

37

**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1975-76**

1976

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

SHRI SHRIDHAR NARAYAN VAIDYA

SHRI BANSIDHAR SUNDARLAL MEHTA

SHRI NAVINCHANDRA CHUNILAL SAYTA

SHRI S. R. CHANDRASEKHARA SETTY

(Nominee of Karnataka State Financial Corporation)

Bankers :

BANK OF INDIA

UNION BANK OF INDIA

BANK OF MAHARASHTRA

BANK OF BARODA

Solicitors :

MULLA & MULLA AND CRAIGIE BLUNT AND CAROE

Auditors :

AMBALAL THAKKAR & Co.

Registered Office :

FAZALBHOY BUILDING, MAHATMA GANDHI ROAD,
FORT, BOMBAY 400 023.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

NOTICE

Notice is hereby given that the Thirtyseventh Annual General Meeting of The Godavari Sugar Mills Limited will be held on Thursday, the 14th April, 1977 at 4-00 P. M. (S. T.) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Bombay-400 023 to transact the following business :

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1976.
2. To elect a Director in place of Shri S. N. Vaidya who retires by rotation, but being eligible, offers himself for re-election.
3. To elect a Director in place of Shri B. S. Mehta who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri D. M. Popat who retires by rotation, but being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

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

BOMBAY ; Dated : 5th March, 1977.

Note : A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

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 year ended 30th September, 1976.

FINANCIAL RESULTS :

The Net Profit for the year under Report works out to Rs. 25,48,583/- after adjusting short provision for Taxation for earlier years amounting to Rs. 7,37,312/-, Income-tax Refund amounting to Rs. 3,03,407/- and other adjustments shown in Profit & Loss Appropriation Account. In view of the carried forward loss of previous year, no provision has been made in the accounts for depreciation.

In view of the past carried forward losses, the Directors do not recommend dividend on Equity Shares and Preference Shares for the year ended 30th September, 1976.

The working of all the three Sugar Factories during 1975-76 Season was comparatively better than that for 1974-75 Season. Against crushing of 6,03,388 M. Tonnes of Sugarcane and production of 6,41,820 quintals of sugar during 1974-75 Season, the Company has crushed 7,12,624 M. Tonnes of Sugarcane and produced 7,57,977 quintals of sugar during 1975-76 Season.

The Levy Sugar prices for 1975-76 were revised upwards by Central Government as late as 3rd August, 1976 on the basis of interim report of Bureau of Industrial Costs & Prices. By this time substantial portion of the Levy Sugar production of 1975-76 Season had been already released and sold.

For 1976-77 Season, the Central Government has fixed the same Levy Sugar prices as were notified on 3rd August, 1976 for 1975-76 Season. For Karnataka, Levy Sugar prices though not very satisfactory, are higher than those for Maharashtra. However for Maharashtra, they are still lower by Rs. 1.43 per quintal compared to prices prevailing prior to 11th July, 1975. All the Sugar Factories in Maharashtra including your Company have challenged these prices in the High Court of Bombay.

The Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 along with all amendments thereto has been included in the Ninth Schedule of the Constitution. As a result, it gets immunity from challenge in Courts of Law regarding its Constitutional validity. The Petitions filed by the Company in 1973 challenging the amendments to the Maharashtra Agricultural Lands (Ceiling on Holdings) Act came for hearing before the High Court of Bombay. The Counsels and Solicitors of all the Joint Stock Sugar Companies which had filed similar Writ Petitions on the same issue, had in view of the present legal position, advised the Companies to compromise the matter. The Company had, therefore, alongwith other Companies, arrived at

Consent Terms with Maharashtra State Farming Corporation Ltd. in September, 1976. As per the Consent Terms, a Board has been appointed by Maharashtra Government to determine the prices of Sugarcane supplied by Maharashtra State Farming Corporation Limited during the Seasons 1969-70 to 1975-76. The hearings before the Board are in progress.

For 1976-77 Season, the Maharashtra State Farming Corporation Ltd. had offered the Joint Stock Sugar Factories sugarcane from their earstwhile Agricultural lands at very prohibitive prices. Your Company was offered sugarcane from Sakarwadi and Lakshmiwadi Farms at Rs. 165/- per M. Tonne Ex-field.

In view of the very high and exorbitant prices demanded by Maharashtra State Farming Corporation Ltd., during 1976-77 Season, first time during the history of the Joint Stock Sugar Factories in Maharashtra, they did not receive and crush sugarcane from Maharashtra State Farming Corporation Ltd.

Because of non-availability of Cane from Maharashtra State Farming Corporation Ltd., Company's two Sugar Factories in Maharashtra have already stopped crushing during last month in the peak recovery period of the Season. The crushing at Sameerwadi Unit continues. However it is still not able to get Sugarcane according to its crushing capacity.

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

Shri S. N. Vaidya, Shri B. S. Mehta and Shri D. M. Popat, three of your Directors retire by rotation, but being eligible, offer themselves for re-election.

M/s. Ambalal Thakkar & Co. retire and offer themselves for re-appointment as Auditors.

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

BOMBAY : Dated : 5th March, 1977.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1976.

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

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets. Physical verification of all the Assets has been conducted by the Management at the close of the year and no serious discrepancies were noticed.
2. No Fixed Assets of the Company has been revalued during the year.
3. The Stocks of Finished Goods, Raw Materials, Stores and Spares etc. were physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies notified on verification between physical stock, and the Stock as shown in the Books have been properly dealt with in the Books of Accounts. In our opinion, valuation of the above mentioned Stocks is fair and proper in accordance with normally accepted principles and is on the same basis as in the earlier years.
4. The Company has taken Unsecured Loans from Directors and from a company in which some of the directors are interested as listed in the Register maintained under Section 301 of the Companies Act, 1956 and in our opinion, the rate of interest is not prejudicial to the Company.
5. Loans given to Companies, Firms and other Parties, and Interest thereon have not become due on 30th September, 1976, as per the stipulations agreed upon between the Companies and the Parties. Loans and Advances in the nature of loan given to Employees is recovered regularly as stipulated.
6. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchases of Raw Materials, Stores, Plant and Machineries, Equipments and other Assets.
7. The Company has purchased Stores and Raw Materials exceeding Rs. 10,000/- from a Company in which Directors are interested and the prices paid are reasonable as compared to the prices of similar items supplied by other parties.
8. As informed to us and as per usual practice unsaleable and obsolete stock of Stores is shown at NIL value and no provision for the loss has been made in the accounts.
9. In our opinion and according to the information and explanations given to us, the Company has complied with the Provisions of Section 58 A of the Companies Act, 1956 and of the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits accepted from the public and Unsecured Loans including Unsecured Debentures.
10. Company has maintained reasonable records for the sale and disposal of by-products.
11. In our opinion Company has an adequate Internal Audit System Commensurate with the size and nature of its business.

12. According to the records produced and information given to us, we are of the opinion that the Cost Records and Accounts as Prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 have been maintained by the Company but no detailed examination of such Records and Accounts has been carried out by us.
13. The Company is regular in depositing Provident Fund dues with the appropriate authorities.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion, proper Books of Accounts as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of these books.

In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read with Notes No. 4, 6 and 7 and other notes thereon give the information required by the Act in the manner so required and present a true and fair view of the state of the Company's affairs as at the close of the above financial year and of the profit for that year.

For **AMBALAL THAKKAR & CO.,**

CHARTERED ACCOUNTANTS,

G. P. BHATT

Partner

BOMBAY: Dated 7th March, 1977.

