Capital employed	3.36	2.92	1.39
(b) Net worth	7.56	4.16	1.63
(c) Equity capital	9.00	4.64	1.80
v. Percentage of administrative expenditure to total receipts.	31.35	25.68	40.35

5 Loans and Advances :

(a) The table below indicates the Loans disbursed, amount repaid and amounts outstanding at the end of three years upto 1984-85.

Year	Opening Balance	Loan disbursed (a)	Amount repaid (b)	Amount outstanding at the end of the year
(Rupees in lakhs)				
1982-83	331.10	33.96	106.11	258.95
1983-84	258.95	21.51	20.31	263.15
1984-85	263.15	34.21	12.87	284.49

Notes. :

- 1 (a) Loan disbursed during the year includes payment of Insurance on behalf of the beneficiaries, and the interest charged every year.
- 2 (b) Amount repaid includes claim received and interest.
- 3 Information like yearwise principal amount due and agewise analysis of outstanding loan and interest has not been furnished by the company.
- 4 No effect of comments under section 619(4) of the Companies Act, 1956 is given in the above draft review of accounts.

Sd./—

ACCOUNTANT GENERAL.

AUDITOR'S REPORT

REPORT OF THE AUDITORS TO THE SHARE HOLDERS OF GUJARAT SCHEDULED CASTE ECONOMIC DEVELOPMENT CORPORATION LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 1985.

We have audited the attached Balance Sheet of Gujarat Scheduled Castes Economic Development Corporation Limited as at 31st March 1985 and also the Income Expenditure Accounts of the company for the year ended on that date and we report as under :

1. Subject to our remarks in the Annexure 'A' of this report.

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. Subject to our remarks in the Annexure 'A' of this report.

In our opinion, proper books of accounts have been kept by the company as required by law so far as appears from our examination of those books.

3. Subject to our remarks in the Annexure 'A' of this report.

The Balance Sheet and the Income & Expenditure account 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 said accounts referred to above subject to and read together with the Schedules, notes annexed to the accounts and our remarks in the Annexure 'A' of this report 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 Balance Sheet, the state of affairs of the Company as at 31st March, 1985.
- (b) In the case of Income and Expenditure Accounts of the deficit i.e. excess of expenditure over the income for the year ended on 31st March, 1985.

As required by the manufacturing and other Companies (Auditors Report 1975) issued by the Government of India on the basis of the information and explanation given to us by the company during the course of our audit, subject to our remarks in the Annexure 'A' to this report we further report that :

1. During the year, the Company has not maintained proper records to show full particulars, including quantitative details and situation of its Fixed Assets. The Fixed Assets of the Company have not been physically verified by the Company during the year.
2. None of the Fixed Assets of the Company have been revalued during the year.
3. The only stock which the Company had was that of Brass Milk-Pots (Degda) which as at 31st March, 1985 has been valued at Rs. 87,554/- being the value of 923 Milk-Pots in stock as per Company's record. During the year, the company did not carry out physical verification of the stock of Milk-Posts lying at different Centres.

The value of Degda are taken as per purchase price. The elements of normal wear & tear, condition is not taken into consideration therefore according to us the value of Rs. 87,554/- of Degda in stock is not correct.

As per the information given to us Total Degda Purchased were 4000 (in number), out of which 3188 Degda were distributed among various Centres, leaving balance of 812 Degda in stock. However, actual Degda in stock are only of 791 resulting into a difference of 21 Degda. It was also informed that an inquiry proceeding is in process in respect of difference in stock etc. i.e Quantity, Quality, Value Distribution, Purchase and Weight of Degda.

4. The Company has not taken any loan from Companies, firms or other parties listed in the register maintained under section 370 (1) (c) of the Companies Act, 1956.
5. As we are informed, many of parties to whom loans have been given by the company are not repaying the principles amounts as stipulated and are also not regular in the payment of interest whereas the loans advanced by the company were of the order of Rs. 2,84,49,424 is outstanding in over 24,000 individual accounts at the end of the year, the company did not take reasonable steps for the recovery of principal amount of loans and interest thereon. As result of thereof, there is a sizable increase in the amount to be recovered from the beneficiaries.

