

THE
GODAVARI
SUGAR MILLS
LIMITED

ANNUAL REPORT & ACCOUNT
1961

1961

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 BHARAKTIYA

SHRI JAYANTILAL GANGADAS DALAL

SHRI V. D. MUZUMDAR

SHRI D. M. POPAT

Managing Agents:

K. J. SOMAIYA AND SONS, PRIVATE LTD.

Bankers:

THE BANK OF INDIA LTD.

THE CENTRAL BANK OF INDIA LTD.

THE UNITED COMMERCIAL BANK LTD.

THE BANK OF MAHARASHTRA LTD.

THE STATE BANK OF INDIA.

THE MAHARASHTRA STATE CO-OPERATIVE BANK LTD.

Solicitors:

MULLA & MULLA AND CRAIGIE BLUNT AND CAROE.

Auditors:

NANUBHAI & CO.

Registered Office:

FAZALBHOY BUILDING, MAHATMA GANDHI ROAD,
FORT, BOMBAY No. 1.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY.

NOTICE

Notice is hereby given that Twenty-second Ordinary Annual General Meeting of the Members of THE GODAVARI SUGAR MILLS LTD., will be held on Thursday the 21st December, 1961 at 4-00 P.M. (S.T.) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay 1, to transact the following business.

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st May, 1961.
2. To declare dividends on Preference and Ordinary (Equity) Shares.
3. To appoint a Director in place of Shri S. K. Somaiya who retires by rotation and being eligible offers himself for re-appointment and to consider and if thought fit to pass the following resolution as a Special Resolution, with or without modification for which a Special Notice as required under 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 Ltd., be and is hereby appointed a Director of the Company."

4. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

SPECIAL RESOLUTION No. 2 :

"Resolved that the Memorandum and Articles of Association of the Company be altered at follows :—

- A. In clause V of the Memorandum of Association of the Company the words "7.8572 % per annum subject to deduction of tax at source as may be required under the law for the time being in force" be substituted for the words "5½ % free of income-tax."
 - B. In sub-clause (a) of clause 6 of the Articles of Association of the Company the words "7.8572 % per annum subject to deduction of tax at source as may be required under the law for the time being in force" be substituted for the words "5½ % per annum free of income-tax."
5. To elect a Director in the place of Shri N. K. Firodia who retires by rotation but being eligible offers himself for re-election.
 6. To consider and if thought fit to pass with or without modification the following Resolution, as an Ordinary Resolution :

ORDINARY RESOLUTION No. 1 :

"Resolved that pursuant to the relevant provisions of the Companies Act 1956, including Section 257, and Section 258 Shri D. M. Popat be and is hereby elected and appointed Director of the Company."

7. To consider and if thought fit to appoint Shri V. D. Muzumdar to the Office of Director and if deemed fit to pass with or without modifications the following resolution as an Ordinary Resolution of which a Special Notice as required under section 281 of the Companies Act 1956, has been received by the Company from a shareholder.

ORDINARY RESOLUTION No. 2 :

"Resolved that pursuant to the provisions of Section 281 and other applicable provisions, (if any) of the Companies Act 1956, including section 257 and 258, Shri V. D. Muzumdar, who has attained the age of 68 years be and is hereby appointed a Director of the Company, and it is hereby specifically declared that the age limit prescribed under Section 280 of the said Act shall not apply to him."

8. To appoint Auditors for the current year and fix their remuneration.

The transfer books of the Company will be closed from 7th December, 1961 to 21st December, 1961, both days inclusive.

By Order of the Board of Directors,
K. J. SOMAIYA & SONS PRIVATE LTD.,
K. J. SOMAIYA
Director,
Managing Agents.

BOMBAY, Dated: 13th November, 1961

NOTE :—

The dividend on Preference and Ordinary Shares when declared will be made payable at the Registered Office of the Company on and after 15th January, 1962. The dividend warrants will be posted to those shareholders whose names stand on the Company's Register on 21st December, 1961.

A member entitled to attend and vote is also entitled to appoint a proxy; the proxy need not be a member.

EXPLANATORY STATEMENT

The following explanatory statement is given in respect of the special items of business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of the Companies Act, 1956.

SPECIAL RESOLUTION No. 1 :

Shri S. K. Somaiya retires from the office of Director but offers himself for re-appointment. Special Notice of the Special Resolution set out in item No. 3 has been received by the Company from a shareholder. The Special Notice states that the Special Resolution is necessary in order that the experience, knowledge and services of Shri S. K. Somaiya continue to be made available to the Company. Since Shri S. K. Somaiya is an Associate of the Managing Agents of the Company, the Special Resolution is necessary under the provisions of section 261 of the Companies Act 1956 and accordingly this Special Resolution is recommended for acceptance.

SPECIAL RESOLUTION No. 2 :

The dividend payable on Cumulative Preference Shares of the Company is 5½% free of tax. Due to the changes made by the Finance Act 1960, the grossing up is no longer available. Under the Preference Shares (Regulation of Dividends) Act 1960 recently enacted the tax free dividend is to be increased by 30%. Even with the proposed increase the Preference Shareholders were not getting the same amount of net dividend as they were receiving when the change in the income-tax Law had not been effected.

It is only fair that the Preference Shareholders of the Company should continue to receive the same amount of dividend in the changed circumstances explained above. The object can be achieved by amending the Memorandum and Articles of Association of the Company suitably. With a view to effect the said change, the Resolution as set out in the Notice is commended for your approval.

ORDINARY RESOLUTION No. 1 :

Shri D. M. Popat, who is a solicitor by profession, was appointed Additional Director by the Board in March 1961. Under the provisions of Section 260 of the Companies Act 1956 and of clause 84 of the Articles of Association of the Company, he would hold office upto the date of the next Annual General Meeting, namely 21st December, 1961. The Board considers it desirable that the Company should avail itself of his services. The Directors accordingly commend the Resolution to your approval.

ORDINARY RESOLUTION No. 2 :

Shri V. D. Muzumdar was appointed an Additional Director by the Company in September 1961. Under the provisions of Section 260 of the Companies Act and of clause 84 of the Articles of Association of the Company, he would hold office only upto the date of the next Annual General Meeting, namely 21st December, 1961. Shri V. D. Muzumdar has also attained the age of 68 years and as such it is necessary to pass this resolution, of which a Special Notice under Section 281 of the Companies Act 1956 has been received by the Company from a shareholder. The Directors consider it desirable that the Company should avail of his specialised knowledge and services and therefore commend the resolution to your approval.

Notices regarding the above Ordinary Resolutions proposing Shri D. M. Popat and Shri V. D. Muzumdar 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.

INTEREST OF DIRECTORS

Shri S. K. Somaiya is interested in the Special Resolution No. 1 to the fees he is entitled to receive as a Director for attending the Board Meeting of the Company.

Shri D. M. Popat and Shri V. D. Muzumdar are interested in the Ordinary Resolution No. 1 and Ordinary Resolution No. 2 respectively to the fees they are entitled to receive for attending the Board Meetings of the Company.

