

THE  
GODAVARI  
SUGAR MILLS  
LIMITED

ANNUAL REPORT & ACCOUNTS  
1961-62

1962

# 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.  
THE BANK OF BARODA 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-third Ordinary Annual General Meeting of the Members of THE GODAVARI SUGAR MILLS LIMITED will be held on Friday the 28th December, 1962 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, 1962.
2. To declare dividends on Preference and Ordinary (Equity) Shares.
3. To elect Directors in place of Shri C. S. Bharaktiya and Shri J. G. Dalal who retire by rotation but being eligible offer themselves for re-election.
4. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

### SPECIAL RESOLUTION:

"Resolved that further to the Special Resolution passed by the Shareholders of the Company at the Extra-Ordinary General Meeting of the Company held on 12th March, 1962, approving the contracts entered into by the Company with M/s. Kanti Transport Company, the Company hereby approves of any contracts or arrangements which will be entered into by the Company with M/s. Kanti Transport Co., associates of the Managing Agents of the Company, from the date of passing of this resolution on the following terms and conditions:

- (a) M/s. Kanti Transport Co., to act as the Transporters of the Company for transportation of stores, machinery, equipments, machinery parts, sugarcane, sugar bags, empty bags, scraps and other materials and commodities connected with the Company's business.
- (b) The contract for transportation of goods would be entrusted to M/s. Kanti Transport Co. only when the rates quoted by them are competitive and are not less favourable to the Company and are otherwise reasonable.
- (c) The Company shall enter into contracts for transportation of goods with M/s. Kanti Transport Co. worth Rs. 50,000/- in any one accounting year.
- (d) M/s. Kanti Transport Company will act as the transporters of the Company firstly for 10 years from 1-12-1962 and the terms may be renewed for such further period as may be approved by the Shareholders of the Company and Central Government as required under the Companies Act, 1956."

"Further Resolved that the contracts entered into by the Company with M/s. Kanti Transport Co. and the payments therefor made to them from 1-2-1962 to-date amounting to Rs. 14,223/- out of which M/s. Kanti Transport Co. have made a profit of Rs. 889/- as per statement of the date placed before the meeting and for the purpose of identification initialled by the Chairman be and they are hereby ratified and approved."

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

The transfer books of the Company will be closed from 14th December, 1962 to 28th December, 1962, both days inclusive.

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

BOMBAY, Dated 9th November, 1962.

**NOTE:—**

The dividend on Preference and Ordinary (Equity) Shares when declared will be made payable at the Registered Office of the Company on and after 31st January, 1963. The dividend warrants will be posted to those shareholders whose names stand on the Company's Register on 28th December, 1962.

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 item of business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of the Companies Act, 1956.

**SPECIAL RESOLUTION**

Members are aware that a Special Resolution approving the Contracts which were entered into or which might be entered into by the Company with M/s. Kanti Transport Co. was passed at the Extra-Ordinary General Meeting of the Company held on 12th March, 1962 and as required under Section 360 of the Companies Act, 1956, an application was made to the Central Government, seeking their consent to that arrangement. The Central Government suggested that the material terms of the contracts with M/s. Kanti Transport Company be incorporated in the resolution. It may be noted that the contracts for transport of goods are entrusted after making enquiries regarding rates of various transporters including M/s. Kanti Transport Co. The Special Resolution as set out in the accompanying Notice incorporating the terms and conditions on which M/s. Kanti Transport Co. will act as Transporters of the Company is therefore commended for your approval.

You are also requested to approve the statements showing the contracts entered into by the Company with M/s. Kanti Transport Co. from 1-2-1962 to-date and the payments made therefor. The statement will be available for inspection of the members on any working day from 14-12-1962 to 28-12-1962 between 3-00 P.M. and 5-00 P.M. at the Registered Office of the Company.

**INTEREST OF THE DIRECTORS**

Shri K. J. Somaiya & Shri S. K. Somaiya are interested in the Special Resolution since they are the relatives of the partners of M/s. Kanti Transport Company and as such they may be considered as interested and/or concerned in the said 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 9th November, 1962.

# 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, 1962.

The Profit & Loss Account for the year under review shows a net profit of Rs. 27,60,404/- after providing for Depreciation Rs. 9,47,163/- and for Taxation Rs. 34,00,000/- and for Development Rebate Rs. 1,32,882/-. This year's profit together with the balance of Rs. 3,48,185/- brought forward from last year's account amounts to Rs. 31,03,589/-.

Your Directors recommend the following appropriations:

1. Proposed dividend on Ordinary (Equity) shares at Rs. 20/- per share subject to deduction of tax. ....	Rs. 12,00,000
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. 15,00,000
4. Transfer to Reserve for Gratuity. ....	Rs. 25,000
5. Balance carried forward to Balance Sheet. ....	Rs. 2,38,156
Total ...	Rs. 31,08,589

You are requested to approve Rs. 5,90,512/- by way of Charity and Donations during the year as under:—

The Somaiya Trust ....	Rs. 5,00,000
Maharashtra Pradesh Congress Committee ....	Rs. 50,000
Indian National Congress ....	Rs. 15,000
U. P. Parliamentary Board ....	Rs. 10,000
Deccan Sugar Technologists' Association Building Fund ....	Rs. 10,000
Sundry ....	Rs. 5,512
Total ...	Rs. 5,90,512

The working of the two factories has been satisfactory.

The cane crop available for crushing season 1962-1963 is about 2975 acres.

The Maharashtra Government has decided to implement the Land Ceilings Legislation with effect from April, 1963. As such the Company will have to hand over the agricultural section together



with all its assets to such agency the Government may direct. The operational and yield efficiency on the cane farms of the Company is amongst the best in the country and as such this is likely to tell on the working results and finances of the Company in future years.

The recommendations of the Central Wage Board for Sugar Industry have been applied in the year under report retrospectively from November 1960 to the Factory labour and from November 1961 to the agricultural labour which account for higher wages and salaries for the year.

The Captainganj Distillery worked only intermittently due to shortage of coal and other reasons beyond the control of the management. Major part of the delivery has been made by the suppliers of the new plant ordered under the expansion scheme of the Distillery at Captainganj. The new plant is likely to be ready during the course of this year.

Shri C. S. Bharaktiya and Shri J. G. Dalal 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: 9th November, 1962.

# 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, 1962 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, 1962, and
  - (b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.

BOMBAY, Dated: 12th November, 1962.

NANUBHAI & CO.,  
*Chartered Accountants.*

**STATEMENTS  
OF  
ACCOUNTS**



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May 1961		LIABILITIES		
Rupees			Rupees	Rupees
	<b>I. SHARE CAPITAL:—</b>			
	<b>AUTHORISED CAPITAL:</b>			
80,00,000	1,80,000 Ordinary (Equity) Shares of Rs. 100/- each ..		1,80,00,000	
	20,000 7·8572% subject to deduction of tax at source			
20,00,000	Redeemable Cumulative Preference Shares of			
	Rs. 100/- each .. .. .		20,00,000	
1,00,00,000				2,00,00,000
	<b>ISSUED AND SUBSCRIBED CAPITAL:</b>			
	60,000 Ordinary (Equity) Shares of Rs. 100/- each fully			
	paid up:			
	Of the above Shares 50,000 Shares are allotted			
40,00,000	as fully paid up by way of bonus Shares by		60,00,000	
	capitalisation of General Reserve .. .. .			
	18,509½ 7·8572% subject to deduction of tax at source			
	Redeemable Cumulative Preference Shares of			
	Rs. 100/- each fully paid up, liable to be re-			
	deemed at the option of the Company at any			
18,50,950	time and from time to time after 1st October		18,50,950	
	1952, after giving three months' notice of the			
58,50,950	intention to so redeem the same .. .. .			78,50,950
	<b>II. RESERVES AND SURPLUS:—</b>			
	<b>Capital Reserve:</b>			
37,777	As per last Balance Sheet .. .. .	55,791		
18,014	Add: Profit on sale of land .. .. .	5,307		
55,791			61,098	
	<b>Redeemable Preference Shares Redemption Reserve:</b>			
15,00,000	As per last Balance Sheet .. .. .	—		
15,00,000	Less: Transfer to Profit & Loss Account .. .. .	—		
—				
	<b>General Reserve:</b>			
78,00,000	As per last Balance Sheet .. .. .	1,28,00,000		
78,00,000				
55,791				
58,50,950		Carried Over ..	1,28,00,000	61,098
				78,50,950