It is further explained that because of large number of beneficiaries spread over in the various villages of Gujarat, the company could not obtained balance confirmation certificates from the beneficiaries.
6. It is evident from what has been stated in above mentioned paras and annexures attached with this report, the company does not have adequate internal audit system commensurate with its size and the nature of its business.
7. The Company has not purchased stores and raw materials in excess of Rs. 10,000/- in value for each type during the year under review from firms or Companies or any other parties in which directors are interested as provided in Section 299 of the Companies Act, 1956.
8. According to the information and explanation given to us the company has no unserviceable or damaged stores items for the year under review.
9. During the year under review the Company has not accepted deposits from public.
10. The Company does not have scrap or by-product during the year under review.
11. The question of the maintenance of cost records does not arise as the same is not applicable to this Company.
12. The Company has not granted any loans and advances on the basis of the security by way of pledge of shares debenture as and other similar securities.
13. Provisions of any special status applicable to Chit Fund, Nidhi or initial benefit society do not apply to the Company.
14. The Company does not deal or trade in share securities, debentures and other investments.

Date : 6-3-'89
Place : Ahmedabad

For CHANDRAKANT & CHANDULAL
Chartered Accountants

Sd/-
(AJIT C. SHAH)
Partner

Annexure 'A' to and forming part of the Auditors Report Dtd. 6-3-1989 to the Share holders of M/s. Gujarat Scheduled Castes Economic Development Corporation Limited, Gandhinagar on the Accounts for the year ended on 31st March, 1985.

1. (a) We have been appointed as auditor of Corporation by Under Secretary to Company Law Board, vide his letter No. 4/49/87-IGC dated 21-4-87. We have commenced our audit from 18-8-87. Annual General Meeting for financial year 1983-84 was held on 5-1-1988 and therefore the finalisation of accounts by taking the opening balance have commenced by the corporation thereafter.
- (b) We have been off and on impressed that up-to-date accounts are to be presented before the State Legislative Assembly & therefore the accounts required to be finalised at the earliest.
- (c) The Corporation has no qualified staff to look after financial and company matter and therefore, as is evident from the remarks of our predecessor, the accounts are not properly maintained, from which no true and fair view is possible, only approximation of financial position and working of the corporation can be certified.
- (d) In view of time constrained and non availability of important records of Company matter it Might happened that some important aspect might have missed our attention.
2. The Company's main business during the year consist of granting loans, subsidy disbursement and providing margin money deposits under bankable scheme to the members of the Scheduled Castes after obtaining necessary funds from the government and/or Commercial Banks.
3. The attached Balance Sheet & Income and Expenditure account have been prepared on the basis of the total loans as per General Ledger.
4. In our opinion, the system of book-keeping suffers from various short comings and the system of internal control is inadequate.
5. We have been informed that there was a difference of Rs. 18,384/- in the trial balance of the year 1983-84 and the said difference of Rs. 18,384/- have been shown in the current liabilities.
6. The Corporation has paid an amount of Rs. 10,00,000/- to the Mehsana District Panchayat for being distributed to members of the Scheduled Castes in the form of Milch Animal Loans. However, till the last date of previous year, the company had not received any information about the persons to whom loans have been provided or any documents in that behalf. At the end of the accounting year 1984-85, the total amount of Rs. 8,88,914/- is outstanding in this account and the same is included in the Balance Sheet under the heading "LOANS TO BENEFICIARIES"

20. The interest receivable on the loans given to the beneficiaries have been provided for, Interest is calculated on principal amount no interest is charged on interest.
However, the correctness of it could not be verified as the subsidiary ledger balances are not in agreement with general ledger balance.
21. The following expenses of previous year are debited during the year.
22. Authorised capital increased by Rs. 10 crores from Rs. 8 crores. As required under the companies Act as informed to us a copy of the form No. 5 filed with registrar of companies which has not been produced before us. Shares were allotted on 11-9-84 for which, no resolution for allotment of shares has been passed.
23. During the year the Company has sold an Ambassador Car No. GTV-7773 for Rs. 24,000. The said amount is shown under the head deposit, account. The original cost of the said car is not as certainable from records of the Company, hence no entry in respect of profit/Loss on sale of car is passed in books of accounts. The corresponding depreciation on the value of the said car is wrongly debited to Profit & Loss A/c.
24. The Company has not employed any qualified Company Secretary which is required u/s 383-A of the Company Act.
25. Interest receivable is wrongly made as there is not certainty of original loan and increasing the loan amount by adding the interest is not proper.
26. Bank of Baroda current A/c. No. 4550 has been closed as per bank advice dt. 28-3-1985 while in our books we are showing credit balance of Rs. 1,64,915.72.
27. The current Liabilities is under stated by Rs. 4,36,775/- due to errorness accounted of subsidy under interest of fixed deposits with Banks in previous years' accounts with resultant overstatement of ?
28. Provident fund of Rs. 19,383/- should be shown separately in the Schedule-I of Income and Expenditure A/c, for the year under audit and respective previous year figure should also classified accordingly.
29. The provision on margin money floating funds is made in excess of Rs. 3,29,878/- as the same is calculated @ 60% of Rs. 6,10,885/- instead of @ 6%.
30. Under Section 215 (3) of the Companies Act, 1956 the Balance Sheet and Income & Expenditure A/c, are to be approved by the Board of Directors before they are submitted to the Auditors for their report thereon. The accounts however submitted to us on 25-5-1988 for our report were duly signed by the chairman and the managing Director of the Company so we had presumed that the said accounts might have been passed by the Board of Directors, but afterwards we come to know that the same has not been passed by the Board of Directors. Hence the our report dt. 25-5-1988 and signature made on 25-5-1988 on the accounts be treated as altered accordingly.

