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THE GODAVARI SUGAR MILLS,
LIMITED.



REPORT
OF THE
DIRECTORS
WITH
STATEMENTS OF ACCOUNT
FOR THE YEAR ENDED 31st MAY, 1956.



BOMBAY

1956

THE GODAVARI SUGAR MILLS LIMITED.

BOMBAY.

NOTICE

Notice is hereby given that the Seventeenth Ordinary Annual General Meeting of the Godavari Sugar Mills Limited will be held on Monday the 15th April 1957 at 4 P. M. at the Registered office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay, to transact the following business:-

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st May 1956.
2. To confirm the interim dividend and to declare the final dividend.
3. To elect a Director in the place of Shri R. S. Kotak, who retires by rotation, but being eligible offers himself for re-election.
4. To elect a Director in place of Shri S. K. Somaiya who retires by rotation but who offers himself for reelection and to consider and if thought fit to pass the following resolution as a Special Resolution for which Special Notice as required under Section 261 of the Companies Act, 1956, has been received by the Company:-
"That Mr. S. K. Somaiya who retires by rotation from his office as Director and who is a Director of K. J. Somaiya & Sons Private Ltd., the Managing Agents of the Company and a Director of Sugar Selling Agency Private Limited, Selling Agents and Associate of the Managing Agents, be and is hereby appointed a Director of the Company."
5. To appoint Auditors for the current year and fix their remuneration.
6. To consider and if thought fit to pass the following Resolution as a Special Resolution:-
"That this Meeting ratifies the transactions carried out by the Company pursuant to Resolutions passed under Section 360 of the Companies Act, 1956, at the Extraordinary General Meeting of the Company held on the 2nd April 1956."
7. To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:-
"RESOLVED that this meeting notes the borrowings of the Company and further RESOLVED that the Board of Directors be and they are hereby authorised to borrow moneys to the extent of Rupees Fifty lacs only in excess of the paid-up capital of the Company and its free reserves which are not set apart for any specific purpose on the terms and conditions and in the manner in which the Directors think fit."
8. To consider and if thought fit to pass the following resolution as an Ordinary resolution:-
"RESOLVED that the Registers, Books and Documents of the Company required to be maintained and kept for inspection under the provisions of the Companies' Act, 1956 and particularly under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301, to 304, 307, 356, to 360, 362 and 372 of the Act be kept open for inspection by the persons entitled thereto to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the registered office of the Company between the hours 11 A. M. and 1 P. M. on all working days except when the Registers and Books are closed under the provisions of the said Act or the Articles of Association of the Company provided however that the registers required to be maintained under Section 307 of the Act shall be open for inspection by members and holders of debentures of the Company, if any, as aforesaid between the hours above mentioned during the period prescribed by Section 307 (5) (1)."

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

ADDENDUM

Item No. 2 in the Notice in respect of declaration of dividend be read as follows :

To confirm the interim dividend on Ordinary Shares, dividend on Preference Shares and to declare final dividend on Ordinary Shares.

The Board of Directors in the 76th Meeting held on 18th March 1957, have declared interim dividend on Preference Shares at the rate of 5½% free of Income-tax to those Preference Shareholders whose names stand on Company's Register as on 18th March 1957.

Annexure to the notice.

Explanatory notice under Section 261 (3) and sections 173 (2) and 360 of the Companies' Act 1956.

Item 4.

Shri S. K. Somaiya retires from his office as Director of the Company, but offers himself for re-election. Special notices of the Special Resolution set out in item 4 have been received by the Company. A special notice states that the Special Resolution is necessary in order that the experience and valuable services of Shri S. K. Somaiya continue to be made available to the Company and accordingly 'this' special resolution is recommended for acceptance.

Item 6.

The Board has thought it fit to place before the meeting the contracts entered into with the Associates of the Managing Agents, (Messrs. K. J. Somaiya & Sons Private Ltd.) Messrs Shantilal Karamshi for purchase of sugar from the Company for manufacture of Sugar Candy. They also collect bill amounts, deposits, etc, from the constituents of the Company, to whom sugar is sold. This they remit to the Factories of the Company. For their services they do not charge any commission etc. to the Company. The Company only meets the actual expenses incurred by them. The Company has been accustomed to enter into contracts for the clearing of Company's goods and the rendering of other services incidental thereto by Messrs. Vijay Trading Company, who are an Associate of the Managing Agents, at rates, which are not less favourable than those prevailing in the market or which are otherwise reasonable.

The Transfer Books of the Company will be closed from 25th of March 1957, to 8th of April 1957 both days inclusive.

By order of the Board of Directors
for The Godavari Sugar Mills Ltd.,
for K. J. Somaiya & Sons Private Ltd.
K. J. SOMAIYA
Director
Managing Agents.

Bombay,
Dated, 14th March, 1957.

N. B. :—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 29th April 1957. Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 25th March 1957.

THE GODAVARI SUGAR MILLS LIMITED.

DIRECTORS' REPORT

To,

The Shareholders,
The Godavari Sugar Mills Ltd.,
Bombay.

Gentlemen,

Your Directors beg to submit Annual Report for the year ended 31st May 1956, together with audited Statement of Accounts, from which annas and pies have been eliminated. The Profit & Loss Account and the Balance Sheet placed before you have been drawn up in conformity with the form required by the Companies Act 1956.

The amount of fixed capital expenditure now shown in the Balance Sheet stands at book value less normal, shift, extra, initial and development rebate, allowable under the Income-tax Act.

The Profit and Loss Account for the year under review show a profit of Rs. 7,55,634/- after providing for depreciation and taxation. This together with the balance of Rs. 19,309/- brought forward from the last year amounts to Rs. 7,74,943/-, which your Directors recommend to appropriate as follows:-

1. Interim Dividend at Rs. 15/- per share on Ordinary shares free of Income-tax.	Rs. 6,00,000/-
2. Final Dividend on Ordinary shares at Rs. 1/- per share free of Income-tax.	Rs. 40,000/-
3. Dividend on Preference Shares at 5½% free of Income-tax.	Rs. 1,01,802/-
4. Balance Carried forward	Rs. 33,141/-
	<u>Rs. 7,74,943/-</u>

The Companies Act 1956 has come into force only two months before the end of the Company's Financial year. In view of this, it is felt that the restrictions imposed on Managing Agents commission under Section 348 and on overall managerial remuneration by Section 198 of the Companies Act, 1956 did not apply to the Company for the year under review. You are requested to approve Rs. 2,14,617/- so provided in the account as commission payable to the Managing Agents.