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1962

As at 31st May 1961		ASSETS			
Rupees			Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS: (At cost or book value):—</b>				
2,63,86,415	Gross Block .. .. .		2,75,85,882		
1,47,22,091	Less: Depreciation written off upto 31st May 1962 ..		1,57,02,957		
1,16,64,324	Net Depreciated Block as per Schedule 'A' attached ..		1,18,82,925		
7,31,994	Capital work-in-progress .. .. .		9,21,033		
1,23,96,318					1,28,03,958
	<b>II. INVESTMENTS:—</b>				
	<b>(A) TRADE INVESTMENTS:</b>				
	Shares of subsidiary Companies:				
1,00,000	2,000 Partly paid up Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Ltd. of Rs. 100/- each .. .. .		1,00,000		
5,00,000	5,000 Fully paid up 7% Free of Income Tax Cumulative Preference Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd. .. .. .		5,00,000		
10,000	2,550 Fully paid up Equity Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd. .. .. .		2,55,000		
6,10,000			8,55,000		
	<b>(B) OTHER INVESTMENTS:</b>				
78	One Ordinary Share of Maharashtra State Co-operative Bank Ltd. of Rs. 50/- each fully paid up .. .. .		78		
8,000	National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur .. .. .		9,500		
—	U.P. Government Bond (Face Value Rs. 2,000/-) .. .. .		1,995		
6,18,078					8,66,573
		Cost	Market value		
	Aggregate Quoted Investments	2,073	—		
	Aggregate Unquoted Investments	8,64,500	—		
		8,66,573	—		
1,30,14,396	Carried Over .. .. .				1,36,70,531

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May 1961	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
58,50,950	Brought Forward ..	1,28,00,000	61,098	78,50,950
55,791				
78,00,000				
—	Less: Transfer to Share Capital being amount capitalised by issue of bonus shares as per special Resolution dated 19-9-1961 .. .. .	*20,00,000		
78,00,000		1,08,00,000		
50,00,000	Add: Set aside from 1961-62 profits .. .. .	15,00,000		
1,28,00,000			1,23,00,000	
6,00,000	Housing Reserve:			
6,00,000	As per last Balance Sheet .. .. .	—		
—	Less: Transfer to Profit & Loss Account .. .. .	—		
75,000	Reserve for Gratuity:			
25,000	As per last Balance Sheet .. .. .	1,00,000		
1,00,000	Add: Set aside from 1961-62 .. .. .	25,000		
10,43,413			1,25,000	
47,483	Development Rebate Reserve:			
10,90,896	As per last Balance Sheet .. .. .	10,90,896		
3,48,184	Add: Amount set aside from profit of the year * .. .. .	1,32,882		
1,43,94,871			12,23,778	
	Profit and Loss Account:			
	Balance as per Profit and Loss Account annexed .. .. .		2,38,156	
				1,39,48,032
	III. SECURED LOANS:—			
77,33,941	Cash credit account with Bank against hypothecation of all tangible movable assets of the company including stocks of sugar and alcohol fully guaranteed by the Managing Agents and two Directors and against usance bills of Rs. 65 lacs .. .. .		1,00,46,942	
25,00,000	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 on equitable mortgage and hypothecation of assets of Somaiya Organo Chemicals Ltd., a subsidiary company, and fully guaranteed by the Managing Agents and two Directors .. .. .		25,00,000	
1,02,33,941				1,25,46,942
3,04,79,762	Carried Over ..			3,43,45,924

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1962

As at 31st May 1961		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
1,30,14,396		Brought Forward ..		1,36,70,531
		III. CURRENT ASSETS, LOANS AND ADVANCES:—		
		(A) CURRENT ASSETS:		
		Stores, Chemicals and Spares (at cost) (as per inventories valued and certified by Managing Agents)		
47,50,193		On hand (including machineries of Rs. 12,79,085)	58,94,410	
59,152		In transit .. .. .	1,06,904	
48,09,345				60,01,314
35,589		Loose Tools and Implements (as per inventories valued and certified by Managing Agents) ..		40,485
		Stock-in-trade (as per inventories valued and certified by Managing Agents):		
3,17,40,200		Sugar at Market and Contract Rate .. ..	3,54,97,765	
72,096		Denatured and Rectified spirit at Market Rate ..	54,804	
62,794		Power and Absolute alcohol at Market Rate ..	62,343	
1,27,526		Grains, cotton etc. at Market Rate .. ..	2,55,965	
3,176		Molasses at cost .. .. .	4,637	
3,20,05,792				3,58,75,514
32,64,973		Crop in progress (at cost including tillages, preparation of land, irrigation charges etc. as valued and certified by Managing Agents) .. .. .		32,06,933
		Sundry Debtors (Unsecured and considered good except as otherwise stated):		
3,702		(i) Debts outstanding for more than six months	10,013	
24,009		Considered doubtful:		
27,711		Claims from Railways and Others ..	—	
24,009			10,013	
3,702		Less: Provision for doubtful debts ..	—	
			10,013	
2,39,169		(ii) Other debts (including Rs. 6,31,218 due from Somaiya Organo Chemicals Ltd., a subsidiary company) .. .. .	8,04,343	
2,42,871				8,14,356
4,03,58,570				
1,30,14,396		Carried Over ..	4,59,38,602	1,36,70,531

# THE GODAVARI SUGA

## BALANCE SHE

As at 31st May 1961	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
3,04,79,762	Brought Forward ..			3,43,45,924
	<b>IV. UNSECURED LOANS:—</b>			
25,000	From Bank .. .. .		1,53,928	
6,01,750	From others .. .. .		5,13,728	
	On Current Account:			
10,17,919	From Managing Agents .. .. .		10,96,645	
2,61,374	From Selling Agents .. .. .		3,17,565	
19,06,043				20,81,866
	<b>V. CURRENT LIABILITIES AND PROVISIONS:—</b>			
	(A) CURRENT LIABILITIES:			
1,79,36,906	Sundry Creditors .. .. .		1,99,04,516	
18,61,529	For Taxation .. .. .		23,28,838	
25,000	Security Deposit from Selling Agents .. .. .		25,000	
16,361	Due to partnership firm of Khanapur Farms .. .. .		79,377	
5,92,238	Managing Agents' Remuneration .. .. .		5,00,307	
3,98,295	Unclaimed Dividend .. .. .		5,490	
2,200	Unclaimed Redemption money .. .. .		2,200	
52,747	Due to Trustees to Staff Provident Fund (since paid)		16,628	
5,70,347	Interest accrued but not due on loans .. .. .		4,53,534	
2,14,55,623			2,33,15,890	
	(B) PROVISIONS:			
86,19,380	Provision for taxation .. .. .	72,15,372		
39,65,179	Less: Advance Payment under Section 18A of Income Tax Act of 1922 .. .. .	11,05,305		
46,54,201				
18,45,433	Proposed Dividend .. .. .		61,10,067	
7,00,000	Provision for bonus .. .. .		13,45,433	
2,86,55,257			8,00,000	
	<b>CONTINGENT LIABILITIES (Not provided for):—</b>			3,15,71,390
50,000	(i) (a) In respect of lands for which suits are pending in courts			
10,000	(b) In respect of legal expenses on above .. .. .		50,000	
	(ii) Uncalled liability on shares partly paid, held as investment, of Godavari Investment & Finance Corporation Limited, a subsidiary Company .. .. .		10,000	
1,00,000	(iii) In respect of losses of subsidiary Companies:			
1,51,002	(a) Godavari Investment and Finance Corporation Ltd., Profit and Loss Account as at 31st May 1962 .. .. .		1,91,325	
7,29,282	(b) Somaiya Organo-Chemicals Ltd., Profit and Loss Account as at 31st May 1962 .. .. .		4,73,107	
10,00,000	(iv) In respect of purchase commitments including for Capital purchases about .. .. .		6,00,000	
	(v) In respect of present liability for future payment of gratuity unascertained .. .. .			
6,10,41,062	Total Rupees ..			6,79,99,180



