

34

1-6-73  
30-9-74

**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

ANNUAL REPORT & ACCOUNTS  
1972-73

1973

# 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*

SHRI SHANTILAL KARAMSHI SOMAIYA

SHRI CHANDANSINHA BHARAKTIYA

SHRI JAYANTILAL GANGADAS DALAL

SHRI DHARAMSHI MORARJI POPAT

SMT. SARLABEN SEVANTIBHAI PAREKH

## Bankers :

BANK OF INDIA

UNION BANK OF INDIA

BANK OF MAHARASHTRA

BANK OF BARODA

## Solicitors :

MULLA & MULLA AND CRAIGIE BLUNT AND CAROE

## Auditors :

NANUBHAI & CO.

## Registered Office :

FAZALBHOY BUILDING, MAHATMA GANDHI ROAD,  
FORT, BOMBAY 400 001.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## NOTICE

Notice is hereby given that the 34th Annual General Meeting of The Godavari Sugar Mills Limited will be held on Tuesday, the 2nd April, 1974 at 5-00 P.M. (S.T.) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Bombay-1, to transact the following business:

1. To adopt Directors' Report and Audited Statement of Accounts for the year ended 31st May, 1973.
2. To confirm interim dividend on Preference Shares and to declare dividend on Ordinary (Equity) Shares.
3. To elect a Director in place of Shri K. J. Somaiya, who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri J. G. Dalal, who retires by rotation, but being eligible, offers himself for re-election.
5. To consider and if thought fit to pass with or without modification the following Resolution, as an Ordinary Resolution:

### ORDINARY RESOLUTION:

"Resolved that pursuant to Provisions of Section 294 of the Companies Act, 1956, the Company hereby approves the appointment of Shri Manilal Dosabhai Lakhani, Shri Suryakant Hariram Kothari and Shri Haresh Ranchhoddas Kotak, the Trustees for the time being of Indenture of Trust dated 3rd November, 1964 as the Selling Agents of the Company for the sale of sugar manufactured by the Company for the areas comprising of the States of Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and all other Southern States viz. Kerala, Tamil Nadu, Karnataka and Andhra Pradesh for an initial period of two years commencing from 1st May, 1974 with power to the Board of Directors of the Company to renew the said terms for a period not exceeding one year at a time at the expiry of each period, but so that the total period of appointment shall not exceed in all five years, under the same terms and conditions (except the duration of appointment) as were contained in the Agreement dated 27th January, 1969 made between the Company of the one part and Shri Manilal Dosabhai Lakhani and Shri Suryakant Hariram Kothari the Trustees of Anupam Charitable Trust of the other part and placed before the meeting."

6. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 18th March, 1974 to 2nd April, 1974 both days inclusive.

By Order of the Board of Directors  
K. J. SOMAIYA  
Managing Director

BOMBAY: Dated 2nd March, 1974.

**Notes:** 1 The final dividend when declared will be payable at the Registered Office of the Company on and after 15th April, 1974. The dividend warrants will be posted to those shareholders whose names stand on the Company's Register on 18th March, 1974.

- 2 A member entitled to attend and vote is also entitled to appoint a proxy and the proxy need not be a member.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## EXPLANATORY STATEMENT

The following explanatory statement is given in respect of special item of business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of Companies Act, 1956.

### ORDINARY RESOLUTION:

The agreement of the present Sole Selling Agents Shri Manilal Dosabhai Lakhani and Shri Suryakant Hariram Kothari, Trustees of Anupam Charitable Trust, expires on 30th April, 1974. Your Board of Directors considers it desirable that the services of the present Sole Selling Agents should be continued to be availed of and that the agreement with them be renewed for a further period of five years on the same terms and conditions. The Directors accordingly commend the Resolution for your approval.

By the Order of the Board of Directors

**K. J. SOMAIYA**

*Managing Director*

BOMBAY: Dated 2nd March, 1974.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## DIRECTORS' REPORT

The Shareholders,  
The Godavari Sugar Mills Ltd.,  
Bombay.

Ladies and Gentlemen,

Your Directors are pleased to report on the audited statement of accounts of the Company for the year ended 31st May, 1973.

### FINANCIAL RESULTS:

The year's working has resulted in an operating profit of Rs. 49,18,410/- before providing for interest and depreciation. The interest charges increased considerably during the year to Rs. 79,40,367/- from Rs. 48,10,718/- in the previous year, largely, as a result of the full impact of the term loans for the new factory at Sameerwadi as also increase in the rate of interest. As after providing for the interest, there is a loss, no provision has been made in the accounts for depreciation.

The Directors have resolved to pay an interim dividend on Preference Shares at Rs. 7.8572 (subject to deduction of tax) per share for the year ended 31st May, 1973 out of the reserves accumulated upto 31st May, 1971. You are requested to approve the same. Your Directors also recommend a Dividend on Ordinary (Equity) Shares at Rs. 3/- (subject to deduction of tax) per share for the year ended 31st May, 1973 out of the reserves accumulated upto 31st May, 1971, if approved by the shareholders at the Annual General Meeting to be held on 2nd April, 1974.

During the year under report, the new sugar unit of the Company at Sameerwadi had its first regular crushing season. Due, however, to the conditions of drought, the sugar cane crop in the area was very adversely affected both in respect of yield as well as quality with the result that crushing of cane and also recovery fell way below expectations. Although the installed capacity of this unit was 1,500 tonnes of crushing per day, owing to non-availability of cane and transport bottlenecks, the average crushing rate could reach only about 900 tonnes per day. As a result of this there was heavy fuel consumption and the cost of production also went high.

Similarly the working at Sakarwadi as well as Lakshmiwadi was also affected by the drought in Maharashtra. Ahmednagar District had been among the worst affected area along with Marathwada.

Owing to overall shortage of cane, there was intense competition for procurement of cane among the neighbouring factories, which necessitated paying higher sugar cane prices, although not justified by recovery. This has been largely responsible for the adverse results.

Although according to the scheme of partial de-control 30% of the sugar was released by the Central Government every month for free sale in the market, the Government of Maharashtra introduced a scheme of "voluntary control" making it obligatory on the factories to deliver free sale sugar at fixed price. This has affected overall realisation of sugar.

The Company continued its activities organised under the Research and Development Department. During the year it incurred an expenditure of Rs. 85,160/- for Agricultural Research and Rs. 12,27,014/- for Agricultural Development. It is hoped that in the coming years these activities will pick up and will ultimately be of benefit to the area.



The appeal filed by the Company before the Division Bench of the Bombay High Court against the Order of the Single Judge dismissing the Company's petition challenging the validity of the Maharashtra Agricultural Income Tax Act was dismissed in January, 1973.

The Directors would like to report that after crushing operations had started for the season 1973-74, a very serious incident took place at the Sameerwadi factory. In the wake of Maharashtra-Karnataka border agitation, on 13th December, 1973, a violent mob of about 2,000 strong attacked the factory and indulged in arson and looting and burnt the properties of the factory. The extent of damage is being assessed. Your Directors are, however, hopeful that most of it would be recovered from insurance. This resulted in the forced closure of the factory. However, after strenuous efforts and with the co-operation of the Karnataka State Government, the crushing operations were restarted on the 16th January, 1974, although extensive repairs and reinstatement of machinery would be carried out after the end of the season.

