



**THE
GODAVARI
SUGAR MILLS
LIMITED**

ANNUAL REPORT & ACCOUNTS
1973-74

35

1974

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 JAYANTILAL GANGADAS DALAL

SHRI DHARAMSHI MORARJI POPAT

SMT. SARLABEN SEVANTIBHAI PAREKH

SHRI SHRIDHAR NARAYAN VAIDYA

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 Thirtyfifth Annual General Meeting of The Godavari Sugar Mills Limited will be held on Thursday, the 26th June, 1975 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 receive and adopt Directors' Report and Audited Statement of Accounts for the period ended 30th September, 1974.
2. To elect a Director in place of Shri S. K. Somaiya who retires by rotation, but being eligible, offers himself for re-election.
3. To elect a Director in place of Shri D. M. Popat who retires by rotation, but being eligible, offers himself for re-election.
4. To appoint as a Director of the Company Shri S. N. Vaidya who was appointed as an Additional Director by the Board of Directors on 30th September, 1974 under the provisions of Section 260 of the Companies Act, 1956 read with Article 84 of the Articles of Association of the Company and who holds office under Section 262 of the Companies Act, 1956 upto the date of this meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member intimating his intention to propose Shri S. N. Vaidya as a candidate for the office of a Director.
5. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION NO. 1:

"Resolved that in supersession of the resolution passed at the 31st Annual General Meeting of the Company held on 30th January, 1971 and pursuant to the Clause (d) of Sub-section (1) of Section 293 of the Companies Act, 1956, consent of Company be and it is hereby accorded to the Board of Directors of the Company for borrowing moneys for the purpose of the Company from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed, if any, by the Company (apart from the temporary loans obtained by the Company from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys can be borrowed by the Directors shall not at any time exceed Rs. 20 crores."

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

ORDINARY RESOLUTION No. 2:

"Resolved that pursuant to the provisions of Section 204A and 314 as also such other provisions of the Companies Act as may be applicable, the approval, consent and authority of the Company be and is hereby given to the following individual holding and continuing to hold the appointments as mentioned against his name that is to say:

- Shri K. J. Somaiya : 1. Chairman until resolved to the contrary.
2. Managing Director for 5 years commencing from 1-6-1975 on the terms and conditions as set out in ordinary Resolution No. 3 herein"
7. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION NO. 3:

"Resolved that pursuant to Article 119 of Articles of Association and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of the Central Government, approval of the shareholders be and is hereby given to the payment of remuneration to Shri K. J. Somaiya as Managing Director of the Company for the period commencing from 1st June, 1975 to 31st May, 1980 as per terms and conditions given below with a power to the Board of Directors to agree to such variations in the said terms and conditions as may be required by the Central Government and agreeable to Shri K. J. Somaiya".

- (i) *Salary*: Rs. 10,000/- (Rupees Ten Thousand only) per month.
- (ii) *Minimum Remuneration*: In the year of loss or of no profit the minimum remuneration be also payable at the rate of Rs. 10,000/- (Rupees Ten Thousand only) per month.
- (iii) *Commission*: 1% of the net profits of Company in each financial year computed in the manner as laid down in Section 309 (5) of the Companies Act, subject to a minimum of Rs. 60,000/- (Rupees Sixty Thousand only) per annum or one-half of the total annual salary, whichever is less.
- (iv) *Perquisites*:
 - (a) Free furnished accommodation with facilities and amenities or reasonable rent in lieu thereof.
 - (b) Free use of Company's car with chauffeur and with full maintenance charges in respect thereof such as fuel, repairs, overhauling, garage rent, wages and other dues payable to the chauffeur and like.
 - (c) Free telephone at the residence.
 - (d) Actual medical expenses incurred by the Managing Director and his wife.
 - (e) Leave with pay for a period not exceeding one month in a year or one-eleventh of duty period subject to the condition that encashment of leave unavailed of shall not be allowed.
 - (f) Leave travelling expenses within India for self and wife once in each financial year.
 - (g) Personal accident insurance.
 - (h) Reimbursement of all entertainment expenses actual and properly incurred for the business of the Company and which will not be treated as an item of his remuneration, in terms of Section 198 of the Companies Act, 1956.

- (i) Other benefits and amenities as may be applicable to other senior executives of the Company;
 - (j) Benefit of Provident Fund and Superannuation Scheme and other retirement benefits, if any, as may be fixed by the Board of Directors of the Company;
 - (k) Gratuity as admissible under the Company's rules;
 - (l) Pension at Rs. 1,750/- per month for the remainder of his life time from the date of retirement but such pension at the rate of Rs. 1,750/- per month shall in any event be payable certain to him or his widow or to his nominee at the rate of one month's pension for each year of service put in from 1-6-1970 and for a period of less than a year to a pension of Rs. 1,750/- per month for the proportionate period.
8. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

SPECIAL RESOLUTION NO. 1:

"Resolved that the Articles of Association of the Company be altered in the following manner":

"Articles 85 and 91 (a) be and they are hereby deleted".

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

SPECIAL RESOLUTION NO. 2:

- (i) "Resolved that the Board of Directors of the Company be and they are hereby authorised to make any loan or give any guarantee to any person or provide any security in connection with any loan made or to be made by any person to any other person upto a limit given hereunder:
 - (a) to or in connection with any single individual upto a limit of Rs. 10 lacs subject to a limit of Rs. 50 lacs to or in connection with all such individuals;
 - (b) to or in connection with any single firm or association of persons upto a limit of Rs. 10 lacs subject to a limit of Rs. 50 lacs to or in connection with all such firms or association of persons;
 - (c) to or in connection with any single body corporate (whether a Private or Public Limited Company or any other body corporate) upto a limit of Rs. 45 lacs in each individual case subject to a limit of Rs. 200 lacs to or in connection with all such bodies corporate".
- (ii) "Resolved further that pursuant to the provisions of Section 370 (if applicable) and other provisions applicable if any, of the Companies Act, 1956 and subject to the Central Government's approval wherever necessary, the Company hereby authorises, approves and confirms the loans outstanding as on 30th September, 1974 as set out below:

(a) from Bodies Corporate under the same management ...	Rs. 34,36,090
(b) from Bodies Corporate not under the same management	Rs. 76,00,233

Total Rs. 1,10,36,323"

10. To appoint Auditors for the current year in place of the present Auditors who have indicated their unwillingness to continue as Auditors in view of the amendments to the Companies Act, 1956, and to fix their remuneration. The Company has received Special Notice from a shareholder intending to move the following Resolution in this behalf:

“ Resolved that Messrs. Ambalal Thakkar & Co., be and they are appointed as Auditors of the Company, in place and stead of Messrs Nanubhai & Co., who have indicated their unwillingness to continue as Auditors from the date of this Annual General Meeting upto the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors not exceeding Rs. 20,000/- (exclusive of all out-of-pocket expenses and fees for other work done)”.

By Order of the Board of Directors

K. J. SOMAIYA

Managing Director

BOMBAY: Dated 21st March, 1975.

- Notes:**
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
 2. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business under items No. 4 to 10 is annexed herewith.
 3. A draft of the agreement proposed to be entered into with Shri K. J. Somaiya for his re-appointment as Managing Director of the Company is available for inspection at the Registered Office of the Company on any working day during 10-30 a.m. to 1-30 p.m.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

EXPLANATORY STATEMENT

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

Item No. 4:

Shri S. N. Vaidya was appointed as an Additional Director by the Board of Directors on 30th September, 1974 under provisions of Section 260 of the Companies Act, 1956 read with clause 84 of Articles of Association of the Company. He would hold office upto the date of the next Annual General Meeting to be held on 26th, June 1975. The Board considers it desirable that the Company should avail itself of his services.

Item No. 5:

By an Ordinary Resolution passed at the Annual General Meeting of the Company held on 30th January, 1971, the Board of Directors were authorised to borrow funds upto a limit of Rs 10 crores. In view of the expansion of the activities of the Company, the Board of Directors is of the opinion that to meet the additional requirements, the borrowing limit of Rs. 10 crores be increased to Rs. 20 crores.

Items No. 6:

M/s. K. J. Somaiya & Sons Private Ltd. were the Managing Agents of the Company till 31st December, 1969. Shri K. J. Somaiya is an associate of M/s. K. J. Somaiya & Sons Private Ltd. within the meaning of Section 204 (a) of the Companies Act 1956. Under the said Section, the approval of the Company in General Meeting is necessary before Shri K. J. Somaiya could be appointed to any Office in the Company. The Directors therefore, recommend the same for your approval.

Item No. 7:

Shri K. J. Somaiya was appointed as Managing Director of the Company with effect from 1st June, 1970 for a period of 5 years. The term of his appointment expires on 31st May 1975. In view of his long and very close association with the administration of the Company to which he has rendered valuable services and his intimate knowledge and practical experience of its affairs the Board desires that no other person would be better fitted to hold office as Managing Director than Shri K. J. Somaiya, to ensure smooth continuity of the management of the Company. Accordingly, the Board of Directors in their meeting held on 21st March, 1975 has commended for your approval the re-appointment of Shri K. J. Somaiya as Managing Director of the Company subject to Central Government's sanction on the terms and conditions set out in the draft of agreement produced before the said meeting and initialled by the Chairman for the sake of identification. The material terms relating to the re-appointment and remuneration of Shri K. J. Somaiya as Managing Director are set out in the abstract as required under Section 302 of the Companies Act, 1956 which is annexed to the Explanatory Statement.

Item No. 8:

The Companies Act 1956 does not prescribe any qualification shares to be held by the Directors of a Company. It has been observed that the recent trend of newly registered companies is to prescribe no qualification shares for Directors. It would, therefore, be in the fitness of things to delete Articles 85 and 91 (a) of Articles of Association of the Company.

Item No. 9:

The Company has advanced monies to various Corporate Bodies and because of losses suffered by the Company during the period ending 30th September, 1974 these advances are likely to exceed the limits prescribed under Section 370 of the Companies Act, 1956. The Company therefore proposes to obtain Central Government's approval after the same has been approved by the members.

