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THE
GODAVARI
SUGAR MILLS
LIMITED

ANNUAL REPORT & ACCOUNTS
1962-63

36927

1963

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 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-fourth Ordinary Annual General Meeting of the Members of THE GODAVARI SUGAR MILLS LIMITED will be held on Monday the 23rd December, 1963 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, 1963.
2. To confirm interim dividends on Preference and Ordinary (Equity) shares and to declare final dividend on Ordinary (Equity) shares.
3. To elect a Director in place of Shri D. M. Popat, who retires by rotation, but being eligible offers himself for re-election.
4. To elect a Director in place of Shri V. D. Muzumdar, who retires by rotation, but being eligible offers himself for re-appointment and to consider and if thought 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. 1:

"Resolved that pursuant to the provisions of Section 281 and other applicable provisions, if any, of the Companies Act, 1956 Shri V. D. Muzumdar, who has attained the age of 70 years, be and he is hereby re-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."

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

SPECIAL RESOLUTION No. 1:

"Resolved that pursuant to the provisions of Section 360 and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Company be and it is hereby accorded to the sale of one Palapone Diesel Generating Set at the cost of Rs. 15,800/- on 7th May, 1962 by the Company to Oriental Power Cables Limited, who may be deemed to be the 'Associates' of the Managing Agents of the Company."

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

SPECIAL RESOLUTION No. 2:

"Resolved that subject to the confirmation by the Court sub-clause (av) of Clause III of the Memorandum of Association of the Company be deleted and a new sub-clause (av) as under be substituted in its place:

Sub-clause (av):

"To establish and support or aid in the establishment and support of Associations, Institutions, Funds, Trusts and Finances calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons and to grant pensions, allowances, gratuities and bonuses and to make payments towards insurance and from time to time subscribe or contribute or otherwise to assist or to guarantee money or aid to Charitable, Benevolent, Religious, Scientific, National, Public, Political, Social or any other Institutions, Funds, Objects or Purposes of a public character or to any Exhibitions subject to the provisions of Section 293 A of the Companies Act, 1956."

7. To consider and if thought fit to pass, with or without modifications, the following resolutions as Special Resolutions:

SPECIAL RESOLUTIONS Nos. 3, 4 and 5:

"Resolved that pursuant to the provisions of Section 360 and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Company be and it is hereby accorded to the sale of molasses of the value of Rs. 72,592.29 and stores materials (including machineries) etc. of the value of Rs. 7,77,479.35 during the period from 30-1-1962 to 31-7-1963 to Somaiya Organo-Chemicals Limited as also to the purchases of stores materials of the value of Rs. 31,876.52 during the period from 30-1-1962 to 31-7-1963 from Somaiya Organo-Chemicals Limited, one of the subsidiaries of the Company, who may be deemed to be the 'Associates' of the Managing Agents of the Company, at such rates which are not less favourable to the Company than the prevailing market rates for such commodities or which are otherwise reasonable as per the statement placed before the meeting and for the purpose of identification initialled by the Chairman."

"Further Resolved that pursuant to the provisions of Section 360 and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Company be and it is hereby accorded for the sale of molasses and stores materials which might have been sold by the Company to Somaiya Organo-Chemicals Limited, one of the subsidiaries of the Company, who may be deemed to be the 'Associates' of the Managing Agents of the Company, after 31st July, 1963 till the date of the meeting and that the Company is hereby authorised to sell to the said Somaiya Organo-Chemicals Limited the molasses of the value upto Rs. 5,00,000/-, stores materials of the value upto Rs. 20,00,000/-, water of the value upto Rs. 5,00,000/- and steam of the value upto Rs. 5,00,000/- in any one accounting year for the period of five years from this date at such rate or rates in respect of each of the said items viz., molasses, stores materials, water and steam as the Board may from time to time determine, but at such rates which are not less favourable to the Company than the prevailing market rates for such commodities or which are otherwise reasonable."

"Further Resolved that Somaiya Organo-Chemicals Limited will make the payment to the Company for the supply of molasses, stores materials, water and steam within one month from the date of supply."

8. To consider and if thought fit to pass, with or without modifications, the following resolution as Ordinary Resolution:

ORDINARY RESOLUTION No. 2:

"Resolved that the Board of Directors of the Company be and they are hereby authorised to invest otherwise than in trust securities or to use or to utilise the amount of compensation which may be received by the Company in respect of the compulsory acquisi-

tion of the agricultural farms and other fixed assets of the Company as a result of the implementation of the Maharashtra Agricultural Land (ceiling on holdings) Act, 1963, in such manner as the Board may think fit”.

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

SPECIAL RESOLUTION No. 6:

“Resolved that pursuant to the provisions of Section 370 (if at all applicable) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby authorises, approves of, and confirms the loan already given to Arpit Limited of Rs. 34,81,446/- during the year ended 31st May, 1963 and consents of the loans that may be made from time to time by the Company to each of Arpit Limited, Somaiya Chemical Industries Private Limited, Somaiya Bharaktiya Private Limited, Sugar Selling Agency Private Limited and Oriental Power Cables Limited, so that the loan advanced to any one of them shall not at any time exceed Rs. 50 lacs and that the Board of Directors be and they are hereby authorised to grant such loan, with or without security, and at such rate of interest and for such period of time as the Board of Directors may from time to time determine.”

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

The transfer books of the Company will be closed from 9th December, 1963 to 23rd December, 1963, both days inclusive.

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

BOMBAY, Dated 15th November, 1963.

NOTE:

The final dividend when declared will be made payable at the Registered Office of the Company on and after 26th December, 1963. The dividend warrants will be posted to those shareholders whose names stand on the Company's Register on 9th December, 1963.

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.

ORDINARY RESOLUTION No. 1:

Shri V. D. Muzumdar, who retires by rotation, has attained the age of 70 years and he cannot therefore be appointed a Director of the Company except by a resolution in respect of which a Special Notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received the Special Notice from one of the members of the Company notifying his intention to move the resolution set out in Item No. 4 of the Notice. The Directors consider it desirable that the Company should avail of the specialised knowledge and services of Shri V. D. Muzumdar and therefore commend the resolution for your approval.

SPECIAL RESOLUTION No. 1:

The Company had at their disposal for sale one Palapone Diesel Generating Set. This was urgently required by Oriental Power Cables Limited for its own purposes and as a result of negotiation, the Company had agreed to sell the said Generating Set at the price of Rs. 15,800/-. The said price is fair and reasonable and is not less favourable to the Company than the market price or is otherwise reasonable.

It was understood and assumed that Oriental Power Cables Limited were not the 'Associates' of the Company's Managing Agents.

The Company has, however, been recently advised that Oriental Power Cables Limited might, having regard to a possible interpretation of some of the provisions of the Companies Act, 1956, be deemed to be the 'Associates', of the Company's Managing Agents. The Company has, therefore, been advised to place before the Company in the Annual General Meeting the facts relating to contracts already entered into with the aforesaid Company and to obtain the approval of the Company to such contract. For this purpose, Special Resolution No. 1 as set out in the accompanying Notice is proposed for the approval of the shareholders.

Sarvashri K. J. Somaiya, N. K. Firodia, C. S. Bharaktiya and S. K. Somaiya, the Directors of the Company, respectively hold 750, 50, 50 and 750 Equity shares in Oriental Power Cables Limited. Shri K. J. Somaiya and Shri S. K. Somaiya are the Directors of the Managing Agency Company, K. J. Somaiya & Sons Private Limited.