The Directors Sarvashri K. J. Somaiya, S. K. Somaiya, J. G. Dalal, C. S. Bharaktiya, N. K. Firodia, D. M. Popat and V. D. Muzumdar hold Ordinary (Equity) shares and Sarvashri J. G. Dalal, C. S. Bharaktiya, N. K. Firodia, D. M. Popat and V. D. Muzumdar hold preference shares and they may be considered as interested and/or concerned in the above resolution in their respective capacity as such.

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

K. J. SOMAIYA

Director,

Managing Agents.

BOMBAY, Dated: 13th November, 1961.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

DIRECTORS' REPORT

THE SHAREHOLDERS,
THE GODAVARI SUGAR MILLS LTD.,
BOMBAY.

GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May, 1961.

The Profit & Loss Account for the year under review shows a net profit of Rs. 49,00,711/- after providing for Depreciation Rs. 9,41,082/- and for Taxation Rs. 30,00,000/- and for Development Rebate Rs. 47,483/-. This year's profit together with the balance of Rs. 2,17,906/- brought forward from last year's account and after transferring Rs. 15 lacs from Redeemable Preference Shares Redemption Reserve and Rs. 6 lacs from the Housing Reserve amounts to Rs. 72,18,617/-

Your Directors recommend the following appropriations:

1. Proposed dividend on Ordinary (Equity) Shares at Rs. 42·50nP. per share subject to deduction of tax	Rs. 17,00,000
2. Proposed dividend on Preference Shares at Rs. 7·8572 per share subject to deduction of tax i.e. 5½% free of income-tax	Rs. 1,45,433
3. Transfer to General Reserve	Rs. 50,00,000
4. Transfer to Reserve for Gratuity	Rs. 25,000
5. Balance carried forward to Balance Sheet	Rs. 3,48,184
Total	Rs. 72,18,617

You are requested to approve Rs. 5,13,221/- by way of Charity and Donations during the year as under :

The Somaiya Trust	Rs. 5,00,000
Lok Bharati	Rs. 5,000
All India Manufacturers' Organisation	Rs. 2,000
Congress Committee, Satara	Rs. 3,000
Sundry	Rs. 3,221
Total	Rs. 5,13,221

The working of the two factories has been satisfactory.

The crops for the year under review are better as compared to last year. The cane crop available for crushing season 1961-62 is about 2935 acres.

A subsidiary company named 'Somaiya Organo-Chemicals Limited' was formed during the year to which distillery machinery and acetic acid plant under erection have been transferred.

The Captainganj Distillery owned by the Company worked only intermittently. This was because of shortage of coal and other reasons beyond the control of the management. Your Directors thought fit to expand the Captainganj Distillery and a new plant has already been ordered for the purpose, which is likely to be ready during the course of next year.

The statements of accounts of Godavari Investment & Finance Corporation Ltd., and Somaiya Organo-Chemicals Ltd., together with the reports of the Directors and Auditors are annexed.

The loss suffered by the subsidiary of the Company, Narmada Farms Private Ltd. (since merged with the Company), of Rs. 1,02,607 for the year ended 31st May, 1960 has been reimbursed by the Company.

Shri N. K. Fiordia and Shri S. K. Somaiya retire by rotation but being eligible offer themselves for re-election.

Messrs. Nanubhai & Co. retire and offer themselves for re-appointment as Auditors.

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

BOMBAY, Dated: 13th November, 1961.

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 at 31st May, 1961 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 Accounts as required by law have been kept by the Company so far as appears from our examination of those Books of Accounts.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of Accounts.
4. In our opinion and to the best of our information and according to the explanations given to us the Accounts 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 State of affairs of the Company as at 31st May, 1961, and
 - (b) In the case of the 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.

BOMBAY, Dated: 15th November, 1961.

NANUBHAI & CO.,
Chartered Accountants.

**STATEMENTS
OF
ACCOUNTS**

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1960	LIABILITIES		
Rupees		Rupees	Rupees
	I. 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			
<u>1,00,00,000</u>			<u>1,00,00,000</u>
	SUBSCRIBED AND ISSUED 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 Extraordinary General Meeting held on 16th May, 1951 by Capitalisation of General Reserve		30,00,000
30,00,000			
	18,509½ 5½% Free of IncomeTax 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			
<u>58,50,950</u>			<u>58,50,950</u>
	II. RESERVES AND SURPLUS:—		
	Capital Reserve:		
34,747	As per last Balance Sheet	37,777	
	Add: Profit on Sale:		
3,030	Machinery		
	Land of Narmada Farms	18,014	
<u>37,777</u>			55,791
	Redeemable Preference Shares Redemption Reserve:		
15,00,000	As per last Balance Sheet	15,00,000	
	Less: Transferred to Profit and Loss Account ..	<u>15,00,000</u>	
<u>15,00,000</u>			
	General Reserve:		
50,00,000	As per last Balance Sheet	78,00,000	
28,00,000	Add: Set aside from 1960-61 Profit	<u>50,00,000</u>	
<u>78,00,000</u>			1,28,00,000
<u>93,37,777</u>			
<u>58,50,950</u>	Carried Forward ..	<u>1,28,55,791</u>	<u>58,50,950</u>

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1961

As at 31st May 1960		ASSETS			
Rupees			Rupees	Rupees	Rupees
	I. FIXED ASSETS: (At cost or book value):—				
2,41,42,125	Gross Block		2,63,86,415		
1,37,48,691	Less: Depreciation written off upto 31st May 1961 ..		1,47,22,091		
1,03,93,434	Net Depreciated Block as per Schedule "A" attached ..			1,16,64,324	
1,31,430	Capital work-in-progress			7,31,994	
1,05,24,864					1,23,96,318
	II. INVESTMENTS:—				
	(A) TRADE INVESTMENTS:				
	Shares of subsidiary Companies :				
12,99,000	1,299 Fully paid Ordinary (Equity) Shares of Rs. 1,000/- each of Narmada Farms Private Ltd., (since amalgamated).			—	
1,00,000	2,000 Partly paid up Ordinary (Equity) Shares of Godavari Investment and Finance Corporation Ltd., of Rs. 100/- each			1,00,000	
—	5,000 Fully paid 7% Free of Income Tax Cumulative Preference Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd.			5,00,000	
—	100 Fully paid (Equity) Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd.			10,000	
13,99,000				6,10,000	
	(B) OTHER INVESTMENTS:				
78	One Ordinary Share of Maharashtra State Co-operative Bank Ltd. of Rs. 50/- each fully paid up			78	
—	National Savings Certificates deposited with Excise Commissioner, U.P.			8,000	
13,99,078					6,18,078
1,19,23,942					
	Carried Forward ..				1,30,14,396