Date : 6-3-1989

Place : Ahmedabad

For CHANDRAKANT & CHANDULAL
Chartered Accountants

PARTNER
(AJIT C. SHAH)

ANNEXTURE-A

STATEMENT REGARDING BANK RECONCILIATION

The Bank Reconciliation Statement for following Accounts are not Prepared

Sr. No.	Name of Bank	Nature of A/C.	As per Bank		As per Book		Difference
			Balance		Balance		
1.	Dena Bank	S B. A/c. No. 8882	1,35,681.32		18,797.23	-	1,16,884.09
2.	State Bank of Saurashtra	S B. A/c. No. 51	36,40,990.37		5,25,575.01	-	31,15,415.36
3.	State Bank of Saurashtra	Loan A/c.	31,46,109.31	-	31,55,045.31	+	8,936.00
4.	Punjab National Bank	T.L. A/c. No. 81	11,75,656.90	-	12,20,797.49	+	45,140.41
5.	Punjab National Bank	S.B. A/c. No. 698	53,474.55		Nil	-	53,474.55
6.	Bank of Baroda	S.B. A/c. No. 4550	Nil	-	1,64,915.72	-	1,64,915.72
7.	Bank of Baroda	Current A/c. No. 118	4,80,841.86		4,79,883.08	-	958.78
8.	Bank of India	S.B. A/c. No. 3669	63,412.47		Nil	-	63,412.47
9.	Central Bank of India	S.B. A/c. No. 1769	Nil		3,900.00	+	3,900.00
10.	Union Bank of India	S.B. A/c. No. 2895	11,63,734.00		Nil	-	11,63,734.00
11.	Syndicate Bank	A/c No. 450	47,86,406.80		47,44,566.80	-	41,840.00
12.	Indian Overseas Bank	-	4,94,804.53		4,97,226.53	+	2,422.00

Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the Accounts of Gujarat Scheduled Castes Economic Development Corporation Limited for the year ended 31st March, 1985.

1. Income and Expenditure Account Income

Interest on fixed deposits with be are Rs. 58.85 lakhs.

The above amount is understated by Rs. 1.29 lakhs being interest on fixed deposits of Rs. 583 lakhs and Rs. 5 lakhs accounted for at 8 per cent and 9 per cent instead of at 8.25 per cent and 9.35 per cent respectively.

2. Auditors' Report

(a) A reference is invited to item numbers i(c) & (d) of Annexure "A" to the Statutory Auditors' Report to the shareholders wherein it has been stated That "the accounts are not properly maintained from which no true and fair view is possible, only approximation of financial position and working of Corporation can be certified. In view of time constraints and non-availability of the important records of the Company matter, it might have happened that some important aspects might have missed our attention". The qualification by Auditors should have been specific, indicating the details of records not properly maintained, important records not made available and important aspects which could not be seen.

(b) A reference is invited to item No. 21 of Annexure A of the Auditors' Report to the Shareholders wherein it has been stated that "following expenses of previous year are debited during the year". The details of such expenses as given below had not been indicated.

Particulars	Salary	DA	Medical	Vehicle	Total
As per JV	5,094	24,282	2,900	2,447	34,723
Actual	15,544	22,037	2,407	3,586	43,574
Difference	(+)	(—)	(—)	(+)	(+)
	10,450	2,245	493	1,139	8,851

(c) A reference is invited to item No. 27 of Annexure A of the Auditors' Report to the shareholders wherein it has been stated that the current liabilities is understated by Rs. 4.37 lakhs due to erroneous account of subsidy under interest on fixed deposits with banks in the previous year's account with resultant overstatement of _____. The qualification made by the Auditors is incomplete as the corresponding head of account viz., excess of income over expenditure shown under the Reserve and surplus which stands overstated has not been disclosed in the Auditors' Report to the shareholders.

