

38

**THE  
GODAVARI  
SUGAR MILLS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1976-77**

1977

## THE GODAVARI SUGAR MILLS LIMITED

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

### Board of Directors :

SHRI KARAMSHI JETHABHAI SOMAIYA

*Chairman and Managing Director*

DR. SHANTILAL KARAMSHI SOMAIYA

SHRI JAYANTILAL GANGADAS DALAL

SHRI DHARAMSHI MORARJI POPAT

SHRI SHRIDHAR NARAYAN VAIDYA

SHRI BANSIDHAR SUNDARLAL MEHTA

SHRI NAVINCHADRA 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 Thirtyeighth Annual General Meeting of the Godavari Sugar Mills Limited will be held on Monday the 3rd April, 1978 at 4-00 P. M. (S. T.) at the Registered Office of the Company, Fazalbhoj 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, 1977.
2. To elect a Director in place of Shri J. G. Dalal who retires by rotation, but being eligible, offers himself for re-election.
3. To elect a Director in place of Dr. S. K. Somaiya who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri N. C. Sayta 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: 6th March, 1978

**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 Directors are pleased to report on the Audited Statement of Accounts of the Company for the year ended 30th September, 1977

### FINANCIAL RESULTS:

The working for the year under report has resulted in an operating Profit of Rs. 4,89,033/- before providing for Interest and Depreciation. The Net Loss for the year works out to Rs. 1,31,17,725/- after providing for net interest amounting to Rs. 1,36,06,758/-. In view of the loss, no provision has been made in the Accounts for Depreciation.

Adverse financial results do not permit declaration of Dividend on Equity Shares and Preference Shares for the year ended 30th September, 1977

During the Season 1976-77, the Company could crush at its three units only 6,59,781 M.T. of Sugarcane and produce 6,51,327 quintals of Sugar against a crushing of 7,12,624 M. T. of Sugarcane and production of 7,57,977 quintals of sugar during 1975-76 Season. This was due to non-availability of sugarcane from Maharashtra State Farming Corporation Ltd., to Company's two sugar Factories in Maharashtra as was also the case with other Joint Stock Factories in the State. As a result, the crushing at Sakarwadi and Lakshmiwadi Factories came to an abrupt end in the midst of peak recovery period. This also resulted in overall poor recovery during the Season. The recovery at Sameerwadi was affected by drought conditions in North Karnataka. During the Season 1976-77, the levy sugar prices remained the same as announced on 3rd August, 1976 for 1975-1976 Season.

The lower crushing, poor recovery and the uneconomic levy sugar prices have mainly contributed to the loss suffered by the Company during the year under report.

Non revision of levy price as well as of the distribution price of levy sugar over the years had severely affected the working of the industry as a whole. Your Company had also its share of the hardship.

However, the Directors view the current Season 1977-78 with hope and optimism. There is abundant cane availability due to good crop this year. Further, the Maharashtra State Farming Corporation has agreed to supply 75% of the cane on the erstwhile farms to the Company. Crushing at the three units during the year is expected to cross 8.00 lacs tonnes. The recovery this year is also much higher than that during the last year. Having taken note of difficult conditions, which the Sugar Industry passed through during the last two years, Government has announced on 27th February 1978, a Policy Package which, inter alia, has given a flat increase in the levy price of Rs. 18.03 per quintal.

The cumulative impact of all the above factors would mean a distinct improvement in the current season's performance and the Directors feel that the company will turn the corner.



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 J. G. Dalal, Dr. S. K. Somaiya and Shri N. C. Sayta 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 : 6th March, 1978



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1977.

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, 1977, 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 "subject to Note No. 5 regarding non provision for accrued liability for gratuity" and read with Notes No. 6 and 9 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 loss for that year.

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

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

BOMBAY: Dated 7th March, 1978

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	<b>I. SHARE CAPITAL:</b>			
	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				
	<b>II. RESERVES AND SURPLUS:</b>			
	(A) General Reserve:			
61,48,359	As per Last Balance Sheet .. .. .	63,84,403		
2,36,043	Add: Transfer from Development Rebate Reserve .. .. .	4,30,814		
63,84,402		68,15,217		
63,84,402	Less: Shown as deduction from Profit & Loss Account as per Contra .. .. .	68,15,217		
—				
1,98,50,950				1,98,50,950
	Carried Over ..			



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1977

As at 30th Sept. 1976	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS (At Cost or Book Value):</b>			
9,54,93,542	Gross Block .. .. .	10,28,77,533		
2,69,45,167	Less: Depreciation written off upto 30th September, 1977 .. .. .	2,69,48,879		
6,85,48,375	Net Depreciated Block as per Schedule 'A' attached ..	7,59,28,654		
50,54,565	Capital Work-in-Progress .. .. .	25,02,125		
3,26,550	Advance to Supplier for Machineries .. ..	55,000		
7,39,29,490				7,84,85,779
	<b>II. INVESTMENT (At Cost):</b>			
	(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANIES:			
1,00,000	(i) 2000 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., for 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		
4,54,000				
1,30,000				
7,39,29,490	Carried Over	4,54,000	1,30,000	7,84,85,779

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,98,50,950	Brought Forward	—		1,98,50,950
	(B) Development Rebate Reserve:			
49,88,869	As per Last Balance Sheet .. .. .	47,52,826		
2,36,043	Less: Transferred to General Reserve .. ..	4,30,814		
47,52,826			43,22,012	
	(C) Storage Fund for Molasses:			
40,533	As per Last Balance Sheet .. .. .	2,42,798		
2,02,265	Add: Transferred from Molasses Sales .. ..	2,40,347		
2,42,798			4,83,145	
49,95,624				48,05,157
	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 ..		2,53,48,241	
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			
53,10,588	(i) Bank of India .. .. .	1,33,47,119		
50,82,298	(ii) Union Bank of India .. .. .	1,03,43,609		
1,03,92,886			2,36,90,728	
	(c) Term Loans secured against joint Equitable Mortgage by Deposit of Title Deeds of the Company's immovable properties situated 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		
18,00,000	(ii) Karnataka State Financial Corporation (Instalment payable within a year Rs. NIL) .. ..	18,00,000		
24,99,900	(iii) Vijaya Bank Ltd. (Instalment payable within a year Rs. NIL) .. .. .	24,99,900		
3,66,99,900			3,66,99,900	
7,22,34,235				
2,48,46,574	Carried Over		8,57,38,869	2,46,56,107



## MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1977

As at 30th Sept. 1976	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
7,39,29,490	Brought Forward	4,54,000	1,30,000	7,84,85,779
1,30,000				
4,54,000				
25,000	250 9½ % Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	25,000		
	Out of which 4000 Equity Shares have been deposited with The New India Assurance Co. Ltd., as Security for fulfilment of Agreement and undertaking by the Company to Purchase from them 4000 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Ltd. . . . .		4,79,000	
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	
7,161	(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	
36,200	(vi) 7 Years' National Savings Certificates (Purchase during the year Rs 220/-) . . . . .		36,420	
1,000	(vii) 100 Shares of Rs. 10/- each of Upbhokta Distillery AUR Sugar Mills Sahakari Samiti Ltd., Captainganj . . . . .		—	
1,500	(viii) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro-Electric Division, Gorakhpur . . . . .		1,500	
68,66,439				
7,39,29,490	Carried Over		68,65,659	7,84,85,779