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1962

As at 31st May 1961	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
1,30,14,396				
4,03,58,570	Brought Forward ..		4,59,38,602	1,36,70,531
	CASH AND BANK BALANCES:			
94,579	Cash on hand .. .. .	1,25,282		
58,918	In current account with Banks .. .. .	1,24,555		
2,000	In cash credit account with Bank .. .. .	—		
—	Stamps on hand .. .. .	285		
1,000	In Post Office Saving Bank (pledged with Collector, Central Excise U.P.) .. .. .	1,500		
1,26,000	In fixed deposit .. .. .	—		
3,842	Interest accrued on above deposit .. .. .	—	2,51,622	
2,86,339				
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated):			
41,434	Loans to others .. .. .	6,88,231		
14,303	Considered doubtful .. .. .	14,303		
55,737		7,02,534		
14,303	Less: Provision for Doubtful loans .. .. .	14,303		
41,434			6,88,231	
	Loans to subsidiary companies of which the company is holding company:			
12,29,759	(a) Godavari Investment & Finance Corporation Ltd. .. .. .	10,40,645		
31,53,889	(b) Somaiya Organo Chemicals Ltd. .. .. .	28,03,729		
43,83,648			38,44,374	
	Application money in deposit for shares of Oriental Power Cables Ltd. .. .. .		1,31,250	
24,672	Partnership Firm of Lakh Farms .. .. .		76,987	
	Advances recoverable in cash or in kind or for value to be received, (including Rs. 2,37,260/- in dispute) .. .. .	13,43,134		
20,44,687	Considered doubtful .. .. .	9,748		
21,338		13,52,882		
20,66,025	Less: Provision for doubtful advances .. .. .	9,748		
21,338			13,43,134	
20,44,687	Paid in part under Section 23A of Income Tax Act of 1922 (see Note I (b)) .. .. .		19,81,387	
8,25,000	Deposit with Irrigation Department, Railways and others .. .. .		73,062	
62,316				5,43,28,649
4,80,26,666				
6,10,41,062	Total Rupees ..			6,79,99,180



# 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 1961-62 onwards.
- (b) The Company was required to pay Rs. 23,25,961 under Section 23A (3) (ii) of Income-Tax Act 1922 for assessment years 1949-50, 1950-51 and 1951-52. Rs. 19,81,387 have been paid and the balance amount of Rs. 3,44,574 remains payable against which refund of Rs. 8,08,427 is due receivable pursuant to the judgment of Bombay High Court delivered on 27-9-1962. 23 A Orders were passed on the Company for the shortfall of dividend and accordingly deemed distribution was made in the hands of the shareholders. The Company having not fully declared and distributed deemed dividend and having been required to pay tax under section 23A (2) (ii), the Board of Directors have, pending legal examination of the complicated issues involved, been advised, to carry forward as in past the amount of Rs. 19,81,387 paid till the Balance Sheet date, so as to enable the Board of Directors to take decision in the matter during the current year.
- (2) Inventories are taken of obsolete and unserviceable stores and spares and other obsolete and unserviceable goods and molasses value thereof not being ascertained.
- (3) The Company has entered into Partnership with other persons who are working partners in respect of working of Khan and Lakh Farms owned by the Company. Amount due in respect of Lakh Farms is in respect of advances including rent and materials supplied, recoverable from the said firm wherein Company has 1/4 share which is represented by net assets in nature of Fixed Assets, Crop in progress, Stock of Grains and stores and Sundry Assets. Company's share in Liabilities and Assets of the partnership firms are incorporated in the Books of Accounts of firms. Profits for the year have been incorporated in Company's Accounts as per the statements certified by the partners. During the year materials of the value of Rs. 1,40,519/- 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 Directors' Report.
- (6) The Company has paid a sum of Rs. 10,371/- to M/s. Kanti Transport Company Associates of the Managing Agent for transport charges. The said Messrs. Kanti Transport Company has certified that they have earned a profit of Rs. 648/- from the transactions with the Company. The Central Government has drawn the attention of the Company to Section 36 of the Companies Act, 1956 in respect of transactions with the said Associates, which inter-alia provides for refund by Associates till fresh contract is approved. The matter is being taken up with the Company Law Administration to get a waiver by the Company from recovering the amount from the said Associates.

Referred to in our report of even date

NANUBHAI & CO.  
Chartered Accountants.

BOMBAY, Dated: 12th November, 1962.

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1962

## 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 & Finance Corporation Limited, as at 31st May 1962.
- (ii) Godavari Investment and Finance Corporation Limited made a loss of Rs. 40,323/- for the year ended 31st May 1962. The total loss including that of previous years comes to Rs. 1,91,325/- The said loss has been carried 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 1962 stands at Rs. 10,40,645/-.

### (2) RE: SOMAIYA ORGANO-CHEMICALS LIMITED.

- (i) The Godavari Sugar Mills Ltd., holds 5,000 fully paid 7% free of Income-Tax cumulative Preference shares of Rs. 100/- each and 2550 fully paid Equity shares of Rs. 100/- each of Somiya Organo-Chemicals Ltd.
- (ii) Somiya Organo-Chemicals Limited, made a profit of Rs. 2,56,175/- for the year ended 31st May 1962. Net loss after adjusting the previous year's loss from profit of this year comes to Rs. 4,73,107/-. 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 Somaiya Organo-Chemicals Ltd. as at 31st May 1962 stands at Rs. 28,03,729/-.

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.*

BOMBAY, Dated: 9th November, 1962.