On 31st May, 1973, there were no Fixed Deposits which matured for repayment and remained unpaid.

Shri K. J. Somaiya and Shri J. G. Dalal, two of your Directors retire by rotation, but being eligible, offer themselves for re-election.

Messrs. Nanubhai and Co., retire and offer themselves for reappointment as Auditors.

Yours faithfully,

By Order of the Board of Directors,

**K. J. SOMAIYA**

*Managing Director.*

BOMBAY: Dated 2nd March, 1974.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of THE GODAVARI SUGAR MILLS LIMITED as at 31st May, 1973 and also the attached Profit and Loss Account of the Company for the year ended on that date and report that:

1. 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.
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 of Accounts produced before us.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.
4. In our opinion and to the best of our information and according to the explanations given to us, the Accounts subject however to Notes No. 7, 8, 10 & 13 and read with other 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, 1973 and,
  - (b) in the case of the Profit and Loss Account of the Loss for the year ended on that date.

For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**

*Partner*  
*Chartered Accountants.*

BOMBAY: Dated 4th March, 1974.

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1972		LIABILITIES		
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	
3,00,00,000				3,00,00,000
	<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 so redeem the same		18,50,950	1,98,50,950
1,98,50,950				
	<b>II. RESERVES AND SURPLUS:</b>			
	(A) General Reserve:			
1,54,42,796	As per last Balance Sheet .. ..	70,69,605		
80,00,000	Less: Transferred to Share Capital being amount capitalised by issue of Bonus Shares. .. ..	—		
74,42,796		70,69,605		
4,45,433	Less: Dividend on Ordinary and Preference Shares paid for the year ending 31st May, 1972 .. ..	6,85,433		
69,97,363		63,84,172		
20,00,000	Less: Donation paid .. ..	—		
49,97,363		63,84,172		
1,22,242	Add: Transfer from Development Rebate Reserve .. ..	1,01,973		
51,19,605		64,86,145		
19,50,000	Add: Set aside from 1972-73 Profits .. ..	—		
70,69,605		64,86,145		
—	Less: Loss during the year .. ..	30,21,957		34,64,188
70,69,605				
1,98,50,950			34,64,188	1,98,50,950
	Carried Over .. ..			



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1973

As at 31st May, 1972	ASSETS			
Rupees	I. FIXED ASSETS (At Cost or Book Value):	Rupees	Rupees	Rupees
7,75,33,226	Gross Block .. .. .		8,45,78,124	
2,70,06,101	Less: Depreciation written off upto 31st May, 1973 .. .. .		2,70,10,286	
5,05,27,125	Net Depreciated Block as per Schedule 'A' attached .. .. .		5,75,67,838	
1,34,027	Capital Work-in-Progress .. .. .		47,16,544	
5,06,61,152				6,22,84,382
	II. INVESTMENTS (At Cost):			
	(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANIES:			
1,00,000	(i) 2,000 Partly paid up Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Ltd., of Rs. 100/- each Rs. 50/- per share paid up .. .. .	1,00,000		
—	(ii) 142 Equity Shares of Sakarwadi Sugar Factory Ltd., of Rs. 100/- each fully paid up (Purchased during the year) ..	14,200		
—	(iii) 142 Equity Shares of Lakshmiwadi Sugar Factory Ltd., of Rs. 100/- each fully paid up (Purchased during the year) ..	14,200		
—	(iv) 16 Equity Shares of Somaiya Sugar Works Ltd., of Rs. 100/- each fully paid up (Purchased during the year) ..	1,600		
1,00,000			1,30,000	
	(B) OTHER INVESTMENTS:			
	(i) Investment in Shares of Oriental Power Cables Ltd.			
10,54,000	10,200 Equity Shares of Rs. 100/- each fully paid up ..	10,54,000		
25,000	250 9½% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up .. .. .	25,000		
	Out of which 4000 Equity 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 4000 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Ltd.			
10,79,000			10,79,000	
11,79,000				
5,06,61,152	Carried Over .. .. .		12,09,000	6,22,84,382

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1972	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
1,98,50,950	Brought Forward ..		34,64,188	1,98,50,950
70,69,605	(B) Development Rebate Reserve:			
9,42,50 5	As per Last Balance Sheet .. .. .	41,70,263		
33,50,00 0	Add: Amount set aside from Profit of the year .. .. .	—		
42,92,505		41,70,263		
1,22,242	Less: Transferred to General Reserve .. .. .	1,01,973		
41,70,263			40,68,290	
1,369	(C) Profit & Loss Account:			
	Balance as per Profit & Loss Account .. .. .		—	
1,12,41,237				75,32,478
	III. SECURED LOANS:			
2,62,16,845	(a) Cash Credit Account with Bank against hypothecation of all tangible movable assets of the Company including Stocks of Sugar, Raw Sugar, Stores, Chemicals, Spares etc. and fully guaranteed by two Directors .. .. .		2,90,27,389	
—	(b) Cash Credit Account with Banks against hypothecation of all tangible movable assets of the Company including Stocks of Sugar, Raw Sugar, Stores, Chemicals, Spares etc. of the Company's Mudhol Unit of Sameerwadi and fully guaranteed by two Directors .. .. .			
—	(i) Bank of India .. .. .	58,50,233		
	(ii) Union Bank of India .. .. .	60,61,061		
1,000	(c) From Bank of India against equitable mortgage, by way of deposits of title deeds of the Company's Immovable Property at factories and Somaiya Farms and fully guaranteed by two Directors .. .. .		1,19,11,294	
	(d) Term Loans secured against joint Equitable Mortgage by deposit of title deeds of the Company's immovable properties situate at Sakarwadi (Kanhgaon), Lakshmiwadi (Kopergaon) in the State of Maharashtra and at Sameerwadi in the State of Karnataka (but excluding Agricultural Assets) and by hypothecation of Movable Machinery with Bank of India acting for itself and as agent of Karnataka State Financial Corporation and the Vijaya Bank Ltd.			
2,00,00,000	(i) Bank of India (Instalment payable within a year Rs. 25,00,000/-) .. .. .	2,00,00,000		
15,00,000	(ii) Karnataka State Financial Corporation (Instalment payable within a year Rs. 2,00,000/-) .. .. .	20,00,000		
—	(iii) Vijaya Bank Ltd. (Instalment payable within a year Rs. 8,33,000/-) .. .. .	24,99,900		
2,15,00,000			2,44,99,900	
4,77,17,845				
3,10,92,187	Carried Over .. .. .		6,54,38,583	2,73,83,428