SPECIAL RESOLUTION No. 2:

In order to enable the Company to carry on its business more efficiently, the Company may be required to make donations to various institutions or political parties. With a view to empower the Company to make such donations or contributions the sub-clause (av) of Clause III of the Memorandum of Association of the Company requires substitution as set out in the accompanying Notice. The shareholders are, therefore, requested to pass the Special Resolution No. 2, with or without modifications, as set out in the Notice.

SPECIAL RESOLUTIONS Nos. 3, 4 and 5:

Somaiya Organo-Chemicals Limited is a subsidiary of the Company. This subsidiary required molasses for the purpose of manufacturing the acetic acid. Molasses forms a vital raw material for the production of acetic acid. In addition, they also required some stores materials at a very short notice. The Company was in a position to supply molasses, which is a waste product remaining after manufacturing sugar. During the period from 30-1-1962 to 31-7-1963 the Company had supplied molasses of the value of Rs. 72,592.29 to the subsidiary Company. The Company also keeps in stock the stores materials which are required for the sugar factories. In order to help the smooth running of the manufacturing process of the subsidiary, the Company had supplied during the above-mentioned period stores materials of the value of Rs. 7,77,479.35. The Company had also purchased during the said period stores materials of the value of Rs. 31,876.52 from the said subsidiary Company. The said prices of the molasses as well as stores materials are fair and reasonable and are not less favourable to the Company than the market prices or are otherwise reasonable. Having regard to a possible interpretation of some of the provisions of the Companies Act, 1956, Somaiya Organo-Chemicals Limited though it is a subsidiary of the Company may be deemed to be the 'Associates' of the Managing Agents of the Company. The Company has, therefore, been advised to place before the meeting and get the approval of the Company for the transactions already entered into by the Company with the subsidiary company as also for the future transactions with them relating to supply of molasses, stores, machineries, water and steam. For this purpose the Special Resolutions Nos. 3, 4 and 5 as set out in the accompanying Notice are commended for the approval of the shareholders.

Shri K. J. Somaiya and Shri S. K. Somaiya, are the Directors and Members of Somaiya Organo-Chemicals Limited and the Managing Agency Company. They hold 330 and 320 Equity shares respectively in Somaiya Organo-Chemicals Limited.

ORDINARY RESOLUTION No. 2:

The Shareholders might be aware that the Government of Maharashtra are implementing the Maharashtra Agricultural Land (ceiling on holdings) Act and accordingly the Company may be required to pass on the Agricultural farms belonging to the Company. In order to enable the Board of Directors of the Company to suitably invest, use or utilise the compensation money which would be received from the Government of Maharashtra, the Ordinary Resolution as set out in the accompanying Notice is commended for the approval of the shareholders.

SPECIAL RESOLUTION No. 6:

The Company during the course of its business has given a loan of Rs. 34,81,446/- during the year ended 31st May, 1963 to Arpit Limited, and may give from time to time loan to any one or more of Arpit Limited, Somaiya Chemical Industries Private Limited, Somaiya Bharaktiya Private Limited, Sugar Selling Agency Private Limited and Oriental Power Cables Limited. The said Company or Companies may be deemed to be the Company or Companies under the same management under section 370 of the Companies Act, 1956. It is out of abundant caution and care that the Directors commend the Special Resolution as set out in the Notice for your approval.

Shri K. J. Somaiya and Shri S. K. Somaiya are the Directors and Members of Somaiya Chemical Industries Private Limited, Somaiya Bharaktiya Private Limited and Oriental Power Cables Limited. They are the Members of Arpit Limited. Shri K. J. Somaiya holds 2, 10, 10 and 750 Equity shares in Arpit Limited, Somaiya Chemical Industries Private Limited, Somaiya Bharaktiya Private Limited and Oriental Power Cables Limited respectively. Shri S. K. Somaiya holds 1, 30, 10 and 750 Equity shares in Arpit Limited, Somaiya Chemical Industries Private Limited, Somaiya Bharaktiya Private Limited and Oriental Power Cables Limited respectively.

Shri N. K. Firodia and Shri C. S. Bharaktiya are Members and Directors of Oriental Power Cables Limited and each of them hold 50 Equity shares in that Company. Shri Firodia and Shri Bharaktiya are also the Members and Directors of Somaiya Bharaktiya Private Limited and they hold 5 and 70 Equity shares respectively in that Company.

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

BOMBAY, Dated 15th November, 1963.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

DIRECTORS' REPORT

THE SHAREHOLDERS,
THE GODAVARI SUGAR MILLS LIMITED,
BOMBAY.

GENTLEMEN,

Your Directors are pleased to report on the audited statement of accounts of the Company for the year ended 31st May, 1963.

FINANCIAL RESULTS:

	Rs.	Rs.
The gross profit for the year, before providing for depreciation, development rebate reserve and taxation amounted to ...		96,48,963
Deducting therefrom:—		
Depreciation	10,25,594	
Development Rebate Reserve	1,22,242	
Provision for Taxation	36,00,000	
Provision for Super profit-tax	15,00,000	
Provision for Agricultural Income-tax	34,00,000	
	<hr/>	96,47,836
the profit comes to		1,127
Add: The balance brought forward from the previous year's account	2,38,155	
Transfer from General Reserve	9,50,000	
	<hr/>	11,88,155
the amount available for disposal is		<hr/> <hr/> 11,89,282

Your Directors recommend the following appropriations:

1. Interim dividends declared after the close of the year:		
(a) On Preference shares (subject to deduction of tax) ...	1,45,433	
(b) On Ordinary (Equity) shares @ Rs. 7/- (subject to deduction of tax) Per Share	7,00,000	
	<hr/>	8,45,433
2. Transfer to Dividend Reserve		3,00,000
3. Transfer to Reserve for Gratuity		25,000
4. Balance carried forward to Balance Sheet		18,849
		<hr/> <hr/> 11,89,282

The Directors recommend a dividend on Ordinary (Equity) shares at Rs. 3/- (subject to deduction of tax) per share for the year ended 31st May,

Rs.

1963 to be paid out of Dividend Reserve, if approved by the shareholders
at the Annual General Meeting to be held on 23rd December, 1963 ... 3,00,000

You are requested to approve Rs. 6,10,512/- by way of Charity and Donations during the year
as under:

	Rs.
1. The Somaiya Trust	5,00,000
2. National Defence Fund	1,00,000
3. Brihad Bharatiya Samaj	5,000
4. Sundry	5,512
Total Rs. ...	<u>6,10,512</u>

The working of ories has been satisfactory.

The cane crop available for crushing season 1963-1964 is about 2,953 acres.

The Company has filed a Writ Petition in the High Court of Judicature at Bombay challenging the validity of the Maharashtra Agricultural Lands (ceiling on holdings) Act, 1961. In similar petitions filed by some other sugar companies it has since been held by the Bombay High Court that the provisions of the Act save and except the provisions of Section 28 are valid and within the competence of the Maharashtra State Legislature. Provisions of Section 28 have been held to be void. The said section relates to special provision in respect of land taken over from industrial undertakings to ensure efficient cultivation and continued supply of raw material.

The Government of India have introduced controls on distribution of sugar with effect from 17th April, 1963 by promulgating an order called 'Sugar Control Order, 1963'. The Government of India have fixed rates of sugar and have also controlled the distribution of sugar under the provisions of the said order.

The erection of the new distillery plant at Captainganj has already commenced and it is expected to go into production in early 1964. The shortage of coal and molasses has resulted in the intermittent working of the existing distillery at Captainganj.

The Directors have pleasure in informing that in regard to the Industrial Licence granted to the Company for the manufacture of Butyl Alcohol and Butyl Acetate in Barabanki (U.P.), which the Company proposes to undertake in collaboration with the world renowned French firm M/s. Les Usines De Melle, the Government approved in principle the import of equipment valued at Rs. 68 lacs (C.F.) under French Credit and have also since issued an Import Licence thereto. Necessary steps are being taken for an early execution of the project.