For and on behalf of the Board of Directors,

K. J. SOMAIYA  
*Chairman (Ex-officio)*  
V. D. MUZUMDAR  
N. K. FIRODIA  
J. G. DALAL  
S. K. SOMAIYA  
D. M. POPAT

} *Directors*

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1961		Rupees	Rupees
	To Opening Stock on 1st June 1961:—		
1,99,26,051	Sugar .. .. .	3,17,40,201	
88,029	Denatured and Rectified Spirit .. .. .	72,095	
39,736	Power and Absolute Alcohol .. .. .	62,794	
<u>2,00,53,816</u>			3,18,75,090
98,696	„ Raw Materials consumed (purchase of raw materials Rs. 1,64,867/-) ..		1,63,406
30,71,570	„ Crops in progress as at 1st June, 1961 .. .. .	32,64,973	
86,075	„ Stock of grains and other seeds as on 1st June, 1961 .. .. .	49,990	
5,337	„ Purchase of food grains, tobacco, cotton, etc. .. .. .	223	
18,668	„ Grains and other seeds for sowing (purchase Rs. 2,381/-) .. .. .	12,298	
19,92,676	„ Salaries and wages .. .. .	20,55,043	
1,50,000	„ Provision for bonus .. .. .	1,50,000	
17,636	„ Contribution to provident fund of the Company .. .. .	2,727	
26,541	„ Contribution to Government Provident Fund and administrative charges ..	54,102	
9,788	„ Gratuity .. .. .	563	
1,918	„ Workmen and staff welfare expenses .. .. .	591	
298	„ Workmen compensation .. .. .	3	
26,05,924	„ Stores inclusive of manures .. .. .	23,18,721	
45,840	„ Repairs and renewals (including salaries and wages Rs. 3,638/-) .. .. .	24,431	
2,93,861	„ Land rent .. .. .	2,79,017	
7,06,614	„ Irrigation rates and taxes .. .. .	10,31,745	
20,591	„ Drainage .. .. .	20,597	
14,118	„ Expenses on sales of grains, cotton, tobacco etc. .. .. .	3,954	
1,35,782	„ Miscellaneous expenses, including Printing and Stationery, Postage and telegrams, Travelling and legal charges (including harvesting and carting commission Rs. 48,397/-) .. .. .	1,02,482	
3,22,843	„ Depreciation .. .. .	2,80,238	
7,330	„ Land Development expenses written off .. .. .	177	
14,968	„ Premium on leasehold land written off .. .. .	14,968	
114	„ Bad debts written off .. .. .	—	
221	„ Loose tools written off .. .. .	902	
9,226	„ Livestock written off .. .. .	12,435	
<u>95,57,939</u>		<u>96,80,180</u>	
32,64,973	„ Less: Crops in progress as at 31st May, 1962 .. .. .	32,06,933	
62,92,966		64,73,247	
4,02,595	„ Transportation of cane .. .. .	4,00,665	
1,09,82,802	„ Locally purchased cane .. .. .	1,04,30,976	
<u>1,76,78,363</u>			<u>1,73,04,888</u>
3,78,30,875	Carried over .. .. .		4,93,43,384



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1962

As at 31st May 1961			Rupees	Rupees
	By Sales:			
3,27,09,622	Sugar .. .. .		3,83,08,959	
5,131	Gur .. .. .		—	
3,544	Molasses .. .. .		90,171	
3,59,610	Denatured & Rectified Spirit .. .. .		2,60,171	
3,52,319	Power and absolute alcohol .. .. .		4,39,038	
1,60,965	Foodgrains, Tobacco, Cotton, Grass, etc. including consumption of Rs. 9,917/- as per contra .. .. .		59,273	
3,35,91,191				3,91,57,612
1,81,724	„ Sundry receipts from Flour Mills, Dairy etc. (including credit balances of Rs. 24,568/- written off) .. .. .			2,44,592
5,000	„ Supervision charges from subsidiary company .. .. .			5,000
2,51,628	„ Sundry receipts being market value of Farms produce etc. including profit on sale of cotton Rs. 1,877/- and loss on grains Rs. 499/- .. .. .			3,42,438
	„ Income from Khanapur and Lakh Farms in partnership:			
	(a) Khanapur Farms:			
4,500	Rent .. .. .	4,500		
39,269	Add: $\frac{1}{4}$ share of profit for the year .. .. .	40,657		
43,769			45,157	
	(b) Lakh Farms:			
4,500	Rent .. .. .	4,500		
45,093	Add: $\frac{1}{4}$ share of profit for the year .. .. .	34,401	38,901	
49,593				84,058
93,362				
3	„ Dividend on Co-operative Bank share .. .. .			2
64	„ Share transfer and splitting fees .. .. .			37
	„ Interest:			
—	On advance Income-tax .. .. .		27,304	
4,581	On Bank accounts .. .. .		4,265	
2,018	On loans and others .. .. .		2,042	
85,088	From subsidiaries .. .. .		2,62,432	
4,562	From lessors .. .. .		1,820	
96,249				2,97,863
3,42,19,221		Carried over ..		4,01,31,602

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1961		Rupees	Rupees
Rupees			
3,78,30,875	Brought Forward ..		4,93,43,384
	To Salaries & Wages (including Rs. 30,000/- commission in addition to salary to General Manager at Factories who is also Superintending Engineer) after deducting Rs. 5,92,610/- charged to repairs, capital & other relevant heads ..	22,50,590	
19,04,082		24,273	
19,559	„ Bonus to employees .. .. .	2,50,000	
2,50,000	„ Provision for bonus .. .. .	13,492	
12,561	„ Contribution to provident fund of the Company .. .. .	4,899	
22,167	„ Gratuity .. .. .	1,16,193	
1,09,794	„ Contribution to Government Provident Fund and administrative charges ..	68,160	
75,652	„ Workmen and staff welfare expenses .. .. .	3,728	
10,527	„ Workmen compensation .. .. .		27,31,335
24,04,342			
	„ Stores, Chemicals & spare parts (after deducting Rs. 48,45,261/- charged to agriculture, Capital, repairs and other relevant heads) .. .. .		10,65,373
10,31,152			4,39,806
4,16,942	„ Power and fuel .. .. .	4,01,775	
5,68,952	„ Repairs to plant and machinery (inclusive of salaries and wages Rs. 2,23,525/-)	1,71,081	
2,03,637	„ Repairs to Buildings (inclusive of salaries and wages Rs. 76,570/-) .. ..	69,120	
41,178	„ Other repairs (inclusive of salaries and wages Rs. 43,394/-) .. .. .		6,41,976
8,13,767			6,62,369
—	„ Sugar cane purchase tax .. .. .		7,93,037
18,89,873	„ Sugar cane cess .. .. .		87,15,498
88,33,210	„ Excise Duty .. .. .		77,182
59,518	„ Insurance premium .. .. .		8,38,212
8,83,013	„ Packing and forwarding .. .. .		9,666
7,766	„ Rent (net) received Rs. 1,200/-) .. .. .		1,26,297
1,45,212	„ Rates and taxes .. .. .		3,29,937
2,93,392	„ Sole Selling Agents' commission on sugar .. .. .		7,63,551
6,87,463	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, telephones, travelling and motor cars and lorries maintenance (including Rs. 27,106/- sundry debit balances written off) .. .. .		5,90,512
5,13,221	„ Charity and donations (refer to para 4 of Directors' Report on Page No. 5 (includes Rs. 75,000/- to Congress Party) .. .. .		
5,58,09,746	Carried Over ..		6,71,28,135

THE YEAR ENDED 31ST MAY, 1962

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# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1961										Rupees	Rupees
Rupees											
5,58,09,746								Brought Forward ..			6,71,28,135
	To Interest:										
43,833	Managing Agents .. .. .								86,653		
4,41,098	Cash credit account .. .. .								5,91,193		
1,02,323	Fixed loans .. .. .								1,75,251		
1,10,673	Other loans .. .. .								96,288		
<u>6,97,927</u>											9,49,385
2,850	„ Directors' Fees (including Rs. 900/- to members of Managing Agents as Directors) .. .. .										2,625
37,612	„ Directors' and Managing Agents' Travelling expenses .. .. .										15,968
5,92,238	„ Managing Agents' remuneration — commission on profits subject to adjustments that may have to be made in respect of bonus and other provisions if any .. .. .										5,00,307
	„ Payment to Auditors:										
7,500	Audit fees .. .. .								7,500		
10,000	In other capacity .. .. .								17,550		
104	Travelling expenses .. .. .								1,317		
<u>17,604</u>											26,367
36,612	„ Legal expenses .. .. .										30,637
6,18,239	„ Depreciation .. .. .										6,66,925
2,136	„ Loose Tools and Implements written off .. .. .										1,677
10,000	„ Premium on leasehold land written off .. .. .										10,000
300	„ Premium on leasehold garage written off .. .. .										300
1,000	„ Goodwill written off .. .. .										1,000
—	„ Loss on sale of Government loan .. .. .										125
1,35,697	„ Loss on demolished immovable property .. .. .										—
31,382	„ Expenses for demolishing immovable property .. .. .										—
30,00,000	„ Provision for taxation (including Rs. 8 lacs provided less in previous years) .. .. .										34,00,000
51,76,343	„ Balance being profit for the year .. .. .										30,60,129
<u>6,61,69,686</u>								Total Rupees ..			<u>7,57,93,580</u>