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1973

As at 31st May, 1972		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
5,06,61,152		Brought Forward ..	12,09,000	6,22,84,382
11,79,000				
61,99,000	(ii) Investments in Shares of Somaiya Organics (India) Ltd. ..			
	61,990 Equity Shares of Rs. 100/- each fully paid up ..		61,99,000	
	Out of which 5000 Shares have been deposited with The New India Assurance Co. Ltd., in connection with their Indemnity Policy favouring The Uttar Pradesh State Industrial Corporation Ltd., in terms of the Company's Agreement with the Corporation for repurchase of six lakhs Rupees of Equity Shares from the Corporation ..			
10,000	Guarantee Commission paid for purchase of Shares ..		10,000	
7,440	(iii) 80 Equity Shares of Rs. 100/- each fully paid up of Sugar Selling Agency Pvt. Ltd. .. .. .		7,440	
78	(iv) One Ordinary Share of Maharashtra State Co-operative Bank Ltd., of Rs. 50/- each fully paid up .. ..		78	
2,500	(v) National Defence Certificates deposited with Electricity Department, Bhopal .. .. .		2,500	
700	(vi) 7 Years' National Savings Certificates .. .. .		700	
1,000	(vii) 100 Shares of Rs. 10/- each of U.P. Bhokta Distillery AUR Sugar Mills Sahakari Samiti Ltd., Captainganj .. ..		1,000	
6,500	(viii) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro-Electric Division, Gorakhpur ..		6,500	
1,995	(ix) 4½ % U.P. State Development Loan of 1972 (Face Value Rs. 2,000/-) .. .. .		1,995	
1,000	(x) National Savings Certificates of the face value of Rs. 1,000/- deposited as security Deposit with Central Excise Authority, Mudhol .. .. .		1,000	
		Cost	Market Value	
	Aggregate quoted Investments ..	72,54,995	73,06,173	
	Aggregate unquoted Investments ..	1,84,218	—	
74,09,213		74,39,213	73,06,173	74,39,213
5,80,70,365		Carried Over .. ..		6,97,23,595

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1972		LIABILITIES—(Contd.)		
Rupees		Rupees	Rupees	Rupees
3,10,92,187	Brought Forward ..		6,54,38,583	2,73,83,428
4,77,17,845				
45,00,000	(e) From State Industrial and Investment Corporation of Maharashtra Ltd., against guarantee of Life Insurance Corporation of India against which guarantee, the Company has pledged 56,990 Equity Shares of Somaiya Organics (India) Ltd., (Instalment payable within a year Rs. 12,80,000/-) .. .. .		32,20,000	
—	(f) Due for purchase of machineries etc. on Deferred Payments of which usance Bills are guaranteed by Bank of India which guarantee is secured against equitable Mortgage by way of deposits of Title Deeds of the Company's fixed assets at Sakarwadi, Lakshmiwadi and Sameerwadi (but excluding Agricultural assets) and hypothecation of all tangible movable machinery and plant both present and future (including the machinery purchased under this facility) and fully guaranteed by two Directors .. .. .		29,11,245	7,15,69,828
5,22,17,845				
	<b>IV. UNSECURED LOANS:</b>			
20,00,000	(i) 200 6% Unsecured Debentures of Rs. 10,000/- each fully paid up redeemable at the option of the Company .. .. .		20,00,000	
34,015	(ii) From Directors .. .. .		36,055	
41,737	(iii) From Others guaranteed by a Director .. .. .		26,614	
	(iv) On Current Account:			
14,48,930	From Selling Agents guaranteed by a Director .. .. .		26,03,865	
2,768	(v) From Somaiya Organo-Chemicals Ltd., guaranteed by a Director .. .. .		6,945	
490	(vi) From Banks .. .. .		5,65,316	
1,00,67,807	(vii) Public Fixed Deposits (including Rs. 30,82,700/- guaranteed by a Director) .. .. .		85,07,573	
1,39,389	(viii) Interest accrued due on unsecured Loans .. .. .		2,37,028	1,39,83,396
1,37,35,136				
9,70,45,168				
	Carried Over .. .. .			11,29,36,652



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1973

As at 31st May, 1972	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
5,80,70,365	Brought Forward ..			6,97,23,595
	<b>III. CURRENT ASSETS, LOANS AND ADVANCES:</b>			
	(A) CURRENT ASSETS:			
470	(i) Interest accrued on Investments .. .. .		470	
	(ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Managing Director)			
97,07,181	Stock on hand (including machineries Rs. 51,64,871/-) ..	1,36,17,711		
3,71,734	In transit .. .. .	3,61,653		
1,00,78,915			1,39,79,364	
25,354	(iii) Loose Tools and Implements (as per inventories valued and certified by a Managing Director) .. .. .		23,114	
	(iv) Stock-in-trade (as per inventories valued and certified by a Managing Director)			
5,28,04,567	(a) Sugar at Market Rate .. .. .	4,25,50,161		
2,28,614	(b) Stock of Grains, Cotton etc. at Market Rate .. ..	1,06,907		
35,518	(c) Molasses at Market Rate .. .. .	60,242		
5,30,68,699			4,27,17,310	
8,58,356	(v) Crop in Progress: (including tillages, preparation of land irrigation charges etc. at cost as valued and certified by a Managing Director) .. .. .		7,08,152	
	(vi) Sundry Debtors: (Unsecured and considered good except otherwise stated)			
2,46,819	(a) Debts outstanding for more than six months .. ..	2,48,241		
58,827	(b) Considered doubtful .. .. .	56,230		
3,05,646		3,04,471		
58,827	Less: Provision for Doubtful Debts .. .. .	56,230		
2,46,819		2,48,241		
58,00,860	(c) Other Debts (including Rs. 52,16,787/- due from Arpit Ltd., and Rs. 28,211/- due from Somaiya Organo- Chemicals Ltd., Companies under the same management).	64,54,303		
60,47,679			67,02,544	
7,00,79,473				
5,80,70,365	Carried Over .. ..		6,41,30,954	6,97,23,595

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1972	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
9,70,45,168	Brought Forward ..			11,29,36,652
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>			
	(A) CURRENT LIABILITIES:			
4,22,99,235	Sundry Creditors .. .. .		3,02,53,426	
—	Bills Payable .. .. .		27,000	
2,14,246	Advance from Customers against Sale of Land & Wood ..		2,15,046	
50,000	Security Deposit from Selling Agents .. .. .		50,000	
14,41,953	Security Deposit from Bagaitdars .. .. .		14,53,984	
4,878	Security Deposit from Customers .. .. .		4,878	
14,11,104	For Taxation .. .. .		2,09,672	
2,80,132	Due to Partnership Firm of Khanapur Farms .. .. .		1,55,777	
10,34,452	Due for Selling Agents' Commission .. .. .		11,58,540	
13,471	Due for Managing Director's Remuneration & Commission ..		—	
8,887	Unclaimed Dividend .. .. .		9,182	
4,22,348	Liability for Accrued Gratuity .. .. .		5,72,348	
14,49,443	Interest Accrued but not due on Loans .. .. .		15,57,944	
4,86,30,149			<u>3,56,67,797</u>	
	(B) PROVISIONS:			
1,72,53,270	Provision for Taxation .. .. .	1,55,37,351		
72,37,400	Less: Advance payment under Section 207 of Income-tax Act, 1961 & tax deducted at source .. .. .	<u>63,48,831</u>		
1,00,15,870			91,88,520	
2,000	Provision for Bonus .. .. .		2,000	
46,45,000	Provision for payment of Agri. Profits under Maharashtra Agricultural Lands (Ceiling on holdings) Act, 1961 .. .. .	Rs. 46,45,000		
—	Less: Excess Provision of Agri. Profits recredited. Rs. 4,50,000			
46,45,000		<u>41,95,000</u>		
24,50,000	Less: Paid .. .. .	<u>24,50,000</u>		
21,95,000			17,45,000	
6,08,43,019				4,66,03,317
15,78,88,187	Carried Over .. .. .			<u>15,95,39,969</u>