You are requested to approve Rs. 57,938/- by way of charity and donations as under. This Amount includes Rs. 50,000/- paid to the Somaiya Trust, in which two of your Directors, Shri K. J. Somaiya and Shri S. K. Somaiya, who are also Directors of the Managing Agency Company, are Trustees.

Morarji Desai Birth-day Celebration Committee	...	Rs. 1,000
D. V. Kelkar Smarak Samiti.	...	" 501
Minochar Modi Lectureship Fund.	...	" 251
Child Welfare Fund, Ahmednagar.	...	" 4,583
K. J. Somaiya Trust.	...	" 50,000
Ahmednagar Soldiers' Welfare Fund.	...	" 500
Sundries	...	" 1,103
		<u>Rs. 57,938</u>

The quantity of total cane crushed during the year under review by your two factories has broken all the records of the previous years. The crushing would have been even greater but for the rat trouble that had developed in your Farms. Your Directors had taken timely action in putting an end to the serious menace to the crop by the rats.

The releases of sugar has continued to be controlled the Central Government and we have carried highest sugar stock in the year under review compared to past years.

Your Directors are glad to inform you that they have secured the licence to run the Distillery. They were in a position to start the same on Maha Shivratri day, i. e. on the 27th February 1957.

The crops for the year under review are satisfactory. Cane crop available for the crushing season 1956-57 is about 2,874 acres.

The working of the two factories has been satisfactory. The season for the year under review at both the factories has been comparatively longer. We had to purchase large quantity of sugar cane from outsiders.

Your Directors have subscribed to the share capital of the two subsidiaries, namely, Narmada Farms Private Limited and the Godavari Investment & Finance Corporation Private Limited. The statements of accounts of these two companies, together with the Directors Report are annexed hereto. The loss suffered by these two Companies have not been provided in the accounts of the Company.

One of your Directors Shri R. S. Kotak, retires by rotation, but being eligible offers himself for re-election. Shri S. K. Somaiya retires by rotation but offers himself for re-election.

Shri S. K. Somaiya, being Director of M/s. K. J. Somaiya & Sons Private Ltd., the Managing Agents of the Company, can be appointed only by means of special Resolution under Section 261 of the Companies Act, 1956.

In April 1956, Shri N. K. Firodia was invited to a seat on the Board to fill the vacancy caused by the resignation of Shri N. R. Mulla, the Chairman of the Company.

You are requested to appoint Auditors for the current year and to fix their remuneration.

Yours faithfully,
By order of the Board of Directors
K. J. SOMAIYA
Chairman.

Bombay, dated 3rd March 1957

THE GODAVARI SUGAR MILLS, LIMITED.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the annexed Balance Sheet of The Godavari Sugar Mills Ltd., as at 31st May 1956 and also the Profit and Loss Account of the Company for the year ended on that date:-

a) Rs. 33,875 is due on current account as at 31st May 1956 to the Managing Agents, M/s. K. J. Somaiya & Sons Private Ltd.

During the year under report there was a maximum debit balance of Rs. 14,49,987, (including opening debit balance of Rs. 14,48,486 as at 1st June 1955) to the current account of the Managing Agents. As reported last year, the Managing Agents' current account to the extent of amounts remaining to their debit is in contravention of Section 295 and 369 of the Companies Act 1956. On and after the 28th June 1955 there has been a credit balance to the said current account.

(b) Rs. 2,08,668 to the debit of the current account of M/s. Shantilal Karamshi, Prop. Shri K. J. Somaiya, an Associate of the Managing Agents, who is a director of the Company and also Director of the Managing Agents Company, has been transferred to the current account of the Managing Agents on 31st May 1956, thereby reducing the credit balance to the said account.

It is stated that the said current account is in respect of collections made by the said associate on account of sugar sold by the Company to its constituents, for sugar sold by the Company to them, and also for payments made at Company's factories on behalf of the Company and for hundies drawn on that account and that the said associate renders services to the Company for which no remuneration is paid, but they are reimbursed for expenses incurred by them. The debit balance of Rs. 2,08,668/- includes an invoice for sale of sugar of Rs. 50,002/- for sugar sold to them and delivered between 9th May 1956 and 30th May 1956. No interest is charged to the said account. However, the Board of Directors are of the view that the said account does not amount to a loan. We are of the opinion that the said current account to the extent it does not relate to sale of goods amounts to loan and is in contravention of Section 295 and 369 of the Companies Act 1956.

Special Resolution passed, under Section 360 of the Companies Act 1956, in respect of Messrs. Shantilal Karamshi, does not relate to rendering of services, namely collection of moneys due to the Company from others and making payments at the Company's Factories.

(c) Allocation of Capital Expenditure has been accepted as certified by the Managing Agents.

Subject to the fore going, we report that:-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of the Books of Account and proper returns adequate for the purpose of our audit have been received from Sakarwadi & Lakshmiwadi Factories.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the above books of account.
4. In our opinion and to the best of our information and according to the explanation given to us the Accounts together with the notes give the information required by the Companies Act 1956, in the manner so required and give a true and fair view:-
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st May 1956 and
 - (b) in the case of Profit and Loss Account of the profit for the year ended on that date.

Bombay, dated 7th day of March, 1957.

NANUBHAI & CO.
Chartered Accountants.

