

19

**THE GODAVARI SUGAR MILLS
LIMITED.**



**REPORT
OF THE
DIRECTORS
WITH
STATEMENTS OF ACCOUNTS
FOR THE YEAR ENDED 31st MAY 1958**



BOMBAY

1958

THE BOMBAY PRESS, FORT, BOMBAY, 1.

1958

THE GODAVARI SUGAR MILLS LIMITED

(Incorporated under the Indian Companies' Act VII of 1913).

Board of Directors:

Seth Karamshi Jethabhai Somaiya (Ex-Officio Director) Chairman
Seth Shantilal Karamshi Somaiya
Seth Navalmal Kundanmal Firodia
Shri Chandansinha Bharkatia
Shri Jayantilal Gangadas Dalal
Shri V. D. Muzumdar (Special Director)

Managing Agents:

Messrs. K. J. Somaiya & Sons, Private Ltd.

Bankers:

The Central Bank of India Ltd.
The Bank of India Ltd.
The Bombay State Co-operative Bank Ltd.
The Bank of Maharashtra Ltd.
The State Bank of India.

Solicitors:

Messrs. Mulla & Mulla and Craigie Blunt & Caroe.

Auditors:

Messrs. Nanubhai & Co.

Registered Office:

Fazalbhoy Building, Mahatma Gandhi Road,
Fort, BOMBAY, No. 1.

THE GODAVARI SUGAR MILLS LTD.

BOMBAY.

NOTICE

Notice is hereby given that the Nineteenth Ordinary Annual General Meeting of The Godavari Sugar Mills Limited will be held on Tuesday, 31st March, 1959 at 4.00 P.M. (S.T.) 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 1958.
2. To confirm the interim dividend on Preference Shares and to declare dividend on Ordinary Shares.
3. To elect a Director in place of Shri S. K. Somaiya who retires by rotation but who offers himself for re-election 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.

Special Resolution No. 1: "That Shri S. K. Somaiya, who retires by rotation from his office as Director and who is a Director of Messrs. K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company, and associate of the Managing Agents, be and is hereby appointed a Director of the Company."

4. To appoint Auditors for the current year and fix their remuneration.
5. To consider and if thought fit to pass with or without amendment the following Resolutions as Ordinary or Special Resolutions as specified below:

Special Resolution No. 2: "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 2nd April 1956."

Ordinary Resolution No. 1: "Resolved that pursuant to the relevant provisions of the Companies' Act 1956 including Sections 257 and 258 Shri Chandansinha Bharkatiya be and he is hereby elected and appointed Director of the Company."

Ordinary Resolution No. 2: "Resolved that pursuant to the relevant provisions of the Companies' Act 1956 including Sections 257 and 258 Shri Jayantilal Gangadas Dalal be and he is hereby elected and appointed Director of the Company."

6. To consider and confirm the appointment of Sugar Trading Company as Selling Agents of the Company and to pass the following as a Special Resolution with or without amendments as required under Section 294 of the Companies' Act 1956.

Special Resolution No. 3: "RESOLVED that the appointment of Messrs. Sugar Trading Company as Selling Agents for sale of sugar manufactured by the Company for the States of Bombay and all the Southern States, viz. Kerala, Mysore, Madras and Andhra on an overriding commission of 1½ per cent. is hereby confirmed and FURTHER RESOLVED that the Selling Agents shall deposit with the Company Rs. 25,000/- (Rupees twenty-five thousand only) bearing an interest at 6 (six) per cent per annum during the continuity of the Selling Agency and FURTHER RESOLVED that the Managing Agents are authorised to enter into an agreement for Selling Agency with Messrs. Sugar Trading Company for a period of one year commencing from 1st January 1959."

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.

ANNEXURE TO THE NOTICE.

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

Item 3: Shri S. K. Somaiya retires from his office as Director of the Company, but offers himself for re-election. Special notice of the Special Resolution set out in item 3 has been received by the Company. The 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.

Special Resolution No. 2: 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 Limited), Messrs. Shantilal Karmashi 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, foodgrains, etc. is sold. They remit these collections 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 in 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.

Special Resolution No. 3: Messrs. Sugar Trading Company is a partnership firm and none of the partners are associates of the Managing Agents. Each partner individually and the firm as a whole are experienced and highly qualified in sugar trading. In order that the sugar manufactured by your Company be sold at competitive rates and in an organised fashion your Directors think that the appointment of Selling Agents is quite essential. The said Sugar Trading Company has approached your Company with a request to appoint them as such and the Board has thought it fit to enter into an agreement subject to your approval as required under Section 294 of the Companies' Act 1956. The draft agreement will be available for inspection at the Registered Office of the Company during week days between 10-30 A.M. and 1 P.M.

Ordinary Resolutions 1 and 2: Shri Chandansinha Bharkatiya and Shri Jayantilal Gangadas Dalal were appointed Additional Directors by the Board in June 1958. Under the provision of Section 260 of the Companies' Act 1956 and of Article 84 of the Company's Articles of Association they would hold office only upto the date of the next Annual General Meeting, namely 31st March 1959. The Board considers it desirable that the Company should continue to avail itself of their services. The Ordinary Resolutions 1 and 2 are commended for acceptance.

Notices regarding the above Ordinary Resolutions proposing Shri Chandansinha Bharkatiya and Shri Jayantilal Gangadas Dalal for appointment to the office of Director at the ensuing Annual General Meeting have been given to the Company as provided by Section 257 of the Companies' Act 1956.

The Transfer Books of the Company will be closed from 17th March 1959 to 31st March 1959 both days inclusive.

By Order of the Board of Directors
K. J. SOMAIYA & SONS PRIVATE LIMITED

K. J. SOMAIYA
Director.
Managing Agents.

Bombay: Dated 5th March, 1959

N.B.—The Board of Directors has in the meeting held on 22nd December 1958 declared an interim dividend on Preference Shares at the rate of 5½ per cent. free of Income-tax and paid to those shareholders whose names stood on the Company's register on 22nd December 1958.

The dividend on Ordinary Shares when declared will be made payable at the Registered Office of the Company on and after 6th April 1959. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on 31st March 1959.

THE GODAVARI SUGAR MILLS LIMITED BOMBAY.

DIRECTORS' REPORT.

To

The Shareholders,
The Godavari Sugar Mills Limited,
Bombay.

Gentlemen,

Your Directors beg to submit the Annual Report together with Balance Sheet for the year ended 31st May 1958.

The Profit and Loss Account for the year under review shows a profit of Rs. 12,04,691/- after providing for depreciation and taxation of Rs. 11,48,529/- and Rs. 10,00,000/- respectively. This year's profit together with the balance of Rs. 2,41,477/- brought forward from the last year's accounts amounts to Rs. 14,46,162/- which together with the amount of Rs. 1,46,498/- of excess provisions written back comes to Rs. 15,92,660/-. Out of this after adjustment of expenses for the previous year amounting to Rs. 1,600/- and reimbursement of loss of Rs. 1,86,161/- of Messrs. Narmada Farms Private Limited, a Subsidiary Company, a net sum of Rs. 14,04,899/- remains to be appropriated.

Your Directors recommend appropriation as follows:—

| | Rs. |
|---|--------------------|
| 1. Interim and Final dividend on Preference Shares at 5½% free of income-tax | 1,01,802/- |
| 2. Proposed dividend on Ordinary shares at Rs. 12.50nP per share free of income-tax | 5,00,000/- |
| 3. Transfer to General Reserve | 2,00,000/- |
| 4. Transfer to Reserve for gratuity | 25,000/- |
| 5. Transfer to Development Rebate reserve | 4,39,223/- |
| 6. Balance carried forward to Balance sheet | 1,38,874/- |
| Grand Total | 14,04,899/- |

You are requested to approve Rs. 5,08,715/- by way of charity and donations as under: The amount includes Rs. 5,00,000 - 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.

| | Rs. |
|--|-------------------|
| 1. The Somaiya Trust | 5,00,000/- |
| 2. Remand home | 1,752/- |
| 3. Bombay University Freedom Movement Memorial Committee | 1,000/- |
| 4. Way Conference Finance Committee | 1,000/- |
| 5. Kopergaon Taluka Congress Committee | 501/- |
| 6. Sundries | 4,462/- |
| Total | 5,08,715/- |

Releases of sugar have continued to be controlled by the Central Government and we carried a huge stock of sugar in the year under review.