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1975	LIABILITIES		
Rupees		Rupees	Rupees
I. SHARE CAPITAL :			
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
3,00,00,000			
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.	18,50,950	1,98,50,950
1,98,50,950			
II. RESERVES AND SURPLUS :			
(A) General Reserve :			
61,10,046	As per Last Balance Sheet	61,48,359	
38,313	Add: Transfer from Development Rebate Reserve	2,36,043	
61,48,359		63,84,402	
61,48,359	Less: Shown as deduction from Profit & Loss Account as per Contra	63,84,402	
—		—	
1,98,50,950	Carried Over	—	1,98,50,950

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1976

As at 30th Sept. 1975	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At cost or Book Value):			
9,40,56,284	Gross Block	9,54,93,542		
2,69,53,348	Less: Depreciation written off upto 30th September, 1976	2,69,45,167		
6,71,02,936	Net Depreciated Block as per Schedule 'A' attached	6,85,48,375		
20,40,450	Capital Work-in-Progress	50,54,565		
12,71,910	Advance to Supplier for Machineries	3,26,550		
7,04,15,296				7,39,29,490
	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 :			
4,54,000	(i) Investments in Shares of Oriental Power Cables Ltd. 4,200 Equity Shares of Rs. 100/- each fully paid up	4,54,000		
25,000	250 9½% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	25,000		
4,79,000	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	
6,09,000				
7,04,15,296	Carried Over		6,09,000	7,39,29,490

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1975	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,98,50,950	Brought Forward	—		1,98,50,950
	(B) Development Rebate Reserve :			
50,27,182	As per Last Balance Sheet	49,88,869		
38,313	Less : Transferred to General Reserve	2,36,043	47,52,826	
49,88,869				
	(C) Storage Fund for Molasses Account :			
—	As per last Balance Sheet	40,533		
40,533	Transferred from Molasses Sales	2,02,265	2,42,798	49,95,624
40,533				
50,29,402				
	III. SECURED LOANS :			
2,58,01,592	(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		2,51,41,449	
	(b) Cash Credit Accounts with Banks against hypothecation of all tangible movable Assets of the Company including Stocks of Sugar, Stores, Chemicals, Spares etc. of the Company's Unit at Sameerwadi and fully guaranteed by two Directors			
20,06,860	(i) Bank of India	53,10,588		
15,93,571	(ii) Union Bank of India	50,82,298	1,03,92,886	
36,00,431				
	(c) Term Loans secured against joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situate at Sakarwadi (Kanhagaon), 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.			
3,24,00,000	(i) Bank of India (Instalment payable within a Year Rs. NIL)	3,24,00,000		
20,00,000	(ii) Karnataka State Financial Corporation (Instalment payable within a year Rs. 3,00,000/-)	18,00,000		
3,44,00,000				
24,99,900	(iii) Vijaya Bank Ltd. (Instalment payable within a year Rs. Nil)	24,99,900	3,66,99,900	
3,68,99,900				
6,63,01,923				
2,48,80,352				
	Carried Over		7,22,34,235	2,48,46,574

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1976

As at 30th Sept. 1975		ASSETS (Contd.)		
Rupees		Rupees	Rupees	Rupees
7,04,15,296	Brought Forward		6,09,000	7,39,29,490
6,09,000				
	(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 the above 5000 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) Limited.			
10,000	Guarantee Commission paid for purchase of Shares		10,000	
7,440	(iii) 77 Equity Shares of Rs. 100/- each fully paid up of Sugar Selling Agency Pvt. Ltd.		7,161	
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	
35,700	(vi) 7 Years' National Savings Certificates		36,200	
1,000	(vii) 100 Shares of Rs. 10/- each of Upbhokta 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		1,500	
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	70,67,670	
	Aggregate unquoted Investments	2,14,439	—	
68,74,213		68,69,434	70,67,670	68,69,434
7,72,89,509	Carried Over			8,07,98,924

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1975		LIABILITIES (Contd.)		
Rupees		Rupees	Rupees	Rupees
2,48,80,352			7,22,34,235	2,48,46,574
6,63,01,923		Brought Forward		
1,22,01,000		(d) Term Loan from Union Bank of India against Guarantee of Rs. 123 Lacs from The Government of Karnataka (Instalment payable within a year Rs. Nil)	1,21,91,335	
26,00,000		(e) 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. 5,20,000/-)	20,80,000	
8,80,000		(f) From State Industrial and Investment Corporation of Maharashtra Ltd., against guarantee of Life Insurance Corporation of India against which guarantee, the Company had pledged 56,990 Equity Shares of Somaiya Organics (India) Ltd.	—	
26,58,304		(g) Due for purchase of Machineries etc. on Deferred payments for 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	18,34,038	
37,19,848			53,29,440	
8,83,61,075		(h) Interest accrued and due on above		9,36,69,048
		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	
38,935		(ii) From Directors	39,989	
38,285		(iii) From Others	39,656	
2,430		(iv) On Current Account:		
6,536		From Selling Agents	—	
		(v) From Somaiya Organo-Chemicals Ltd.	—	
20,86,186				
11,32,41,427				
		Carried Over	20,79,645	11,85,15,622

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1976

As at 30th Sept. 1975		ASSETS (Contd.)		
Rupees		Rupees	Rupees	Rupees
7,72,89,509				8,07,98,924
	Brought Forward			
	III. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS :			
470	(i) Interest accrued on Investments		—	
	(ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by Managing Director)			
1,22,05,695	Stock on hand (including machineries Rs. 20,89,050/-)	1,12,56,338		
14,36,382	In transit	10,00,231	1,22,56,569	
1,36,42,077	(iii) Loose Tools and Implements (as per inventories valued and Certified by Managing Director)		16,845	
18,721	(iv) Stock-in-trade (as per inventories valued and Certified by Managing Director)			
	(a) Sugar at Market Rate	3,91,08,660		
3,08,57,719	(b) Stock of grains, Cotton etc. at Market Rate	68,588		
1,65,800	(c) Molasses at Market Rate	2,65,814	3,94,43,062	
33,113				
3,10,56,632	(v) Crop-in-Progress (including tillages, preparation of land, irrigation charges etc. at cost as valued and certified by Managing Director)		—	
41,792	(vi) Sundry Debtors : (unsecured and considered good except otherwise stated):			
	(a) Debts outstanding for more than Six months	2,40,645		
1,90,662	(b) Considered doubtful	69,692		
69,692		3,10,337		
2,60,354	Less: Provision for Doubtful Debts	69,692		
69,692		2,40,645		
1,90,662	(c) Other Debts (including Rs. 32,61,555/- due from Arpit Ltd., a Company under the same management)	70,74,143	73,14,788	
51,23,884				
53,14,546				
5,00,74,238				
7,72,89,509				
	Carried Over		5,90,31,264	8,07,98,924

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1975	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
11,32,41,427	Brought Forward		20,79,645	11,85,15,622
20,86,186	IV. UNSECURED LOANS (Contd.) :			
45,48,872	(vi) Public Fixed Deposits		34,10,515	
21,91,200	(vii) Public Loans (Guaranteed by a Director) ..		13,36,800	
11,819	(viii) From Banks		58,400	
14,78,880	(ix) Cane Purchase Tax Loan from Karnataka State Government		14,78,880	
5,30,336	(x) Interest accrued due on unsecured Loans ..		60,000	
1,08,47,293			<u>84,24,240</u>	
	V. CURRENT LIABILITIES AND PROVISIONS :			
	(A) CURRENT LIABILITIES :			
2,89,84,285	(i) Sundry Creditors		4,29,76,303	
17,48,000	(ii) Bills Payable		20,39,000	
2,48,446	(iii) Advance from Customers against Sale of Land & Wood		2,52,446	
50,000	(iv) Security Deposit from Selling Agents ..		50,000	
14,65,955	(v) Security Deposit from Bagaitdars ..		15,12,585	
4,878	(vi) Security Deposit from Customers ..		4,878	
20,39,749	(vii) For Taxation		18,28,163	
1,39,187	(viii) Due to Partnership Firm of Khanapur Farms		1,80,089	
9,51,720	(ix) Due for Selling Agents' Commission ..		—	
20,000	(x) Due for Managing Director's Remuneration		5,000	
10,860	(xi) Unclaimed Dividend		10,860	
5,72,348	(xii) Liability for Accrued Gratuity		—	
12,36,039	(xiii) Interest Accrued but not due on Loans		8,31,934	
3,74,71,467			<u>4,96,91,258</u>	
3,74,71,467				
12,40,88,720	Carried Over		4,96,91,258	12,69,39,862

