

THE GODAVARI SUGAR MILLS LIMITED.

●

REPORT
of the
DIRECTORS
with
STATEMENTS OF ACCOUNTS
for the year ended 31st May, 1959.

●

BOMBAY

1959

1959

THE GODAVARI SUGAR MILLS LIMITED

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

Board of Directors:

Shri Karamshi Jethabhai Somaiya (Ex-Officio Director) Chairman
Shri Shantilal Karamshi Somaiya
Shri Navalmal Kundanmal Firodia
Shri Chandansinha Bharkatiya
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 Twentieth Ordinary Annual General Meeting of The Godavari Sugar Mills Limited will be held on Monday the 7th March, 1960 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, 1959.
2. To declare dividends on Preference and Ordinary Shares.
3. To appoint a Director in the place of Shri S. K. Somaiya who retires by rotation and being eligible offers himself for reappointment and to consider and if thought fit to pass the following resolution as a Special Resolution for which special notice as required by section 261 of the Companies Act 1956 has been received by the Company:

SPECIAL RESOLUTION No. 1: "RESOLVED that pursuant to the provisions of section 261 and other applicable provisions, if any, of the Companies' Act 1956, Shri S. K. Somaiya who retires by rotation and who is an associate of the Managing Agents of the Company, Messrs. K. J. Somaiya & Sons Private Limited, be and is hereby reappointed a Director of the Company."

4. To elect a Director in the place of Shri N. K. Firodia who retires by rotation but being eligible offers himself for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To consider the reappointment of Messrs. K. J. Somaiya & Sons Private Ltd. as the Managing Agents of the Company and to pass with or without modification the following Ordinary Resolution:

ORDINARY RESOLUTION: "RESOLVED that subject to the approval of the Central Government in that behalf, K. J. Somaiya & Sons Private Limited be and are hereby re-appointed as the Managing Agents of the Company and shall continue to be and be the Managing Agents of the Company for the period and upon the terms, provisions and conditions as to remuneration management and otherwise specified in the draft Agreement expressed to be made between the Company of the one part and the said K. J. Somaiya & Sons Private Limited of the other part and laid before this meeting and for the purpose of identification subscribed by the Chairman hereof, which draft is hereby approved and adopted, but so that the Directors of the Company be and they are hereby empowered to agree to such modifications being made in the said Agreement as may be required and approved by the Central Government and agreed to by the Directors of the Company and the said K. J. Somaiya & Sons Private Limited and the same be executed on behalf of the Company and that the seal of the Company be affixed to the stamped engrossments in duplicate thereof in accordance with the relevant Articles of Association of the Company in that behalf."

- p Explanatory Statements in respect of item Nos. 3 and 6 pursuant to Section 173 of the Companies Act 1956 are annexed hereto.

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

ANNEXURE TO THE NOTICE

Explanatory Statements under Sections 261 and 173 of the Companies' Act 1956.

ITEM No. 3: Shri S. K. Somaiya retires from his office as Director of the Company, but offers himself for re-appointment. 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.

ITEM No. 6: K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company have conducted the management of the business of the Company for the past several years with great efficiency and economy. Their present appointment is, under the Agreement dated 4th day of January 1951 executed between the Company in their favour for a period of 20 years from the 21st day of September 1950. But having regard to the provisions of Section 330 of the Companies Act, 1956, the period of their office will expire on the 15th day of August 1960. They are, however, willing to continue as Managing Agents of the Company after the 15th day of August 1960 on practically the same terms and conditions as those contained in the present Managing Agency Agreement, subject however to the amendment thereof in consonance with the said Act.

The Managing Agents have rendered very useful and meritorious services to the Company for a long time past, and it is in the interest of the Company that their appointment should be continued. Their remuneration and the terms and conditions of their appointment under the proposed new Managing Agency Agreement are fair and reasonable and are in accordance with the provisions of the said Act. The Directors, accordingly, commend the resolution mentioned in the Notice to your approval. Their appointment will be subject to the approval of the Central Government under Section 326 of the said Act.

INTEREST.

Shri K. J. Somaiya and Shri S. K. Somaiya two of the Directors of the Company, are interested in the reappointment of the Managing Agents, in as much as they are also Directors and members of the said K. J. Somaiya & Sons Private Limited. Each of them holds 525 equity shares of Rs. 100/- each in the said Managing Agency Company.

INSPECTION.

A copy of the draft Agreement referred to in the accompanying Notice is open for inspection to the members of the Company at its Registered Office on any working day between the hours of 11 a.m. and 1.00 p.m. (S.T.). A copy of it will be sent on demand to such member whose registered address is outside Greater Bombay.

An abstract of the terms of the draft Managing Agency Agreement and the Memorandum specifying the nature of the interests of the Directors therein is sent herewith, as required by Section 302 of the said Act. Since all the material terms of the said draft Agreement are set out in the said abstract, it is not thought necessary to repeat the same here.

The Transfer Books of the Company will be closed from 22nd February 1960 to 7th March 1960, 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 February 1960.

N.B.: The dividend on Preference and Ordinary Shares when declared will be made payable at the Registered Office of the Company on and after 15th March 1960. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on 7th March 1960.

The Godavari Sugar Mills Limited.

BOMBAY.

DIRECTORS' REPORT

To

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

Gentlemen,

Your Directors beg to submit the Annual Report together with Balance Sheet for the year ended 31st May 1959.

The Profit & Loss Account for the year under review shows a profit of Rs. 24,76,628 after providing for depreciation Rs. 7,29,517 and for taxations Rs. 12,50,000 and for Development Rebate Rs. 1,94,649. This year's profit together with the balance of Rs. 1,38,874 brought forward from the last year's accounts amounts to Rs. 26,15,502.