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1973

As at 31st May, 1972	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
5,80,70,365	Brought Forward ..		6,41,30,954	6,97,23,595
7,00,79,473				
	(vii) CASH AND BANK BALANCES:			
8,19,232	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 43,113/-) .. .. .	6,99,568		
59,71,206	In Current Account with Scheduled Banks ....	17,15,485		
—	In Saving Account with a Scheduled Bank .. .. .	32,674		
	In Current Account with Non-Scheduled Banks:			
436	(a) Ahmednagar District Central Co-operative Bank Ltd., Shrirampur (Maximum debit balance during the year Rs. 436/-) .. .. .	436		
101	(b) Mudhol Urban Co-operative Bank Ltd., Mudhol (Maximum debit balance during the year Rs. 101/-) .. .. .	101		
537		537		
64,154	Fixed Deposit with a Scheduled Bank .. .. .	68,004		
1,720	Accrued Interest on Fixed Deposit .. .. .	1,822		
68,56,849				
	(B) LOANS AND ADVANCES:		25,18,090	
	(Unsecured and considered good except otherwise stated)			
	(i) Loan to Company under the same Management			
35,09,517	Arpit Ltd., (Maximum debit balance during the year Rs. 48,47,598/-, previous year Rs. 44,02,974/-) .. .. .	30,58,038		
2,36,182	Interest accrued on above .. .. .	2,47,415		
37,45,699		33,05,453		
78,34,314	(ii) Loans to Others (including doubtful loan of Rs. 4,69,130/- not Provided for) .. .. .	83,36,155		
12,20,112	Interest accrued on above .. .. .	8,98,155		
90,54,426		92,34,310		
1,28,00,125		1,25,39,763		
23,601	Considered doubtful .. .. .	23,601		
1,28,23,726		1,25,63,364		
23,601	Less: Provision for doubtful Loans ..	23,601		
1,28,00,125			1,25,39,763	
8,97,36,447				
5,80,70,365	Carried Over .. ..		7,91,88,807	6,97,23,595

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1972	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
15,78,88,187	Brought Forward ..			15,95,39,969
	<b>CONTINGENT LIABILITIES (Not provided for):</b>			
50,000	(i) (a) In respect of Lands for which suits are pending in Court..		50,000	
10,000	(b) In respect of Legal Expenses on above .. ..		10,000	
	(ii) Uncalled liability on partly paid shares held as investments of Godavari Investments & Finance Corporation Ltd., a Subsidiary Company .. .. .		1,00,000	
1,00,000	(iii) In respect of guarantee given to a Bank for Loan granted to a Subsidiary Company .. .. .		25,00,000	
25,00,000	(iv) In respect of counter guarantees given to others .. ..		53,275	
47,000	(v) In respect of guarantee given to Bank for inland usance bills .. .. .		43,00,000	
—	(vi) In respect of guarantee given to a Bank for the loan granted to Somaiya Organics (India) Ltd. .. .. .		1,50,00,000	
1,50,00,000	(vii) In respect of estimated purchase commitments on capital purchases .. .. .		2,01,800	
6,07,940	(viii) In respect of development charges payable to Government in 10 Instalments for leasehold lands at Gandhidham .. ..		1,15,014	
1,26,508	(ix) In respect of additional cane price payable to Maharashtra State Farming Corporation Limited, under the provisions of Para—3 of Third Schedule of Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961, for the years 1968-69 to 1972-73 amount whereof not ascertained.			
15,78,88,187	Total Rupees .. ..			15,95,39,969



## AS AT 31ST MAY, 1973

17



# THE GODAVARI SUGAR BALANCE SHEET

NOTES: (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1970-71 onwards.

(2) The Company has entered into partnership with other persons who are partners in respect of working of Khanapur and Lakh Farms owned by the Company. Company's share in Liabilities and Assets of the Partnership firm is incorporated in the Books of Accounts of Firms. Losses for the year have been incorporated in Accounts as per the statements certified by the partners. During the year, material of the value of Rs. 45/-, at cost have been supplied to the said firms.

(3) No provision has been made in respect of Balance of Loss of Rs. 26,838/- on 31st May, 1973 of Godavari Investment & Finance Corporation Limited.

(4) (a) No Depreciation has been provided during the year in respect of Fixed Assets of factories and the assets of Agriculture section Sameerwadi amounting to Rs. 65,55,891/-. (Previous year Rs. 37,39,686/-).  
(b) Total arrears of Depreciation upto 31st May, 1973 computed in accordance with section 205(2) (a) of the Companies Act 1956 amounted to Rs. 1,02,95,577/- (Previous year Rs. 37,39,686/-)

(5) Company is entitled to claim in assessment, deduction of Rs. 4,45,815/- in respect of Development Rebate on addition to Plant and Machinery of Rs. 29,72,100/-, but due to inadequacy of Profit, no development rebate reserve has been created.

(6) While valuing Crop in Progress of Sameerwadi as on 31st May, 1973 Depreciation of Rs. 38,601/- (Previous year Rs. 26,371/-) is not taken into consideration as was being done in the past. To that extent crop in progress is reduced.

(7) During the year no provision for Bonus has been made. Liability of the Bonus according to Bonus Act comes to about Rs. 4,00,000/-.

(8) Total Liability for accrued Gratuity to employees under the payment of Gratuity Act, 1972 upto 31st May 1973 as per Actuary's certificate is of Rs. 24,79,327/- against which provision of Rs. 5,72,348/- has been made.

(9) In the past, closing stock of sugar was being valued at a price inclusive of Excise Duty. The stock of sugar as on 31st May, 1973 has been valued at a price exclusive of Excise Duty. This variation has no effect on the profit or loss.

(10) The approval of the Central Government for payment of Remuneration to Managing Director does not provide for any minimum remuneration in the event of absence or inadequacy of Profits in any year. Managing Director has been paid salary and given perquisites. In terms of the sanction, by reason of absence of Profits and want of Provision for minimum remuneration in the Central Government's approval, the payment of remuneration (including perquisites) of Rs. 1,12,771/- during the year ended 31st May, 1972 and of Rs. 99,300/- during the year, exceeds the permissible remuneration of 5% by Rs. 45,416/- and Rs. 99,300/- respectively and is therefore subject to the approval of Central Government. An application for such approval is being made.

(11) Number of Employees of the Company who are in receipt of or are entitled to receive emoluments amounting in the aggregate of Rs. 2,000/- or more per mensem are 10.