THE YEAR ENDED 31ST MAY, 1962

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# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1961		Rupees	Rupees
	To Bonus to employees pertaining to previous year:		
1,46,666	Agriculture .. .. .	2,02,748	
2,54,341	Manufacturing .. .. .	3,40,097	
<u>4,01,007</u>			5,42,845
1,02,607	„ Reimbursement of loss of Narmada Farms Private Ltd., a wholly owned subsidiary company .. .. .		—
1,45,433	„ Proposed Dividend on Preference shares (subject to deduction of tax) ..		1,45,433
17,00,000	„ Proposed Dividend on Ordinary shares at Rs. 20/- per share (subject to deduction of tax) .. .. .		12,00,000
47,483	„ Development Rebate Reserve .. .. .		1,32,882
50,00,000	„ General Reserve .. .. .		15,00,000
25,000	„ Reserve for gratuity .. .. .		25,000
3,48,184	„ Balance carried to balance sheet .. .. .		2,38,156
 NOTES:—			
(i) Remuneration received by Directors for their own use from other Companies by virtue of nomination by the Company on Board of subsidiary Companies amounted to Rs. 375/- during the year.			
(ii) Amount of transactions with associates of Managing Agents is as follows:			
	For purchase of movable and immovable property ..	3,50,908	
	For Sale .. .. .	—	
	For rendering services .. .. .	23,341	
		<u>3,74,249</u>	
(iii) Computation of Managing Agents' remuneration is as follows:			
	Net Profit as per Profit & Loss Account .. .. .	30,60,129	
	Add:—Managing Agents' Remuneration .. .. .	5,00,307	
	Directors' Fees to members of Managing Agency Company .. .. .	900	
	Provision for taxation .. .. .	34,00,000	
<u>77,69,714</u>	Carried over ..	39,01,207	30,60,129
			<u>37,84,316</u>

THE YEAR ENDED 31ST MAY, 1962

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# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1961			Rupees	Rupees
Rupees				
77,69,714		Brought Forward ..	39,01,207	30,60,129
				37,84,31
	Depreciation:			
	Agriculture .. .. .	2,80,238		
	Factory .. .. .	6,66,925		
			9,47,163	
				48,48,370
	Add:			
	Income shown in lower part of Profit and Loss Account:			
	Provision for bonus recredited .. .. .	3,00,000		
	Unclaimed salaries, wages and Bonus written back .. .. .	40,403		
	Excess provision for doubtful debts .. .. .	35,599		
			3,76,002	
				82,84,501
	Less:—			
	Bonus for previous year shown in lower part of Profit and Loss Account .. .. .	5,42,845		
	Depreciation to the extent specified in section 350 of Companies Act, 1956 .. .. .	9,01,510		
				14,44,355
				68,40,146
	Net Profit for calculating Managing Agents' Remuneration			
	Managing Agents' remuneration on Rs. 68,50,036/- 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. 18,40,146/-	1,01,207		
		5,01,207		
	Less:—			
	Directors' Fees to members of Managing Agency Company .. .. .	900		
	Amount of Managing Agents' Remuneration .. .. .	5,00,307		
77,69,714		Total Rupees ..		37,84,31

Referred to in our report of even date

NANUBHAI & CO.  
Chartered Accountants.

BOMBAY, Dated: 12th November, 1962

THE YEAR ENDED 31ST MAY, 1962

### ► Directors



# THE GODAVARI SUGAR

Schedule Attached to and Forming Part of

## Schedule A

PARTICULARS	Gross Block as at 1st June, 1961 at cost except as otherwise stated	Additions during the year	Sub-Total	Adjustment for cost of sale and other adjustment during the year
	Rupees	Rupees	Rupees	Rupees
Goodwill .. .. .	5,000	—	5,000	—
Freehold land (Book value) .. .. .	23,97,414	—	23,97,414	10,883
Leasehold land premium .. .. .	3,91,025	—	3,91,025	—
Leasehold premium on garage .. .. .	12,000	—	12,000	—
Buildings (Book value) .. .. .	42,96,256	2,62,643	45,58,899	—
Temporary quarters .. .. .	2,12,512	—	2,12,512	—
Temporary quarters at farms .. .. .	97,360	—	97,360	—
Pucca quarters at factory .. .. .	1,16,557	95,601	2,12,158	—
Pucca quarters at farms .. .. .	1,22,759	7,968	1,30,727	—
General Machinery (Book value) .. .. .	1,08,02,675	6,97,745	1,15,00,420	—
Electrical Machinery .. .. .	9,09,233	19,951	9,29,184	—
Agricultural Machinery (Book value) .. .. .	30,06,913	18,019	30,24,932	—
Locomotives .. .. .	92,974	—	92,974	—
Electrical Installation & fittings .. .. .	96,947	—	96,947	—
Furniture & Office equipment .. .. .	4,98,458	79,242	5,77,700	—
Weigh Bridges .. .. .	1,12,107	57,364	1,69,471	—
Trolley line .. .. .	6,18,433	11,158	6,29,591	—
Railway sidings .. .. .	1,30,680	444	1,31,124	—
Motor cars, Lorries & Cycles (Book value) .. .. .	3,90,278	77,588	4,67,866	—
Carts & Trucks (Book value) .. .. .	3,50,872	—	3,50,872	—
Laboratory apparatus .. .. .	40,371	6,172	46,543	—
Roads and Drainage .. .. .	6,84,165	—	6,84,165	—
Dead Stock .. .. .	67,953	—	67,953	—
Library .. .. .	6,880	877	7,757	—
Medical instruments .. .. .	363	—	363	—
Irrigation lifts .. .. .	8,30,697	1,09,026	9,39,723	—
Live stock (Book value) .. .. .	90,533	—	90,533	—
Total ..	2,63,81,415	14,43,798	2,78,25,213	11,0

Note: No depreciation has been taken on freehold land.

# MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1962

Sales during the Year subject to adjustment of gain or loss	Deduction of sales and other adjustments	Gross block on 31st May, 1962	Written off upto 31st May, 1961	Written off this year	Total depreciation as at 31st May, 1962	Net depreciated block as at 31st May, 1962
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
—	—	5,000	1,000	1,000	2,000	3,000
—	10,883	23,86,531	—	—	—	23,86,531
—	—	3,91,025	1,83,838	24,968	2,08,806	1,82,219
—	—	12,000	1,200	300	1,500	10,500
—	—	45,58,899	14,83,380	95,447	15,78,827	29,80,072
—	—	2,12,512	1,82,560	2,247	1,84,807	27,705
—	—	97,360	84,340	976	85,316	12,044
—	—	2,12,158	3,265	3,027	6,292	2,05,866
—	—	1,30,727	21,261	2,696	23,957	1,06,770
2,13,542	2,13,542	1,12,86,878	75,67,672	4,18,805	79,86,477	33,00,401
—	—	9,29,184	7,27,639	25,366	7,53,005	1,76,179
—	—	30,24,932	19,64,647	1,57,559	21,22,206	9,02,726
—	—	92,974	73,275	1,970	75,245	17,729
—	—	96,947	54,598	4,235	58,833	38,114
—	—	5,77,700	1,27,786	47,516	1,75,302	4,02,398
—	—	1,69,471	71,649	10,721	82,370	87,101
—	—	6,29,591	4,94,571	13,459	5,08,030	1,21,561
—	—	1,31,124	83,569	3,312	86,881	44,243
13,900	13,900	4,53,965	2,81,686	34,613	3,16,299	1,37,666
—	—	3,50,872	2,47,865	7,210	2,55,075	95,797
—	—	46,543	21,178	1,699	22,877	23,666
—	—	6,84,165	2,92,728	39,297	3,32,025	3,52,140
—	—	67,953	44,984	2,276	47,260	20,693
—	—	7,758	2,709	250	2,959	4,799
—	—	363	289	5	294	69
—	—	9,39,723	6,49,131	74,477	7,23,608	2,16,115
875	1,006	89,527	50,271	12,435	62,706	26,821
2,28,317	2,39,331	2,75,85,882	1,47,17,091	9,85,866	1,57,02,957	1,18,82,925

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

K. J. SOMAIYA  
Director.

BOMBAY, Dated: 9th November, 1962.