Your Directors recommend appropriation as follows:—

	Rs.
1. Proposed dividend on Ordinary shares at Rs. 20 per share subject to deduction of tax	8,00,000
2. Proposed dividend on Preference shares at 7.8572 per share subject to deduction of Tax (i.e. 5½% free of income-tax)	1,45,433
3. Transfer to General Reserve	13,73,740
4. Transfer to Reserve for gratuity	25,000
5. Balance carried forward to Balance sheet	2,71,329
Grand Total Rs.	26,15,502

You are requested to approve Rs. 5,05,509 by way of charity and donations as under. The amount includes Rs. 2,50,000 paid to The Somaiya Trust, and Rs. 2,50,000 to Karamshi Jethabhai Somaiya Trust. Two of your Directors, Shri K. J. Somaiya and Shri S. K. Somaiya, who are also Directors of the Managing Agents, are Trustees in both the Trusts.

	Rs.
1. Karamshi Jethabhai Somaiya Trust	2,50,000
2. The Somaiya Trust	2,50,000
3. South Indian Education Society	1,501
4. Sundries	4,008
Total Rs.	5,05,509

The working of your two factories has been satisfactory. The quantity of cane crushed at both the factories has been maintained.

The releases of sugar have continued to be controlled by the Central Government. Your Directors were able to dispose off large quantity of sugar during the earlier part of the season by tendering it for export and the stocks carried at the end of year are below normal.

The crops for the year under review are good. Cane crop available for crushing season 1959-60 is about 2,811 acres.

The Distillery worked only intermittently. This was due to heavy accumulation of stocks on account of controlled movement of denatured spirit and very rigid regulations in that behalf.

During the year under review there was a maximum debit balance of Rs. 1,77,758 to the account of the Managing Agents, while at the close of the year there is a credit balance of Rs. 6,60,308. 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 dated 13th March, 1958 to the Directors' Report of 24th February 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.

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

Loss suffered by Narmada Farms Private Ltd. of Rs. 1,33,094 for the year ended 31st May 1958 has been reimbursed by the Company.

There is an adjustment in the total losses suffered by Godavari Investment & Finance Corporation Private Ltd. as the depreciation hitherto written off by the Subsidiary has been written back to the Profit & Loss Account.

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

Shri N. K. Firodia retires by rotation, but being eligible offers himself for re-election.

You are requested 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: 5th February 1960.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of The Godavari Sugar Mills Limited as on 31st March 1959 and also the Profit and Loss Account of the Company for the year ended on that date, and thereunto 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 March 1959, 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 purchases has been accepted as certified by the Managing Agents.

Bombay: Dated the 6th February 1960.

NANUBHAI & CO.
Chartered Accountants.

STATEMENTS
OF
ACCOUNTS

THE GODAVARI SUGAR

Balance Sheet as at

at day, 1958			Rs.	Rs.
	LIABILITIES			
	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	1,00,00,000
20,00,000				
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	58,50,950
18,50,950				
58,50,950				
	Reserves and Surplus:			
	Capital Reserve not available for Dividend:			
34,747	As per last Balance Sheet		34,747	
	Redeemable Preference Shares Redemption Reserve:			
15,00,000	As per last Balance Sheet		15,00,000	
	General Reserve:			
34,26,260	As per last Balance Sheet	36,26,260		
2,00,000	Add: Set aside from 1958-59 Profit	13,73,740	50,00,000	
36,26,260			6,00,000	
6,00,000				
	Housing Reserve as per last Balance Sheet			
	Reserve for Gratuity:			
25,000	As per last Balance Sheet	25,000		
25,000	Set aside from 1958-59 profits	25,000	50,000	
	Reserve for Doubtful Debts:			
25,921	As per last Balance Sheet	25,921		
	Less: Transferred to Profit and Loss account	25,921		
25,921				
	Development Rebate Reserve:			
2,73,933	As per last Balance Sheet	7,13,156		
4,39,223	Development Rebate this year	1,94,649	9,07,805	
7,13,156				
65,25,084				
58,50,950	Carried Forward ..		80,92,552	58,50,950

MILLS LIMITED, BOMBAY

31st May, 1959

As at 31st May, 1958 Rs.	ASSETS	Rs.	Rs.
	Fixed Assets:		
2,04,29,348	Gross Block: (At cost or Book Value)	2,18,71,622	
1,22,25,303	Less: Depreciation written off to 31st May 1959 ..	1,29,54,822	
	Net Depreciated Block:		
82,04,045	As per Schedule "A" attached	89,16,800	
—	General Machinery—Work-in-progress	47,209	89,64,009
82,04,045			
	Investments (At cost):		
	TRADE INVESTMENTS		
	Shares of subsidiary Companies:		
12,99,000	1,299 Ordinary (Equity) Shares of Rs. 1,000/- each of Narmada Farms Private Ltd., fully paid up Rs. 12,99,000		
	2,000 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			
13,99,000			
	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		
—	Less: Transferred to Fix Assets 51,000	—	13,99,078
51,000			
14,50,000			
	Current Assets:		
	Stores, Chemicals and Spares (as per Inventories valued and certified by Managing Agents)		
35,48,068	On hand (Including Machineries Rs. 2,83,322) Rs. 44,13,559		
1,15,055	In transit Rs. 19,813	44,33,372	
36,63,123			
	Loose Tools and Implements (as per inventories valued and certified by Managing Agents)	27,450	
28,262			
36,91,385			
	Stock-in-trade (as per inventories valued and certified by Managing Agents)		
	Carried Forward ..	44,60,822	1,03,63,087
96,54,123			