The Distillery could work only intermittently. Movement of denatured spirit, as usual, was governed by the rigid excise and other restrictions resulting in accumulation of stock.

Crops for the year under review are satisfactory. Cane crop available for the crushing season 1958-59 is about 2862 acres.

The working of your two factories has been satisfactory. Your Directors are glad to inform you that during the year under report substantial additions were made to the plant at your Lakshmiwadi factory. It could therefore start crushing only during January 1958. In spite of this the cane crushing at the factories was satisfactory. As usual this year also we have purchased large quantity of sugarcane from outside.

Your Directors are glad to inform you that a licence for installing an Acetic Acid Plant has been granted by the Central Government and an order has been placed with a foreign firm for the same. Your Directors expect that the plant will go into operation by January 1960.

During the year there was a maximum debit balance of Rs. 4,00,219/- to the account of the Managing Agents, while at the close of the year there is a credit balance of Rs. 4,32,342/-. The said debit balance was reported by the Auditors in previous years as in contravention of sections 295 and 369 of the Companies' Act 1956. As explained in the addendum to the Directors' Report on 31st March 1958 the position of this debit balance has been only for a short period and the debit balance has since been converted to a credit balance.

There was a debit balance of Rs. 84,946/- to the current account of Messrs. Shantilal Karamshi, Proprietor Shri K. J. Somaiya, an associate of the Managing Agents, who is a Director of the Company and also a Director of the Managing Agents' Company. It has been transferred to the current account of Messrs. Arpit Limited, an associate of the Managing Agents. At the close of the year there is no balance to the said account and the said account has been closed since November 1957, which according to the Auditors as reported by them in previous years amounts to loan. As explained in the addendum to the Directors' Report on 31st March 1958 this amount is not in the nature of loan but in the nature of services rendered and is not in contravention of Sections 295 and 361 of the Companies' Act 1956. The said account has been closed since November 1957.

Sale Certificate in the name of the Company in the case of Mahableshtar property has since been received.

The Statements of accounts of Narmada Farms Private Limited and the Godavari Investment & Finance Corporation Private Limited together with the reports of the Directors and Auditors are enclosed herewith.

Losses suffered by Narmada Farms Private Limited of Rs. 1,86,161/- upto 31st May 1957 have been reimbursed by the Company. The loss suffered by the Godavari Investment and Finance Corporation Private Limited and the loss for the year under review of Narmada Farms Private Limited have not been provided for in the accounts of your Company.

Your Directors had elected Shri Chandansinha Bharkatiya and Shri Jayantilal Gangadas Dalal as additional Directors on the Board of your Company and they retire under Section 260. They are eligible for re-election and offer themselves for the same.

Shri S. K. Somaiya retires by rotation and offers himself for re-election. He being a Director of Messrs. K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company, can be appointed only by means of a Special Resolution under Section 261 of the Companies' Act 1956.

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

Yours faithfully,
By Order of the Board of Directors,

Bombay: Dated 5th March, 1959.

K. J. SOMAIYA
Chairman.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the annexed Balance Sheet of The Godavari Sugar Mills Limited as on 31st May, 1958 and also the Profit and Loss Account of the Company for the year ended on that date, attached thereto 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 those Books of Account and proper returns adequate for the purpose of our audit has been received from Sakarwadi and Lakshmiwadi
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 explanations 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, 1958, and
 - (b) in the case of Profit and Loss Account of the profit for the year ended on that date.
5. The allocation of the capital expenditure from Stores Account which is being debited for all purchases has been accepted as certified by the Managing Agents.

NANUBHAI & CO.

Chartered Accountants.

Bombay: Dated the 5th March, 1959.

STATEMENTS

OF

ACCOUNTS

THE GODAVARI SUGAR

Balance Sheet as at

| As at 31-5-1957 Rs. | LIABILITIES | Rs. | Rs. |
|---------------------------|---|-----------|-------------|
| | Share Capital:— | | |
| | Authorised Capital: | | |
| 80,00,000 | 80,000 Ordinary (Equity) Shares of Rs. 100/- each .. | 80,00,000 | |
| | 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 1952 after giving three months' notice of the intention to so redeem the same. | | |
| 20,00,000 | | 20,00,000 | 100,00,000 |
| 1,00,00,000 | | | |
| | Subscribed Capital: | | |
| 10,00,000 | 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 | | 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 | | 18,50,950 | 58,50,950 |
| 58,50,950 | | | |
| | Reserves and Surplus: | | |
| 30,567 | Capital Reserve not available for dividend: | | |
| 4,180 | As per last Balance Sheet 34,747 | | |
| 34,747 | Add: Adjustment of Profit on sale of Capital Assets .. | 34,747 | |
| | Redeemable Preference Shares Redemption Reserve: | | |
| 15,00,000 | As per last Balance Sheet | 15,00,000 | |
| | General Reserve: | | |
| 22,26,260 | As per last Balance Sheet 34,26,260 | | |
| 12,00,000 | Add: Set aside from 1957-58 profits .. 2,00,000 | 36,26,260 | |
| 34,26,260 | | | |
| 6,00,000 | Housing Reserve as per last Balance Sheet | 6,00,000 | |
| | Reserve for Gratuity: | | |
| | Set aside from 1957-58 profits | 25,000 | |
| 25,921 | Reserve for Doubtful Debts: | | |
| | As per last Balance Sheet | 25,921 | |
| | Development Rebate Reserve: | | |
| 1,51,550 | As per last Balance Sheet 2,73,933 | | |
| 1,22,383 | Development Rebate this year 4,39,223 | 7,13,156 | |
| 2,73,933 | | | |
| | Profit & Loss Account: | | |
| 2,41,477 | Balance as per Profit & Loss Account annexed .. | 1,38,874 | 66,63,958 |
| 61,02,338 | | | |
| 1,19,53,288 | Carried Forward .. | | 1,25,14,908 |

MILLS LIMITED, BOMBAY.

31st May 1958

| As at 31-5-1957 Rs. | ASSETS | Rs. | Rs. |
|---------------------------|--|-------------|-----------|
| | Fixed Assets: | | |
| 1,80,51,136 | Gross Block: (At cost or Book value) | 2,04,29,348 | |
| 1,10,50,481 | Less: Depreciation written off to 31st May 1958 | 1,22,25,303 | |
| | Nett Depreciated Block: | | |
| 70,00,655 | As per Schedule "A" attached | | 82,04,045 |
| | Investments (At Cost): | | |
| | TRADE INVESTMENTS | | |
| | Shares of subsidiary Companies | | |
| 12,95,000 | 1299 Ordinary (Equity) Shares of Rs. 1,000/- each of Narmada Farms Private Ltd. fully paid up Rs. 12,99,000 | | |
| | 2000 Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Private Ltd., of Rs. 50/- each paid up 1,00,000 | 13,99,000 | |
| 1,00,000 | | | |
| 13,95,000 | | | |
| | Other Investments: | | |
| 78 | One Ordinary Share of Bombay State Co-Operative Bank Ltd. of Rs. 50/- each fully paid up | 78 | |
| | Cost Market value | | |
| | Aggregate quoted investments — — | | |
| | Aggregate unquoted investments 13,99,078 — | | |
| | 13,99,078 — | | |
| | Immovable Properties: | | |
| 51,000 | Property at Mahabaleshwar | 51,000 | |
| 14,46,078 | | | 14,50,078 |
| | Current Assets: | | |
| | Stores, Chemicals and Spares (as per Inventories valued and certified by Managing Agents) | | |
| 31,14,827 | On hand (Including Machineries Rs. 3,50,995) 35,48,063 | | |
| 39,881 | In transit 1,15,055 | 36,63,123 | |
| 31,54,708 | | | |
| | Loose Tools and Implements (as per inventories valued and certified by Managing Agents) | 28,262 | |
| 30,065 | | | |
| 31,84,773 | | | |
| | Stock-in-trade (as per inventories valued and certified by Managing Agents) | | |
| 84,46,733 | Carried Forward | 36,91,385 | 96,54,123 |