Shri D. M. Popat and Shri V. D. Muzumdar 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: 15th November, 1963.

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, 1963 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, 1963 and
 - (b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.

BOMBAY, Dated: 16th November, 1963.

NANUBHAI & CO.,
Chartered Accountants.

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1962	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	I. SHARE CAPITAL:—			
	AUTHORISED CAPITAL:			
1,80,00,000	1,80,000 Ordinary (Equity) Shares of Rs. 100/- each ..		1,80,00,000	
20,00,000	20,000 7·8572% subject to deduction of Tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each		20,00,000	
<u>2,00,00,000</u>				<u>2,00,00,000</u>
	ISSUED AND SUBSCRIBED CAPITAL:			
	1,00,000 Ordinary (Equity) Shares of Rs. 100/- each fully paid up:			
	Of the above Shares 90,000 Shares are allotted as fully paid up by way of bonus Shares by capitalisation of General Reserve		1,00,00,000	
60,00,000	18,509½ 7·8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, 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>18,50,950</u>	
<u>78,50,950</u>				<u>1,18,50,950</u>
	II. RESERVES AND SURPLUS:—			
	(A) Capital Reserve:			
55,791	As per last Balance Sheet	61,098		
5,307	Add: Profit on sale of land	—		
<u>61,098</u>		<u>61,098</u>		
—	Less: Loss on sale of machinery	600		
<u>61,098</u>			60,498	
	(B) General Reserve:			
1,28,00,000	As per last Balance Sheet	1,23,00,000		
<u>1,28,00,000</u>				
61,098				
<u>78,50,950</u>				
	Carried Over ..	<u>1,23,00,000</u>	<u>60,498</u>	<u>1,18,50,950</u>

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1963

As at 31st May 1962	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS: (At cost or book value):—			
2,75,85,882	Gross Block		2,92,93,304	
1,57,02,957	Less: Depreciation written off upto 31st May 1963 ..		1,67,60,208	
1,18,82,925	Net Depreciated Block as per Schedule 'A' attached ..		1,25,33,096	
9,21,033	Capital work-in-progress		7,12,297	
1,28,03,958				1,32,45,393
	II. INVESTMENTS (At Cost)			
	(A) TRADE INVESTMENTS:			
	(i) 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	
2,55,000	2,550 Fully paid up Equity Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd. ..		2,55,000	
8,55,000			8,55,000	
	(ii) Investment in Company under same group:			
—	10,500 Partly paid up Equity Shares of Rs. 100/- each of Oriental Power Cables Ltd. ..		7,87,500	
	(B) OTHER INVESTMENTS:			
78	One Ordinary Share of Maharashtra State Co-operative Bank Ltd. of Rs. 50/- each fully paid up		78	
9,500	National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur		9,500	
1,995	U.P. Government Bond (Face Value Rs. 2,000/-) ..		1,995	
8,66,573				16,54,073
		Cost	Market value	
	Aggregate Quoted Investments	7,89,573	7,09,823	
	Aggregate Unquoted Investments	8,64,500	—	
		16,54,073	7,09,823	
1,36,70,531	Carried Over ..			1,48,99,466

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1962	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
78,50,950	Brought Forward ..	1,23,00,000	60,498	1,18,50,950
<u>61,098</u>				
1,28,00,000				
 20,00,000	Less: Transfer to Share Capital being amount capitalised by issue of bonus shares as per special Resolution dated 12th March 1962	 40,00,000		
<u>1,08,00,000</u>		<u>83,00,000</u>		
15,00,000	Add: Set aside from 1962-63 Profit	—		
<u>1,23,00,000</u>		<u>83,00,000</u>		
 —	Less: Transferred to Profit and Loss Account	 9,50,000	73,50,000	
<u>1,23,00,000</u>				
 —	(C) Dividend Reserve:			
	Amount set aside from Profit of the Year:		3,00,000	
 1,00,000	(D) Reserve for Gratuity:			
	As per last Balance Sheet	1,25,000		
<u>25,000</u>	Add: Set aside from Profit and Loss account	<u>25,000</u>		
1,25,000			1,50,000	
 10,90,896	(E) Development Rebate Reserve:			
	As per last Balance Sheet	12,23,778		
<u>1,32,882</u>	Add: Amount set aside from Profit of the year	<u>1,22,242</u>		
12,23,778			13,46,020	
 2,38,156	(F) Profit and Loss Account:			
	Balance as per Profit and Loss Account annexed		18,849	
<u>1,39,48,032</u>				92,25,367
	III. SECURED LOANS:—			
	Cash credit accounts with Banks against hypothecation of all tangible 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. 70 lacs		62,13,430	
1,00,46,942				
	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 by two Directors		22,00,000	
<u>25,00,000</u>			<u>22,00,000</u>	
1,25,46,942				84,13,430
 3,43,45,924	Carried Over ..			<u>2,94,89,747</u>

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1963

<i>As at 31st May 1962</i>	ASSETS—(Contd.)			
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
1,36,70,531	Brought Forward ..			1,48,99,466
	III. CURRENT ASSETS, LOANS AND ADVANCES:—			
	(A) CURRENT ASSETS:			
	Stores, Chemicals and Spares (at cost as per inventories valued and certified by Managing Agents)			
58,94,410	On hand (including machineries of Rs. 17,33,478)	62,52,772		
1,06,904	In transit	2,14,435		
<u>60,01,314</u>			<u>64,67,207</u>	
40,485	Loose Tools and Implements (as per inventories valued and certified by Managing Agents) ..		38,706	
	Stock-in-trade (as per inventories valued and certified by Managing Agents):			
3,54,97,765	Sugar at Market Rate	2,32,19,139		
54,804	Denatured and Rectified Spirit at market rate ..	—		
62,343	Power Alcohol and Absolute Alcohol at market rate	89,314		
2,55,965	Grains, Cotton etc. at market rate	2,54,831		
4,637	Molasses at Cost	4,420		
<u>3,58,75,514</u>			<u>2,35,67,704</u>	
32,06,933	Crop in progress (at cost including tillages, preparation of land, irrigation charges etc. as valued and certified by Managing Agents)		27,55,244	
	Sundry Debtors (Unsecured and considered good except otherwise stated):			
10,013	(i) Debts outstanding for more than six months	10,535		
—	Considered doubtful: ..	6,655		
<u>10,013</u>		<u>17,190</u>		
—	Less: Provision for doubtful debts ..	6,655		
<u>10,013</u>		<u>10,535</u>		
8,04,343	(ii) Other debts	12,85,607		
<u>4,59,38,602</u>			<u>12,96,142</u>	
<u>1,36,70,531</u>	Carried Over ..		<u>3,41,25,003</u>	<u>1,48,99,466</u>