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,48,46,574	Brought Forward		8,57,38,869	2,46,56,107
7,22,34,235				
1,21,91,335	(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	
20,80,000	(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	
18,34,038	(f) 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 .. .. .		9,68,333	
53,29,440	(g) Interest accrued and due on above .. .. .		91,46,860	
9,36,69,048				11,01,25,397
	<b>IV. UNSECURED LOANS:</b>			
20,00,000	(i) 200 6% Unsecured Debentures of Rs. 10,000/- each fully paid up redeemable at the option of the Company .. .. .		20,00,000	
39,989	(ii) From Directors .. .. .		53,601	
39,656	(iii) From Others .. .. .		33,599	
34,10,515	(iv) Public Fixed Deposits .. .. .		31,28,735	
13,36,800	(v) Public Loans (Guaranteed by a Director) .. .. .		9,95,700	
58,400	(vi) From Banks .. .. .		1,52,714	
14,78,880	(vii) Cane Purchase Tax Loan from Karnataka State Government .. .. .		14,78,880	
60,000	(viii) Interest accrued due on Unsecured Loans .. .. .		60,000	
84,24,240				79,03,229
12,69,39,862	Carried Over			14,26,84,733



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1977

As at 30th Sept. 1976	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
7,39,29,490	Brought Forward		68,65,659	7,84,85,779
68,66,439				
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	70,48,770	
	Aggregate unquoted Investments ..	2,13,659	—	
		68,68,654	70,48,770	
68,69,434				68,68,654
	III. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS:			
	(i) Stores, Chemicals and Spares (at cost as per inventories valued and certified by Managing Director)			
1,12,56,338	Stock on hand (including machineries Rs. 21,80,170/-) .. .. .	1,01,62,331		
10,00,231	In transit .. .. .	5,84,544		
1,22,56,569			1,07,46,875	
16,845	(ii) Loose Tools and Implements (as per Inventories valued and Certified by Managing Director) .. .. .		15,256	
1,22,73,414				
8,07,98,924	Carried Over		1,07,62,131	8,53,54,433

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
12,69,39,862	Brought Forward			14,26,84,733
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>			
	(A) CURRENT LIABILITIES:			
4,29,76,303	(i) Sundry Creditors .. .. .		5,06,23,856	
20,39,000	(ii) Bills Payable .. .. .		12,61,000	
2,52,446	(iii) Advance from Customers against Sale of Land & Wood .. .. .		2,52,446	
50,000	(iv) Security Deposit from Selling Agents ..		55,108	
15,12,585	(v) Security Deposit from Bagaitdars ..		15,31,810	
4,878	(vi) Security Deposit from Customers ..		4,878	
18,28,163	(vii) For Taxation .. .. .		36,64,682	
1,80,089	(viii) Due to Partnership Firm of Khanapur Farms .. .. .		1,80,089	
5,000	(ix) Due for Managing Director's Remuneration .. .. .		5,000	
10,860	(x) Unclaimed Dividend .. .. .		10,860	
8,31,934	(xi) Interest Accrued but not due on Loans ..		7,89,064	
4,96,91,258			5,83,78,793	
	(B) PROVISIONS:			
42,04,235	(i) Provision for Agriculture Income-tax ..		—	
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 .. .. .	—		
24,50,000	Less: Paid .. .. .	—	—	
17,45,000				
5,56,42,493				5,83,80,793
18,25,82,355	Carried Over			20,10,65,526



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1977

As at 30th Sept. 1976	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,07,98,924	Brought Forward		1,07,62,131	8,53,54,433
1,22,73,414				
	(iii) Stock-in-trade (as per inventories valued and Certified by Managing Director)			
3,91,08,660	(a) Sugar at Market Rate .. .. .	4,48,09,919		
68,588	(b) Stock of grains, Cotton etc. at Market Rate .. .. .	1,03,605		
2,65,814	(c) Molasses at Market Rate .. .. .	5,31,384		
3,94,43,062			4,54,44,908	
	(iv) Sundry Debtors: (Unsecured and considered good except otherwise stated):			
2,40,645	(a) Debts Outstanding for more than six months .. .. .	4,18,053		
69,692	(b) Considered Doubtful .. .. .	69,692		
3,10,337		4,87,745		
69,692	Less: Provision for Doubtful Debts ..	69,692		
2,40,645		4,18,053		
	(c) Other Debts (including Rs. 29,79,814/- due from Arpit Ltd., a company under the same management)	65,71,005		
70,74,143			69,89,058	
73,14,788				
5,90,31,264				
8,07,98,924	Carried Over		6,31,96,097	8,53,54,433

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976		LIABILITIES (Contd.)	
Rupees	Rupees	Rupees	Rupees
18,25,82,355		Brought Forward	20,10,65,526
		<b>CONTINGENT LIABILITIES (Not Provided for):</b>	
	(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
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
1,75,403			
	(iii) In respect of counter guarantees given to others .. .. .	47,000	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
1,50,00,000			
	(v) In respect of estimated purchase commitments on Capital Purchases .. ..	4,01,361	4,01,361
5,40,210			
	(vi) In respect of development charges payable to Government in 6 Instalments for leasehold Lands at Gandhidham .. ..	68,964	68,964
80,458			
	(vii) The Sugarcane Price Determination Board appointed by the Government of Maharashtra has given award for price payable for sugarcane supplied by Maharashtra State Farming Corporation Ltd., during the seasons 1969-70 to 1973-74 to Joint Stock Sugar Factories in Maharashtra. According to this award, balance amount payable by the Company in respect of sugarcane supplied by the corporation to company's Sakarwadi and Lakshmiwadi Factories during season 1969 - 70 to 1973 - 74 comes to Rs. 1,46,37,003/-. The Joint Stock Factories are awaiting reasons which are yet to be given by the Sugarcane Price Determination Board before considering further course of action. For seasons 1974-75 and 1975-76 the price is not yet determined. Hence the liability cannot be ascertained. As a result, liability in respect of the full period can not be ascertained.		
18,25,82,355		Carried Over	20,10,65,526



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1977

As at 30th Sept. 1976	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,07,98,924	Brought Forward		6,31,96,097	8,53,54,433
5,90,31,264	(V) CASH AND BANK BALANCES:			
	Cash, Cheques and Drafts on hand (including stamps on hand Rs. 41,141/- and cheques on hand Rs. 2,00,000/-) ..	4,16,454		
5,89,324	In Current Account with Scheduled Banks	8,83,516		
4,95,160	In Savings Account with Scheduled Bank for Unclaimed Dividend .. .. .	10,860		
10,860	In Current Account with Non-Scheduled Banks:			
	(a) Ahmednagar Dist. Central Co-Op. Bank Ltd., Shirampur (Maximum debit balance during the year Rs. 436/- previous year Rs. 436/-) 436	436		
436	(b) Mudhol Urban Co-Op. Bank Ltd., Mudhol (Maximum Debit Balance during the year Rs. 101/- Previous year Rs. 101/-) 101	101		
101		537		
537	Fixed Deposits with Scheduled Banks (out of which deposit of Rs. 68,004/- under lien with the bank) .. .. .	1,18,003		
1,18,004	Accrued interest on Fixed Deposit ..	27,118		
20,998			14,56,488	
12,34,883				
6,02,66,147				
8,07,98,924	Carried Over		6,46,52,585	8,53,54,433