(12) Quantitative information in respect of Goods manufactured :

Previous year

Sakarwadi M. Tonnes	Lakshmiwadi M. Tonnes	Sameerwadi M. Tonnes
1,016.0	1,016.0	2,500.0
1,050.0/1,100.0	1,200.0/1,250.0	1,500.0
21,410.5	25,598.0	260.6
1,99,316.0	2,36,192.0	4,197.0
12,719.5	16,955.7	—
11,308.1	11,176.2	260.6

- (a) Licenced Capacity  
(b) Installed Capacity (As certified by the Manager of respective factories)  
(c) Actual Production  
(d) Raw materials (Sugar-cane) Purchased or acquired  
(e) Opening stocks of Goods Produced  
(f) Closing Stock of Goods Produced

Sakarwadi M. Tonnes	Lakshmiwadi M. Tonnes	Sameerwadi M. Tonnes
1,016.0	1,016.0	2,500.0
1,050.0/1,100.0	1,200.0/1,250.0	1,500.0
19,026.0	21,830.3	10,852.7
1,89,470.3	2,09,361.1	1,13,651.3
11,308.1	11,176.2	260.6
7,983.3	8,448.5	4,358.9

(13) The Directors have resolved to pay on or after 15th March, 1974 interim dividend of Rs. 1,45,433/- (subject to deduction of tax) at Rs. 7-8572 per share on 185091 Preference Shares of the Company for the year ended 31st May, 1973 out of the reserves accumulated upto 31st May, 1971 and have recommended a dividend of Rs. 5,40,000/- (Subject to deduction of tax) at Rs. 3/- per Share on 1,80,000 Ordinary (Equity) Shares, which dividend if approved by the Shareholders at the Annual General Meeting to be held on 2nd April, 1974 will be paid out of reserves accumulated upto 31st May, 1971. No separate provision has been made therefore.

(14) The figures of the previous year have been recasted wherever necessary so as to make them comparable with the Current Year's figures.

Referred to in our report of even date  
For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
Partner  
Chartered Accountants

BOMBAY: Dated 4th March, 1974.



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1973

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

- (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, 1973.
- (ii) The Godavari Sugar Mills Limited and its nominees hold the whole of the Subscribed Capital of Rs. 14,200/- in Sakarwadi Sugar Factory Limited, Rs. 14,200/- in Lakshmiwadi Sugar Factory Limited and Rs. 1,600/- in Somaiya Sugar Works Limited as at 31st May, 1973, all of which the aforesaid three Companies were incorporated on 7th April, 1973.
- (iii) As the Accounting Periods of Sakarwadi Sugar Factory Limited, Lakshmiwadi Sugar Factory Limited and Somaiya Sugar Works Limited the subsidiary Companies, are not yet over, this being their first accounting period, the particulars of interest of the Company therein have not been shown and the Balance Sheets thereof have not been attached.
- (iv) *Advances:* The amounts advanced to Godavari Investment & Finance Corporation Limited and Somaiya Sugar Works Limited as at 31st May, 1973 stand at Rs. 7,33,551/- and Rs. 2,000/- respectively. The Advances to other two Subsidiary Companies namely Sakarwadi Sugar Factory Limited, and Lakshmiwadi Sugar Factory Limited, as on 31st May, 1973 were nil.
- (v) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 9,323/- for the year ended 31st May, 1973. The net loss after adjusting the previous year's Loss from Profit of this year comes to Rs. 26,838/-. The said loss has been carried to the Balance Sheet of this Company and no adjustment has been made in the Books of the Godavari Sugar Mills Limited, in respect of the said loss of the subsidiary Company.

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 and Managing Director*

K. R. THANAWALA  
*Secretary*

J. G. DALAL  
S. K. SOMAIYA  
S. S. PAREKH  
D. M. POPAT

*Directors*

OMBAY: Dated 2nd March, 1974.

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1972				
Rupees			Rupees	Rupees
	To Opening Stock on 1st June, 1972:			
5,21,43,941	Sugar .. .. .		5,28,04,567	
28,496	Molasses .. .. .		35,518	
5,21,72,437				5,28,40,085
10,31,788	„ Crop in Progress as at 1st June, 1972 .. .. .		8,58,356	
50,010	„ Stock of Grains & Other Seeds as at 1st June, 1972 .. .. .		28,443	
20,604	„ Grains & Other Seeds for Sowing .. .. .		13,466	
9,58,140	„ Salaries and Wages .. .. .		10,22,129	
31,188	„ Contribution to Govt. Provident Fund and Administrative Charges .. .. .		41,470	
779	„ Workmen and Staff Welfare Expenses .. .. .		—	
120	„ Gratuity .. .. .		2,398	
7,34,268	„ Stores inclusive of seeds and Manures .. .. .		5,49,342	
7,978	„ Repairs and Renewals .. .. .		28,500	
1,99,205	„ Land Rent (Net) .. .. .		2,07,158	
1,70,621	„ Irrigation Rates and Taxes .. .. .		1,25,511	
6,542	„ Expenses on Sale of Grains, Cotton, tobacco etc. .. .. .		1,345	
33,207	„ Education Cess .. .. .		32,435	
6,562	„ Rent .. .. .		3,510	
—	„ Payment to Auditors in Other Capacity .. .. .		2,500	
65,387	„ Miscellaneous Expenses including Printing & Stationery, Postage and Telegrams and Travelling Expenses (including harvesting and carting Commission Rs. 15,942/- Previous year Rs. 15,664/-) .. .. .		71,163	
288	„ Insurance Premium .. .. .		—	
25,687	„ Depreciation .. .. .		21,249	
19,854	„ Land Development Expenses written off .. .. .		—	
167	„ Staff Quarters Rent Refund .. .. .		—	
5,962	„ Legal Charges .. .. .		55,201	
222	„ Expenses for manufacturing Gur .. .. .		—	
27,750	„ Brokerage and Commission (Guarantee Commission) .. .. .		44,625	
10	„ Loose Tools written off .. .. .		9	
33,96,339			31,08,810	
8,58,356	Less: Crop in Progress as at 31st May, 1973 .. .. .		7,08,152	
25,37,983				
5,21,72,437				
	Carried Over .. .. .		24,00,658	5,28,40,085



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1973

As at 31st May, 1972			
Rupees		Rupees	Rupees
	By Sales:		
10,50,37,843	Sugar .. .. .	11,82,27,625	
1,27,207	Molasses .. .. .	2,13,930	
33,136	Sugar Cane .. .. .	—	
7,106	Gur .. .. .	533	
1,30,830	Food Grains, Tobacco, Grains etc. (including consumption of Rs. 13,455/- as per contra) ..	1,69,955	
10,53,36,122			11,86,12,043
7,05,901	„ Sundry receipts from Flour Mills, Dairy etc. .. .. .		6,95,358
1,53,067	„ Income from Immovable Property .. .. .		1,62,615
2,52,021	„ Sundry receipts being market value of Farm Produce etc. (including loss on sale of grains Rs. 12,814/-) .. .. .		2,48,691
	„ Income from Khanapur and Lakh Farms in Partnership:		
4,500	(a) Khanapur Farms:		
1,12,193	Machinery Hire Charges .. .. .	—	
1,16,693	Add: 1/4 Share of Profit for the year. .. .. .	—	
	(b) Lakh Farms:		
4,500	Machinery Hire Charges .. .. .	—	
75,316	Add: 1/4 Shares of Profit for the year .. .. .	—	
79,816			
1,96,509			
96	„ Dividend on Co-operative Bank Share .. .. .		95
48	„ Share Transfer and Splitting Fees .. .. .		18
	„ Interest:		
16,93,632	On Loans and Others .. .. .	12,88,272	
1,43,094	From Subsidiary Company .. .. .	1,31,312	
	From Bank:		
3,395	On Fixed Deposit .. .. .	1,822	
1,822	From Lessors .. .. .	—	
	(Income tax deducted at source Rs. 5,08,797/-)		14,21,406
18,41,943			
10,84,85,707	Carried Over .. .. .		12,11,40,226