THE GODAVARI SUGAR

Balance Sheet as at

| As at 31-5-1957 Rs. | | Rs. | Rs. |
|---------------------------|--|-------------|------------|
| 119,53,288 | Brought forward .. | | 125,14,908 |
| | Secured Loans: | | |
| 60,00,000 | Cash Credit Account with Bank against hypothecation of all tangible moveable assets of the Company including stock of sugar, fully guaranteed by the Managing Agents and two Directors | 59,62,691 | |
| 18,75,000 | 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. | 16,75,000 | 76,37,691 |
| 78,75,000 | | | |
| | Unsecured Loans: | | |
| 2,05,000 | From Bank | 1,75,000 | |
| 6,53,435 | From Others | 8,73,247 | |
| | On Current Account: | | |
| 1,37,339 | From Managing Agents | 4,32,342 | |
| 1,14,906 | From Selling Agents | 88,078 | 15,68,667 |
| 11,10,680 | | | |
| | Current Liabilities and Provisions: | | |
| 1,06,60,335 | Sundry Creditors | 1,13,76,582 | |
| 82,515 | Interest accrued on secured loans | 1,06,138 | |
| 77,690 | Interest accrued on unsecured loans | 44,469 | |
| 28,27,553 | For taxation | 27,89,320 | |
| 50,000 | Security Deposit from Selling Agents | 50,000 | |
| 4,34,460 | Managing Agency Commission | 1,91,578 | |
| 2,66,240 | Selling Agency Commission | 2,52,434 | |
| 5,746 | Unclaimed Dividends | 4,964 | |
| 2,750 | Unclaimed Redemption money | 2,750 | |
| 1,03,956 | Due to Trustees to Staff Provident Fund (since invested and investments handed over to the Trustees) .. | 95,287 | |
| 1,45,11,245 | | 1,49,13,522 | |
| 21,88,385 | Provision for Taxation: | 14,85,290 | |
| 2,00,000 | Provision for Bonus: | 4,50,000 | |
| 5,01,802 | Proposed Dividends | 6,01,802 | 174,50,614 |
| 174,01,432 | | | |
| 383,40,400 | Carried forward .. | | 391,71,880 |

MILLS LIMITED, BOMBAY.

31st May, 1958.

| As at 31-5-1957 | ASSETS | Rs. | Rs. |
|--------------------|--|------------|-------------|
| | | | |
| Rs. 84,46,733 | Brought forward .. | 36,91,385 | 96,54,123 |
| 31,84,773 | Sugar at market rate and contract rate .. 1,96,83,661 | | |
| 1,90,67,993 | Denatured Spirit at market rate 63,323 | | |
| 65,734 | Grains, Cotton etc. at market rate .. 1,75,365 | 199,22,349 | |
| 2,50,745 | Crops in progress (at cost) including tillages, prepara- tion of land, irrigation charges, etc. as valued and certified by Managing Agents | 32,37,654 | |
| 1,93,84,472 | | | |
| 38,27,748 | | | |
| | Sundry Debtors: | | |
| 7,77,374 | Unsecured considered good | 2,02,211 | 270,53,599 |
| 2,71,74,367 | | | |
| | Loans and Advances: | | |
| | Unsecured, considered good | | |
| 34,781 | Loans to others | 31,733 | |
| | Loans to subsidiary Companies of which the Company is holding Company | | |
| 4,91,275 | (a) Narmada Farms Private Ltd. .. 4,05,080 | | |
| 9,69,253 | (b) Godavari Investment & Finance Corporation Private Ltd. .. 8,01,144 | 12,06,224 | |
| 14,60,528 | | | |
| | Partnership Firms: | | |
| | (a) Khanapur Farm: | | |
| | Advances inclusive of rent, and mate- rials supplied as at 31-5-58 .. 37,557 | | |
| 1,44,163 | Add: $\frac{1}{4}$ th share of profit for the year 23,175 | 60,732 | |
| | (b) Lakh Farm: | | |
| | Advances inclusive of rent, & materials supplied as at 31-5-58 .. 2,31,289 | | |
| 1,91,447 | Add: $\frac{1}{4}$ th share of profit for the year .. 11,680 | 2,42,969 | |
| 3,35,610 | | | |
| 7,15,241 | Advances recoverable in cash or kind or for value to be received | 6,04,182 | |
| 40,811 | Deposits with Irrigation Department, Railways and others | 61,961 | |
| | (i) Sundry Debtors:—outstanding for more than three months, considered good | 42,541 | |
| 25,86,971 | | | |
| | | | |
| 3,56,21,100 | Carried forward .. | 22,50,342 | 3,67,07,722 |

THE GODAVARI SUGAR

Balance Sheet as at

| As at 31-5-1957 Rs. | Brought Forward ... | Rs. | Rs. |
|---------------------------|--|----------|-------------|
| 383,40,400 | | | 391,71,880 |
| | Contingent Liabilities (Not provided for): | | |
| 50,000 | (i) (a) In respect of lands for which suits are pending in Courts | 50,000 | |
| 10,000 | (b) In respect of legal expenses on above | 10,000 | |
| | (ii) Uncalled liability on shares partly paid held as investment of Godavari Investment & Finance Corporation, Private Ltd. as subsidiary of the Company | | |
| 1,00,000 | | 1,00,000 | |
| | (iii) In respect of losses of the subsidiary Companies | | |
| | (a) Narmada Farms Private Ltd. as at 31st May 1958. Miscellaneous expenditure and Losses Rs. 1,33,094, subject to provision for Depreciation (normal) Rs. 2,92,006 | 1,33,094 | |
| 2,24,142 | | | |
| | (b) Godavari Investment & Finance Corporation Private Ltd. Miscellaneous Expenditure and Losses as at 31st May 1958, Rs. 71,219 | 71,219 | |
| 48,761 | | | |
| 15,00,000 | (iv) In respect of Purchase Commitments including for capital purchases about | 5,00,000 | |
| | (v) In respect of the present Liability for future payment of gratuity unascertained | | |
| 3,83,40,400 | TOTAL RUPEES .. | | 3,91,71,880 |

MILLS LIMITED, BOMBAY.

31st May 1958

| As at 31-5-57. | | Rs. | Rs. |
|--|--|-----------|-------------|
| | | | |
| Rs. | | | |
| 3,56,21,100 | Brought forward .. | 22,50,342 | 3,67,07,722 |
| 25,86,971 | | | |
| | (ii) Unsecured, considered doubtful: | | |
| 35,106 | (a) Claims from Railways and others ... | 29,462 | |
| 7,389 | (b) Sundry Debtors outstanding for more than three months | 20,201 | |
| 44,303 | (c) Loans unsecured considered doubtful | 44,303 | |
| 86,798 | | 93,966 | |
| 86,798 | Less: Provision for doubtful debts .. | 93,966 | |
| — | | | |
| 25,86,971 | | | 22,50,342 |
| NOTE:— The maximum amount due at any time during the year were | | | |
| (i) Due by Managing Agents on Current Account Rs. 4,00,219 (Credit balance as at 31st May 1958 Rs. 4,32,342) | | | |
| (ii) Due on current account for realisation of sugar and grain sales, on behalf of the Company by a firm of which a Director is proprietor (an Asso- ciate of the Managing Agents, who is also a Director of Managing Agents Company) Rs. 84,946 | | | |
| Credit balance of Rs. 157 as at 31st May 1958 trans- ferred to the Managing Agents' Current Account .. | | | |
| Cash and Bank Balances: | | | |
| 1,05,024 | Cash on hand at Bombay and at Factories | 1,02,541 | |
| 21,573 | In current account with Banks | 51,443 | |
| 5,580 | Drafts and Hundies on hand (since realised) | 59,738 | |
| 152 | Stamps on hand | 94 | |
| 1,32,329 | | | 2,13,816 |
| | | | |
| 3,83,40,400 | TOTAL RUPEES .. | | 3,91,71,880 |