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES (Contd.)			
Rupees	Rupees	Rupees	Rupees	
18,25,82,355			20,10,65,526	Brought Forward
	(viii) In respect of dividend payable on 7.8572% Redeemable Cumulative Preference Shares for the Period 1.6.1973 to 30.9.1977 ..	6,30,210		
	4,84,777			
	(ix) In respect of guarantee given by the Company for repayment of Agricultural Loans given by the Union Bank of India and Bank of Baroda to Cane Cultivators ..	35,00,000		
	30,00,000			
	(x) In respect of counter guarantees given by the Company in favour of Bank of India in lieu of guarantees given by the Bank in favour of the Registrar High Court - Bombay, for levy sugar price difference for the seasons 1974-75 to 1976-77.	55,69,939		
	—			
18,25,82,355			20,10,65,526	Carried Over



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1977

As at 30th Sept. 1976	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,07,98,924	Brought Forward		6,46,52,585	8,53,54,433
6,02,66,147				
	(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. 27,85,517/- Previous year Rs. 34,27,587/-)	20,94,778		
27,85,517				
9,96,339	Interest Accrued on above	14,94,524		
		35,89,302		
37,81,856				
	(ii) Loan to Others (including doubtful loan of Rs. 4,79,130/-) not provided for	62,12,358		
75,67,296				
22,76,896	Interest Accrued on above	35,36,053		
		97,48,411		
98,44,192				
1,36,26,048			1,33,37,713	
23,601	Considered doubtful	23,601		
1,36,49,649			1,33,61,314	
23,601	Less: Provision for Doubtful Loans	23,601		
1,36,26,048			1,33,37,713	
	Loans to subsidiary Companies of which the Company is a Holding Company			
6,80,202	(a) Godavari Investment and Finance Corporation Ltd.	6,85,536		
1,33,963	Interest accrued on above	2,45,668		
8,14,165		9,31,204		
6,893	(b) Sakarwadi Sugar Factory Ltd.	7,980		
7,013	(c) Lakshmiwadi Sugar Factory Ltd.	8,053		
8,963	(d) Somaiya Sugar Works Ltd.	10,074		
8,37,034			9,57,311	
7,47,29,229				
8,07,98,924	Carried Over		7,89,47,609	8,53,54,433

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES (Contd.)	
Rupees 18,25,82,355	Brought Forward	Rupees 20,10,65,526
<u>18,25,82,355</u>	Total Rupees	<u>20,10,65,526</u>



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1977

As at 30th Sept. 1976	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,07,98,924	Brought Forward		7,89,47,609	8,53,54,433
7,47,29,229				
1,18,96,982	Advances recoverable in cash or kind or for value to be received (including advance to officers of the Company Rs 59,789/- Maximum debit balance during the year Rs. 62,839/-, Rs. 13,59,460/- in dispute and Rs. 6,45,981/- advance against Purchase of Shares) .. ..	1,24,04,817		
64,126	Considered doubtful .. ..	64,126		
1,19,61,108		1,24,68,943		
64,126	Less: Provision for doubtful Advances .. ..	64,126		
1,18,96,982			1,24,04,817	
5,09,947	Income Tax deducted at source from Interest ..		7,01,470	
66,67,171	Deposits with Irrigation Department, Railways High Courts and Others .. ..		67,45,473	
1,39,450	Due from Partnership Firm of Lakh Farms ..		1,39,450	
9,39,42,779				9,89,38,819
	MISCELLANEOUS EXPENDITURE:			
1,42,25,054	Profit & Loss Account:			
	Balance as per Profit & Loss A/c. .. ..		2,35,87,491	
63,84,402	Less: Deducted from General Reserve as per Contra .. ..		68,15,217	
78,40,652				1,67,72,274
18,25,82,355	Total Rupees			20,10,65,526

# THE GODAVARI SUGAR

## Schedule 'A'

## Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1976	Additions During the year
(1)	(2)	(3)
Freehold Land (Book Value) .. .. .	28,32,742	—
Leasehold Land Premium .. .. .	3,88,850	—
Leasehold Land Development Expenses .. .. .	1,58,467	11,494
Leasehold Premium on Garage .. .. .	12,000	—
Building & Pucca Quarters at Factories .. .. .	1,97,18,526	49,020
Temporary Quarters .. .. .	5,79,933	—
Temporary Quarters at Farms .. .. .	2,38,768	—
Pucca Quarters at Farms .. .. .	2,18,633	—
General Machinery (Book Value) .. .. .	5,49,24,551	54,18,729
Electrical Machinery .. .. .	30,27,079	17,81,790
Agricultural Machinery (Book Value) .. .. .	33,63,205	—
Locomotives .. .. .	92,974	—
Electrical Installation & Fittings .. .. .	9,41,071	—
Furniture & Office Equipments .. .. .	21,69,547	96,969
Weigh Bridges .. .. .	3,86,163	1,447
Trolley Lines .. .. .	6,28,058	—
Railway Siding .. .. .	1,26,075	—
Motor Cars, Lorries & Cycles (Book Value) .. .. .	22,95,035	9,555
Carts & Trucks (Book Value) .. .. .	3,66,333	—
Laboratory Apparatus .. .. .	1,28,262	5,487
Roads, Drainage & Tube Wells .. .. .	14,58,606	9,500
Dead Stocks .. .. .	1,37,517	—
Library .. .. .	7,758	—
Medical Instruments .. .. .	363	—
Irrigation Lifts .. .. .	12,03,771	—
Live Stocks .. .. .	89,255	—
<b>Total Rupees .. .. .</b>	<b>9,54,93,542</b>	<b>73,83,991</b>