STATEMENTS OF ACCOUNTS

THE GODAVARI SUGAR

Balance Sheet as at

SHARE CAPITAL:—	Rupees	Rupees	Rupees
AUTHORISED CAPITAL.			
50,000 Ordinary (Equity) Shares of Rs. 100/- each		50,00,000	
20,000, 5½% Free of Income tax Redeemable Cumulative Preference Shares of Rs. 100/- each liable to be redeemed at the option of the Company at any time and from time to time after 1st October 1932, after giving three months' notice of the intention to so redeem the same.		20,00,000	70,00,000
SUBSCRIBED CAPITAL:			
10,000 Ordinary (Equity) Shares of Rs. 100/- each fully paid up.		10,00,000	
30,000 Ordinary (Equity) Shares of Rs. 100/- each, allotted as fully paid up Bonus Shares in pursuance of the Special Resolution passed at the Extra Ordinary General meeting held on 16th May 1951.		30,00,000	
18,509½, 5½% Free of Income-tax Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up, liable to be redeemed at the option of the Company at any time and from time to time after 1st October 1952, after giving three months' notice of the intention to so redeem the same.		18,50,950	58,50,950
RESERVES AND SURPLUS:			
Capital Reserve not available for Dividend As per last Balance Sheet.	8,446		
Add: Adjustment of Profit on sale of Capital Assets.	22,121	30,567	
Redeemable Preference Shares Redemption Fund As per last Balance Sheet		15,00,000	
Reserve Fund as per last Balance Sheet	30,26,260		
Add: Set aside from 1954-55 Profit.	2,00,000		
	32,26,260		
Less: Transfer to Profit and Loss Account	10,00,000	22,26,260	
Housing Fund As per last Balance Sheet		6,00,000	
Profit and Loss Account: Balance as per Profit and Loss Appropriation Account annexed		33,141	
Reserve for Doubtful Debts: Transfer from Provision for Doubtful Debts.		25,921	
Depreciation Reserve. Initial and Development rebate this year.		1,51,550	45,67,439
Total carried over			104,18,389

MILLS, LIMITED, BOMBAY.

31st May, 1956.

	Rs.	Rs.	Rs.
FIXED ASSETS:			
GROSS BLOCK		170,29,242	
Less—Depreciation written off to 31st May 1956		101,08,211	
NET DEPRECIATED BLOCK			69,21,031
As per Schedule "A" page 24 & 25			
INVESTMENTS:			
TRADE INVESTMENTS (At Cost)			
SHARES OF SUBSIDIARY COMPANIES			
495 Ordinary (Equity) Shares of Rs.1000/- each of Narmada Farms Private Ltd., fully paid up	4,95,000		
2,000 Ordinary (Equity) Shares of Rs. 100/- each of Godavari Investment & Finance Corporation Private Limited, Rs. 50/- per share paid up	1,00,000	5,95,000	
OTHER INVESTMENTS (At Cost)			
One Ordinary Share of Bombay State Co-operative Bank Limited of Rs. 50/- fully paid up		78	
NOTE:	Cost	Market value	
Aggregate quoted Investments	Nil		
Aggregate unquoted Investments	3,95,078		
	5,95,078		
Application and allotment money on 800 Ordinary Shares of Rs. 1000/- each of Narmada Farms Private Limited, a subsidiary Company		8,00,000	
IMMOVABLE PROPERTIES			
Property Purchased at Mahabaleshwar in auction sale in the name of a Director, possession whereof not taken, the purchase being challenged by the lessee in a Court (since decided in favour). Documents to be executed.		51,000	14,46,078
CURRENT ASSETS			
Stores and Spares (as per Inventories valued and certified by the Managing Agents)			
On hand	30,18,994		
In Transit	1,12,256	31,31,250	
Loose Tools and Implements (as per Inventories valued and certified by the Managing Agents)		32,789	
Totals carried over		31,64,039	83,67,109

THE GODAVARI SUGAR

Balance Sheet as at

	Rs.	Rs.	Rs.
Brought over			104,18,389
SECURED LOAN:			
Cash Credit Account with Bank against Hypo- thecation of all tangible movable assets of the Company including stock of sugar, of which Rs. 35,00,000 are converted into usance Promis- sary notes fully guaranteed by the Managing Agents and two Directors.		59,70,701	
From Industrial Finance Corporation of India against Mortgage of all fixed assets etc. in terms of indenture of mortgage dated 28th October 1954 fully guaranteed by the Managing Agents and two Directors.		18,75,000	78,45,701
UNSECURED LOANS:			
From Banks		75,000	
From Others		9,68,728	
On Current Accounts:			
From Managing Agents	33,875		
From Selling Agents	3,24,178		
From Others	1,38,104	4,96,157	15,39,885
CURRENT LIABILITIES AND PROVISIONS:			
Sundry Creditors		65,77,597	
Interest accrued on secured loans		1,10,249	
Interest accrued on unsecured loans		72,239	
For Taxation		26,56,863	
Security Deposit from Selling Agents		50,000	
For Managing Agents' Commission		2,14,617	
Unclaimed Dividends		8,719	
Unclaimed Redemption Money		3,300	
Due to Trustees to Staff Provident Fund (since paid)		77,065	
PROVISION FOR TAXATION:—			
As per last Balance Sheet	16,95,139		
Add set aside from 1954-55 profits	7,00,000		
Add Provision this year	22,50,000		
Totals carried over	46,45,139	97,70,649	198,03,975

MILLS, LIMITED, BOMBAY.

31st May, 1956.

	Rs.	Rs.	Rs.
Brought over		81,64,039	83,67,109
Stock-in-Trade (as per inventories valued and certified by the Managing Agents)			
Sugar at Market rate and contract rate	157,13,072		
Molasses at Government controlled rate	1,12,143		
*Grains, Cotton, etc. at market value	3,78,973	162,04,188	
Note:— *There has been change in the method of valuation this year from cost to market value, resulting in difference in excess valuation of Rs. 4684/- in closing stock.			
Crops in progress (at cost) including tillages, preparation of land, irrigation charges, etc. as valued and certified by the Managing Agents.		40,14,159	
SUNDRY DEBTORS:			
Unsecured considered good		12,308	233,94,694
LOANS AND ADVANCES:			
(i) Unsecured, considered good			
Loans to others		81,298	
Loans to subsidiary companies of which the Company is the holding Company			
(a) Narmada Farms Private Limited	2,02,304		
(b) Godavari Investment and Finance Corporation Private Limited	99,908	3,02,212	
Advances Recoverable in cash or kind or for value to be received		4,26,496	
Deposits with Irrigation Department Railways and others		52,210	
Sundry Debtors-outstanding for more than three months.		278	
(ii) Unsecured, considered Doubtful			
Misappropriation by an employee for which suit is pending in the Court.	8,210		
Claim from Railways	24,010		
Sundry Debtors outstanding for more than three months	41,860		
Totals carried over.	74,080	86,2494	317,61,803