AS AT 30TH SEPTEMBER, 1976

15

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1975	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,40,88,720	Brought Forward		4,96,91,258	12,69,39,862
3,74,71,467	(B) PROVISIONS:			
42,04,235	(i) Provision for Agriculture Income-tax ..		42,04,235	
2,000	(ii) Provision for Bonus		2,000	
41,95,000	(iii) Provision for payment of Agri. Profit under Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 ..	41,95,000		
24,50,000	Less: Paid	24,50,000		
17,45,000			17,45,000	5,56,42,493
4,34,22,702				
16,75,11,422				
	Carried Over			18,25,82,355

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1976

As at 30th Sept. 1975	ASSETS (Contd.)		
		Rupees	Rupees
Rupees			
7,72,89,509	Brought Forward		6,02,66,147
5,23,00,571			8,07,98,924
	(B) LOANS AND ADVANCES :		
	(Unsecured and considered good except otherwise stated)		
	(i) Loan to Company under the same Management		
	Arpit Ltd., (Maximum debit balance during the year Rs. 34,27,587/- Previous Year Rs. 34,36,090/-)	27,85,517	
34,27,587			
4,39,953	Interest Accrued on above	9,96,339	
38,67,540		37,81,856	
	(ii) Loans to Others (including doubtful loan of Rs. 4,79,130/- not provided for) ..	75,67,296	
86,65,417			
10,57,429	Interest Accrued on above	22,76,896	
97,22,846		98,44,192	
1,35,90,386		1,36,26,048	
23,601	Considered Doubtful	23,601	
1,36,13,987		1,36,49,649	
23,601	Less: Provision for Doubtful Loans ..	23,601	
1,35,90,386			1,36,26,048
	Loans to subsidiary Companies of which the Company is a Holding Company		
	(a) Godavari Investment & Finance Corporation Limited ..	6,80,202	
7,95,955			
98,776	Interest accrued on above	1,33,963	
8,94,731		8,14,165	
310	(b) Sakarwadi Sugar Factory Ltd.	6,893	
190	(c) Lakshmiwadi Sugar Factory Ltd.	7,013	
2,430	(d) Somaiya Sugar Works Ltd.	8,963	
8,97,661			8,37,034
6,67,88,618			
7,72,89,509	Carried Over	7,47,29,229	8,07,98,924

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1975	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
16,75,11,422	Brought Forward			18,25,82,355
	CONTINGENT LIABILITIES (Not Provided for) :			
	(i) Uncalled Liability on partly paid Shares held as Investments of Godavari Investment and Finance Corporation Ltd. a subsidiary Company		1,00,000	
1,00,000				
	(ii) In respect of guarantee given to a Bank for Loan granted to a subsidiary Company		1,75,403	
1,75,403				
	(iii) In respect of counter guarantees given to others		47,000	
47,000				
	(iv) In respect of guarantee given to a Bank for the Loan granted to Somaiya Organics (India) Limited		1,50,00,000	
1,50,00,000				
	(v) In respect of estimated purchase commitments on Capital Purchases ..		5,40,210	
6,06,450				
	(vi) In respect of development charges payable to Government in 7 Instalments for Leasehold Lands at Gandhidham ..		80,458	
91,952				
	(vii) 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 1969-70 to 1975-76 amount whereof not ascertained.			
	(viii) In respect of dividend payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1.6.1973 to 30.9.1976		4,84,777	
3,39,344				
	(ix) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Union Bank of India to cane cultivators.		30,00,000	
30,00,000				
16,75,11,422	Total Rupees			18,25,82,355

AS AT 30TH SEPTEMBER, 1976

19

THE GODAVARI SUGA

Schedule 'A'

Schedule of Fixed Assets Attached to an

PARTICULARS	Gross Block as on 1st Oct. 1975	Additions During the Year	Sub-Total	Deduction of Sales during the year
(1)	(2)	(3)	(4)	(5)
	Rupees	Rupees	Rupees	Rupees
Freehold Land (Book Value)	28,32,742	—	28,32,742	—
Leasehold Land Premium	3,88,850	—	3,88,850	—
Leasehold Land Development Expenses	1,46,973	11,494	1,58,467	—
Leasehold Premium on Garage	12,000	—	12,000	—
Buildings & Pucca Quarters at Factories	1,94,35,811	2,82,715	1,97,18,526	—
Temporary Quarters	5,79,933	—	5,79,933	—
Temporary Quarters at Farms	2,38,768	—	2,38,768	—
Pucca Quarters at Farms	2,18,633	—	2,18,633	—
General Machinery (Book Value)	5,38,43,743	11,64,829	5,50,08,572	84,021
Electrical Machinery	30,27,079	—	30,27,079	—
Agricultural Machinery (Book Value)	34,01,826	—	34,01,826	38,621
Locomotives	92,974	—	92,974	—
Electrical Installation & Fittings	9,41,071	—	9,41,071	—
Furniture & Office Equipments	20,61,104	1,08,443	21,69,547	—
Weigh Bridges	3,86,163	—	3,86,163	—
Trolley Lines	6,28,058	—	6,28,058	—
Railway Siding	1,26,075	—	1,26,075	—
Motor Cars, Lorries & Cycles (Book Value)	23,28,926	12,845	23,41,771	46,736
Carts & Trucks (Book Value)	3,66,106	227	3,66,333	—
Laboratory Apparatus	1,11,827	16,435	1,28,262	—
Roads, Drainage & Tube Wells	14,49,006	9,600	14,58,606	—
Dead Stocks	1,37,517	—	1,37,517	—
Library	7,758	—	7,758	—
Medical Instruments	363	—	363	—
Irrigation Lifts	12,03,771	—	12,03,771	—
Live Stocks	89,207	550	89,757	502
Total Rupees	9,40,56,284	16,07,138	9,56,63,422	1,69,880

Accompanying to in our Report of even date
For AMBALAL THAKKAR & CO.,
CHARTERED ACCOUNTANTS
G. P. BHATT
Partner

BOMBAY : Dated 7th March, 1977.

MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1976

Gross Block as on 30th Sept. 1976	Depreciation written off upto 30th Sept. 1975	Depreciation provided & other adjustments during the year	Sub-Total	Depreciation written back and other adjustments during the year	Total Depreciation upto 30th Sept. 1976	Net Depreciated Block as at 30th Sept. 1976	Net Depreciated Block as at 30th Sept. 1975
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
28,32,742	—	—	—	—	—	28,32,742	28,32,742
3,88,850	3,88,850	—	3,88,850	—	3,88,850	—	—
1,58,467	—	—	—	—	—	1,58,467	1,46,973
12,000	5,500	300	5,800	—	5,800	6,200	6,500
1,97,18,526	31,20,643	1,038	31,21,681	* 1,066	31,20,615	1,65,97,911	1,63,15,168
5,79,933	2,28,272	—	2,28,272	—	2,28,272	3,51,661	3,51,661
2,38,768	1,52,246	—	1,52,246	—	1,52,246	86,522	86,522
2,18,633	67,614	* 1,102	68,716	—	68,716	1,49,917	1,51,019
5,49,24,551	1,29,69,886	—	1,29,69,886	* 33,394	1,29,36,492	4,19,88,059	4,08,73,857
30,27,079	18,30,648	* 40,575	18,71,223	—	18,71,223	11,55,856	11,96,431
33,63,205	31,98,017	4,141	32,02,158	* 42,775	31,59,383	2,03,822	2,03,809
92,974	86,792	—	86,792	—	86,792	6,182	6,182
9,41,071	99,723	* 1	99,724	—	99,724	8,41,347	8,41,348
21,69,547	8,05,904	* 13,571	8,19,687	—	8,19,687	13,49,860	12,55,200
3,86,163	1,61,281	* 194	1,61,486	—	1,61,486	2,24,677	2,24,882
6,28,058	5,86,128	11	5,86,128	—	5,86,128	41,930	41,930
1,26,075	1,08,337	—	1,08,337	* 192	1,08,145	17,930	17,738
22,95,035	9,55,238	19	9,55,257	14,020	9,41,237	13,53,798	13,73,688
3,66,333	3,11,216	—	3,11,216	* 8,625	3,02,591	63,742	54,890
1,28,262	36,697	* 1	36,698	—	36,698	91,564	75,130
14,58,606	7,42,948	* 29,694	7,72,642	—	7,72,642	6,85,964	7,06,058
1,37,517	61,668	* 896	62,564	—	62,564	74,953	75,849
7,758	5,489	* 1	5,490	—	5,490	2,268	2,269
363	330	* 17	347	—	347	16	33
12,03,771	9,47,750	118	9,47,868	—	9,47,868	2,55,903	2,56,021
89,255	82,171	—	82,171	—	82,171	7,084	7,036
9,54,93,542	2,69,53,348	91,891	2,70,45,239	1,00,072	2,69,45,167	6,85,48,375	6,71,02,936