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

BOMBAY : Dated 7th March, 1978



# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1977

Gross Block as on 30th Sept. 1977	Depreciation Written off Upto 30th Sept. 1976	Depreciation Provided During the year	Total Depreciation Upto 30th Sept. 1977	Net Depreciated Block as at 30th Sept. 1977	Net Depreciated Block as at 30th Sept. 1976
(4)	(5)	(6)	(7)	(8)	(9)
28,32,742	—	—	—	28,32,742	28,32,742
3,88,850	3,88,850	—	3,88,850	—	—
1,69,961	—	—	—	1,69,961	1,58,467
12,000	5,800	300	6,100	5,900	6,200
1,97,67,546	31,20,615	—	31,20,615	1,66,46,931	1,65,97,911
5,79,933	2,28,272	—	2,28,272	3,51,661	3,51,661
2,38,768	1,52,246	—	1,52,246	86,522	86,522
2,18,633	68,716	1,012	69,728	1,48,905	1,49,917
6,03,43,280	1,29,36,492	—	1,29,36,492	4,74,06,788	4,19,88,059
48,08,869	18,71,223	—	18,71,223	29,37,646	11,55,856
33,63,205	31,59,383	2,105	31,61,488	2,01,717	2,03,822
92,974	86,792	—	86,792	6,182	6,182
9,41,071	99,724	—	99,724	8,41,347	8,41,347
22,66,516	8,19,687	191	8,19,878	14,46,638	13,49,860
3,87,610	1,61,486	10	1,61,496	2,26,114	2,24,677
6,28,058	5,86,128	—	5,86,128	41,930	41,930
1,26,075	1,08,145	—	1,08,145	17,930	17,930
23,04,590	9,41,237	16	9,41,253	13,63,337	13,53,798
3,66,333	3,02,591	—	3,02,591	63,742	63,742
1,33,749	36,698	—	36,698	97,051	91,564
14,68,106	7,72,642	—	7,72,642	6,95,464	6,85,964
1,37,517	62,564	—	62,564	74,953	74,953
7,758	5,490	—	5,490	2,268	2,268
363	347	—	347	16	16
12,03,771	9,47,868	78	9,47,946	2,55,825	2,55,903
89,255	82,171	—	82,171	7,084	7,084
10,28,77,533	2,69,45,167	3,712	2,69,48,879	7,59,28,654	6,85,48,375

K. J. SOMAIYA  
Chairman and Managing Director

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 6th March, 1978

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1976		Rupees	Rupees
	To Opening Stock on 1st October, 1976		
3,08,57,719	Sugar .. .. .	3,91,08,660	
33,113	Molasses .. .. .	2,65,814	3,93,74,474
3,08,90,832			
41,792	To Crop in Progress as at 1st October 1976 .. ..	—	
39,538	" Stock of Grains & Other Seeds as at 1st October, 1976 ..	62,713	
9,449	" Grains & Other Seeds for Sowing .. ..	6,319	
47,586	" Salaries and Wages .. ..	57,604	
2,295	" Bonus of Previous years .. ..	4,746	
1,787	" Gratuity .. ..	—	
29,554	" Stores inclusive of Seeds & Manures .. ..	35,108	
10,172	" Repairs and Renewals .. ..	2,458	
61,857	" Land Rent (Net) .. ..	3,750	
14,756	" Irrigation Rates and Taxes .. ..	6,513	
4,959	" Expenses on Sale of Grains, Cotton, Tobacco etc. ..	—	
21,922	" Education Cess .. ..	—	
26,977	" Miscellaneous expenses including Printing and Stationery, Postage and Telegrams and Travelling Expenses ..	26,178	
5,539	" Depreciation .. ..	3,412	
8,745	" Legal Charges .. ..	1,194	
8,521	" Loss on Sale of Fixed Assets .. ..	—	
10	" Loose Tools written off .. ..	10	2,10,005
3,35,459			
3,12,26,291			
	Carried Over		3,95,84,479



THE YEAR ENDED 30TH SEPTEMBER, 1977

25

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1976									
Rupees								Rupees	Rupees
3,12,26,291							Brought Forward		3,95,84,479
10,30,33,001	To Locally Purchased Cane	..	..	..	..	..			9,70,42,911
15,75,801	" Raw Sugar Purchased	..	..	..	..	..			—
1,01,49,864	" Salaries and Wages (after deducting Rs. 36,36,676/- charged to repairs and other relevant heads)	..	..	..	..	..	90,87,799		
12,81,705	" Bonus to Employees (Previous years)	..	..	..	..	..	3,81,620		
39,100	" Company's Contribution to Employees' Family Pension Fund Scheme						38,668		
1,34,079	" Contribution to Provident Fund of the Company and Administrative Charges	..	..	..	..	..	1,56,612		
1,90,435	" Gratuity	..	..	..	..	..	1,26,249		
7,52,512	" Company's Contribution to Govt. Provident Fund and Administrative Charges	..	..	..	..	..	6,71,555		
3,77,398	" Workmen and Staff Welfare Expenses	..	..	..	..	..	2,65,158		
49,267	" Workmen Compensation	..	..	..	..	..	2,590		
5,876	" Contribution to Deposit Link Insurance Fund and Administrative Charges	..	..	..	..	..	63,280		
1,29,80,236									1,07,93,531
27,56,735	" Stores, Chemicals and Spare Parts (after deducting Rs. 1,43,37,204/- to Agriculture, Capital, Repairs and other relevant heads)	..	..	..	..	..			26,80,417
9,42,483	" Power and Fuel	..	..	..	..	..			14,28,074
37,14,321	" Repairs to Plant & Machinery (inclusive of Salaries & Wages Rs. 19,78,105/- Previous year Rs. 19,99,901/-)	..	..	..	..	..	38,84,572		
4,56,004	" Repairs to Buildings (inclusive of Salaries & Wages Rs. 2,06,367/- Previous year Rs. 2,57,862/-)	..	..	..	..	..	5,83,837		
3,34,758	" Other Repairs (inclusive of Salaries & Wages Rs. 1,15,960/- Previous year Rs. 1,42,188/-)	..	..	..	..	..	1,85,378		
45,05,083									46,53,787
1,19,33,663	" Sugar Cane Purchase-tax	..	..	..	..	..			1,07,32,989
1,95,000	" Gratuity Insurance	..	..	..	..	..			3,00,000
4,07,54,837	" Excise Duty on Sugar	..	..	..	..	..			3,24,67,360
—	" Excise Duty on Press mud	..	..	..	..	..			563
—	" Excise Duty on Bagasse	..	..	..	..	..			3,257
—	" Excise Duty on Lime	..	..	..	..	..			23
10,699	" Excise Duty on Molasses	..	..	..	..	..			11,756
3,80,067	" Insurance Premium	..	..	..	..	..			3,42,943
—	" Emergency Risk Insurance Premium	..	..	..	..	..			2,559
21,02,93,896							Carried Over		20,00,44,649



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1977

For the year ended 30th Sept. 1976			Rupees	Rupees
Rupees		Brought Forward		16,42,48,508
20,18,44,215				
93,135	By Sale of Live Stock .. .. .			2,350
7,491	" Rebate/Refund on Excise Duty .. .. .			41,31,946
—	" Refund of Guarantee Commission .. .. .			38,400
316	" Cane Cess/Purchase Tax Refund .. .. .			—
43,627	" Claims and Refunds .. .. .			12,459
5,72,348	" Provision made for Accrued Gratuity in Previous years written back .. .. .			—
	" Stock-in-trade (as taken, valued and certified by Managing Director)			
3,91,08,660	Sugar at Market Rate .. .. .		4,48,09,919	
2,65,814	Molasses at Market Rate .. .. .		5,31,384	
62,714	Food Grains, Tobacco etc. at Market Rate .. .. .		96,072	
3,94,37,188				4,54,37,375
—	" Balance being loss for the year .. .. .			1,31,17,725
24,19,98,320		Carried Over		22,69,88,763