K. J. SOMAIYA  
Chairman (Ex-officio)

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

Directors

# GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY

## DIRECTORS' REPORT

THE SHAREHOLDERS,  
Messrs. GODAVARI INVESTMENT & FINANCE CORPORATION LTD.,  
BOMBAY 1.

GENTLEMEN,

Your Directors submit herewith their Seventh Annual Report for the year ended 31st May 1962 along with the audited Balance Sheet as at 31st May 1962 and the Profit and Loss Account for the year ended on that date.

As in earlier years, the scheme of giving engines and pumping sets on Hire-Purchase basis, to those Bagaitdars who have agreed to supply sugar-cane to the Holding Company, showed steady progress during the year under review. As the demand for engines and pumps under the above scheme from the cultivators is growing every year, your directors are thinking of expanding the same so that more and more cultivators may take advantage of the scheme. The business of giving loans, and advances was satisfactory during the year.

No provision for depreciation is made during the year on plant and machinery given to cane growers under hire purchase scheme. The accounts reveal a loss of Rs. 40,323/- during the year to which is added the loss of Rs. 1,51,002/- of earlier years. The total loss comes to Rs. 1,91,325/- which is carried forward to next year.

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: 9th November, 1962.

# 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, 1962 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 state of affairs of the Company as at 31st May, 1962, and
  - (b) In the case of the Profit and Loss Account of the loss for the year ended on that date.

BOMBAY, Dated: 12th November, 1962.

NANUBHAI & CO.  
*Chartered Accountants.*



## BALANCE SHEET

As at 31st May 1961	LIABILITIES	
Rupees		Rupees
	<b>I. AUTHORISED CAPITAL:—</b>	
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each .. .. .	5,00,000
	<b>II. SUBSCRIBED CAPITAL:—</b>	
1,00,000	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 .. .. .	1,00,000
	<b>III. UNSECURED LOANS:—</b>	
11,44,670	Loan on current account from the Holding Company, The Godavari Sugar Mills Limited .. .. .	9,60,334
85,088	Interest accrued on above .. .. .	80,312
12,29,758		10,40,646
	<b>IV. CURRENT LIABILITIES AND PROVISIONS:—</b>	
	Current Liabilities:—	
10,162	Sundry Creditors .. .. .	11,341
13,39,920		11,51,987
	Carried forward ..	

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1962

As at 31st May 1961		ASSETS	
Rupees		Rupees	Rupees
	<b>I. FIXED ASSETS:—</b>		
	Plant and Machinery (at cost) let on hire to Cane Growers in terms of hire purchase agreements:		
		Rs.	
6,23,537	Cost upto 31st May 1961 .. .. .	7,70,438	
1,46,901	Additions during the year .. .. .	63,490	
7,70,438		8,33,928	
—	Less: Cost of engines issued last year returned back and included in stores Machinery .. .. .	4,614	
7,70,438			8,29,314
4,10,172	Less: Adjustment of Hire Purchase instalments upto 31st May 1962 ..	5,35,328	
3,60,266			2,93,986
	<b>II. CURRENT ASSETS, LOANS AND ADVANCES:</b>		
	(A) CURRENT ASSETS:		
	Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director):		
		Rs.	
63,202	Machinery .. .. .	24,688	
6,154	Spares and Fittings .. .. .	6,154	
174	Stores .. .. .	174	
69,530			31,016
	<b>SUNDRY DEBTORS:—</b>		
	(Unsecured and considered good):		
	Outstanding for more than six months unsecured but considered good .. .. .	27,743	
6,042		Rs.	
67,872	Unsecured and considered doubtful as per last Balance Sheet .. .. .	77,878	
45,827	Add: Provision for this year .. .. .	17,415	
1,13,699		95,293	
35,821	Less: Bad debts written off .. .. .	—	
77,878			
77,878	Less: Provision for doubtful debts as per last Balance sheet .. .. .	77,878	
—			
—	Add: Provision for doubtful debts this year. .. .. .	17,415	95,293
—			—
3,486	Other debts for cost of spares and fittings supplied to Cane Growers and for the supervision charges and hire purchase instalments due from them .. .. .	39,101	66,844
9,528			
79,058			
3,60,266		Carried forward ..	97,860
			2,93,986



# GODAVARI INVESTMENT &

## BALANCE SHEET

<i>As at 31st May 1961</i>	LIABILITIES—(Contd.)	
<i>Rupees</i>		<i>Rupees</i>
13,39,920	Brought forward ..	11,51,987
	<p><i>NOTES:—</i></p> <ol style="list-style-type: none"> <li>1. Valuation of the mortgaged agricultural lands and crop-in-progress by the cane growers in respect of loans and advances together with interest and other expenses of Rs. 6,66,676/- 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.</li> <li>2. Hire-purchase agreement for plant and machinery of the value of Rs. 58,876/- out of total value of Rs. 8,29,314/- let on hire to Cane Growers are sent to the Registrar of Stamps for registration.</li> <li>3. No provision for depreciation is made during the year as the Plant and Machinery are given to Cane Growers on Hire-Purchase agreement.</li> </ol>	
<u>13,39,920</u>	Total Rupees ..	<u>11,51,987</u>

Referred to in our Report of even date.

NANUBHAI & CO.,  
Chartered Accountants.

BOMBAY, Dated: 12th November, 1962.

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1962

As at 31st May 1961		ASSETS—Contd.		
Rupees			Rupees	Rupees
360,266		Brought forward ..	97,860	2,93,986
79,058	CASH AND BANK BALANCES:			
14	Cash on hand .. .. .	Rs. 208		
1,255	Stamp papers .. .. .	1,207		
948	Balance with Bank .. .. .	4,963	6,378	
2,217			1,04,238	
81,275				
	(B) LOANS AND ADVANCES:			
	Loans (Secured and considered good):			
6,91,183	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. .. .. .		5,20,528	
	Loans (unsecured and considered good):			
56,194	Loans to Cane Growers under arrangement to supply cane to Holding Company, The Godavari Sugar Mills Limited, in terms of agreement considered good for which the company holds no securities other than the debtors' personal security .. .. .		41,910	
7,47,377				6,66,676
	III. MISCELLANEOUS EXPENDITURE:—			
	Profit and Loss Account:			
1,51,002	Loss as per Profit and Loss Account .. .. .			1,91,325
13,39,920		Total Rupees ..		11,51,987

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

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

BOMBAY, Dated: 9th November, 1962.

# GODAVARI INVESTMENT & PROFIT & LOSS ACCOUNT FOR

As at 31st May 1961		Rupees	Rupees
Rupees			
	To Opening stock:—		
1,68,993	Machinery .. .. .	63,202	
6,154	Spares and fittings .. .. .	6,154	
174	Stores .. .. .	174	
<u>1,75,321</u>			69,530
	„ Purchases:—		
51,831	Machinery .. .. .	13,685	
—	Spares and Fittings .. .. .	2,063	
<u>51,831</u>			15,748
5,000	„ Supervision charges to the holding Company, The Godavari Sugar Mills Ltd.		5,000
19,575	„ Salaries, wages and bonus .. .. .		22,813
—	„ Payment to M/s. Godavari Sugar Mills Ltd., holding Company for contribution to Govt. Provident Fund and administrative charges .. .. .		584
2,398	„ Miscellaneous expenses, Fees and Stamps, Printing and Stationery, Postage and Telegrams, conveyance, Travelling etc. .. .. .		3,148
279	„ Railway Freight and Transportation charges .. .. .		205
85,088	„ Interest on current account to the holding Company, The Godavari Sugar Mills Limited .. .. .		80,312
500	„ Audit Fees .. .. .		500
250	„ Professional charges .. .. .		—
45,827	„ Provision for doubtful debts .. .. .		17,415
<u>3,86,069</u>		Total Rupees ..	<u>2,15,255</u>
83,457	To Loss as per last Balance Sheet .. .. .		1,51,002
67,545	„ Loss brought down.. .. .		40,323
<u>1,51,002</u>		Total Rupees ..	<u>1,91,325</u>

Referred to in our Report of even date.

