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**THE
GODAVARI
SUGAR MILLS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1979-80**

1980

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 NAVINCHANDRA CHUNILAL SAYTA

SHRI S. R. CHANDRASEKHARA SETTY

(Nominee of Karnataka State Financial Corporation)

SHRI K. P. SURENDRANATH

(Nominee of Karnataka State Govt.)

DR. SHANTILAL KARAMSHI SOMAIYA

Bankers:

BANK OF INDIA

UNION BANK OF INDIA

VIJAYA BANK

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 Fortyfirst Annual General Meeting of the Godavari Sugar Mills Limited will be held on Thursday the 23rd April, 1981 at 4-00 P.M. (S.T.) at the Registered Office of the Company at Fazalbhoy Building, Mahatma Gandhi Road, Bombay-400 023 to transact the following business :

1. To receive and adopt Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1980.
2. To elect a Director in place of Dr. S. K. Somaiya who retires by rotation but, being eligible, offers himself for re-election.
3. To elect a Director in place of Shri N. C. Sayta who retires by rotation but, being eligible, offers himself for re-election.
4. 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 26th February, 1981.

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 hereby submit their report on the Audited Statement of Accounts of the Company for the year ended 30th September, 1980.

The working of the Company for the year under report has resulted in an operating surplus of Rs. 30,66,011/- without providing for Interest and Depreciation. After providing for Interest of Rs. 1,93,89,764/- but before providing Depreciation, there is a loss of Rs. 1,63,23,753/- In view of the carried forward loss, no provision has been made for Depreciation.

The Directors also do not recommend Dividend on Equity and Preference shares for the year ending 30th September, 1980.

MANUFACTURING RESULTS

As already indicated in the last year's report, the working of the 1979-80 season at all the 3 Units of the Company was unsatisfactory. As compared to the preceding season 1978-79, the crushing and production during 1979-80 was only about 1/3rd. The poor working results during the season under report have been occasioned due to steep fall in availability of sugarcane primarily due to drought conditions in the area of our Sugar Factories.

The drought conditions in Maharashtra and Karnataka led to a fall in the yields of sugarcane apart from an overall decline in the area under sugarcane. The decline in availability of cane at Sameerwadi unit was further aggravated by large scale diversion of cane for the manufacture of jaggery due to high prices of Gur. Notwithstanding the regulatory provisions of the Karnataka Govt., making it obligatory on the growers in the Reserved Areas to supply 95% of sugarcane to the Sugar Factories within the Zone, diversion to jaggery continued unabated. The action of the revenue and local authorities could not control this diversion.

On account of the above factors, the total crushing at all the three units during 1979-80 season has been 2,95,536 Tonnes as against the total crushing of 8,26,417 Tonnes in the season 1978-79. It was inevitable that such a steep decline in the quantum of production would have a serious impact on the working results due to sharp increase in the per unit cost.

WRIT PETITIONS FOR LEVY SUGAR PRICES

A number of Writ Petitions relating to fixation of Levy Sugar Prices for several seasons have been pending in various High Courts in different States. An application was made by the Attorney General of India under Article 139A of the Constitution for transferring to the Supreme Court Petitions for Seasons 1978-79 and 1979-80 from all High Courts.

Accordingly the Writ Petitions for seasons 1978-79 and 1979-80 in the matter for our Sakarwadi and Lakshmiwadi factories pending in High Court of Bombay and for Sameerwadi factory pending in the High Court of Karnataka at Bangalore are likely to be transferred to and heard by the Supreme Court in due course.

CURRENT WORKING

The working during the current season is substantially, better than last year. As against the total crushing of 2,95,536 Tonnes in 1979-80, it is expected that the total crushing at our 3 Units this season would be about 6 lac tonnes with a better recovery than last year.

During the current season, due to agitation of cultivators in Maharashtra the first 'on account' payment for the cane supply which was initially fixed by State Government at Rs. 150/- per tonne has now been increased to Rs. 200/- per tonne ex-field. Further the State Government has awarded steep increase in rates of Harvesting and Carting labour after negotiations with the Labour Unions. The rates for transport of cane by lorries have also increased by about 30%. In view of over-all increase as above, the final ex-factory cane prices for 1980-81 for Sakarwadi/Lakshmiwadi factories on the basis of linkage with neighbouring factories are likely to work out to around Rs. 275/- per tonne.

As regards Sameerwadi factory, in order to meet the competition from neighbouring Co-operative factories in the area, we declared an attractive ex-gate price of Rs. 250/- per tonne. However, gur prices have ruled high throughout the season at a level ranging from Rs. 275/- to Rs. 300/- per quintal which has seriously affected cane supplies. The newly set up Co-operative Factories in the area are also desperately trying to divert the cane from outside their fixed area of operation by offering higher prices owing to their eligibility for Sampath Incentives for new factories.

In view of the above factors, although Sakarwadi and Lakshmiwadi factories in Maharashtra are expected to work reasonably well with a crushing of about 4,50,000 tonnes, Sameerwadi has closed crushing for the season on 24th February with a crush of 1,40,800 Tonnes. The non-availability of timely Working Capital limits for Sameerwadi for the season from the Company's Bankers has been another limiting factor. All these have affected the cane supplies at Sameerwadi.

For the season 1981-82, due to very attractive and remunerative prices being received by the cane cultivators, the area under cane is expected to substantially increase. The Company, therefore, expects to achieve better results in 1981-82 season.

The Board would like to place on record its appreciation for the co-operation extended by its Bankers, the Karnataka Govt. and Karnataka State Financial Corporation.

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'.

Two of your Directors viz. Dr. S. K. Somaiya and Shri N. C. Sayta 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.

By Order of the Board of Directors

K. J. SOMAIYA
Managing Director

BOMBAY : Dated 26th February, 1981.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1980

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 last year.
4. The Company has not taken any loans from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
5. Loans given to Companies, Firms and other Parties, and interest thereon have not become due on 30th September, 1980 as per the stipulations agreed upon between the Companies and the Parties. Loans and Advances in the nature of loan given to Employees are 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 exceeding Rs. 10,000/- from Companies 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.
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 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 26th February, 1981

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	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:			
68,64,612	As per last Balance Sheet	68,64,612		
68,64,612	Less: Shown as deduction from Profit & Loss Account as per Contra	68,64,612		
	(B) DEVELOPMENT REBATE RESERVE:			
42,72,617	As per Last Balance Sheet		42,72,617	
42,72,617				
1,98,50,950				
	Carried Over		42,72,617	1,98,50,950

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS: (At cost or Book Value):			
11,25,91,240	Gross Block		11,38,05,665	
2,69,54,643	Less: Depreciation Written off Upto 30th September, 1980		2,69,42,322	
8,56,36,597	Net Depreciated Block as per Schedule "A" attached		8,68,63,343	
2,70,993	Capital Work-in-Progress		3,95,133	
8,59,07,590				8,72,58,476
	II. INVESTMENTS (At Cost):			
	(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANIES:			
1,00,000	(i) 2,000 Partly Paid-up Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Ltd., of Rs. 100/- each Rs. 50/- per Share paid-up	1,00,000		
14,200	(ii) 142 Equity Shares of Sakarwadi Sugar Factory Ltd., of Rs. 100/- each fully paid-up ..	14,200		
14,200	(iii) 142 Equity Shares of Lakshmiwadi Sugar Factory Ltd., of Rs. 100/- each fully paid-up ..	14,200		
1,600	(iv) 16 Equity Shares of Somaiya Sugar Works Ltd., of Rs. 100/- each fully paid-up ..	1,600		
1,30,000			1,30,000	
	(B) OTHER INVESTMENTS:			
4,54,000	(i) 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				
8,59,07,590				
	Carried Over	4,54,000	1,30,000	8,72,58,476