THE GODAVARI SUGAR

Balance Sheet as at

As at 31st May 1958		Rs.	Rs.
	LIABILITIES		
Rs. 58,50,950	Brought Forward ..	80,92,552	58,50,950
65,25,084			
1,38,874	Profit & Loss Account:		
66,63,958	Balance as per Profit & Loss Account annexed ..	2,71,329	83,63,881
	Secured Loans :		
59,62,691	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	36,26,167	
16,75,000	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	14,75,000	51,01,167
76,37,691			
	Unsecured Loans:		
1,75,000	From Bank	—	
8,73,247	From Others	7,72,694	
	On Current Account		
4,32,342	From Managing Agents	6,60,308	
88,078	From Selling Agents	—	
15,68,667			14,33,002
	Current Liabilities and Provisions:		
1,13,76,582	Sundry Creditors	47,77,897	
1,06,138	Interest accrued on secured loans	53,465	
44,469	Interest accrued on unsecured loans	47,959	
27,89,320	For taxation	26,13,688	
50,000	Security Deposit from Selling Agents	25,000	
1,91,578	Managing Agency Commission	4,11,190	
2,52,434	Selling Agency Commission	1,45,772	
4,964	Unclaimed Dividends	3,153	
2,750	Unclaimed Redemption money	2,750	
95,287	Due to Trustees to Staff Provident Fund (since invested and investments handed over to the Trustees) ..	32,990	
1,49,13,522		81,13,864	
14,85,290	Provision for Taxation 43,68,424		
	Less: Advance Payment under Sec. 18A, of Income-Tax Act 26,71,744	16,96,680	
4,50,000	Provision for Bonus	5,00,000	
6,01,802	Proposed Dividends	9,45,433	1,12,55,977
1,74,50,614			
3,91,71,880			3,20,04,977

MILLS LIMITED, BOMBAY

31st May, 1959

As at 31st May, 1959	ASSETS	Rs.	Rs.
	Brought Forward ..	44,60,822	1,03,63,087
Rs. 96,54,123			
36,91,385	Sugar at market rate and contract rate .. 103,94,857		
1,96,83,661	Denatured Spirit at market rate .. 45,874		
63,323	Grains, Cotton etc. at market rate .. 2,70,664	1,07,11,395	
1,75,365			
1,99,22,349	Crops in progress (at cost including tillages, preparation of land, irrigation charges, etc. as valued and certified by Managing Agents)	30,23,867	
32,37,654	Sundry Debtors:		
	Unsecured considered good	3,95,346	1,85,91,430
2,02,211			
2,70,53,599	Loans and Advances:		
	Unsecured, considered good		
31,733	Loans to others	37,799	
	Loans to subsidiary Companies of which the Company is holding Company:		
4,05,080	(a) Narmada Farms Private Ltd. .. 4,10,165		
8,01,144	(b) Godavari Investment & Finance Corpn. Private Ltd. .. 7,33,107	11,43,272	
12,06,224			
	Partnership Firms:		
	(a) Khanapur Farm:		
	Advance inclusive of rent and materials supplied as at 31-5-59 64,478		
60,732	Add: 1/4th share of profit for the year .. 13,205	77,683	
	(b) Lakh Farm:		
	Advances inclusive of rent & materials supplied as at 31-5-59 2,18,380		
2,42,969	Add: 1/4th share of profit for the year .. 16,718	2,35,098	
3,03,701			
	Advances recoverable in cash or kind or for value to be received	7,26,737	
—	Paid in part under section 23A of Income -tax Act— in dispute	3,25,000	
61,961	Deposits with Irrigation Department, Railways and others	76,630	
42,541	(i) Sundry Debtors: Outstanding for more than three months, considered good	27,078	
22,50,342			
3,67,07,722	Carried Forward ..	26,49,297	2,89,54,517

THE GODAVARI SUGAR

Balance Sheet as at

As at 31st May 1958 Rs.	LIABILITIES	Rs.	Rc.
3,91,71,880	Brought Forward ..		3,20,04,977
	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	
1,00,000	(ii) Uncalled liability on shares partly paid held as investment of Godavari Investment & Finance Corporation, Private Ltd. a subsidiary of the Company	1,00,000	
	(iii) In respect of losses of the subsidiary Companies:		
1,33,094	(a) Narmada Farms Private Ltd. as at 31st May 1959, Miscellaneous expenditure and Losses Rs. 34,822 subject to provision for Depreciation (normal) Rs. 3,79,145/-	34,822	
71,219	(b) Godavari Investment & Finance Corporation Private Ltd., Miscellaneous Expenditure and Losses as at 31st May 1959 Rs. 20,547	20,547	
5,00,000	(iv) In respect of Purchase commitments including for capital purchases about	30,00,000	
	(v) In respect of the present Liability for future payment of gratuity unascertained		
3,91,71,880	TOTAL Rs. ..		3,20,04,977

MILLS LIMITED, BOMBAY.

31st May 1959.