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1962	LIABILITIES—(Contd.)		
Rupees		Rupees	Rupees
3,43,45,924	Brought Forward ..		2,94,89,747
	IV. UNSECURED LOANS:—		
1,53,928	From Bank		
5,13,728	From others	6,42,259	
	On Current Account:		
10,96,645	From Managing Agents	25,079	
3,17,565	From Selling Agents	73,980	
20,81,866			7,41,318
	V. CURRENT LIABILITIES AND PROVISIONS:—		
	(A) CURRENT LIABILITIES:		
1,99,04,516	Sundry Creditors	1,04,70,197	
25,000	Security Deposit from Selling Agents	25,000	
23,28,838	For Taxation	43,84,060	
79,377	Due to partnership firm of Khanapur Farms	77,516	
5,00,307	Managing Agents' Remuneration	6,35,655	
5,490	Unclaimed Dividend	6,633	
2,200	Unclaimed Redemption money	2,200	
16,628	Due to Trustees to Staff Provident Fund (since paid)	11,009	
4,53,534	Interest accrued but not due on loans	1,93,319	
2,33,15,890		1,58,05,589	
	(B) PROVISIONS:		
72,15,372	Provision for taxation	78,74,044	
11,05,305	Less: Advance Payment under section 210 of Indian Income-Tax Act, 1961	11,59,289	
61,10,067			67,14,755
	Provision for Agriculture Income Tax		34,00,000
	Interim dividends declared after the close of the year		8,45,433
13,45,433	Proposed Dividends		8,00,000
8,00,000	Provision for bonus		
3,15,71,390			2,75,65,777
	CONTINGENT LIABILITIES (Not provided for):—		
50,000	(i) (a) In respect of lands for which suits are pending in courts	50,000	
10,000	(b) In respect of legal expenses on above	10,000	
	(ii) Uncalled liability on partly paid shares, held as investment:		
1,00,000	(a) Godavari Investment and Finance Corporation Ltd., a subsidiary Company	1,00,000	
	(b) Of Oriental Power Cables Ltd., a Company under the same group	2,62,500	
	(iii) In respect of two counter guarantees for Rs. 3,75,000 and Rs. 75,000 given to Bank of Baroda Ltd. in connection with contract for export of raw sugar	4,50,000	
	(iv) In respect of counter guarantee given to Bank of India Ltd. for payment of freight by way of Railway Credit Note	22,000	
22,000	(v) In respect of estimated purchase commitments on Capital purchases about	2,00,000	
6,00,000	(vi) In respect of present liability for future payment of gratuity	Unascertained	
	(vii) In respect of losses of subsidiary Companies:		
1,91,325	(a) Godavari Investment & Finance Corporation Limited, Profit and Loss Account as at 31st May, 1963	2,28,295	
4,73,107	(b) Somaiya Organo-Chemicals Ltd., Profit and Loss Account as at 31st May, 1963	1,73,972	
6,79,99,180	Total Rupees ..		5,77,96,842

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1963

As at 31st May 1962	ASSETS— (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,36,70,531	Brought Forward ..		3,41,25,003	1,48,99,466
4,59,38,602				
1,25,282	CASH AND BANK BALANCES:			
1,24,555	Cash on hand	1,18,235		
—	In Current Account with Scheduled Banks: ..	1,98,597		
—	In Current Account with Non-Scheduled Banks: ..			
—	(i) Maharashtra State Co-operative Bank Ltd., Bombay (Maximum debit balance during the year Rs. 455/-) ..	455		
—	(ii) Ahmednagar District Central Co-operative Bank Ltd., Shrirampur (Maximum debit balance during the year Rs. 418/-) ..	418		
285	Stamps on hand	873		
1,500	In Post Office Savings Bank (Pledged with Collector, Central Excise.)	376		
2,51,622		1,000		
4,61,90,224			3,19,081	
			3,44,44,084	
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated):			
43,189	Loans to others	35,916		
14,303	Considered doubtful	14,303		
57,492		50,219		
14,303	Less: Provision for doubtful loans	14,303		
43,189			35,916	
6,45,042	Loan to Arpit Ltd., a Company under the same management (maximum debit balance during the year Rs. 34,81,446)		7,50,865	
	Loans to subsidiary companies of which the Company is Holding Company:			
10,40,645	(a) Godavari Investment & Finance Corporation Ltd.	10,24,515		
28,03,729	(b) Somaiya Organo-Chemicals Ltd.	32,37,136		
38,44,374			42,61,651	
1,31,250	Application money in deposit for shares of Oriental Power Cables Ltd.		—	
76,987	Partnership Firm of Lakh Farms		21,050	
13,43,134	Advances recoverable in cash or in kind or for value to be received, (including Rs. 3,66,403/- in dispute)	12,21,695		
9,748	Considered doubtful	13,814		
13,52,882		12,35,509		
9,748	Less: Provision for doubtful advances	13,814		
13,43,134			12,21,695	
19,81,387	Paid in part under Section 23A of Income Tax Act of 1922 [see Note 1 (b)]		20,81,387	
73,062	Deposit with Irrigation Department, Railways and others		80,728	
5,43,28,649				4,28,97,376
6,79,99,180	Total Rupees ..			5,77,95,842

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. 20,81,387/- have been paid and the balance amount of Rs. 2,44,574 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. 23A 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 has not fully declared and distributed the deemed dividend and has preferred a petition to Central Board of Revenue. The Board of Directors have therefore thought it fit to carry forward as in past the amount of Rs. 20,81,387/- paid till the balance sheet date.
- (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 Khanapur 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 firms wherein Company has 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. 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. 1,49,679/- at cost have been supplied to the said firms.
- (4) No provision has been made for about Rs. 3,91,807/- 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. The Bank of Baroda Ltd., has given a guarantee for this amount for which Company has given counter guarantee to the said bank.
- (5) Reference is invited to para 5 of Directors' Report.
- (6) Reference is invited to Special resolutions No. 3 and 6 of the Notice and explanatory statement thereto.
- (7) The Directors have recommended a final dividend of Rs. 3,00,000/- (subject to deduction of tax) on ordinary shares which dividend if approved by the shareholders at the Annual General Meeting to be held on 23rd December, 1963, will be paid out of the Dividend Reserve and no separate provision has been made therefor.

Referred to in our report of even date.

NANUBHAI & CO.

Chartered Accountants.

BOMBAY, Dated: 16th November, 1963.

MILLS LIMITED, BOMBAY.

AS AT 31ST MAY, 1963

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 Ltd., as at 31st May, 1963.
- (ii) Godavari Investment & Finance Corporation Limited made a loss of Rs. 36,970/- for the year ended 31st May, 1963. The total loss including that of previous years comes to Rs. 2,28,295/-. 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 Ltd., in respect of the said loss of the subsidiary Company.
- (iii) Advances: The amount advanced to Godavari Investment and Finance Corporation Ltd., as at 31st May, 1963 stands at Rs. 10,24,515/-.

(2) *RE:* SOMAIYA ORGANO-CHEMICALS LTD.

- (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 Somaiya Organo-Chemicals Ltd.
- (ii) Somaiya Organo-Chemicals Limited, made a profit of Rs. 2,99,135/- for the year ended 31st May, 1963. Net loss after adjusting the previous years' loss from Profit of this year comes to Rs. 1,73,972/-. 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, 1963, stands at Rs. 32,37,136/-.

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

} *Directors*

BOMBAY, Dated: 15th November, 1963.