THE GODAVARI SUGAR

Balance Sheet as at

	Rs.	Rs.	Rs.
Brought over	46,45,139	97,70,649	198,03,975
Less: Adjusted as per Assessment orders for Assessment Years 1951-52, 1946-47 and 1948-49; B.P.T. CAPS 1-6-47 to 31-3-1949.	20,62,106		
	25,83,033		
Less: Provisional Income-tax and Advance Income-tax.	2,52,324		
Provision for Bonus		23,30,709	
Provision for doubtful debts		1,00,000	
As per last Balance Sheet	1,00,000		
Less: Adjusted for Debts considered Doubtful as per contra	74,079		
	25,921		
Less: Transfer to Reserve for Doubtful Debts	25,921		
		Nil	
For Proposed Dividends		7,41,802	
CONTINGENT LIABILITIES: (not provided for)			129,43,160
(i) (a) In respect of lands for which suits are pending in the Courts			
(b) In respect legal expenses on above.		2,99,792	
(ii) Uncalled liability on shares partly paid held as investment of Godavari Investment and Finance Corporation Private Limited, a subsidiary of the Company		25,000	
(iii) In respect of losses of the subsidiary Companies.			
(a) Narmada Farms Private Limited, Loss as at 31st May 1956 subject to provision for Depreciation Rs. 96,000/- to the extent of company's holding		1,00,000	
(b) Godavari Investment and Finance Corporation Private Limited, Loss as at 31st May 1956		1,37,384	
(iv) In respect of Bonus for 1952-53 awarded by the Industrial Court, Bombay, an appeal against which is pending before the Labour Appellate Tribunal of India at Bombay.		5,139	
		75,000	
NOTES:—(1) (a) Provision for Taxation made in the Accounts is subject to completion of pending assessments for 1952-53 onwards. (b) Assessments for the assessment years, 1944-45, 1945-46, 1946-47, 1948-49 1949-50, 1950-51 and 1951-52 are under appeal before the Appellate Assistant Commissioner of Income Tax. (c) Income Tax Assessment for the year 1947-48 has been reopened under section 34 of the Income-tax Act liability where of not provided for, being undetermined. The Company, however, disputes invocation of Section 34 of the Income-tax Act.			
(2) No value is taken of stores and spares and other obsolete and unserviceable goods, value where of not ascertained.			
Total carried over			327,47,135

MILLS, LIMITED, BOMBAY.

31st May, 1956.

	Rs.	Rs.	Rs.
Brought over	74,080	8,62,494	317,61,803
Less: Provision for Doubtful Debts as per contra	74,080	...	8,62,494
Note;— The maximum amounts due at any time during the year were:—			
(i) Due by Managing Agents Rs. 14,49,987,—on Current Account (Credit balance as at 31st May 1956, Rs. 33,875.)			
(ii) Due on current account for goods supplied and realisations of sugar sales made on behalf of the Company by a firm of which a Director is proprietor (An Associate of Managing Agents, who is also Director of Managing Agents Company Rs. 2,08,668			
Debit balance of Rs. 2,08,668 as at 31st May 1956 transferred to the Managing Agents' Current Account.			
CASH BANK BALANCES			
Cash on hand at Bombay and at Factories		22,671	
In Current Accounts with Banks		1,00,167	122,838
Total Rs.			327,47,135

MILLS, LIMITED, BOMBAY.

31st May, 1956.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

I. Re: NARMADA FARMS PRIVATE LIMITED

- (1) The Godavari Sugar Mills Limited hold 495 shares of Rs. 1000/- each fully paid up, Rs. 4,95,000/- in Narmada Farms Private Limited as at 31st May 1956.
- (2) Narmada Farms Private Limited made a loss of Rs. 1,37,384 for the period ended 31st May 1956, without providing for depreciation of Rs. 96,000/-. The said amount of loss has been carried forward in the Balance Sheet of that 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.

II. Re: GODAVARI INVESTMENT AND FINANCE CORPORATION PRIVATE LIMITED.

- (1) The Godavari Sugar Mills Limited hold the whole of the subscribed capital of Rs. 2,00,000/ of which Rs. 1,00,000/ has been paid up in Godavari Investment and Finance Corporation Private Limited as at 31st May 1956.
- (2) Godavari Investment and Finance Corporation Private Limited made a loss of Rs. 5,139/- for the period ended 31st May 1956. The said loss has been carried forward to the Balance Sheet of that 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.

In the opinion of the Board the current assets and liabilities are approximately of the value stated, if realised, in the ordinary course of business. The provisions for all known liabilities and depreciation is adequate and not in excess of the amount reasonably necessary.

For and on behalf of the Board of Directors,

K. J. Somaiya (Ex-officio)

CHAIRMAN

R. S. Kotak

N. K. Firodia

S. K. Somaiya

} Directors.

Managing Agents.

K. J. SOMAIYA & SONS PRIVATE LIMITED

K. J. Somaiya

Director,

Bombay, Dated 3rd March 1957.

THE GODAVARI SUGAR

Profit & Loss Account

TO. OPENING STOCK ON 1st JUNE 1955	Rs.	Rs.	Rs.
Sugar		117,34,657	
Molasses		70,782	118,05,439
Agricultural Department			
Crops in progress as at 31st May 1955	49,65,691		
Salaries and wages	18,72,434		
Provision for accrued leave salaries and wages	11,198		
Bonus to employees for 1954—55	57,795		
Provision for 1955—56 Bonus	40,000		
Contribution to Provident Fund of the Company	24,829		
Workmen and Staff welfare expenses	276		
Stores inclusive of manures	22,67,890		
Repairs and Renewals including salaries and wages			
Rs. 64,404/-	98,956		
Land Rent	1,75,449		
Irrigation, Rates and Taxes	7,69,036		
Drainage	20,867		
Miscellaneous expenses including printing and stationery, travelling and legal charges	99,185		
Depreciation	1,79,778		
Premium on Lease hold land written off	14,443		
Livestock written off	11,870	106,09,197	
Less: Crops in progress as at 31st May, 1956		40,14,159	
		65,95,038	
Add: Delivery of cane		2,86,629	
Add: Locally purchased cane		51,99,268	120,80,935
To Salaries and wages (Including Rs. 20,239/- Commission on Profit in addition to salary to General Manager at Factories who is also a Superintending Engineer) after deducting Rs. 4,55,821/- charged to Repairs, Capital and other relevant heads.		10,68,080	
Total carried over		10,68,080	238,86,374

MILLS, LIMITED, BOMBAY.

for the year ended 31st May, 1956.