NANUBHAI & CO.,  
Chartered Accountants.

BOMBAY, Dated: 12th November, 1962.

# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1962

As at 31st May 1961		Rupees	Rupees
	By Transfer to Plant and Machinery (let on hire to cane growers in terms of Hire Purchase Agreements):		
1,46,901	Machinery .. .. .	56,813	
—	Spares and fittings .. .. .	2,063	
1,46,901			58,876
	„ Return of purchases at cost to the holding Company, The Godavari Sugar Mills Ltd.:		
14,262	Machinery .. .. .		—
53,606	„ Interest on loans .. .. .		52,105
17,825	„ Supervision charges from Cane growers .. .. .		20,662
13,222	„ Hire rent on machinery .. .. .		11,785
3,178	„ Miscellaneous Receipts .. .. .		—
—	„ Bad debts recovery account .. .. .		188
	„ Stock-in-trade (at cost) as per inventories taken valued and certified by a Director:		
63,202	Machinery .. .. .	24,688	
6,154	Spares and fittings .. .. .	6,154	
174	Stores .. .. .	174	
69,530			31,016
—	„ Sundry credit balances written off .. .. .		300
67,545	„ Loss carried down .. .. .		40,323
3,86,069		Total Rupees ..	2,15,255
1,51,002	By Loss carried to Balance Sheet .. .. .		1,91,325
1,51,002		Total Rupees ..	1,91,325

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

} Directors

BOMBAY, Dated: 9th November, 1962.



# SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

## DIRECTORS' REPORT

THE SHAREHOLDERS,  
SOMAIYA ORGANO-CHEMICALS LIMITED,  
BOMBAY.

GENTLEMEN,

Your Directors have pleasure in reporting on the audited accounts of the Company for the year ended 31st May, 1962 submitted herewith.

The acetic acid plant commenced production in the month of November, 1961, but plant functioned only intermittently during the year under report due to shortage of fuel and plant trouble.

The net profit of the Company for the year amounts to Rs. 2,56,175/- after providing Rs. 4,15,194/- for depreciation and after transferring Rs. 33,180/- to Development Rebate Reserve. The net loss after setting of the carried forward loss of Rs. 7,29,282/- from the last year against the profit of Rs. 2,56,175/- of the year amounts to Rs. 4,73,107/-. In view of this, the Directors do not recommend any dividend. The net loss is carried forward to the next year.

Your Company agreed to purchase the Acetic Acid Plant, Distillery, machinery, buildings and land in the previous year from the holding Company (The Godavari Sugar Mills Limited), conveyance and agreement whereof are not yet executed; the same are being finalised. The assets so agreed to be purchased were a part of the arrangement of the holding Company with a Bank for the loan obtained by them under the Equitable mortgage, and on the terms of security arrangement. The Company subsequent to the purchase as desired by the Bank has agreed to continue the arrangement with the holding Company and as such the assets so acquired from the holding Company are under the Equitable mortgage and hypothecation to the Bank for the loan obtained by the holding Company. Attention of the Board of Directors is drawn by the Auditors to the provisions of Section 295 of the Companies Act, 1956, whereby previous approval of the Central Government would become necessary for any security provided by the Company in connection with a loan made to the holding Company. The Board of Directors have been advised that the provisions of Section 295 do not apply in as much as the Vendors (the holding Company) had agreed to the sale of assets and consequently the Company had acquired the same with the same right, title and interest subject to the same encumbrances attendant thereupon as the Vendor.

Two of your Directors, Shri R. S. Kotak and Shri P. M. Kavadia, 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,  
For and on behalf of the Board of Directors,  
K. J. SOMAIYA  
Chairman.

BOMBAY, Dated 26th November, 1962.



# 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, 1962 and also the Profit and Loss Account of the Company for the period ended on that date, attached thereto and report that attention is invited to para No. 4 of the Directors' Report dated 26th November 1962 subject to the above.

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 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 Company as at 31st May, 1962, and
  - (b) In the case of the Profit and Loss Account of the Profit of the year ended on that date.

BOMBAY, Dated: 28th November, 1962

NANUBHAI & CO.,  
*Chartered Accountants.*

## SOMAIYA ORGANO-

## BALANCE SHEET AS AT

As at 31st May 1961	LIABILITIES	
Rupees	Rupees	Rupees
<b>I. SHARE CAPITAL:—</b>		
<b>AUTHORISED CAPITAL:</b>		
25,00,000	25,000 Equity Shares of Rs. 100/- each .. .. .	25,00,000
25,00,000	25,000 7% free of Income-Tax Cumulative Preference Shares of Rs. 100/- each liable to be redeemed at the option of the Company ..	25,00,000
<u>50,00,000</u>		<u>50,00,000</u>
<b>ISSUED &amp; SUBSCRIBED CAPITAL:</b>		
15,000	5,000 Equity Shares of Rs. 100/- each fully paid up out of which 2,550 Shares held by the holding Company, The Godavari Sugar Mills Limited .. .. .	5,00,000
5,00,000	5,000 7% free of Income-Tax Cumulative Preference Shares of Rs. 100/- each fully paid up liable to be redeemed at the option of the Company, held by the holding Company, The Godavari Sugar Mills Limited .. .. .	5,00,000
<u>5,15,000</u>		<u>10,00,000</u>
<b>II. RESERVES AND SURPLUS:—</b>		
<b>Development Rebate Reserve:</b>		
—	As per last Balance Sheet .. .. .	5,44,927
5,44,927	Add: Amount set aside from the Profit of the year .. .. .	33,180
<u>5,44,927</u>		<u>5,78,107</u>
<b>III. UNSECURED LOANS:—</b>		
—	1. Loan from K. J. Somaiya & Sons Private Ltd., a company under the same management (bearing no interest) .. .. .	18,750
31,53,889	2. Loan from the holding Company, The Godavari Sugar Mills Ltd. (payable by instalments) .. .. .	26,21,609
—	3. Short term Loans and Advances:	
—	On current account with the holding Company, the Godavari Sugar Mills Ltd. .. .. .	—
<u>31,53,889</u>	Interest on 2 and 3 .. .. .	<u>1,82,120</u>
		<u>28,22,429</u>
<b>IV. CURRENT LIABILITIES AND PROVISIONS:—</b>		
<b>Current Liabilities:</b>		
11,170	Sundry Creditors (including Rs. 6,31,218/- due to the holding Company, The Godavari Sugar Mills Ltd.) .. .. .	6,75,362
—	Security Deposit from customers (including Rs. 25,000/- under dispute)	62,500
<u>11,170</u>		<u>7,37,862</u>
<u>42,24,986</u>	Carried Forward ..	<u>51,38,744</u>