Ahmedabad
Dt. 29-3-89

Sd/-
Accountant General

GUJARAT SCHEDULED CASTES ECONOMIC DEVELOPMENT CORPORATION LTD.
GANDHINAGAR

BALANCE SHEET AS AT 31ST MARCH 1985

	Sch- edule	Amount	Amount 31-3-'85	Amount 31-3-'84
SOURCE OF FUNDS :				
1. Shareholders Funds :				
(A) Share capital	A	8,80,07,000		7,80,07,000
(B) Reserves & Surplus	B	97,08,301	9,77,15,301	83,07,242
				8,63,14,242
2. Loans :				
(A) Secured Loans	—	Nil		—
(B) Unsecured Loans	C	1,28,55,882	1,28,55,882	2,62,88,410
TOTAL :			11,05,71,183	11,26,02,652
APPLICATION OF FUNDS :				
1. Fixed Assets :	D			
(A) Gross Block		7,99,820		7,32,079
(B) Less :				
(B) Accumulated depreciation		3,86,292		3,05,064
(C) Net Block			4,13,528	4,27,015
2. Current Assets Loan & Advances :				
(A) Inventories		87,554		87,554
(B) Cash & Bank Balance	E	8,71,28,456		9,24,30,273
(C) Loans to Beneficiaries	F	2,25,73,023		2,21,94,788
(D) Other Loans & Advances	G	54,37,929		50,42,814
		11,52,26,062		11,97,55,429
Less : Current liabilities & Provisions :				
(A) Current liabilities	H	40,13,075		68,90,991
(B) Provisions in respect of M. M. Deposit with Banks.		10,55,332		6,88,801
		50,68,407	11,01,57,655	75,79,792
Total :			11,05,71,183	11,26,02,652

Sd/-
Revabhai S. Parmar
 Chairman
 Gujarat Scheduled Castes
 Economic Development Cor. Ltd..

Chandrakant & Chandlal
 Chartered Accountant
 Partner
 Dated : 25-5-1988

Sd/-
K. P. Chankya
 Managing Director
 G.S.C.E.D.C.
 Gandhinagar.

**GUJARAT SCHEDULED CASTES ECONOMIC DEVELOPMENT CORPORATION LTD
GANDHINAGAR**

**INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST MARCH 1985**

	Sch.	Amount	Amount 31-3-85	Amount 31-3-84
(A) INCOME :				
1. Interest				
(a) On loan to Beneficiaries		9,22,503		9,44,307
(b) On Fixed Deposit with Bank		52,85,263		53,43,642
(c) On saving Bank A/c. & other		4,47,775		2,33,337
			66,55,521	65,21,286
2. Administrative Grant of Govt. of Gujarat			Nil	10,00,000
3. Misc. Income			Nil	1,056
Total (A) :			66,55,521	75,22,342
(B) EXPENDITURE :				
1. Payment of provision for employees & Directors	I	20,83,109		14,59,516
2. Office administrative expenses	J	5,20,729		3,83,988
3. Interest		7,90,433		12,21,048
4. Depreciation		81,228		88,550
5. Provisions	K	17,78,963		16,41,962
Total (B) :			52,54,462	47,95,064
(C) EXCESS OF INCOME .				
over exp. (A-B)			14,01,059	27,27,273
(D) Prior period Adjustments-			Nil	1,32,019
(E) Previous year's balance			66,78,625	38,19,328
(F) Balance carried forward to Balance				
C+D+E			80,79,684	66,78,625

Notes forming parts of Accounts.