	Rs.	Rs.	Rs.
BY SALES:—			
Sugar		195,13,696	
Molasses		17,288	195,80,984
„ Sundry Receipts from Flour Mills, Dairy, etc.			138,523
„ Sundry receipts being value of Farm Produce, etc. after deducting Rs. 17,317/— being share of Profit on land given for cultivation			8,88,496
„ Dividend on Co—operative Bank Share			2
„ Share transfer and splitting fees			58
„ Interest:			
On Bank accounts		208	
On 18—A Payments		726	
On Loans and Others		5,820	
From Subsidiaries		4,101	
From Lessors		8,749	14,604
„ Unclaimed Salaries, Wages and Bonus of previous years written back:—			
Factory		52,681	
Agriculture		52,486	1,05,117
„ Transfer from General Reserve			10,00,000
„ STOCK—IN—TRADE:— (As taken valued and certified by the Managing Agents)			
Sugar at market rate and contract rate		157,18,072	
Molasses at Government controlled rate		1,12,142	158,25,214
Total carried over			369,97,996

THE GODAVARI SUGAR

Profit & Loss Account

	Rs.	Rs.	Rs.
Brought over		10,68,080	238,86,874
To Provision for accrued leave salaries and wages		32,858	
„ Bonus to employees for 1954—55		92,865	
„ Provision for 1955—56 Bonus		60,000	
„ Contribution to Provident Fund of the Company		41,047	
„ Workmen and staff welfare expenses		47,563	
„ Stores, Chemicals and spare parts (after deducting Rs. 83,75,671/- charged to Agriculture, Capital, Repairs and other relevant heads, includes net shortage of stores of Rs. 22,186/- between the physical and book inventories)			13,41,908
„ Power and Fuel			4,68,939
„ Repairs to Plant and Machinery, inclusive of salaries and wages Rs. 1,17,059/-			2,19,496
„ Repairs to Buildings inclusive of salaries and wages Rs. 73,311/-		3,86,951	
„ Other repairs inclusive of salaries and wages Rs. 61, 889/-		1,68,131	
„ Sugar cane cess		85,534	
To Excise Duty			6,40,616
„ Insurance Premium			12,64,579
„ Packing and forwarding			31,90,644
„ Rent			43,623
„ Rates and taxes			4,68,689
„ Selling Agents' Commission on Sugar			7,722
„ Brokerage on Sugar and molasses			80,407
„ Miscellaneous Expenses including Printing and Stationery, Postage and Telegrams, Telephones and Travelling			2,19,529
„ Motor cars and lorries maintenance			11,195
„ Charity and Donations			3,42,823
„ Interest:-			1,17,158
Managing Agents			57,938
Cash Credit Account		9,427	
Fixed loans		1,75,839	
Other loans		1,52,055	
		94,273	
Total carried over			4,31,594
			327,88,234

for the year ended 31st May, 1956.

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31,27,994

THE GODAVARI SUGAR

Profit & Loss Account

	Rs.	Rs.	Rs.
Brought over			327,88,234
„ Directors' Fees (including Rs. 900/ to members of Managing Agents as Directors)			1,800
„ Directors and Managing Agents' Travelling Expenses inclusive of Rs. 7,500/- for a Director's foreign tour expenses			14,095
„ Managing Agents Remuneration.			
Office Allowance upto 31st March 1956		10,000	
Commission on Profits after deducting Rs. 7,408 in respect of Debts considered Doubtful		2,14,617	2,24,617
„ Audit Fees			3000
„ Legal Expenses			18,034
„ Depreciation (including Initial and Development rebate transferred to Depreciation Reserve Rs. 151,550)			9,39,595
„ Loose Tools and implements written off			2,987
„ Provision for Taxation (including Rs. 10,00,000/— for previous years)			22,50,000
„ Balance being profit carried to Appropriation Account			7,55,634
NOTES:—			
(1) In calculating the Commission to Selling Agents, who are an Associate of Managing Agents, provision of section 356 has been considered to be not applicable till 1st March 1958 in view of section 361 of the Companies Act, 1956.			
(2) In calculating the Managing Agents' Commission, provisions of Sections 198 and 348 of the Companies Act 1956 have not been taken to apply this year.			
(3) Managing Agents Commission is Subject to adjustment that may have to be made in respect of claims for Bonus (not provided for and disputed by the Company) if it at all becoming payable by the Company and Provision for losses of subsidiaries.			
(4) Commission on Profit have been Calculated after taking into account Initial Depreciation and Development rebate allowable under the Income tax Act			
(5) Remuneration received by Directors for their own use from other Companies by virtue of nomination by the Company on the Board of subsidiary companies amounted to NIL during the year.			
Total Rs.			369,97,996

As per our Report of even date annexed.

Bombay, dated 7th March 1957

NANUBHAI & CO.
Chartered Accountants

for the year ended 31st May, 1956.

For and on behalf of the Board of Directors,

R. S. Kotak
N. K. Firodia
S. K. Somaiya

Directors.

THE GODAVARI SUGAR

Appropriation Account

	Rs.	Rs.	
To Interim Dividend at Rs. 15/- per share on Ordinary Shares free of Income-tax		600,000	
Proposed final Dividend on ordinary shares, at Rs. 1/- per share, free of Income-tax.		40,000	
Proposed Dividend on Preference Shares at 5½ per cent free of Income-tax		1,01,802	7,41,
Balance carried to Balance Sheet			33,
Total Rs....			7,74,941

As per our report of date annexed.

Bombay, Dated 7th March 1957

NANUBHAI & CO.

Chartered Accountants

MILLS, LIMITED, BOMBAY.

the year ended 31st May, 1956.