As at 31st May, 1958	ASSETS	Rs.	P
Rs. 3,67,07,722	Brought Forward ..	26,49,297	2,89,5
22,50,342			
	(ii) Unsecured considered doubtful:		
29,462	(a) Claims from Railways and others	24,009	
20,201	(b) Sundry Debtors outstanding for more than three months ..	26,815	
44,303	(c) Loans unsecured considered doubtful	34,303	
93,966		85,127	
93,966	Less: Provision for doubtful debts ..	85,127	
—		—	26,49,297
22,50,342			
<p>NOTES: (i) The maximum amount due at any time during the year by Managing Agents on Current Account Rs. 1,77,758 (Credit balance as at 31st May 1959 Rs. 6,60,308)</p> <p>(ii) Due by an Officer of the Company Rs. 4,000/- (Maximum during the year Rs. 4,000/-)</p> <p>Cash and Bank Balances:</p>			
1,02,541	Cash on hand at Bombay and at Factories	1,28,851	
51,443	In current account with Banks	2,10,961	
59,738	Drafts and Hundies on hand (since realised)	60,850	
94	Stamps on hand	501	4,01,163
2,13,816			
3,91,71,880	TOTAL Rs. ..		3,20,04,977

THE GODAVARI SUGAR

Balance Sheet as at

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- ∴ (1) (a) Provision for Taxation made in the accounts is subject to completion of pending assessments from 1955-56 onwards
- (b) Demand for Income-tax under Sec. 23A of Rs. 19,32,961 is not provided and the same is under appeal.
- (2) 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 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 net assets in the nature of Fixed Assets, crops 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. 1,49,123 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 3 and 8 of the Directors' Report.

Referred to in our Report of even date.

NANUBHAI & CO.

Bombay: Dated 6th February, 1960.

Chartered Accountants

STATEMENT PURSUANT TO SECTION 221 OF THE COMPANIES ACT, 1956.

(1) RE: NARMADA FARMS PRIVATE LIMITED:

(i) The Godavari Sugar Mills Ltd. holds 1,299 shares of Rs. 1,000 each fully paid up Rs. 12,99,000 Narmada Farms Private Ltd.

(ii) Narmada Farms Private Limited made a loss of Rs. 34,822 for the year ended 31st May 1959, without providing for depreciation upto 31-5-1959 of Rs. 3,79,145.

The loss of the Company for the year 1957-58 amounting to Rs. 1,33,094 has been reimbursed by the Company.

(iii) Advances: The amount advanced to the Narmada Farms Private Limited as at 31st May 1959 stands at Rs. 4,10,165.

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

(i) The Godavari Sugar Mills Ltd. 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 Ltd., as at 31st May 1959.

(ii) Godavari Investment and Finance Corporation Private Limited made a loss of Rs. 4,784 for the year ended 31st May 1959. The total loss including that of previous years comes to Rs. 20,547. This total loss has been reduced due to writing back of depreciation amounting to Rs. 55,456 and this provision for depreciation is not necessary. 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 and Finance Corporation Private Limited as at 31st May 1959 stands at Rs. 7,33,107.

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)
S. K. SOMAIYA
JAYANTILAL GANGADAS DALAL
CHANDANSINHA BHARKATIYA

} Directors

Bombay: Dated 5th February, 1960.

THE GODAVARI SUGAR

Profit & Loss Account

		Rs.	Rs.
3.	1958		
	Rs.		
	To Opening Stock on 1st June 1958:		
	Sugar	1,96,83,661	
	Denatured Spirit	63,323	1,97,46,984
	1,90,67,993		
	65,734		
	1,91,33,727		
	Agricultural Department:		
	38,27,748 „ Crops in progress as at 1st June 1958	32,37,654	
	18,17,467 „ Salaries and wages	17,85,141	
	15,101 „ Provision for accrued leave salaries and wages ..	15,241	
	1,00,000 „ Provision for Bonus	1,00,000	
	31,262 „ Contribution to Provident Fund of the Company ..	32,331	
	— „ Gratuity	373	
	649 „ Workmen and Staff Welfare expenses	527	
	166 „ Workmen's Compensation	27	
	24,27,891 „ Stores inclusive of manures (including Rs. 29,918 of previous year)	22,57,227	
	75,256 „ Repairs and Renewals including salaries and Wages Rs. 32,784/-	44,916	
	3,39,215 „ Land Rent	2,59,292	
	6,65,810 „ Irrigation Rates and Taxes	5,55,654	
	17,911 „ Drainage	14,689	
	85,484 „ Miscellaneous expenses, printing and Stationery, post-ages, and telegrams, travelling and legal charges, including harvesting and carting commission Rs. 39,992/-	80,834	
	1,77,147 „ Depreciation	1,80,727	
	14,443 „ Premium on Leasehold land written off	14,443	
	6,850 „ Live Stock written off	6,900	
	96,02,400	85,85,976	
	32,37,654 Less: Crops in progress as at 31st May 1959,	30,23,867	
	63,64,746	55,62,109	
	3,40,272 „ Transportation of Cane	3,64,011	
	46,47,977 „ Locally purchased cane	37,64,238	96,90,358
	1,13,52,995		
	15,31,997 „ Salaries and Wages (including Rs. 37,343/- Commission on profits in addition to salary to General Manager at Factories, who is also Superintending Engineer) after deducting Rs. 2,44,304/- charged to Repairs, Capital, and other relevant heads	13,96,292	
	39,122 „ Provision for accrued leave salaries and wages ..	37,684	
	12,201 „ Bonus to employees	14,292	
	1,50,000 „ Provision for Bonus	1,50,000	
	25,101 „ Contribution to Provident Fund of the Company ..	24,534	
	— „ Gratuity	1,363	
	17,58,421		
	3,04,86,722	16,24,165	2,94,37,342
	Carried Forward ..		