# CHEMICALS LIMITED, BOMBAY.

31ST MAY, 1962

As at 31st May 1961		ASSETS	
Rupees		Rupees	Rupees
	<b>I. FIXED ASSETS (At cost):—</b>		
	(Inclusive of Rs. 31,36,597/- for Land, Buildings, Machinery and Acetic Acid plant subject to equitable mortgage and hypothecation in favour of a Bank for Loan granted to holding Company)		
32,02,634	Gross Block .. .. .	40,72,060	
1,54,554	Less: Depreciation written off upto 31st May 1962 .. .. .	5,69,748	
30,48,080	Net depreciated block as per Schedule 'A' .. .. .	35,02,312	
1,88,678	Capital work in progress .. .. .	92,002	
32,36,758			35,94,314
	<b>II. CURRENT ASSETS, LOANS &amp; ADVANCES:—</b>		
	<b>(A) CURRENT ASSETS:</b>		
1,45,394	Stores, chemicals and spares at cost (as per inventories valued and certified by a Director) .. .. . Rs. 2,49,885		
753	In transit .. .. . „ 1,128		
1,46,147		2,51,013	
—	Loose tools & Implements (as per Inventory certified by a Director)	3,030	
—	Stock-In-Trade:		
—	Acetic Acid (sold at contract rate and unsold at Market rate) .. .. . Rs. 6,13,037		
15,565	Rectified Spirit at Market rate .. .. . „ 4,422		
—	Raw materials (Molasses) at cost .. .. . „ 42,985		
15,565		6,60,444	
—	Sundry debtors (unsecured and considered good, other than in dispute not provided for:)		
—	(a) Debts outstanding for more than 6 months .. Rs. 50		
—	(b) Other debts (including Rs. 70,598 due for supply of goods under dispute excluding unadjusted claim for damages under agreement) .. „ 80,162		
—		80,212	
—	Cash and Bank Balances:		
35	Cash on hand .. .. . Rs. 418		
9,440	In Current account with Banks .. .. . „ 19,490		
9,475		19,908	
—	<b>(B) LOANS AND ADVANCES:</b>		
—	Application money in deposit for Shares of Oriental Power Cables Limited .. .. .	18,750	
83,824	Advances recoverable in cash or kind or for value to be received ..	34,970	
—	Deposits .. .. .	2,700	
2,55,011			10,71,027
34,91,769	Carried forward .. ..		46,65,341

## SOMAIYA ORGANO

## BALANCE SHEET AS A

As at 31st May 1961	LIABILITIES—(Contd.)		
Rupees		Rupees	Rupees
42,24,986	Brought forward ..		51,38,448
	CONTINGENT LIABILITIES (Not Provided for):—		
	1. Arrears of Dividend on 7% (free of Income-Tax) Redeemable Cumulative Preference Shares for the period 1960-61 and 1961-62 .. .. .	53,083	
	2. In respect of Legal expenses of suit for recovery proceedings against a customer .. .. .	7,500	
	3. In respect of share of cost towards conveyance and agreement for purchase of Fixed Assets from the holding Company .. .. .	Unascertained	
	4. In respect of Loan granted to the holding Company, The Godavari Sugar Mills Ltd., by a Bank for security offered by way of equitable Mortgage and hypothecation of the Acetic Acid Plant, land, Building and Distillery Machinery of the value of Rs. 31,36,597/- ... .. .		
42,24,986	Total Rupees ..		51,38,448

Referred to in our Report of even da

NANUBHAI &amp; CO.

Chartered Accountants.

BOMBAY, Dated: 28th November, 1962

# CHEMICALS LIMITED, BOMBAY.

31ST MAY, 1962

As at 31st May 1961		ASSETS—(Contd.)	
Rupees		Rupees	Rupees
34,91,769	Brought Forward ..		46,65,341
	III. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted):—		
3,935	Preliminary expenses .. .. .	—	
7,29,282	Balance as per Profit & Loss Account .. .. .	4,73,107	
<u>7,33,217</u>			4,73,107
<u>42,24,986</u>	Total Rupees ..		<u>51,38,448</u>

## 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	} Directors
S. K. SOMAIYA	
N. C. SAYTA	
P. M. KAVADIA	

BOMBAY, Dated: 26th November, 1962.



## SOMAIYA ORGANO-

## PROFIT &amp; LOSS ACCOUNT

As at 31st May 1961		Rupees	Rupees
	To Opening stock on 1st June 1961:		
—	Rectified spirit .. .. .		15,565
2,139	„ Raw materials consumed (purchases Rs. 90,247) .. .. .		67,516
14,648	„ Stores materials consumed .. .. .		2,37,779
20,568	„ Salaries & Wages (including bonus of Rs. 2,055) (after deducting Rs. 5,831 charged to repairs) .. .. .		1,87,157
—	„ Workmen & Staff welfare expenses .. .. .		726
—	„ Workmen compensation .. .. .		27
—	„ Repairs:		
—	Plant & Machinery (including salaries & wages Rs. 5,831/-) .. .. .	7,375	
—	Buildings .. .. .	1,664	
—			9,039
—	„ Interest on Loan to holding Company, The Godavari Sugar Mills Ltd. ..		1,82,120
—	„ Packing & Forwarding .. .. .		47,077
4,049	„ Miscellaneous Expenses, including Printing & Stationery, Postage & telegrams, Travelling & subscription, etc. ....		17,221
—	„ Rates & Taxes .. .. .		1,770
—	„ Insurance premium .. .. .		7,796
—	„ Directors' Fees .. .. .		2,325
—	„ Brokerage & commission .. .. .		507
3,462	„ Excise establishment charges .. .. .		21,788
—	„ Motor car maintenance .. .. .		939
—	„ Contribution (to the holding Company) for payment towards Government Provident Fund & administrative charges .. .. .		5,744
500	„ Audit Fees .. .. .		500
—	„ Loose Tools written off .. .. .		50
1,54,554	„ Depreciation .. .. .		4,15,194
—	„ Preliminary Expenses written off .. .. .		3,935
5,44,927	„ Development Rebate Reserve .. .. .		33,180
—	„ Balance being the Profit for the year .. .. .		2,56,175
7,44,847		Total Rupees ..	15,14,130
7,29,282	To Balance as per last Balance Sheet .. .. .		7,29,282
7,29,282		Total Rupees ..	7,29,282

Referred to in our Report of even date.

NANUBHAI & CO.,  
Chartered Accountants.

Bombay, Dated: 28th November, 1962.

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1962

[illegible]

BOMBAY, Dated: 26th November, 1962.

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

# SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1962

## Schedule A

Particulars	Gross Block at cost as at 31st May, 1961	Additions during the year	Gross Block as at 31st May, 1962	Written off upto 31st May, 1961	Written off this year	Total depreciation as at 31st May, 1962	Net depreciate block as at 31st May 1962
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land ... ..	10,000	—	10,000	—	—	—	10,000
Distillery building ... ..	1,70,000	—	1,70,000	4,250	8,500	12,750	1,57,250
Distillery Machinery ... ..	3,22,143	4,71,205	7,93,348	13,634	41,932	55,566	7,37,782
Acetic Acid Plant building ... ..	—	1,80,519	1,80,519	—	9,025	9,025	1,71,494
Acetic Acid plant ... ..	27,00,491	1,62,579	28,63,070	1,36,670	3,54,172	4,90,842	23,72,228
Laboratory apparatus ... ..	—	2,245	2,245	—	78	78	2,167
Furniture and office equipments ... ..	—	4,735	4,735	—	323	323	4,412
Motor car & Lorries ... ..	—	45,723	45,723	—	1,164	1,164	44,559
Scale & Weighbridges ... ..	—	2,420	2,420	—	—	—	2,420
Total ...	32,02,634	8,69,426	40,72,060	1,54,554	4,15,194	5,69,748	35,02,312

Referred to in our Report of even date.  
NANUBHAI & CO.  
Chartered Accountants.

BOMBAY, Dated: 28th November 1962.

BOMBAY,  
Dated : 26th November 1962.

K. J. SOMAIYA  
S. K. SOMAIYA  
N. C. SAYTA  
P. M. KAVADIA } *Directors*