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1960	LIABILITIES—Contd.			
Rupees		Rupees	Rupees	Rupees
58,50,950	Brought Forward ..		1,28,55,791	58,50,950
93,37,777	Housing Reserve:			
6,00,000	As per last Balance Sheet	6,00,000		
—	Less: Transferred to Profit and Loss Account ..	6,00,000		
6,00,000				
	Reserve for Gratuity:			
50,000	As per last Balance Sheet	75,000		
25,000	Add: Set aside from 1960-61 profit	25,000		
75,000			1,00,000	
	Development Rebate Reserve:			
9,07,805	As per last Balance Sheet	10,43,413		
1,35,608	Add: Amount Set aside from profit of the year ..	47,483		
10,43,413			10,90,896	
	Profit and Loss Account:			
2,17,907	Balance as per Profit and Loss Account annexed ..		3,48,184	
1,12,74,097				1,43,94,871
	III. SECURED LOANS:—			
79,27,132	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		77,33,941	
12,75,000	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		—	
—	From Bank of India Ltd., against equitable mortgage by way of Deposits of Title Deeds of the Company's Immovable Property at Factories and Somaiya Farms and fully guaranteed by the Managing Agents and two Directors		25,00,000	
92,02,132				1,02,33,941
	IV. UNSECURED LOANS:—			
—	From Bank		25,000	
7,37,157	From others		6,01,750	
	On Current Account:			
9,08,744	From Managing Agents		10,17,919	
2,81,982	From Selling Agents		2,61,374	
19,27,883				19,06,043
2,82,55,062	Carried Forward ..			3,23,85,805

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1961

As at 31st May 1960		ASSETS—Contd.		
Rupees		Rupees	Rupees	Rupees
1,19,23,942				
	Brought Forward ..			1,30,14,396
	III. CURRENT ASSETS, LOANS AND ADVANCES:—			
	(A) CURRENT ASSETS:			
	Stores, Chemicals and Spares (at cost) (as per inventories valued and certified by Managing Agents):			
66,02,940	On hand (including Machineries of Rs. 3,84,531/-) (including estimated value of Building materials Rs. 15,000/- on property demolished)	47,50,193		
3,70,559	In Transit	59,152		
69,73,499			48,09,345	
32,676	Loose Tools and Implements (as per Inventories valued and certified by Managing Agents) ..		35,589	
	Stock-in-trade (as per inventories valued and certified by Managing Agents):			
1,99,26,051	Sugar at Market Rate	3,17,40,200		
88,029	Denatured and Rectified spirit at Market Rate ..	72,096		
39,736	Power and Absolute Alochol at Market Rate ..	62,794		
1,50,094	Grains, Cotton etc. at Market rate	1,27,526		
5,315	Molasses at cost	3,176		
2,02,09,225			3,20,05,792	
30,71,570	Crop in progress (at cost including tillages, preparation of land, irrigation charges etc. as valued and certified by Managing Agents)		32,64,973	
	Sundry Debtors: (Unsecured and considered good except as otherwise stated):			
27,489	(i) Debts outstanding for more than six months ..	3,702		
	Considered doubtful:			
24,009	Claims from Railways and others	24,009		
51,498		27,711		
24,009	Less: Provision for doubtful debts	24,009		
27,489		3,702		
50,394	(ii) Other Debts	2,39,169		
77,883			2,42,871	
	CASH AND BANK BALANCES:			
1,52,477	Cash on hand	94,579		
48,209	In Current Account with Banks	58,918		
6,813	Drafts and Hundies on hand	—		
—	In Cash Credit Account with Banks	2,000		
1,26,000	Fixed Deposit (Pledged with Bank of India Ltd. as margin against letter of credit)	1,26,000		
3,33,499				
3,03,64,853				
1,19,23,942	Carried Forward ..	2,81,497	4,03,58,570	1,30,14,396

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1960		LIABILITIES—Contd.		
Rupees		Rupees	Rupees	Rupees
2,82,55,062				3,23,85,805
	Brought Forward ..			
	V. CURRENT LIABILITIES AND PROVISIONS:—			
	(A) CURRENT LIABILITIES:			
1,07,76,181	Sundry Creditors		1,79,34,546	
19,12,003	For Taxation		18,61,529	
25,000	Security Deposit from selling Agents		25,000	
—	Security Deposit from Customers		2,360	
—	Due to partnership Firm of Khanapur Farms		16,361	
7,55,991	Managing Agent's Remuneration		5,92,238	
3,761	Unclaimed Dividend		3,98,295	
2,200	Unclaimed Redemption money		2,200	
74,062	Due to Trustees to Staff Provident Fund (since paid).		52,747	
1,28,601	Interest accrued but not due on loans		5,70,347	
1,36,77,799			2,14,55,623	
	(B) PROVISIONS:			
64,07,811	Provision for taxation	86,19,380		
38,48,300	Less: Advance Payment under Section 18A of Income Tax Act	39,65,179		
25,59,511			46,54,201	
15,32,343	Proposed dividends		18,45,433	
5,50,000	Provision for Bonus		7,00,000	
1,83,19,653				2,86,55,257
	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 and Finance Corporation Ltd., a subsidiary Company		1,00,000	
	(iii) In respect of losses of subsidiary Companies:			
83,457	(a) Godavari Investment and Finance Corporation Ltd., Profit and Loss Account as at 31st May 1961		1,51,002	
—	(b) Somaiya Organo-Chemicals Ltd. Profit and Loss Account as at 31st May 1961		7,29,282	
25,00,000	(iv) In respect of purchase commitments including for Capital purchases about		10,00,000	
—	(v) In respect of present liability for future payment of gratuity unascertained		—	
4,65,74,715	Total Rupees ..			6,10,41,062

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1961

As at 31st May 1960	ASSETS—Contd.			
Rupees		Rupees	Rupees	Rupees
1,19,23,942	Brought Forward ..	2,81,497	4,03,58,570	1,30,14,396
3,03,64,853				
3,33,499				
4,116	Interest accrued on above deposit	3,842		
145	Stamps on hand	—		
—	In Post Office Savings Bank (Pledged with collector of Central Excise, U.P.)	1,000		
3,37,760				
	(B) LOANS AND ADVANCES:		2,86,339	
	(Unsecured and considered good except as otherwise stated):			
40,069	Loans to others	41,434		
14,303	Considered Doubtful	14,303		
54,372		55,737		
14,303	Less: Provision for doubtful loans	14,303		
40,069			41,434	
	Loans to subsidiary Companies of which the Company is holding Company:			
3,99,341	(a) Narmada Farms Private Ltd.	—		
11,13,068	(b) Godavari Investment & Finance Corporation Limited	12,29,759		
—	(c) Somaiya Organo-Chemicals Ltd.	31,53,889		
15,12,409			43,83,648	
	Partnership Firms:			
84,834	(a) Khanapur Farms	—		
1,17,853	(b) Lakh Farms	24,672		
2,02,687			24,672	
1,74,816	Acetic Acid Plant Expenses	—		
13,77,146	Advances recoverable in Cash or in kind or for value to be received	20,44,687		
23,596	Considered doubtful	21,338		
14,00,742		20,66,025		
23,596	Less: Provision for doubtful advances	21,338		
13,77,146			20,44,687	
5,75,000	Paid in part under Section 23A of Income Tax Act, in dispute		8,25,000	
66,033	Deposits with Irrigation Department, Railways and others		62,316	
3,46,50,773				4,80,26,666
4,65,74,715	Total Rupees ..			6,10,41,062

THE GODAVARI SUGAR

BALANCE SHEET

- NOTES : (1) (a) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1957-58 onwards.
- (b) Demand for Income-Tax under Section 23A of Rs. 14,32,961/- is not provided as 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 said firms wherein company has $\frac{1}{4}$ share, which is represented by net 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 value of Rs. 2,02,560/- 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) Reference is invited to para 4 of the Director's Report.
- (6) Managing Agents have been advancing moneys on current account for which interest has been paid to them. Rendering of these services by Managing Agents is subject to approval of the Central Government under Section 360 of Companies Act 1960, application for which has been made to the Central Government.

