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**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1977—78**

1978

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 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)

SHRI C. T. BENJAMIN

(Nominee of Karnataka State Government)

DR. SHANTILAL KARAMSHI SOMAIYA

Bankers:

BANK OF INDIA

UNION BANK OF INDIA

VIJAYA BANK LTD

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 Thirtynineth Annual General Meeting of the Godavari Sugar Mills Limited will be held on Saturday the 7th April, 1979 at 12-00 Noon (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, 1978.
2. To elect a Director in place of Shri K. J. Somaiya who retires by rotation, but being eligible, offers himself for re-election.
3. To elect a Director in place of Shri S. N. Vaidya who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri B. S. Mehta 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: 3rd March, 1979

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 1978.

FINANCIAL RESULTS

The working of the Company for the year under report has resulted in a Profit of Rs. 20,08,273/- after providing for interest but before providing depreciation. In view of the carried forward loss, no provision has been made for depreciation.

No declaration of dividends on Equity Shares and Preference Shares for the year ending 30th September, 1978, has been made in view of the above.

As indicated by the Directors in their last year's report the Company crossed its all time record of crushing and production during the season 1977-78 at its three sugar factories. It crushed 9,45,133 M. Tonnes of Cane and manufactured 9,95,786 Quintals of Sugar. The crushing operations at two of its units viz. Sakarwadi and Lakshmiwadi went on till the beginning of June 1978 when the same had to be stopped due to very poor recovery.

The Government of India announced Decontrol of sugar from 16th August, 1978. There were other expectations of the industry such as creation of buffer stock of ten million tonnes of sugar, Higher Exports etc. which were not announced. Further, Industry expected that Government of India would continue- "monthly release mechanism" which was always followed in the past even during periods of Decontrol-to regulate flow of sugar in the market. However this was also discontinued alongwith decontrol on prices. As a result, because of very heavy stocks with the factories due to record production in 1977-78 season, there was glut in the market and sugar prices crashed to the levels not only below the levy sugar prices as prevailing prior to Decontrol but much below the cost of production. After decontrol of Sugar, the Industry has passed through unprecedented crisis leading to heavy losses. If this position had not existed, Company's performance for the year under report would have been much better in view of higher crushing and production.

One more factor which has affected financial results of all the sugar factories for the season 1977-78, was that upto the date of Decontrol, the Government of India had released Levy quotas equal to 80% to 85% of the production against normal 65% of the production as per "partial decontrol" Policy. The Industry expected that this imbalance would be set right in the later part of season by releasing more quantity of Free Sugar. However, in the meantime the Decontrol was announced. Hence total Sales of Levy and Free Sugar upto the date of decontrol were instead of being in the ratio of 65 : 35, in the ratio of 84.89 : 15.11 at Sakarwadi, 85.27 : 14.73 at Lakshmiwadi and 85.55 : 14.45 at Sameerwadi with the result that the average realisation of total sales upto the date of decontrol was very adversely affected.

Recently, Government of India has agreed for creation of buffer stock of five million tonnes of Sugar. Further, to overcome the present crisis, the Industry has itself been trying to implement a scheme of voluntary regulation of monthly releases of Sugar and has accordingly announced a quota of 4.25 lacs tonnes of Sugar for March 1979, on the basis of which factories would get releases in proportion of their stocks. This step of the Industry might help balancing the demand and supply and stabilising the Sugar Prices at economic levels.

A settlement has been arrived at by all Joint Stock Sugar Factories in Maharashtra with Maharashtra State Farming Corporation Limited with regard to final cane prices payable in respect of sugar cane supplied by the Corporation to respective factories for the seasons 1969-70 to 1975-76. Accordingly, an agreement has been recently signed by the Company with the Farming Corporation according to which an amount of Rs. 162.26 lacs is to be paid by the Company towards balance Cane Price for Sakarwadi and Lakshmiwadi factories in 24 quarterly instalments (interest free) starting from 1st June 1979. In turn, the Corporation has agreed to supply Sugarcane grown on Company's erstwhile Agricultural Lands to its Sakarwadi and Lakshmiwadi Factories upto season 1982-83 at a price worked out on the basis of simple average of ex-field prices declared by three neighbouring cooperative factories. As per this Agreement for current season 1978-79, Corporation is to supply 75% of sugarcane grown on the Company's erstwhile farms to Company's Sakarwadi and Lakshmiwadi factories and for the remaining four years, the full quantity of the sugarcane so grown. As a result of this assured supply, crushing at Sakarwadi and Lakshmiwadi factories is expected to stabilise.

As part of this agreement the Maharashtra State Farming Corporation Ltd., has also analysed its other claims on the Company for which Maharashtra State Farming Corporation Ltd., had filed two suits, one for Rs. 52,20,156 and the other for Rs. 68,27,351. It has been agreed between the Company and the Maharashtra State Farming Corporation Ltd., that the liability of the Company in respect of the subject matter of the said two suits and the other claims put by the Maharashtra State Farming Corporation Ltd., on the Company would not exceed Rs. 3 lacs.

The cane crushing operations for the current season 1978-79 are going on satisfactorily at all the three units. The total Crushing at Company's three Sugar Factories is expected to be more or less at about the same level as in 1977-78. However, recovery percentage during the current year is lower than that of last year due to climatic conditions and due to cane coming from some of the areas having been affected on account of shortage of water.

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 K. J. Somaiya, Shri S. N. Vaidya and Shri B. S. Mehta three of your directors retire by rotation, but being eligible, offer themselves for re-election.

M/s. Ambalal Thakkar & Co., Auditors of the Company retire and offer themselves for re-appointment.

Yours faithfully,
By Order of the Board of Directors

K. J. SOMAIYA
Managing Director

BOMBAY: Dated 3rd March, 1979

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1978.

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, 1978, 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 Provision of Section 58A 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 8 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 5th March, 1979

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1977		LIABILITIES			
Rupees			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:				
63,84,403	As per Last Balance Sheet	68,15,217			
4,30,814	Add: Transfer from Development Rebate Reserve	49,395			
68,15,217		68,64,612			
68,15,217	Less: Shown as deduction from Profit & Loss Account as per Contra	68,64,612			
—					
1,98,50,950					1,98,50,950
	Carried Over				

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1978

As at 30th Sept. 1977	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At Cost or Book Value):			
10,28,77,533	Gross Block	10,71,78,415		
2,69,48,879	Less: Depreciation Written off Upto 30th September, 1978	2,69,51,990		
7,59,28,654	Net Depreciated Block as per Schedule "A" attached ..	8,02,26,425		
25,02,125	Capital Work-in-Progress	5,82,128		
55,000	Advance to Suppliers for Machineries	4,63,450		
7,84,85,779				8,12,72,003
	II. INVESTMENT (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) Investment 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				
7,84,85,779	Carried Over	4,54,000	1,30,000	8,12,72,003