Item No. 10:

In view of the amendments to the provisions of the Companies Act, 1956, the Company's Auditors Messrs. Nanubhai & Co., have indicated their unwillingness to be re-appointed as Auditors. The Company has received a Special Notice from a Shareholder proposing to move a Resolution as set out in the Notice of the Meeting.

INTEREST OF DIRECTORS

Two of the Directors of the Company namely Shri K. J. Somaiya and Shri S. K. Somaiya are interested in Ordinary Resolution No. 3 set out in item No. 7 of the Notice.

The respective shareholding of each of the above Directors in the Company is as follows:

	Equity	Preference
Shri K. J. Somaiya	10,386	—
Shri S. K. Somaiya	11,641	—

In addition to above, Shri K. J. Somaiya and Shri S. K. Somaiya along with other person/persons hold 1,29,899 Equity Shares of the Company. Shri K. J. Somaiya as Karta of K. J. Somaiya Hindu Undivided Family holds 3,600 Equity Shares of the Company. Shri S. K. Somaiya as natural guardian of Kumari H. S. Somaiya holds 1,080 Equity Shares of the Company and Shri K. J. Somaiya and others hold 10,800 Equity Shares of the Company.

Shri S. K. Somaiya is interested as a Director in some of the Bodies Corporate to whom loans mentioned in Special Resolution No. 2 set out in item No. 9 of the Notice have been granted. Similarly, Shri K. J. Somaiya and Shri S. K. Somaiya may be deemed to be interested in the resolution inasmuch as they together with their relatives are shareholders of some of the Bodies Corporate as mentioned above.

BOMBAY: Dated 21st March, 1975.

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

(An abstract of the Agreement to be entered into between the Company and Shri K. J. Somaiya for his appointment as the Managing Director of the Company and Memorandum of Interest furnished in accordance with Section 302 of the Companies Act 1956.)

PARTIES :—

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

(hereinafter called 'the Company') and

SHRI K. J. SOMAIYA (hereinafter called 'the Managing Director')

1. Period:

Commencing from 1st June, 1975 to 31st May, 1980.

2. Duties, Responsibilities and Powers:

Subject to the superintendence, control and direction of the Board of Directors of the Company, the Managing Director shall be responsible for the general conduct and management of the business and affairs of the Company for which he shall have the usual powers.

3. Remuneration:

- (i) *Salary:* Rs. 10,000/- (Rupees ten thousand only) per month.
- (ii) *Minimum remuneration:* In the year of loss or of no profit the minimum remuneration is also payable at the rate of Rs. 10,000/- (Rupees ten thousand) per month.
- (iii) *Commission:* 1% on the net profits of the Company for each financial year computed in the manner as laid down in Section 309 (5) of the Companies Act, subject to a maximum of Rs. 60,000/- (Rupees Sixty thousand only) per annum or one-half of the total annual salary whichever is less.
- (iv) *Perquisites:*
 - (a) Free furnished accommodation with facilities and amenities or reasonable rent in lieu thereof;
 - (b) Free use of Company's car with chauffeur and with full maintenance charges in respect thereof such as fuel, repairs, overhauling, garage rent, wages, and other dues payable to the chauffeur and the like;
 - (c) Free telephone at the residence;
 - (d) Actual medical expenses incurred by the Managing Director and his wife;
 - (e) Leave with pay for a period not exceeding one month in a year or one-eleventh of duty period subject to the condition that encashment of leave unavailed of shall not be allowed;
 - (f) Leave travelling expenses within India for self and wife once in each financial year;
 - (g) Personal accident insurance;
 - (h) Reimbursement of all entertainment expenses actually and properly incurred for the business of the Company and which will not be treated as an item of his remuneration, in terms of Section 198 of the Companies Act, 1956.

- (i) Other benefits and amenities as may be applicable to other senior executives of the Company;
- (j) Benefit of Provident Fund and Superannuation Scheme and other retirement benefits, if any, as may be fixed by the Board of Directors of the Company;
- (k) Gratuity as admissible under the Company's rules;
- (l) Pension at Rs. 1,750/- per month for the remainder of his life time from the date of retirement but such pension at the rate of Rs. 1,750/- per month shall in any event be payable certain to him or his widow or his nominee at the rate of one month's pension for each year of service put in from 1-6-70 and for a period of service of less than a year to a pension of Rs. 1,750/- per month for the proportionate period.

4. *Minimum remuneration:*

In case of absence of profits (including the case of loss) as inadequacy of profits in any year or part of the year, the Managing Director shall be paid as minimum remuneration salary of Rs. 10,000/- (Rupees ten thousand only) per month along with aforesaid perquisites so that the total perquisites during any year do not exceed Rs. 30,000/- (Rupees thirty thousand only) per year.

5. *Compensation:*

Compensation for loss of Office of Managing Director will be paid subject to the provision of Section 318 of the Companies Act, 1956.

6. *General:*

Managing Director shall be entitled to be reimbursed for expenses incurred by him on behalf of the Company.

MEMORANDUM OF INTEREST

Shri K. J. Somaiya who is appointed as the Managing Director of the Company is deemed to be concerned or interested in the Agreement to the extent of remuneration to which he will be entitled as the Managing Director of the Company.

By Order of the Board of Directors

K. J. SOMAIYA

Managing Director

BOMBAY: Dated 21st March, 1975.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

DIRECTORS' REPORT

The Shareholders,
The Godavari Sugar Mills Limited,
Bombay.

Ladies and Gentlemen,

Your Directors are pleased to report on the audited statement of accounts of the Company for the period of sixteen months ended 30th September, 1974.

The Accounts are presented for a period of sixteen months with the permission of the Income Tax Department vide their letter dated 21st February, 1975. Hereafter also, the accounts would be closed every year ending 30th September.

FINANCIAL RESULTS:

The Working of the period ended 30th September, 1974 has resulted in an operating loss of Rs. 17,46,535/- before providing for interest, depreciation, development rebate and physical loss due to riots and fire at Sameerwadi. The total loss for the period of 16 months works out to Rs. 1,41,19,276/- after providing for interest of Rs. 1,21,02,920/-, development rebate of Rs. 12,68,226/- and after adjusting loss due to riots and fire at Sameerwadi, short provision for Taxation, Income Tax Refund and other adjustments shown in Profit & Loss Appropriation Account. As there is a loss, no provision has been made in the accounts for depreciation.

In view of the loss made by the Company, the Directors do not recommend dividend on Equity Shares and Preference Shares for the period ending 30th September, 1974.

The directors have transferred General Reserve Balance of Rs. 61,10,046/- to Profit & Loss Account.

As mentioned in our last report, a violent mob attacked the Sameerwadi Factory in December, 1973 and looted and burnt the properties of the Factory. Although the Company restarted after a close of 34 days, it could work in the remaining part of the season only at 2/3rd of the capacity. Transport also got disorganised as most of the transport contractors took up work elsewhere. Most of all, large quantities of cane were diverted for jaggery since the cultivators were not certain whether the factory would restart. The recovery was also very seriously affected as we lost most optimum and peak period. The mishap at Sameerwadi affected the working of Sakarwadi and Lakshmiwadi Factories, as the Company had to use funds and working capital otherwise meant for Sakarwadi and Lakshmiwadi for restarting the Sameerwadi Factory. The after effects of drought and resultant general shortage of cane in the area also aggravated the situation and created intense competition and virtual scramble for cane amongst neighbouring factories. All the above factors led to lower crushing at Sakarwadi and Lakshmiwadi Factories and very high cost of production resulting in heavy losses. Thus in the history of the Company, the last season 1973-74 has been a season of severe set-back at all the three units due to riots at Sameerwadi and other consequences.

Thus Season 1973-74 ended with a Production of 3,40,599 quintals of sugar for three units against a Production of 5,17,090 quintals of sugar during previous year and 4,72,691 quintals of sugar in the year 1971-72 with two units working.

The Karnataka Government and the Company's Bankers, Bank of India and Union Bank of India have come to the Company's rescue in unprecedented nature of financial difficulties faced

by the Company during last season by extending further credit facilities. Your Directors express their gratitude to Karnataka Government authorities and the Chairman and Officers of both the banks for appreciating the difficult situation of the Company and readily extending their help in the matter.

Due to timely help of the Karnataka Government and our Bankers, the working of the factories during the current season has been reasonably good. To-date, we have crushed 5,25,000 tonnes of cane and produced 5,45,000 quintals of sugar. During the current season, the recovery is comparatively better than the last season's recovery at all the three units. We expect to reach total crushing of about 6,50,000 tonnes of cane.

Cane availability for the season 1975-76 is expected to be still better. The directors therefore view the Current year and next year with optimism.

By an Order called Sugarcane (Control) Amendment Order, 1974, the Central Government has notified a formula for sharing the extra realisation of free sale sugar with the sugarcane growers from the season 1974-75 onwards. As a result the Company will have to pay minimum price fixed by the Central Government plus 50% of the season's excess realisation of free sale sugar for purchase of sugarcane during current season.

Maharashtra State Farming Corporation Limited by their letters dated 21st and 22nd October, 1974 informed the Company that in view of the consent terms dated 16-9-1974 arrived in the Misc. Petition No. 1126/1973 and without prejudice to their rights and contentions in this petition, they are ready and willing to supply to our Sakarwadi and Lakshmiwadi factories respectively their Sugar Cane for the Crushing Season 1974-75 at the price determined by and payable to them. The Corporation accordingly offered to supply to our Sakarwadi and Lakshmiwadi factories sugar cane from the surplus lands at the rate of Rs. 181/- per Metric Tonne and Rs. 176/- per Metric Tonne respectively ex-gate without any deductions or adjustments on any account whatsoever. They also informed that their said proposal remained open for acceptance for a period of 7 days only from receipt of the concerned letters. The company, therefore, falling in line with other joint Stock Sugar factories had taken out a notice of motion restraining the Maharashtra State Farming Corporation Limited from disposing of or selling the Sugar Cane to anybody else save and except to your Company. After negotiations, the necessary consent terms were filed without prejudice to the Company's rights and contentions in the Company's Writ Petition, challenging the validity of the Maharashtra Agricultural Lands (ceiling on holdings) (Amendment) Act, 1973.