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1976		Rupees	Rupees
Rupees			
21,02,93,896	Brought Forward		20,00,44,649
46,74,515	To Packing and Forwarding .. .. .		38,51,494
2,84,785	" Rent (Received Rs. 1,200/-, Previous year Rs. 1,200/-) .. .. .		2,78,266
4,03,235	" Rates and Taxes .. .. .		4,08,182
5,30,114	" Sole Selling Agents' Commission on Sugar .. .. .		—
4,60,426	" Brokerage and Commission (Including guarantee commission of Rs. 1,54,754/- Previous year Rs. 1,53,160/-) .. .. .		4,96,706
42,18,362	" Miscellaneous Expenses (Including Printing & Stationery, Postage & Telegrams, Telephone, Travelling, Motor Car Maintenance etc.) .. .. .		37,05,344
5,841	" Interest:	6,950	
60,66,282	Directors .. .. .	63,94,963	
75,82,295	Cash Credit Account .. .. .	77,85,931	
9,18,705	Fixed Loans .. .. .	6,13,370	
1,20,000	Fixed Deposits .. .. .	1,20,000	
7,93,310	Debentures .. .. .	7,62,455	
1,54,86,433	Other Loans .. .. .		1,56,83,669
3,400	" Directors' Fees .. .. .		4,400
97,545	" Directors' Travelling Expenses .. .. .		1,14,990
60,000	" Managing Director's Remuneration .. .. .		60,000
20,000	" Payment to Auditors:	20,000	
1,175	Audit Fees .. .. .	—	
1,254	For Certificates .. .. .	811	
8,000	Auditors' Travelling Expenses .. .. .	8,000	
270	Cost Audit Fees .. .. .	107	
30,699	Cost Auditors' Travelling Exp. .. .. .		28,918
19,55,355	" Agricultural Development Expenses (inclusive of Salaries & Wages Rs. 13,36,244/- Previous year Rs. 17,37,804/-) .. .. .		18,55,688
1,14,778	" Expenses of Scientific Research .. .. .		1,72,288
1,86,880	" Legal Expenses .. .. .		2,82,290
1,866	" Loose Tools and Implements written off .. .. .		1,579
83,662	" Loss on Sale of Fixed Assets .. .. .		—
300	" Premium on Leasehold Garage written off .. .. .		300
31,12,069	" Balance being Profit for the year .. .. .		—
24,19,98,320	Total Rupees		22,69,88,763



THE YEAR ENDED 30TH SEPTEMBER, 1977

[illegible]

# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1976				
Rupees		Rupees	Rupees	Rupees
1,67,73,637	To Balance of loss brought forward from last year's Balance Sheet .. .. .			1,42,25,054
7,37,312	" Short Provision for taxation of Previous years .. ..			2,30,317
58,560	" Tax credit certificates of previous year withdrawn ..			—
	" Share of Profits in Partnership Firms of Lakh and Khanapur Farms credited in excess in previous years:			
30,257	Lakh Farm .. .. .		—	
40,764	Khanapur Farm .. .. .		—	
71,021	To Balance brought down			1,31,17,725
—	NOTE: Computation of Managing Director's Commission is as follows:			
	31,12,069 (Profit)	Net Loss as per Profit & Loss A/c.	1,31,17,725	
60,000	(Add) Less: (i) Managing Director's Remuneration .. ..	60,000		
5,539	(ii) Depreciation of Agriculture Section .. ..	3,412		
65,539			63,412	
31,77,608			1,30,54,313	
55,83,068	(Less) Add: (i) Depreciation to the extent specified in Section 350 of the Companies Act, 1956	60,44,987		
—	(ii) Estimated Liability of Bonus	8,00,000		
5,72,348	(iii) Provision for accrued Gratuity written back	—		
61,55,416			68,44,987	
29,77,808	Net Loss for Calculating Managing Director's Commission		1,98,99,300	
Nil	Managing Director's Commission		Nil	
60,000	Total Managerial Remuneration	60,000		
5,000	Company's Contribution to Provident Fund .. ..	5,000		
5,400	Perquisite for use of Company's car .. ..	5,400		
70,400	Total Rupees	70,400		
1,76,40,530	Total Rupees			2,75,73,096

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

BOMBAY: Dated 7th March, 1978



THE YEAR ENDED 30TH SEPTEMBER, 1977

K. J. SOMAIYA  
*Chairman and Managing Director*

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

} *Directors*

K. R. THANAWALA  
*Secretary*



# 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 1976-77, as the Agricultural Lands have been held by Maharashtra Government as "surplus lands" under Maharashtra Agricultural 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. 60,41,575/- (Previous Year Rs. 55,77,529/-)
  - (b) Total arrears of Depreciation upto 30th September, 1977 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 amounted to Rs. 3,51,92,488/- (Previous year Rs. 2,91,50,913/-).
  - (3) No Provision has been made in respect of Balance of Loss of Rs. 21,799/- as on 31st May, 1977 of Godavari Investment & Finance Corporation Ltd., and of Rs. 165/-, 232/- and Rs. 388/- of Sakarwadi Sugar Factory Ltd., Lakshmiwadi Sugar Factory Ltd. and Somaiya Sugar Works Ltd., respectively as at 30th September, 1977.
  - (4) During the year no Provision for Bonus has been made. Liability of the Bonus according to Bonus Act comes to about Rs. 8,00,000/-.
  - (5) Total Liability for Accrued Gratuity to employees under the payment of Gratuity Act, 1972 upto 30th September 1977 as per Actuary's Certificate is of Rs. 37,32,987/-. However the Company has taken Group Gratuity Policy with Life Insurance Corporation for its Sakarwadi and Lakshmiwadi Factories. No Provision of Gratuity for employees of Head Office and Sameerwadi Factory is made.
  - (6) Company's request for waiver of excess remuneration of Rs. 83,888/- to the Managing Director for earlier years has not been acceded to by the Central Government. Company is taking steps for obtaining Central Governments' Order or to receive back the said amount from the Managing Director.
  - (7) The Company had made provision for Payment of Agricultural Profits of Rs. 41,95,000/- in earlier years against which payment of Rs. 24,50,000/- had been made as per Bombay High Court's Order. In the opinion of the Company, there has been an excess provision of Rs. 17,45,000/- which is written back during the year.
  - (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) 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 in the Writ Petitions filed by the Company challenging Levy Sugar prices fixed by the Government.
  - (10) The Insurance Claim for loss due to riot and fire at Sameerwadi has been settled after the close of the year. Necessary adjustments for partial loss of assets and for loss of revenue nature would be made during 1977-1978.
  - (11) Company has agreed to give second charge by way of Equitable Mortgage in favour of Government of Karnataka:
    - (a) On Fixed Assets of Sameerwadi (excluding Agricultural Assets) for Loan of Rs. 26 Lacs granted to the Company (Balance due on 30th September, 1977 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
(12) (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)	6	2,82,385/-	21,337/-
(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

BOMBAY: Dated 7th March, 1978



# MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1977

(13) 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%

(14) Quantitative information in respect of goods manufactured:

Name of the Factory	Licensed Capacity	Installed capacity as certified by Manager of respective factories
Sakarwadi	1016	1200/1250
Lakshmiwadi	1016	1500/1600
Sameerwadi	5000	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	13,199.7	3,91,08,660	65,132.7	550.2	61,151.3	16,02,43,122	*16,630.9	4,48,09,919
Molasses	7,053	2,65,814	24,400	—	19,725	10,73,040	11,728	5,31,384