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,98,50,950	Brought Forward		42,72,617	1,98,50,950
42,72,617	(C) STORAGE FUND FOR MOLASSES:			
8,36,349	As per Last Balance Sheet	11,19,207		
2,82,858	Add: Transferred from Molasses Sales	3,37,492		
11,19,207			14,56,699	
53,91,824				57,29,316
	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 agreement to create third charge in favour of the Bank on Fixed Assets of these factories and fully guaranteed by two Directors		1,94,56,745	
3,05,21,207	(b) Cash Credit Account with Banks against hypothecation of all tangible movable Assets of the Company including Stocks of Sugar, Stores Chemicals, Spares etc. of the Company's Unit at Sameerwadi and fully guaranteed by two Directors			
1,82,52,796	(i) Bank of India	1,64,61,945		
1,68,47,044	(ii) Union Bank of India	95,11,408		
3,50,99,840			2,59,73,353	
6,56,21,047			4,54,30,098	
	(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.			
3,24,00,000	(i) Bank of India (Instalment payable within a year Rs. 35,00,000/-)	3,24,00,000		
3,24,00,000				
6,56,21,047				
2,52,42,774	Carried Over	3,24,00,000	4,54,30,098	2,55,80,266

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,59,07,590	Brought Forward	4,54,000	1,30,000	8,72,58,476
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 4,000 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 4,000 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Ltd.			
4,79,000			4,79,000	
61,99,000	(ii) Investments in Shares of Somaiya Organics (India) Ltd. 61,990 Equity Shares of Rs. 100/- each fully paid-up		61,99,000	
	Out of the above 5,000 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 4,000 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Ltd.			
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	
37,420	(vi) 7 Years' National Savings Certificates		37,620	
1,500	(vii) National Savings Certificates Deposited with Excise Commissioner, U. P. and Hydro Electric Division, Gorakhpur		1,500	
68,66,659				
8,59,07,590	Carried Over	68,66,859	8,72,58,476	

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,52,42,774	Brought Forward	3,24,00,000	4,54,30,098	2,55,80,266
6,56,21,047				
3,24,00,000	(ii) Karnataka State Financial Corporation (Instalment Payable within a year Rs. 3,00,000/-)	12,00,000		
15,00,000	(iii) Vijaya Bank (Instalment Payable within a year Rs. 5,00,000/-)	20,00,000		
24,99,900			3,56,00,000	
3,63,99,900				
82,91,648	(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)		82,91,648	
15,60,000	(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. 2,60,000/-)		10,40,000	
—	(f) 200 6% Debentures of Rs. 10,000/- each fully paid-up redeemable at the option of the Company. Secured by negative lien on Fixed Assets of Sakarwadi and Lakshmiwadi Factories		20,00,000	
1,98,50,738	(g) Interest accrued and due on above		1,40,88,917	10,64,50,663
13,17,23,333				
	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.		—	
7,085	(ii) From Others		7,085	
19,27,300	(iii) Public Fixed Deposits		22,75,100	
2,52,000	(iv) Public Loans (Guaranteed by a Director)		1,91,500	
1,12,224	(v) From Banks		11,837	
46,54,744	(vi) Cane Purchase Tax Loan from Karnataka & Maharashtra Governments		46,54,744	
60,000	(vii) Interest accrued and due on Unsecured Loans		—	71,40,266
90,13,353				
16,59,79,460		Carried Over		13,91,71,195

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,59,07,590	Brought Forward		68,66,859	8,72,58,476
68,66,659				
1,995	(viii) 4½% U.P. State Development Loan of 1972 (Face Value Rs. 2,000/-)		1,995	
1,000	(ix) National Savings Certificates of the Face Value of Rs. 1,000/- Deposited as Security Deposit with Central Excise Authority, Mudhol		1,000	
		Market Value		
	Cost			
	Aggregate quoted Investments 66,54,995	73,26,090		
	Aggregate unquoted Investments 2,14,859	—		
	68,69,854	73,26,090		
68,69,654				68,69,854
	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)			
1,18,42,162	Stock on hand (including Machineries of Rs. 24,17,719/-)	1,47,90,153		
8,62,580	In Transit	2,39,079		
1,27,04,742			1,50,29,232	
	(ii) Loose Tools and Implements (as per inven- tories valued and Certified by Managing Director)		11,104	
12,346				
1,27,17,088				
9,27,77,244	Carried Over		1,50,40,336	9,41,28,330

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
16,59,79,460	Brought Forward			13,91,71,195
	V. CURRENT LIABILITIES AND PROVISIONS:			
	(A) CURRENT LIABILITIES:			
8,83,65,758	(i) Sundry Creditors	5,99,94,309		
5,50,000	(ii) Bills Payable	6,00,000		
2,52,641	(iii) Advance from Customers against Sale of Land & Wood	2,52,856		
15,27,823	(iv) Security Deposit from Bagaitdars	14,92,360		
4,878	(v) Security Deposit from Customers	4,878		
33,70,889	(vi) For Taxation	33,70,889		
1,99,122	(vii) Due to Partnership firm of Khanapur Farms	1,99,122		
10,860	(viii) Unclaimed Dividend	—		
7,51,213	(ix) Interest Accrued but not due on Loans ..	9,83,095		
9,50,33,184		<u>6,68,97,509</u>		
	(B) PROVISIONS:			
2,000	Provision for Bonus	2,000		
9,50,35,184				6,68,99,509
26,10,14,644	Carried Over			<u>20,60,70,704</u>

AS AT 30TH SEPTEMBER, 1980

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THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES (Contd.)	
Rupees		Rupees
26,10,14,644	Brought Forward	20,60,70,704
	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
	(ii) In respect of counter guarantees given to others ..	
57,000		57,000
	(iii) In respect of guarantee given to a Bank for the Loan granted to Somaiya Organics (India) Limited	
83,65,000		42,90,000
	(iv) In respect of estimated purchase commitments on Capital Purchases	—
	(v) In respect of development charges payable to Government in 3 Instalments for leasehold Lands at Gandhidham	
45,976		34,482
	(vi) In respect of dividend Payable on 7.8572% Redeemable Cumulative Preference Shares for the period 1.6.1973 to 30.9.1980 ..	
9,21,076		10,66,509
	(vii) 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	
13,59,789		29,73,640
	(viii) 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 of Bombay, and High Court of Karnataka at Bangalore, for levy Sugar Price difference for the seasons 1974-1975 to 1979-80.	
1,10,38,456		1,80,52,550
26,10,14,644	Carried Over	20,60,70,704

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,27,77,244	Brought Forward		3,89,33,053	9,41,28,330
12,60,74,467				
	(V) CASH AND BANK BALANCES:			
4,36,236	Cash, Cheques and Drafts on Hand (Including Stamps on hand Rs. 39,975/- and cheques on hand Rs. 1,57,472/-)	9,68,922		
10,81,710	In Current Account with Scheduled Banks ..	12,23,151		
10,860	In Savings Account with Scheduled Bank for Un-claimed Dividend	—		
	In Current Account with Non-Scheduled Banks:			
26,509	(a) Madhavpura Merchantile Co-Operative Bank Ltd., Bombay (Maximum Debit Balance during the year Rs. 6,69,434/- Previous year Rs. 20,58,770/-) ..	13,239		
436	(b) Ahmednagar Dist. Central Co-Operative Bank Ltd., Shrirampur (Maximum Debit Balance during the year Rs. 436/- Previous year Rs. 436/-)	436		
101	(c) Mudhol Urban Co-Operative Bank Ltd., Mudhol (Maximum debit Balance during the year Rs. 101/- Previous year Rs. 101/-) ..	101	13,776	
27,046				
16,40,700	Fixed Deposits with Scheduled Banks (under lien for guarantees etc.)	76,41,969		
94,327	Accrued Interest on Fixed Deposits	89,546		
32,90,879			99,37,364	
12,93,65,346				
9,27,77,244	Carried Over		4,88,70,417	9,41,28,330