THE GODAVARI SUGAR BALANCE SHEET

As at 30th Sept. 1977	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,98,50,950	Brought Forward			1,98,50,950
—	(B) DEVELOPMENT REBATE RESERVE :			
47,52,826	As per Last Balance Sheet	43,22,012		
4,30,814	Less: Transferred to General Reserve	49,395		
43,22,012			42,72,617	
2,42,798	(C) STORAGE FUND FOR MOLASSES :			
2,40,347	As per Last Balance Sheet	4,83,145		
4,83,145	Add: Transferred from Molasses Sales	3,53,204		
48,05,157			8,36,349	
	III. SECURED LOANS :			51,08,966
2,53,48,241	(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		4,59,70,177	
1,33,47,119	(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			
1,03,43,609	(i) Bank of India	96,99,582		
2,36,90,728	(ii) Union Bank of India	1,45,98,072		
			2,42,97,654	
3,24,00,000	(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 Vijaya Bank Ltd.			
18,00,000	(i) Bank of India (Instalment payable within a year Rs. NIL)	3,24,00,000		
24,99,900	(ii) Karnataka State Financial Corporation (Instalment payable within a year Rs. 4,50,000/-)	18,00,000		
3,66,99,900	(iii) Vijaya Bank Ltd. (Instalment payable within a year Rs. NIL)	24,99,900		
			3,66,99,900	
8,57,38,869				
2,46,56,107				
	Carried Over	10,69,67,731		2,49,59,916

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1978

As at 30th Sept. 1977	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
7,84,85,779	Brought Forward	4,54,000	1,30,000	8,12,72,003
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			4,79,000	
	(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. Limited.		7,161	
78	(iv) One Ordinary Shares 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	
36,420	(vi) 7 Years' National Savings Certificates ..		36,420	
1,500	(vii) National Savings Certificates Deposited with Excise Commissioner, U. P. and Hydro Electric Division, Gorakhpur		1,500	
68,65,659				
7,84,85,779	Carried Over		68,65,659	8,12,72,003

THE GODAVARI SUGAR BALANCE SHEET

As at 30th Sept. 1977	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
2,46,56,107			
8,57,38,869	Brought Forward	10,69,67,731	2,49,59,916
1,21,91,335	(d) Term Loan from Union Bank of India against Guarantee from the Government of Karnataka against Second charge by way of Equitable Mortgage of Company's Sugar Factories' Fixed Assets (excluding Agricultural Assets) (Instalment payable within a year Rs. 20 Lacs)	1,03,91,335	
20,80,000	(e) Term Loan from Karnataka State Government against Second charge by way of Equitable Mortgage on Fixed Assets of Sameerwadi (excluding Agricultural Assets) (Instalment payable within a year Rs. 5,20,000/-)	20,80,000	
9,68,333	(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)	—	
91,46,860	(g) Interest accrued and due on above	1,56,35,442	
11,01,25,397			13,50,74,508
	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	
53,601	(ii) From Directors	53,601	
33,599	(iii) From Others	16,840	
31,28,735	(iv) Public Fixed Deposits	30,48,200	
9,95,700	(v) Public Loans (Guaranteed by a Director)	4,70,200	
1,52,714	(vi) From Banks	40,395	
14,78,880	(vii) Cane Purchase Tax Loan from Karnataka State Government	14,78,880	
60,000	(viii) Interest accrued and due on Unsecured Loans	—	
79,03,229			71,08,116
14,26,84,733			
	Carried Over		16,71,42,540

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1978

As at 30th Sept. 1977		ASSETS (Contd.)			
Rupees			Rupees	Rupees	Rupees
7,84,85,779		Brought Forward		68,65,659	8,12,72,003
68,65,659					
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	70,42,470		
	Aggregate unquoted Investments	2,13,659	—		
		<u>68,68,654</u>	<u>70,42,470</u>		
68,68,654					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)				
1,01,62,331	Stock on hand (Including Machineries of Rs. 20,24,564/-)		1,00,82,371		
5,84,544	In Transit		20,72,488		
1,07,46,875				1,21,54,859	
15,256	(ii) Loose Tools and Implements (as per Inven- tories valued and Certified by Managing Director)			13,725	
1,07,62,131					
8,53,54,433					
	Carried Over			1,21,68,584	8,81,40,657

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1977	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
14,26,84,733	Brought Forward		16,71,42,540
	V. CURRENT LIABILITIES AND PROVISIONS:		
	(A) CURRENT LIABILITIES:		
5,06,23,856	(i) Sundry Creditors	6,75,35,279	
12 61,000	(ii) Bills Payable	18,00,000	
2,52,446	(iii) Advance from Customers against Sale of Land & Wood	2,52,446	
55,108	(iv) Security Deposit from Selling Agents ..	54,640	
15,31,810	(v) Security Deposit from Bagaitdars	16,71,465	
4,878	(vi) Security Deposit from Customers	4,878	
36,64,682	(vii) For Taxation	33,70,889	
1,80,089	(viii) Due to Partnership Firm of Khanapur Farms	1,71,208	
5,000	(ix) Due for Managing Directors' Remuneration	40,000	
10,860	(x) Unclaimed Dividend	10,860	
7,89,064	(xi) Interest Accrued but not due on Loans ..	7,61,645	
5,83,78,793		<u>7,56,73,310</u>	
	(B) PROVISIONS:		
2,000	Provision for Bonus	2,000	
5,83,80,793		<u>7,56,75,310</u>	
20,10,65,526	Carried Over		24,28,17,850

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1978

As at 30th Sept. 1977	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,53,54,433	Brought Forward		1,21,68,584	8,81,40,657
1,07,62,131				
	(iii) Stock-in-trade (as per inventories valued and Certified by Managing Director)			
4,48,09,919	(a) Sugar at Market Rate	7,34,42,440		
1,03,605	(b) Stock of Grains, Cotton etc. at Market Rate	15,702		
5,31,384	(c) Molasses at Market Rate	9,71,488		
4,54,44,908			7,44,29,630	
	(iv) Sundry Debtors: (Unsecured and considered good except otherwise stated) :			
4,18,053	(a) Debts Outstanding for more than six Months	8,67,670		
69,692	(b) Considered Doubtful	69,569		
4,87,745		9,37,239		
69,692	Less: Provision for Doubtful Debts ..	69,569		
4,18,053		8,67,670		
	(c) Other Debts (Including Rs. 29,32,332/- due from Arpit Ltd., a Company under the same management)	1,41,00,781		
65,71,005			1,49,68,451	
69,89,058				
6,31,96,097				
8,53,54,433	Carried Over		10,15,66,665	8,81,40,657

THE GODAVARI SUGAR BALANCE SHEET

As at 30th Sept. 1977	LIABILITIES (Contd.)			
Rupees 20,10,65,526	Rupees	Brought Forward	Rupees	Rupees
				24,28,17,850
		CONTINGENT LIABILITIES (Not provided for):		
		(i) Uncalled Liability on Partly paid Shares held as investments in 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	4,565	
	1,75,403			4,565
		(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	22,00,000	
	4,01,361			22,00,000
		(vi) In respect of development charges payable to Government in 5 Instalments for leasehold Lands at Gandhidham	57,470	
	68,964			57,470
		(vii) In respect of dividend payable on 7.8572% Redeemable Cumulative Preference Shares for the Period 1.6.1973 to 30.9.1978	7,75,643	
	6,30,210			7,75,643
		(viii) 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	20,00,000	
	35,00,000			20,00,000
		(ix) 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 1977-78	1,10,38,456	
	55,69,939			1,10,38,456
20,10,65,526		Carried Over		24,28,17,850