	Rs.	Rs.	Rs.
By Balance brought forward from last year's Balance Sheet		15,21,111	
Less Interim Dividend at Rs. 10/- per Share on Ordinary Shares free of income-tax	4,00,000		
Final Dividend at Rs. 2/8/0 per share on Ordinary Shares Free of Income-tax	1,00,000		
Dividend on Preference Shares at 5½% free of Income-tax	1,01,802		
Reserve Fund	2,00,000		
Reserve for Taxation	7,00,000	15,01,802	19,309
By Balance brought forward from Profit and Loss Account.			7,55,634
Total Rs.			7,74,943

For and on behalf of the Board of Directors.

Managing Agents.

K. J. SOMAIYA & SONS PRIVATE LIMITED

K. J. Somaiya
Director.

Bombay dated 3rd March, 1957

K. J. Somaiya (Ex-officio)

CHAIRMAN

R. S. Kotak

N. K. Firodia

S. K. Somaiya

Directors.

THE GODAVARI SUGAR

Schedule attached to and forming part of the

Schedule A

PARTICULARS	BLOCK						
	Gross Block as at 31.5.1955	Additions during the year	Sub-total	Cost of sales	Insurance claims not adjusted to cost	Deductions Sales etc.	Gross Block as at 31.5.1956
	2	3	4	5	6	7	8
1	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	11,47,093	65,447	12,13,500	6,471		6,471	12,07,029
		*960					
Leasehold Land Premium	2,88,850		2,88,850				2,88,850
Buildings	24,73,586	1,55,898	26,29,484		14,612	14,612	26,14,872
Temporary Quarters	2,14,312		2,14,312		1,800	1,800	2,12,512
Temporary Quarters at Farms	99,658		99,658		2,670	2,670	96,988
Pucca Quarters at Farms	32,532	10,755	43,287				43,287
General Machinery	67,36,090	4,14,132	71,50,222				71,50,222
Electrical Machinery	6,96,382	1,229	6,97,611				6,97,611
Agricultural Machinery	20,50,199	26,501	20,76,700	45,382		45,382	20,31,318
Locomotives	53,950	39,024	92,974				92,974
Electrical installations and Fittings	46,282		46,282				46,282
Furniture and Office Equipment	1,02,171	66,735	1,68,906				1,68,906
Weighbridges	70,483	992	71,475				71,475
Trolley Line	6,02,750		6,02,750				6,02,750
Assisted Railway Siding	1,20,602		1,20,602				1,20,602
Motor cars, lorries & cycles	2,44,921	47,809	2,92,730	50,714		50,714	2,42,016
Carts and trucks	3,25,598		3,25,598				3,25,598
Laboratory Apparatus	21,842	4,585	26,427				26,427
Roads and Drainage	2,36,097	84,426	3,20,523				3,20,523
Dead Stock	66,619		66,619				66,619
Library	3,202		3,202				3,202
Medical instruments	363		363				363
Irrigation Lifts	5,25,197		5,25,197				5,25,197
Livestock (at Book value)	54,975	18,644	73,619				73,619
Total Rs....	162,13,754	9,37,137	171,50,891	1,02,567	19,082	1,21,649	170,29,242

*Excess Realisation on cost of land debited.

Note:—(1) Fixed Assets other than Livestock are 'at cost'.
(2) No depreciation has been taken on Freehold land.

Balance Sheet as at 31st May 1956

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NARMADA FARMS PRIVATE LIMITED.

Directors' Report for the period ended 31st May, 1956.

The Shareholders,
Narmada Farms Private Limited,
Bombay 1.

Gentlemen :

The Directors beg to submit their Report and Audited Statement of Accounts for the period ended 31st May, 1956 (i. e., from 3-6-1955 to 31-5-1956.)

The Company's main business was agriculture on large scale in the Tehsils of Budhni and Nasrullaganj in Bhopal State. It raised wheat, gram, cotton, tobacco & other crops during the year.

A net loss of Rs. 1,37,384 is found at the end of the year before making the provision for depreciation and the same has been carried forward to the next year.

Auditors : It is necessary to appoint auditors for the current year and fix their remuneration.

Yours faithfully,

By order of the Board of Directors,

K. J. Somaiya

Chairman.

Bombay, dated the 15th day of February, 1957.

NARMADA FARMS PRIVATE LIMITED.

Report of the Auditors to the Shareholders.

We have audited the annexed Balance Sheet of Narmada Farms Private Ltd. as at 31st May, 1956 and also the Profit & Loss Account of the Company for the period ended on that date and report that:—

- (1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (2) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of the Books of account and proper returns adequate for the purposes of our audit have been received from the Company's farm at Kheri (Bhopal).
- (3) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the above Books of Account.
- (4) In our opinion and to the best of our information and according to the explanations given to us the accounts together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view subject to remarks in para (5):
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st May 1956;
 - (b) in the case of Profit & Loss Account of the loss for the year ended on that date.
- (5) By an Agreement dated 4th June 1955 with the firm of 'Narmada Farms' a partnership consisting of Shri K. J. Somaiya and Shri S. K. Somaiya, Directors of the Company and the nominees of the holding Company Godavari Sugar Mills Ltd, the Company purchased the said 'Narmada Farms' Assets at a price of Rs. Twelve lacs. Assignment and Conveyance Deeds in respect thereof were not available for our verification for which we are informed that they are being prepared. During the period under audit the Company also purchased goods from the said Vendors.

Vendors claim from the Company that they have sold the said 'Narmada Farms' as a going concern and the Company was liable to meet the liabilities of the said firm as well as to recover their outstandings. The Company does not admit the claim of the Vendors and the matter is under dispute. The extent of the liability has not been ascertained.

During the period under report the Company realised Rs. 20,754-5-0 including cash on hand of the Vendors on 4th June, 1955 with which the Books of Account at Farm were commenced and also met liabilities of Rs. 62,626-6-0 of the Vendors which amounts have been subsequently adjusted to the Vendors Account.

NANUBHAI & CO.

Chartered Accountants.

Bombay, Dated the 21st day of February, 1957.