THE GODAVARI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES (Contd.)	
<p style="text-align: right;">Rupees</p> <p>26,10,14,644</p>	<p style="text-align: right;">Brought Forward</p>	<p style="text-align: right;">Rupees</p> <p>20,60,70,704</p>
<p>26,10,14,644</p>		<p>Total Rupees: 20,60,70,704</p>

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
9,27,77,244	Brought Forward		4,88,70,417	9,41,28,330
12,93,65,346	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated)			
	Loans to Others (Including Doubtful Loans of Rs. 4,79,130/- not provided for)	47,60,450		
51,44,329	Interest accrued on above ..	65,59,664		
64,88,041				
1,16,32,370		1,13,20,114		
13,601	Considered Doubtful	13,601		
1,16,45,971		1,13,33,715		
13,601	Less: Provision for Doubtful Loans	13,601		
1,16,32,370			1,13,20,114	
	Loans to Subsidiary Companies of which the Company is a Holding Company			
	(a) Godavari Investment and Finance Corporation Ltd.	8,37,513		
5,49,038	Interest accrued on above ..	5,46,752		
4,46,931				
9,95,969		13,84,265		
500	(b) Sakarwadi Sugar Factory Ltd.	500		
500	(c) Lakshmiwadi Sugar Factory Ltd.	500		
500	(d) Somaiya Sugar Works Ltd.	500		
9,97,469			13,85,765	
	Advances recoverable in Cash or Kind or for value to be received (including Advances to Officers of the Company Rs. 69,694/-, Maximum Debit Balance during the year Rs. 93,565/-, Rs. 13,59,460/- in dispute, Rs. 11,91,662/- advance against Share Purchase and Rs. 4,50,163/- paid to Banks in respect of defaulting Cultivators for Agriculture Finance facilities under Company's Guarantee) ..	1,36,88,695		
1,03,64,847	Considered Doubtful	64,126		
64,126				
1,04,28,973		1,37,52,821		
64,126	Less: Provision for Doubtful Advances	64,126		
1,03,64,847			1,36,88,695	
4,86,412	Income Tax deducted at source from Interest and Dividend		6,54,286	
15,49,354	Deposits with Irrigation Department, Railways, High Courts and Others		31,53,459	
98,962	Due from Partnership Firm of Lakh Farms ..		98,962	
15,44,94,760				7,91,71,698
	MISCELLANEOUS EXPENDITURE:			
	Profit and Loss Account:			
2,06,07,252	Balance as per Profit & Loss Account	3,96,35,288		
68,64,612	Less: Deducted from General Reserve as per Contra	68,64,612		
1,37,42,640				3,27,70,676
26,10,14,644	Total Rupees :			20,60,70,704

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as on 1st October, 1979	Additions during the year
(1)	(2)	(3)
Freehold Land (Book Value)	28,32,742	—
Leasehold Land Premium	3,88,850	—
Leasehold Land Development Expenses	1,92,949	11,494
Leasehold Premium on Garage	12,000	—
Building & Pucca Quarters at Factories	2,21,08,377	1,86,413
Temporary Quarters	6,45,738	9,048
Temporary Quarters at Farms	2,38,768	—
Pucca Quarters at Farms	2,18,633	—
General Machinery (Book Value)	6,70,50,249	10,67,846
Electrical Machinery	49,36,555	98,304
Agricultural Machinery (Book Value)	33,63,205	—
Locomotives	92,974	—
Electrical Installations & Fittings	9,41,071	—
Furniture & Office Equipments	25,26,877	50,783
Weigh Bridges	4,23,121	—
Trolly Lines	6,28,058	—
Railway Siding	1,26,075	—
Motor Cars, Lorries & Cycles (Book Value)	23,81,586	29,051
Carts & Truck (Book Value)	3,82,416	—
Laboratory Apparatus	1,33,749	—
Roads & Drainage & Tube Wells	15,24,088	—
Dead Stocks	1,37,517	—
Library	7,758	—
Medical Instrument	363	—
Irrigation Lifts	12,03,771	—
Live Stocks	93,750	1,501
Total Rupees	11,25,91,240	14,54,440

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

BOMBAY : Dated 26th February, 1981

MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 30th September, 1980

Deduction of Sales during the year	Gross Block as on 30th Sept. 1980	Depreciation Written off upto 30th Sept. 1979	Depreciation Provided during the year	Depreciation written back & other adju- stments during the year	Total Depreciation upto 30th Sept. 1980	Net Depreciated Block as at 30th Sept. 1980	Net Depreciated Block as at 30th Sept. 1979
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
—	28,32,742	—	—	—	—	28,32,742	28,32,742
—	3,88,850	3,88,850	—	—	3,88,850	—	—
—	2,04,443	—	—	—	—	2,04,443	1,92,949
—	12,000	6,700	300	—	7,000	5,000	5,300
—	2,22,94,790	31,20,615	—	—	31,20,615	1,91,74,175	1,89,87,762
—	6,54,786	2,28,272	—	—	2,28,272	4,26,514	4,17,466
—	2,38,768	1,52,246	—	—	1,52,246	86,522	86,522
—	2,18,633	71,677	938	—	72,615	1,46,018	1,46,956
—	6,81,18,095	1,29,36,492	—	—	1,29,36,492	5,51,81,603	5,41,13,757
2,17,385	48,17,474	18,71,223	—	—	18,71,223	29,46,251	30,65,332
—	33,63,205	31,64,251	888	—	31,65,139	1,98,066	1,98,954
—	92,974	86,792	—	—	86,792	6,182	6,182
—	9,41,071	99,724	—	—	99,724	8,41,347	8,41,347
4,900	25,72,760	8,20,205	139	1,005	8,19,339	17,53,421	17,06,672
—	4,23,121	1,61,513	7	—	1,61,520	2,61,601	2,61,608
—	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
16,365	23,94,272	9,41,275	8	13,619	9,27,664	14,66,608	14,40,311
—	3,82,416	3,02,591	—	—	3,02,591	79,825	79,825
—	1,33,749	36,698	—	—	36,698	97,051	97,051
—	15,24,088	7,72,642	—	—	7,72,642	7,51,446	7,51,446
—	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	9,48,032	23	—	9,48,055	2,55,716	2,55,739
1,365	93,886	82,171	—	—	82,171	11,715	11,579
2,40,015	11,38,05,665	2,69,54,643	2,303	14,624	2,69,42,322	8,68,63,343	8,56,36,597

K. J. SOMAIYA
Chairman and Managing Director

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

Directors

S. R. PARIKH
Secretary

BOMBAY : Dated 26th February, 1981

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1979				
Rupees		Rupees	Rupees	Rupees
	To Opening Stock on 1st October, 1979			
7,34,42,440	Sugar	9,74,31,261		
9,71,488	Molasses	13,46,198		
7,44,13,928				9,87,77,459
1,272	" Stock of Grains & Other Seeds as at 1st October, 1979	—		
53,082	" Salaries and Wages	65,327		
605	" Bonus of Previous years	2,280		
—	" Workmen and Staff Welfare Expenses	275		
1,820	" Stores inclusive of Seeds and Manures	8,896		
21,060	" Irrigation Rates and Taxes	21,337		
10,848	" Miscellaneous Expenses including Printing and Stationery, Postage and Telegrams and Travelling Expenses	11,498		
2,353	" Depreciation	2,003		
3,749	" Legal Charges	6,482		
10	" Loose Tools Written off	10		
94,799				1,18,108
12,00,69,971	" Locally Purchased Cane			5,81,45,752
1,21,60,505	" Salaries and Wages (after deducting Rs. 36,10,723/- charged to repairs & other relevant heads)	1,10,33,124		
11,62,090	" Bonus to Employees (inclusive of Previous years)	15,02,611		
45,915	" Company's Contribution to Employees' Family Pension Fund Scheme	60,037		
1,54,215	" Contribution to Provident Fund of the Company and Administrative charges	1,68,728		
1,41,097	" Gratuity	2,36,704		
7,64,863	" Company's Contribution to Govt. Provident Fund and Administrative Charges	9,34,880		
1,44,28,685				
19,45,78,698				
	Carried Over	1,39,36,084		15,70,41,319