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

K. J. SOMAIYA
Chairman and Managing Director

J. G. DALAL
S. N. VAIDYA
D. M. POPAT
S. K. SOMAIYA
B. S. MEHTA
N. C. SAYTA
S. R. CHANDRASEKHARA SETTY

Directors

K. R. THANAWALA
Secretary

BOMBAY : Dated 5th March, 1977

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1975			Rupees	Rupees
Rupees				
1,96,40,821	To Opening Stock on 1st October, 1975			
13,031	Sugar		3,08,57,719	
1,96,53,852	Molasses		33,113	
9,19,463				3,08,90,832
24,044	To Crop in Progress as at 1st October 1975		41,792	
10,531	" Stock of Grains & Other Seeds as at 1st October 1975 ..		39,538	
4,24,891	" Grains & Other Seeds for Sowing.		9,449	
63,882	" Salaries and Wages		47,586	
11,388	" Bonus of Previous years		2,295	
2,264	" Contribution to Govt. Provident Fund and Administrative Charges		—	
—	" Company's Contribution to Employees' Family Pension Fund Scheme		—	
2,48,086	" Gratuity		1,787	
7,720	" Stores inclusive of Seeds and Manures		29,554	
1,79,028	" Repairs and Renewals		10,172	
32,195	" Land Rent		61,857	
122	" Irrigation Rates and Taxes		14,756	
33,917	" Expenses on Sale of Grains, Cotton, Tobacco etc. ..		4,959	
65,271	" Education Cess		21,922	
12,270	" Miscellaneous Expenses including Printing & Stationery, Postage and Telegrams and Travelling Expenses		26,977	
3,424	" Depreciation		5,539	
89,574	" Land Development Expenses		—	
9,375	" Legal Charges		8,745	
—	" Brokerage and Commission (Guarantee Commission) ..		—	
9	" Loss on Sale of Fixed Assets		8,521	
21,37,454	" Loose Tools written off		10	
41,792			3,35,459	
20,95,662	Less: Crop-in-Progress as at 30th September, 1976		—	
1,96,53,852				
	Carried Over		3,35,459	3,08,90,832

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1976

For the year ended 30th Sept. 1975		SEPTEMBER, 1976			
Rupees		Rupees	Rupees	Rupees	
14,58,91,113	By Sales				
2,10,979	Sugar		19,78,54,861		
40,533	Molasses	9,69,281			
1,70,446	Less : Transferred to Molasses Storage Fund	2,02,264		7,67,017	
1,76,318	" Food Grains, Tobacco, Grains etc. (Including Consumption of Rs. 9,449/- as per contra)		1,22,251		
14,62,37,877	" Sundry Receipts from Flour Mills, Dairy, Old Materials etc.			19,87,44,129	
9,35,692	" Income from Immovable Property			7,18,497	
2,91,214	" Sundry receipts being market value of Farm Produce etc. (Including Profit on Sale of Grains Rs. 1,610/-) ..			2,62,995	
2,71,350	" Dividend on Co-Operative Bank Shares			1,72,893	
3	" Share Transfer and Splitting Fees			49	
14	" Interest :				
21,00,554	On Loans and Others		18,39,208		
98,776	From Subsidiary Company		1,00,291		
7,744	From Bank :				
	On Fixed Deposit		6,153		
22,07,074	(Income Tax deducted at Source Rs. 1,23,722/-) ..			19,45,652	
14,99,43,224				20,18,44,215	

Carried Over

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1975		Rupees	Rupees	Rupees
Rupees 1,96,53,852				
20,95,662	Brought Forward		3,35,459	3,08,90,832
97,495	To Transportation of Cane		—	
	„ Loss of Lakh and Khanapur Farms in Partnership:			
	Lakh Farms:			
595	1/4 Share of loss for the year	—		
	Khanapur Farms:			
458	1/4 Share of loss for the year	—	—	
1,053				3,35,459
21,94,210				
9,06,45,494	„ Locally Purchased Cane			10,30,33,001
2,70,172	„ Raw Sugar Purchased			15,75,801
91,73,213	„ Salaries and Wages (after deducting Rs. 41,37,755/- charged to repairs, capital and other relevant heads) ..		1,01,49,864	
6,85,397	„ Bonus to Employees (Previous years)		12,81,705	
19,198	„ Company's Contribution to Employees' Family Pension Fund Scheme		39,100	
1,46,365	„ Contribution to Provident Fund of the Company and Administrative Charges		1,34,079	
1,55,884	„ Gratuity		1,90,435	
5,29,133	„ Contribution to Govt. Provident Fund and Administrative Charges		7,52,512	
2,10,812	„ Workmen and Staff welfare Expenses		3,77,398	
9,712	„ Workmens' Compensation		49,267	
—	„ Contribution to Deposit Link Insurance Fund and Administrative Charges		5,876	
1,09,29,714				1,29,80,236
24,90,729	„ Stores, Chemicals and spare parts (after deducting Rs. 89,78,811/- to Agriculture, Capital, Repairs and other relevant heads)			27,56,735
9,19,406	„ Power and Fuel			9,42,483
33,43,297	„ Repairs to Plant & Machinery (Inclusive of Salaries & Wages Rs. 19,99,901/- Previous year Rs. 20,92,226/-)		37,14,321	
4,57,775	„ Repairs to Buildings (Inclusive of Salaries & Wages Rs. 2,57,862/- Previous year Rs. 2,76,349/-)		4,56,004	
2,73,859	„ Other repairs (inclusive of Salaries & Wages Rs. 1,42,188/- Previous year Rs. 1,01,791/-)		3,34,758	
40,74,931				45,05,083
90,69,196	„ Sugar Cane Purchase-tax			1,19,33,663
1,90,821	„ Gratuity Insurance			1,95,000
1,98,51,487	„ Excise Duty on Sugar			4,07,54,837
16,02,90,012	Carried Over			20,99,03,130

THE YEAR ENDED 30TH SEPTEMBER, 1976

25

PROFIT & LOSS ACCOUNT FOR

18,69,46,382

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1976

For the year ended 30th Sept. 1975	
Rupees	Rupees Rupees
18,69,46,382	Brought Forward 24,19,98,320
18,69,46,382	Total Rupees 24,19,98,320

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1975			Rupees	Rupees	Rupees
Rupees		To			
1,71,41,233		Balance of loss brought forward from last year's Balance Sheet ..			
20,102		" Short Provision for taxation of Previous years ..			1,67,73,637
—		" Tax credit certificates of previous year withdrawn ..			7,37,312
—		" Share of Profits in Partnership Firms of Lakh and Khanapur Farms credited in excess in Previous years:—			58,560
—		Lakh Farm			
—		Khanapur Farm		30,257	
2,83,515		" Balance brought down		40,764	
		NOTE:			71,021
		Computation of Managing Directors' Commission is as follows:			—
		2,83,515 (Loss) Net Profit as per Profit & Loss A/c.			
		(Less) Add: (i) Managing Directors' Remuneration		31,12,069	
60,000		(ii) Depreciation of Agriculture Section	60,000		
12,270			5,539		
72,270				65,539	
2,11,245				31,77,608	
		(Add) Less: (i) Depreciation to the extent specified in Section 350 of the Companies Act, 1956	55,83,068		
54,62,017		(ii) Estimated Liability of Bonus	—		
2,50,000		(iii) Provision for Doubtful Debts recredited	—		
1,490		(iv) Provision for accrued Gratuity written back	5,72,348		
—				61,55,416	
57,13,507					
59,24,752		Net Loss for Calculating Managing Directors' Commission		29,77,808	
Nil		Managing Directors' Commission		Nil	
60,000		Total Managerial Remuneration:			
5,000		Remuneration	60,000		
5,400		Company's Contribution to Provident Fund	5,000		
70,400		Perquisite for use of company's car	5,400		
		Total Rupees	70,400		
1,74,44,850		Total Rupees			1,76,40,530

Accompanying to in our Report of even date.
For AMBALAL THAKKAR & Co.,
Chartered Accountants
G. P. BHATT
Partner

BOMBAY : Date: 7th March, 1977.