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1978

As at 30th Sept. 1977	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,53,54,433	Brought Forward		10,15,66,665	8,81,40,657
6,31,96,097				
	(IV) CASH AND BANK BALANCES:			
	Cash, Cheques and Drafts on Hand (including Stamps on hand Rs. 41,705/- and cheque on hand Rs. 135/-)	6,65,131		
4,16,454				
8,83,516	In Current Account with Scheduled Banks	19,82,585		
	In Savings Account with Scheduled Bank for Unclaimed Dividend	10,860		
10,860				
	In Current Account with Non-Scheduled Banks:			
	(a) Madhavpura Mercantile Co-operative Bank Ltd; Bombay. (Maximum Debit Balance during the year Rs. 20,58,770/-)	20,58,770		
—				
	(b) Ahmednagar Dist. Central Co-Operative Bank Ltd., Shrirampur (Maximum Debit Balance during the year Rs. 436/- Previous year Rs. 436/-)	436		
436				
	(c) Mudhol Urban Co-Op. Bank Ltd., Mudhol (Maximum Debit Balance during the year Rs. 101/- Previous year Rs. 101/-)	101		
101				
537		20,59,307		
	Fixed Deposits with Scheduled Banks (out of which deposit of Rs. 68,004/- under lien with the Bank) ..	7,30,304		
1,18,003				
27,118	Accrued Interest on Fixed Deposits ..	33,238		
			54,81,425	
14,56,488				
6,46,52,585				
8,53,54,433	Carried Over		10,70,48,090	8,81,40,657

THE GODAVARI SUGA

BALANCE SHEET

As at 30th Sept. 1977	LIABILITIES (Contd.)
<p>Rupees</p> <p>20,10,65,526</p>	<p>Brought Forward</p>
<p>20,10,65,526</p>	<p>Carried Over</p>

Rupees
24,28,17,850

24,28,17,850

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1978

As at 30th Sept. 1977	ASSETS (Contd.)		
Rupees		Rupees	Rupees
8,53,54,433	Brought Forward	10,70,48,090	8,81,40,657
6,46,52,585			
	(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. 20,94,778/- Previous Year Rs. 27,85,517/-)	11,14,779	
20,94,778			
14,94,524	Interest accrued on above	17,86,278	
35,89,302		29,01,057	
	(ii) Loan to Others (including doubtful Loans of Rs. 4,79,130/- not provided for)	58,08,869	
62,12,358			
35,36,053	Interest accrued on above	38,75,153	
97,48,411		96,84,022	
1,33,37,713		1,25,85,079	
23,601	Considered Doubtful	13,601	
1,33,61,314		1,25,98,680	
23,601	Less: Provision for Doubtful Loans	13,601	
1,33,37,713		1,25,85,079	
	Loans to subsidiary Companies of which the Company is a Holding Company		
6,85,536	(a) Godavari Investment and Finance Corporation Ltd.,	6,45,105	
2,45,668	Interest accrued on above	3,55,807	
9,31,204		10,00,912	
7,980	(b) Sakarwadi Sugar Factory Ltd.	779	
8,053	(c) Lakshmiwadi Sugar Factory Ltd.	719	
10,074	(d) Somaiya Sugar Works Ltd.	2,906	
9,57,311		10,05,316	
7,89,47,609			
8,53,54,433	Carried Over	12,06,38,485	8,81,40,657

THE GODAVARI SUGA

BALANCE SHE

As at 30th Sept. 1977	LIABILITIES (Contd.)	
Rupees 20,10,65,526	Brought Forward	Rupees 24,28,17,850
20,10,65,526	Total Rupees	24,28,17,850

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER 1978

As at 30th Sept. 1977	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,53,54,433	Brought Forward		12,06,38,485	8,81,40,657
7,89,47,609				
	Advances recoverable in Cash or Kind or for Value to be received (including Advance to Officers of the Company Rs. 54,939/- Maximum Debit Balance during the year Rs. 70,109/-, Rs. 13,59,460/- in dispute, Rs. 6,45,981/- advance against Share Purchase and Rs. 5,13,295/- paid to Banks in respect of defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee)	1,31,27,491		
1,24,04,817				
64,126	Considered doubtful	64,126		
1,24,68,943		1,31,91,617		
64,126	Less: Provision for doubtful Advances	64,126		
1,24,04,817			1,31,27,491	
7,01,470	Income Tax deducted at source from Interest ..		7,69,817	
67,45,473	Deposits with Irrigation Department, Railways, High Courts and Others		52,87,344	
1,39,450	Due from Partnership Firm of Lakh Farms ..		1,39,450	
9,89,38,819				13,99,62,587
	MISCELLANEOUS EXPENDITURE:			
	Profit & Loss Account:			
2,35,87,491	Balance As per Profit & Loss Account		2,15,79,218	
68,15,217	Less: Deducted from General Reserve as per Contra		68,64,612	
1,67,72,274				1,47,14,606
20,10,65,526	Total Rupees			24,28,17,850

Schedule 'A'

THE GODAVARI SUGAR

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1977	Additions during the year
(1)	(2)	(3)
Freehold Land (Book Value)	28,32,742	—
Leasehold Land Premium	3,88,850	—
Leasehold Land Development Expenses	1,69,961	11,494
Leasehold Premium on Garage	12,000	—
Building & Pucca Quarters at Factories	1,97,67,546	19,20,149
Temporary Quarters	5,79,933	—
Temporary Quarters at Farms	2,38,768	—
Pucca Quarters at Farms	2,18,633	—
General Machinery (Book Value)	6,03,43,280	20,60,258
Electrical Machinery	48,08,869	14,783
Agricultural Machinery (Book Value)	33,63,205	—
Locomotives	92,974	—
Electrical Installations & Fittings	9,41,071	—
Furniture & Office Equipments	22,66,516	1,97,121
Weigh Bridges	3,87,610	35,511
Trolley Lines	6,28,058	—
Railway Siding	1,26,075	—
Motor Car, Lorries & Cycles (Book Value)	23,04,590	6,472
Carts and Trucks (Book Value)	3,66,333	—
Laboratory Apparatus	1,33,749	—
Roads, Drainage & Tube Wells	14,68,106	50,599
Dead Stocks	1,37,517	—
Library	7,758	—
Medical Instruments	363	—
Irrigation Lifts	12,03,771	—
Live Stocks	89,255	4,495
Total Rupees	10,28,77,533	43,00,882