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1980

For the year ended 30th Sept. 1979			
Rupees		Rupees	Rupees
	By SALES:		
19,78,92,435	Sugar	19,16,02,173	
15,11,212	Molasses	14,71,617	
2,82,858	Less: Transferred to Molasses Storage Fund	3,37,492	
12,28,354		11,34,125	
1,272	.. Food Grains, Tobacco etc.	—	
19,91,22,061			19,27,36,298
8,27,422	.. Sundry Receipts from Flour Mills, Dairy, etc.		16,39,619
2,86,100	.. Income from Immovable Property		3,03,761
1,22,700	.. Sundry Receipts being Market Value of Farm Produce etc.		1,20,572
9,651	.. Dividend		49,399
	.. Interest:		
10,06,223	On Loans and Others	8,58,854	
91,125	From Subsidiary Company	99,820	
	From Banks:		
89,812	On Fixed Deposits	1,58,985	
11,87,160			11,17,659
850	.. Sale of Live Stock		—
—	.. Profit on Sale of Assets		10,869
—	.. Sundry Credit Balances Written back		1,77,527
—	.. Excess Provision for Irrigation dues written back		92,213
12,905	.. Claims and Refunds		33,145
5,84,224	.. Refund of Income Tax		3,42,146
83,888	.. Refund of Excess Remuneration paid to Managing Director for earlier years		—
—	.. Excess Provision of Gratuity Insurance Premium written back		3,30,867
20,22,36,961		Carried Over	19,69,54,075

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1979				
Rupees		Rupees	Rupees	Rupees
19,45,78,698		Brought Forward	1,39,36,084	15,70,41,319
1,44,28,685	To Contribution to Deposit Link Insurance Fund and			
69,900	Administrative Charges		81,559	
4,38,436	.. Workmen and Staff Welfare Expenses		4,18,740	
9,477	.. Workmen's Compensation		13,765	
1,49,46,498				1,44,50,148
	.. Stores, Chemicals and Spare Parts (after deducting			
38,57,316	Rs. 73,88,033/- to Agriculture, Capital, Repairs and			25,68,640
21,02,496	Other relevant heads)			
	.. Power and Fuel			19,66,929
48,64,794	.. Repairs to Plant & Machinery (inclusive of Salaries &			
	Wages Rs. 19,11,983/- Previous year Rs. 15,65,204/-)		39,96,728	
7,52,319	.. Repairs to Buildings (inclusive of Salaries & Wages			
	Rs. 3,13,343/- Previous year Rs. 2,29,275/-)		7,45,633	
2,85,594	.. Other Repairs (inclusive of Salaries & Wages Rs.			
	85,461/- Previous year Rs. 1,36,028/-)		2,47,396	
59,02,707				49,89,757
99,76,843	.. Sugar Cane Purchase Tax			50,32,712
2,30,494	.. Gratuity Insurance			2,51,980
5,32,778	.. Insurance Premium			4,13,356
3,05,75,300	.. Excise Duty on Sugar			1,36,27,687
93,204	.. Excise Duty on Molasses			1,93,742
33,651	.. Excise Duty on Tariff Item No. 68			12,982
—	.. Excise Duty on Electricity			4,383
58,75,858	.. Packing and Forwarding			22,57,953
2,61,520	.. Rent (Received Rs. 1,200/- Previous year Rs. 1,200/-)			2,13,705
3,54,464	.. Rates and Taxes			3,19,728
7,33,996	.. Brokerage and Commission (including Guarantee Commi-			
	ssion Rs. 2,53,587/- Previous year Rs. 1,87,619/-)			4,72,633
43,24,554	.. Miscellaneous Expenses (Including Printing and			
	Stationery, Postage and Telegrams, Telephone, Motor Car			42,44,155
22,300	Maintenance etc.)			
	.. Contribution to Flood Relief Fund			—
27,44,02,677		Carried Over		20,80,61,809

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1980

For the year ended 30th Sept. 1979							
Rupees						Rupees	Rupees
20,22,36,961	Brought Forward						19,69,54,075
	By Stock-in-trade (as taken Valued & Certified by Managing Director)						
9,74,31,261	Sugar at Realised/Realisable Value					1,59,32,629	
13,46,198	Molasses at Market Rate					4,33,200	
9,87,77,459							1,63,65,829
—	By Balance being Loss for the year						1,63,23,753
30,10,14,420	Carried Over						22,96,43,657

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1979			
Rupees		Rupees	Rupees
27,44,02,677			
	Brought Forward		20,80,61,809
	To Interest:		
2,278	Directors	—	
1,10,85,409	Cash Credit Accounts	96,05,915	
92,17,836	Fixed Loans	89,74,617	
5,55,384	Fixed Deposits	4,36,394	
1,20,000	Debentures	1,20,000	
4,01,388	Other Loans	2,52,838	
2,13,82,295			1,93,89,764
4,400	„ Directors' Fees		4,040
80,302	„ Directors' Travelling Expenses		1,42,877
60,000	„ Managing Directors' Remuneration		60,000
	„ Payment to Auditors:		
20,000	Audit Fees	25,000	
—	Cost Audit Fees	8,000	
6,500	Payment to Auditors in Other Capacity	—	
772	Auditors Travelling Expenses	895	
—	Cost Auditors' Travelling Expenses	262	
27,272			34,157
18,80,669	„ Agricultural Development Expenses (Inclusive of Salaries & Wages Rs. 12,99,935/- Previous year Rs. 12,94,442/-)		16,88,293
1,81,076	„ Expenses on Scientific Research		1,27,958
1,13,930	„ Legal Expenses		1,31,317
1,369	„ Loose Tools & Implements Written off		1,232
300	„ Premium on Leasehold Garage Written off		300
—	„ Loss on Sale of Assets		1,910
28,80,130	„ Balance being Profit for the year		—
30,10,14,420	Total Rupees		22,96,43,657

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1980

[illegible]

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the year ended 30th Sept. 1979			Rupees	Rupees	Rupees
Rupees					
2,15,79,218	To Balance of Loss brought forward from last year's Balance Sheet				2,06,07,252
—	" Balance being loss brought forward from Profit & Loss Account				1,63,23,753
18,35,762	" Provision for Additional Cane Price of Previous years ..				27,04,283
40,488	" Share of Profit of Partnership Firms of Lakh & Khanapur Farms excess Credited in Previous years				
31,914	Lakh Farm			—	
72,402	Khanapur Farm			—	
	NOTE: Computation of Managing Director's Commission is as follows:				
	28,80,130 Net Profit/Loss as per Profit & Loss A/c.			1,63,23,753	
	60,000 Add/Less:				
	2,353 (i) Managing Director's Remuneration	60,000			
		(ii) Depreciation of Agriculture Section	2,003		
	62,353			62,003	
	29,42,483			1,62,61,750	
	Less/Add				
	(i) Depreciation to the extent specified in Section 350 of Companies Act 1956	35,15,335			
52,65,072	(ii) Estimated Liability of Bonus ..	12,00,000			
12,00,000	(iii) Refund of Excess Remuneration ..				
	Paid to Managing Director in earlier years				
83,888					
65,48,960				47,15,335	
	Net Loss for Calculating Managing Director's Commission			2,09,77,085	
36,06,477	Managing Director's Commission ..			Nil	
Nil	Total Managerial Remuneration:				
60,000	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				70,400	
2,34,87,382	Total Rupees :				3,96,35,288