With effect from 5th February, 1975 the Central Government changed the ratio of levy and free sale sugar distribution from 70:30 to 65:35 respectively. The Government, however has not revised the levy sugar prices for 1974-75 season inspite of increase in manufacturing cost of sugar. The Maharashtra Government has also increased the rate of sugarcane purchase tax from 4th November, 1974, from Rs. 10 per Metric Tonne to Rs. 16.60 per M. Tonne. Similary Karnataka government changed the basis of levy of cane purchase tax from advelorum to a fixed rate of Rs. 14/- per tonne from 16th November 1974.

The Appeal filed by the Company in the Supreme Court against the judgement of the Bombay High Court upholding the Constitutional validity of Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 (Maharashtra Act of No. 27 of 1961) has been dismissed.

The information required to be furnished under the Companies (Particulars of Employees) Rules 1975 is furnished in Note No. 14(c) to the Balance sheet.

As per Reserve Bank's directives, we hereby report:

- (a) that the number of depositors of the Company whose deposits have not been claimed by the depositors after the dates on which the deposits become due for repayment or renewal as on 30th September, 1974 is Nil.

- (b) that the amount due to the depositors and remaining unclaimed beyond the dates referred to in clause (a) as aforesaid as on 30th September, 1974 is Nil.

Shri S. K. Somaiya and Shri D. M. Popat two of your Directors retire by rotation, but being eligible, offer themselves for re-election.

In view of the changes in the Companies Act, 1956 and on the present Auditors indicating their unwillingness to be reappointed, it will be necessary to appoint new Auditors. The Company has received notice of a Resolution for the appointment of M/s. Ambalal Thakkar & Co., as Auditors of the Company for the ensuing year at a remuneration not exceeding Rs. 20,000/- (exclusive of payment in other capacity and out of pocket expenses) as may be fixed by the Board of Directors.

Yours faithfully,

By Order of the Board of Directors

K. J. SOMAIYA

Managing Director

BOMBAY: Dated 21st March, 1975.

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 30th September, 1974 and also the attached Profit and Loss Account of the Company for the period 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 purpose of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company, so far as appears from our examination of the Books 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 Note No. 5 regarding bonus, No. 6 regarding liability for accrued gratuity to employees, No. 7 regarding remuneration to Managing Director, No. 9 regarding loans to firms & other parties 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 30th September, 1974 and,
 - (b) in the case of the Profit and Loss Account of the Loss for the Period ended on that date.

FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR

Partner

BOMBAY: Dated 29th March, 1975.

BALANCE SHEET

AND

PROFIT & LOSS

ACCOUNT

1973-74

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1973	LIABILITIES			
Rupees	I. SHARE CAPITAL:	Rupees	Rupees	Rupees
	AUTHORISED CAPITAL:			
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			<u>3,00,00,000</u>	
	ISSUED AND SUBSCRIBED CAPITAL:			
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		<u>18,50,950</u>	
1,98,50,950				1,98,50,950
	II. RESERVES AND SURPLUS:			
	(A) General Reserve:			
70,69,605	As per last Balance Sheet	64,86,145		
6,85,433	Less: Dividend on Ordinary and Preference Shares paid for the year ending 31st May, 1973	<u>6,85,433</u>		
63,84,172		58,00,712		
1,01,973	Add: Transfer from Development Rebate Reserve	<u>3,09,334</u>		
64,86,145		61,10,046		
30,21,957	Less: Loss as per profit & Loss Account	<u>—</u>		
34,64,188		61,10,046		
—	Less: Transfer to Profit & Loss Account	<u>61,10,046</u>		
34,64,188				
1,98,50,950				
	Carried Over		<u>—</u>	1,98,50,950

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1974

As at 31st May, 1973	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At Cost or Book Value):			
8,45,78,124	Gross Block	9,38,64,961		
2,70,10,286	Less: Depreciation written off upto 30th September, 1974	2,69,40,778		
5,75,67,838	Net Depreciated Block as per Schedule 'A' attached	6,69,24,183		
47,16,544	Capital Work-in-Progress	9,87,158		
6,22,84,382				6,79,11,341
	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		
14,200	(ii) 142 Equity Shares of Sakarwadi Sugar Factory Ltd., of Rs. 100/- each fully paid up	14,200		
14,200	(iii) 142 Equity Shares of Lakshmiwadi Sugar Factory Ltd. of Rs. 100/- each fully paid up	14,200		
1,600	(iv) 16 Equity Shares of Somaiya Sugar Works Ltd., of Rs. 100/- each fully paid up	1,600		
1,30,000			1,30,000	
	(B) OTHER INVESTMENTS:			
10,54,000	(i) Investments in Shares of Oriental Power Cables Ltd.			
—	10,200 Equity Shares of Rs. 100/- each fully paid up ..	10,54,000		
10,54,000	Less: 6,000 Equity Shares sold during the year	6,00,000		
25,000		4,54,000		
	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.		4,79,000	
10,79,000				
12,09,000				
6,22,84,382	Carried Over	6,09,000		6,79,11,341

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1973	LIABILITIES—(Contd.)				
Rupees			Rupees	Rupees	Rupees
1,98,50,950		Brought Forward ..	—		1,98,50,950
34,64,188					
	(B) Development Rebate Reserve:				
41,70,263	As per Last Balance Sheet		40,68,290		
—	Add: Amount set aside during the year		12,68,226		
41,70,263			53,36,516		
1,01,973	Less: Transferred to General Reserve		3,09,334		
40,68,290				50,27,182	
75,32,478					50,27,182
	III. SECURED LOANS:				
	(a) Cash Credit Account with Bank against hypothecation of all tangible movable assets of the Company including Stocks of Sugar, Stores, Chemicals, Spares etc. at Sakarwadi and Lakshmiwadi Factories and fully guaranteed by two Directors.			2,04,30,997	
2,90,27,389	(b) Cash Credit Account with Banks against hypothecation of all tangible movable assets of the Company including Stocks of Sugar, Stores, Chemicals, Spares etc. of the Company's Mudhol Unit of Sameerwadi and fully guaranteed by two Directors.				
58,50,233	(i) Bank of India		40,57,792		
60,61,061	(ii) Union Bank of India		38,64,475		
				79,22,267	
1,19,11,294	(c) 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. Nil) ..		2,00,00,000		
20,00,000	(ii) Karnataka State Financial Corporation (Instalment payable within a year Rs. Nil)		20,00,000		
24,99,900	(iii) Vijaya Bank Ltd. (Instalment payable within a year Rs. 8,33,000/-)		24,99,900		
2,44,99,900				2,44,99,900	
—	(d) Term Loan from Karnataka State Government against agreement to execute second charge in their favour on fixed assets of Sameerwadi (excluding Agricultural Assets, Instalment payable within a year Rs. Nil)			26,00,000	
6,54,38,583				5,54,53,164	
2,73,83,428		Carried Over		5,54,53,164	2,48,78,132

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1974

As at 31st May, 1973	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
6,22,84,382	Brought Forward ..		6,09,000	6,79,11,341
12,09,000	(ii) Investments in Shares of Somaiya Organics (India) Ltd.			
61,99,000	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 ..	66,54,995	70,08,848	
	Aggregate unquoted Investments ..	1,84,218	—	
74,39,213		68,39,213	70,08,848	
				68,39,213
6,97,23,595	Carried Over			7,47,50,554

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1973	LIABILITIES—(Contd.)			
Rupees 2,73,83,428		Rupees	Rupees	Rupees
6,54,38,583	Brought Forward ..		5,54,53,164	2,48,78,132
32,20,000	(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. 26,00,000/-)		28,20,000	
29,11,245	(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		34,21,588	
—	Interest accrued & due on above		23,27,745	
7,15,69,828			<u>6,40,22,497</u>	
IV. UNSECURED LOANS:				
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	
36,055	(ii) From Directors		38,935	
26,614	(iii) From others		40,482	
	(iv) On Current Account:			
26,03,865	From Selling Agents		7,75,855	
6,945	(v) From Somaiya Organo-Chemicals Ltd.		8,237	
54,24,873	(vi) Public Fixed Deposits		57,66,072	
30,82,700	(vii) Public Loan (Guaranteed by a Director)		34,36,200	
5,65,316	(viii) From Banks		—	
—	(ix) Cane purchase tax loan from Karnataka State Government ..		15,08,618	
2,37,028	(x) Interest accrued due on unsecured loans		4,73,147	
1,39,83,396			<u>1,40,47,546</u>	
11,29,36,652	Carried Over		<u>10,29,48,175</u>	

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1974

As at 31st May, 1973	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
6,97,23,595	Brought Forward ..			7,47,50,554
	III. CURRENT ASSETS, LOANS AND ADVANCES:			
	(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)			
1,36,17,711	Stock on hand (including machineries Rs. 39,73,368/-) ..	1,06,28,489		
3,61,653	In transit	2,42,812		
1,39,79,364			1,08,71,301	
23,114	(iii) Loose Tools and Implements (as per inventories valued and certified by a Managing Director)		20,802	
	(iv) Stock-in-trade (as per inventories valued and certified by a Managing Director)			
4,25,50,161	(a) Sugar at Market rate	1,96,40,821		
1,06,907	(b) Stock of grains, cotton etc. at Market rate	1,82,593		
60,242	(c) Molasses at Market rate	13,031		
4,27,17,310			1,98,36,445	
	(v) Crop in progress (including tillages, preparation of land, irrigation charges etc. at cost as valued and certified by a Managing Director)		9,19,463	
7,08,152	(vi) Sundry Debtors: (Unsecured and considered good except otherwise stated):			
2,48,241	(a) Debts outstanding for more than six months	1,73,252		
56,230	(b) Considered doubtful	71,182		
3,04,471		2,44,434		
56,230	Less: Provision for Doubtful Debts	71,182		
2,48,241		1,73,252		
64,54,303	(c) Other Debts (including Rs. 50,34,882/- due from Arpit Ltd., and Rs. 23,985/- due from Somaiya Organo-Chemicals Ltd. Companies under the same management)	58,06,912		
67,02,544			59,80,164	
6,41,30,954				
6,97,23,595	Carried Over		3,76,28,645	7,47,50,554