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

BOMBAY: Dated 5th March, 1979

MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1978

Gross Block as on 30th Sept. 1978	Depreciation Written off Upto 30th Sept. 1977	Depreciation Provided during the Year	Total Depreciation Upto 30th Sept. 1978	Net Depreciated Block as at 30th Sept. 1978	Net Depreciated Block as at 30th Sept. 1977
(4)	(5)	(6)	(7)	(8)	(9)
28,32,742	—	—	—	28,32,742	28,32,742
3,88,850	3,88,850	—	3,88,850	—	—
1,81,455	—	—	—	1,81,455	1,69,961
12,000	6,100	300	6,400	5,600	5,900
2,16,87,695	31,20,615	—	31,20,615	1,85,67,080	1,66,46,931
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	69,728	987	70,715	1,47,918	1,48,905
6,24,03,538	1,29,36,492	—	1,29,36,492	4,94,67,046	4,74,06,788
48,23,652	18,71,223	—	18,71,223	29,52,429	29,37,646
33,63,205	31,61,488	1,579	31,63,067	2,00,138	2,01,717
92,974	86,792	—	86,792	6,182	6,182
9,41,071	99,724	—	99,724	8,41,347	8,41,347
24,63,637	8,19,878	172	8,20,050	16,43,587	14,46,638
4,23,121	1,61,496	9	1,61,505	2,61,616	2,26,114
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
23,11,062	9,41,253	12	9,41,265	13,69,797	13,63,337
3,66,333	3,02,591	—	3,02,591	63,742	63,742
1,33,749	36,698	—	36,698	97,051	97,051
15,18,705	7,72,642	—	7,72,642	7,46,063	6,95,464
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	9,47,946	52	9,47,998	2,55,773	2,55,825
93,750	82,171	—	82,171	11,579	7,084
10,71,78,415	2,69,48,879	3,111	2,69,51,990	8,02,26,425	7,59,28,654

K. J. SOMAIYA
Chairman and Managing Director

N. C. SAYTA
S. R. CHANDRASEKHARA SETTY
D. M. POPAT
S. N. VAIDYA
S. K. SOMAIYA
C. T. BENJAMIN

Directors

K. R. THANAWALA
Secretary

BOMBAY: Dated 3rd March, 1979

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1977			Rupees	Rupees
	Rupees			
		To Opening Stock on 1st October, 1977		
3,91,08,660		Sugar		
2,65,814		Molasses	4,48,09,919	
3,93,74,474			5,31,384	
62,713		" Stock of Grains & Other Seeds as at 1st October, 1977 ..		4,53,41,303
6,319		" Grains & Other Seeds for Sowing	96,072	
57,604		" Salaries and Wages	—	
4,746		" Bonus of Previous Years	57,236	
—		" Workmen and Staff Welfare Expenses	5,348	
35,108		" Stores inclusive of Seeds and Manures	1,885	
2,458		" Repairs and Renewals	13,439	
3,750		" Land Rent (Net)	—	
6,513		" Irrigation Rates and Taxes	—	
26,178		" Miscellaneous Expenses including Printing and Stationery, Postage and Telegrams and Travelling Expenses ..	38,788	
—		" Expenses on Sale of Food Grains, Tobacco etc. ..	13,029	
3,412		" Depreciation	4,995	
1,194		" Legal Charges	2,811	
10		" Loose Tools written off	4,559	
2,10,005			10	
9,70,42,911		" Locally Purchased Cane		2,38,172
90,87,799		" Salaries and Wages (after deducting Rs. 28,76,000/- charged to repairs and other relevant heads) ..		12,99,51,352
3,81,620		" Bonus to Employees (inclusive of Previous Years) ..	1,21,15,520	
38,668		" Company's Contribution to Employees' Family Pension Fund Scheme	19,37,250	
			46,710	
95,08,087				
13,66,27,390				
		Carried Over	1,40,99,480	17,55,30,827

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1978

For the year ended 30th Sept. 1977				
Rupees		Rupees	Rupees	Rupees
	By Sales :			
16,02,43,122	Sugar		19,77,83,783	
10,73,040	Molasses	17,84,348		
2,40,347	Less : Transferred to Molasses Storage Fund	3,53,204		
8,32,693			14,31,144	
73,417	.. Food Grains, Tobacco, etc.		97,612	
16,11,49,232				19,93,12,539
6,42,779	.. Sundry Receipts from Flour Mills, Dairy, Old Materials etc.			11,00,015
2,78,715	.. Income from Immovable Property			2,67,714
96,621	.. Sundry Receipts being market Value of Farm Produce etc.			1,03,260
4,250	.. Dividend			14,668
	.. Interest :			
19,59,086	.. On Loans and Others		14,09,746	
1,11,705	.. From Subsidiary Company		1,10,140	
	.. From Bank :			
6,120	On Fixed Deposits		18,131	
20,76,911				15,38,017
16,42,48,508		Carried Over		20,23,36,213

THE GODAVARI SUGAR PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1977				
Rupees			Rupees	Rupees
13,66,27,390				
95,08,087	Brought Forward		1,40,99,480	17,55,30,827
1,56,612	To Contribution to Provident Fund of the Company and Administrative Charges ..			
1,26,249	" Gratuity ..		1,41,892	
6,71,555	" Company's Contribution to Govt. Provident Fund and Administrative Charges ..		1,30,210	
2,65,158	" Workmen and Staff Welfare Expenses ..		8,21,092	
2,590	" Workmen Compensation ..		3,74,622	
63,280	" Contribution to Deposit Link Insurance Fund and Administrative Charges ..		27,014	
1,07,93,531			72,640	
				1,56,66,950
26,80,417	" Stores, Chemicals and Spare Parts (after deducting Rs. 123,77,883/- to Agriculture, Capital, Repairs and other relevant heads) ..			
14,28,074	" Power and Fuel ..			38,14,058
38,84,572	" Repairs to Plant and Machinery (inclusive of Salaries & Wages Rs. 13,41,676/- Previous year Rs. 19,78,105/-)			18,26,963
5,83,837	" Repairs to Buildings (inclusive of Salaries & Wages Rs. 2,22,422/- Previous year Rs. 2,06,367/-)		40,41,742	
1,85,378	" Other Repairs (inclusive of Salaries & Wages Rs. 68,679/- Previous year Rs. 1,15,960/-)		6,94,100	
46,53,787			2,20,262	
1,07,32,989	" Sugar Cane Purchase Tax ..			49,56,104
3,00,000	" Gratuity Insurance ..			1,43,69,013
3,24,67,360	" Excise Duty on Sugar ..			1,41,997
563	" Excise Duty on Press Mud ..			2,69,58,724
3,257	" Excise Duty on Bagasse ..			11,738
23	" Excise Duty on Lime ..			9,235
—	" Excise Duty on Electricity ..			—
11,756	" Excise Duty on Molasses ..			1,880
—	" Excise Duty on Sulphur Dioxide ..			69,544
3,42,943	" Insurance Premium ..			468
2,559	" Emergency Risk Insurance Premium ..			5,46,324
20,00,44,649				—
	Carried Over			24,39,03,825

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1978

For the year ended 30th Sept. 1977			
Rupees		Rupees	Rupees
16,42,48,508	Brought Forward		20,23,36,213
2,350	By Sale of Live Stock		150
41,31,946	" Rebate/Refund on Excise Duty		26,05,491
38,400	" Refund of Guarantee Commission		—
—	" Excess Provision for Doubtful Loan/Debts written back		10,123
12,459	" Claims and Refunds		5,033
—	" Insurance Claims		2,53,975
	" Stock-in-trade (as taken, valued and Certified by Managing Director)		
4,48,09,919	Sugar at Market Rate	7,34,42,440	
5,31,384	Molasses at Market Rate	9,71,488	
96,072	Food Grains, Tobacco, etc. at Market Rate	1,272	
4,54,37,375			7,44,15,200
1,31,17,725	" Balance being Loss for the Year		—
22,69,88,763			27,96,26,185