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1972				
Rupees			Rupees	Rupees
5,21,72,437		Brought Forward .. .. .	24,00,658	5,28,40,085
25,37,983				
1,16,702	To Transportation of Cane .. .. .		92,394	
—	„ Loss of Lakh and Khanapur Farms in Partnership:			
	Lakh Farms:			
	1/4 Share of loss for the year .. .. .	10,764		
	Khanapur Farms:			
	1/4 Share of loss for the year .. .. .	6,613		
26,54,685			17,377	
5,24,03,859	„ Locally Purchased Cane .. .. .			25,10,429
52,15,915	„ Salaries and Wages (after deducting Rs. 22,87,871/- charged to repairs, capital and other relevant heads) .. .. .		66,11,689	6,57,18,434
72,332	„ Bonus to employees .. .. .		40,482	
890	„ Company's Contribution to Employee's Family Pension Fund Scheme .. .. .		5,238	
91,103	„ Contribution to Provident Fund of the Company .. .. .		1,15,702	
94,548	„ Gratuity .. .. .		2,38,562	
3,70,047	„ Contribution to Govt. Provident Fund and Administrative Charges .. .. .		3,11,361	
1,48,456	„ Workmen and Staff Welfare Expenses .. .. .		2,49,186	
8,874	„ Workmen's Compensation .. .. .		7,338	
60,02,165				75,79,558
18,72,595	„ Stores, chemicals and spare parts (after deducting Rs. 50,02,689/- charged to Agriculture, capital, repairs and other relevant heads) .. .. .			23,94,694
4,07,039	„ Power and Fuel .. .. .			13,59,803
8,71,357	„ Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 5,96,253/-, previous year Rs. 4,88,069/-) .. .. .		14,21,115	
4,19,572	„ Repairs to Buildings (inclusive of Salaries & Wages Rs. 2,21,597/-, previous year Rs. 1,62,571/-) .. .. .		5,08,353	
3,29,312	„ Other repairs (inclusive of Salaries & Wages Rs. 22,968/-, previous year Rs. 62,378/-) .. .. .		1,74,995	
16,20,241				21,04,463
34,03,269	„ Sugar Cane Purchase-tax .. .. .			47,91,096
86,000	„ Gratuity Insurance .. .. .			77,000
1,97,80,996	„ Excise Duty .. .. .			1,24,60,258
14,04,03,286				
	Carried Over .. .. .			15,18,35,820



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1973

As at 31st May, 1972												
Rupees											Rupees	Rupees
10,84,85,707	Brought Forward .. .. .											12,11,40,226
2,321	By Sale of Live Stock .. .. .											12,240
—	„ Profit on Sale of Assets .. .. .											6,117
—	„ Rebate on excise duty .. .. .											27,40,744
11,106	„ Claims and Refunds .. .. .											3,993
	„ Stock-in-trade (as taken valued and certified by a Managing Director)											
5,28,04,567	Sugar at market rate .. .. .										4,25,50,161	
35,518	Molasses at market rate .. .. .										60,242	
28,443	Foodgrains, Tobacco, etc., at market rate .. .. .										15,059	
5,28,68,528												4,26,25,462
—	„ Balance being loss for the year .. .. .											24,42,670
16,13,67,662	Carried Over .. .. .											16,89,71,452

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1972			Rupees	Rupees
Rupees		Brought Forward .. .. .		15,18,35,820
14,04,03,286				2,73,810
1,48,281	To Insurance Premium .. .. .			4,923
97,851	" Emergency Risk Insurance Premium .. .. .			25,08,711
21,11,283	" Packing and Forwarding .. .. .			2,38,934
2,25,756	" Rent (Received Rs. 1,200/-, Previous Year Rs. 1,200/-)			2,74,143
2,98,147	" Rates and Taxes .. .. .			11,58,540
10,34,451	" Sole Selling Agents' Commission on Sugar .. .. .			—
2,054	" Staff House Rent Refund .. .. .			—
22,60,556	" Miscellaneous Expenses (including printing & stationery, postage and telegrams, telephone, travelling and motor car maintenance) .. .. .			24,95,434
2,770	" Charity and Donation .. .. .			1,07,448
—	" Cattle Camp Expenses & Drought Relief Expenses .. .. .			58,046
	" Interest:		2,040	
1,942	Directors .. .. .		28,44,455	
26,87,960	Cash Credit Account .. .. .		30,09,900	
4,17,773	Fixed Loans .. .. .		9,60,266	
10,10,239	Fixed Deposits .. .. .		1,20,000	
1,20,000	Debentures .. .. .		10,03,706	
5,72,804	Other Loans .. .. .			79,40,367
48,10,718				5,000
3,800	" Directors' Fees .. .. .			83,951
1,22,853	" Directors' Travelling Expenses .. .. .			
	" Managing Director's Remuneration:		90,000	
90,000	Remuneration .. .. .		—	
13,471	Commission on Profit .. .. .			90,000
1,03,471				
10,000	" Payment to Auditors:		10,000	
10,750	Audit Fees .. .. .		10,000	
	In Other Capacity .. .. .			20,000
20,750				4,28,265
3,68,930	" Brokerage and Commission (including Guarantee Commission of Rs. 89,243/-, Previous year Rs. 81,265/-) .. .. .			12,27,014
4,42,129	" Agricultural Development Expenses (inclusive of Salaries & Wages Rs. 3,47,052/-, Previous Year Rs. 3,68,373/-) .. .. .			85,160
37,036	" Expenses of Scientific Research after deduction of sale of products .. .. .			1,33,026
1,37,211	" Legal Expenses .. .. .			—
13,04,229	" Depreciation .. .. .			2,560
2,505	" Loose Tools and Implements written off .. .. .			300
300	" Premium on leasehold garage written off .. .. .			—
33,50,000	" Development Rebate Reserve .. .. .			—
40,79,295	" Balance being Profit for the year .. .. .			
16,13,67,662				16,89,71,452
		Total Rupees .. .. .		



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1973

<i>As at</i> 31st May, 1972	
<i>Rupees</i>	
16,13,67,662	<div> <div>Rupees</div> <div>Rupees</div> <div>Brought Forward .. .. .</div> <div>16,89,71,452</div> </div>
16,13,67,662	<div> <div>Total Rupees .. .. .</div> <div>16,89,71,452</div> </div>