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

Raw materials purchased & Consumed:

Sugarcane

Quantity Purchased & Consumed M. T.	Value Rs.
6,59,781.5	9,70,42,911

Stores & Spares Consumed:

Imported

Indigenous

Value Rs.	%
14,507	0.5
27,01,018	99.5
27,15,525	100.0

C. I. F. Value of Imports

- (i) Raw materials
- (ii) Stores & Spares
- (iii) Capital Goods

Purchased

NIL  
72,622  
NIL

(15) 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

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 6th March, 1978



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1977

### 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

Sr. 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	78	Managing Director	70,400/-	Contractual for Five years from 1-6-1975	As approved by Central Government	About 38 years	1-6-1970	Nil
2.	Shri P. M. Kavadia	59	Chief Executive	53,980/-	Permanent	As per Company's Rules	M. A. LL. B., About 32 years	1-9-1963	Manager, Narsee Nagsee & Co.
3.	Shri Mangal Singh	46	Technical Adviser-cum General Manager	75,157/-	Permanent, subject to termination by Three month's notice on either side	As per Company's Rules	B.Sc., A.N.S.I.I. F. S. T. A. about 27 years	4-8-1971	General Manager & Tech. Manag. Champaran Sugar Co., Ltd.
4.	Shri J. N. Patel	55	Superintending Agri. Development Manager	43,176/-	Permanent subject to termination by one month's notice on either side	As per Company's Rules	B. Sc. (Agri.) Hons. About 27 years	1-3-1951	Nil
5.	Shri B. L. Kapur	59	General Manager	55,039/-	Permanent subject to termination by three month's notice on either side	As per Company's Rules	M. A. LL. B. About 34 years	29-10-1976	General Manager Mawana Sugar Works
6.	Shri S. R. Mistry	52	Taxation Executive	36,866/-	Permanent subject to termination by one month's notice on either side	As per Company's Rules	M.Com.D.T.M. (Bom.), F. C. A. About 31 years	12-11-1970	Tax Accountant, Power Cable Pvt. Ltd.,
7.	Shri K. M. Kshatriya	36	Chief Engineer	39,504/-	Permanent subject to termination by one month's notice on either side	As per Company's Rules	B. E. (Mech.) About 13 years	11-7-1963	Nil

#### (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 6th March, 1978



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

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

- (i) The Godavari Sugar Mills Limited, holds the whole of the subscribed Capital of Rs. 2,00,000/- of which Rs. 1,00,000/- has been paid up in Godavari Investment & Finance Corporation Limited as at 31st May, 1977.

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, 1977.

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

	<i>As on</i>	<i>Amount</i>
(a) Godavari Investment & Finance Corporation Ltd.	31st May, 1977	Rs. 8,35,824/-
(b) Sakarwadi Sugar Factory Ltd.	30th Sept. 1977	7,980/-
(c) Lakshmiwadi Sugar Factory Ltd.	30th Sept. 1977	8,053/-
(d) Somaiya Sugar Works Ltd.	30th Sept. 1977	10,074/-

- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 703/- for the year ended 31st May, 1977. The Net Loss after adjusting the previous year's Loss from Profit of this year comes to Rs. 21,799/-. 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 Profits of Rs. 168/-, Rs. 183/- and Rs. 160/- respectively for the year ended 30th September, 1977. The Net Losses after adjusting the previous year's Losses from Profits of this year come to Rs. 165/-, Rs. 232/- and Rs. 388/- respectively. No adjustment have 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, 1977 and 30th September, 1977. 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.

K. J. SOMAIYA  
*Chairman and Managing Director*

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 6th March, 1978.

**GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY**

**DIRECTORS' REPORT**

Gentlemen,

Your Directors submit herewith their Twenty Second Annual Report and Audited Accounts of the Company for the year ended 31st May, 1977.

The working of the Company for the year resulted in a Profit of Rs. 703/- after providing Rs. 1,525/- for taxation. After adjusting the same from last year's loss, and after recrediting excess provision for doubtful debts and loans amounting to Rs. 299/- and adjusting short provision of taxation for previous year amounting to Rs. 3/- the net carried forward loss comes to Rs. 21,799/- 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 : 1st November, 1977



## **GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY**

### **AUDITORS' REPORT TO THE SHAREHOLDERS**

We have Audited the Balance Sheet of Godavari Investment and Finance Corporation Limited as at 31st May 1977 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 given a true and fair view;
  - (a) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31st May, 1977 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,**  
**N. P. PATWA**  
*Proprietor*

BOMBAY: Dated : 2nd November, 1977



# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1976	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
5,00,000	<b>I. AUTHORISED CAPITAL:</b> 5,000 Ordinary (Equity) Shares of Rs. 100/- each			5,00,000
1,00,000	<b>II. SUBSCRIBED CAPITAL:</b> 2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company The Godavari Sugar Mills Ltd., and its nominees ..			1,00,000
1,21,377	<b>III. SECURED LOANS:</b> In Cash Credit Account with Bank of India against Hypothecation of Machinery and Implements and Book Debts including those given/to be given on Hire Purchase and against equitable sub-mortgages by deposit of the mortgage documents including prior title deeds relating thereto in respect of the rights of the Company by cultivators and guaranteed by two Directors of the Company and also by Holding Company .. ..			1,25,065
5,90,331	<b>IV. UNSECURED LOANS:</b> Loan on Current Account from the Holding Company The Godavari Sugar Mills Limited .. ..			7,29,573
39,849	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b> <b>(A) CURRENT LIABILITIES:</b> (i) Sundry Creditors .. ..		45,161	
4,959	(ii) Estimated unearned Finance charges on Hire Purchase carried forward .. ..		3,637	
1,07,223	(iii) Interest accrued but not due on Loan ..		1,06,251	
1,52,031			1,55,049	
2,900	<b>(B) PROVISIONS:</b> For Taxation .. ..		3,745	1,58,79
9,66,639				11,13,4

Carried Over



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1977

As at 31st May, 1976	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES:</b>			
	(A) CURRENT ASSETS:			
	(i) Stock in trade (at Cost) (As per inventories taken, valued and Certified by a Director)			
6,588	Machinery, Stores and Spares .. .. .		5,918	
9,223	(ii) Future Instalments receivable from hire of Oil Engines and Pumps under Hire-Purchase Agreements (Considered good) .. .. .		5,136	
	(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			
1,12,625	Outstanding for more than Six months .. .. .	1,11,567		
44,271	Considered doubtful .. .. .	43,941		
1,56,896		1,55,508		
44,271	Less: Provision for doubtful Debts .. .. .	43,941		
1,12,625		1,11,567		
5,527	Other debts .. .. .	5,502		
1,18,152			1,17,069	
	(iv) CASH AND BANK BALANCES:			
603	Cash on Hand .. .. .	1,004		
17,680	Stamp Papers on Hand .. .. .	5,928		
625	In Current Account with a Scheduled Bank .. .. .	2,056		
18,908			8,988	
1,52,871		Carried Over	1,37,111	