Carried Over

THE GODAVARI SUGA

PROFIT & LOSS ACCOUNT FO

For the year ended 30th Sept. 1977				
Rupees			Rupees	Rupees
20,00,44,649		Brought Forward		
38,51,494	To Packing and Forwarding			24,39,03,825
2,78,266	" Rent (Received Rs. 1,200/- Previous Year Rs. 1,200/-)			63,50,814
4,08,182	" Rates and Taxes			3,10,728
4,96,706	" Brokerage and Commission (including Guarantee Commission of Rs. 2,36,494/- Previous year Rs. 1,54,754/-)			4,33,833
37,05,344	" Miscellaneous Expenses (including Printing & Stationery, Postage & Telegrams, Travelling, Telephone, Motor Car Maintenance etc.)			5,81,858
	" Interest:			38,47,702
6,950	Directors		7,772	
63,94,963	Cash Credit Accounts	95.67	95,67,204	
77,85,931	Fixed Loans	85.13	85,13,320	
6,13,370	Fixed Deposits	1.20	7,21,722	
1,20,000	Debentures	182.00	1,20,000	
7,62,455	Other Loans	196.84	7,53,909	
1,56,83,669		14.84		
4,400	" Directors' Fees			1,96,83,927
1,14,990	" Directors' Travelling Expenses			4,600
60,000	" Managing Directors' Remuneration			80,701
	" Payment to Auditors:			60,000
20,000	Audit Fees		20,000	
811	Auditors' Travelling Expenses		3,226	
8,000	Cost Audit Fees			
107	Cost Auditors' Travelling Expenses		163	
28,918				23,389
18,55,688	" Agricultural Development Expenses (inclusive of Salaries & Wages Rs. 12,43,224/- Previous year Rs. 13,36,244/-)			18,58,529
1,72,288	" Expenses of Scientific Research			2,85,937
2,82,290	" Legal Expenses			1,90,248
1,579	" Loose Tools and Implements written off			1,521
300	" Premium on Leasehold Garage Written off			300
—	" Balance being Profit for the Year			20,08,273
22,69,88,763				
	Total Rupees			27,96,26,185

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1978

[illegible]

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1977				
Rupees		Rupees	Rupees	Rupees
1,42,25,054	To Balance of Loss brought Forward from last year's Balance Sheet			
2,30,317	" Short Provision for Taxation of Previous years			2,35,87,491
1,31,17,725	" Balance Brought Down			—
	NOTE: Computation of Managing Directors' Commission is as follows:			
1,31,17,725	(Loss) Net Profit as per Profit & Loss A/c			
60,000	(Less) Add: (i) Managing Directors' Remuneration	60,000	20,08,273	
3,412	(ii) Depreciation of Agriculture Section	2,811		
63,412			62,811	
1,30,54,313			20,71,084	
	(Add) Less: (i) Depreciation to the extent specified in Section 350 of the Companies Act, 1956	55,54,864		
60,44,987	(ii) Estimated Liability of Bonus	10,00,000		
8,00,000			65,54,864	
68,44,987			44,83,780	
1,98,99,300	Net Loss for Calculating Managing Director's Commission			
Nil	Managing Directors' Commission			
60,000	Total Managerial Remuneration:			Nil
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		
2,75,73,096	Total Rupees			2,35,87,491

Referred to in Our Report of even date
For **AMBALAL THAKKAR & CO.,**
CHARTERED ACCOUNTANTS
G. P. BHATT
Partner

BOMBAY: Dated 5th March, 1979

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1978

For the year ended 30th Sept. 1977		
Rupees		Rupees
—	By Balance Brought Forward from Profit and Loss A/c. . .	20,08,273
3,35,677	„ Income Tax Refund of Previous years	—
36,49,928	„ Excess Provision of Agriculture Income-tax and Agricultural Profit of Previous years recredited	—
2,35,87,491	„ Balance Carried to Balance Sheet	2,15,79,218
2,75,73,096	Total Rupees	2,35,87,491

BOMBAY: Dated 3rd March, 1979

K. R. THANAWALA
Secretary

K. J. SOMAIYA
Chairman and Managing Director

N. C. SAYTA
S. R. CHANDRASEKHARA SETTY
D. M. POPAT
S. N. VAIDYA
S. K. SOMAIYA
C. T. BENJAMIN

}

Directors

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 since 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 respect of Fixed Assets of Factories amounting to Rs. 55,52,053/- (Previous Year Rs. 68,41,575/-)
- (b) Total arrears of Depreciation upto 30th September, 1978 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 amounted to Rs. 4,07,44,541/- (Previous Year Rs. 3,51,92,488/-)
- (3) No Provision has been made in respect of Balance of Loss of Rs. 20,904/- as on 31st May, 1978 of Godavari Investment & Finance Corporation Ltd., and Profit of Rs. 25/-, Rs. 17/- and Loss of Rs. 169/- of Sakarwadi Sugar Factory Ltd., Lakshmiwadi Sugar Factory Ltd., and Somaiya Sugar Works Ltd., respectively as at 30th September, 1978.
- (4) During the year no Provision for Bonus has been made. Liability of the Bonus according to Bonus Act comes to about Rs. 10,00,000/-.
- (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act 1972, as on 30th September, 1978, as per the Actuary's Certificate is Rs. 38,82,746/-. However, the Company has taken Group Gratuity Policy with the Life Insurance Corporation of India for its Sakarwadi and Lakshmiwadi Factories, according to which a liability of Rs. 22,51,622/- upto 31.3.1978 is covered. No provision has been made for the balance of the gratuity liability in the accounts.
- (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) Company has paid Rs. 70,111/- 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.
- (8) In respect of the Levy Sugar sold during the year the realisations and the value have been taken at the rates permitted by the High Court of Judicature at Bombay and Karnataka in the Writ Petitions filed by the Company Challenging Levy Sugar Prices Fixed by the Government.
- (9) As per Agreement dated 22.2.1979 executed by the Company with Maharashtra State Farming Corporation Limited, an amount of Rs. 1,98,20,242/- has been agreed to be paid to the Corporation towards additional Price in respect of Sugar Cane Supplied to Company's Sakarwadi and Lakshmiwadi Factories during Seasons 1969-70 to 1975-76. Out of this amount, an amount of Rs. 35,94,542/- has been already paid/adjusted. Balance amount of Rs. 1,62,25,700/- is payable by the Company in twenty four equal quarterly instalments (Interest free) starting from 1st June 1979. No Provision has been made for the same in the Accounts for the year under report and would be adjusted as and when paid.