MILLS LIMITED, BOMBAY

for the year ended 31st May, 1959

As at 31st May, 1958			Rs.	Rs.
Rs.	By Sales:			
2,97,48,656	Sugar		3,66,31,609	
12,038	Molasses		13,085	
1,38,633	Denatured Spirit		1,60,207	3,68,04,90
2,98,99,327				
1,10,395	„ Sundry Receipts from Flour Mills, Dairy, etc. ..			1,11,54
5,000	„ Supervision charges from a subsidiary Company ..			5,00
	„ Sundry Receipts being market value of Farm Produce, etc. including Profits on Sale of Cotton Rs. 358 and profit on Grains Rs. 33,378/-			4,04,67
2,82,925	„ Income from Khanapur and Lakh Farms in Partnership:			
	(a) Khanapur Farms:			
4,500	„ Rent	4,500		
23,175	„ 1/4th share of profit for the year	13,205	17,705	
27,675				
	(b) Lakh Farm:			
4,500	„ Rent	4,500		
11,680	„ Add: 1/4th share of profit for the year	16,718	21,218	38,92
16,180				
43,855				
3	„ Dividend on Co-operative Bank share			3
48	„ Share Transfer and Splitting fees			50
	„ Interest:			
517	On Bank Accounts	511		
11,461	On Loans and Others	1,920		
73,802	„ From Subsidiaries	54,430		
6,351	„ From Lessors	6,396		63,257
92,131				
1,500	„ Income from Immovable Property			1,500
	„ STOCK IN TRADE (As taken, Valued and Certified by the Managing Agents)			
1,96,83,661	„ Sugar at Market rate and contract rate	1,03,94,857		
63,323	„ Denatured Spirit at Market rate	45,874		1,04,40,731
1,97,46,984				
5,01,82,168	Carried Forward ..			4,78,70,586

THE GODAVARI SUGAR

Profit & Loss Account for the

As at 1st May, 1958	Rs.		Rs.	Rs.
		Brought Forward ..	16,24,165	2,94,37,342
55,893		To Contribution to Government, Provident Fund and Administrative charges	57,416	
64,564		" Workmen and Staff Welfare expenses	41,104	
506		" Workmen's Compensation	250	17,22,935
18,79,384		" Stores, Chemicals and Spare Parts (after deducting Rs. 54,36,790 charged to Agriculture, Capital, Repairs and other relevant heads, includes net shortage of Rs. 22,140/- between the physical and book inventories including Rs. 60,890 for previous year)		9,60,017
3,49,691		" Power and fuel		3,78,631
5,78,171		" Repairs to Plant and Machinery inclusive of salaries and wages Rs. 2,29,780/-	4,19,746	
4,09,246		" Repairs to Buildings inclusive of salaries and wages Rs. 89,516	1,60,187	
1,01,421		" Other repairs inclusive of salaries and wages Rs. 12,496	18,199	
29,343				5,98,132
5,40,010		" Sugar Cane Cess		12,51,004
12,99,221		" Excise Duty		70,57,437
87,94,027		" Insurance Premium		38,184
49,694		" Packing and Forwarding		4,30,698
4,68,576		" Rent (net) (received Rs. 1,200)		7,458
6,946		" Rates and taxes		92,006
70,601		" Selling Agents' Commission on sugar		1,75,421
2,52,435		" Brokerage on Sugar and Molasses		12,687
9,377		" Miscellaneous Expenses including printing and stationery, Postage and Telegrams, Telephones and Travelling		4,43,374
3,55,913		" Motor cars and lorries maintenance		1,19,228
1,34,015		" Charity and Donations (Refer to Para 3 of Directors' Report Page 4)		5,05,509
5,08,715		" Interest:	12,417	
2,553		Managing Agents	2,41,063	
3,04,022		Cash Credit Account	99,116	
1,11,498		Fixed loans	72,035	
68,235		Other loans		4,24,631
4,86,308		" Directors' Fees (including Rs. 900/- to members of Managing Agents as Directors)		2,400
1,500		" Directors' and Managing Agents' Travelling Expenses		9,333
9,433		" Managing Agents' Remuneration: Commission on profits subject to adjustments that may have to be made in respect of Bonus and other provisions if any		4,11,190
1,91,578				
4,69,72,317		Carried Forward ..		4,40,77,617

Year ended 31st May, 1959

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THE GODAVARI SUGAR

Profit and Loss Account for the

As at 31st May, 1958			Rs.	Rs.
Rs.		Brought Forward ..		4,40,77,617
4,69,72,317	To Audit Fees			4,000
4,000	" Legal Expenses			23,550
14,431	" Depreciation			5,27,447
9,71,382	" Loose Tools and Implements written off			1,752
1,803	" Provision for Taxation			12,50,000
10,00,000	" Provision for Doubtful Debts			—
7,167	" Bad debts written off			—
1,377	" Goodwill written off			19,86,220
5,000	" Balance being profit for the year			4,78,70,586
12,04,691				
5,01,82,168		TOTAL Rs. ..		
As at 31st May 1958			Rs.	Rs.
Rs.	To Bonus to employees pertaining to previous years:			
—	Agriculture		1,16,585	
1,600	Manufacturing		1,72,262	2,88,847
1,600	" Reimbursement of loss of Narmada Farms Private Ltd., a fully subsidiary Company for the year 1958-59			1,33,094
1,86,161	" Proposed Dividend on Preference Shares subject to deduction of income-tax (i.e. 5½% free of income-tax)			1,45,433
1,01,802	" Proposed Dividend on Ordinary Shares at Rs. 20/- per share (subject to deduction of tax)			8,00,000
5,00,000	" Development Rebate Reserve			1,94,649
4,39,223	" General Reserve			13,73,740
2,00,000	" Reserve for Gratuity			25,000
25,000	" Balance Carried to Balance Sheet			2,71,329
1,38,874				
	NOTE: 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. ..		32,32,092
15,92,660				

Referred to in our Report of even date.