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1976

For the year ended 30th Sept. 1975		Rupees	Rupees
Rupees			
—	By Balance Brought Forward from Profit & Loss A/c.		31,12,069
1,490	„ Excess provision for doubtful debts recredited		—
544	„ Excess Provision for Gratuity (Agri.) recredited		—
6,69,179	„ Income-tax Refund of previous years		3,03,407
1,67,73,637	„ Balance Carried to Balance Sheet		1,42,25,054
1,74,44,850	Total Rupees		1,76,40,530

K. J. SOMAIYA

Chairman and Managing Director

J. G. DALAL
S. N. VAIDYA
D. M. POPAT
S. K. SOMAIYA
B. S. MEHTA
N. C. SAYTA
S. R. CHANDRASEKHARA SETTY

Directors

K. R. THANAWALA
Secretary

Bombay : Dated 5th March, 1977.

THE GODAVARI SUGAR

BALANCE SHEET

- NOTES : (1) Partnership firm of Somaiya Farms, Lakh and Somaiya Farms, Khanapur in which Company is a Partner had no activity during 1975-76, as the Agricultural Lands have been held by Maharashtra Government as "surplus lands" under Maharashtra Agriculture Lands (Ceiling on Holdings) Act and as the Government had not given permission for water.
- (2) (a) No Depreciation has been provided during the year in respect of Fixed Assets of Factories amounting to Rs. 55,77,529/- (Previous Year Rs. 54,05,559/-)
- (b) Total arrears of Depreciation upto 30th September, 1976 computed in accordance with Section 205 (2) (a) of the Companies Act, 1956 amounted to Rs. 2,91,50,913/- after deducting arrears of depreciation of Rs. 66,806/- on assets sold. (Previous year Rs. 2,36,40,190/-),
- (3) No Provision has been made in respect of Balance of Loss of Rs. 22,798/- as on 31st May, 1976 of Godavari Investment & Finance Corporation Ltd. and of Rs. 331/-, 415/- and Rs. 546/- of Sakarwadi Sugar Factory Ltd., Lakshmiwadi Sugar Factory Ltd. and Somaiya Sugar Works Ltd. respectively.
- (4) Company's Applications to the Central Government for its approval on following matters are pending :
- (a) Loans to Corporate Body under the same management and other Bodies Corporate in excess of the prescribed limits under section 370 of Companies Act, 1956.
- (b) Waiver of Managing Director's remuneration of Rs. 13,471/- for the year 1971-72, Rs. 32,500/- for the year 1972-73, and Rs. 37,917/- for the period ending 30 th September, 1974 paid in excess of the Limits sanctioned by the Central Government.
- (5) 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.
- (6) For Cane supplied by Maharashtra State Farming Corporation Ltd. to Company's Sakarwadi and Lakshmiwadi Factories during 1975-76 Season, the Company has received bills at the rate of Rs. 186/- per tonne and Rs. 181/- per tonne respectively against which the Company has paid and provided at the rates of Rs. 117/- per tonne and Rs. 119/- per tonne respectively. The matter is pending before the Sugar Cane Price Determination Board appointed by Maharashtra Government.
- (7) In respect of the Levy Sugar sold during the year and the stocks held at the end of the year, the realisations and the value have been taken at the rates permitted by the High Court of Judicature at Bombay and High Court of Karnataka at Bangalore in the Writ Petitions filed by the Company challenging Levy Sugar prices fixed by the Government.
- (8) As the Insurance Claim for loss due to riot and fire at Sameerwadi is not yet settled, further adjustment would be made for partial loss of assets and for loss of revenue nature when the same is settled.
- (9) Company has agreed to give second charge by Equitable Mortgage in favour of Government of Karnataka :
- (a) On Fixed Assets of Sameerwadi (excluding Agricultural Assets) for Loan of Rs. 26 lacs granted by the Company (Balance due on 30th September, 1976 Rs. 20,80,000/-)
- (b) On Fixed Assets of Sakarwadi, Lakshmiwadi and Sameerwadi Factories (excluding Agricultural Assets) for guarantee of Rs. 1,23,00,000/- given in favour of Union Bank of India for Loan of Rs. 1,22,01,000/- granted by the Bank to the Company.

	Number	Salary, Bonus & Allowances	Contribution to Provident Fund & Other Funds.
(10) (a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 36,000/- (Other than Managing Director)	4	2,11,093/-	12,530/-
(b) 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.	Nil	—	—

Accompanying to in our report of even date
For **AMBALAL THAKKAR & CO.,**
CHARTERED ACCOUNTANTS
G. P. BHATT.
Partner

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1976

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

(a) Somaiya Farms—Lakh

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

(b) Somaiya Farms—Khanapur

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

(12) Quantitative information in respect of goods manufactured :

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

Goods Manufactured	Opening Stock		Production Quantity M. T.	Quantity sent for reprocessing M. T.	Sales		Closing Stock	
	Quantity M. T.	Value Rs.			Quantity M. T.	Value Rs.	Quantity M. T.	Value Rs.
Sugar	14,335.1	3,08,57,719	75,797.7	632.0	76,301.1	19,78,54,861	*13,199.7	3,91,08,660
Molasses	4,039	33,113	28,523	—	25,509	9,69,281	7,053	2,65,814

* According to usual practice, valuation of brown Sugar is not made.

Raw materials purchased & Consumed :

	Quantity Purchased & Consumed	Value
Sugarcane	7,12,624.1	10,30,33,001
Stores & Spares Consumed :	Value Rs.	%
Imported	38,312	1.4
Indigenous	27,47,977	98.6
	27,86,289	100.0

C. I. F. Value of Imports

	Purchased
(i) Raw materials	NIL
(ii) Stores & Spares	1,01,715
(iii) Capital Goods	NIL

(13) Details of quantity etc. in respect of Farm Produce other than Cane are not readily available and therefore not shown.

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
D. M. POPAT
S. K. SOMAIYA
B. S. MEHTA
N. C. SAYTA
S. R. CHANDRASEKHARA SETTY

Directors

K. R. THANAWALA
Secretary

BOMBAY : Dated 5th March, 1977.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1976

Schedule 'B'

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

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

(a) EMPLOYED THROUGHOUT THE YEAR UNDER REVIEW

S. No.	Name of Employee	Age	Designation	Remuneration Rs.	Nature of Employment (whether contractual or otherwise)	Other terms & Conditions	Qualifications & experience (years)	Date of commencement of employment	Last Employment
1.	Shri K. J. Somaiya	77	Managing Director	70,400/-	Contractual for Five years from 1-6-1975	As approved by Central Govt. Government	About 37 years	1-6-1970	Nil
2.	Shri P. M. Kavadia	58	Chief Executive	56,800/-	Permanent	As per Company's Rules	M. A., LL. B., About 31 years	1-9-1963	Manager, Narsee Nagsee & Co.
3.	Shri Mangal Singh	45	Technical Adviser-cum General Manager	77,331/-	Permanent, subject to termination by Three months notice on either side.	As per Company's Rules	B.Sc., A.N.S.I.I., F. S. T. A. About 26 years	4-8-1971	General Manager & Tech. Manager, Champaran Sugar Co., Ltd.
4.	Shri J. N. Patel	54	Superintending Agri. Development Manager	49,422/-	Permanent, subject to termination by one month's notice on either side.	As per Company's Rules	B. Sc (Agrl) Hons. About 26 years	1-3-1951	Nil
5.	Shri R. D. Holkar	43	Joint General Manager	40,070/-	Permanent—subject to termination by one month's notice on either side.	As per Company's Rules	B.A. LL.B., Dip. B. I. M. (London) About 26 years	10-7-1975	Managing Director, Kopergaon Sahakari Sakhar Karkhana Ltd.