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1973	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
11,29,36,652	Brought Forward ..			10,29,48,175
	V. CURRENT LIABILITIES AND PROVISIONS:			
	(A) CURRENT LIABILITIES:			
3,02,53,426	Sundry Creditors		2,82,19,317	
27,000	Bills Payable		3,50,000	
2,15,046	Advance from Customers against Sale of Land & Wood ..		2,43,546	
50,000	Security Deposit from Selling Agents		50,000	
14,53,984	Security Deposit from Bagaitdars		14,38,538	
4,878	Security Deposit from Customers		4,878	
2,09,672	For Taxation		43,78,055	
1,55,777	Due to Partnership Firm of Khanapur Farms		1,41,110	
11,58,540	Due for Selling Agents' Commission		10,96,040	
—	Due for Managing Director's Remuneration		10,000	
9,182	Unclaimed Dividend		10,860	
5,72,348	Liability for Accrued Gratuity		5,72,348	
15,57,944	Interest Accrued but not Due on Loans		8,00,003	
			<u>3,73,14,695</u>	
3,56,67,797				
	(B) PROVISIONS:			
1,55,37,351	Provision for Agriculture Income tax	42,04,235		
63,48,831	Less: Advance payment under Section 207 of Income-tax Act, 1961 & tax deducted at source	—		
91,88,520			42,04,235	
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	41,95,000		
4,50,000	Less: Excess Provision of Agri. Profits recredited	—		
41,95,000			41,95,000	
24,50,000	Less: Paid	24,50,000		
17,45,000			<u>17,45,000</u>	
4,66,03,317				4,32,65,930
15,95,39,969	Carried Over			<u>14,62,14,105</u>

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1974

As at 31st May, 1973	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
6,97,23,595	Brought Forward ..		3,76,28,645	7,47,50,554
6,41,30,954				
	(vii) CASH AND BANK BALANCES:			
6,99,568	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 39,975/-, Previous year Rs. 43,113/-)	5,45,011		
17,15,485	In Current Account with Scheduled Banks	7,49,860		
32,674	In Saving Account with Scheduled Bank	—		
	In Current Account with Non-Scheduled Banks:			
436	(a) Ahmednagar District Central Co-operative Bank Ltd., Shirampur (Maximum debit balance during the year Rs. 436/-, Previous year Rs. 436/-)	436		
101	(b) Mudhol Urban Co-operative Bank Ltd. Mudhol (Maximum debit balance during the year Rs. 101/-, Previous year Rs. 101/-)	101		
537		537		
68,004	Fixed Deposit with a Scheduled Bank.	71,853		
1,822	Accrued Interest on Fixed Deposit	3,252		
25,18,090			13,70,513	
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated)			
	(i) Loan to Company under the same Management			
30,58,038	Arpit Ltd., (Maximum debit balance during the year Rs. 33,05,453/-, Previous year Rs. 48,47,598/-)	30,39,676		
2,47,415	Interest Accrued on above	3,96,414		
33,05,453		34,36,090		
83,36,155	(ii) Loans to Others (including doubtful loan of Rs. 4,79,130/- not Provided for)	80,34,527		
8,98,155	Interest Accrued on above	12,55,898		
92,34,310		92,90,425		
1,25,39,763		1,27,26,515		
23,601	Considered doubtful	23,601		
1,25,63,364		1,27,50,116		
23,601	Less: Provision for doubtful Loans	23,601		
1,25,39,763			1,27,26,515	
7,91,88,807				
6,97,23,595	Carried Over		5,17,25,673	7,47,50,554

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1973	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
15,95,39,969	Brought Forward ..			14,62,14,105
	CONTINGENT LIABILITIES (Not provided for):			
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				
53,275	(iv) In respect of counter guarantees given to others	47,000		
43,00,000	(v) In respect of guarantee given to a 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	21,10,750		
2,01,800				
	(viii) In respect of development charges payable to Government in 9 Instalments for leasehold lands at Gandhidham	1,03,520		
1,15,014				
	(ix) In respect of additional cane price payable to Maharashtra State Farming Corporation Limited under the provisions of para 3 of the Third Schedule of Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961, for the years 1968-69 to 1973-74 amount whereof not ascertained			
	(x) In respect of dividend payable on 7.8572 % of Redeemable Cumulative Preference Shares for the period 1-6-1973 to 30-9-1974	1,93,911		
—				
			</	

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1974

As at 31st May, 1973	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
6,97,23,595	Brought Forward ..		5,17,25,673	7,47,50,554
7,91,88,807				
	Loans to subsidiary companies of which the Company is a holding company... ..			
6,29,815	(a) Godavari Investment & Finance Corporation Ltd.	8,78,105		
1,03,736	Interest accrued on above	87,215		
7,33,551			9,65,320	
—	(b) Sakarwadi Sugar Factory Ltd.	60		
—	(c) Lakshmiwadi Sugar Factory Ltd.	60		
2,000	(d) Somaiya Sugar Works Ltd.	2,050		
7,35,551			9,67,490	
	Advances recoverable in cash or kind or for value to be received (including advance to officers of the Company Rs. 41,842/-, Maximum debit balance during the year Rs. 70,079/-, Rs. 4,32,309/- in dispute, Rs. 39,000/- to a firm in which one of the Directors is interested as a partner and Rs. 6,45,981/- advance against purchase of shares.)	70,22,898		
84,56,234	Considered doubtful	64,126		
64,126			70,87,024	
85,20,360				
64,126	Less: Provision for doubtful Advances	64,126		
84,56,234			70,22,898	
8,08,427	Paid under Section 23A of the Income Tax Act, 1922 ..		—	
—	Income Tax deducted at Source from Interest		2,30,914	
	Deposits with Irrigation Department, Railways and others (including Rs. 8,000/- with Post Office Savings A/c. Pass Books whereof are lodged with car dealers)		2,91,802	
4,73,675				
1,53,680	Due from Partnership Firm of Lakh Farms		1,93,587	
	MISCELLANEOUS EXPENDITURE :			6,04,32,364
	Profit & Loss Account:			
—	Balance as per Profit & loss A/c.			1,10,31,187
8,98,16,374				
15,95,39,969	Total Rupees			14,62,14,105

THE GODAVARI SUGAR

BALANCE SHEET

- NOTES: (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1973-74 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 the Firms. Losses for the year have been incorporated in Accounts as per the statements certified by the Partners.
- (3) No Provision has been made in respect of Balance of Loss of Rs. 25,990/- as on 31st May, 1974 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 of Sameerwadi amounting to Rs. 80,59,663/- (Previous Year Rs. 65,55,891/-).
- (b) Total arrears of depreciation upto 30th September, 1974 computed in accordance with Section 205(2) (a) of the Companies Act, 1956, amounted to Rs. 1,82,34,631/-, after deducting arrears of depreciation of Rs. 1,20,609/- on assets destroyed (Previous year Rs. 1,02,95,577/-).
- (5) During the year no provision for Bonus has been made. Liability of the Bonus according to Bonus Act comes to about Rs. 5,00,000/-.
- (6) Total Liability for Accrued Gratuity to employees under the payment of Gratuity Act, 1972 upto 30th September, 1974 as per Actuary's Certificate is of Rs. 30,51,546/- against which provision of Rs. 5,72,348/- has been made.
- (7) In reply to the Company's Application to the Central Government for minimum remuneration payable to the Managing Director for the year 1971-72 and 1972-73, the Central Government by letter No. 1(150)-CL-VII/74 dated 13th August, 1974 has fixed the minimum remuneration according to which the same is exceeded by Rs. 13,471/- for the year 1971-72, Rs. 66,800/- for the year 1972-73 and by Rs. 61,483/- for the period ended 30th September, 1974, which the Managing Director is holding in Trust. The Company is making further Application to the Central Government to waive the refund of payment already made upto 30th September, 1974.
- (8) Company has paid Rs. 88,374/- as advance against purchase of Agricultural lands in Karnataka State for a price of Rs. 1,02,314/- Although Company is in possession of these lands it is not possible to transfer the lands in the name of the Company due to Land Ceiling Act. Necessary steps are being taken in the matter.
- (9) Loans given to Firms and other Parties of the aggregate amount of Rs. 16,01,482/- have been considered by the Directors as good. In absence of any material to verify the same by the Auditors they are unable to ascertain whether they are fully recoverable or not.
- (10) The adjustments made for loss due to riot and fire at Sameerwadi do not include adjustment for partial loss of assets and for loss of revenue nature which has been or would in future be made under different heads of revenue expenditure. As the Insurance claim is not finally settled for some of the items of claim, further adjustment would be made when the same is settled.
- (11) Some of the accounts and stores records at Sameerwadi were destroyed due to riot and fire. Duplicate vouchers were prepared from available records which were checked by the Auditors.
- (12) Company has agreed to give second charge in favour of Karnataka State Government on Fixed Assets of Sameerwadi (excluding Agricultural Assets) for the Term Loan of Rs. 26,00,000/-. Necessary formalities for the same are in progress and as such the same is shown under the head of "Secured Loan".
- (13) Application to the Registrar of Companies under the Provisions of Section 210 (4) of the Companies Act, 1956 for change of the accounting year of the company from 31st May, 1974 to 30th September, 1974 and thereafter every year for 12 months ending September, is made on 28th February, 1975. Sanction for the same is awaited.
- (14) (a) Employees who were employed throughout the year at remuneration which in the aggregate was not less than Rs. 36,000/- (Other than Managing Director).
- (b) There was no employee of the Company who is in receipt of or entitled to receive emoluments amounting to Rs. 3,000/- per mensem for part of the year.
- (c) As required by the Companies (Particulars of Employees) Rules, 1975 the necessary particulars are given below:-

Name of Employee	Qualification	Date of commencement of Employment	Designation	Remuneration	Duties	Contribution to Provident & Other Funds.
(i) Shri K. J. Somaiya	—	1-6-1970	Managing Director	Rs. 1,28,783/-	To manage the Company under Superintendence, direction & Control of the Board of Directors.	16,800/-
(ii) Shri P. M. Kavadia	M.A., LL.B.	1-9-1963	Chief Executive	Rs. 76,572/-	General Administration & liaison work.	As applicable to other senior officers of the Company.
(iii) Shri Mangal Singh	B.Sc., A.N.S.I.I F.S.T.A.	4-8-1971	Technical Adviser-Cum General Manager	Rs. 70,665/-	To attend technical & other administrative matters.	As applicable to other senior officers of the Company.