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1962 Rupees		Rupees	Rupees
	To Opening Stock on 1st June 1962:—		
3,17,40,201	Sugar	3,54,97,765	
72,095	Denatured and Rectified Spirit	54,804	
62,794	Power and Absolute Alcohol	62,343	
<u>3,18,75,090</u>			<u>3,56,14,912</u>
1,63,406	„ Raw Materials consumed (purchase of raw materials Rs. 1,91,476/-) ..		1,91,693
32,64,973	„ Crops in progress as at 1st June, 1962	32,06,933	
49,990	„ Stock of grains and other seeds as on 1st June, 1962	45,178	
223	„ Purchase of food-grains, tobacco, cotton, etc.	1,228	
12,298	„ Grains and other seeds for sowing	8,537	
20,55,043	„ Salaries and wages	21,57,783	
1,50,000	„ Provision for bonus	1,50,000	
2,727	„ Contribution to provident fund of the Company	3,932	
54,102	„ Contribution to Government Provident Fund and administrative charges ..	69,232	
563	„ Gratuity	—	
591	„ Workmen and staff welfare expenses	2,111	
3	„ Workmen compensation	16	
23,18,721	„ Stores inclusive of manures	16,25,987	
24,431	„ Repairs and renewals (including salaries and wages Rs. 9,084/-)	16,335	
2,79,017	„ Land rent	2,79,134	
10,31,745	„ Irrigation rates and taxes	8,80,283	
20,597	„ Drainage	21,604	
3,954	„ Expenses on sales of grains, cotton, tobacco etc.	3,227	
—	„ Education cess	74,272	
1,02,482	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, travelling and legal charges (including harvesting and carting commission Rs. 53,196/-)	1,21,110	
2,80,238	„ Depreciation	2,75,462	
177	„ Land Development expenses written off	548	
14,968	„ Premium on leasehold land written off	14,968	
902	„ Loose tools written off	801	
12,435	„ Livestock written off	5,390	
<u>96,80,180</u>		<u>89,64,071</u>	
<u>32,06,933</u>	„ Less: Crops in progress as at 31st May, 1963	<u>27,55,244</u>	
64,73,247		62,08,827	
4,00,665	„ Transportation of cane	4,44,455	
<u>1,04,30,976</u>	„ Locally purchased cane	<u>93,90,054</u>	
<u>1,73,04,888</u>			<u>1,60,43,336</u>
4,93,43,384	Carried Over ..		5,18,49,941

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1963

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As at 31st May 1962	Rupees	Rupees	Rupees
	By Sales:		
3,83,08,959	Sugar	5,42,84,582	
90,171	Molasses	55,721	
2,60,171	Denatured & Rectified Spirit	1,87,595	
4,39,038	Power and Absolute Alcohol	5,72,341	
59,273	Foodgrains, tobacco, cotton, grass, etc. (including consumption of Rs. 8,537/- as per contra)	67,154	NF
<u>3,91,57,612</u>			5,51,67,393
2,44,592	„ Sundry receipts from Flour Mills, Dairy etc. (including credit balances of Rs. 800/- written off)		1,93,588
5,000	„ Supervision charges from subsidiary company		5,000
—	„ Staff quarters rent		1,54,374
3,42,438	„ Sundry receipts being market value of Farm Produce etc. (including profit on sale of cotton Rs. 2,417/- and on grains Rs. 15,377/-)		3,16,558
	„ Income from Khanapur and Lakh Farms in partnership:		
	(a) Khanapur Farms:		
4,500	Rent	4,500	
40,657	Add: $\frac{1}{4}$ share of profit for the year	9,225	
<u>45,157</u>			13,725
	(b) Lakh Farms:		
4,500	Rent	4,500	
34,401	Add: $\frac{1}{4}$ share of profit for the year	12,268	16,768
<u>38,901</u>			
84,058			30,493
2	„ Dividend on Co-operative Bank share		3
37	„ Share transfer and splitting fees		46
	„ Interest:		
27,304	On advance Income-tax	—	
4,265	On Bank accounts	173	
2,042	On loans and others	129	
2,62,432	From subsidiaries	2,43,770	
—	From Arpit Ltd., a company under the same management	1,01,668	
1,820	From lessors	1,574	
			<u>3,47,314</u>
<u>4,01,31,602</u>		Carried Over ..	<u>5,62,14,769</u>

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1962	Rupees	Rupees	Rupees
		Brought Forward ..	5,18,49,941
		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. 4,43,842/- charged to repairs, capital and other relevant heads	23,09,808 ^{163,037}
22,50,590		.. Bonus to employees	26,667
24,273		.. Provision for bonus	2,50,000
2,50,000		.. Contribution to Provident Fund of the Company	16,163
13,492		.. Gratuity	136
4,899		.. Contribution to Government Provident Fund and administrative charges ..	1,46,061 ⁷⁴⁵⁷
1,16,193		.. Workmen and staff welfare expenses	84,409 ¹⁰⁰⁸
68,160		.. Workmen compensation	9,631
3,728			<hr/>
27,31,335			28,42,875
		.. Stores, chemicals & spare parts (after deducting Rs. 38,99,990/- charged to agriculture, capital, repairs and other relevant heads)	12,14,116 ^{71,20}
10,65,373		.. Power and fuel	4,47,816 ²⁸⁵⁰
4,39,806		.. Repairs to plant and machinery (inclusive of salaries and wages Rs. 3,58,050/-)	7,18,661 ²⁷⁸¹⁹
4,01,775		.. Repairs to Buildings (inclusive of salaries and wages Rs. 51,776/-)	1,42,585 ⁷⁷⁸⁶
1,71,081		.. Other repairs (inclusive of salaries and wages Rs. 24,933/-)	54,919 ⁸³⁴³
69,120			<hr/>
6,41,976			9,16,165
		.. Sugarcane purchase tax	9,01,755
6,62,369		.. Sugarcane cess	—
7,93,037		.. Excise Duty	70,37,193
87,15,498		.. Insurance premium	98,436 ²⁸⁹³
77,182		.. Emergency Risk Insurance Premium	79,525
—		.. Packing and forwarding	8,53,797 ³³⁶⁷
8,38,212		.. Rent (net) (received Rs. 1,200/-)	11,047 ⁹⁵⁶
9,666		.. Rates and taxes	1,65,338 ²⁰⁰
1,26,297		.. Sole Selling Agents' commission on sugar	4,40,865
3,29,937		.. Miscellaneous expenses, including printing and stationery, postage and telegrams, telephones, travelling and motor cars and lorries maintenance (including Rs. 3,738/- sundry debit balances written off)	7,83,574 ³⁶¹⁸
7,63,551		.. Charity and donations (refer to para 5 of Directors' Report on Page No. 8 (includes Rs. 1,00,000/- to National Defence Fund)	6,10,512 ¹²⁰⁰
5,90,512			<hr/>
6,71,28,135		Carried Over ..	6,82,52,955

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1963

<i>As at 31st May 1962</i>			Rupees	Rupees
4,01,31,602		Brought Forward		5,62,14,769
1,500	By Income from immovable property		1,500
388	„ Insurance claims		5,494
	„ Stock-in-trade (as taken, valued and certified by the Managing Agents):			
3,54,97,765	Sugar at market rate	2,32,19,139	
54,804	Denatured and Rectified Spirit at market rate	—	
62,343	Power and Absolute Alcohol at market rate	89,314	
45,178	Food-grains, tobacco etc. at market rate	46,422	
<u>3,56,60,090</u>			<u>2,33,54,875</u>	
<u>7,57,93,580</u>		Carried Over		<u>7,95,76,638</u>

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1962	Rupees	Rupees	Rupees
	6,71,28,135	Brought Forward ..	6,82,52,955
		To Interest:	
	86,653	Managing Agents	32,921
	5,91,193	Cash credit account	6,70,736
	1,75,251	Fixed loans	1,63,858
	96,288	Other loans	69,079
	<u>9,49,385</u>		<u>9,36,594</u>
	2,625	,, Directors' Fees (including Rs. 900/- to members of Managing Agents as Directors)	2,700
	15,968	,, Directors' and Managing Agents' Travelling expenses	25,786
	5,00,307	,, Managing Agents' remuneration—commission on profits subject to adjustments that may have to be made in respect of bonus and other provisions if any	6,35,655
		,, Payment to Auditors:	
	7,500	Audit fees	7,500
	17,550	In other capacity	15,400
	1,317	Travelling expenses	637
	<u>26,367</u>		<u>23,537</u>
	—	,, Brokerage on sugar	6,255
	30,637	,, Legal expenses (including Rs. 13,500/- to a Director)	38,168
	6,66,925	,, Depreciation	7,50,132
	1,677	,, Loose tools and implements written off	1,688
	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
	125	,, Loss on sale of Government loan	—
	—	,, Provision for doubtful debts and advances	10,721
	—	,, Provision for Agriculture Income Tax (including Rs. 17,00,000/- for previous years)	34,00,000
	34,00,000	,, Provision for taxation (including Rs. 15,00,000 for Super Profit Tax for years 1961-62 and 1962-63)	51,00,000
	30,60,129	,, Balance being Profit for the year	3,81,147
	<u>7,57,93,580</u>	Total Rupees ..	<u>7,95,76,638</u>

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1963

*As at
31st May 1962*

Rupees

7,57,93,580

Brought Forward ..