(b) EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW — NONE —

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

By Order of the Board of Directors

K. J. SOMAIYA

Managing Director

BOMBAY: Dated 5th March, 1977

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

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

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, 1976.

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, 1976.

Advances: The Advances to subsidiaries were as follows:

	<i>As on</i>	<i>Amount</i>
a) Godavari Investment & Finance Corporation Ltd.	31st May, 1976	Rs. 6,97,554/-
b) Sakarwadi Sugar Factory Ltd.	30th Sept. 1976	6,893/-
c) Lakshmiwadi Sugar Factory Ltd.	30th Sept. 1976	7,013/-
d) Somaiya Sugar Works Ltd.	30th Sept. 1976	8,963/-

Godavari Investment & Finance Corporation Limited made a Profit of Rs. 1,032/- for the year ended 31st May, 1976. The Net Loss after adjusting the previous year's Loss from Profit of this year comes to Rs. 22,798/-. 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 Profit of Rs. 289/-, Rs. 265/- and Rs. 304/- respectively for the year ended 30th September, 1976. No adjustment has been made for these losses in the Books of the Godavari Sugar Mills Limited.

There has been no change in the Interest of The Godavari Sugar Mills Limited, in Godavari Investment & Finance Corporation Limited, between 1st June, 1976 and 30th September, 1976. 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.

Dated 5th March, 1977.

K. R. THANAWALA
Secretary

K. J. SOMAIYA
Chairman & Managing Director

J. G. DALAL
S. N. VAIDYA
D. M. POPAT
S. K. SOMAIYA
B. S. MEHTA
N. C. SAYTA
S. R. CHANDRASEKHARA SETTY

} *Directors*

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Twenty-First Annual Report and Audited Accounts of the Company for the year ended 31st May, 1976.

The working of the Company for the year resulted in a Profit of Rs. 1,032/- after providing Rs. 2,220/- for taxation. After adjusting the same from last year's loss, and after recrediting excess provision for doubtful debts and loans amounting to Rs. 1,102/- and adjusting short provision of taxation for previous year amounting to Rs. 25/- the net carried forward loss comes to Rs. 22,798/- 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 : 21st October, 1976

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHARE HOLDERS

We have Audited the Balance Sheet of GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED as at 31st May, 1976 and the annexed Profit and Loss Account for the year ended on that date and have to report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the Profit and Loss Account dealt with by this report, are in agreement with the Books of Accounts;
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts 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, 1976 and
 - (b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 we further state that:

1. As the Company has no Fixed Assets, provision regarding maintenance of records is not applicable.
2. As there are no Fixed Assets, question of revaluation of Assets does not arise.
3. The Stock of Stores has been Physically verified by the Management. No variation is noticed on the verification by the Management. In our opinion the valuation of the Stores is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the last year.
4. The Company has obtained loan from the Holding Company.
5. Loans and Advances in the nature of Loans to the Cane Growers are given under arrangement to supply Cane to the Holding Company and regular recovery thereof is made. The adequate provision for doubtful loans is made by the Company, and adequate documents and records are maintained for the loans granted to Cane Growers against the Land Mortgage Agreements.
6. In our opinion and in accordance with the information and explanations given to us there is adequate Internal Control procedure commensurate with the size of the Company and the nature of the business.
7. Not applicable as the Company has no Purchase of Stores, during the year under reference.
8. Not applicable as the Company has no unserviceable or damaged Stores during the year under reference.
9. Provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits are not applicable as the Company has not invited the Deposits from the Public.
10. As it is a Financing Company, there are no by-products or Scrap.
11. As the paid-up Capital of the Company does not exceed Rs. 25 Lacs, there is no Internal Audit system.
12. Maintenance of Cost Records has not been prescribed u/s. 209(1)(d) of the Companies Act, 1956.
13. According to the records of the Company it has regularly Deposited during the period Provident Fund dues with the appropriate authorities.
14. Though the Company is a Financing Company no Consumption of Stores etc. is involved in rendering the Finance. The Company has the Income as Commission, Supervision charges, Hire-Purchase Contracts and Interest.

For N. P. PATWA & CO.,
CHARTERED ACCOUNTANTS.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1975	LIABILITIES			
Rupees		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 Limited and its nominees			1,00,000
1,70,728	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 by cultivators and guaranteed by two Directors of the Company and also by Holding Company			1,21,377
6,83,031	IV. UNSECURED LOANS: Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited		5,90,331	
66,823	Add: Interest due on above		—	
7,49,854			—	5,90,331
44,828	V. CURRENT LIABILITIES AND PROVISIONS: (A) CURRENT LIABILITIES: (i) Sundry Creditors		39,849	
6,180	(ii) Estimated Unearned Finance Charges on Hire-Purchase carried forward		4,959	
4,849	(iii) Interest accrued but not due on Loans ..		1,07,223	
17,763	(iv) Income Tax on Interest		—	
73,620			1,52,031	
3,180	(B) PROVISIONS: For Taxation		2,900	
76,800			—	1,54,931
10,97,382				9,66,639
	Carried Over			

AS AT 31ST MAY, 1976

27

GODAVARI INVESTMENT AND

BALANCE SHEET

As at 31st May, 1975	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
10,97,382	Brought Forward			9,66,639
	<p>NOTE:</p> <p>(1) Out of Land Mortgage Agreements for Loans given to Bagaitdars, Agreements for Loans amounting to Rs. 43,477/- 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>			
10,97,382	Total Rupees			9,66,639

Referred to in Our Report of even date
For **N. P. PATWA & CO.,**
CHARTERED ACCOUNTANTS
N. P. PATWA
Proprietor

BOMBAY: Dated 25th October, 1976.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1976

As at 31st May, 1975	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,55,040	Brought Forward		1,52,871	
	(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 Limited in terms of Agreements:			
7,65,707	Secured	6,29,774		
36,882	Considered Doubtful	36,230		
8,02,589		6,66,004		
36,882	Less: Provision for Doubtful Loans ..	36,230		
7,65,707		6,29,774		
1,11,689	Loans to Others	1,27,883		
8,77,396			7,57,657	
9,840	(ii) Advance Income Tax		2,276	
29,000	(iii) Deposit		29,000	
1,199	(iv) Advance recoverable in Cash or Kind ..		2,037	
10,72,475				9,43,841
	II. MISCELLANEOUS EXPENDITURE:			
	Profit and Loss Account:			
24,907	Loss as per Profit & Loss Account			22,798
10,97,382	Total Rupees			9,66,639

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 21st October, 1976.

S. K. SOMAIYA
S. R. PARIKH
Y. P. DANDIWALA } Directors

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the year ended 31st May, 1975				
Rupees			Rupees	Rupees
	To Opening Stock:			
8 417	Machinery Spares & Fittings			6,588
	" Purchases:			
2,700	Stores .. .			—
2,203	" Miscellaneous Expenses, Fees and Stamps, Printing & Stationery, Postage and Telegrams, Conveyance, Travelling etc. .. .			2,509
39	" Insurance Premium .. .			23
	" Interest:			
84,586	On Current Account to the Holding Company The Godavari Sugar Mills Limited		1,03,967	
46,202	On Cash Credit Account with Bank .. .		25,158	
1,30,788				1,29,125
9,600	" Office Rent .. .			9,600
500	" Audit Fees .. .			500
27,301	" Salary .. .			20,677
1,661	" Bonus .. .			3,357
2,115	" Company's Contribution (to the Holding Company) towards Provident Fund .. .			1,704
15	" Govt. Provident Fund Company's Contribution and Administrative Charges .. .			20
200	" Workmen and Staff Welfare Expenses .. .			150
680	" Provision for Taxation .. .			2,220
319	" Profit Carried Down .. .			1,032
1,86,538		Total Rupees		1,77,505
25,990	To Loss as per Last Balance Sheet .. .			24,907
646	" Short Provision for taxation of Previous year .. .			25
26,636		Total Rupees		24,932

THE YEAR ENDED 31ST MAY, 1976

S. K. SOMAIYA
S. R. PARIKH
Y. P. DANDIWALA

41

SAKARWADI SUGAR FACTORY LIMITED

DIRECTORS' REPORT

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

Your Directors are pleased to submit herewith Third Audited Accounts of the Company for the year ended 30th September, 1976.