	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)	9	4,43,857/-	31,174/-
(b) Employees of the Company who are in receipt of or entitled to receive emoluments amounting to Rs. 3,000/- per mensem for part of the year	2	22,874/-	31/-

Accompanying to in our Report of even date
For **AMBALAL THAKKAR & CO.,**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

BOMBAY: Dated 5th March 1979

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1978

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

(a) Somaiya Farms—Lakh

Name 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 the Factory	Licensed Capacity	Installed capacity as certified by Manager of respective factories.
Sakarwadi	1016	1200/1250
Lakshmiwadi	1016	1500/1600
Sameerwadi	5000	3000

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	16,630.9	4,48,09,919	99,578.6	687.8	82,529.5	19,77,83,783	* 32,992.2	7,34,42,440
Molasses	11,728	5,31,384	41,805	—	31,754	17,84,348	21,779	9,71,488

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

Raw materials purchased & Consumed :

	Quantity Purchased & Consumed M. T.	Value Rs.
Sugarcane	9,45,132.7	12,99,51,352
Stores & Spares Consumed :	Value Rs.	%
Imported	70,563	1.84
Indigenous	37,56,934	98.16
	38,27,497	100.00

C. I. F. Value of Imports

	Purchased
(i) Raw Materials	NIL
(ii) Stores & Spares	95,550
(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

N. C. SAYTA
S. R. CHANDRASEKHARA SETTY
D. M. POPAT
S. N. VAIDYA
S. K. SOMAIYA
C. T. BENJAMIN

Directors

K. R. THANAWALA
Secretary

BOMBAY: Dated 3rd, March, 1979

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1978

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 a 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	79	Managing Director	70,400/-	Contractual for Five Years from 1-6-1975	As approved by Central Government	About 39 Years	1-6-1970	NIL
2.	Shri P. M. Kavadia	60	Chief Executive	60,482/-	Permanent	As per Company's Rules	M.A.L.L.B., About 33 Years	1-9-1963	Manager, Narsee Nagsee & Co.,
3.	Shri Mangal Singh	47	Technical Adviser-cum General Manager	81,456/-	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 28 Years	4-8-1971	General Manager & Tech. Manager Champaran Sugar Co., Ltd.
4.	Shri J. N. Patel	56	Superintending Agri. Development Manager	55,711/-	Permanent subject to termination by one Month's notice on either side	As per Company's Rules	B.Sc. (Agri.) Hons. About 28 Years	1-3-1951	Nil
5.	Shri B. L. Kapur	60	General Manager	65,039/-	Permanent subject to termination by Three Months' notice on either side	As per Company's Rules	M.A.L.L.B. About 35 Years	29-10-1976	General Manager Mawana Sugar Works,
6.	Shri W. C. Anand	61	General Manager	44,180/-	Permanent subject to termination by Three month's notice on either side	As per Company's Rules	B.Sc., A.I.I.S., F.S.T.A., M.A. M.A. About 30 Years	14-6-1975	Project Manager Thaper Group of Sugar Works
7.	Shri S. R. Parikh	45	Financial Controller	46,263/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., A.C.A. About 22 Years	2.1.1960	Great Eastern Shipping Co. Ltd.,
8.	Shri Shiavux Mistry	53	Taxation Executive	42,319/-	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 32 Years	12.11.1970	Tax Accountant, Power Cable Pvt. Ltd.
9.	Shri P. S. Daftary	52	Purchase Officer	38,040/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	Matric About 39 Years	1.9.1939	Nil
10.	Shri M. N. Krishnamurthy	33	Technical Manager	41,541/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.E. (Electr.) A.N.S.I. (About 6 Years)	1.9.1974	Chief Engineer Sanjivani S.S.K.Ltd. Goa

(b) EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW

1.	Shri K. M. Kshatriya	37	Chief Engineer	405/-	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
2.	Shri O. K. Moorthy	58	Chief Administrator Rural Development Division	22,508/-	Permanent, subject to termination by Three Month's notice on either side	As per Company's Rules	M.A.L.L.B. About 33 Years	1.4.1978	Director General Ministry of Home affairs, Central Government, and Commissioner of Linguistic Minorities

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

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, 1978.

The Godavari Sugar Mills Limited, and its nominees hold 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, 1978.

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

	<i>As on</i>	<i>Amount</i>
(a) Godavari Investment & Finance Corporation Ltd.,	31st May, 1978	Rs. 8,89,964/-
(b) Sakarwadi Sugar Factory Ltd.	30th Sept. 1978	779/-
(c) Lakshmiwadi Sugar Factory Ltd.	30th Sept. 1978	719/-
(d) Somaiya Sugar Works Ltd.	30th Sept. 1978	2,906/-

- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 293/- for the year ended 31st May, 1978. The Net Loss after adjusting the previous years' Loss from Profit of this year comes to Rs. 20,904/-. 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. 184/-, Rs. 245/- and Rs. 201/- respectively for the year ended 30th September, 1978. The Net Profits after adjusting the previous years' Losses from Profits of this year come to Rs. 25/-, Rs. 17/-, and Loss of Rs. 169/- 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, 1978 and 30th September, 1978. 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

N. C. SAYTA
S. R. CHANDRASEKHARA SETTY
D. M. POPAT
S. N. VAIDYA
S. K. SOMAIYA
C. T. BENJAMIN

Directors

K. R. THANAWALA
Secretary

BOMBAY: Dated 3rd March, 1979

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Twenty Third Annual Report and Audited Accounts of the Company for the year ended 31st May, 1978.

The working of the Company for the year resulted in a Profit of Rs. 293/- after providing Rs. 635/- for taxation. After adjusting the same from last year's loss, and after recrediting refund of Bad Debts amounting to Rs. 600/- and excess Provision for taxation amounting to Rs. 2/-, the net carried forward loss comes to Rs. 20,904/- 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: 2nd November, 1978.

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 1978 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, 1978 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: 3rd November, 1978.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1977	LIABILITIES		
Rupees		Rupees	Rupees
5,00,000	I. AUTHORISED CAPITAL: 5,000 Ordinary (Equity) Shares of Rs. 100/- each ..		5,00,000
1,00,000	II. SUBSCRIBED CAPITAL: 2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up held by Holding Company The Godavari Sugar Mills Limited and it's nominees ..		1,00,000
1,25,065	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 Pur- chase 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 ..		37,051
7,29,573	IV. UNSECURED LOANS: Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited ..	6,80,650	
7,29,573	Interest accrued and due ..	1,03,063	
			7,83,713
	V. CURRENT LIABILITIES AND PROVISIONS:		
	(A) CURRENT LIABILITIES:		
45,161	(i) Sundry Creditors ..	55,498	
3,637	(ii) Estimated Unearned Finance Charges on Hire Purchase carried forward ..	3,143	
1,06,251	(iii) Interest accrued but not due on Loan ..	1,17,060	
1,55,049		1,75,701	
	(B) PROVISIONS:		
3,745	For Taxation ..	2,160	
1,58,794			1,77,861
11,13,432			
	Carried Over		10,98,625