Bombay: Dated 6th February, 1960.

NANUBHAI & CO.
Chartered Accountants

for the year ended 31st May, 1959

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THE GODAVARI SUGAR

Schedule A

Schedule attached to and forming part of the

PARTICULARS	BLOCK				
	Gross Block as at 31-5-1958	Additions during the year	Sub-Total	Cost of Sales	Insurance claim not adjusted to cost
1	1	3	4	5	6
	Rs.	Rs.	Rs.	Rs.	Rs.
Godwill	5,000		5,000		
Freehold land	12,13,164	1,55,767	13,68,931		
Leasehold land premium .. .	2,88,850	—	2,88,850		
Leasehold premium on garage ..	12,000	—	12,000		
Buildings	33,25,908	1,75,316	35,01,224		2,850
Immovable Property at Mahabaleshwar transferred from Investments	51,000	—	51,000		
Temporary Quarters	2,12,512	—	2,12,512		
Temporary Quarters at Farms ..	96,988	—	96,988		
Pucca Quarters at Factory .. .	1,04,080	6,761	1,10,841		
General Machinery	91,51,146	6,64,582	98,15,728	9,250*	
Electrical Machinery	7,58,032	25,467	7,83,499		
Agriculture Machinery	23,21,694	49,720	23,71,414		
Locomotives	92,974	—	92,974		
Electrical Installations and Fittings	46,282	50,665	96,947		
Furniture and Office Equipment ..	2,92,392	23,032	3,15,424		
Weigh Bridges	71,475	—	71,475		
Trolley Line	6,02,750	14,150	6,16,900		
Assisted Railway Siding	1,20,602	—	1,20,602		
Motor Cars, Lorries and Cycles ..	2,94,683	13,802	3,08,485		
Carts and Trucks	3,46,096	—	3,46,096		
Laboratory Apparatus	31,673	—	31,673		
Roads and Drainage	4,00,525	2,23,702	6,24,227		
Dead Stock	67,190	—	67,190		
Library	6,347	—	6,347		
Medical Instruments	363	—	363		
Irrigation Lifts	5,25,197	—	5,25,197		
Live stock (at book value) .. .	69,939	888	70,827	480*	
TOTAL Rs. ..	2,05,08,862	14,03,852	2,19,12,714	9,730	2,850

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.

MLLIS LIMITED, BOMBAY

Balance Sheet as at 31st May 1959

DEPRECIATION							Net Depre- ciated Block as at 31-5-59
Sales to 31-5-58 subject to adjustment of gain or loss 7	Deduction of Sales 8	Gross Block as at 31-5-59 9	Written off to 31-5-58 10	Written off this year 11	Sub-Total 12	Total depre- ciation as at 31-5-59 13	14
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
		5,000	5,000	—	5,000	5,000	—
		13,68,931	—	—	—	—	13,68,931
		2,88,850	1,29,984	14,443	1,44,427	1,44,427	1,44,427
		12,000	600	300	900	900	11,100
11,164	14,014	34,87,210	12,05,069	99,865	13,04,934	13,04,934	21,82,270
		51,000	—	1,275	1,275	1,275	49,725
		2,12,512	1,74,668	2,838	1,77,506	1,77,506	35,000
		96,988	80,966	1,202	82,168	82,168	14,820
		1,10,841	13,810	2,426	16,236	16,236	94,605
10,000	19,250	97,96,478	64,37,724	3,40,806	67,78,530	67,78,530	30,17,940
		7,83,499	6,65,650	14,613	6,80,263	6,80,263	1,03,233
4,500	4,500	23,66,914	15,48,066	1,22,827	16,70,893	16,70,893	6,96,020
		92,974	65,951	2,702	68,653	68,653	24,320
		96,947	38,856	5,809	44,665	44,665	52,282
375	375	3,15,049	64,064	14,762	78,826	78,826	2,36,223
		71,475	62,540	1,072	63,612	63,612	7,863
		6,16,900	4,48,927	16,797	4,65,724	4,65,724	1,51,176
		1,20,602	68,686	5,192	73,878	73,878	46,724
		3,08,485	2,28,331	14,291	2,42,622	2,42,622	65,863
2,475	2,475	3,43,621	2,23,941	8,378	2,32,319	2,32,319	1,11,302
		31,673	17,709	977	18,686	18,686	12,987
		6,24,227	1,56,247	46,798	2,03,045	2,03,045	4,21,182
		67,190	40,381	1,609	41,990	41,990	25,200
		6,347	1,935	265	2,200	2,200	4,147
		363	270	7	277	277	86
		5,25,197	5,15,108	3,363	5,18,471	5,18,471	6,726
	480	70,347	30,820	6,900	37,720	37,720	32,627
28,514	41,094	2,18,71,620	122,25,303	7,29,517	1,29,54,820	1,29,54,820	89,16,800

For and on behalf of the Board of Directors

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

K. J. SOMAIYA,
Chairman (Ex-Officio)
S. K. SOMAIYA,
JAYANTILAL GANGADAS DALAL,
CHANDANSINHA BHARKATIYA.

Directors

Bombay: Dated the 5th February, 1960.

NARMADA FARMS PRIVATE LIMITED, BOMBAY

DIRECTORS' REPORT

The Shareholders,
Narmada Farms Private Ltd.,
BOMBAY.

Gentlemen:

The Directors have pleasure to submit herewith the fourth Annual Report and Audited Statement of Accounts of the Company for the year ending 31st May, 1959.