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1976	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
9,66,639	Brought Forward		11,13,432
	<p><b>NOTES:</b></p> <p>(1) Out of Land Mortgage Agreements for Loans given to Bagaitdars, Agreements for Loans amounting to Rs. 12,633/- 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> <p>(4) The figures of the previous year recasted wherever necessary so as to make them comparable with the Current Year's figures.</p>		
9,66,639	Total Rupees		11,13,432

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

BOMBAY: Dated 2nd November, 1977



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1977

As at 31st May, 1976	ASSETS (Contd.)				
Rupees			Rupees	Rupees	Rupees
1,52,871		Brought Forward		1,37,111	
	(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:				
6,29,774	Secured	.. .. .	7,77,264		
36,230	Considered Doubtful	.. .. .	36,261		
6,66,004			8,13,525		
36,230	Less: Provision for Doubtful Loans	.. .. .	36,261		
6,29,774			7,77,264		
1,27,883	Loans to Others	.. .. .	1,46,063		
7,57,657				9,23,327	
2,276	(ii) Advance Income Tax	.. .. .		—	
29,000	(iii) Deposit	.. .. .		29,000	
2,037	(iv) Advance recoverable in Cash or Kind	.. .. .		1,837	
—	(v) Income Tax deducted at source from Interest	.. .. .		358	
7,90,970					10,91,633
	II. MISCELLANEOUS EXPENDITURE:				
	Profit and Loss Account:				
22,798	Loss as per Profit & Loss Account	.. .. .			21,799
9,66,639			Total Rupees		11,13,432

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 1st November, 1977

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

# GODAVARI INVESTMENT AND

## PROFIT & LOSS ACCOUNT FOR

For the year ended 31st May, 1976			Rupees	Rupees
Rupees				
	To	Opening Stock:		
6,588		Machinery Spares and Fittings .. .. .		6,588
20,677	"	Salary .. .. .		15,397
3,357	"	Bonus .. .. .		1,100
1,277	"	Company's Contribution (to the Holding Company) towards Provident Fund .. .. .		866
447	"	Govt. Provident Fund Company's Contribution & Administrative Charges .. .. .		425
—	"	Company's Contribution to Link Insurance Deposit Scheme & Administrative Charges .. .. .		53
150	"	Workmen and Staff Welfare Expenses .. .. .		100
2,509	"	Miscellaneous Expenses, Fees and Stamps, Printing and Stationery, Postage and Telegrams, Conveyance, Travelling etc. .. .. .		1,800
23	"	Insurance Premium .. .. .		11
9,600	"	Office Rent .. .. .		9,600
—	"	Professional Tax .. .. .		500
	"	Interest:		
1,03,967		On Current Account (to the Holding Company) The Godavari Sugar Mills Limited. .. .. .	1,03,063	
25,158		On Cash Credit Account with a Bank .. .. .	18,611	
1,29,125				1,21,674
500	"	Audit Fees .. .. .		500
2,220	"	Provision for Taxation .. .. .		1,525
1,032	"	Profit Carried Down .. .. .		703
1,77,505		Total Rupees		1,60,842
24,907	To	Loss as per Last Balance Sheet .. .. .		22,798
25	"	Short Provision for taxation of Previous Year .. .. .		3
24,932		Total Rupees		22,801

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

BOMBAY: Dated 2nd November, 1977



# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1977

For the year ended 31st May, 1976				
Rupees			Rupees	Rupees
—	By	Cost of Stores & Spare Parts sold to The Godavari Sugar Mills Limited		670
75,537	"	Commission on Cane from Holding Company, The Godavari Sugar Mills Limited .. .. .		62,466
55,497	"	Interest:		
—		On Loans .. .. .	56,229	
		Others .. .. .	75	
55,497				56,304
37,395	"	Supervision charges from cane growers .. .. .		33,882
1,221	"	Income on Hire Purchase Contracts .. .. .		1,321
1,267	"	Miscellaneous Receipts .. .. .		281
6,588	"	Closing Stock of Machinery, Stores and Spares (at cost) .. .. .		5,918
1,77,505			Total Rupees	1,60,842
1,032	By	Profit Brought Down .. .. .		703
1,102	"	Excess Provision for doubtful debts and Loans recredited .. .. .		299
22,798	"	Loss carried to Balance Sheet .. .. .		21,799
24,932			Total Rupees	22,801

BOMBAY: Dated 1st November, 1977

S. K. SOMAIYA  
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 Fourth Audited Accounts of the Company for the year ended 30th September, 1977

The working of the Company for the year resulted in a Profit of Rs. 168/- after providing Rs. 375/- for taxation. After adjusting the same from last year's loss and after adjusting short provision of taxation of previous year amounting to Rs. 2/- the net carried forward loss comes to Rs. 165/- 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 17th February, 1978



# SAKARWADI SUGAR FACTORY LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Sakarwadi Sugar Factory Limited, as at 30th September, 1977 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 the affairs of the Company as at 30th September, 1977 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 18th February, 1978



# SAKARWADI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES	
Rupees		Rupees
50,00,000	<b>AUTHORISED SHARE CAPITAL:</b> 50,000 Equity Shares of Rs. 100/- each .. .. .	50,00,000
14,200	<b>ISSUED AND SUBSCRIBED SHARE CAPITAL:</b> 142 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Ltd.	14,200
6,893	<b>UNSECURED LOANS:</b> From the Holding Company, The Godavari Sugar Mills Ltd. .. .. .	7,980
100	<b>CURRENT LIABILITIES AND PROVISIONS:</b> Outstanding Liabilities .. .. .	100
615	Provision for Taxation .. .. .	375
21,808	Total Rupees .. .. .	22,655

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

BOMBAY: Dated: 18th February, 1978

## PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1976		
Rupees		Rupees
6,163	To Miscellaneous Expenses including Fees & Stamps .. .. .	120
100	To Audit Fees .. .. .	100
500	To Professional Tax .. .. .	250
615	To Provision for Taxation .. .. .	375
289	To Profit Carried Down .. .. .	168
7,667	Total Rupees .. .. .	1,013
620	To Balance as per Last Balance Sheet .. .. .	331
—	To Short Provision for Taxation of previous year .. .. .	2
620	Total Rupees .. .. .	333

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

BOMBAY: Dated: 18th February, 1978



# FACTORY LIMITED

AS AT 30TH SEPTEMBER, 1977

As at 30th Sept. 1976	ASSETS		
Rupees		Rupees	Rupees
	<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>		
	<b>CURRENT ASSETS:</b>		
7,667	(i) SUNDRY DEBTORS: .. .. .	8,680	
	(ii) CASH AND BANK BALANCES:		
10	Cash on Hand .. .. .	10	
7,677			8,690
	<b>MISCELLANEOUS EXPENDITURE:</b>		
	To the extent not written off (or adjusted):		
13,800	Preliminary Expenses .. .. .	13,800	
331	Balance as per Profit and Loss Account .. .. .	165	
14,131			13,965
21,808	Total Rupees .. .. .		22,655

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

BOMBAY: Dated: 17th February, 1978.