SCHEDULE TO BALANCE SHEET

Reference Schedule	Particulars	As at 31-3-85 Rs.	As at 31-3-84 Rs.
Schedule-A	Share Capital		
	Authorised Share Capital.		
	10,00 000 Equity shares of Rs. 100/- each	10,00,00,000	8,00,00,000
	Issued and paid up Capital.		
	7,80,070 Equity shares of Rs. 100/- each fully paid up.	7,80,07,000	5,88,23,000
	Add : Advance toward shares capital (i.e. amount received from Govt. of Gujarat but shares are not allotted).	1,00,00,000	1,91,84,000
	TOTAL	8,80,07,000	7,80,07,000

Note : The Corporation is receiving share capital contribution from the State Govt. and all shares are issued to the State Govt. However, State Govt. is also getting matching contribution from the Central Govt. in the ratio of 51 + 49 the year and position as under :

(1) State Government's Contribution (51%)	4,48,84,000	3,97,84,000
(2) Central Government's Contribution (49%)	4,31,23,000	3,82,23,000
TOTAL	8,80,07,000	7,80,07,000

Reference Schedule	Particulars	As at 31-3-85 Rs.	As at 31-3-84 Rs.
Schedule-B			
	Reserves & Surplus :		
	(1) Capital Reserve :		
	Being not assets taken over and acquired from the Scheduled Caste Economic Development Corporation a Society registered under the societies registration Act-1860.	16,28,617	16,28,617
	(2) Income and Expenditure Account :	80,79,684	66,78,625
	TOTAL	<u>97,08,301</u>	<u>83,07,242</u>

Reference Schedule	Particular	As at 31-3-85 Rs.	As at 31-3-84 Rs.
Schedule-C	(i) Term Unsecured Loans :		
	(1) Term loans from banks (The Govt. of Gujarat has agreed in principle to guarantee this loans vide various Govt. Resolutions in the year 1980).	1,24,55,107	2,58,87,635
	(2) Loans from Govt. of Gujarat, (B.C.K. Loans interest free)	2,00,775	2,00,775
	(3) Loans from Govt. of Gujarat for Revolving fund	2,00,000	2,00,000
	TOTAL	<u>1,28,55,882</u>	<u>2,62,88,410</u>

SCHEDULE-D

FIXEXASSETS

Sr. Particulars No.	GROSS BLOCK					NET BLOCK		
	As at 1-4-84	Additions	Deductions/ Adjustment	As at 31-3-85	Accumulated depreciation as at 31-3-85	As at 31-3-85	As at 31-3-84	
1	2	3	4	5	6	7	8	9
1. Furniture and fixture	1,43,584	15,710	—	1,59,294	55,179	1,04,116	99,974	
2. Office equipments	25,844	42,035	—	67,879	18,708	49,170	15,813	
3. Vehicles	5,26,216	—	—	5,26,216	2,96,570	2,29,646	2,87,057	
4. Dead stock	30,532	9,996	—	40,528	12,551	27,977	21,090	
5. Water Cooler	5,903	—	—	5,903	3,284	2,619	3,081	
TOTAL :	7,32,079	67,741	—	7,99,820	3,86,292	4,13,528	4,27,015	
Previous year :	7,27,359	4,720	—	7,32,079	3,05,064	4,27,015	5,10,845	

Reference Schedule	Particulars	As at 31-3-85 Rs.	As at 31-3-84 Rs.
Schedule-E	Cash & Bank Balance :		
	(i) Cash on hand	27,266	8,527
	(ii) In current accounts with Schedule Banks	6,95,154	6,97,562
	(iii) In fixed deposite with Schedule Banks	6,30,00,000	5,88,00,000
	(iv) In M. M. FDR with Scheduled Banks	68,22,519	69,41,429
	(v) In saving A/cs.	65,83,517	67,98,755
	(vi) Deposited in Treasury (843-Civil Deposit Head)	1,00,00,000	1,91,84,000
	TOTAL :	<u>8,71,28,456</u>	<u>9,24,30,273</u>

Reference Schedule	Particulars	As at 31-3-85 Rs.	As at 31-3-84 Rs.
Schedule-F	Loans to beneficiaries (As per general ledger Bd)		
	(i) Loans considered good for which the company holds security other than the beneficiaries personal security)	2,84,49,425	2,25,29,242
	Less : Provision for loans doubtful.	51,98,659 + <u>2,32,50,766</u>	<u>37,86,227</u> <u>2,25,29,242</u>
	Less : Recovery made but beneficiaries unidentified.	6,77,743	3,34,454
	TOTAL :	<u><u>2,25,73,023</u></u>	<u><u>2,21,94,788</u></u>

Reference Schedule	Particulars	As at 31-3-85 Rs.	As at 31-3-84 Rs.
Schedule-G	Other loans & Advances :		
	(1) Interest accrued on deposits.	50,96,769	48,07,443
	(2) Advances recoverable in cash or in kind or value to be received. (Unsecured considered good).	3,40,260	2,35,371
	TOTAL :	<u>54,37,029</u>	<u>50,42,814</u>

(1) Interest accrued but not due on banks term loans.	79,271	1,44,727
(2) Unspent subsidy & grant received from Government.	34,75,356	63,41,400
(3) Credit balance in bank savings & current accounts.	1,74,916	2,05,182
(4) Other current liabilities.	2,83,532	1,99,682
TOTAL :	40,13,075	68,90,991

Schedule-H Current liabilities :

Reference	Schedule	As at 31-3-85	As at 31-3-84
		Rs.	Rs.