Referred to in our report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 15th November, 1961.

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1961

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

(1) RE: GODAVARI INVESTMENT AND FINANCE CORPORATION 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 Limited, as at 31st May, 1961.
- (ii) Godavari Investment and Finance Corporation Limited made a loss of Rs. 67,545/- for the year ended 31st May, 1961. The total loss including that of previous years comes to Rs. 1,51,002/-. The said loss has been carried forward to the Balance Sheet of that Company and no adjustment has been made in the Books of The Godavari Sugar Mills Limited in respect of the said loss of the subsidiary Company.
- (iii) Advances: The amount advanced to Godavari Investment and Finance Corporation Limited, as at 31st May, 1961 stands at Rs. 12,29,759/-.

(2) RE: SOMAIYA ORGANO-CHEMICALS LIMITED :

- (i) The Godavari Sugar Mills Limited holds 5,000 fully paid 7% Free of Income-Tax cumulative preference shares of Rs. 100/- each and 100 fully paid Equity Shares of Rs. 100/- each of Somaiya Organo-Chemicals Limited.
- (ii) Somaiya Organo-Chemicals Limited made a loss of Rs. 7,29,282/- for the period ended 31st May, 1961. The said loss has been carried forward to the Balance Sheet of that Company and no adjustment has been made in the Books of The Godavari Sugar Mills Limited in respect of the said Loss of the subsidiary Company. The profit or loss of the previous year is nil as the Company was incorporated on 15-12-1960.
- (iii) Advances : The amount advanced to Somaiya Organo-Chemicals Limited as at 31st May, 1961 stands at Rs. 31,53,889/-.

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

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)

J. G. DALAL
V. D. MUZUMDAR
S. K. SOMAIYA
CHANDANSINHA BHARAKTIYA
N. K. FIRODIA
D. M. POPAT

} Directors

BOMBAY, Dated: 13th November, 1961.

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1960			Rupees	Rupees
Rupees				
	To Opening stock on 1st June 1960 :			
1,03,94,857	Sugar		1,99,26,051	
45,874	Denatured and Rectified Spirit		88,029	
—	Power and Absolute alcohol		39,736	
1,04,40,731				2,00,53,816
15,144	„ Purchase of Power Alcohol			—
12,557	„ Raw Materials consumed (purchase of raw materials Rs. 96,557/-) ..			98,696
	Agriculture Department:			
30,23,867	„ Crops in progress as at 1st June 1960		30,71,570	
—	„ Stock of Grains and other seeds as on 1st June 1960		86,075	
—	„ Purchases of food grains, tobacco, cotton etc.		5,337	
—	„ Grains and other seeds for sowing (purchase Rs. 4,130/-)		18,668	
18,20,875	„ Salaries and Wages		19,57,099	
16,742	„ Provision for accrued leave salaries and wages		35,577	
1,00,000	„ Provision for bonus		1,50,000	
32,286	„ Contribution to Provident Fund of the Company		17,636	
—	„ Contribution to Government Provident Fund and Administrative charges		26,541	
6,308	„ Gratuity		9,788	
1,695	„ Workmen and staff welfare expenses		1,918	
22	„ Workmen's Compensation		298	
24,34,354	„ Stores inclusive of manures		26,05,924	
37,636	„ Repairs and Renewals (including salaries and wages Rs. 12,810/-) ..		45,840	
2,86,371	„ Land Rent		2,93,861	
6,86,157	„ Irrigation rates and taxes (including Rs. 1,158/- for previous year) ..		7,06,614	
22,170	„ Drainage		20,591	
—	„ Expenses on sales of grains cotton, tobacco etc.		14,118	
80,459	„ Miscellaneous expenses, Printing and Stationery, Postage and Telegrams, Travelling and Legal charges, including harvesting and carting commission Rs. 49,439/-		1,35,782	
2,03,159	„ Depreciation		3,22,843	
—	„ Land development expenses written off		7,330	
14,443	„ Premium on leasehold land written off		14,963	
—	„ Bad debts written off		114	
87,66,544		Carried Forward ..	95,48,492	2,01,52,512
1,04,68,432				

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1961

As at 31st May 1960	Rupees	By Sales:	Rupees	Rupees
2,81,72,762		Sugar		
10,755		Gur	3,27,09,622	
8,019		Molasses	5,131	
2,37,036		Denatured & Rectified Spirit	3,544	
16,267		Power and Absolute Alcohol	3,59,610	
—		Foodgrains, tobacco, cotton, grass etc., including consumption of Rs. 14,538/- as seeds as per contra	3,52,319	
2,84,44,839			1,60,965	
				3,35,91,191
1,35,870		„ Sundry receipts from Flour Mills, Dairy etc.		
5,000		„ Supervision charges from subsidiary company		1,81,724
3,56,273		„ Sundry receipts being market value of Farm Produce etc. including profits on sale of cotton Rs. 9,646/- and profit on grains Rs. 229/-		5,000
		„ Income from Khanapur and Lakh Farms in partnership:		2,51,628
		(a) Khanapur Farms:		
4,500		Rent	4,500	
23,740		Add: $\frac{1}{4}$ share of profit for the year	39,269	
28,240				43,769
		(b) Lakh Farms:		
4,500		Rent	4,500	
39,676		Add: $\frac{1}{4}$ share of profit for the year	45,093	
44,176				49,593
72,416				93,362
3		„ Dividend on Co-operative Bank Share		
23		„ Share transfer and splitting fees		3
		„ Interest:		64
9,335		On Bank Accounts	4,581	
3,834		On loans and others	2,018	
62,828		From subsidiaries	85,088	
3,927		From lessors	4,562	
79,924				96,249
2,90,94,348		Carried Forward		3,42,19,221