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

BOMBAY: Dated 26th February, 1981

MILLS LIMITED, BOMBAY

THE YEAR ENDED 30TH SEPTEMBER, 1980

For the year ended 30th Sept. 1979	
Rupees	
28,80,130	By Balance brought forward from Profit & Loss Account
2,06,07,252	.. Balance Carried to Balance Sheet

BOMBAY: Dated 26th February, 1981

S. R. PARIKH
Secretary

K. J. SOMAIYA
Chairman and Managing Director

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

Directors

THE GODAVARI SUGAR

BALANCE SHEET

NOTES:

- (1) Partnership Firm of Somaiya Farms, Lakh and Somaiya Farms, Khanapur in which Company is a Partner has 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.
- (2) (a) No Depreciation has been provided during the year in respect of Fixed Assets of the Company except of Narmada Farms amounting to Rs. 35,13,332/- (Previous Year Rs. 52,62,719/-)
- (b) Total arrears of Depreciation upto 30th September, 1980 computed in accordance with Section 205(2) (a) of the Companies Act, 1956 is Rs. 4,93,44,650/- (Previous Year Rs. 4,60,07,260/-)
- (3) No Provision has been made in respect of Balance of Loss of Rs. 18,841/- as on 31st May, 1980 of Godavari Investment & Finance Corporation Limited.
- (4) During the year no Provision for Bonus has been made as the same is debited to Profit & Loss Account as and when paid. Liability of the Bonus for the year under Report according to Bonus Act comes to about Rs. 12,00,000/-
- (5) The total liability for accrued Gratuity to employees under the Payment of Gratuity Act, 1972, as on 30th September, 1980, as per the Actuary's Certificate is Rs. 46,65,963/-. 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. 28,05,327/- upto 31-3-1980 is covered. No provision has been made for the balance of the gratuity liability in the accounts.
- (6) 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.
- (7) Out of Cane Price of Rs. 1,62,25,700/- agreed to be paid to Maharashtra State Farming Corporation Limited for Cane Supplied during Seasons 1969-1970 to 1975-1976, Rs. 40,56,425/- paid as per agreement had been provided. Balance amount of Rs. 1,21,69,275/- has not been provided in the Books of Accounts except Rs. 9,96,068/- provided in the year 1969-1970.

	Number	Salary, Bonus & Allowances	Contribution to Provident Fund & Other Funds
(8) (a) Employees who are employed throughout the year at a remuneration which in the aggregate was not less than Rs. 36,000/- (Other than Managing Director)	4	1,88,996/-	13,633/-
(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	5	2,37,518/-	15,380/-

- (9) 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 Limited	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

Name of Partners	Capital	Share of Profit
(i) Godavari Sugar Mills Limited	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%

Accompanying to our Report of even date

For **AMBALAL THAKKAR & CO.,**

CHARTERED ACCOUNTANTS

G. P. BHATT

Partner

BOMBAY: Dated 26th February, 1981

MILLS LIMITED, BOMBAY

AS AT 30TH SEPTEMBER, 1980

(10) Quantitative information in respect of goods manufactured:

<i>Name of the Factory</i>	<i>Licenced Capacity</i>	<i>Installed capacity as certified by Manager of respective factories.</i>
Sakarwadi	1016	1200/1250
Lakshmiwadi	1016	1500/1600
Sameerwadi	5000	3500

<i>Goods Manufactured</i>	<i>Opening Stock</i>		<i>Production Quantity M.T.</i>	<i>Quantity sent for reprocessing & loss due to driage etc. M.T.</i>	<i>Sales</i>		<i>Closing Stock</i>	
	<i>Quantity M.T.</i>	<i>Value Rs.</i>			<i>Quantity M.T.</i>	<i>Value Rs.</i>	<i>Quantity M.T.</i>	<i>Value Rs.</i>
Sugar	35,019.7	9,74,31,261	30,214.9	1,462.8	59,753.3	19,16,02,173	4,018.5	1,59,32,629
Molasses	30,111	13,46,198	12,007	2,744	24,449	14,71,617	14,925	4,33,200

Raw Materials Purchased & Consumed:

	<i>Quantity Purchased & Consumed M.T.</i>	<i>Value Rs.</i>
Sugarcane	2,95,536.3	5,81,45,752
<i>Stores & Spares Consumed:</i>	<i>Value Rs.</i>	<i>%</i>
Imported	78,221	3.05%
Indigenous	24,90,419	96.95%
	25,68,640	100.00%

C. I. F. Value of Imports:

	<i>Purchased</i>
(i) Raw Materials	NIL
(ii) Stores & Spares	1,62,220
(iii) Capital Goods	NIL

(11) Details of quantity etc. in respect of Farm Produce are not readily available and therefore not shown.

(12) Figures of previous year have been regrouped and recasted wherever necessary, so as to make them comparable with the current year figures.

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. N. VAIDYA
K. P. SURENDRANATH
D. M. POPAT
S. R. C. SETTY
B. S. MEHTA
S. K. SOMAIYA

} Directors

BOMBAY: Dated 26th February, 1981

S. R. PARIKH
Secretary

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1980

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 and Conditions	Qualifications & Experience (Years)	Date of Commencement of Employment	Last Employment
1.	Shri K. J. Somaia	81	Managing Director	46,934/- (*)	Contractual for Five Years from 1.6.1980	As approved by Central Government	About 41 Years	1.6.1970	NIL
2.	Shri P. M. Kavadia	62	Chief Executive	58,400/-	Permanent	As per Company's Rules	M.A., LL.B. About 35 Years	1.9.1963	Manager, Narsee Nagsee & Co.
3.	Shri J. N. Patel	58	Superintending Agri. Development Manager	57,550/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Sc. (Agri) Hons. About 30 Years	1.3.1951	NIL
4.	Shri S. R. Parikh	47	Secretary	46,895/-	Permanent, subject to termination by One Month's notice on either side	As per Company's Rules	B.Com., A.C.A. About 24 Years	2.1.1960	Great Eastern Shipping Co. Ltd.
5.	Shri P. S. Daftary	62	Purchase Officer	39,784/-	Permanent, subject to termination by One Month's notice on either side.	As per Company's Rules	Matric About 41 Years	1.9.1939	NIL

(*) Includes remuneration for the period 1-10-1979 to 31-5-1980 only Remuneration for the period 1.6.1980 to 30-9-1980 not included as the approval of The Central Government is awaited

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

1.	Shri Mangal Singh	49	Technical Adviser-cum-General Manager	98,282/-	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 30 Years	4.8.1971	General Manager & Tech. Manager Champaran Sugar Co. Limited.
2.	Shri B. L. Kapur	62	General Manager	70,165/-	Permanent, subject to termination by Three Month's notice on either side.	As per Company's Rules	M.A., LL.B. About 37 Years	29.10.1976	General Manager Mawana Sugar Works
3.	Shri R. M. Sambamoorthi	60	General Manager	44,486/-	Permanent, subject to termination by Three Month's notice on either side.	As per Company's Rules	B.E. (Hons) I.R.S.E. (Retd) F.I.E. About 37 Years	7.6.1979	General Manager Southern Railway Madras
4.	Shri O. K. Moorthy	60	Chief Administrator, Rural Development Division	27,525/-	Permanent, subject to termination by Three Month's notice on either side.	As per Company's Rules	M.A., LL.B. About 35 Years	1.4.1978	Director, General Ministry of Home Affairs, Central Government and Commissioner of Linguistic Minorities.
5.	Shri M. Y. Khurjekar	61	Joint General Manager	12,440/-	Permanent, subject to termination by Three Month's notice on either side.	As per Company's Rule	B.A., M.A. Part I About 25 Years	15.6.1980	Managing Director, Saswad Mali Sahakari Sakhar Karkhane Limited Malinagar.