Rupees

Rupees

7,95,76,638

7,57,93,580

Total Rupees ..

7,95,76,638

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

<i>As at 31st May 1962</i>		Rupees	Rupees
			<i>Rupees</i>
	To Bonus to employees pertaining to previous year:		
2,02,748	Agriculture		2,17,038
3,40,097	Manufacturing		4,52,943
<u>5,42,845</u>			<u>6,69,981</u>
	,, Interim dividends declared after the close of the year:—		
—	On Preference shares (subject to deduction of tax)		1,45,433
—	On Ordinary shares at Rs. 7/- per share (subject to deduction of tax)		7,00,000
—			<u>8,45,433</u>
1,45,433	,, Proposed Dividend on Preference shares (subject to deduction of tax)		—
12,00,000	,, Proposed Dividend on Ordinary shares (subject to deduction of tax)		—
—	,, Dividend Reserve (see note No. 7)		3,00,000
1,32,882	,, Development Rebate Reserve		1,22,242
15,00,000	,, General Reserve		—
25,000	,, Reserve for gratuity		25,000
2,38,156	,, Balance carried to Balance Sheet		18,849
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:			
	Purchase of movable property	20,355	
	For Sale	4,25,468	
	For rendering services	7,469	
		<u>4,53,292</u>	
(iii) Computation of Managing Agents' remuneration is as follows:			
	Net Profit as per Profit and Loss Account	3,81,147	
Add:—	Managing Agents' remuneration	6,35,655	
	Directors' fees to members of Managing Agency Company	900	
	Provision for taxation	51,00,000	
	Provision for Agriculture Income Tax	34,00,000	
<u>37,84,316</u>	Carried Over ..	<u>95,17,702</u>	<u>19,81,505</u>

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1963

<i>As at</i> <i>31st May 1962</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
3,48,185		By Balance brought forward from last year's balance sheet		2,38,155
		.. Items pertaining to previous years:		
		Unclaimed salaries, wages and bonus written back:		
20,613		Factory and Head Office	7,670	
19,790		Agriculture	4,533	
40,403				12,203
35,599		.. Excess provision for doubtful debts recredited		—
3,00,000		.. Provision for bonus recredited		4,00,000
—		.. Transfer from General Reserve		9,50,000
30,60,129		.. Balance brought down		3,81,147

37,84,316

Carried Over ..

19,81,505

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1962	Rupees	Rupees	Rupees
37,84,316		Brought Forward ..	95,17,702
		Depreciation:	
		Agriculture	2,75,462
		Factory	7,50,132
			10,25,594
		<i>Add:—</i>	
		Income shown in lower part of Profit and Loss Account:	
		Provision for bonus recredited	4,00,000
		Unclaimed salaries, wages and bonus written back	12,203
			1,09,55,499
		<i>Less:—</i>	
		Bonus for previous year shown in lower part of Profit and Loss Account	6,69,981
		Depreciation to the extent specified in Section 350 of Companies Act, 1956	9,84,504
			16,54,485
		Net Profit for calculating Managing Agents' Remuneration	93,01,014
		Managing Agents' remuneration on Rs. 93,01,014/- 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. 43,01,014	2,36,555
		Rs. 93,01,014	6,36,555
		<i>Less:—</i>	
		Directors' Fees to members of Managing Agency Company	900
		Amount of Managing Agents' Remuneration	6,35,655
37,84,316		Total Rupees ..	19,81,505

Referred to in our report of even date

NANUBHAI & CO.

Chartered Accountants.

BOMBAY, Dated: 16th November, 1963

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1963

As at
31st May 1962

Rupees

37,84,316

Brought Forward ..

Rupees

Rupees

19,81,505

37,84,316

Total Rupees ..

19,81,505

Managing Agents:

For K. J. SOMAIYA & SONS PRIVATE LTD.

K. J. SOMAIYA
Director.

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

} *Directors*

BOMBAY, Dated: 15th November, 1963.

THE GODAVARI SUGAR

Schedule A

Schedule Attached to and Forming Part of

PARTICULARS	Gross Block as at 1st June, 1962 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)	23,86,531	6,853	23,93,384	—
Leasehold land premium	3,91,025	—	3,91,025	—
Leasehold premium on garage	12,000	—	12,000	—
✓ Buildings (Book value)	45,58,899	2,62,508	48,21,407	—
✓ Temporary quarters	2,12,512	—	2,12,512	—
Temporary quarters at farms	97,360	—	97,360	—
✓ Pucca quarters at factory	2,12,158	4,24,352	6,36,510	—
Pucca quarters at farms	1,30,727	—	1,30,727	—
✓ General machinery (Book value)	1,12,86,878	6,77,017	1,19,63,895	1,05,000
✓ Electrical machinery	9,29,184	72,019	10,01,203	—
Agricultural machinery (Book value)	30,24,932	3,980	30,28,912	—
Locomotives ✓	92,974	—	92,974	—
✓ Electrical installation & fittings	96,947	—	96,947	—
Furniture & office equipment	5,77,700	37,650	6,15,350	—
✓ Weigh bridges ✓	1,69,471	21,387	1,90,858	—
Trolley line ✓	6,29,591	—	6,29,591	—
Railway sidings ✓	1,31,124	5,473	1,36,597	—
Motor cars, lorries & cycles (Book value)	4,53,965	97,382	5,51,347	—
Carts & trucks (Book value)	3,50,872	—	3,50,872	—
✓ Laboratory apparatus ✓	46,543	4,041	50,584	—
Roads and drainage	6,84,165	2,37,483	9,21,648	—
Dead stock	67,953	—	67,953	—
Library ✓	7,758	—	7,758	—
Medical instruments ✓	363	—	363	—
Irrigation lifts	9,39,723	—	9,39,723	—
Live stock (Book value)	89,527	—	89,527	—
Total Rupees ..	2,75,85,882	18,50,145	2,94,36,027	1,05,000

Note: No depreciation has been taken on freehold land.

MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1963

Sales during the year subject to adjustment of gain or loss	Deduction of sales and other adjustments	Gross block on 31st May, 1963	Written off upto 31st May, 1962	Written off this year	Total depreciation as at 31st May, 1963	Net depreciated block as at 31st May, 1963	Net depreciated block as at 31st May, 1962
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
—	—	5,000	2,000	1,000	3,000	2,000	3,000
—	—	23,93,384	—	—	—	23,93,384	23,86,531
—	—	3,91,025	2,08,806	24,967	2,33,773	1,57,252	1,82,219
—	—	12,000	1,500	300	1,800	10,200	10,500
—	—	48,21,407	15,78,827	1,07,398	16,86,225	31,35,182	29,80,072
—	—	2,12,512	1,84,807	2,078	1,86,885	25,627	27,705
—	—	97,360	85,316	903	86,219	11,141	12,044
—	—	6,36,510	6,292	11,800	18,092	6,18,418	2,05,866
—	—	1,30,727	23,957	2,670	26,627	1,04,100	1,06,770
—	1,05,000	1,18,58,895	79,86,477	4,65,227	84,51,704	34,07,191	33,00,401
—	—	10,01,203	7,53,005	30,880	7,83,885	2,17,318	1,76,179
25,500	25,500	30,03,412	21,22,206	1,35,707	22,57,913	7,45,499	9,02,726
—	—	92,974	75,245	1,773	77,018	15,956	17,729
—	—	96,947	58,833	3,811	62,644	34,303	38,114
—	—	6,15,350	1,75,302	47,780	2,23,082	3,92,268	4,02,398
—	—	1,90,858	82,370	11,736	94,106	96,752	87,101
—	—	6,29,591	5,08,030	12,117	5,20,147	1,09,444	1,21,561
—	—	1,36,597	86,881	3,289	90,170	46,427	44,243
12,000	12,000	5,39,347	3,16,299	46,488	3,62,787	1,76,560	1,37,666
—	—	3,50,872	2,55,075	6,706	2,61,781	89,091	95,797
—	—	50,584	22,877	1,798	24,675	25,909	23,666
—	—	9,21,648	3,32,025	59,097	3,91,122	5,30,526	3,52,140
—	—	67,953	47,260	2,004	49,264	18,689	20,693
—	—	7,758	2,959	288	3,247	4,511	4,799
—	—	363	294	5	299	64	69
—	—	9,39,723	7,23,608	72,039	7,95,647	1,44,076	2,16,115
223	223	89,304	62,706	5,390	68,096	21,208	26,821
37,723	1,42,723	2,92,93,304	1,57,02,957	10,57,251	1,67,60,208	1,25,33,096	1,18,82,925

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

K. J. SOMAIYA
V. D. MUZUMDAR
J. G. DALAL
S. K. SOMAIYA
D. M. POPAT } Directors

BOMBAY, Dated: 15th November, 1963.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY.

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors submit herewith their Eighth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1963.

As reported last year, the expansion of the scheme of giving engines and pumps on hire purchase basis had a very encouraging response from the cultivators. As the demand for engines and pumps is increasing day by day and in view of the favourable response from the cultivators, your directors have considered it advisable to pursue the scheme vigorously so that the benefit under the scheme may be availed of by more and more cultivators. The business of giving loans and advances was satisfactory during the year.

The working of the Company for the year after providing Rs. 17,477/- for doubtful debts has resulted in a loss of Rs. 36,970/- which is added to the balance of Rs. 1,91,325/- brought forward from last year's account. The total loss amounting to Rs. 2,28,295/- is carried forward.

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

Yours faithfully,
For and On behalf of the Board of Directors,

R. S. KOTAK
Director.

Bombay, Dated: 22nd November, 1963.

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, 1963 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, 1963, and
 - (b) In the case of the Profit and Loss Account of the loss for the year ended on that date.

BOMBAY, Dated: 23rd November, 1963.

NANUBHAI & CO.
Chartered Accountants.

GODAVARI INVESTMENT &

BALANCE SHEET

As at 31st May 1962	LIABILITIES	
Rupees		Rupees
	I. AUTHORISED CAPITAL:—	
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each	5,00,000
	II. SUBSCRIBED CAPITAL:—	
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 50/- called up, held by the holding Company, The Godavari Sugar Mills Ltd., and its nominees ..	1,00,000
	III. UNSECURED LOANS:—	
9,60,334	Loan on current account from the Holding Company, The Godavari Sugar Mills Limited	9,56,648
80,312	Interest accrued on above	67,867
10,40,646		10,24,515
	IV. CURRENT LIABILITIES AND PROVISIONS:—	
	Current Liabilities:—	
11,341	Sundry Creditors	14,943
11,51,987	Carried Over ..	11,39,458

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1963

<i>As at 31st May 1962</i>	ASSETS		Rupees	Rupees
	I. FIXED ASSETS:—			
	Plant and Machinery (at cost) let on hire to Cane Growers in terms of hire purchase agreements:			
7,70,438	Cost upto 31st May 1962	Rs. 8,29,314		
63,490	Additions during the year	56,447		
<u>8,33,928</u>		<u>8,85,761</u>		
4,614	Less: Cost of engines issued last year returned back and included in Stores Machinery	—		
<u>8,29,314</u>			8,85,761	
5,35,328	Less: Adjustment of Hire Purchase instalments upto 31st May 1963 ..		<u>7,12,454</u>	
<u>2,93,986</u>			<u>1,73,307</u>	
2,93,986	Less: Shown in current assets below		<u>1,73,307</u>	
	II. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS:			
	Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director):			
24,688	Machinery	Rs. 68,367		
6,154	Spares and Fittings	5,975		
174	Stores	174		
<u>31,016</u>				
			74,516	
2,93,986	Future instalments receivable from hirers of oil engines and pumps under Hire Purchase Agreements:			
	(Considered good)		1,73,307	
	SUNDRY DEBTORS:—			
	(Unsecured and considered good: except otherwise stated)			
	For supply of spares and fittings supplied to Cane Growers and for the Supervision charges and hire purchase instalments due from them			
27,743	Outstanding for more than six months	21,511		
	Considered doubtful	23,087		
		<u>44,598</u>		
	Less: Provision for doubtful debts	23,087		
		<u>21,511</u>		
39,101	Other debts	73,093		
			<u>94,604</u>	
<u>3,91,846</u>				
	Carried Over ..		<u>3,42,427</u>	

GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May 1962	LIABILITIES—(Contd.)	
Rupees		Rupees
11,51,987	Brought Forward ..	11,39,458
	<p><i>NOTES:—</i></p> <ol style="list-style-type: none"> 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. 6,45,978/- 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. 2. Hire-purchase agreement for plant and Machinery of the value of Rs. 56,447/- out of total value of Rs. 8,85,761/- let on hire to Cane Growers are sent to the Sub-Registrar of Stamps for registration. 3. No provision for depreciation is made during the year as the Plant and Machinery are given to Cane Growers on Hire-Purchase Agreement. 	
<u>11,51,987</u>	Total Rupees ..	<u>11,39,458</u>

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 23rd November, 1963.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1963

<i>As at 31st May 1962</i>	ASSETS—Contd.			
<i>Rupees</i>			<i>Rupees</i>	<i>Rupees</i>
3,91,846		Brought Forward ..	3,42,427	—
	CASH AND BANK BALANCES:			
208	Cash on hand	Rs. 15		
1,207	Stamp papers	1,704		
4,963	Balance with a Scheduled Bank	2,623	4,342	
6,378			3,46,769	
	(B) LOANS AND ADVANCES:			
	(Secured and considered good except otherwise stated)			
	Loans to cane growers under arrangement to supply cane to the Holding Company, The Godavari Sugar Mills Limited in terms of agreement			
5,20,528	Secured	5,14,057		
41,910	Unsecured	37,317		
95,293	Unsecured considered doubtful	89,683		
6,57,731		6,41,057		
95,293	Less: Provision for doubtful debts	89,683	5,51,374	
5,62,438			8,98,143	
—	Advances against purchase of Machinery:		13,020	
				9,11,163
	III. MISCELLANEOUS EXPENDITURE:—			
	Profit and Loss Account:			
1,91,325	Loss as per Profit and Loss Account			2,28,295
11,51,987		Total Rupees ..		11,39,458

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: 22nd November, 1963.