NARMADA FARMS

Balance Sheet as at

LIABILITIES	Rs.	Rs.
CAPITAL		
AUTHORISED CAPITAL		
2500 Ordinary (Equity) Shares of Rs. 1,000/- each		25,00,000
SUBSCRIBED CAPITAL		
499 Ordinary Shares of Rs. 1,000/- each fully paid up (This includes 495 Ordinary Shares held by the Holding Company Godavari Sugar Mills Ltd. and its nominees)		4,99,000
SHARE APPLICATION AND ALLOTMENT MONEY		
800 Ordinary Shares of Rs. 1,000/- each from the Holding Company Godavari Sugar Mills Ltd.		8,00,000
UNSECURED LOANS		
Loan on current account from Godavari Sugar Mills Ltd., the Holding Company	1,99,864	
Other Loans	23,145	2,23,009
CURRENT LIABILITIES AND PROVISIONS :		
Sundry Creditors	93,703	
Interest accrued and accruing on unsecured loans	2,440	
Due to Vendors	73	96,213
CONTINGENT LIABILITIES NOT PROVIDED FOR:-		
Vendors claim that the Company has to meet the liabilities of the Vendors in respect of Narmada Farms as the same have been sold as a going concern. The Company, however, does not admit the liability. The matter is under dispute. Extent of the liability thereof unascertained.		
Total Rs.		16,18,225

NOTE: (i) No Provision has been made for Depreciation on

(a) Land

(b) Other Assets Rs. 96,000/-

(ii) No provision has been made for Agriculture and other Income-tax which in the opinion of Directors is not liable for such taxes.

Referred to in our report of even date

NANUBHAI & CO.

Chartered Accountants.

Bombay: Dated the 21st day of February, 1957.

PRIVATE LIMITED.

31st May, 1956.

ASSETS.	Rs.	Rs.
FIXED ASSETS		
Gross Block (At Cost)	13,27,716	
Less: Written off for this period	6,956	13,20,760
Net Block as per Schedule 'A' annexed Page No. 32		
CURRENT ASSETS		
Stores, Spare Parts, Oils and Lubricants as per inventories valued and certified by a Director	72,044	
Loose Tools as per inventories valued and certified by a Director	1,257	
Stock in trade (Foodgrain, tobacco, cotton, etc.) at Market value as per inventories valued and certified by a Director	45,275	
Grain and other Seeds for sowing (At Market Value) as per inventories valued and certified by a Director	7,701	1,26,277
LOANS AND ADVANCES		
(unsecured-considered good)		
Advances recoverable in cash or in kind or for value to be received	17,937	
Sundry Debtors outstanding for more than three months.	1,138	19,075
CASH AND BANK BALANCES		
Cash on hand at Head Office and at Farms including Postage Stamps Rs. 10/-	732	
In Current Account with a Bank	13,997	14,729
MISCELLANEOUS EXPENDITURE AND LOSSES		
Loss as per annexed Profit and Loss Account	1,11,870	
Land Development Expenses: (To be written off within a period of five years)	Rs. 31,892	
Less: Written off for this period	„ 6,378	1,37,884
Total Rs.		16,18,225

NOTE.—In the opinion of the Board, the current assets 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.

K. J. Somaiya
S. K. Somaiya
R. S. Kotak } Director,

Bombay, dated the 15th day of February, 1957.

NARMADA FARMS

Profit & Loss Account for the

	Rs.	Rs.
To Purches		40,128
„ Foodgrains, tobacco, cotton, etc. (From Vendors on allocation.)		18,034
„ Grains and other seeds for sowing (Purchases Rs. 20,735).		38,100
„ Salaries and Wages :		164
Contribution towards Provident Fund of temporary employee on loan from an outside institution.		35,220
„ Stores and spares after deducting Rs. 44,601/- for repairs. (Purchases from Vendors Rs. 34,381/-).		25,377
„ Oils and Lubricants (Purchases from Vendors Rs. 1,864/-)		
„ Repairs:		
Agricultural Machinery Repairs	34,792	
Motor and Vehicle Repairs	2,429	
Lift Irrigation Repairs.	7,380	44,601
„ Land Rent		6,982
„ Rates and Taxes		311
„ Printing, Stationery, Postage, Telegrams and Telephones		1,519
„ Miscellaneous expenses, Conveyance, Travelling expenses, subscription, etc.		6,894
„ Interest		
On Current Account to Holding Company the Godavari Sugar Mills Ltd.,		2,440
„ Audit Fees		1,000
„ Directors' travelling expenses		840
„ Premium on leasehold land written off		403
„ Loose Tools written off as revaluation.		1,169
„ Live Stock written off		6,553
„ Land Development expenses written off		6,378
„ Preliminary expenses written off		3,741
Total Rs....		2,34,854

NOTE—No adjustments have been made for salaries and wages and other expenditure in the items of repairs to Agricultural machinery, Motor and Vehicle, and lift irrigation.

Referred to in our report of even date.

NANUBHAI & CO.

Chartered Accountants.

Bombay: dated the 21st day of February 1957.

PRIVATE LIMITED.

period ended 31st May, 1956.

	Rupees	Rupees
By Sales		
Foodgrains; tobacco, cotton, grass etc.		74,624
„ Miscellaneous Receipts from Bataidars.		2,217
„ Interest :		
From Bank on Current Account	13	
On Loan	855	868
„ Stock of Foodgrains, tobacco, cotton, etc. as at 31-5-1956 as per inventories, taken, valued and certified by a Director.		45,275
„ Balance being loss transferred to Balance Sheet.		1,11,870
Total Rs.		2,34,854

K. J. Somaiya
 S. K. Somaiya
 R. S. Kotak

} Director,
 }

Bombay, dated 15th day of February, 1957

NARMADA FARMS PRIVATE LIMITED.

Schedule "A"

*Schedule attached to and forming part of the Balance Sheet as at 31st May, 1956
Showing Fixed Assets.*

Fixed Assets (At Cost)	Allocation under Board Resolution for purchases from Vendors	Additions	Gross Block as at 31st May, 1956	Written off this period	Net Block as at 31st May, 1956
	Rs.	Rs.	Re.	Rs.	Rs.
Lands	6,23,614	—	6,23,614	—	6,23,614
Premium on land on lease	4,778	—	4,778	403	4,375
Lift Irrigation	97,551	25,529	1,23,080	—	1,23,080
Buildings	25,320	10,449	35,769	—	35,769
Agriculture Machinery	3,38,693	1,39,142	4,77,835	—	4,77,835
Trucks and Lorries	13,000	—	13,000	—	13,000
Motor Cars and Jeeps	12,150	—	12,150	—	12,150
Motor Cycles and Cycles	2,500	242	2,742	—	2,742
Furniture and Fixtures	9,556	—	9,556	—	9,556
Scales and Weighbridges	—	654	654	—	654
Live Stock	23,154	1,384	24,538	6,553	17,985
Total Rs.	11,50,316	1,77,400	13,27,716	6,956	13,20,760

GODAVARI INVESTMENT AND FINANCE CORPORATION PRIVATE LIMITED.