THE GODAVARI SUGAR

Balance Sheet as at

-
- NOTE:—(1) Provision for Taxation made in the Accounts is subject to completion of pending assessments from 1954-55 onwards.
- (2) No inventories are taken of obsolete and unserviceable stores and spares and other obsolete and unserviceable goods and molasses, value whereof not ascertained.
- (3) The Company has entered into partnership with other persons who are working partners in respect of working of Khanapur and Lakh Farms owned by the Company. Amount due shown in respect of both partnerships are in respect of advances including rent and materials supplied recoverable from the said firms wherein Company has one-fourth share, which is represented by nett assets in the nature of Fixed Assets, crop in progress, stock of grains and stores and sundry assets. Liabilities and Assets of the said firms to the extent of Company's share are in the Books of Accounts of the firms. Profit or loss for the year has been incorporated in Company's accounts as per the statements certified by the partners. During the year materials of the value of Rs. 1,90,151 at cost, have been supplied to the said firms.
- (4) No provision has been made for about Rs. 3,00,000 in respect of land for which suit filed by the claimant decided against the Company by the High Court, as the appeal of the Company is pending before the Supreme Court.
- (5) Managing Agents' and General Manager's Commission on Profits have been calculated after taking into account Development rebate allowable under the Income-tax Act.
- (6) Reference is invited to Paras 4, 10, 11 and 12 of the Directors' Report.

Referred to in our Report of even date attached hereto.

Bombay,
Dated: 5th March, 1959.

NANUBHAI & CO.
Chartered Accountants.

MILLS LIMITED, BOMBAY.

31st May, 1958.

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

(1) RE: NARMADA FARMS PRIVATE LIMITED:

- (i) The Godavari Sugar Mills Ltd. holds 1299 shares of Rs. 1,000 each fully paid up Rs. 12,99,000 in Narmada Farms Private Limited.
- (ii) Narmada Farms Private Limited made a loss of Rs. 1,33,094 for the year ended 31st May 1958, without providing for depreciation of Rs. 2,92,006.
The loss of the Company upto 31-5-57 amounting to Rs. 1,86,161 has been reimbursed by the Company.
- (iii) Advances: The amount advanced to the Narmada Farms Private Limited as at 31st May 1958 stands at Rs. 4,05,080.

(2) RE: GODAVARI INVESTMENT AND FINANCE CORPORATION PRIVATE LIMITED.

- (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 and Finance Corporation Private Limited as at 31st May 1958.
- (ii) Godavari Investment and Finance Corporation Private Limited made a loss of Rs. 22,458 for the year ended 31st May 1958. The total loss including that of previous years comes to Rs. 71,219. 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 Ltd. in respect of the said loss of the subsidiary Company.
- (iii) Advances: The amount advanced to Godavari Investment & Finance Corporation Private Limited as at 31st May 1958 stands at Rs. 8,01,144.

In the opinion of the Board the current assets and liabilities 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.

Managing Agents:

For K. J. SOMAIYA & SONS PRIVATE LTD.,

K. J. Somaiya,
Director.

For and on behalf of the Board of Directors

K. J. SOMAIYA
Chairman (Ex-officio)

N. K. FIRADIA

S. K. SOMAIYA

JAYANTILAL GANGADAS DALAL

CHANDANSINHA BHARKATTIYA

} Directors.

Bombay: Dated 5th March, 1959

Profit & Loss Account

16

THE GODAVARI SUGAR

Profit & Loss Account

| As at 31-5-1957 Rs. | | Rs. | Rs. |
|---------------------------|--|-------------|-------------|
| | To Opening Stock on 1st June 1957: | | |
| 1,57,13,072 | „ Sugar | 1,90,67,993 | |
| 1,12,142 | „ Molasses | — | |
| — | „ Denatured Spirit | 65,734 | 1,91,33,727 |
| 1,58,25,214 | | | |
| | Agricultural Department: | | |
| 40,14,158 | „ Crops in progress as at 31st May 1957 | 38,27,748 | |
| 16,61,458 | „ Salaries and wages | 18,17,467 | |
| 12,931 | „ Provision for accrued leave salaries & wages | 15,101 | |
| 41,653 | „ Provision under Wage Scale Agreement | — | |
| 80,000 | „ Provision for Bonus | 1,00,000 | |
| 23,158 | „ Contribution to Provident Fund of the Company | 31,262 | |
| 447 | „ Workmen & Staff Welfare expenses | 649 | |
| 490 | „ Workmen's Compensation | 166 | |
| 23,03,482 | „ Stores inclusive of manures | 24,27,891 | |
| 47,500 | „ Repairs & Renewals including Salaries & Wages Rs. 48,339 | 75,256 | |
| 1,96,745 | „ Land Rent | 3,39,215 | |
| 6,41,033 | „ Irrigation Rates and Taxes | 6,65,810 | |
| 23,987 | „ Drainage | 17,911 | |
| | „ Miscellaneous expenses, printing and stationery, post- ages and telegrams, travelling and legal charges, including harvesting and carting commission Rs. 36,473 | 85,484 | |
| 1,08,740 | | | |
| 1,98,688 | „ Depreciation | 1,77,147 | |
| 14,443 | „ Premium on Leasehold land written off | 14,443 | |
| 12,100 | „ Live Stock written off | 6,850 | |
| 93,81,013 | | 96,02,400 | |
| 38,27,748 | „ Less: Crops in progress as at 31st May 1958 | 32,37,654 | |
| 55,53,265 | | 63,64,746 | |
| 3,28,116 | „ Transportation of Cane | 3,40,272 | |
| 43,37,465 | „ Locally purchased cane | 46,47,977 | |
| 1,02,18,846 | | | 1,13,52,995 |
| | | | |
| 2,60,44,060 | Carried Forward .. | | 3,04,86,722 |

MILLS LIMITED, BOMBAY.

for the year ended 31st May 1958

| As at 31-5-1957 | | | Rs. | Rs. |
|--------------------|---|--------|-------------|-------------|
| Rs. | By Sales: | | | |
| 2,36,65,773 | „ Sugar | | 2,97,48,656 | |
| 7,954 | „ Molasses | | 12,038 | |
| 2,36,73,727 | „ Denatured Spirit | | 1,38,633 | 2,98,99,327 |
| 66,789 | „ Sundry Receipts from Flour Mills, Dairy etc. .. | | | 1,10,395 |
| 5,000 | „ Supervision charges from a subsidiary Company .. | | | 5,000 |
| | „ Sundry Receipts being market value of Farm Produce, etc. including Profit on Sale of Cotton Rs. 825 and loss on Grains Rs. 13,379 | | | 2,82,925 |
| 3,46,831 | „ Income from Khanapur & Lakh Farms in Partnership: | | | |
| — | (a) Khanapur Farms | | | |
| 4,500 | „ Rent | 4,500 | | |
| 5,191 | „ Interest | | | |
| 1,078 | „ $\frac{1}{4}$ th share of profit for the year | 23,175 | | |
| 10,769 | | | 27,675 | |
| | (b) Lakh Farms: | | | |
| 4,500 | „ Rent | 4,500 | | |
| 5,552 | „ Interest | | | |
| 10,052 | | | | |
| — 6,316 | „ Add: $\frac{1}{4}$ th share of profit for the year | 11,680 | 16,180 | 43,855 |
| 3,736 | | | | |
| 14,505 | | | | |
| 3 | „ Dividend on Co-operative Bank share | | | 3 |
| 45 | „ Share Transfer & Splitting fees | | | 48 |
| | „ Interest: | | | |
| 342 | „ On Bank Accounts | | 517 | |
| 70 | „ On 18-A payments | | | |
| 4,720 | „ On Loans and Others | | 11,461 | |
| 61,371 | „ From Subsidiaries | | 73,802 | |
| 10,583 | „ From Lessors | | 6,351 | 92,131 |
| 77,086 | | | | |
| 1,500 | „ Income from Immovable Property | | | 1,500 |
| | | | | |
| 2,41,85,486 | Carried Forward .. | | | 304,35,184 |