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1974

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, 1974.

The Godavari Sugar Mills Limited, and its nominees hold the whole of the subscribed capital of Rs. 14,200/- in Sakarwadi Sugar Factory Ltd., Rs. 14,200/- in Lakshmiwadi Sugar Factory Ltd., and Rs. 1,600/- in Somaiya Sugar Works Limited as at 30th September, 1974.

- (ii) *Advances:-* The Advances to subsidiaries were as follow :

	<i>As on</i>	<i>Amount</i>
(a) Godavari Investment & Finance Corporation Limited	31st May, 1974	Rs. 5,58,370/-
(b) Sakarwadi Sugar Factory Ltd.,	30th Sept. 1974	Rs. 140/-
(c) Lakshmiwadi Sugar Factory Ltd.,	30th Sept. 1974	Rs. 140/-
(d) Somaiya Sugar Works Limited	30th Sept. 1974	Rs. 2,050/-

- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 1,200/- for the year ended 31st May, 1974. The Net loss after adjusting the previous years' Loss from Profit of this year comes to Rs. 25,990/-. 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.

Sakarwadi Sugar Factory Ltd., Lakshmiwadi Sugar Factory Ltd., and Somaiya Sugar Works Ltd., have made loss of Rs. 450/-, Rs. 450/- and Rs. 420/- respectively for the period ended 30th September, 1974. No adjustment has been made for these losses in the Books of The Godavari Sugar Mills Limited.

- (iv) There has been no change in the Interest of The Godavari Sugar Mills Limited, in Godavari Investment & Finance Corporation Limited, between 1st June, 1974 and 30th September, 1974. Further, there have been no material changes during this period in Godavari Investment & Finance Corporation Limited in respect of Fixed Assets, Investments, moneys lent and moneys borrowed by it for any purpose other than that of meeting Current Liabilities.

THE GODAVARI SUGAR

BALANCE SHEET

(iv)	Shri S. N. Kaul	T. Eng. (CBI) 15-10-1956	General Manager	Rs. 68,850/-	To attend technical and administrative matters at Sakarwadi & Lakshmiwadi Factories.	As applicable to other senior officers of the Company.
(v)	Shri S. R. Parikh	B. Com., A.C.A. 1-1-1960	Financial Controller	Rs. 53,903/-	Looking after Finance Taxation & Accounts.	As applicable to other senior officers of the Company.

(15) Information in respect of Partnership Firms in which the Company is a partner:-

(a) Somaiya Farm—Lakh:

Name of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Ltd.	2,16,849	25%
(ii) Shri L. V. Satpute	43,895	18.75%
(iii) Shri D. M. Patel	32,921	14.0625%
(iv) Shri N. G. Patel	32,921	14.0625%
(v) Shri J. C. Patel	32,921	14.0625%
(vi) Shri B. H. Patel	32,922	14.0625%

(b) Somaiya Farm—Khanapur:

Name of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Ltd.	Nil	25%
(ii) Shri M. J. Patel	80,504	18.75%
(iii) Shri C. J. Patel	80,504	18.75%
(iv) Shri C. B. Patel	80,504	18.75%
(v) Shri S. P. Patel	80,504	18.75%

(16) Quantitative information in respect of goods manufactured:-

Name of Factory	Licensed Capacity	Installed Capacity as certified by Manager of respective factories.
Sakarwadi	1016	1050/1100
Lakshmiwadi	1016	1200/1250
Sameerwadi	2500	1500

Goods Manufactured	Opening Stock		Production Quantity M.T.	Quantity sent for reprocessing/Loss M.T.	Sales		Closing Stock	
	Quantity M.T.	Value Rs.			Quantity M.T.	Value Rs.	Quantity M.T.	Value Rs.
Sugar ..	20,790.7	4,25,50,161	34,059.9	547.2(-)	46,972.9	11,51,02,539	7,330.5(*)	1,96,40,821
Molasses ..	7,356	60,242	15,372(+)	—	20,561	1,85,763	2,167	13,030

(-) Includes 9.0 M.T. of sugar lost in riot at Sameerwadi.

(*) According to usual practice valuation of stock of Brown sugar is not made.

(+) Includes 901 M. T. gains due to admixture of water in molasses.

Raw materials Purchased/Consumed:-

SUGARCANE	Quantity Purchased	Quantity Consumed	Value
Purchased cane	3,23,930.8	3,23,930.8	4,33,25,763
Own cane	—	13,976.4	—
	3,23,930.8	3,37,907.2	4,33,25,763

Stores & Spares Consumed:-

	Value	%
Imported	14,243	0.4
Indigenous	32,35,080	99.6
	32,49,323	100.0

C.I.F. VALUE OF IMPORTS:-

	Purchased
(i) Raw materials	Nil
(ii) Stores & Spares	74,785
(iii) Capital Goods	Nil

(17) Details of quantity etc. in respect of Farm produce other than cane, are not readily available and therefore not shown.

(18) 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 NANUBHAI & CO.
CHARTERED ACCOUNTANTS

D. H. PARMAR
Partner

BOMBAY: Dated 29th March, 1975

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1974

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

J. G. DALAL
S. N. VAIDYA
S. S. PAREKH
S. K. SOMAIYA

} *Directors*

K. R. THANAWALA
Secretary

BOMBAY: Dated 21st March, 1975

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

<i>As at</i> 31st May, 1973				
Rupees			Rupees	Rupees
	To Opening Stock on 1st June, 1973:			
5,28,04,567	Sugar		4,25,50,161	
35,518	Molasses		60,242	
5,28,40,085				4,26,10,403
8,58,356	„ Crop in Progress as at 1st June, 1973		7,08,152	
28,443	„ Stock of Grains & Other Seeds as at 1st June, 1973		15,059	
13,466	„ Grains & Other Seeds for Sowing		7,337	
10,22,129	„ Salaries and Wages		14,38,986	
41,470	„ Contribution to Govt. Provident Fund and Administrative Charges		58,884	
—	„ Workmen and Staff Welfare Expenses		2,345	
—	„ Workmen's Compensation		32	
2,398	„ Gratuity		9,998	
5,49,342	„ Stores inclusive of Seeds and Manures		6,24,907	
28,500	„ Repairs and Renewals		14,070	
2,07,158	„ Land Rent (Net)		60,850	
1,25,511	„ Irrigation Rates and Taxes		1,45,275	
1,345	„ Expenses on Sale of Grains, Cotton, tobacco etc.		2,298	
32,435	„ Education Cess		24,699	
3,510	„ Rent		2,991	
2,500	„ Payment to Auditors in Other Capacity		—	
	„ Miscellaneous Expenses including Printing & Stationery, Postage and Telegrams and Travelling Expenses (including harvesting and Carting Commission Rs. 15,436/-, Previous Year Rs. 15,942/-)		1,08,595	
71,163				
21,249	„ Depreciation		24,241	
—	„ Land Development Expenses written off		81	
55,201	„ Legal Charges		28,292	
44,625	„ Brokerage and Commission (Guarantee Commission)		9,375	
9	„ Loose Tools Written off		8	
31,08,810			32,86,475	
7,08,152	Less: Crop in Progress as at 30th September, 1974		9,19,463	
24,00,658			23,67,012	
5,28,40,085		Carried Over	23,67,012	4,26,10,403

PERIOD ENDED 30TH SEPTEMBER, 1974

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

As at 1st May, 1973			Rupees	Rupees
		Brought Forward	23,67,012	4,26,10,403
Rupees				
5,28,40,085				
24,00,658				
92,394	To Transportation of Cane		74,728	
—	„ Loss due to riot and fire at Sameerwadi		1,43,504	
	„ Loss of Lakh and Khanapur Farms in Partnership:			
	Lakh Farms:			
10,764	1/4 Share of loss for the year	23,262		
	Khanapur Farms:			
6,613	1/4 Share of loss for the year	7,208	30,470	26,15,714
17,377				
25,10,429				
6,57,18,434	„ Locally Purchased Cane (Includes Rs. 19,854/- of previous year)			4,33,45,617 ✓
66,11,689	„ Salaries and Wages (after deducting Rs. 30,84,438/- charged to repairs, capital and other relevant heads)		82,21,990	
40,482	„ Bonus to Employees		49,850	
5,238	„ Company's Contribution to Employees' Family Pension Fund Scheme		9,975	
1,15,702	„ Contribution to Provident Fund of the Company		1,91,451	
2,38,562	„ Gratuity		1,56,221	
3,11,361	„ Contribution to Govt. Provident Fund and Administrative Charges		4,47,954	
2,49,186	„ Workmen and Staff Welfare Expenses		2,80,360	
7,338	„ Workmen's Compensation		7,998	93,65,799
75,79,558				
23,94,694	„ Stores, Chemicals and spare Parts (after deducting Rs. 1,32,82,555/-, charged to Agriculture, Capital, repairs and other relevant heads)			26,24,416
13,59,803	„ Power and Fuel			10,39,330
14,21,115	„ Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 17,51,298/-, Previous year Rs. 5,96,253/-)		29,12,615	
5,08,353	„ Repairs to Buildings (inclusive of Salaries & Wages Rs. 1,76,483/-, Previous Year Rs. 2,21,597/-)		3,83,437	
1,74,995	„ Other repairs (inclusive of Salaries & Wages Rs. 86,204/-, Previous Year Rs. 22,968/-)		1,52,824	34,48,876
21,04,463				
47,91,096	„ Sugar Cane Purchase-tax			34,17,848
77,000	„ Gratuity Insurance			1,87,500
1,24,60,258	„ Excise Duty			2,10,87,396
15,18,35,820		Carried Over		12,97,42,899