FINANCE CORPORATION LTD., BOMBAY

AS. AT 31ST MAY, 1978

As at 31st May, 1977	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS:			
	(i) Stock in trade (at Cost) (As per inventories taken, valued and Certified by a Director)			
5,918	Machinery, Stores and Spares		5,918	
5,136	(ii) Future instalments receivable from hire of Oil Engines and Pumps under Hire-Purchase Agreements (Considered good)		795	
	(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			
1,11,567	Outstanding for more than six months ..	1,10,738		
43,941	Considered Doubtful	43,941		
1,55,508		1,54,679		
43,941	Less: Provision for Doubtful Debts ..	43,941		
1,11,567		1,10,738		
5,502	Other Debts	3,030		
1,17,069			1,13,768	
	(iv) CASH AND BANK BALANCES:			
1,004	Cash on Hand	333		
5,928	Stamp Papers on Hand	3,363		
2,056	In Current Account with a Schedule Bank ..	463		
8,988			4,159	
1,37,111				
	Carried Over		1,24,640	

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1977	LIABILITIES (Contd.)		
Rupees		Rupees	Rupees
11,13,432			10,98,625
	<p style="text-align: center;">Brought Forward</p> <p>NOTES:</p> <p>(1) Out of Land Mortgage Agreements for Loans given to Bagaitdars, Agreements for Loans amounting to Rs. 13,083/- 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 Previous Year are recasted wherever necessary so as to make them comparable with the Current Year's figures.</p>		
11,13,432		Total Rupees	10,98,625

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

BOMBAY: Dated 3rd November, 1978

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1978

As at 31st May, 1977	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,37,111	Brought Forward		1,24,640	
	(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:			
7,77,264	Secured	7,57,740		
36,261	Considered Doubtful	36,261		
8,13,525		7,94,001		
36,261	Less: Provision for Doubtful Loans ..	36,261		
7,77,264		7,57,740		
1,46,063	Loans to Others	1,46,063		
—	Add: Interest accrued on above	18,491	1,64,554	
9,23,327			9,22,294	
29,000	(ii) Deposit		29,000	
1,837	(iii) Advances recoverable in Cash or Kind ..		1,787	
358	(iv) Income Tax deducted at source from Interest		—	
9,54,522				10,77,721
	II. MISCELLANEOUS EXPENDITURE:			
	Profit and Loss Account:			
21,799	Loss as per Profit & Loss Account			20,904
11,13,432	Total Rupees			10,98,625

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.

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

} Directors

BOMBAY: Dated 2nd November, 1978

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the year ended 31st May, 1977			
Rupees		Rupees	Rupees
	To Opening Stock:		
6,588	Machinery Spares & Fittings		5,918
15,397	" Salary		21,399
1,100	" Bonus		1,193
866	" Company's Contribution (to the Holding Company) to Provident Fund		1,037
425	" Company's Contribution to Govt. Provident Fund & Administrative Charges		808
53	" Company's Contribution to Link Insurance Scheme & Administrative Charges		122
100	" Workmen and Staff Welfare Expenses		100
2,300	" Miscellaneous Expenses, Fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses, Printing & Stationery etc.		4,111
11	" Insurance Premium		11
9,600	" Office Rent		9,600
	" Interest:		
1,03,063	On Current Account (to the Holding Company) The Godavari Sugar Mills Ltd.,	1,16,050	
18,611	On Cash Credit Account with a Bank	14,808	
1,21,674			1,30,858
500	" Audit Fees		500
1,525	" Provision for Taxation		635
703	" Profit Carried Down		293
1,60,842	Total Rupees		1,76,585
22,798	" Loss as per Last Balance Sheet		21,799
3	" Short Provision for Taxation of Previous year		—
22,801	Total Rupees		21,799

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

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1978

For the year ended 31st May, 1977			
Rupees		Rupees	Rupees
670	By Cost of Stores & Spare Parts sold to The Godavari Sugar Mills Limited		—
62,466	" Commission on Cane from Holding Company, The Godavari Sugar Mills Limited		68,336
	" Interest:		
56,229	On Loans	65,036	
75	Others	—	
56,304			65,036
33,882	" Supervision Charges from cane growers		36,601
1,321	" Income on Hire Purchase Contracts		494
281	" Miscellaneous Receipts		200
5,918	" Closing Stock of Machinery, Stores and Spare Parts (at Cost)		5,918
1,60,842	Total Rupees		1,76,585
703	By Profit Brought Down		293
299	" Excess Provision for doubtful debts and loans recredited		—
—	" Refund of Bad Debts recredited		600
—	" Excess Provision for Taxation of previous year recredited		2
21,799	" Loss carried to Balance Sheet		20,904
22,801	Total Rupees		21,799

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

BOMBAY: Dated 2nd November, 1978

SAKARWADI SUGAR FACTORY LIMITED

DIRECTORS' REPORT

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

Your Directors are pleased to submit herewith Fifth Audited Accounts of the Company for the year ended 30th September, 1978.

The working of the Company for the year resulted in a Profit of Rs. 184/- after providing Rs. 400/- for taxation. After adjusting the same from last year's loss and after adjusting excess provision of taxation of previous year written back amounting to Rs. 6/- the net carried forward profit comes to Rs. 25/- which has been carried forward to the next year. In view of small profit, 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 28th February, 1979

SAKARWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Sakarwadi Sugar Factory Limited, as at 30th September, 1978 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 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, 1978 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 28th February, 1979

SAKARWADI SUGAR

BALANCE SHEET

As at 30th Sept. 1977	LIABILITIES			
Rupees			Rupees	Rupees
50,00,000	AUTHORISED SHARE CAPITAL :			
	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 Limited			14,200
	RESERVES AND SURPLUS:			
—	Balance as per Profit & Loss Account			25
	UNSECURED LOANS:			
7,980	From the Holding Company, The Godavari Sugar Mills Limited			779
	CURRENT LIABILITIES AND PROVISIONS:			
100	Outstanding Liabilities		100	
375	Provision for Taxation		400	
475				500
22,655	Total Rupees			15,504

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

BOMBAY: Dated 28th February, 1979.

PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1977			Rupees
Rupees			Rupees
120	To Miscellaneous Expenses including Fees and Stamps		180
100	To Audit Fees		100
250	To Professional Tax		250
375	To Provision for Taxation		400
168	To Profit Carried Down		184
1,013	Total Rupees		1,114
331	To Balance as per Last Balance Sheet		165
2	To Short Provision for Taxation of Previous years		—
—	To Balance being Profit Carried to Balance Sheet		25
333	Total Rupees		190

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

BOMBAY: Dated: 28th February, 1979.

FACTORY LIMITED

S AT 30TH SEPTEMBER, 1978

As at 30th Sept. 1977	ASSETS			
Rupees		Rupees	Rupees	Rupees
	CURRENT ASSETS, LOANS AND ADVANCES:			
	CURRENT ASSETS:			
8,680	(i) SUNDRY DEBTORS		1,114	
10	(ii) CASH AND BANK BALANCES:			
—	Cash on Hand	10		
	In current Account with a Scheduled Bank	580		
8,690			590	1,704
	MISCELLANEOUS EXPENDITURE:			
	To the extent not written off (or adjusted) :			
13,800	Preliminary Expenses		13,800	
165	Balance as per Profit & Loss Account		—	
13,965				13,800
22,655				15,504
	Total Rupees			

P. M. KAVADIA
LILABEN. M. KOTAK } Directors

MBAY: Dated 28th February, 1979.