Directors' Report for period ended 31st May, 1956.

The Shareholders,
Godavari Investment & Finance Corporation Private Limited,
Bombay 1.
Gentlemen :

The Directors beg to submit their Report and Audited Statement of Accounts for period ended 31st May, 1956 (i. e. from 12th January, 1956 to 31st May, 1956).

The Company's main business during the period was to assist cane growers of Ahmednagar District and of adjacent areas who agree to sell sugarcane to our holding company, The Godavari Sugar Mills Ltd., Bombay, by advancing loans at 6% per annum against the security of their agricultural land and standing crops and by supplying agricultural machinery on hire purchase agreements. Your Directors are glad to inform you that the response from the cane growers was very satisfactory.

Accounts : The period's working after providing depreciation at 9% on machinery given on hire purchase agreements shows a net loss of Rs. 5,139/- which is carried forward to next year.

Auditors : It is necessary to appoint Auditors for the current year and fix their remuneration.

Yours faithfully,

By order of the Board of Directors,

R. S. Kotak
Director.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

Bombay, dated the 15th day of February, 1957.

We have audited the annexed Balance Sheet of Godavari Investment & Finance Corporation Private Limited as at 31st May, 1956 and also the annexed Profit and Loss Account for the year ended on that date and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of the Books of Accounts produced before us.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the above Books of Accounts.
4. In our opinion 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 subject to 5 and 6 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 31st May, 1956
 - (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date.
5. During the year under report Plant and Machinery of the value of Rs. 1,43,548, we are informed have been let on hire to Cane Growers in terms of hire-purchase agreements. Hire purchase agreements thereof were not produced before us for which we have been given to understand that the same have been sent to Registrars of Stamps for registration.
We are also informed that no instalments for hire on account of Plant and Machinery let on hire become due as at 31st May, 1956 and accordingly no adjustments have been made in that behalf.
6. Rs. 79,802/- has been advanced as loans to Cane Growers under arrangements to supply cane to the holding company, The Godavari Sugar Mills Limited, in terms of agreements with Cane Growers and has been considered as Secured Loans, considered good. Documents in respect of security obtained for the said loans and advances to the Cane Growers have not been produced before us. We have been given to understand that the documents for the same are sent to Registrars of Stamps for registration. Under the circumstances we could not verify the particulars in respect of the said loans of Rs. 79,802/-

NANUBHAI & CO.
Chartered Accountants.

Bombay, dated the 17th. January 1957.

Balance Sheet as at

Referred to in our report of even date.

Bombay, dated the 17th day of January 1957.

CORPORATION PRIVATE LIMITED.

31st May, 1956.

ASSETS.	Rupees	Rupees	Rupees
FIXED ASSETS			
Plant and Machinery (at cost)			
Let on hire to Cane Growers in terms of Hire Purchase Agreements.		1,48,548	
Less: Depreciation for the period.		1,482	142,066
CURRENT ASSETS			
STOCK IN TRADE (at cost)			
Machineries	36,028		
Spares and fittings	6,659		
Mechineries in transit	33,902		
(As per inventories taken, valued and certified by a Director)		76,589	
SUNDRY DEBTORS			
For cost of spares and fittings supplied to cane growers, considered good for which the Company holds no security other than the Debtors' personal security.		12,590	89,179
LOANS AND ADVANCES			
Loan to Cane Growers under arrangement to supply cane to the holding Company, The Godavari Sugar Mills Ltd., in terms of Agreements, considered good for which the Company is fully secured by mortgage of lands and cane crops.			79,802
CASH AND BANK BALANCES			
Cash on hand		46	
In Current Account with a Bank		2,214	2,260
MISCELLANEOUS EXPENDITURE AND LOSSES			
Loss as per annexed Profit & Loss Account			5,139
Total Rs.			3,18,446

In the opinion of the Board, the current Assets are approximately of the value stated, if realised, in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

R. S. Kotak

K. J. Somaiya

S. K. Somaiya

} Directors.

Bombay dated the 11th day of January, 1957.

GODAVARI INVESTMENT AND FINANCE

Profit and Loss Account for Period

(From 12th January, 1956

	Rupees	Rupees
To Purchases		
Machineries	69,930	
Spares and Fittings	19,249	
Stores	8,020	97,199
„ Salaries		300
„ Miscellaneous Expenses, Fees, Stamps, Printing and Stationery, Postage, Telegrams including Rs. 16/- for Cash Box purchased, written off		247
„ Interest on Current Account to holding Company, the Godavari Sugar Mills Ltd.		1,661
„ Audit Fees		500
„ Provision for Depreciation (Normal under the Income Tax Act.)		1,482
„ Preliminary Expenses written off		1,560
Total Rs.		1,02,949

Referred to in our report of even date.

NANUBHAI & CO.

Chartered Accountants.

Bombay, dated the 17th day of January, 1957.

CORPORATION PRIVATE LIMITED.

ended 31st May, 1956.

to 31st May, 1956.)

	Rupees	Rupees
By Spares and Fittings supplied at cost to Cane Growers		12,590
„ Return at cost of Stores purchased, to the ultimate holding Company, The Godavari Sugar Mills Ltd.		8,020
„ Interest from Cane Growers on Loans		611
„ Stock-in-trade (at cost)		
(As per inventories taken, valued and certified by Director)		
Machineries	36,028	
Machineries in transit	33,902	
Spares and Fittings	6,659	76,599
„ Loss carried to Balance Sheet		5,139
Total Rs.		1,02,949

Bombay, dated 11th day of January, 1957.

R. S. Kotak
K. J. Somaiya
S. K. Somaiya } Directors.