## THE YEAR ENDED 30TH SEPTEMBER, 1977

For the Year ended 30th Sept. 1976		Rupees
Rupees		Rupees
7,667	By Commission .. .. .	1,013
7,667	Total Rupees .. .. .	1,013
289	By Profit Brought Down .. .. .	168
331	By Balance being Loss Carried to Balance Sheet .. .. .	165
620	Total Rupees .. .. .	333

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

BOMBAY: Dated: 17th February, 1978.

# LAKSHMIWADI SUGAR FACTORY LIMITED

## DIRECTORS' REPORT

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

Your Directors are pleased to submit herewith Fourth Audited Accounts of the Company for the year ended 30th September, 1977.

The working of the Company for the year resulted in a Profit of Rs. 183/- after providing Rs. 400/- for taxation. After adjusting the same from last year's loss the net carried forward loss comes to Rs. 232/- 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 17th February, 1978



# LAKSHMIWADI SUGAR FACTORY LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Lakshmiwadi Sugar Factory Limited, as at 30th September, 1977 and the annexed Profit and Loss Account for the year ended on that date and have to report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
2. In our opinion, proper Books of Accounts, as required by law, have been kept by the Company so far as appears from our examination of the Books;
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the Books of 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 the affairs of the Company as at 30th September, 1977 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 18th February, 1978



# LAKSHMIWADI SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES	Rupees
Rupees		
	<b>AUTHORISED SHARE CAPITAL :</b>	
50,00,000	50,000 Equity Shares of Rs. 100/- each .. .. .	50,00,000
	<b>ISSUED AND SUBSCRIBED SHARE CAPITAL:</b>	
14,200	142 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Ltd.	14,200
	<b>UNSECURED LOANS:</b>	
7,013	From the Holding Company, The Godavari Sugar Mills Ltd. .. .. .	8,053
	<b>CURRENT LIABILITIES AND PROVISIONS:</b>	
100	Outstanding Liabilities .. .. .	100
570	Provision for Taxation .. .. .	400
21,883	Total Rupees .. .. .	22,753

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

BOMBAY: Dated 18th February. 1978

## PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1976		Rupees
Rupees		
6,223	To Miscellaneous Expenses including Fees and Stamps, ..	120
100	To Audit Fees .. .. .	100
500	To Professional Tax .. .. .	250
570	To Provision for Taxation .. .. .	400
265	To Profit during the year .. .. .	183
7,658	Total Rupees .. .. .	1,053
680	To Balance as per last Balance Sheet .. .. .	415
680	Total Rupees .. .. .	415

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

BOMBAY: Dated 18th February 1978.



# FACTORY LIMITED

AS AT 30TH SEPTEMBER 1977

As at 30th Sept. 1976	ASSETS			
Rupees			Rupees	Rupees
	<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>			
	<b>CURRENT ASSETS:</b>			
7,658	(i) SUNDRY DEBTORS: .. .. .		8,711	
10	(ii) CASH AND BANK BALANCE:			
	Cash on Hand .. .. .		10	8,721
7,668				
	<b>MISCELLANEOUS EXPENDITURE:</b>			
	To the extent not written off (or adjusted):			
13,800	Preliminary Expenses .. .. .		13,800	
415	Balance as per Profit and Loss Account .. .. .		232	14,032
14,215				
21,883				
	Total Rupees .. .. .			22,753

BOMBAY: Dated 17th February, 1978.

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

THE YEAR ENDED 30TH SEPTEMBER, 1977

For the Year ended 30th Sept. 1976			Rupees
Rupees			Rupees
7,658	By Commission .. .. .		1,053
7,658		Total Rupees .. .. .	1,053
265	By Profit Brought Down .. .. .		183
415	By Balance being loss Carried to Balance Sheet		232
680		Total Rupees .. .. .	415

BOMBAY: Dated 17th February, 1978.

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

# SOMAIYA SUGAR WORKS LIMITED

## DIRECTORS' REPORT

The Shareholders,  
Somaiya Sugar Works Limited,  
BOMBAY.

Your Directors are pleased to submit herewith Fourth Audited Accounts of the Company for the year ended 30th September, 1977.

The working of the Company for the year resulted in a Profit of Rs. 160/- after providing Rs. 400/- for taxation. After adjusting the same from last year's loss, the net carried forward loss comes to Rs. 388/- 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

**S. R. PARIKH**

*Director*

BOMBAY: Dated 17th February, 1978



# SOMAIYA SUGAR WORKS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Somaiya Sugar Works Limited, as at 30th September, 1977 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 the affairs of the Company as at 30th September, 1977 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 18 th February, 1978



# SOMAIYA SUGAR

## BALANCE SHEET

As at 30th Sept. 1976	LIABILITIES									
Rupees										Rupees
	<b>AUTHORISED SHARE CAPITAL:</b>									
5,00,000	5,000 Equity Shares of Rs. 100/- each .. .. .									5,00,000
	<b>ISSUED AND SUBSCRIBED SHARE CAPITAL:</b>									
1,600	16 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Ltd.									1,600
	<b>UNSECURED LOANS:</b>									
8,963	From the Holding Company, The Godavari Sugar Mills Limited .. .. .									10,074
	<b>CURRENT LIABILITIES AND PROVISIONS:</b>									
100	Outstanding Liabilities .. .. .									100
650	Provision for Taxation .. .. .									400
11,313	Total Rupees .. .. .									12,174

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

BOMBAY: Dated: 18 th February, 1978

## PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1976										
Rupees										Rupees
5,933	To Miscellaneous Expenses including Fees and Stamps .. .. .									110
100	To Audit Fees .. .. .									100
500	To Professional Tax .. .. .									250
650	To Provision for Taxation .. .. .									400
304	To Profit Carried Down .. .. .									160
7,487	Total Rupees .. .. .									1,020
850	To Balance as per Last Balance Sheet .. .. .									548
850	Total Rupees .. .. .									548

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

BOMBAY: Dated: 18 th February, 1978



# WORKS LIMITED

AS AT 30TH SEPTEMBER, 1977

As at 30th Sept. 1976	ASSETS			
Rupees			Rupees	Rupees
	<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>			
	<b>CURRENT ASSETS:</b>			
7,487	(i) SUNDRY DEBTORS: .. .. .		8,506	
80	(ii) CASH AND BANK BALANCES:			
	Cash on Hand .. .. .		80	
7,567				8,586
	<b>MISCELLANEOUS EXPENDITURE:</b>			
	To the extent not written off (or adjusted):			
3,200	Preliminary Expenses .. .. .		3,200	
546	Profit and Loss Account .. .. .		388	
3,746				3,588
11,313	Total Rupees .. .. .			12,174

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

BOMBAY: Dated: 17 th February, 1978

## THE YEAR ENDED 30TH SEPTEMBER, 1977

For the Year ended 30th Sept. 1976			Rupees
Rupees			Rupees
7,487	By Commission .. .. .		1,020
7,487	Total Rupees .. .. .		1,020
304	By Profit Brought Down .. .. .		160
546	By Balance being loss carried to Balance Sheet .. .. .		388
850	Total Rupees .. .. .		548

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

BOMBAY: Dated: 17 th February, 1978