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. But output from the land ultimately depends on the vagaries of nature and monsoon. There was no rainfall after sowing as expected. The bund over river Kolar was not repaired and the river ran shallow in the months of December and January following, therefore the crops could not be irrigated in more area and properly.

Your Directors therefore regret to inform you that during the year under review and report Company has sustained a loss of Rs. 34,822 and the provision for depreciation remains yet to be made.

Your Directors have pleasure to inform you that the Holding Company, The Godavari Sugar Mills, have reimbursed the losses amounting to Rs. 1,33,094 for the year ending 31st May, 1958.

Efforts to get the lands transferred in the name of the Company have been fairly progressing. Your Directors hope that the same will be finalised soon.

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 21st January, 1960.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of Messrs. Narmada Farms Private Limited, 31st May, 1959 and also the annexed Profit & Loss Account of the Company for the year ended on 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's at 31st May, 1959; and
 - (b) in the case of Profit & Loss Account of the loss for the year ended on the date.

Bombay: Dated the 25th January, 1960.

NANUBHAI & O.
Chartered Accountants.

NARMADA FARMS PRIVATE

Balance Sheet as at

LIABILITIES

Rs.

Rs.

Capital

Authorized:

2,500/- Ordinary (Equity) Shares of Rs. 1,000/- each ..

25,00,000

Subscribed:

2,299 Ordinary (Equity) Shares of Rs. 1,000/- each.
fully paid up. (All shares are held by holding Com-
pany M/s. The Godavari Sugar Mills Limited) ..

12,99,000

Unsecured Loans:

Loan on current account from the holding Company
M/s. The Godavari Sugar Mills Ltd. after reimburse-
ment of a loss of Rs. 1,33,094/- for the year
ended 31-5-1958

4,10,165

Current Liabilities & Provisions:

Sundry Creditors

38,386

Due to Vendors

649

39,035

Carried Forward ..

17,48,200

LIMITED, BOMBAY.

31st May, 1959.

As at 31st May, 1958	ASSETS	Rs.	
Rs.			
	Fixed Assets:		
14,30,954	Gross Block (at cost or Book value)	14,58,129	
1,131	Less written off	1,822	
14,29,823	Net Block as per Schedule 'A' attached		14,56,30
	Current Assets:		
59,989	Stores, Spare parts, Oils and Lubricants (at cost) as per inventories taken, valued and certified by a Director	58,564	
772	Loose Tools as per inventories valued and certified by a Director	724	
41,776	Stock-in-trade (food-grains, tobacco, cotton, etc., at market value as per inventories valued and certified by a Director inclusive of grains sent out on consignment Rs. 10,340/-)	1,64,347	
16,336	Grains and other seeds for sowing (at market value) as per inventories valued and certified by a Director ..	—	
760	Sundry debtors unsecured considered good	80	
1,19,633			2,23,715
	Loans and Advances:		
	Unsecured considered good:		
17,982	(1) Advances recoverable in cash or in kind or for value to be received	7,527	
17,356	(2) Sundry debtors outstanding for more than three months	14	
27	(3) Unsecured considered doubtful—		
—	(a) Loans to others	—	
610	(b) Advances recoverable in cash or in kind	2,278	
637	(c) Sundry Debtors for more than 3 months	—	
637		2,278	
—	Less Provision for doubtful debts	2,278	
		—	7,541
15,84,794	Carried Forward ..		16,87,563

NARMADA FARMS PRIVATE

Balance Sheet as at

As at May, 1958 Rs. 17,62,729	LIABILITIES	Rs.
	Brought Forward ..	17,48,200
<p>NOTE: (1) No provision has been made for depreciation of fixed assets other than land for Rs. 3,79,145 - inclusive of Rs. 2,92,006 - of previous years</p> <p>(2) No provision has been made for agriculture and other income-tax, as in the opinion of Directors the Company is not liable for such taxes.</p> <p>(3) Assignment and Conveyance Deed in respect of purchases of Narmada Farms Assets from the Vendors have not yet been executed.</p>		
17,62,729	TOTAL Rs. ..	17,48,200

Referred to in our report of even date.

Bombay: Dated 25th January, 1960.

NANUBHAI & CO.
Chartered Accountants

LIMITED, BOMBAY.

31st May, 1959

As at 31st May, 1958	ASSETS		
Rs.			
15,84,794	Brought Forward	..	
	Cash and Bank Balances:		
12,207	Cash on hand at H.O. and Farms	3,731
5,447	In current account with Bank	5,169
17,654			
	Miscellaneous Expenditure and Losses:		
	Land Development Expenses:		
55,448	Balance as per last Balance Sheet	55,816
368	Additions during the year	1,113
55,816			56,929
	Less written off upto this year 28,629	
28,629	During the year 11,385	40,014
27,187			16,915
1,33,094	Loss as per Profit and Loss Account	34,822
			51,737
17,62,729	TOTAL Rs.	..	17,48

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.

Bombay: Dated 21st January, 1960.