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1972			Rupees	Rupees	Rupees
	To Bonus to Employees pertaining to Previous Years:				
55,386	Agriculture .. .. .			1,66,599	
4,88,055	Manufacturing .. .. .			11,74,670	13,41,269
5,43,441					
19,50,000	„ Transfer to General Reserve .. .. .				—
28,04,433	„ Short Provision for Taxation for Previous Year .. .. .				—
—	„ Balance brought down .. .. .				24,42,670
1,369	„ Balance carried to Balance Sheet .. .. .				—
	NOTE :				
	Computation of Managing Director's Commission is as follows:				
40,79,295	(Profit) Net Loss as per Profit and Loss Account.. ..			24,42,670	
1,03,471	(Add) Less: (i) Managing Director's Remuneration	90,000		90,000	
33,50,000	(ii) Development Rebate Reserve .. ..	—		23,52,670	
34,53,471					
	(Add) Less: Depreciation:				
25,687	(i) Agriculture .. .. .	21,249		21,249	
13,04,229	(ii) Factory .. .. .	—		23,31,421	
13,29,916					
88,62,682	(Less) (Add) (i) Depreciation to the extent specified in Section				
51,15,556	350 of the Companies Act, 1956	66,07,336			
4,00,000	(ii) Estimated Liability of Bonus as per Note No. 7	4,00,000			
20,00,000	(iii) Donation paid and debited to General Reserve	—		70,07,336	
75,15,556					
13,47,126	(Profit) Net Loss for Calculating Managing Director's Commission			93,38,757	
13,471	1% of the Net Profit of the previous year ..			Nil	
	Total Managerial Remuneration:				
90,000	Remuneration .. .. .	90,000			
13,471	Commission on Profit .. .. .	—			
7,500	Company's contribution to Provident Fund .. ..	7,500			
1,800	Perquisite for use of Company's Car .. ..	1,800			
1,12,771	Total Rs...	99,300			
52,99,243	Total Rupees .. .. .				37,83,939

Referred to in our Report of even date  
For and on behalf of

**NANUBHAI & CO.,**

**D. H. PARMAR**

Partner  
Chartered Accountants.



THE YEAR ENDED 31ST MAY, 1973

OMBAY: Dated 2nd March, 1974.

J. G. DALAL  
S. K. SOMAIYA  
S. S. PAREKH  
D. M. POPAT

} *Directors.*

# THE GODAVARI SUGAR

## Schedule of Fixed Assets Attached to and

### Schedule 'A'

PARTICULARS	Gross Block as at 1-6-72 at Cost except Otherwise Stated	Additions during the Year	Adjustment of Additions	Sub-Total	Deduction of Sales and other adjustments during the year
(1)	(2)	(3)	(4)	(5)	(6)
	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold Land (Book Value) .. .. .	28,15,149	30,212	(*) 2,635	28,47,996	28,904
Leasehold Land Premium .. .. .	3,91,485	—	—	3,91,485	(*) 2,635
Leasehold Development Expenses .. .. .	1,12,491	11,494	—	1,23,985	—
Leasehold Premium on Garage .. .. .	12,000	—	—	12,000	—
Buildings & pucca quarters at factories .. .. .	1,50,05,207	35,02,196	—	1,85,07,403	(*) 108
Temporary Quarters .. .. .	6,36,810	89,484	—	7,26,294	—
Temporary Quarters at Farms .. .. .	2,88,760	1,929	—	2,90,689	—
Pucca Quarters at Farms .. .. .	2,18,525	—	(*) 108	2,18,633	—
General Machinery (Book Value) .. .. .	4,30,52,088	25,05,918	—	4,55,58,006	(*) 11,386
Electrical Machinery .. .. .	27,67,297	1,36,328	—	29,03,625	—
Agricultural Machinery (Book Value) .. .. .	34,78,519	—	—	34,78,519	5,000
Locomotives .. .. .	92,974	—	—	92,974	—
Electrical Installation and Fittings .. .. .	5,66,679	3,48,512	—	9,15,191	—
Furniture and Office Equipment .. .. .	18,02,095	1,47,654	—	19,49,749	110
Weigh Bridge .. .. .	3,36,767	26,063	—	3,62,830	(*) 455
Trolley Lines .. .. .	6,28,058	—	—	6,28,058	—
Railway Siding .. .. .	1,25,620	—	(*) 455	1,26,075	—
Motor Cars, Lorries & Cycles (Book Value) .. .. .	20,38,641	1,62,046	(*) 10,895	22,11,582	20,942
Carts & Trucks (Book Value) .. .. .	3,55,903	—	—	3,55,903	—
Laboratory Apparatus .. .. .	99,638	7,367	—	1,07,005	—
Roads, Drainage and Tube Wells .. .. .	13,33,185	57,661	—	13,90,846	—
Dead Stocks .. .. .	75,150	20,322	(*) 491	95,963	—
Library .. .. .	7,758	—	—	7,758	—
Medical Instruments .. .. .	363	—	—	363	—
Irrigation Lifts .. .. .	12,02,857	52,668	—	12,55,525	—
Live Stocks .. .. .	89,207	—	—	89,207	—
<b>TOTAL RUPEES .. .. .</b>	<b>7,75,33,226</b>	<b>70,99,854</b>	<b>14,584</b>	<b>8,46,47,664</b>	<b>69,540</b>

(\*) Items marked are transferred from one head to other so as to show under correct head.

Referred to in our Report of even date  
For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
Partner  
Chartered Accountants.

BOMBAY: Dated 4th March, 1974.



# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 31st May, 1973

Gross Block as on 31st May, 1973	Written off Upto 31st May, 1972	Written off during the Year	Sub-Total	Deduction of Depreciation on account of Sale	Total Depreciation Upto 31st May, 1973	Net Depreciated Block as at 31st May, 1973	Net Depreciated Block as at 31st May, 1972
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
28,19,092	—	—	—	—	—	28,19,092	28,15,149
3,88,850	3,88,850	—	3,88,850	—	3,88,850	—	2,635
1,23,985	—	—	—	—	—	1,23,985	1,12,491
12,000	4,500	300	4,800	—	4,800	7,200	7,500
1,85,07,295	31,15,939	1,123	31,17,062	—	31,17,062	1,53,90,233	1,18,89,268
7,26,294	2,44,334	—	2,44,334	—	2,44,334	4,81,960	3,92,476
2,90,689	1,59,742	—	1,59,742	—	1,59,742	1,30,947	1,29,018
2,18,633	65,016	1,130	66,146	—	66,146	1,52,487	1,53,509
4,55,46,620	1,29,57,848	4,524	1,29,62,372	—	1,29,62,372	3,25,84,248	3,00,94,240
29,03,625	18,30,648	—	18,30,648	—	18,30,648	10,72,977	9,36,649
34,73,519	31,93,792	12,200	32,05,992	5,000	32,00,992	2,72,527	2,84,727
92,974	86,792	—	86,792	—	86,792	6,182	6,182
9,15,191	99,723	—	99,723	—	99,723	8,15,468	4,66,956
19,49,639	8,06,887	302	8,07,189	—	8,07,189	11,42,450	9,95,208
3,62,375	1,61,231	17	1,61,248	—	1,61,248	2,01,127	1,75,536
6,28,058	5,86,128	—	5,86,128	—	5,86,128	41,930	41,930
1,26,075	1,08,337	—	1,08,337	—	1,08,337	17,738	17,283
21,90,640	10,02,041	62	10,02,103	12,364	9,89,739	12,00,901	10,36,600
3,55,903	3,09,948	559	3,10,507	—	3,10,507	45,396	45,955
1,07,005	36,697	—	36,697	—	36,697	70,308	62,941
13,90,846	7,42,948	—	7,42,948	—	7,42,948	6,47,898	5,90,237
95,963	60,884	263	61,147	—	61,147	34,816	14,266
7,758	5,489	—	5,489	—	5,489	2,269	2,269
363	330	—	330	—	330	33	33
12,55,525	9,59,138	489	9,59,627	—	9,59,627	2,95,898	2,43,719
89,207	78,859	580	79,439	—	79,439	9,768	10,348
8,45,78,124	2,70,06,101	21,549	2,70,27,650	17,364	2,70,10,286	5,75,67,838	5,05,27,125

K. J. SOMAIYA

Chairman and Managing Director.