SCHEDULE TO THE INCOME & EXPENDITURE ACCOUNTS

Reference Schedule	Particulars	As on 31-3-85 Rs.	As on 31-3-84 Rs.
Schedule-I	Payment to & Provisions for Employees/Directors		
	(1) Salary to Managing Director	25,887	37,478
	(2) Honorarium to Chairman	12,000	12,000
	(3) Staff Salary & Allowance	17,43,575	12,03,158
	(4) Honorarium to Dist. Manager	48,889	-
	(5) Travelling Allowance & Convenience charges to :		
	(a) Managing Director	13,530	12,947
	(b) Directors & Chairman	43,172	23,302
	(c) Staff Members	1,27,236	1,04,195
	Sub-Total (5)	1,83,938	1,40,444
	(6) Sitting fees to Directors for attending meetings	9,300	4,450
	(7) Leave Salary & Pension contribution for the deputa- tionists	34,168	34,996
	(8) Medical Reimbursement	25,352	27,390
	TOTAL :	20,83,109	14,59,516

Reference Schedule	Particulars	As on 31-3-85 Rs.	As on 31-3-84 Rs.
Schedule-J Office Administrative Expenses			
(i)	Refreshment Expenses	24,137	15,269
(ii)	Vehicle Maintenance :		
	(a) Fuel charges	65,379	92,796
	(b) Repairs, Insurance etc.	<u>1,48,251</u>	<u>1,13,415</u>
	Sub-Total	2,13,630	2,06,211
(iii)	Books & periodicals	1,129	1,744
(iv)	Postage & Telegram	25,868	18,782
(v)	Advertisements	2,876	7,536
(vi)	Stationary & Printing	1,09,552	62,589
(vii)	Legal & Training Exp.	500	2,751
(viii)	Telephone & Trunk calls	55,851	39,285
(ix)	Audit fees		
	(a) Internal Auditor	8,000	8,000
	(b) Statutory ..	7,000	7,000
	(p.f. audit fee)		75
	Sub-Total :	<u>15,000</u>	<u>15,075</u>
(x)	Office Rent	13,706	13,710
(xi)	Registration of filing fees	30,000	348
(xii)	Bank charges	415	688
(xiii)	Other expenses	28,072	-
	Total	<u>5,20,729</u>	<u>3,83,988</u>

Reference Schedule	Particulars	As on 31-3-85 Rs.	As on 31-3-84 Rs.
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Schedule-K Provisions

(1) Bad-debt Reserve	14,12,432	12,53,475
(2) Margia Money floating fund	3,66,531	3,88,487
Total	17,78,963	16,41,162

Schedule-C	Ahmedabad Kutir (CBI)	B/38	79,077.40
A-Term Loan	Amareli Kutir (CBI)	B/40	65,917.90
from Banks	Ahmedabad Bullock (CBI)	B/41	30,000.00
	Banaskantha Kutir (CBI)	B/42	52,795.65
	Bhavnagar Kutir (CBI)	B/44	37,942.10
	Bhavnagar Milch (CBI)	B/45	5,672.60
	Kutch Kutir (CBI)	B/46	39,609.70
	Junagadh Kutir (CBI)	B/48	20,895.30
	Junagadh Milch (CBI)	B/49	3,442.50
	Jamnagar Kutir (CBI)	B/50	18,492.40
	Kheda Kutir (CBI)	B/52	41,875.75
	Kheda Milch (CBI)	B/53	2,16,430.50
	Mehsana Dist. Panch. (CBI)	B/56	2,57,984.00
	Gandhinagar Kutir (CBI)	B/58	8,472.70
	Gandhinagar Milch (CBI)	B/59	13,119.10
	Panchmahal Kutir (CBI)	B/60	68,529.05
	Panchmahal Milch (CBI)	B/61	93,684.20
	Surat Kutir (CBI)	B/62	5,094.20
	Surat Milch (CBI)	B/63	93,440.75
	Sabarkantha Kutir (CBI)	B/64	36,175.55
	Surendranagar Kutir (CBI)	B/66	1,89,384.70
	Vadodara Kutir (CBI)	B/67	35,972.30
	Vadodara Milch (CBI)	B/68	4,12,083.80
	Valsad Kutir (CBI)	B/69	55,506.50
	Rajkot Kutir (CBI)	B/71	36,340.95
	Bharuch Kutir (CBI)	B/72	48,561.20
	Mehsana Milch (BOB)	B/73	1,07,034.21
	Sabarkantha (BOB)	B/75	2,35,298.35
	Punjab National Bank	B/76	12,20,797.49
	Dena Bank	B/77	15,71,742.09
	Union Bank	B/78	5,21,678.45
	State Bank of Saurashtra	B/79	31,55,045.31
	Allahabad Bank	B/81	2,52,658.35
	Maharashtra Bank	B/82	3,19,603.90