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 : 26th February, 1981.

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, 1980. The Godavari Sugar Mills Limited and its nominees hold whole of the subscribed Capital of Rs. 14,200/- in Sakarwadi Sugar Factory Limited, Rs. 14,200/- in Lakshmiwadi Sugar Factory Limited and Rs. 1,600/- in Somaiya Sugar Works Limited as at 30th September, 1980.
- (ii) *Advances:* The Advances to subsidiaries were as follows:
- | | <i>As on</i> | <i>Amount</i> |
|--|-----------------|-----------------|
| (a) Godavari Investment & Finance Corporation Ltd. | 31st May 1980 | Rs. 10,68,362/- |
| (b) Sakarwadi Sugar Factory Ltd. | 30th Sept. 1980 | 500/- |
| (c) Lakshmiwadi Sugar Factory Ltd. | 30th Sept. 1980 | 500/- |
| (d) Somaiya Sugar Works Ltd. | 30th Sept. 1980 | 500/- |
- (iii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 1,627/- for the year ended 31st May, 1980. The Net Loss after adjusting the previous years' Loss from Profit of this year comes to Rs. 18,841/-. 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. 380/-, Rs. 343/- and Rs. 329/- respectively for the year ended 30th September, 1980. The Net profits after making appropriation come to Rs. 246/-, Rs. 217/- and Rs. 199/- respectively which have been carried to Balance Sheet of respective companies. No adjustment have been made for these profits in the Books of The Godavari Sugar Mills Ltd.
- (iv) There has been no change in the interest of The Godavari Sugar Mills Ltd., in Godavari Investment & Finance Corporation Ltd. between 1st June, 1980 & 30th September, 1980. Further, there have been no material changes during the period in Godavari Investment & Finance Corporation Ltd. 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. N. VAIDYA
K. P. SURENDRANATH
D. M. POPAT
S. R. C. SETTY
B. S. MEHTA
S. K. SOMAIYA

} *Directors*

S. R. PARIKH
Secretary

BOMBAY: Dated 26th February, 1981

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Twenty Fifth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1980.

The working of the Company for the year resulted in a Profit of Rs. 1,627/- after providing Rs. 3,771/- for taxation. After adjusting the same from last years' carried forward loss, and after recrediting excess provision for taxation amounting to Rs. 2/-, the net carried forward loss comes to Rs. 18,841/- 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 4th November, 1980.

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, 1980 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, 1980 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 Deposit) 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 Financing Company there are no by-products of Scrap.
11. As the paid up Capital of the Company does not exceed Rs. 25 Lacs, requirement regarding internal Audit System is not applicable.
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 5th November, 1980

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1979	LIABILITIES		
Rupees		Rupees	Rupees
5,00,000	I. AUTHORISED CAPITAL : 5,000 Ordinary (Equity) Shares of Rs. 100/- each ..		5,00,000
1,00,000	II. SUBSCRIBED CAPITAL : 2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company The Godavari Sugar Mills Ltd., and it's nominees		1,00,000
5,61,280	III. UNSECURED LOANS : Loan on Current Account from the Holding Company, The Godavari Sugar Mills Limited	6,58,132	
2,19,114	Interest due on above	3,18,073	
7,80,394			9,76,205
	IV. CURRENT LIABILITIES AND PROVISIONS : (A) CURRENT LIABILITIES : (i) Sundry Creditors (ii) Estimated Unearned Finance charges on Hire Purchase carried forward (iii) Interest accrued but not due on loan ..	1,00,572 2,803 92,157	
75,008			
2,803		1,95,532	
98,959			
1,76,770			
	(B) PROVISIONS : For Taxation	4,781	
1,645			2,00 313
1,78,415			
10,58,809	Carried Over		12,76,518

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1980

As at 31st May, 1979	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	
	(ii) 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			
1,05,805	Outstanding for more than six months ..	1,03,530		
43,941	Considered Doubtful	43,941		
1,49,746		1,47,471		
43,941	Less : Provision for Doubtful Debts ..	43,941		
1,05,805		1,03,530		
2,222	Other Debts	16,722		
1,08,027			1,20,252	
	(iii) Cash and Bank Balances :			
997	Cash on Hand	471		
4,154	Stamp Papers on Hand	3,417		
516	In Current Account with a Scheduled Bank	534		
5,667			4,422	
1,19,612				
	Carried Over		1,30,592	

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1979	LIABILITIES (Contd.)			
Rupees 10,58,809	Brought Forward	Rupees	Rupees	Rupees 12,76,518
	<p>NOTES :</p> <p>(1) Out of Land Mortgages Agreements for Loans given to Bagaitdars, Agreements for Loans Amounting to Rs. 5,264/- have been either sent for Registration 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 aggregate 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) Figures of Previous year are recasted wherever necessary.</p> <p>(5) As this is not a manufacturing company, the requirement of giving quantitative information in respect of goods manufactured is not applicable.</p>			
10,58,809	Total Rupees			12,76,518

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

BOMBAY: Dated 5th November, 1980.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1980

As at 31st May, 1979	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,19,612	Brought Forward		1,30,592	
	(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 :			
7,03,095	Secured	8,95,050		
36,261	Considered doubtful	36,261		
7,39,356		9,31,311		
36,261	Less : Provision for Doubtful Loans	36,261		
7,03,095		8,95,050		
1,27,525	Loans to Others	1,27,525		
55,520	Add : Interest accrued on above	74,011		
1,83,045		2,01,536		
8,86,140			10,96,586	
29,000	(ii) Deposit		29,000	
3,587	(iii) Advance recoverable in Cash or Kind		1,087	
—	(iv) Advance Income Tax		412	
10,38,339				12,57,677
	II. MISCELLANEOUS EXPENDITURE :			
20,470	Profit and Loss Account			18,841
10,58,809	Total Rupees			12,76,518

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 4th November, 1980.

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

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

For the Year ended 31st May, 1979			Rupees	Rupees
	Rupees	To Opening Stock :		
				5,918
5,918		Machinery Spares and Fittings		15,425
24,475		" Salary		2,031
2,932		" Bonus		
1,022		" Company's Contribution (to the Holding Company) towards Provident Fund		69
1,020		" Company's Contribution to Govt. Provident Fund & Administrative Charges		1,133
120		" Company's Contribution to Deposit Link Insurance Scheme & Administrative Charges		55
100		" Workmen and Staff Welfare Expenses		—
		" Miscellaneous Expenses fees and Stamps, Postage & Telegrams, Conveyance, Travelling Expenses, Printing and Stationery etc.		5,271
4,038		" Insurance Premium		10
11		" Office Rent		9,600
9,600		" Interest :		
		On Current Account To the Holding Company The Godavari Sugar Mills Ltd.	92,157	
98,959		On Cash Credit Account with a Bank		
1,511				92,157
1,00,470				500
500		" Audit Fees		3,771
1,010		" Provision for Taxation		1,627
431		" Profit Carried Down		
				1,37,567
1,51,647		Total Rupees :		
				20,470
20,904		" Loss as per Last Balance Sheet		
				20,470
20,904		Total Rupees :		

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

BOMBAY : Dated 5th November, 1980.