K. R. THANAWALA  
Secretary.

J. G. DALAL  
S. K. SOMAIYA  
S. S. PAREKH  
D. M. POPAT

} Directors.

BOMBAY: Dated 2nd March, 1974.

# GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

## DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Eighteenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1973.

During the year under report, the Finance Scheme and Hire-Purchase Scheme worked satisfactorily.

The Working of the Company for the year resulted in a Profit of Rs. 9,323/- after providing Rs. 18,000/- for taxation. After adjusting the same from last year's loss, and after making adjustment for excess provision for doubtful debts reccredited amounting to Rs. 9/- and for short provision for taxation for previous year amounting to Rs. 2,113/- the net carried forward loss comes to Rs. 26,838/- which has been carried forward to next year. In view of this, Directors do not recommend any dividend for the year.

You are requested to appoint auditors for the current year and fix their remuneration.

Yours faithfully,

For and on Behalf of the Board of Directors,

**K. J. SOMAIYA**

*Director.*

BOMBAY: Dated 27th November, 1973.



# GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of The Godavari Investment and Finance Corporation Limited as at 31st May, 1973 and also the attached Profit and Loss Account of the Company for the year ended on that date and report that:

1. 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.
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 of Accounts produced before us.
3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the Books of Accounts.
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the note 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, 1973 and,
  - (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
*Partner*  
*Chartered Accountants.*

BOMBAY: Dated 28th November, 1973.

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1972	LIABILITIES	Rupees	Rupees
Rupees			
5,00,000	<b>I. AUTHORISED CAPITAL:</b> 5,000 Ordinary (Equity) Shares of Rs. 100/- each .. .. .		5,00,000
1,00,000	<b>II. SUBSCRIBED CAPITAL:</b> 2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company, The Godavari Sugar Mills Ltd., and its nominees .. .. .		1,00,000
10,57,198	<b>III. SECURED LOANS:</b> In Cash Credit Account with Bank of India against hypothecation of Machinery and Implements and book debts including those given/to be given on hire-purchase and against equitable sub-mortgages by deposit of the mortgage documents including prior title deeds relating thereto in respect of the rights of the company as mortgage under mortgage documents executed in favour of the company by cultivators and guaranteed by two Directors of the Company and also by Holding Company .. .. .		6,77,373
12,98,480	<b>IV. UNSECURED LOANS:</b> Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.,		7,33,551
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>		
	(A) CURRENT LIABILITIES:		
57,934	(i) Sundry Creditors .. .. .	1,07,011	
10,023	(ii) Estimated unearned Finance charges on hire-purchase carried forward ..	6,955	
19,877	(iii) Interest accrued but not due on Loans .. .. .	14,125	
87,834		1,28,091	
	(B) PROVISIONS:		
41,138	For Taxation .. .. .	32,438	
1,28,972			1,60,529
	<b>NOTE:</b> Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for Loans amounting to Rs. 6,079/- have been either sent for registration or are under execution.		
25,84,650	Total Rupees .. .. .		16,71,453

Referred to in our Report of even date.  
For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
Partner  
Chartered Accountants.

BOMBAY: Dated 28th November, 1973.



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1973

As at 31st May, 1972	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)			
12,017	Machinery Stores and Spares .. .. .		12,017	
	(ii) Future instalments receivable from hire of Oil Engines and Pumps under Hire-Purchase Agreements: (Considered good).		15,691	
25,738	(iii) 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.			
1,14,859	Outstanding for more than 6 Months .. .. .	1,18,978		
45,181	Considered doubtful .. .. .	45,221		
1,60,040		1,64,199		
45,181	Less: Provision for Doubtful debts .. .. .	45,221		
1,14,859		1,18,978		
21,354	Other debts .. .. .	15,817		
1,36,213			1,34,795	
	(iv) CASH AND BANK BALANCE:			
796	Cash on hand .. .. .	234		
3,105	Stamp Papers on hand .. .. .	4,671		
1,628	In Current Account with a Scheduled Bank .. .. .	2,249		
5,529			7,154	
	(B) LOANS AND ADVANCES:			
	(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 Godavari Sugar Mills Ltd., in terms of agreements:—			
22,96,066	Secured .. .. .	14,22,740		
37,841	Considered doubtful .. .. .	37,791		
23,33,907		14,60,531		
37,841	Less: Provision for Doubtful Loans .. .. .	37,791		
22,96,066			14,22,740	
27,316	(ii) Advance Income-tax .. .. .		13,650	
29,000	(iii) Deposit .. .. .		29,000	
18,714	(iv) Advances recoverable in cash or kind .. .. .		9,568	
25,50,593				16,44,615
	<b>II. MISCELLANEOUS EXPENDITURE:</b>			
	Profit and Loss Account:			
34,057	Loss as per Profit and Loss Account .. .. .			26,838
25,84,650	Total Rupees .. .. .			16,71,453

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.

K. R. THANAWALA  
Secretary

K. J. SOMAIYA  
S. K. SOMAIYA  
S. R. PARIKH } Directors.

BOMBAY: Dated 27th November, 1973.

# GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1972			Rupees	Rupees
	Rupees			
		To Opening Stock:		
14,914		Machinery, Spares and Fittings .. .. .		12,017
		„ Purchases:		
—		Stores .. .. .		190
1,450		„ Machinery returned by Bagaitdars .. .. .		2,944
2,907		„ Miscellaneous expenses, fees and stamps, printing & stationery, postage and telegrams, conveyance, travelling etc. .. .. .		2,398
89		„ Insurance Premium .. .. .		61
		„ Interest:		
1,43,094		On Current Account to the Holding Company, The Godavari Sugar Mills Ltd. ..	1,31,312	
1,13,978		On Cash Credit Account with a Bank .. .. .	1,06,551	
				2,37,863
2,57,072				
7,675		„ Office Rent .. .. .		9,600
500		„ Audit Fees .. .. .		500
25,022		„ Salary .. .. .		21,921
21,634		„ Legal Expenses .. .. .		—
1,068		„ Bonus (Includes Rs. 1,106/- relating to Previous year) .. .. .		3,155
1,054		„ Company's Contribution (to the Holding Company) towards Provident Fund .. ..		1,012
251		„ Govt. Provident Fund, Company's Contribution and Administrative charges .. ..		232
1		„ Company's Contribution to Bombay Labour Welfare Fund .. .. .		—
—		„ Workmen and Staff welfare expenses .. .. .		50
14,438		„ Provision for Taxation .. .. .		18,000
7,775		„ Profit carried down .. .. .		9,323
3,55,850		Total Rupees .. .. .		3,19,266
41,544		To Loss as per last Balance Sheet .. .. .		34,057
485		„ Short Provision for taxation of Previous year .. .. .		2,113
42,029		Total Rupees .. .. .		36,170

Referred to in our Report of even date  
For and on behalf of  
**NANUBHAI & CO.**  
**D. H. PARMAR**  
Partner  
Chartered Accountants.



THE YEAR ENDED 31ST MAY, 1973

K. R. THANAWALA  
Secretary

K. J. SOMAIYA  
S. K. SOMAIYA  
S. R. PARIKH

} *Directors.*

35