1

2

3

Indian Overseas Bank

B/85

4,97,226.53

Mehsana Kutir, C.B.I

90

72,734.35

Bank of Baroda

91

25,35,786.80

TOTAL :

1,24,55,106.63

Schedule 'E' Cash & Bank Balances

Schedule-E

(A) In Current Banks A/cs :

Cash &

State Bank of Saurashtra

B/84

1,24,901.70

Banks

Indian Overseas Bank

86

2,422.00

Balances

Bank of India

88

963.70

Dena Bank

92

59,429.00

Punjab National Bank

94

27,053.00

Bank of Baroda

A/20

4,79,883.08

State Bank of Saurashtra Cell

140

501.00

TOTAL :

6,95,153.48

B. In Saving Bank Accounts.:

State Bank of India - 7103

BE/26

182.08

Indian Overseas Bank - 1709

24

147.00

Bank of India - 2564

34

812.47

Central Bank - 1769

23

3,900.00

State Bank of Saurashtra - 51

45

5,25,575.01

Syndicate Bank - 450

100

47,44,566.80

Indian Bank - 6169

321

10,625.19

Indian Overseas Bank 1671

48

15,831.25

Bank of Baroda - 20187

49

134.65

Bank of Maharashtra, A'bad - 6254

25

1,165.00

United Commercial Bank - 2486

28

3,64,729.15

Union Bank - 2895

44

4,966.00

Dena Bank - 8882

52

18,797.23

Central Bank - 1385

99

8,92,114.72

TOTAL :

65,83,516.55

1	2	3
Schedule	Ahmedabad Dist. Adv.	B/2 28,60,560.26
'F' Loans	Amreli Dist. Adv.	B/4 4,06,494.85
to Benefic-	Banaskantha Dist. Adv.	B/6 23,89,440.11
aries	Bhavnagar Dist. Adv.	B/8 3,52,910.08
	Kutch Dist. Adv.	B/10 2,81,672.94
	Junagadh Dist. Adv.	B/12 6,38,979.25
	Jamnagar Dist. Adv.	11 B/14 1,37,230.67
	Kheda Dist. Adv.	B/16 27,30,419.55
	Mehsana Dist. Adv.	B/18 13,18,289.14
	Panchmahal Dist. Adv.	B/20 13,48,480.87
	Sabarkantha Dist. Adv.	B/22 20,87,210.99
	Surat Dist. Adv.	B/24 11,37,256.22
	Surendranagar Dist. Adv.	B/26 38,96,533.97
	Vadodara Dist. Adv.	B/28 35,92,543.12
	Valsad Dist. Adv.	B/30 5,00,827.64
	Gandhinagar Dist. Adv.	B/32 1,62,920.01
	Rajkot Dist. Adv.	B/34 6,88,893.70
	Bharuch Dist. Adv.	B/36 10,74,818.68
	Co-op. Societies Adv.	B/103 17,54,253.35
	S.W.O. Short term Adv.	B/104 2,00,775.00
	Mehsana Dist. Panchayat Adv.	B/107 8,88,914.05
	TOTAL :	<u>2,84,49,424.45</u>