THE GODAVARI SUGAR

Profit & Loss Account

| As at 31-5-1957 Rs. | | Rs. | Rs. |
|---------------------------|---|-----------|-------------|
| 2,60,44,060 | Brought Forward .. | | 3,04,86,722 |
| 10,75,799 | To Salaries and Wages (including Rs. 17,399 Commission on profits in addition to salary to General Manager at Factories, who is also Superintending Engineer) after deducting Rs. 235,739 charged to Repairs .. | 15,31,997 | |
| 27,403 | „ Provision for accrued leave salaries and wages .. | 39,122 | |
| 96,629 | „ Provision under Wage Scale Agreement | — | |
| | „ Bonus to employees | 12,201 | |
| 1,20,000 | „ Provision for Bonus | 1,50,000 | |
| 22,464 | „ Contribution to Provident Fund of the Company .. | 25,101 | |
| 35,462 | „ Contribution to Government Provident Fund and Administrative charges | 55,893 | |
| 55,435 | „ Workmen and Staff Welfare expenses | 64,564 | |
| 3,846 | „ Workmen's Compensation | 506 | 18,79,384 |
| 14,37,038 | | | |
| 5,14,780 | „ Stores, Chemicals and Spare parts (after deducting Rs. 53,50,031 charged to Agriculture, Capital, Repairs and other relevant heads, includes net shortage of Rs. 8,426 between the physical and book inventories) | | 8,49,691 |
| 4,03,144 | „ Power and Fuel | | 5,78,171 |
| 4,36,948 | „ Repairs to Plant and Machinery inclusive of salaries and wages Rs. 2,17,907 | 4,09,246 | |
| 1,41,031 | „ Repairs to Buildings inclusive of salaries and wages Rs. 47,095 | 1,01,421 | |
| 37,623 | „ Other repairs inclusive of salaries and wages Rs. 20,881 | 29,343 | 5,40,010 |
| 6,15,602 | | | |
| 12,71,723 | „ Sugar Cane Cess | | 12,99,221 |
| 56,09,873 | „ Excise Duty | | 87,94,027 |
| 42,759 | „ Insurance Premium | | 49,694 |
| 4,70,133 | „ Packing and Forwarding | | 4,68,576 |
| 6,522 | „ Rent (net) (received Rs. 1,200/-) | | 6,946 |
| 63,060 | „ Rates and Taxes | | 70,601 |
| 3,64,78,694 | | | |
| | Carried Forward .. | | 4,50,23,043 |

for the year ended 31st May 1958.

19

THE GODAVARI SUGAR

Profit & Loss Account

| As at 31-5-1957 | | Rs. | Rs. |
|--------------------|---|----------|-------------|
| Rs. 3,64,78,694 | Brought oForward ... | | 450,23,043 |
| 2,66,240 | To Selling Agents' Commission on sugar (upto 28-2-58). | | 2,52,435 |
| 9,386 | „ Brokerage on Sugar and Molasses | | 9,377 |
| 3,38,600 | „ Miscellaneous Expenses including Printing and Stationery, Postage and Telegrams, Telephones and Travelling | | 3,55,913 |
| 92,823 | „ Motor cars and lorries maintenance | | 1,34,015 |
| 2,17,307 | „ Charity and Donations (Refer to Para 3 of Directors' Report page 4) | | 5,08,715 |
| | „ Interest:— | | |
| 1,537 | Managing Agents | 2,553 | |
| 2,73,371 | Cash Credit Account | 3,04,022 | |
| 1,24,985 | Fixed loans | 1,11,498 | |
| 81,698 | Other loans | 68,235 | 4,86,308 |
| 4,81,591 | | | |
| 1,800 | „ Directors' Fees (including Rs. 750 to members of Managing Agents as Directors) | | 1,500 |
| 6,246 | „ Directors' and Managing Agents Travelling Expenses | | 9,433 |
| 4,34,460 | „ Managing Agents' Remuneration: Commission on profits subject to adjustments that may have to be made in respect of Bonus and other provisions if any | | 1,91,578 |
| 3,000 | „ Audit Fees | | 4,000 |
| 21,022 | „ Legal Expenses | | 14,431 |
| 7,30,726 | „ Depreciation | | 9,71,382 |
| 2,724 | „ Loose Tools and Implements written off | | 1,803 |
| 16,00,000 | „ Provision for Taxation | | 10,00,000 |
| 57,288 | „ Provision for Doubtful Debts | | 7,167 |
| 5,183 | „ Bad Debts written off | | 1,377 |
| 1,303 | „ Cash stolen from employees written off Goodwill written off | | 5,000 |
| 25,70,820 | „ Balance being profit for the year | | 12,04,691 |
| 4,33,19,213 | TOTAL RUPEES .. | | 5,01,82,168 |

for the year ended 31st May, 1958.

21

Profit & Loss Account

Referred to in our Report of even date attached hereto.

NANUBHAI & CO.
Chartered Accountants.

MILLS LIMITED, BOMBAY.

for year ended 31st May, 1958.

| As at 31-5-1957 | | Rs. | Rs. |
|--------------------|---|--------|-----------|
| Rs. | | | |
| 33,141 | By Balance brought forward from last year's Balance Sheet | | 2,41,471 |
| — | „ Items pertaining to previous year: | | |
| | Unclaimed Salaries, Wages and Bonus written back: | | |
| 1,740 | Factory | 4,408 | |
| 2,351 | Agriculture | 3,808 | 8,216 |
| 4,091 | | | |
| 1,00,000 | „ Excess Provision for Bonus | — | |
| 1,04,091 | „ Excess Provision for Wage scale adjustment | | |
| | Factory | 96,629 | |
| | Agriculture | 41,653 | 1,38,282 |
| 25,70,820 | „ Balance brought down | | 1,46,498 |
| | | | 12,04,691 |
| 27,08,052 | TOTAL RUPEES .. | | 15,92,660 |

For and on behalf of the Board of Directors.

Managing Agents:
For K. J. SOMAIYA & SONS PRIVATE LTD.,

K. J. Somaiya,
Director

Bombay: Dated 5th March, 1959

K. J. SOMAIYA
Chairman (Ex-officio)

N. K. FIRADIA
S. K. SOMAIYA

JAYANTILAL GANGADAS DALAL
CHANDANSINHA BHARKATIYA

Directors.