The working of the Company for the year resulted in a profit of Rs. 289/- after providing Rs. 615/- for taxation. After adjusting the same from last year's loss the net carried forward loss comes to Rs. 331/- which has been carried forward to the 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
P. M. KAVADIA

Director

BOMBAY : Dated 5th March, 1977.

SAKARWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Sakarwadi Sugar Factory Limited, as at 30th September, 1976 and the annexed Profit and Loss Account for the year ended on that date and have to report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit;
2. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of the Books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the Books of Account;
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - (a) In the case of the Balance Sheet, of the State of the affairs of the Company as at 30th September, 1976 and
 - (b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 we further state that:

1. As the Company has no Fixed Assets Provision regarding maintenance of records is not applicable.
2. As there are no Fixed Assets, question of revaluation of Assets does not arise.
3. As there is no Stock of Stores, question of Physical verification does not arise.
4. The Company has obtained loan from the Holding Company.
5. Not applicable as the Company has not given any loans and advances during the year.
6. In our opinion and in accordance with the information and explanations given to us there is adequate internal Control procedure commensurate with the size of the Company and the nature of the business.
7. Not applicable as the Company has no Purchases of Stores, during the year under reference.
8. Not applicable as the Company has no unserviceable or damaged Stores during the year under reference.
9. Provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits are not applicable as the Company has not invited the Deposits from the public.
10. Not applicable as there are no by-products or Scrap.
11. As the paid up Capital of the Company does not exceed Rs. 25 Lacs, there is no internal Audit System.
12. Maintenance of Cost records has not been prescribed u/s. 209 (1) (d) of the Companies Act, 1956.
13. Not applicable as there is no employee of the Company for Contribution to Provident Fund.
14. There is no consumption of Stores and the Company has income by way of Commission.

For **N. P. PATWA & CO.,**
CHARTERED ACCOUNTANTS
N. P. PATWA
Proprietor

BOMBAY: Dated 7th March, 1977,

SAKARWADI SUGAR

BALANCE SHEET

As at 30th Sept. 1975	LIABILITIES							
Rupees								Rupees
	AUTHORISED SHARE CAPITAL:							
50,00,000	50,000 Equity Shares of Rs. 100/- each	..	..	..	..	..	..	50,00,000
	ISSUED AND SUBSCRIBED SHARE CAPITAL							
14,200	142 Equity Shares of Rs 100/- each held by Holding Company, The Godavari Sugar Mills Ltd.							14,200
	UNSECURED LOANS:							
310	From the Holding Company, The Godavari Sugar Mills Ltd.	..	..	..	..	..	..	6,893
	CURRENT LIABILITIES AND PROVISIONS:							
100	Outstanding Liabilities	..	..	..	..	..	..	100
—	Provision for Taxation	..	..	..	..	..	..	615
14,610	Total Rupees	..	..	..	..	..	..	21,808

Referred to in our Report of even date.

For N. P. PATWA & CO.,
CHARTERED ACCOUNTANTS

N. P. PATWA
Proprietor.

BOMBAY : Dated : 7th March, 1977.

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1975								
Rupees								Rupees
70	To Miscellaneous Expenses including Fees & Stamps, Printing & Stationery	..	..	..	..	..	..	6,163
100	„ Audit Fees	..	..	..	..	..	..	100
—	„ Professional Tax	..	..	..	..	..	..	500
—	„ Provision for Taxation	..	..	..	..	..	..	615
—	„ Profit Carried Down	..	..	..	..	..	..	289
170	Total Rupees	..	..	..	..	..	..	7,667
450	To Balance as per Last Balance Sheet	..	..	..	..	..	..	620
170	„ Balance Brought Down	..	..	..	..	..	..	—
620	Total Rupees	..	..	..	..	..	..	620

Referred to in our Report of even date.

For N. P. PATWA & CO.,
CHARTERED ACCOUNTANTS

N. P. PATWA
Proprietor.

BOMBAY : Dated : 7th March, 1977.

FACTORY LIMITED

AS AT 30TH SEPTEMBER, 1976

As at 30th Sept. 1975	ASSETS		
Rupees		Rupees	Rupees
	CURRENT ASSETS, LOANS AND ADVANCES.		
	CURRENT ASSETS :		
—	(i) SUNDRY DEBTORS :	7,667	
	(ii) CASH AND BANK BALANCES :		
190	Cash on Hand	10	7,677
190			
	MISCELLANEOUS EXPENDITURE :		
	To the extent not written off (or adjusted) :-		
13,800	Preliminary Expenses	13,800	
620	Balance as per Profit and Loss Account	331	14,131
14,420			
14,610			
	Total Rupees ..		21,808

P. M. KAVADIA
J. N. PATEL
LILABEN M. KOTAK } Directors

BOMBAY : Dated 5th March, 1977.

THE YEAR ENDED 30TH SEPTEMBER, 1976

For the year ended 30th Sept. 1975		Rupees
Rupees		Rupees
—	By Commission	7,667
170	By Balance Being Loss during the year carried down	—
170	Total Rupees ..	7,667
—	By Profit Brought Down	289
620	By Balance being Loss carried to Balance Sheet	331
620	Total Rupees ..	620

P. M. KAVADIA
J. N. PATEL
LILABEN M. KOTAK } Directors

BOMBAY : Dated : 5th March, 1977.

LAKSHMIWADI SUGAR FACTORY LIMITED

DIRECTORS' REPORT

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

Your Directors are pleased to submit herewith Third Audited Accounts of the Company for the year ended 30th September, 1976.

The working of the Company for the year resulted in a profit of Rs. 265/- after providing Rs. 570/- for taxation. After adjusting the same from last year's loss the net carried forward loss comes to Rs. 415/- which has been carried forward to the 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

J. N. PATEL

Director

BOMBAY : Dated 4th March, 1977.

LAKSHMIWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Lakshmiwadi Sugar Factory Limited, as at 30th September 1976 and the annexed Profit and Loss Account for the year ended on that date and have to report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit;
2. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of the Books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the Books of Account;
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - (a) In the case of the Balance Sheet, of the State of the affairs of the Company as at 30th September 1976 and
 - (b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 we further state that:

1. As the Company has no Fixed Assets Provision regarding maintenance of records is not applicable.
2. As there are no Fixed Assets, question of revaluation of Assets does not arise.
3. As there is no Stock of Stores, question of Physical verification does not arise.
4. The Company has obtained loan from the Holding Company.
5. Not applicable as the Company has not given any loans and advances during the year.
6. In our opinion and in accordance with the information and explanations given to us there is adequate internal Control procedure commensurate with the size of the Company and the nature of the business.
7. Not applicable as the Company has no Purchases of Stores, during the year under reference.
8. Not applicable as the Company has no unserviceable or damaged Stores during the year under reference.
9. Provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits are not applicable as the Company has not invited the Deposits from the public.
10. Not applicable as there are no by-products or Scrap.
11. As the paid up Capital of the Company does not exceed Rs. 25 Lacs, there are no internal Audit System.
12. Maintenance of Cost records has not been prescribed u/s. 209 (1) (d) of the Companies Act, 1956.
13. Not applicable as there is no employee of the Company for Contribution to Provident Fund.
14. There is no consumption of Stores and the Company has income by way of Commission.

For N. P. PATWA & CO.,

CHARTERED ACCOUNTANTS

N. P. PATWA

Proprietor

BOMBAY: Dated 5th March, 1977.