Schedule	General Adv. to staff	A/6	30,266.91
'G' Loans	Food grain Adv.	A/37	2,642.00
& Advances	Cycle Adv.	A/53	4,516.90
	Fan Adv.	A/57	60.65
	Festival Adv.	A/150	8,952.00
	Moped/Scooter Adv.	A/66	2,915.00
	S.W.O./Dist. Manager Adm. Grant	A/72	1,81,396.82
	Deposit A/s.	A/130	8,040.00
	Suspense A/c. (Excess Payment)	A/138	1,000.00
	C.D.S. A/c.	A/141	323.31
	Court Deposit A/c.	A/146	30,000.00
	Govt. House Rent Recovery	A/68	20,546.07
	General provident Fund Adv.	A/148	49,600.00
	TOTAL		<u>3,40,259.66</u>
Interest	Interst accrued on M.M. F.D.R. A/c.	A/113	6,10,884.84
	Interst accrued on F.D.R. A/c.	A/115	43,79,909.36
	Interest accrued on Saving Bank A/cs.	A/127	<u>1,05,974.39</u>
	TOTAL		<u>50,96,768.59</u>

Schedule	Componant Plant A/c.	A/85	21,056.83
Unspend	B.C.K. Subsidy A/c.	91	12,11,101.83
Subsidies	Bamboo Subsidy A/c.	101	7,42,839.59
& Grants	Degda Subsidy A/c.	136	1,36,153.30
	Mehsana Subsidy A/c.	A/139	52,807.00
	Director of Animal Husbandry		
	Subsidy A/c.	89	13,11,403.70
	TOTAL :		34,75,356.25
Credit	Bank of Baroda - 4550	B/93	1,64,915.72
Balance Jn	Central Bank - 1481	BB/50	10,000.00
Bank A/c	TOTAL :		1,74,915.72
	Un paid salary	A/58	40,016.95
	Contiburion Provident Fund	A/62	5,873.70
	Housing Building Adv.	A/151	9,244.00
	State Group Insurance	A/65	8,359.50
	professional Tax	A/67	5,325.00
	Income - Tax	A/69	450.00
	Un-paid C.P.F.	A/144	49.00
	Trial Balance Difference	B/108	18,383.67
	Provision A/c.	A/107	82,785.76
	Doposit A/c.	A/76	25,000.00
	Deposit A/c. (Untresable)	A/117	60,025.27
	General Provident Fund	A/148	28,018.60
	TOTAL :		2,83,531.45

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SCHEDULE-L

Notes For ming Parts of Accounts :

1. Since the Company does not carry on business for profit, Income and Expenditure Account is prepared in view of the Section 210 (2) of the Company Act 1956.
2. In view of resolution passed by the Board of Directors in its 14th meeting held on 4-6-82, provision for bad and doubtful loans have been made at the rate of 5% on adhoc basis.
3. The provision of Rs. 366531/- is made in respect of liabilities of the Company to partially meet with the loss that may arise in case of loans sanctioned by the banks under the 'Margin Money Deposit' Scheme of the company.
4. The loans to the beneficiaries are shown as unsecured because the company has no legal right on the properties purchased from such loans. However in respect of loans give for purchase of cattle, the Company is taking insurance on behalf of individual beneficiary. The insurance policies are kept in the custody of company.
5. Since, the income of company is exempted from the Income-tax, under the provision of Section 10(26-B) of the Income-tax Act no provision has been made for income tax liability.
6. In respect of persons on the deputation with the company the liability on account of leave salary and pension contribution is made on cash basis.
7. The claim in respect of accident claim against the company amounting to Rs. 44612/- not acknowledged by the Company as debt and hence, no provision has been made in respect thereof.
8. Additional Information Pursuant to the Provisions of Paragraphs 3 and 4 of Part-I of Schedule VI to the Companies Act : 1956 :

(A) Since the Company is not a manufacturing company the quantiative details for profit and loss account and information as per para 4-C and 4-D of Part-II of Schedule VI is not given.

(B) Break-up expenditure incurred on employees who were in receipt of :

Particulars	Remuneration not less than Rs. 36000/- for persons employed throughout the year		Remuneration not less than Rs. 3000/- per month for persons employed for the past of the year.	
	1984-85	1983-84	1984-85	1983-84
1. No. of employees	-	-	1	2
2. Salary and allowances	-	-	12276	36818

(C) The figures of previous year have been regrouped/restated wherever necessary to make them comparable with the figures of current year.

Sd/-
(Revabhai S. Parmar)
Chairman
GSCEDC
Gandhinagar

Audited by
For, Chandrakant & Chandulal
Chartered Accountants
Sd/-
Partner
(Ajit C. Shah)

Sd/-
(K. P. Chankya)
Managing Director
GSCEDC
Gandhinagar