THE PERIOD ENDED 30TH SEPTEMBER, 1974

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1973											
Rupees										Rupees	Rupees
15,18,35,820										Brought Forward	12,97,42,899
2,73,810	To Insurance Premium										2,57,398
4,923	„ Emergency Risk Insurance Premium										2,013
25,08,711	„ Packing and Forwarding										17,17,165
2,38,934	„ Rent (Received Rs. 1,600/-, Previous year Rs. 1,200/-)										3,12,026
2,74,143	„ Rates and Taxes										3,33,864
11,58,540	„ Sole Selling Agents' Commission on sugar										10,96,040
4,28,265	„ Brokerage and Commission (including Guarantee Commission of Rs. 32,429/-, previous year Rs. 89,243/-)										3,80,334
24,95,434	„ Miscellaneous Expenses (including printing and stationery, postage and telegrams, telephone, travelling and motor car maintenance and Rs. 2500/- towards advertisement given in Souvenir of Political Parties)										38,73,365
1,07,448	„ Charity and Donation										101
58,046	„ Cattle Camp Expenses and Drought Relief Expenses										18,965
	„ Interest:										
2,040	Directors									2,880	
28,44,455	Cash Credit Account									45,23,775	
30,09,900	Fixed Loans									45,73,659	
9,60,266	Fixed Deposits									15,86,745	
1,20,000	Debentures									1,60,000	
10,03,706	Other Loans									12,55,861	
											1,21,02,920
79,40,367											
5,000	„ Directors' Fees										5,000
83,951	„ Directors' Travelling Expenses										1,08,507
90,000	„ Managing Director's Remuneration										1,15,000
	„ Payment to Auditors:										
10,000	Audit Fees									20,000	
	In other capacity:										
5,000	For Taxation matters								5,000		
5,000	For Company Law matters								5,000	10,000	
20,000											30,000
—	„ Loss on Sale of Shares										3,60,000
12,27,014	„ Agricultural Development expenses (inclusive of Salaries and Wages Rs. 10,50,442/- previous year Rs. 3,47,852/-)										12,85,809
85,160	„ Expenses of Scientific Research										1,08,981
—	„ Contribution to Scientific Research Institution										56,500
1,33,026	„ Legal Expenses										2,46,057
—	„ Loss due to riot and fire at Sameerwadi										38,82,047
2,560	„ Loose Tools and Implements written off										2,304
300	„ Premium on Leasehold garage written off										400
—	„ Provision for Doubtful debts										14,951
—	„ Development Rebate Reserve										12,68,226
16,89,71,452										Total Rupees	15,73,20,872

THE PERIOD ENDED 30TH SEPTEMBER, 1974

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THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1973				
Rupees		Rupees	Rupees	Rupees
—	To Balance of loss brought forward from last year's Balance sheet			30,21,957
	„ Bonus to Employees pertaining to previous years:			
1,66,599	„ Agriculture		52,016	
11,74,670	„ Manufacturing		4,74,548	
13,41,269				5,26,564
—	„ Income-tax paid u/s 23 A written off			8,08,427
—	„ Short provision for taxation of previous year written off			4,74,237
24,42,670	„ Balance brought down			1,50,85,472
	NOTE:			
	Computation of Managing Director's Commission is as follows:			
24,42,670	Net Loss as per Profit & Loss A/c.		1,50,85,472	
90,000	Less : (i) Managing Director's Remuneration	1,15,000		
—	(ii) Development Rebate Reserve	12,68,226		
—	(iii) Provision for Doubtful Debts	14,951		
	(iv) Depreciation			
21,249	Agriculture	24,241	14,22,418	
1,11,249			1,36,63,054	
23,31,421	Add:			
66,07,336	(i) Depreciation to the extent specified in section 350 of the Companies Act 1956	81,38,654		
4,00,000	(ii) Estimated Liability of Bonus as per Note No 5.	5,00,000	86,38,654	
70,07,336				
93,38,757	Net Loss for Calculating Managing Director's Commission.		2,23,01,708	
Nil	Managing Director's Commission		Nil	
	Total Managerial Remuneration:			
90,000	Remuneration	1,15,000		
7,500	Company's Contribution to Provident Fund	9,583		
1,800	Perquisite for use of Company's car	4,200		
99,300	Total Rs.:	1,28,783		
37,83,939	Total Rupees.			1,99,16,657

Referred to in our Report of even date
FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

MILLS LIMITED, BOMBAY

THE PERIOD ENDED 30TH SEPTEMBER, 1974

As at 31st May, 1973		Rupees	Rupees
Rupees			
1,369	By Balance brought forward from last year's Balance Sheet		—
	Items pertaining to previous years:		
	" Unclaimed Salaries, Wages and Bonus written back:		
263	Factory	—	
1,685	Agriculture	—	—
1,948			
10,638	" Land Requisition Compensation		—
—	" Cane Cess Refund		4,68,804
2,95,527	" Tax Credit Certificates of previous years		—
2,500	" Excess provision for doubtful debts reccredited		—
4,50,000	" Excess provision for Agri. profit reccredited		—
—	" Income-tax Refunds of previous years		23,06,620
—	" Transfer from General Reserve		61,10,046
30,21,957	" Balance carried to balance sheet		1,10,31,187
	Total Rupees		1,99,16,657
37,83,939			

K. J. SOMAIYA
Chairman and Managing Director

K. R. THANAWALA
Secretary

J. G. DALAL
S. N. VAIDYA
S. S. PAREKH
S. K. SOMAIYA

} *Directors*

BOMBAY : Dated 21st March, 1975.

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as at 1st June, 1973 except otherwise stated.	Additions during the year	Sub-Total	Deduction of Sale / Loss during the year	Gross Block as on 30th September, 1974
(1)	(2)	(3)	(4)	(5)	(6)
	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold Land (Book Value)	28,19,092	11,400	28,30,492	—	28,30,492
Leasehold Land Premium	3,88,850	—	3,88,850	—	3,88,850
Leasehold Land Development Expenses ..	1,23,985	11,494	1,35,479	—	1,35,479
Leasehold Premium on Garage	12,000	—	12,000	—	12,000
Buildings & Pucca Quarters at Factories ..	1,85,07,295	9,28,516	1,94,35,811	—	1,94,35,811
Temporary Quarters	7,26,294	67,937	7,94,231	2,14,298	5,79,933
Temporary Quarters at Farms	2,90,689	—	2,90,689	51,921	2,38,768
Pucca Quarters at Farms	2,18,633	—	2,18,633	—	2,18,633
General Machinery (Book Value) ..	4,55,46,620	83,06,102	5,38,52,722	20,065	5,38,32,657
Electrical Machinery	29,03,625	1,23,454	30,27,079	—	30,27,079
Agricultural Machinery (Book Value) ..	34,73,519	—	34,73,519	67,693	34,05,826
Locomotives	92,974	—	92,974	—	92,974
Electrical Installation & Fittings	9,15,191	25,287	9,40,478	—	9,40,478
Furniture and Office Equipments ..	19,49,639	1,11,669	20,61,308	79,036	19,82,272
Weigh Bridges	3,62,375	7,637	3,70,012	1,000	3,69,012
Trolley Lines	6,28,058	—	6,28,058	—	6,28,058
Railway Sidings	1,26,075	—	1,26,075	—	1,26,075
Motor Cars, Lorries and Cycles (Book Value)	21,90,640	2,37,374	24,28,014	1,44,034	22,83,980
Carts and Trucks (Book Value)	3,55,903	10,152	3,66,055	1,470	3,64,585
Laboratory Apparatus	1,07,005	—	1,07,005	17,000	90,005
Roads, Drainage & Tube Wells	13,90,846	52,532	14,43,378	—	14,43,378
Dead Stocks	95,963	41,554	1,37,517	—	1,37,517
Library	7,758	—	7,758	—	7,758
Medical Instruments	363	—	363	—	363
Irrigation Lifts	12,55,525	—	12,55,525	51,754	12,03,771
Live Stocks	89,207	—	89,207	—	89,207
TOTAL RUPEES	8,45,78,124	99,35,108	9,45,13,232	6,48,271	9,38,64,961

Referred to in our Report of even date
FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

BOMBAY : Dated 29th March, 1975.

MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1974

Written off upto 31st May, 1973	Written off during the year	Sub-Total	Deduction of Depreciation on account of Sale/ Loss of assets	Total Depre- ciation upto 30th September, 1974	Net Depreciated Block as at 30th September, 1974	Net Depreciated Block as at 31st May, 1973
(7)	(8)	(9)	(10)	(11)	(12)	(13)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
—	—	—	—	—	28,30,492	28,19,092
3,88,850	—	3,88,850	—	3,88,850	—	—
—	—	—	—	—	1,35,479	1,23,985
4,800	400	5,200	—	5,200	6,800	7,200
31,17,062	1,459	31,18,521	—	31,18,521	1,63,17,290	1,53,90,233
2,44,334	—	2,44,334	16,062	2,28,272	3,51,661	4,81,960
1,59,742	—	1,59,742	7,496	1,52,246	86,522	1,30,947
66,146	1,468	67,614	—	67,614	1,51,019	1,52,487
1,29,62,372	5,430	1,29,67,802	1,444	1,29,66,358	4,08,66,299	3,25,84,248
18,30,648	—	18,30,648	—	18,30,648	11,96,431	10,72,977
32,00,992	11,285	32,12,277	19,781	31,92,496	2,13,330	2,72,527
86,792	—	86,792	—	86,792	6,182	6,182
99,723	—	99,723	—	99,723	8,40,755	8,15,468
8,07,189	363	8,07,552	1,884	8,05,668	11,76,604	11,42,450
1,61,248	20	1,61,268	—	1,61,268	2,07,744	2,01,127
5,86,128	—	5,86,128	—	5,86,128	41,930	41,930
1,08,337	—	1,08,337	—	1,08,337	17,738	17,738
9,89,739	64	9,89,803	34,598	9,55,205	13,28,775	12,00,901
3,10,507	671	3,11,178	398	3,10,780	53,805	45,396
36,697	—	36,697	—	36,697	53,308	70,308
7,42,948	—	7,42,948	—	7,42,948	7,00,430	6,47,898
61,147	316	61,463	—	61,463	76,054	34,816
5,489	—	5,489	—	5,489	2,269	2,269
330	—	330	—	330	33	33
9,59,627	433	9,60,060	12,486	9,47,574	2,56,197	2,95,898
79,439	2,732	82,171	—	82,171	7,036	9,768
2,70,10,286	24,641	2,70,34,927	94,149	2,69,40,778	6,69,24,183	5,75,67,838

K. J. SOMAIYA

Chairman and Managing Director

K. R. THANAWALA
Secretary

J. G. DALAL
S. N. VAIDYA
S. S. PAREKH
S. K. SOMAIYA

Directors.

BOMBAY : Dated 21st March, 1975.

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Nineteenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1974.

The Working of the Company for the year resulted in a Profit of Rs. 1,200/- after providing Rs. 2,500/- for taxation. After adjusting the same from last year's loss, and after making adjustment for short provision for taxation for previous year amounting to Rs. 352/- the net carried forward loss comes to Rs. 25,990/- 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

S. K. SOMAIYA

Director

BOMBAY: Dated 25th November, 1974.

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, 1974, 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 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, 1974 and,
 - (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

**FOR NANUBHAI & Co.,
CHARTERED ACCOUNTANTS
D. H. PARMAR**

Partner

BOMBAY: Dated 27th November, 1974.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1973	LIABILITIES		
Rupees		Rupees	Rupees
5,00,000	I. AUTHORISED CAPITAL:		
	5,000 Ordinary (Equity) Shares of Rs. 100/- each		5,00,000
1,00,000	II. SUBSCRIBED CAPITAL:		
	2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company, The Godavari Sugar Mills Ltd., and its nominees		1,00,000
6,77,373	III. SECURED LOANS:		
	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.. .. .		4,98,526
7,33,551	IV. UNSECURED LOANS:		
—	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.,	4,94,473	
	Add: Interest due on above	63,897	
7,33,551			5,58,370
	V. CURRENT LIABILITIES AND PROVISIONS:		
	(A) CURRENT LIABILITIES:		
1,07,011	(i) Sundry Creditors	44,422	
6,955	(ii) Estimated unearned Finance Charges on Hire-Purchase carried forward ..	6,382	
14,125	(iii) Interest accrued but not due on Loans	9,998	
1,28,091		60,802	
	(B) PROVISIONS:		
32,438	For Taxation	20,500	
1,60,529			81,302
16,71,453	Carried Over		12,38,198

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1974

As at 31st May, 1973	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS AND ADVANCES:			
	(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		8,417	
15,691	(ii) Future instalments receivable from hire of Oil Engines and Pumps under Hire-Purchase Agreements: (Considered good)		13,434	
	(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.			
1,18,978	Outstanding for more than 6 months	1,15,501		
45,221	Considered doubtful	45,221		
1,64,199		1,60,722		
45,221	Less: Provision for Doubtful debts	45,221		
1,18,978		1,15,501		
15,817	Other debts	29,408		
1,34,795			1,44,909	
	(iv) CASH AND BANK BALANCES:			
234	Cash on hand	283		
4,671	Stamp Papers on hand	7,587		
2,249	In Current Account with a Scheduled Bank	1,823		
7,154			9,693	
1,69,657	Carried Over		1,76,453	

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1973		LIABILITIES—(Contd.)			
Rupees				Rupees	Rupees
16,71,453		Brought Forward	..	..	12,38,198
NOTE:					
<p>(1) Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for Loans amounting to Rs. 24,642/- have been either sent for registration or are under execution.</p> <p>(2) The number of Employees of the Company who are in receipt of or are entitled to receive emoluments amounting in the aggregation of Rs. 3,000/- or more per mensem for the whole year or any part of the year are—Nil.</p> <p>(3) Sundry Debtors and Creditors, Loans and Advances are subject to confirmation from the Parties.</p>					
16,71,453		Total Rupees	..	..	12,38,198

BOMBAY: Dated 27th November, 1974

Referred to in our Report of even date
FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1974

As at 31st May, 1973	ASSETS—(Contd.)				
Rupees			Rupees	Rupees	Rupees
1,69,657	Brought Forward ..			1,76,453	
	(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:—				
14,22,740	Secured		9,89,125		
37,791	Considered doubtful		37,791		
14,60,531			10,26,916		
37,791	Less: Provision for Doubtful Loans		37,791		
14,22,740				9,89,125	
13,650	(ii) Advance Income-tax			17,063	
29,000	(iii) Deposit			29,000	
9,568	(iv) Advances recoverable in cash or kind			567	
16,44,615					12,12,208
	II. MISCELLANEOUS EXPENDITURE:				
	Profit and Loss Account:				
26,838	Loss as per Profit and Loss Account				25,990
16,71,453	Total Rupees				12,38,198

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.

BOMBAY: Dated 25th November, 1974

K. R. THANAWALA
Secretary

S. K. SOMAIYA
N. B. BORA
S. R. PARIKH
Y. P. DANDIWALA } Directors

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1973				
Rupees			Rupees	Rupees
	To Opening Stock:			
12,017	Machinery, Spares and Fittings			12,017
	„ Purchases:			
190	Stores			—
2,944	„ Machinery returned by Bagaitdars			—
2,398	„ Miscellaneous expenses, fees and stamps, printing & stationery, postage and telegrams, conveyance, travelling etc.			1,755
61	„ Insurance Premium			39
	„ Interest:			
1,31,312	„ On Current Account to the Holding Company, The Godavari Sugar Mills Ltd. ..	63,897		
1,06,551	„ On Cash Credit Account with a Bank	73,012		
—	„ Others	31		
2,37,863				1,36,940
9,600	„ Office Rent			9,600
500	„ Audit Fees			500
21,921	„ Salary			19,359
3,155	„ Bonus (includes Rs. 941/- relating to Previous year)			1,664
1,012	„ Company's Contribution (to the Holding Company) towards Provident Fund ..			1,602
232	„ Govt. Provident Fund, Company's Contribution and Administrative charges ..			12
50	„ Workmen and Staff welfare expenses			200
18,000	„ Provision for Taxation			2,500
9,323	„ Profit carried down			1,200
3,19,266				
	Total Rupees			1,87,388
34,057	To Loss as per Last Balance Sheet			26,838
2,113	„ Short Provision for taxation of Previous year			352
36,170				
	Total Rupees			27,190

Referred to in our Report of even date
FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

BOMBAY: Dated 27th November, 1974.

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1974

As at 31st May, 1973			Rupees	Rupees
Rupees				
3,134	By Cost of Machinery & Spare parts let during the year to cane growers in terms of Hire-Purchase Agreements			3,600
94,548	„ Commission on Cane from Holding Company, The Godavari Sugar Mills Ltd. ..			49,231
	„ Interest:			
1,68,459	On Loans			77,592
36,965	„ Supervision charges from Cane growers			44,975
4,118	„ Income on Hire-Purchase Contracts			2,734
25	„ Miscellaneous Receipts			839
12,017	„ Closing Stock of Machinery, Stores and Spares (at cost)			8,417
3,19,266		Total Rupees		1,87,388
9,323	By Profits brought down			1,200
9	„ Excess Provision for doubtful debts and Loan recredited			—
26,838	„ Loss carried to Balance Sheet			25,990
36,170		Total Rupees		27,190

BOMBAY: Dated 25th November, 1974.

K. R. THANAWALA
Secretary

S. K. SOMAIYA
N. B. BORA
S. R. PARIKH
Y. P. DANDIWALA } Directors

SAKARWADI SUGAR FACTORY LIMITED

DIRECTORS' REPORT

The Shareholders,
The Sakarwadi Sugar Factory Ltd.,
BOMBAY.

Your Directors are pleased to submit herewith Audited Accounts of the Company for the period ended 30th September, 1974.

The Company has made a loss of Rs. 450/- for the period 7th April, 1973 to 30th September, 1974. In view of the loss, your Directors do not recommend any dividend on Shares for the period ended 30th September, 1974.

In view of the Changes in the Companies Act, 1956 and on the present Auditors indicating their unwillingness to be reappointed, it will be necessary to appoint new Auditors. The Company has received notice of a resolution for the appointment of M/s. N. P. Patwa & Co. as Auditors of the Company for the ensuing year at a remuneration of Rs. 100/-.

Yours faithfully,

For and on behalf of the Board of Directors

P. M. KAVADIA

Director

BOMBAY : Dated 31st March, 1975.

SAKARWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Sakarwadi Sugar Factory Limited, as at 30th September, 1974, and also the attached Profit and Loss Account of the Company for the period 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.
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 read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 30th September, 1974, and
 - (b) in the case of the Profit and Loss Account of the Loss for the period ended on that date.

FOR **NANUBHAI & Co.,**
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

BOMBAY: Dated 31st March, 1975.