LAKSHMIWADI SUGAR

BALANCE SHEET

As at 30th Sept. 1975	LIABILITIES							
Rupees								Rupees
50,00,000	AUTHORISED SHARE CAPITAL :							50,00,000
	50,000 Equity Shares of Rs. 100/- each							
14,200	ISSUED AND SUBSCRIBED SHARE CAPITAL							14,200
	142 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Ltd.							
190	UNSECURED LOANS :							7,013
	From the Holding Company, The Godavari Sugar Mills Ltd.							
100	CURRENT LIABILITIES AND PROVISIONS :							100
	Outstanding Liabilities							570
—	Provision for Taxation							
14,490	Total Rupees							21,883

Referred to in our Report of even date.

For **N. P. PATWA & CO.,**
CHARTERED ACCOUNTANTS

N. P. PATWA
Proprietor.

BOMBAY : Dated : 5th March, 1977.

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1975								Rupees
Rupees								Rupees
130	To Miscellaneous Expenses including Fees and Stamps, Printing & Stationery							6,223
100	To Audit Fees							100
—	To Professional Tax							500
—	To Provision for Taxation							570
—	To Profit during the year							265
230	Total Rupees							7,658
450	To Balance as per Last Balance Sheet							680
230	To Balance Brought Down							—
680	Total Rupees							680

Referred to in our Report of even date

For **N. P. PATWA & CO.,**
CHARTERED ACCOUNTANTS

N. P. PATWA
Proprietor

BOMBAY : Dated : 5th March, 1977.

FACTORY LIMITED

AS AT 30TH SEPTEMBER, 1976

As at 30th Sept. 1975	ASSETS								
Rupees								Rupees	Rupees
	CURRENT ASSETS, LOANS AND ADVANCES.								
	CURRENT ASSETS :								
—	(i) SUNDRY DEBTORS: .. .. .	..	..	..	..	..	..	7,658	
	(ii) CASH AND BANK BALANCES :								
10	Cash on Hand .. .. .	..	..	..	..	..	..	10	7,668
	MISCELLANEOUS EXPENDITURE :								
	To the extent not written off (or adjusted) :-								
13,800	Preliminary Expenses .. .. .	..	..	..	..	..	..	13,800	
680	Balance as per Profit and Loss Account .. .. .	..	..	..	..	..	..	415	14,215
14,480									
14,490	Total Rupees								21,883

BOMBAY : Dated : 4th March, 1977.

J. N. PATEL
H. R. KOTAK
S. H. DAIYA } Directors

THE YEAR ENDED 30TH SEPTEMBER, 1976

For the year ended 30th Sept. 1975									
Rupees								Rupees	
—	By Commission .. .. .	..	..	..	..	..	..	7,658	
230	„ Balance being Loss during the year carried down .. .. .	..	..	..	..	..	..	—
230	Total Rupees							7,658	
—	By Profit Brought Down .. .. .	..	..	..	..	..	..	265	
680	By Balance being Loss carried to Balance Sheet .. .. .	..	..	..	..	..	..	415	
680	Total Rupees							680	

BOMBAY : Dated : 4th March, 1977.

J. N. PATEL
H. R. KOTAK
S. H. DAIYA } Directors

SOMAIYA SUGAR WORKS LIMITED

DIRECTORS' REPORT

The Shareholders,
Somaiya Sugar Works Ltd.,
BOMBAY.

Your Directors are pleased to submit herewith Third Audited Accounts of the Company for the year ended 30th September, 1976.

The working of the Company for the year resulted in a profit of Rs. 304/- after providing Rs. 650/- for taxation. After adjusting the same from last year's loss, the net carried forward loss comes to Rs. 546/- 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. R. PARIKH

Director

BOMBAY : Dated : 28th February, 1977.

SOMAIYA SUGAR WORKS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Somaiya Sugar Works Limited, as at 30th September 1976 and the annexed Profit and Loss Account for the year ended on that date and have to report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit;
2. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of the Books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the Books of Account;
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - (a) In the case of the Balance Sheet, of the State of the affairs of the Company as at 30th September 1976 and
 - (b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1975 we further state that:

1. As the Company has no Fixed Assets, Provision regarding maintenance of records is not applicable.
2. As there are no Fixed Assets, question of revaluation of Assets does not arise.
3. As there is no Stock of Stores, question of Physical verification does not arise.
4. The Company has obtained loan from the Holding Company.
5. Not applicable as the Company has not given any loans and advances during the year.
6. In our opinion and in accordance with the information and explanations given to us there is adequate internal Control procedure commensurate with the size of the Company and the nature of the business.
7. Not applicable as the Company has no Purchases of Stores, during the year under reference.
8. Not applicable as the Company has no unserviceable or damaged Stores during the year under reference.
9. Provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the Deposits are not applicable as the Company has not invited the Deposits from the public.
10. Not applicable as there are no by-products or Scrap.
11. As the paid up Capital of the Company does not exceed Rs. 25 Lacs, there is no internal Audit System.
12. Maintenance of Cost records has not been prescribed u/s. 209 (1) (d) of the Companies Act, 1956.
13. Not applicable as there is no employee of the Company for Contribution to Provident Fund.
14. There is no consumption of Stores as the Company has income by way of Commission.

For **N. P. PATWA & CO.,**
CHARTERED ACCOUNTANTS
N. P. PATWA
Proprietor

BOMBAY: Dated : 4th March, 1977.

SOMAIYA SUGAR

BALANCE SHEET

As at 0th Sept. 1975	LIABILITIES	Rupees
Rupees		
5,00,000	AUTHORISED SHARE CAPITAL :	5,00,000
	5,000 Equity Shares of Rs. 100/- each	
1,600	ISSUED & SUBSCRIBED SHARE CAPITAL :	1,600
	16 Equity of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Ltd. ..	
2,430	UNSECURED LOANS :	8,963
	From the Holding Company, The Godavari Sugar Mills Limited.	
100	CURRENT LIABILITIES & PROVISIONS :	100
—	Outstanding Liabilities	650
4,130	Provision for Taxation	11,313
	Total Rupees	11,313

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

BOMBAY: Dated : 4th. March, 1977.

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1975		Rupees
Rupees		
330	To Miscellaneous Expenses including Fees and Stamps, Printing and Stationery	5,933
100	To Audit Fees	100
—	To Professional Tax	500
—	To Provision for Taxation	650
—	To Profit carried down	304
430	Total Rupees	7,487
420	To Balance as per last Balance Sheet	850
430	To Balance Brought Down	—
850	Total Rupees	850

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

WORKS LIMITED

AS AT 30TH SEPTEMBER, 1976

As at 30th Sept. 1975	ASSETS								
Rupees								Rupees	Rupees
	CURRENT ASSETS, LOANS AND ADVANCES								
	CURRENT ASSETS.								
—	(i) SUNDRY DEBTORS :	..	..	..	..	..	..	7,487	
80	(ii) CASH AND BANK BALANCES								
	Cash on Hand ..	..	..	..	..	..	..	80	
80									7,567
	MISCELLANEOUS EXPENDITURE :								
	To the extent not written off (or adjusted) :-								
3,200	Preliminary Expenses ..	..	..	..	..	..	..	3,200	
850	Profit & Loss Account ..	..	..	..	..	..	..	546	3,746
4,050									
4,130									
	Total Rupees								11,313

BOMBAY : Dated : 28th February, 1977

S. R. PARIKH }
V. V. KOTAK } *Directors*

THE YEAR ENDED 30TH SEPTEMBER, 1976

For the year ended 30th Sept. 1975									
Rupees								Rupees	
—	By Commission ..	..	..	..	..	..	..	7,487	
430	By Balance being Loss during the year carried down	..	..	..	..	..	..	—
430									
	Total Rupees							7,487	
—	By Profit Brought Down ..	..	..	..	..	..	..	304	
850	By Balance being Loss Carried to Balance Sheet ..	..	..	..	..	..	..	546	
850									
	Total Rupees							850	

BOMBAY : Dated : 28th February, 1977

S. R. PARIKH }
V. V. KOTAK } *Directors*