THE GODAVARI SUGAR

Schedule A

Schedule attached to and forming part of the

| PARTICULARS | BLOCK | | | | |
|---|-----------------------------------|---------------------------------|--------------------|------------------|---|
| | Gross Block as at 31-5-1957 | Additions during the year | Sub- Total | Cost of Sales | Insurance claims not ad- justed to cost |
| 1 | 2 | 3 | 4 | 5 | 6 |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Goodwill .. | | 5,000 | 5,000 | | |
| Free-hold Land .. | 12,09,461 | 3,703 | 12,13,164 | | |
| Lease-hold Land Premium .. | 2,88,850 | | 2,88,850 | | |
| Lease-hold Premium on Garages .. | 12,000 | | 12,000 | | |
| Buildings .. | 28,84,004 | 4,41,904 | 33,25,908 | | 11,164 |
| Temporary Quarters .. | 2,12,512 | | 2,12,512 | | |
| Temporary Quarters at Farms .. | 96,988 | | 96,988 | | |
| Pucca Quarters at Farms <i>Factory</i> .. | 77,443 | 26,637 | 1,04,080 | | |
| General Machinery .. | 74,68,828 | 16,82,318 | 91,51,146 | | |
| Electrical Machinery .. | 7,10,854 | 47,178 | 7,58,032 | | |
| Agricultural Machinery .. | 23,15,101 | 6,593 | 23,21,694 | | |
| Locomotives .. | 92,974 | | 92,974 | | |
| Electrical Installations & Fit- tings .. | 46,282 | | 46,282 | | |
| Furniture & Office Equipment .. | 2,00,093 | 92,299 | 2,92,392 | 375* | |
| Weighbridges .. | 71,475 | | 71,475 | | |
| Trolley Line .. | 6,02,750 | | 6,02,750 | | |
| Assisted Railway Siding .. | 1,20,602 | | 1,20,602 | | |
| Motor Cars, Lorries & Cycles .. | 2,67,948 | 26,735 | 2,94,683 | | |
| Carts & Trucks .. | 3,33,977 | 12,119 | 3,46,096 | | |
| Laboratory Apparatus .. | 31,010 | 663 | 31,673 | | |
| Roads & Drainage .. | 3,65,573 | 34,952 | 4,00,525 | | |
| Dead Stock .. | 67,190 | | 67,190 | | |
| Library .. | 4,355 | 1,992 | 6,347 | | |
| Medical Instruments .. | 363 | | 363 | | |
| Irrigation Lifts .. | 5,25,197 | | 5,25,197 | | |
| Live Stock (at book value) .. | 62,281 | 7,658 | 69,939 | | |
| TOTAL RUPEES .. | 1,80,68,111 | 23,89,751 | 2,04,57,862 | 375 | 11,164 |

REMARKS: *Subject to adjustment of gain or loss.

NOTE: (1) Fixed assets other than Live-stock are at cost.

(2) No depreciation has been taken on free hold land.

MILLS LIMITED

Balance Sheet as at 31st May, 1958.

| DEPRECIATION | | | | | | | Net Depre- ciated Block as at 31-5-58 |
|--|----------------------------|-----------------------------------|---------------------------------|--------------------------------|---------------------|--|--|
| Sales to 31-5-57 subject to adjustment of gain or loss 7 | Deduction of sales 8 | Gross Block as at 31-5-58 9 | Written off to 31-5-57 10 | Written off this year 11 | Sub- Total 12 | Total depre- ciation as at 31-5-58 13 | 14 |
| Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| | | 5,000 | | 5,000 | 5,000 | 5,000 | 12,13,164 |
| | | 12,13,164 | | | | | 1,58,866 |
| | | 2,88,850 | 1,15,541 | 14,443 | 1,29,984 | 1,29,984 | 11,400 |
| | | 12,000 | 300 | 300 | 600 | 600 | 21,09,675 |
| | 11,164 | 33,14,744 | 10,89,662 | 1,15,407 | 12,05,069 | 12,05,069 | 37,844 |
| | | 2,12,512 | 1,71,600 | 3,068 | 1,74,668 | 1,74,668 | 16,022 |
| | | 96,988 | 79,667 | 1,299 | 80,966 | 80,966 | 90,270 |
| | | 1,04,080 | 11,495 | 2,315 | 13,810 | 13,810 | 27,03,422 |
| 10,000 | 10,000 | 91,41,146 | 57,06,901 | 7,30,823 | 64,37,724 | 64,37,724 | 92,382 |
| | | 7,58,032 | 6,34,393 | 31,257 | 6,65,650 | 6,65,650 | 7,69,128 |
| 4,500 | 4,500 | 23,17,194 | 14,12,337 | 1,35,729 | 15,48,066 | 15,48,066 | 27,023 |
| | | 92,974 | 59,480 | 6,471 | 65,951 | 65,951 | |
| | | 46,282 | 38,031 | 825 | 38,856 | 38,856 | 7,426 |
| | 375 | 2,92,017 | 49,490 | 14,574 | 64,064 | 64,064 | 2,27,953 |
| | | 71,475 | 59,885 | 2,655 | 62,540 | 62,540 | 8,935 |
| | | 6,02,750 | 4,31,836 | 17,091 | 4,48,927 | 4,48,927 | 1,53,823 |
| | | 1,20,602 | 62,918 | 5,768 | 68,686 | 68,686 | 51,916 |
| | | 2,94,683 | 1,92,553 | 35,778 | 2,28,331 | 2,28,331 | 66,352 |
| 2,475 | 2,475 | 3,43,621 | 2,14,800 | 9,141 | 2,23,941 | 2,23,941 | 1,19,680 |
| | | 31,673 | 15,866 | 1,843 | 17,709 | 17,709 | 13,964 |
| | | 4,00,525 | 1,29,105 | 27,142 | 1,56,247 | 1,56,247 | 2,44,278 |
| | | 67,190 | 38,670 | 1,711 | 40,381 | 40,381 | 26,809 |
| | | 6,347 | 1,654 | 281 | 1,935 | 1,935 | 4,412 |
| | | 363 | 263 | 7 | 270 | 270 | 93 |
| | | 5,25,197 | 5,10,064 | 5,044 | 5,15,108 | 5,15,108 | 10,089 |
| | | 69,939 | 23,970 | 6,850 | 30,820 | 30,820 | 39,119 |
| 16,975 | 28,514 | 2,04,29,348 | 110,50,481 | 11,74,822 | 122,25,303 | 122,25,303 | 82,04,045 |

Managing Agents
For K. J. Somaiya & Sons Pr. Ltd.

K. J. SOMAIYA
Director.

Bombay: Dated the 5th March, 1959.

For and on behalf of the Board of Directors

K. J. SOMAIYA,
Chairman (Ex-Officio)

N. K. FIRODIA,
S. K. SOMAIYA,

JAYANTILAL GANGADAS DALAL.
CHANDANSINHA BHARKATIYA

Directors

NARMADA FARMS PRIVATE LIMITED.

DIRECTORS' REPORT

The Shareholders,
Narmada Farms Private Ltd.,
BOMBAY.

Gentlemen:

The Directors have pleasure to submit herewith the third Annual Report and Audited Statement of Accounts of the Company for the year ending 31st May, 1958.

During the year under report the Company raised crops, such as Wheat, Gram, Cotton, etc. on the estates of the Company.

Your Directors expected a fairly good crop, as compared with the crops of the cultivators in the surrounding areas. But the ultimate results in agriculture depend mainly on the vagaries of nature and monsoon. There was no rainfall after sowing and in the following months as expected. There being no bund over river Kolar, the crops could not be irrigated, as the river ran shallow in the months of December and January following. So the bright prospects of harvest were marred and spoiled.

Your Directors therefore very much regret to inform you that during the year under review and report the Company has sustained a loss of Rs. 1,33,094 and the provision for depreciation remains yet to be made.

Your Directors are pleased to inform you that the Holding Company, The Godavari Sugar Mills Mills Ltd., have reimbursed the losses amounting to Rs. 1,86,161/- upto 31st May, 1957.

Efforts to get the lands transferred in the name of the Company were progressing during the year under report and your Directors hope that no difficulties will intervene and the lands will be transferred in the name of the Company in a very near future.

You have to appoint your 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 14th February, 1959.

NARMADA FARMS PRIVATE LIMITED.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the annexed Balance Sheet of Messrs. Narmada Farms Private Limited, as at 31st May, 1958 and also the Profit & Loss Account of the Company 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 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 read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st May, 1958;
 - (b) in the case of Profit & Loss Account of the loss for the year ended on that date.

NANUBHAI & CO.
Chartered Accountants.

Bombay: Dated the 18th February, 1959.