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1960		Rupees	Rupees
Rupees			
1,04,68,432			
87,66,544			
—			
3,325			
87,69,869			
30,71,570			
56,98,299			
4,05,824			
70,39,319			
1,31,43,442			
16,35,834			
42,206			
18,246			
2,00,000			
13,306			
9,219			
87,637			
55,065			
153			
20,61,666			
8,08,805			
3,89,493			
4,01,163			
1,46,729			
12,721			
5,60,613			
14,72,717			
94,41,182			
42,385			
4,52,351			
3,88,41,086			
	Brought Forward ..	95,48,492	2,01,52,512
	To Loose tools written off	221	
	„ Livestock written off	9,226	
	„ Less: Crops in progress as at 31st May 1961	95,57,939	
	„ Transportation of cane	32,64,973	
	„ Locally purchased cane	62,92,966	
	„ Salaries and wages (including Rs. 30,000/- commission in addition to salary to General Manager at Factories who is also Superintending Engineer) after deducting Rs. 2,85,489/- charged to repairs, capital and other relevant heads	4,02,595	
	„ Provision for accrued leave salaries and wages	1,09,82,802	
	„ Bonus to employees		1,76,78,363
	„ Provision for bonus	18,36,526	
	„ Contribution to Provident Fund of the Company	67,556	
	„ Gratuity	19,559	
	„ Contribution to Government Provident Fund and administrative charges	2,50,000	
	„ Workmen and staff welfare expenses	12,561	
	„ Workmens' compensation	22,167	
	„ Stores, Chemicals and Spare parts (after deducting Rs. 45,32,275/- charged to Agriculture, Capital, Repairs and other relevant heads), (includes net shortage of Rs. 3,939/- between the physical and book inventories)	1,09,794	
	„ Power and Fuel	75,652	
	„ Repairs to Plant and Machinery inclusive of salaries and wages Rs. 2,76,637/-	10,527	
	„ Repairs to Buildings inclusive of salary and wages Rs. 74,257/-		24,04,342
	„ Other repairs inclusive of salaries and wages Rs. 35,534/-		10,31,152
	„ Sugarcane cess		4,16,942
	„ Excise duty	5,68,952	
	„ Insurance premium	2,03,637	
	„ Packing and forwarding	41,178	
	Carried Forward ..		8,13,767
			18,89,873
			88,33,210
			59,518
			8,83,013
			5,41,62,692

THE YEAR ENDED 31ST MAY, 1961

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THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1960		Rupees	Rupees
	Brought Forward ..		5,41,62,692
3,88,41,086			
7,928	To Rent (net) (received Rs. 1,200/-)		7,766
79,058	„ Rates and Taxes		1,45,212
3,14,689	„ Sole Selling Agents' commission on sugar		2,93,392
211	„ Brokerage on sugar and molasses		—
4,33,086	„ Miscellaneous expenses, including Printing and Stationery, Postage and Telegrams, Telephones and Travelling		5,22,985
1,34,137	„ Motor cars and lorries maintenance		1,64,478
5,11,887	„ Charity and Donations (refer to para 4 of Directors' Report on page No. 5) (includes Rs. 3,000/- to Congress Committee, Satara)		5,13,221
	„ Interest:		
27,486	Managing Agents	43,833	
1,84,244	Cash Credit Account	4,41,098	
86,343	Fixed loans (includes Rs. 15,000/- premium on repayment)	1,02,323	
1,23,890	Other loans	1,10,673	
4,21,963			6,97,927
1,725	„ Directors' Fees (including Rs. 1,050/- to members of Managing Agents as Directors)		2,850
16,622	„ Directors' and Managing Agents' Travelling expenses		37,612
	„ Managing Agents' Remuneration		
7,55,991	Commission on profits subject to adjustments that may have to be made in respect of Bonus and other provisions if any		5,92,238
	„ Payment to Auditors:		
7,500	Audit Fees	7,500	
—	In other capacity	10,000	
—	Travelling expenses	104	
7,500			17,604
80,697	„ Legal Expenses		36,612
5,81,274	„ Depreciation		6,18,239
1,648	„ Loose Tools & Implements written off		2,136
—	„ Premium on leasehold Land written off		10,000
—	„ Premium on leasehold garage written off		300
—	„ Goodwill written off		1,000
—	„ Loss on demolished immovable property... .. .		1,35,697
—	„ Expenses for demolishing immovable property		31,382
25,00,000	„ Provision for taxation		30,00,000
44,60,162	„ Balance being profit for the year		51,76,343
4,91,49,664		Total Rupees ..	6,61,69,686

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1961

As at 31st May 1960			
Rupees		Rupees	Rupees
4,91,49,664	Brought Forward ..	6,61,69,686	
<u>4,91,49,664</u>	Total Rupees ..	<u>6,61,69,686</u>	

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1960		Rupees	Rupees
Rupees			
	To Bonus to employees pertaining to previous years:		
1,13,176	Agriculture	1,46,666	
1,94,849	Manufacturing	2,54,341	
3,08,025			4,01,007
34,822	" Reimbursement of loss of Narmada Farms Private Limited a wholly owned subsidiary company for the year 1959-60		1,02,607
1,32,343	" Proposed dividend on preference shares subject to deduction of income tax (i.e. 5½% free of income tax)		1,45,433
14,00,000	" Proposed dividend on ordinary shares at Rs. 42.50 per share (subject to deduction of tax)		17,00,000
1,35,608	" Development Rebate Reserve		47,483
28,00,000	" General Reserve		50,00,000
25,000	" Reserve for Gratuity		25,000
2,17,907	" Balance carried to Balance Sheet		3,48,184
	NOTES:—		
	(i) 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 Rs. Nil during the year.		
	(ii) Amount of transactions with associates of Managing Agents is as follows:—		
	For purchase of movable and Immovable Property	4,00,861	
	For Sale	—	
	For rendering of services	—	
		4,00,861	
	(iii) Computation of Managing Agent's Remuneration is as follows:—		
	Net Profit as per Profit and Loss Account	51,76,343	
	Add:—		
	Managing Agent's Remuneration	5,92,238	
	Directors' Fees to Members of Managing Agency Company	1,050	
	Provision for taxation	30,00,000	
	Depreciation:		
	Agriculture	3,22,843	
	Factory	6,18,239	
		9,41,082	
	Loss on demolished immovable property	1,35,697	
			46,70,067
	Add:—		
	Income shown in lower part of Profit and Loss Account:		
	Provision for Bonus recredited	2,50,000	
	Unclaimed Salaries, Wages and Bonus written back	19,232	
	Sales Tax Refund	3,975	
	Excess Provision for Doubtful debts	2,258	
		2,75,465	
50,53,705	Carried Forward ..	1,01,21,875	77,69,714

THE YEAR ENDED 31ST MAY, 1961

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THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1960				
Rupees			Rupees	Rupees
50,53,705		Brought Forward ..	1,01,21,875	77,69,714
Less:—				
Expenses shown in lower part of Profit and Loss Account:				
Bonus for previous year	4,01,007			
Reimbursement of Loss of Narmada Farms Private Limited for 1959-60.. .. .	1,02,607			
			5,03,614	
			96,18,261	
Less:—				
Depreciation to the extent specified in Section 350 of Indian Companies Act 1956			10,02,500	
Net Profit for calculating Managing Agents' Remuneration			86,15,761	
Managing Agents' remuneration on Rs. 86,15,761/- as detailed below:				
10% on First Rs. 10 lacs.	1,00,000			
9% on next Rs. 10 lacs.	90,000			
8% on next Rs. 10 lacs.	80,000			
7% on next Rs. 10 lacs.	70,000			
6% on next Rs. 10 lacs.	60,000			
5½% on next Rs. 25 lacs.	1,37,500			
5% on next Rs. 11,15,761/-	55,788			
	5,93,288			
Less:—				
Directors' fees to Members of Managing Agency Company	1,050			
Amount of Managing Agents' Remuneration	5,92,238			
Note:—Managing Agents' Remuneration is calculated for the whole year on the basis of new agreement entered into with effect from 15th August 1960.				
50,53,705	Total Rupees ..			77,69,714

Referred to in our report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 15th November, 1961.