THE YEAR ENDED 30TH SEPTEMBER, 1978

For the year ended 30th Sept. 1977		Rupees
Rupees		Rupees
1,013	By Commission	1,114
1,013	Total Rupees	1,114
168	By Profit Brought Down	184
165	By Excess Provision for Taxation of Previous year written back	6
333	Total Rupees	190

P. M. KAVADIA
LILABEN M. KOTAK } Directors

MBAY: Dated: 28th February, 1979.

LAKSHMIWADI SUGAR FACTORY LIMITED

DIRECTORS' REPORT

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

Your Directors are pleased to submit herewith Fifth Audited Accounts of the Company for the year ended 30th September, 1978.

The working of the Company for the year resulted in a Profit of Rs. 245/- after providing Rs. 535/- for taxation. After adjusting the same from last year's loss and after adjusting excess provision of taxation of previous year written back amounting to Rs. 4/- the net carried forward profit comes to Rs. 17/- which has been carried forward to the next year. In view of small profit, 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

H. R. KOTAK
Director

BOMBAY: Dated 28th February, 1979

LAKSHMIWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Lakshmiwadi Sugar Factory Limited, as at 30th September, 1978 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 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, 1978 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 perscribed 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 28th February, 1979

LAKSHMIWADI SUGAR BALANCE SHEET

As at 30th Sept. 1977		LIABILITIES	
Rupees			Rupees
50,00,000	AUTHORISED SHARE CAPITAL: 50,000 Equity Shares of Rs. 100/- each		50,00,000
14,200	ISSUED AND SUBSCRIBED SHARE CAPITAL: 142 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Limited		14,200
—	RESERVES AND SURPLUS: Balance as per Profit & Loss Account		17
8,053	UNSECURED LOANS: From the Holding Company, The Godavari Sugar Mills Limited		719
100	CURRENT LIABILITIES AND PROVISIONS: Outstanding Liabilities		100
400	Provision for Taxation		535
500			635
22,753			9635
	Total Rupees		15,571

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

BOMBAY: Dated: 28th February, 1979.

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1977		
Rupees		Rupees
120	To Miscellaneous Expenses including Fees and Stamps	120
100	To Audit Fees	100
250	To Professional Tax	250
400	To Provision for Taxation	535
183	To Profit during the year	245
1,053		1,250
415		232
—	To Balance as per Last Balance Sheet	17
415	To Balance Brought Down	249
	Total Rupees	

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

BOMBAY: Dated: 28th February, 1979.

FACTORY LIMITED

AS AT 30TH SEPTEMBER, 1978

As at 30th Sept. 1977	ASSETS			
Rupees		Rupees	Rupees	Rupees
	CURRENT ASSETS, LOANS AND ADVANCES:			
	CURRENT ASSETS :			
8,711	(i) SUNDRY DEBTORS :		1,250	
10	(ii) CASH AND BANK BALANCES :			
—	Cash on Hand	10		
	In Current Account with a Scheduled Bank ..	511		
10			521	
8,721				1,771
	MISCELLANEOUS EXPENDITURE:			
	To the extent not written off (or adjusted):			
13,800	Preliminary Expenses		13,800	
232	Balance as per Profit and Loss Account		—	
14,032				13,800
22,753	Total Rupees ..			15,571

OMBAY: Dated: 28th February, 1979.

H. R. KOTAK
S. H. DAIYA } Directors

THE YEAR ENDED 30TH SEPTEMBER, 1978

For the year ended 30th Sept. 1977		Rupees
Rupees		Rupees
1,053	By Commission	1,250
1,053	Total Rupees	1,250
183	By Profit Brought Down	245
—	By Excess Provision for taxation of previous year written back	4
232	By Balance being loss carried to Balance Sheet	—
415	Total Rupees	249

OMBAY: Dated: 28th February, 1979.

H. R. KOTAK
S. H. DAIYA } Directors

SOMAIYA SUGAR WORKS LIMITED

DIRECTORS' REPORT

The Shareholders,
The Somaiya Sugar Works Ltd.,
BOMBAY.

Your Directors are pleased to submit herewith Fifth Audited Accounts of the Company for the year ended 30th September, 1978.

The working of the Company for the year resulted in a Profit of Rs. 201/- after providing Rs. 450/- for taxation. After adjusting the same from last year's loss and after adjusting excess provision of taxation of previous year written back amounting to Rs. 18/- the net carried forward loss comes to Rs. 169/- 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 28th February, 1979

SOMAIYA SUGAR WORKS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Somaiya Sugar Works Limited, as at 30th September, 1978 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 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, 1978 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 28th February, 1979

SOMAIYA SUGAR BALANCE SHEET

As at 30th Sept. 1977		LIABILITIES	Rupees	Rupees
Rupees		AUTHORISED SHARE CAPITAL:		
5,00,000		5,000 Equity Shares of Rs. 100/- each		5,00,000
		ISSUED AND SUBSCRIBED SHARE CAPITAL:		
1,600		16 Equity Shares of Rs. 100/- each held by Holding Company, The Godavari Sugar Mills Limited		1,600
10,074		UNSECURED LOANS:		
		From the Holding Company, The Godavari Sugar Mills Limited		2,906
100		CURRENT LIABILITIES AND PROVISIONS:		
400		Outstanding Liabilities	100	
500		Provision for Taxation	450	
12,174				550
		Total Rupees		5,056

BOMBAY: Dated: 28th February, 1979.

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

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1977			Rupees
Rupees			
110	To Miscellaneous Expenses including Fees and Stamps		100
100	To Audit Fees		100
250	To Professional Tax		250
400	To Provision for Taxation		450
160	To Profit Carried Down		201
1,020		Total Rupees	1,101
548	To Balance as per Last Balance Sheet		388
548		Total Rupees	388

BOMBAY: Dated: 28th February, 1979.

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

WORKS LIMITED

AS AT 30TH SEPTEMBER, 1978

As at 30th Sept. 1977	ASSETS			
Rupees		Rupees	Rupees	Rupees
	CURRENT ASSETS, LOANS AND ADVANCES:			
	CURRENT ASSETS:			
8,506	(i) SUNDRY DEBTORS:		1,101	
80	(ii) CASH AND BANK BALANCES:			
—	Cash on Hand	80		
	In Current Account with a Scheduled Bank ..	506		
80			586	
8,586				1,687
	MISCELLANEOUS EXPENDITURE:			
	To the extent not written off (or adjusted):			
3,200	Preliminary Expenses		3,200	
388	Profit and Loss Account		169	
3,588				3,369
12,174	Total Rupees			5,056

S. R. PARIKH

V. V. KOTAK

} Directors

MUMBAI: Dated: 28th February, 1979.

THE YEAR ENDED 30TH SEPTEMBER, 1978

For the year ended 30th Sept. 1977		Rupees
Rupees		Rupees
1,020	By Commission	1,101
1,020	Total Rupees	1,101
160	By Profit Brought Down	201
—	By Excess provision for Taxation of previous year written back	18
388	By Balance being loss Carried to Balance Sheet	169
548	Total Rupees	388

S. R. PARIKH

V. V. KOTAK

} Directors

MUMBAI: Dated: 28th February, 1979.