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

NARMADA FARMS PRIVATE

Profit and Loss Account for

	Rs.	Rs.
opening stock as on 1st June 1958:		
Grains and other seeds for sowing	16,336	
Produce by the Company food grains, tobacco, cotton, etc.	41,776	58,
10,938 " Purchases:		18,
23,688 " Food grains, tobacco, cotton etc.		24,
62,986 " Grains and other seeds for sowing (Purchase Rs. 995/-)		62,
49,907 " Salaries and Wages		20,
46,792 " Consumption of Stores and Spares after deducting Rs. 16,529/- for repairs		39,
29,689 " Oils and Lubricants	11,894	
1,009 " Repairs:		
2,939 " Agricultural Machinery repairs	939	
635 " Motor and Vehicles repairs	3,160	
34,272 " Lift irrigation repairs	536	
7,787 " Building repairs		16
6,913 " Land Rent		8
194 " Expenses on sales of grains, cotton, tobacco, including coolie charges, mukadami, ginning, pressing, town duty, etc.		6
1,400 " Rates and Taxes including Excise duty		1
6,457 " Printing and Stationery, Postage and Telegrams		1
272 " Miscellaneous expenses, conveyance charges, travelling expenses, subscription, advertisement, etc., (including shortage in cash written off Rs. 70/-)		6
1,000 " Legal charges		1
— " Audit Fees		1
525 " Directors' Travelling expenses		1
414 " Charities and Donations		1
606 " Premium on leasehold land written off		1
11,162 " Loose Tools written off		11
191 " Live stock written off		
637 " Land development expenses written off		
3,50,844	TOTAL Rs. ..	2,8
1,86,161	To Balance as per last Balance Sheet	1,3
1,33,094	To Balance brought down	3
3,19,255	TOTAL Rs. ..	1,6

Referred to in our report of even date.

Bombay: Dated 25th January, 1960.

NANUBHAI & CO.
Chartered Accountants

year ended 31st May, 1959

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

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Schedule to be attached to and forming the part of Balance Sheet

S. No.	Fixed Assets at cost or Book value	Balance as at 1-6-58.	Additions during the year	Sub-total:	Deductions for sales etc. sub: to adjustment of gain or loss as per last Balance Sheet	Deductions for cost of sales during the year as adjusted.	31-5-59.
1.	Lands	6,23,614	—	6,23,614	—	—	6,23,614
2.	Premium on land on lease	3,225	—	3,225	—	—	3,225
3.	Lift irrigation	1,84,368	6,259	1,90,627	—	—	1,90,627
4.	Buildings	45,099	567	45,666	—	—	45,666
5.	Agricultural Machinery ..	5,67,328	7,225	5,74,553	28,234	—	5,46,319
6.	Motor Cycle and Cycles	3,013	—	3,013	—	—	3,013
7.	Furniture and Fixtures ..	9,556	—	9,556	—	—	9,556
8.	Scales and Weigh-bridges	654	—	654	—	—	654
9.	Live Stock	21,420	4,303	35,723	220	48	35,455
	TOTAL Rs. ..	14,58,277	28,354	14,86,631	28,454	48	14,58,129
						1,822	14,56,307

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

Bombay: Dated 21st January, 1960.

Directors

Godavari Investment and Finance Corporation Private Ltd.

DIRECTORS' REPORT

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

Gentlemen:

Your Directors have pleasure in submitting their Fourth Annual Report for the 31st May, 1959 along with the audited Balance Sheet as at 31st May 1959 and the Profit and Loss Account for the year 1958-59.

Your Company showed good progress during the year in the business of giving loans on Hire Purchase Scheme to Bagaitdars who have agreed to supply sugarcane to the Holding Company, The Godavari Sugar Mills Ltd. The Company has also started giving engines on a loan basis to those Bagaitdars who have agreed to enter into long term agreement to supply of sugarcane to the holding Company. Your directors are hopeful of procuring larger business under the scheme for the next year.

Accounts:- It will be observed from the note on the Balance Sheet that no Provision for depreciation has been made in accounts this year on plant and machinery given to canegrowers on hire purchase basis. The depreciation provided in earlier years has not been allowed by the Income-tax department in the assessments of the Company. In view of this, the entire provision of depreciation of Rs. 8,42,005 up to 31st May 1958 has been written back to Profit and Loss Account which has the effect of reducing the earlier losses to Rs. 15,763/- and this together with the loss of Rs. 4,784/- of this year is carried forward to next year.

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

Bombay: Dated the 25th January, 1960.

Yours faithfully,
For and on behalf of the Board of Directors
R. S. KOTAK.
Director.

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, 1959 and also the annexed Profit & Loss Account for the year 1958-59 and report that:

We have obtained all the information and explanations which to the best of our knowledge were necessary for the purpose of our audit.

In our opinion proper Books of Accounts as required by law have been kept by the Company and the results of our examination of the Books of Accounts produced before us.

The Balance Sheet and Profit and Loss Account dealt with by this Report are in accordance with the Books of Accounts.

In our opinion and to the best of our information and according to the results of our examination together with the notes thereon give the information required in the manner so required and give a true and fair view:—

In the case of the Balance Sheet of the affairs of the Company as at 31st May 1959

8,42,005 In the case of the Profit & Loss Account of the loss for the year ended 31st May 1959

Dated the 30th January, 1960.

Balance Sheet as at

34

at 31st
ded on
NANUBH
Chartered

GODAVARI INVESTMENT AND FINANCE

Balance Sheet as at

LIABILITIES

Rs.

Rs.

Authorised Capital:

5,000 Ordinary (Equity) Shares of Rs. 100/- each

5,00,000

Subscribed Capital:

2,000 Ordinary (Equity) Shares Rs. 100/- each, Rs. 50/- called up, held by the Holding Company, The Godavari Sugar Mills Ltd., and its nominees

1,00,000

1,00,000

Unsecured Loans:

Loan on current account from the Holding Company, The Godavari Sugar Mills Limited

6,78,677

7,27,342

Current Liabilities and Provisions:

Sundry Creditors

8,898

10,218

Interest accrued on unsecured loans

54,430

73,802

Other Liabilities (for unadjusted portion of Hire Purchase Instalments)

63,328

89,757

ba

Carried Forward

8,42,005

at 31st

ded on

NANUBH

Chartered