THE YEAR ENDED 31ST MAY, 1961

[illegible]

Managing Agents:

For K. J. SOMAIYA & SONS PRIVATE LTD.

K. J. SOMAIYA

Director.

K. J. SOMAIYA

Chairman (Ex-Officio)

J. G. DALAL

V. D. MUZUMDAR

S. K. SOMAIYA

CHANDANSINHA BHARAKTIYA

N. K. FIRODLA

D. M. POPAT

Directors

BOMBAY, Dated: 13th November, 1961.

THE GODAVARI SUGAR

Schedule A

Schedule Attached to and Forming Part of

PARTICULARS	Gross Block as at 31st May 1960	Additions during the year	Sub-total	Adjustment for cost of sale and other adjustment during the year	Sales upto 31st May '60 subject to adjustment of gain or loss	Sales during the year subject to adjustment of gain or loss
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Goodwill	10,000	—	10,000	—	—	—
Freehold land	16,15,522	8,33,205	24,48,727	41,313	—	*10,000
Leasehold land premium	2,88,850	†1,02,175	3,91,025	—	—	—
Leasehold premium on garage	12,000	—	12,000	—	—	—
Buildings	@39,17,860	5,62,410	44,80,270	—	*14,014	*1,70,000
Immovable property on Leasehold land	2,53,870	—	2,53,870	2,53,870	—	—
Temporary quarters	2,12,512	—	2,12,512	—	—	—
Temporary quarters at farms	97,360	—	97,360	—	—	—
Pucca Quarters at factory	1,16,557	—	1,16,557	—	—	—
Pucca quarters at farms	1,18,603	4,156	1,22,759	—	—	—
General machinery	1,06,20,738	5,65,637	1,11,86,375	—	*35,000	*3,48,700
Electrical machinery	8,94,558	14,675	9,09,233	—	—	—
Agricultural machinery	24,21,937	5,89,476	30,11,413	—	*4,500	—
Locomotives	92,974	—	92,974	—	—	—
Electrical Installation & fittings	96,947	—	96,947	—	—	—
Furniture & office equipment	4,01,410	97,423	4,98,833	—	*375	—
Weigh Bridges	86,365	25,742	1,12,107	—	—	—
Trolley line	6,18,433	—	6,18,433	—	—	—
Railway sidings	1,30,680	—	1,30,680	—	—	—
Motor Cars, Lorries & Cycles	3,41,258	56,619	3,97,877	—	—	*7,600
Carts and trucks	3,46,096	7,251	3,53,347	—	*2,475	—
Laboratory apparatus	37,259	3,112	40,371	—	—	—
Roads and Drainage	6,82,440	1,725	6,84,165	—	—	—
Dead Stock	67,953	—	67,953	—	—	—
Library	6,457	423	6,880	—	—	—
Medical Instruments	363	—	363	—	—	—
Irrigation lifts	6,42,869	1,87,829	8,30,698	—	—	—
Live stock (Book value)	66,618	25,141	91,759	—	—	1,226
Total Rupees	2,41,98,489	30,76,999	2,72,75,488	2,95,183	56,364	5,37,526

Remarks: * Subject to adjustment of gain or loss.

† Out of this Rs. One lac is in respect of leasehold land transferred out of immovable property on lease hold land.

@ Includes Rs. 51,000/- transferred from Immovable Property at Mahabaleshwar.

Notes: (i) Fixed Assets other than Live stock are at cost.
(ii) No depreciation has been taken on freehold land.

MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1961.

Deduction of sales and other adjustments	Gross block as on 31st May 1961	Written off upto 31st May 1960	Written off this year	Adjustments	Total depreciation as at 31st May 1961	Net depreciated block as at 31st May 1961
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
—	10,000	5,000	1,000	—	6,000	4,000
51,313	23,97,414	—	—	—	—	23,97,414
—	3,91,025	1,58,870	24,968	—	1,83,838	2,07,187
—	12,000	900	300	—	1,200	10,800
1,84,014	42,96,256	13,92,954	90,426	—	14,83,380	28,12,876
2,53,870	—	3,173	—	3,173	—	—
—	2,12,512	1,80,131	2,429	—	1,82,560	29,952
—	97,360	83,284	1,056	—	84,340	13,020
—	1,16,557	361	2,904	—	3,265	1,13,292
—	1,22,759	18,700	2,561	—	21,261	1,01,498
3,83,700	1,08,02,675	71,62,904	4,04,768	—	75,67,672	32,35,003
—	9,09,233	7,00,299	27,340	—	7,27,639	1,81,594
4,500	30,06,913	17,82,874	1,81,773	—	19,64,647	10,42,266
—	92,974	71,086	2,189	—	73,275	19,699
—	96,947	49,893	4,705	—	54,598	42,349
375	4,98,458	96,824	30,962	—	1,27,786	3,70,672
—	1,12,107	66,134	5,515	—	71,649	40,458
—	6,18,433	4,80,859	13,712	—	4,94,571	1,23,862
—	1,30,680	78,667	4,902	—	83,569	47,111
7,600	3,90,277	2,61,156	20,530	—	2,81,686	1,08,591
2,475	3,50,872	2,40,111	7,754	—	2,47,865	1,03,007
—	40,371	19,733	1,445	—	21,178	19,193
—	6,84,165	2,49,138	43,590	—	2,92,728	3,91,437
—	67,953	43,510	1,474	—	44,984	22,969
—	6,880	2,451	258	—	2,709	4,171
—	363	283	6	—	289	74
—	8,30,698	5,58,348	90,783	—	6,49,131	1,81,567
1,226	90,533	41,045	9,226	—	50,271	40,262
8,89,073	2,63,86,415	1,37,48,683	9,76,576	3,173	1,47,22,091	1,16,64,324

Managing Agents:

For K. J. SOMAIYA & SONS PRIVATE LIMITED.

K. J. SOMAIYA
Director.

K. J. SOMAIYA

Chairman (Ex-officio)

J. G. DALAL
V. D. MUZUMDAR
S. K. SOMAIYA
CHANDANSINHA BHARAKTIYA
N. K. FIRODIA
D. M. POPAT

Directors

BOMBAY, Dated: 13th November, 1961.

SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

DIRECTORS' REPORT

THE SHAREHOLDERS,
SOMAIYA ORGANO-CHEMICALS LIMITED.,
BOMBAY.

GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the period ended 31st May, 1961 submitted herewith.

Your Company purchased from the Holding Company, The Godavari Sugar Mills Limited, the land, distillery machinery, partly erected acetic acid plant as from 6-4-1961.

The acetic acid plant was ready duly erected towards end of the financial year, and the plant had preliminary trial runs.

Accounts: The accounts cover the period from 15-12-1960 (the date of incorporation of the Company) to 31-5-1961. The net loss of the year amounts to Rs. 7,29,282/- after providing Rs. 1,54,554/- for depreciation and after transferring Rs. 5,44,927/- to Development Rebate Reserve. In view of the loss for the period ended 31st May, 1961, the Directors do not recommend any dividend. The loss is carried forward to the next year.

Two of your Directors, Shri K.J. Somaiya and Shri S.K. Somaiya, retire by rotation but being eligible offer themselves for re-election.

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

Yours faithfully,

For and on behalf of the Board of Directors,

K. J. SOMAIYA

Director.

BOMBAY, Dated: 13th November, 1961

SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED as at 31st May, 1961 and also the Profit and Loss Account of the Company for the period 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 Accounts as required by law have been kept by the Company so far as appears from our examination of those Books of Accounts.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.
4. In our opinion and to the best of our information and according to the explanations given to us, the Accounts together with the note 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, 1961, and
 - (b) In the case of the profit and loss account of the loss for the period 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 Director.

Bombay, Dated: 15th November, 1961.

NANUBHAI & CO.,
Chartered Accountants.

SOMAIYA ORGANO

BALANCE SHEET AS AT

LIABILITIES		Rupees	Rupees
I. SHARE CAPITAL:—			
AUTHORISED CAPITAL:			
25,000 Equity shares of Rs. 100/- each	25,00,000		
25,000 7% Free of Income-Tax Redeemable cumulative preference shares of Rs. 100/- each liable to be redeemed at the option of the Company	25,00,000	50,00,000	
SUBSCRIBED CAPITAL:			
150 Equity shares of Rs. 100/- each fully paid up	15,000		
5,000 7% 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	5,00,000	5,15,000	
II. RESERVES AND SURPLUS:—			
Development Rebate Reserve:			
Amount transferred from Profit & Loss Account		5,44,927	
III. UNSECURED LOANS:			
Loan on current account, from the holding company,			
The Godavari Sugar Mills Limited		31,53,889	
IV. CURRENT LIABILITIES AND PROVISIONS:—			
Sundry Creditors		11,170	
NOTES:—(i) Conveyance for purchase of land, from the Holding Company, The Godavari Sugar Mills Ltd., is under preparation.			
(ii) As the Company was registered on 15th December, 1960, figures for previous year could not be given.			
Total Rupees ..			42,24,986

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 15th November, 1961.

CHEMICALS LIMITED, BOMBAY.

31ST MAY, 1961.

ASSETS

	Rupees	Rupees	Rupees
I. FIXED ASSETS (At cost):—			
Land		10,000	
Distillery Building	1,70,000		
Less: Depreciation during the period	4,250	1,65,750	
Distillery Machinery	3,22,143		
Less: Depreciation during the period	13,633	3,08,510	
Acetic Acid Plant	27,00,491		
Less: depreciation during the period	1,36,670	25,63,821	
Capital Work-in progress			
Building under erection	1,61,358	30,48,081	
Machinery under installation	27,319	1,88,677	32,36,758
II. CURRENT ASSETS, LOANS AND ADVANCES:—			
(A) CURRENT ASSETS:			
Stores and spares at cost (as per inventories valued and certified by a Director):			
On hand	1,45,394		
In Transit	753		
Works-in process at cost (as valued and certified by a Director) ..	1,46,147	1,61,712	
	15,565		
Cash and Bank Balances:			
Cash on hand	35		
In current account with Banks	9,440	9,475	
(B) LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD):		1,71,187	
Advances recoverable in cash or in kind or for value to be received ..		83,824	2,55,011
III. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted):—			
Preliminary expenses		3,935	
Loss as per Profit and Loss Account		7,29,282	7,33,217
Total Rupees ..			42,24,986

NOTE:—

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

K. J. SOMAIYA
S. K. SOMAIYA
N. C. SAYTA
P. M. KAVADIA

Directors

BOMBAY, Dated: 13th November, 1961.

SOMAIYA ORGANO-

PROFIT & LOSS ACCOUNT

	Rupees
To Raw Materials consumed (purchases Rs. 2,139/-)	2,139
„ Stores materials consumed	14,648
„ Salaries and Wages	20,568
„ Miscellaneous Expenses:	
Including Printing and Stationery, Postage and Telegram, Travelling and licence fees etc.	4,049
„ Excise establishment charges	3,462
„ Audit Fees	500
„ Depreciation	1,54,554
„ Development Rebate Reserve	5,44,927
Total Rupees ..	7,44,847

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 15th November, 1961.

FOR THE PERIOD ENDING 31st MAY, 1961.

Total Rupees ..	7,44,847
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Directors

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GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY.

DIRECTORS' REPORT

THE SHAREHOLDERS,
Messrs. GODAVARI INVESTMENT AND FINANCE
CORPORATION LIMITED,
BOMBAY 1.

GENTLEMEN,

Your Directors have pleasure in submitting their Sixth Annual Report for the year ended 31st May, 1961 along with the audited Balance Sheet as at 31st May, 1961 and the Profit and Loss Account for the year 1960-61.

As in previous years the Company was able to maintain the progress in the business of giving engines and pumping sets on Hire-purchase Scheme to those Bagaitdars who have agreed to supply sugarcane to the holding company. The cultivators evinced a keen interest in the scheme with the result that the acreage secured by the Company were fairly good. The business of giving loans and advances also marked a considerable progress during the year.

Accounts: As reported last year no provision for depreciation is made during the year as the plant and machinery are given to cane growers on hire purchase basis. The accounts reveal a loss of Rs. 67,545/- during the year to which is added the loss of Rs. 83,457/- of earlier years. The total loss comes to Rs. 1,51,002/- 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 Board of Directors,

R. S. KOTAK,
Director.

BOMBAY, Dated: 2nd November, 1961.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, as at 31st May, 1961 and also the annexed Profit and Loss Account for the year ended on that date and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of the Books of Accounts produced before us.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the above Books of Accounts.
4. In our opinion 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, 1961 and
 - (b) In the case of the Profit and Loss Account of the loss for the year ended on that date.

BOMBAY, Dated: 4th November, 1961.

NANUBHAI & CO.,
Chartered Accountants.

GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May 1960	LIABILITIES	
Rupees	Rupees	Rupees
<u>5,00,000</u>	I. AUTHORISED CAPITAL:—	
	5,000 Ordinary (Equity) Shares of Rs. 100/- each	<u>5,00,000</u>
<u>1,00,000</u>	II. SUBSCRIBED CAPITAL:—	
	2,000 Ordinary (Equity) Shares of Rs. 100/- each. Rs. 50/- called up, held by the Holding Company, The Godavari Sugar Mills Ltd., and its nominees	<u>1,00,000</u>
<u>10,58,838</u>	III. UNSECURED LOANS:—	
	Loan on current account from the Holding Company, The Godavari Sugar Mills Ltd.	<u>11,44,670</u>
<u>14,847</u>	IV. CURRENT LIABILITIES AND PROVISIONS:—	
	Sundry Creditors	<u>10,162</u>
<u>54,230</u>	Interest accrued on unsecured loans	<u>85,088</u>
<u>69,077</u>		<u>95,250</u>
<u>12,27,915</u>	Carried Forward ..	<u>13,39,920</u>

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1961

As at 31st May 1960	ASSETS	
Rupees		Rupees
	I. FIXED ASSETS:—	
	Plant and Machinery (at cost) let on hire to Cane Growers in terms of hire purchase agreements:	
3,69,005	Cost upto 31st May 1960	Rs. 6,23,537
2,54,532	Additions during the year	1,46,901
6,23,537		
2,45,999	Less: Adjustment of Hire Purchase instalments	7,70,438
3,77,538		4,10,172
		3,60,266
	II. CURRENT ASSETS, LOANS AND ADVANCES:—	
	(A) CURRENT ASSETS:	
	Stock in trade (at cost) (as per inventories taken, valued and certified by a Director):	
1,46,468	Machinery	Rs. 63,202
22,525	Machinery in transit	—
6,154	Spares and Fittings	6,154
174	Stores	174
1,75,321		69,530
	SUNDRY DEBTORS:— (Unsecured, Considered good)	
15,770	Outstanding for more than six months unsecured but considered good	6,042
3,489	Unsecured and considered doubtful as per last Balance Sheet	67,872
64,383	Add: Provision for this year	45,827
67,872		1,13,699
—	Less: Bad debts written off during the year	35,821
67,872		77,878
67,872	Less: Provision for Doubtful debts	77,878
—		—
15,418	Other Debts for cost of spares and fittings supplied to cane growers and for the supervision charges and hire purchase instalments due from them	3,486
31,188		
2,06,509		9,528
3,77,538		
	Carried Forward ..	79,058
		3,60,266

GODAVARI INVESTMENT &

BALANCE SHEET

As at 31st May 1960		LIABILITIES—Contd.	
Rupees		Rupees	Rupees
12,27,915		Brought Forward ..	13,39,920
<p>NOTES :—</p> <ol style="list-style-type: none"> 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. 8,28,652/- has been considered fully secured in accordance with the valuation certified by the Farm Manager of the Holding Company, The Godavari Sugar Mills Limited, and in view thereof the said loans and advances are considered good. No Provision for depreciation is made during the year as the plant and machinery are given to Cane Growers on Hire Purchase Agreement. 			
		Total Rupees ..	13,39,920
<u>12,27,915</u>			

Referred to in our Report of even date.

NANUBHAI & CO.
Chartered Accountants.

BOMBAY, Dated: 4th November, 1961.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1961

As at 31st May 1960		ASSETS—Contd.		
Rupees			Rupees	Rupees
3,77,538		Brought Forward ..	79,058	3,60,266
2,06,509				
		CASH AND BANK BALANCES:		
21		Cash on hand	Rs. 14	
1,067		Stamp papers	1,255	
5,562		Balance with bank	948	2,217
6,650				81,275
		(B) LOANS AND ADVANCES:		
		Loans (secured and considered good):		
5,09,120		Loans to Cane Growers under arrangement to supply cane to the Holding Company, The Godavari Sugar Mills Limited in terms of agreement considered good for which the company is fully secured by Mortgage of land and cane crops	6,91,183	
		Loans (unsecured and considered good):		
44,641		Loans to Cane Growers under arrangement to supply cane to Holding Company, The Godavari Sugar Mills Ltd., in terms of agreement considered good for which the the company holds no securities other than the debtors personal security	56,194	8,28,652
5,53,761				
7,66,920		III. MISCELLANEOUS EXPENDITURE:—		
		Profit and Loss Account		
83,457		Loss as per Profit and Loss Account		1,51,002
12,27,915				
		Total Rupees ..		13,39,920

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

Directors

BOMBAY, Dated: 2nd November, 1961.

GODAVARI INVESTMENT &

PROFIT & LOSS ACCOUNT FOR

<i>As at 31st May 1960</i>		Rupees	Rupees
<i>Rupees</i>			
	To Opening Stock:		
25,401	Machinery	1,68,993	
6,436	Spares and fittings	6,154	
174	Stores	174	
<u>33,011</u>			1,75,321
	„ Purchases:		
3,92,246	Machinery		51,831
	„ Supervision charges to the Holding Company,		
5,000	The Godavari Sugar Mills Limited		5,000
17,480	„ Salaries and Wages		19,575
894	„ Miscellaneous expenses, Fees and Stamps Printing and Stationery, Postage and Telegrams, Conveyance, Travelling etc.		2,398
1,929	„ Railway Freight		279
54,230	„ Interest on current account to the Holding Company, The Godavari Sugar Mills Limited		85,088
500	„ Audit Fees		500
—	„ Professional charges		250
64,383	„ Provision for doubtful debts		45,827
<u>5,69,673</u>		Total Rupees ..	<u>3,86,069</u>
20,547	To Loss as per last Balance Sheet		83,457
62,910	„ Loss brought down		67,545
<u>83,457</u>		Total Rupees ..	<u>1,51,002</u>

Referred to in our report of even date.

NANUBHAI & CO.
Chartered Accountants.

BOMBAY, Dated: 4th November, 1961.

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1961

As at 31st May 1960			Rupees	Rupees
Rupees				
2,54,250	By Transfer to Plant and Machinery (let on hire to Cane Growers in terms of hire Purchase agreements):			
282	Machinery		1,46,901	
2,54,532	Spares and Fittings		—	
				1,46,901
9,534	„ Return of purchases at cost to the Holding Company, The Godavari Sugar Mills Ltd.:			
	Machinery			14,262
33,112	„ Interest:			
19,452	On Loan			53,606
14,812	„ Supervision charges from Cane Growers			17,825
—	„ Hire rent on machinery			13,222
	„ Miscellaneous Receipts			3,178
1,46,468	„ Stock-in-trade (at cost) as per inventories taken valued and certified by a Director:			
22,525	Machinery		63,202	
6,154	Machinery in transit		—	
174	Spares and fittings		6,154	
1,75,321	Stores		174	69,530
62,910	Loss carried down			67,545
5,69,673				
		Total Rupees ..		3,86,069
83,457	By Loss carried to Balance Sheet			1,51,002
83,457				
		Total Rupees ..		1,51,002

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

Directors

BOMBAY, Dated: 2nd November, 1961.