NARMADA FARMS PRIVATE

Balance Sheet as at

| As at 31-5-57 | LIABILITIES | | |
|------------------|---|--------|-----------|
| Rs. | | Rs. | Rs. |
| | Capital | | |
| | Authorised: | | |
| 25,00,000 | 2500 Ordinary (Equity) shares of Rs. 1,000/- each .. | | 25,00,000 |
| | Subscribed: | | |
| 12,99,000 | 1,299 Ordinary (Equity) shares of Rs. 1,000/- each fully paid up. (This includes 1,299 Ord. shares held by the Holding Company, M/s. The Godavari Sugar Mills Limited, and its nominees.) | | 12,99,000 |
| | Unsecured Loans: | | |
| 4,71,906 | Loan on current account from the Holding Company, M/s. The Godavari Sugar Mills Ltd., after reimbursement of loss of Rs. 1,86,161 upto 31-5-1957 | | 4,05,080 |
| | Current Liabilities & Provisions: | | |
| 1,02,724 | Sundry Creditors | 57,694 | |
| 19,370 | Interest accrued & accruing on Unsecured Loans | | |
| — | Due to Vendors | 955 | 58,649 |
| 18,93,000 | Carried Forward .. | | 17,62,729 |

LIMITED, BOMBAY.

31st May 1958.

| As at 31-5-57 | ASSETS | Rs. | Rs. |
|------------------|---|-----------|-----------|
| | Fixed Assets: | 14,30,954 | |
| | Gross Block (at cost or Book Value) | 1,131 | 14,29,823 |
| 14,12,612 | Less: Written off | | |
| 21,547 | Net Block as per Schedule "A" attached | | |
| 13,91,065 | | | |
| | Current Assets: | | |
| | Stores, Spare Parts, Oils & Lubricants as per inven- tories valued & certified by a Director | 59,989 | |
| 1,06,012 | Loose Tools as per inventories valued & certified by a Director | 772 | |
| 1,085 | Stock-in-trade (food grains, tobacco, cotton, etc.) at market value as per inventories valued & certified by a Director | 41,778 | |
| 75,581 | Grains and other seeds for sowing (at market value) as per inventories valued and certified by a Director .. | 16,336 | |
| 9,122 | Sundry Debtors Unsecured considered good | 760 | 1,19,633 |
| 16,787 | | | |
| | Loans & Advances: | | |
| | Unsecured considered good: | | |
| | (i) Advances recoverable in cash or in kind or for value to be received | 17,982 | |
| 32,096 | (ii) Sundry Debtors outstanding for more than three months | 17,356 | |
| 861 | (iii) Unsecured considered doubtful | | |
| | (a) Loan to others Rs. 27 | | |
| | (b) Sundry Debtors outstanding for more than three months Rs. 610 | | |
| | | Rs. 637 | |
| | Less: Provision for doubtful debts Rs. 637 | | |
| | Due from Vendors Narmada Farms Partnership (in which two Directors of the Company are partners) since received | | 35,338 |
| 31,773 | | | |
| | Cash & Bank Balances: | | |
| 1,261 | Cash on hand at H. O. & Farms | 12,207 | |
| 3,215 | In current account with Bank | 5,447 | 17,654 |
| 4,476 | | | |
| | Miscellaneous Expenditure & Losses: | | |
| | Land Development Expenses: | | |
| | Balance as per last Balance Sheet 55,448 | | |
| 31,892 | Less: Written off upto this year 17,467 | | |
| 17,467 | During the year 11,162 | 28,629 | |
| 14,425 | | 26,819 | |
| | | | |
| | Carried Forward | | 16,72,448 |
| 16,68,858 | | | |

NARMADA FARMS PRIVATE

Balance Sheet as at

| As at 31-5-57 Rs. | LIABILITIES | Rs. |
|-------------------------|--|-----------|
| 18,93,000 | Brought Forward | 17,62,729 |
| | <p>NOTE:— (i) No provision has been made for depreciation of fixed assets, other than land for Rs. 2,92,006/- inclusive of Rs. 1,90,500 of previous years.</p> <p>(ii) No provision has been made for agriculture and other income-tax which in the opinion of Directors is not liable for such taxes.</p> <p>(iii) Assignment and Conveyance Deed in respect of purchases of Narmada Farm Assets from the Vendors have not yet been executed.</p> | |
| 18,93,000 | TOTAL Rs. .. | 17,62,729 |

Referred to in our report of even date.

Bombay: Dated 18th February, 1959.

NANUBHAI & CO.
Chartered Accountants.

31st May, 1958

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 }
R. S. KOTAK } *Directors*
S. K. SOMAIYA }

31

NARMADA FARMS PRIVATE

Profit & Loss Account for the

| As at 31-5-57 | | | Rs. | Rs. |
|------------------|--|--------------|--------|----------|
| Rs. | | | | |
| 7,701 | To Opening Stock as on 1st June 1957: | | | |
| | Grains & Other seeds for sowing | | 9,122 | |
| 45,275 | Produce by the Company food grains, tobacco, cotton, etc. | | 75,581 | 84,703 |
| 52,976 | | | | |
| | " Purchases:— | | | |
| 6,283 | Food grains, tobacco, cotton, etc. | | | |
| 18,017 | Grains and other seeds for sowing (Purchases Rs. 7,149) | | | 10,938 |
| 43,670 | " Salaries & Wages | | | 23,688 |
| | " Consumption of Stores and Spares after deducting Rs. 34,272 for repairs | | | 62,986 |
| 34,406 | " Oils and Lubricants | | | 49,907 |
| 44,992 | " Repairs: | | | 46,792 |
| | Agricultural machinery repairs | 29,689 | | |
| 25,266 | Motor and Vehicles repairs | 1,009 | | |
| 717 | Lift Irrigation repairs | 2,939 | | |
| 8,348 | Building repairs | 635 | | |
| 3,335 | | | | |
| 37,666 | | | | 34,272 |
| 8,446 | " Land Rent | | | |
| 2,633 | " Expenses on sale of grains, cotton & tobacco, including coolie charges, makadami, ginning, pressing, town duty, etc. | | | 7,787 |
| | " Rates and Taxes including Excise Duty | | | 6,913 |
| 737 | " Printing, Stationery, Postage and Telegrams | | | 194 |
| 1,694 | " Miscellaneous expenses, conveyance, travelling expenses, subscription, etc. | | | 1,400 |
| 7,786 | " Interest: | | | |
| | On current Account to the Holding Company M/s. The Godavari Sugar Mills Ltd. | | | 6,457 |
| 19,370 | " Other Loans | | | |
| 321 | | | | |
| 19,691 | | | | |
| 60 | " Legal Charges | | | |
| 1,000 | " Audit Fees | | | 272 |
| 965 | " Directors' Travelling Expenses | | | 1,000 |
| 625 | " Premium on leasehold land written off | | | — |
| 859 | " Loose tools written off | | | 525 |
| 2,022 | " Live-stock written off | | | 414 |
| 11,089 | " Land Development expenses written off | | | 606 |
| 18,900 | " Loss on Sale of Motor Car and Lorry written off | | | 11,162 |
| — | " Bad Debts written off | | | — |
| — | " Provision for Doubtful Debts | | | 191 |
| 3,14,517 | | | | 637 |
| | | TOTAL Rs. .. | | 3,50,844 |
| | To Balance as per last Balance Sheet | | | 1,86,161 |
| | " Balance brought down | | | 1,33,094 |
| | | TOTAL Rs. .. | | 3,19,255 |

Referred to in our report of even date.

Bombay: Dated 18th February, 1959.

NANUBHAI & CO.
Chartered Accountants.

year ended 31st May 1958.

K. J. SOMAIYA }
R. S. KOTAK } *Directors*
S. K. SOMAIYA }

33

NARMADA FARMS PRIVATE LIMITED BOMBAY.