SAKARWADI SUGAR

BALANCE SHEET

LIABILITIES		Rupees
AUTHORISED SHARE CAPITAL:		
50,000 Equity Shares of Rs. 100/- each		50,00,000
ISSUED AND SUBSCRIBED SHARE CAPITAL:		
142 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Limited		14,200
UNSECURED LOANS:		
From the Holding Company, The Godavari Sugar Mills Limited		140
CURRENT LIABILITIES AND PROVISIONS:		
Outstanding Liabilities		100
Note: Company was incorporated on 7-4-1973. As resolved by its Board of Directors, the first Accounting Period has been kept from 7-4-1973 to 30-9-1974. Sanction of the Registrar of Companies, Bombay, is awaited to the Company's Application under Section 210 (4) of the Company's Act, 1956 to allow the Company to keep this Accounting Period beyond 15 Months.		
Total Rupees		14,440

Referred to in our Report of even date
FOR **NANUBHAI & CO.,**
CHARTERED ACCOUNTANTS
D. H. PARMAR

Partner

BOMBAY: dated 31st March, 1975

PROFIT & LOSS ACCOUNT FOR

	Rupees
To Miscellaneous Expenses including Fees and Stamps	350
To Audit Fees	100
Total Rupees	450

Referred to in our Report of even date
FOR **NANUBHAI & CO.,**
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

BOMBAY : Dated 31st March, 1975

FACTORY LIMITED

AS AT 30TH SEPTEMBER, 1974

ASSETS													Rupees	Rupees
CASH AND BANK BALANCES:														
Cash on Hand	..	..	..	..	..	..	..	..	..	..	..	..		190
MISCELLANEOUS EXPENDITURE:														
(To the extent not written off (or adjusted)):-														
Preliminary Expenses	..	..	..	..	..	..	..	..	..	..	..	..	13,800	
Profit and Loss Account	..	..	..	..	..	..	..	..	..	..	..	..	450	
														14,250
Total Rupees														14,440

BOMBAY: Dated 31st March, 1975.

P. M. KAVADIA
K. L. ANJARIA
LILABEN M. KOTAK } Directors

THE PERIOD ENDED 30TH SEPTEMBER, 1974

													Rupees	
By Balance being loss during the year carried to Balance Sheet	..	..	..	..	..	..	..	..	..	..	..	..		450
Total Rupees														450

BOMBAY : Dated 31st March, 1975.

P. M. KAVADIA
K. L. ANJARIA
LILABEN M. KOTAK } Directors

LAKSHMIWADI SUGAR FACTORY LIMITED

DIRECTORS' REPORT

The Shareholders,
The Lakshmiwadi Sugar Factory Ltd.,
BOMBAY.

Your Directors are pleased to submit herewith Audited Accounts of the Company for the period ended 30th September, 1974.

The Company has made a loss of Rs. 450/- for the period 7th April 1973 to 30th September, 1974. In view of the loss, your Directors do not recommend any dividend on Shares for the period ended 30th September, 1974.

In view of the Changes in the Companies Act, 1956 and on the present Auditors indicating their unwillingness to be re-appointed, it will be necessary to appoint new Auditors. The Company has received notice of a resolution for the appointment of M/s. N. P. Patwa & Co. as Auditors of the Company for the ensuing year at a remuneration of Rs. 100/-.

Yours faithfully,

For and on behalf of the Board of Directors

N. C. VARMA

Director

BOMBAY : Dated 31st March, 1975.

LAKSHMIWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Lakshmiwadi Sugar Factory Limited, as at 30th September, 1974, and also the attached Profit and Loss Account of the Company for the period 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 purpose of our audit.
2. In our opinion, proper Books of Accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
3. The Balance Sheet and 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 read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 30th September, 1974 and
 - (b) in the case of the Profit and Loss Account of the Loss for the Period ended on that date.

FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR

Partner

BOMBAY: Dated 31st March, 1975.

LAKSHMIWADI SUGAR

BALANCE SHEET

LIABILITIES		Rupees
AUTHORISED SHARE CAPITAL:		
50,000 Equity Shares of Rs. 100/- each		50,00,000
ISSUED AND SUBSCRIBED SHARE CAPITAL:		
142 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Limited		14,200
UNSECURED LOANS:		
From the Holding Company, The Godavari Sugar Mills Limited		140
CURRENT LIABILITIES AND PROVISIONS:		
Outstanding Liabilities		100
Note: Company was incorporated on 7-4-1973. As resolved by its Board of Directors, the first Accounting Period has been kept from 7-4-1973 to 30-9-1974. Sanction of the Registrar of Companies, Bombay, is awaited to the Company's Application under Section 210 (4) of the Company's Act, 1956 to allow the Company to keep this Accounting Period beyond 15 Months.		
Total Rupees		14,440

Referred to in our Report of even date
FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

BOMBAY: Dated 31st March, 1975.

PROFIT & LOSS ACCOUNT FOR

	Rupees
To Miscellaneous Expenses including Fees and Stamps	350
To Audit Fees	100
Total Rupees :	450

Referred to in our Report of even date
FOR NANUBHAI & CO.,
CHARTERED ACCOUNTANTS
D. H. PARMAR
Partner

BOMBAY : Dated 31st March, 1975.

FACTORY LIMITED

S AT 30TH SEPTEMBER, 1974

ASSETS													Rupees	Rupees
CASH AND BANK BALANCES:														
Cash on Hand	..	..	..	..	..	..	..	..	..	..	..	..		190
MISCELLANEOUS EXPENDITURE:														
To the Extent not written off (or adjusted):														
Preliminary Expenses	..	..	..	..	..	..	..	..	..	..	..	..	13,800	
Profit and Loss Account	..	..	..	..	..	..	..	..	..	..	..	..	450	14,250
Total Rupees														14,440

MBAY: Dated 31st March, 1975.

N. C. VARMA
J. N. PATEL
S. H. DAIYA

} Directors

IE PERIOD ENDED 30TH SEPTEMBER, 1974

By Balance being loss during the year carried to Balance Sheet													Rupees	
														450
Total Rupees :														450

MBAY: Dated 31 st March, 1975.

N. C. VARMA
J. N. PATEL
S. H. DAIYA

} Directors

SOMAIYA SUGAR WORKS LIMITED

DIRECTORS' REPORT

The Shareholders,
Somaiya Sugar Works Ltd.,
BOMBAY.

Your Directors are pleased to submit herewith Audited Accounts of the Company for the period ended 30th September 1974.

The Company has made a loss of Rs. 420/- for the period 7th April 1973 to 30th September 1974. In view of the loss, your Directors do not recommend any dividend on Shares for the period ended 30th September 1974.

In view of the Changes in the Companies Act, 1956 and on the present Auditors indicating their unwillingness to be reappointed, it will be necessary to appoint new Auditors. The Company has received notice of a resolution for the appointment of M/s. N. P. Patwa & Co. as Auditors of the Company for the ensuing year at a remuneration of Rs. 100/-.

Yours faithfully,
For and on behalf of the Board of Directors

S. R. PARIKH

Director

BOMBAY : Dated 31st March, 1975.

SOMAIYA SUGAR WORKS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance sheet of Somaiya Sugar Works Limited, as at 30th September, 1974, and also the attached Profit and Loss Account of the Company for the period 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 read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 30th September, 1974 and
 - (b) in the case of the Profit and Loss Account of the Loss for the period ended on that date.

FOR NANUBHAI & CO.,

CHARTERED ACCOUNTANTS

D. H. PARMAR

Partner

BOMBAY : Dated 31st March, 1975.

SOMAIYA SUGAR

BALANCE SHEET

LIABILITIES

AUTHORISED SHARE CAPITAL:

Rupees

50,000 Equity Shares of Rs. 100/- each 50,00,000

ISSUED AND SUBSCRIBED SHARE CAPITAL:

16 Equity Shares of Rs. 100/- each by Holding Company, The Godavari Sugar Mills Limited 1,600

UNSECURED LOANS:

From the Holding Company, The Godavari Sugar Mills Limited 2,050

CURRENT LIABILITIES AND PROVISIONS:

Outstanding Liabilities 100

Note: Company was incorporated on 7-4-1973. As resolved by its Board of Directors, the first Accounting Period has been kept from 7-4-1973 to 30-9-1974. Sanction of the Registrar of Companies, Bombay, is awaited to the Company's Application under Section 210 (4) of the Company's Act, 1956 to allow the Company to keep this Accounting Period beyond 15 Months.

Total Rupees 3,750

Referred to in our Report of even date

FOR **NANUBHAI & CO.,**
CHARTERED ACCOUNTANTS
D. H. PARMAR

Partner

BOMBAY: Dated 31st March, 1975.

PROFIT & LOSS ACCOUNT FOR

Rupees

To Miscellaneous Expenses including Fees and Stamps 320

To Audit Fees 100

Total Rupees : 420

Referred to in our Report of even date

FOR **NANUBHAI & CO.,**
CHARTERED ACCOUNTANTS
D. H. PARMAR

Partner

BOMBAY : Dated 31st March, 1975.

WORKS LIMITED

S AT 30TH SEPTEMBER, 1974

ASSETS															
														Rupees	Rupees
CASH AND BANK BALANCES:															
Cash on Hand	..	..	..	..	..	..	..	..	..	..	..	..	..		130
MISCELLANEOUS EXPENDITURE:															
To the extent not written off (or adjusted):															
Preliminary Expenses	..	..	..	..	..	..	..	..	..	..	..	..	..	3,200	
Profit and Loss Account	..	..	..	..	..	..	..	..	..	..	..	..	..	420	3,620
Total Rupees															3,750

S. N. KAUL
S. R. PARIKH
V. V. KOTAK

} Directors

MBAY : Dated 31st March, 1975.

IE PERIOD ENDED 30TH SEPTEMBER, 1974

														Rupees	
By Balance being loss during the year carried to Balance Sheet														420	
Total Rupees :														420	

S. N. KAUL
S. R. PARIKH
V. V. KOTAK

} Directors

MBAY : Dated 31 st March, 1975.