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1980

For the Year ended 31st May, 1979				
Rupees			Rupees	Rupees
66,546	By Commission on Cane from Holding Company The Godavari Sugar Mills Limited			24,785
59,492	.. Interest on Loans			66,389
19,350	.. Supervision Charges from Cane Growers ..			40,475
341	.. Income on Hire Purchase Contracts			—
5,918	.. Closing Stock of Machinery Stores and Spares Parts (at Cost)			5,918
1,51,647		Total Rupees :		1,37,567
431	.. Profit Brought Down			1,627
3	.. Excess Provision of Taxation written back ..			2
20,470	.. Loss Carried to Balance Sheet			18,841
20,904		Total Rupees :		20,470

BOMBAY : Dated 4th November, 1980.

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 Seventh Audited Accounts of the Company for the year ended 30th September, 1980.

The working of the Company for the year resulted in a profit of Rs. 380/- after providing Rs. 800/- for taxation. After adding the last years' carried forward profit of Rs. 15/- and after making other adjustments the balance profit comes to Rs. 246/- 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 13th February, 1981

SAKARWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Sakarwadi Sugar Factory Limited, as at 30th September, 1980 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 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, 1980 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, requirement regarding Internal Audit System is not applicable.
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 13th February, 1981.

SAKARWADI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES			
Rupees			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 :			
—	(A) General Reserve:			
60	Balance as per Last Balance Sheet	60		
60	Transfer from Profit & Loss Account			
15				
75				
500	(B) Profit & Loss Account:			
—	Balance as per Profit & Loss Account	246		
500				
	UNSECURED LOANS :			
	From the Holding Company, The Godavari Sugar Mills Limited ..	500		
	From Others.	25,000		
				25,500
	CURRENT LIABILITIES AND PROVISIONS :			
100	(A) CURRENT LIABILITIES :			
	Outstanding Liabilities	900		
1,315	(B) PROVISIONS :			
369	Provision for Taxation	800		
	Proposed Dividend			
1,684				
1,784				
				1,700
	NOTES :			
	1. As this is not a manufacturing company, the requirement of giving quantitative information in respect of goods manufactured is not applicable.			
	2. As there were no employees serving the Company during the year drawing a salary of Rs. 3,000/- or more, the provisions of Section 217(2A)(a) of Companies Act, 1956 are not applicable.			
	3. The Company has entered into Partnership with various individuals in the Firm name of M/s. Triveni Investment Company with effect from 1st April 1980. The first Accounting year of the Company would end on 31st March, 1981.			
	The names of the Partners, Capital Contributed by them and their share of Profit/Loss are as under :			
	<u>Name</u>	<u>Share of Profit/Loss</u>	<u>Capital Contributed</u>	
	1. Sakarwadi Sugar Factory Ltd.	10%	Rs. 25,000/-	
	2. Shri K. J. Somaiya	51%	Rs. 25,47,000/-	
	3. Smt. Mayadevi S. Somaiya	39%	Rs. 19,55,000/-	
			Total Rupees	41,706
16,559				

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

BOMBAY: Dated 13th February, 1981.

FACTORY LIMITED

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979		ASSETS	
Rupees		Rupees	Rupees
	INVESTMENTS : (AT COST)		
500	10 Years' Postal Savings Certificate	500	
—	Capital in Partnership firm of M/s. Triveni Investment Company in which Company is Partner	25,000	
500			25,500
	CURRENT ASSETS, LOANS AND ADVANCES :		
	CURRENT ASSETS :		
	SUNDRY DEBTORS		
	(Unsecured and considered good except otherwise stated)		
—	(i) Debts Outstanding for more than six months	—	
—	(ii) Other Debts	2,100	
—			2,100
	CASH AND BANK BALANCES :		
94	Cash on Hand	74	
2,315	In Current Account with a Scheduled Bank	532	
2,409			606
2,409			
	MISCELLANEOUS EXPENDITURE :		
	To the extent not written off (or adjusted):		
13,800	Preliminary Expenses	13,650	
150	Less : Written off during the year	150	
13,650			13,500
16,559			
	Total Rupees		41,706

OMBAY : Dated 13th February, 1981.

P. M. KAVADIA
L. M. KOTAK
J. N. PATEL
B. M. MURUGKAR

} Directors

SAKARWADI SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1979			
Rupees			Rupees
—	To Salaries and Wages		450
180	To Miscellaneous Expenses		120
100	To Audit Fees		100
250	To Professional Tax		250
1,315	To Provision for Taxation		800
565	To Profit Carried Down		380
2,410		Total Rupees	2,100
150	To Preliminary Expenses Written off		150
60	To Transfer to General Reserve		—
369	To Proposed Dividend on Equity Shares		—
15	To Balance Being Profit Carried to Balance Sheet		246
594		Total Rupees	396

Referred to in Our Report of even da

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

BOMBAY: Dated 13th February, 1981.

FACTORY LIMITED

THE YEAR ENDED 30TH SEPTEMBER, 1980

For the year ended 30th Sept. 1979		
Rupees		Rupees
2,410	By Commission	2,100
2,410	Total Rupees :	2,100
25	By Balance as per Last Balance Sheet	15
565	By Profit Brought Down	380
4	By Excess Provision for Taxation of Previous year written back	1
594	Total Rupees	396

BOMBAY : Dated 13th February, 1981.

P. M. KAVADIA
L. M. KOTAK
J. N. PATEL
B. M. MURUGKAR

} Directors

LAKSHMIWADI SUGAR FACTORY LIMITED

DIRECTORS' REPORT

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

Your Directors are pleased to submit herewith Seventh Audited Accounts of the Company for the year ended 30th September, 1980.

The working of the Company for the year resulted in a profit of Rs. 343/- after providing Rs. 720/- for taxation. After adding the last years carried forward profit of Rs. 22/- and after making other adjustments, the balance profit comes to Rs. 217/- 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 13th February, 1981

LAKSHMIWADI SUGAR FACTORY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Lakshmiwadi Sugar Factory Limited, as at 30th September, 1980 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, 1980 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, requirement regarding Internal Audit System is not applicable.
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 13th February, 1981.

LAKSHMIWADI SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES															
Rupees		Rupees	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 :															
—	(A) General Reserve :															
65	Balance as per Last Balance Sheet	65														
65	Transfer from Profit & Loss Account	—														
22	(B) Profit & Loss Account :		65													
87	Balance as per Profit & Loss Account		217													
500	UNSECURED LOANS :			282												
—	From the Holding Company, The Godavari Sugar Mills Limited		500													
500	From Others		25,000													
				25,500												
	CURRENT LIABILITIES AND PROVISIONS :															
100	(A) CURRENT LIABILITIES :															
—	Outstanding Liabilities	900														
100	Deposit	70,000														
1,455	(B) PROVISIONS :		70,900													
405	Provision for Taxation	720														
1,860	Proposed Dividend	—														
1,960			720													
				71,620												
	NOTES :															
	1. As this is not a manufacturing company, the requirement of giving quantitative information in respect of goods manufactured is not applicable.															
	2. As there were no employees serving the Company during the year, drawing a salary of Rs. 3,000/- or more, the provisions of Section 217 (2A) (a) of Companies Act, 1956 are not applicable.															
	3. The Company has entered into Partnership with various individuals in the Firm name of M/s. Tulsi Investment Company with effect from 1st April, 1980. The first Accounting year of the Company would end on 31st March, 1981.															
	The names of the Partners, Capital Contributed by them and their share of Profit/Loss are as under:															
	<table><tr><th>Name</th><th>Share of Profit/Loss</th><th>Capital Contributed</th></tr><tr><td>1. Lakshmiwadi Sugar Factory Ltd.</td><td>10%</td><td>Rs. 25,000/-</td></tr><tr><td>2. Smt. Sakarbai K. Somaiya</td><td>51%</td><td>Rs. 16,93,500/-</td></tr><tr><td>3. Dr. S. K. Somaiya</td><td>39%</td><td>Rs. 13,05,000/-</td></tr></table>	Name	Share of Profit/Loss	Capital Contributed	1. Lakshmiwadi Sugar Factory Ltd.	10%	Rs. 25,000/-	2. Smt. Sakarbai K. Somaiya	51%	Rs. 16,93,500/-	3. Dr. S. K. Somaiya	39%	Rs. 13,05,000/-			
Name	Share of Profit/Loss	Capital Contributed														
1. Lakshmiwadi Sugar Factory Ltd.	10%	Rs. 25,000/-														
2. Smt. Sakarbai K. Somaiya	51%	Rs. 16,93,500/-														
3. Dr. S. K. Somaiya	39%	Rs. 13,05,000/-														
16,747		Total Rupees :		1,11,602												