SCHEDULE 'A'

Schedule to be attached to and forming part of Balance Sheet as at 31st May, 1958 showing fixed Assets.

| S. No. | Fixed Assets at cost or book value | Balance as on 1-6-1957 | Additions during the year | Sub Total | Deductions for Sales etc. subject to adjustment of gain or loss as per last B/Sheet. | Gross Block as at 31-5-1958 | Written off during the year including for previous years. | Net Block as at 31-5-58 |
|--------|------------------------------------|------------------------|---------------------------|------------------|--|-----------------------------|---|-------------------------|
| 1 | Lands | 6,23,614 | — | 6,23,614 | — | 6,23,614 | — | 6,23,614 |
| 2 | Premium of land on lease | 3,750 | — | 3,750 | — | 3,750 | 525 | 3,225 |
| 3 | Lift Irrigation | 1,54,861 | 29,507 | 1,84,368 | — | 1,84,368 | — | 1,84,368 |
| 4 | Buildings | 39,092 | 6,007 | 45,099 | — | 45,099 | — | 45,099 |
| 5 | Agricultural Machinery | 5,63,263 | 4,065 | 5,67,328 | 28,234 | 5,39,094 | — | 5,39,094 |
| 6 | Motor Cycle & Cycles | 3,013 | — | 3,013 | — | 3,013 | — | 3,013 |
| 7 | Furniture & Fxtures | 9,556 | — | 9,556 | — | 9,556 | — | 9,556 |
| 8 | Scales & Weigh Bridges | 654 | — | 654 | — | 654 | — | 654 |
| 9 | Live Stock | 21,716 | 310 | 22,026 | 220 | 21,806 | 606 | 21,200 |
| | TOTAL RUPEES .. | 14,19,519 | 39,889 | 14,59,408 | 28,454 | 14,30,954 | 1,131 | 14,29,823 |

Bombay: 14th February, 1959.

K. J. SOMAIYA
R. S. KOTAK
S. K. SOMAIYA

} Directors.

Godavari Investment and Finance Corporation Private Limited, Bombay.

DIRECTORS' REPORT

The Shareholders,
Messrs. Godavari Investment And Finance
Corporation Private Ltd.,
BOMBAY-1.

Gentlemen:

Your Directors have pleasure in submitting this, their Third Annual Report for the year ended 31st May 1958, along with the Audited Balance Sheet as at 31st May 1958 and the Profit and Loss Account for the year 1957-58.

Your Company showed good progress during the year in the business of giving loans and Pumping Sets on 'Hire-Purchase Scheme' to Bagaitdars who agreed to supply sugarcane to the Holding Company, The Godavari Sugar Mills Ltd. Under this Scheme it was able to secure about 1,300 acres of Cane for the Sugar Mills, which would mean an approximate supply of 43,000 tons of Sugarcane.

Accounts: After providing a sum of Rs. 29,240/- towards depreciation on Machinery given on 'Hire Purchase' Agreements, the Accounts reveal a loss of Rs. 22,458/- which is carried forward to next year.

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

Yours faithfully,
For and on behalf of the Directors

R. S. KOTAK
Director.

Bombay: Dated the 30th January, 1959.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of Godavari Investment & Finance Corporation Private Ltd., as at 31st May, 1958 and also the annexed Profit & 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 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:—

(a) In the case of the Balance Sheet of the affairs of the Company as at 31st May, 1958, and

(b) In the case of the Profit & Loss Account of the loss for the year ended on that date.

Bombay: Dated the 3rd February, 1959.

NANUBHAI & CO.
Chartered Accountants.

GODAVARI INVESTMENT AND FINANCE

Balance Sheet as at

| As at 31-5-57 Rs. | LIABILITIES | Rs. | Rs. |
|-------------------------|--|--------|-----------|
| 5,00,000 | Authorised Capital: 5000 Ordinary (Equity) Shares of Rs. 100/- each .. | | 5,00,000 |
| 1,00,000 | Subscribed Capital: 2000 Ordinary (Equity) Shares of Rs. 100/- each, Rs. 50/- called up, held by the Holding Company, The Godavari Sugar Mills Ltd. and its nominees | | 1,00,000 |
| 9,27,252 | Unsecured Loans: Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd. | | 7,27,342 |
| 41,268 | Current Liabilities and Provisions: Sundry Creditors | 10,218 | |
| 42,001 | Interest Accrued on Unsecured Loans | 73,802 | |
| | Other Liabilities (for unadjusted portion of Hire-Purchase Instalments) | 89,757 | 1,73,777 |
| 11,10,521 | TOTAL Rs. .. | | 10,01,119 |

Note:—

1. Valuation of the mortgaged agricultural land and crop-in-progress by the cane growers in respect of loans and advances together with interest and other expenses of Rs. 5,57,676/- has been considered fully secured in accordance with the valuation certified by the Farm Manager of the Holding Company, The Godavari Sugar Mills Ltd. and in view thereof the said loans and advances are considered good.
2. Hire-Purchase Agreement for Plant & Machinery of the value of Rs. 56,296/- out of the total value of Rs. 3,55,423/- let on hire to cane growers are sent to the Registrar of Stamps for registration.
3. Documents for loans and advances to the extent of Rs. 89,250/- are sent to the Registrar of Stamps for Registration.

Referred to in our Report of even date.

Bombay: Dated the 3rd February, 1959

NANUBHAI & CO.
Chartered Accountants.

CORPORATION PRIVATE LIMITED, BOMBAY.

1st May, 1958

| As at 31-5-1957 Rs. | ASSETS | Rs. | Rs. |
|---------------------------|--|----------|----------|
| | Fixed Assets: | | |
| | Plant & Machinery (at cost) | | |
| | Let on hire to cane growers in terms of Hire-Purchase Agreement: | | |
| 3,36,551 | Cost up to 31-5-1957 | 3,36,551 | |
| | Additions this year | 18,872 | |
| | | 3,55,423 | |
| | Less Depreciation: | | |
| 26,216 | Up to 31-5-1957 | 26,216 | |
| | This Year | 29,240 | |
| 3,10,335 | | 55,456 | 2,99,967 |
| | Current Assets: | | |
| | Stock-in-trade (at cost) (As per inventories taken, valued and certified by a Director): | | |
| 10,264 | Machinery | 6,184 | |
| 12,034 | Spares & Fittings | 8,664 | |
| 192 | Stores | 1,013 | |
| 1,162 | Stores-in-transit | — | |
| | | 15,861 | |
| | Sundry Debtors: (Unsecured, considered good) | | |
| | For cost of Spares & Fittings supplied to Cane Growers and for the supervision charges and Hire-Purchase Instalments due from them | | |
| 27,051 | | 41,972 | 57,833 |
| | Loans & Advances (Considered good): | | |
| | Loans to Cane Growers under arrangement to supply Cane to the Holding Company, The Godavari Sugar Mills Ltd. in terms of Agreement, considered good for which the Company is fully secured by mortgage of lands and Cane-crops | 5,57,676 | |
| 6,81,990 | Advances recoverable in kind | | |
| 5,000 | Deposit with Agricultural, Iron & Steel Supply Officer, Government of Bombay | 200 | |
| 200 | Sundry Debtors outstanding for more than three months | 6,470 | 5,64,346 |
| 5,546 | | | |
| | Cash and Bank Balances: | | |
| 52 | Cash on Hand | 30 | |
| 5,448 | Stamp Papers | 4,740 | |
| 2,486 | Balance with Bank | 2,984 | 7,754 |
| | Miscellaneous Expenditure and Losses: | | |
| 48,761 | Loss as per annexed Profit & Loss Account | | 71 |
| 11,10,521 | TOTAL RUPEES | | 10,01 |

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 all known liabilities is adequate and not in excess of the amount reasonably necessary.

Bombay: Dated the 30th January, 1959

R. S. KOTAK
K. J. SOMAIYA
S. K. SOMAIYA

Profit and Loss Account for the

Referred to in our Report of even date

NANUBHAI & CO.
Chartered Accountants

Year ended 31st May, 1958

Bombay: Dated the 30th January, 1959.

R. S. KOTAK
K. J. SOMAIYA
S. K. SOMAIYA

Di