Referred to in Our Report of even date

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

N. P. PATWA
Proprietor

BOMBAY: Dated 13th February, 1981.

FACTORY LIMITED

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979	ASSETS			
Rupees		Rupees	Rupees	Rupees
	INVESTMENTS : (At cost)			
500	10 Years' Postal Savings Certificates		500	
—	Capital in Partnership firm of M/s Tuls Investment Company in which Company is Partner		25,000	
500				25,500
	CURRENT ASSETS, LOANS AND ADVANCES :			
	CURRENT ASSETS :			
	SUNDRY DEBTORS			
	(Unsecured and considered good except otherwise Stated)			
—	(i) Debts Outstanding for more than six months	—		
—	(ii) Other Debts	2,081		
			2,081	
	CASH AND BANK BALANCES :			
18	Cash on Hand	88		
2,579	In Current Account with a Scheduled Bank	15,433		
2,597			15,521	
2,597				17,602
	LOANS AND ADVANCES :			
—	Advances recoverable in Cash or Kind			55,000
	MISCELLANEOUS EXPENDITURE :			
	To the Extent not written off (or adjusted) :			
13,800	Preliminary Expenses	13,650		
150	Less : Written off during the year	150		
13,650				13,500
16,747				
	Total Rupees :			1,11,602

MOMBAY : Dated 13th February, 1981.

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

LAKSHMIWADI SUGAR
PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1979			Rupees
Rupees			
—	To Salaries and Wages		450
120	To Miscellaneous Expenses		218
100	To Audit Fees		100
250	To Professional Tax		250
1,455	To Provision for Taxation		720
622	To Profit Carried down		343
2,547		Total Rupees :	2,081
150	To Preliminary Expenses Written off		150
65	To Transer to General Reserve		—
405	To Proposed Dividend on Equity Shares		—
22	To Balance being Profit Carried to Balance Sheet		217
642		Total Rupees :	367

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

BOMBAY: Dated 13th February, 1981.

THE YEAR ENDED 30TH SEPTEMBER, 1980

H. R. KOTAK
J. N. PATEL
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 Seventh Audited Accounts of the Company for the year ended 30th September, 1980.

The working of the Company for the year resulted in a Profit of Rs. 329/- after providing Rs. 770/- for taxation. After adjusting the carried forward Profit of Rs. 17/- and after making other adjustments the balance Profit comes to Rs. 199/- 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

S. R. PARIKH

Director

BOMBAY : Dated 25th February, 1981

SOMAIYA SUGAR WORKS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have Audited the Balance Sheet of Somaiya Sugar Works Limited, as at 30th September, 1980 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, 1980 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, requirement regarding Internal Audit System is not applicable.
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 25th February, 1981.

SOMAIYA SUGAR

BALANCE SHEET

As at 30th Sept. 1979	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
5,00,000	AUTHORISED SHARE CAPITAL : 5,000 Equity Shares of Rs. 100/- each			5,00,000
1,600	ISSUED AND SUBSCRIBED SHARE CAPITAL : 16 Equity Shares of Rs. 100/- each held by Holding Company The Godavari Sugar Mills Limited			1,600
	RESERVE AND SURPLUS :			
	(A) General Reserves :			
—	Balance as per Last Balance Sheet	135		
135	Transfer from Profit & Loss Account			
135			135	
17	(B) Profit and Loss Account :			
	Balance as per Profit & Loss Account		199	
152				334
500	UNSECURED LOANS :			
	From the Holding Company, The Godavari Sugar Mills Limited		500	
—	From others		2,000	
500				2,500
	CURRENT LIABILITIES AND PROVISIONS :			
	(A) CURRENT LIABILITIES :			
100	Outstanding Liabilities		900	
	(B) PROVISIONS :			
3,085	Provision for Taxation	770		
860	Proposed Dividend			
3,945			770	
4,045				1,670
	NOTES :			
	(1) As this is not a manufacturing company, the requirement of giving quantitative information in respect of goods manufactured is not applicable.			
	(2) As there were no employees serving the Company during the year, drawing a salary of Rs. 3,000/- or more, the provisions of Section 217(2A)(a) of Companies Act, 1956 are not applicable.			
6,297		Total Rupees :		6,104

Referred to in Our Report of even date

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

BOMBAY: Dated 25th February, 1981.

WORKS LIMITED

AS AT 30TH SEPTEMBER, 1980

As at 30th Sept. 1979	ASSETS			
Rupees		Rupees	Rupees	Rupees
	INVESTMENTS (At cost) :			
500	10 Years' Postal Savings Certificates			500
	CURRENT ASSETS, LOANS AND ADVANCES :			
	CURRENT ASSETS :			
	SUNDRY DEBTORS :			
	(Unsecured and considered good except Otherwise stated)			
—	(i) Debts Outstanding for more than six months	—		
—	(ii) Other Debts	2,009		
—			2,009	
	CASH AND BANK BALANCES :			
37	Cash on Hand	27		
2,710	In Current Account with a Scheduled Bank	668		
2,747				
2,747			695	2,704
	MISCELLANEOUS EXPENDITURE :			
	To the extent not written off (or adjusted) :			
3,200	Preliminary Expenses	3,050		
150	Less : Written off during the year	150		
3,050			2,900	2,900
6,297				
	Total Rupees :			6,104

BOMBAY : Dated 25th February, 1981.

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

SOMAIYA SUGAR

PROFIT & LOSS ACCOUNT FOR

For the Year ended 30th Sept. 1979			
Rupees			Rupees
—	To Salaries and Wages		450
150	To Miscellaneous Expenses		110
100	To Audit Fees		100
250	To Professional Tax		250
3,085	To Provision for Taxation		770
1,324	To Profit Carried Down		329
4,909		Total Rupees :	2,009
169	To Balance as per Last Balance Sheet		—
150	To Preliminary Expenses Written off		150
135	To Transfer to General Reserve		—
860	To Proposed Dividend on Equity Shares		—
17	To Balance being Profit Carried to Balance Sheet		199
1,331		Total Rupees :	349

Referred to in Our Report of even date

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

BOMBAY: Dated 25th February, 1981.

WORKS LIMITED

THE YEAR ENDED 30TH SEPTEMBER, 1980

For the Year ended 30th Sept. 1979		
Rupees		Rupees
4,909	By Commission	2,009
4,909		
	Total Rupees :	2,009
—	By Balance as per Last Balance Sheet	17
1,324	By Profit Brought Down	329
7	By Excess Provision for Taxation of Previous year written back	3
1,331		
	Total Rupees :	349

BOMBAY : Dated 25th February, 1981.

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