GODAVARI INVESTMENT & PROFIT & LOSS ACCOUNT FOR

As at 31st May 1962	Rupees	Rupees	Rupees
	To Opening Stock:—		
63,202	Machinery	24,688	
6,154	Spares and fittings	6,154	
174	Stores	174	
<u>69,530</u>			<u>31,016</u>
	„ Purchases:—		
13,685	Machinery	1,00,125	
2,063	Spares and fittings	—	
<u>15,748</u>			<u>1,00,125</u>
5,000	„ Supervision charges to the Holding Company, The Godavari Sugar Mills Ltd.		5,000
22,813	„ Salaries, wages and bonus		17,081
584	„ Payment to M/s. Godavari Sugar Mills Ltd., Holding Company for contribution to Govt. Provident Fund and administrative charges		548
3,148	„ Miscellaneous expenses, fees and stamps, printing and stationery, postage and telegrams, conveyance, travelling etc.		2,527
205	„ Railway freight and transportation charges		115
80,312	„ Interest on current account to the Holding Company, The Godavari Sugar Mills Limited		67,867
500	„ Audit fees		500
—	„ Legal expenses		125
17,415	„ Provision for doubtful debts		17,477
<u>2,15,255</u>		<u>Total Rupees ..</u>	<u>2,42,381</u>
1,51,002	To Loss as per last Balance Sheet		1,91,325
40,323	„ Loss brought down		36,970
<u>1,91,325</u>		<u>Total Rupees ..</u>	<u>2,28,295</u>

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 23rd November, 1963.

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1963

<i>As at 31st May 1962</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
		By Transfer to Plant and Machinery (let on hire to cane growers in terms of Hire Purchase Agreements):		
	56,813	Machinery	56,447	
	2,063	Spares and fittings	—	
	58,876			56,447
		„ Less sales at cost to the Holding Company, The Godavari Sugar Mills Ltd.:		
	—	Machinery	—	
	—	Spares and fittings	59	
	—			59
	52,105	„ Interest on loans		45,415
	20,662	„ Supervision charges from cane growers		11,543
	11,785	„ Income on Hire Purchase contracts		17,297
	—	„ Miscellaneous receipts		134
	188	„ Bad debts recovery account		—
		„ Stock-in-trade (at cost) (as per inventories taken valued and certified by a Director):		
	24,688	Machinery	68,367	
	6,154	Spares and fittings	5,975	
	174	Stores	174	
	31,016			74,516
	300	„ Sundry credit balances written off		—
	40,323	„ Loss carried down		36,970
	2,15,255		Total Rupees ..	2,42,381
	1,91,325	„ Loss carried to Balance Sheet		2,28,295
	1,91,325		Total Rupees ..	2,28,295

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

} *Directors*

BOMBAY, Dated: 22nd November, 1963.

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 year ended 31st May, 1963 submitted herewith.

The net profit of the Company for the year under report amounts to Rs. 2,99,135/- after providing Rs. 4,43,201/- for Depreciation and after transferring Rs. 45,303/- to Development Rebate Reserve. The net loss after setting off the carried forward loss of Rs. 4,73,107/- from the last year against the profit of Rs. 2,99,135/- of the year amounts to Rs. 1,73,972/-. In view of this, the Directors do not recommend any dividend. The net loss is carried forward to the next year.

The acetic acid plant functioned intermittently during the year under report due to shortage of fuel, molasses and plant trouble.

In order to have steady and continuous supply of power, the Company has made its own arrangements to generate electricity and arrangements are being made to increase production of steam.

Your Directors have pleasure in informing that the Government has permitted the Company to expand the production of industrial alcohol upto 1.50 lacs gallons per year. Orders for purchase of additional plant to increase production capacity have been already placed.

Two of your Directors, Shri N. C. Sayta and Shri K. J. 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,
For and on behalf of the Board of Directors.
K. J. SOMAIYA
Chairman.

BOMBAY, Dated: 15th November, 1963.

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, 1963 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 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, 1963, and
 - (b) In the case of the Profit and Loss Account for the Profit of the year ended on that date.

BOMBAY, Dated: 16th November, 1963.

NANUBHAI & CO.,
Chartered Accountants.

SOMAIYA ORGANO-

BALANCE SHEET AS AT

As at 31st May 1962	LIABILITIES	
Rupees		Rupees Rupees
	I. SHARE CAPITAL:—	
	AUTHORISED CAPITAL:	
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
50,00,000		50,00,000
	ISSUED & SUBSCRIBED CAPITAL:	
5,00,000	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
10,00,000		10,00,000
	II. RESERVES AND SURPLUS:—	
	Development Rebate Reserve:	
5,44,927	As per last Balance Sheet	5,78,107
33,180	Add: Amount set aside from the Profit of the year	45,303
5,78,107		6,23,410
	III. UNSECURED LOANS:—	
18,750	1. Loan from K. J. Somaiya & Sons Private Ltd., a company under the same management	—
26,21,609	2. Loan from the Holding Company, The Godavari Sugar Mills Ltd.	—
	3. Short term Loans and Advances:	
—	On current account with the Holding Company, The Godavari Sugar Mills Ltd.	30,62,569
1,82,120	Interest on above	1,74,567
28,22,479		32,37,136
	IV. CURRENT LIABILITIES AND PROVISIONS:—	
	(A) Current Liabilities:	
6,75,362	Sundry Creditors	81,169
62,500	Security Deposit from customers (including Rs. 25,000/- under dispute)	75,000
7,37,862		1,56,169
	(B) Provisions:	
—	Provision for bonus	1,00,000
7,37,862		2,56,169
51,38,448	Carried Over ..	51,16,715

CHEMICALS LIMITED, BOMBAY

31ST MAY, 1963

As at 31st May 1962	ASSETS	
Rupees	Rupees	Rupees
	I. FIXED ASSETS (At cost):—	
40,72,060	Gross Block	44,83,898
5,69,748	Less: Depreciation written off upto 31st May 1963	10,12,949
35,02,312	Net depreciated block as per Schedule 'A'	34,70,949
92,002	Capital work in progress	85,230
35,94,314		35,56,179
	II. INVESTMENTS (At cost):—	
	(A) TRADE INVESTMENTS : (in company under same group)	
	1500 partly paid up equity shares of Rs. 100/- each of Oriental Power Cables Ltd. (Managing Agents: Somaiya Bharaktiya Private Ltd.)	1,12,500
	(B) OTHER INVESTMENTS:—	
	4% 1967 Maharashtra State Loan (face value Rs. 1000/-) deposited with Excise Department.	995
		1,13,495
	III. CURRENT ASSETS, LOANS AND ADVANCES:—	
	(A) CURRENT ASSETS:	
	Interest accrued on investment	7
2,49,885	Stores, chemicals and spares at cost (as per inventories valued and certified by a Director) Rs. 6,02,016	
1,128	In transit	7,085
2,51,013		6,09,101
3,030	Loose tools & implements (as per inventory certified by a Director)	3,018
	Stock-in-trade:	
6,13,037	Acetic acid at market rate Rs. 3,52,574	
4,422	Rectified spirit at market rate	17,336
42,985	Raw materials (Molasses) at cost	35,011
6,60,444		4,04,921
	Sundry debtors (unsecured and considered good, other than in dispute not provided for)	
50	(a) Debts outstanding for more than 6 months due for supply of goods under dispute excluding unadjusted claim for damages under agreement) Rs. 70,598	
80,162	(b) Other debts	91,830
80,212		1,62,428
9,94,699		
35,94,314	Carried Over	11,79,475
		36,69,674

SOMAIYA ORGANO-
BALANCE SHEET AS AT

As at 31st May 1962	LIABILITIES—(Contd.)		
Rupees		Rupees	Rupees
51,38,448	Brought Forward ..		51,16,715
	CONTINGENT LIABILITIES (Not provided for):—		
	1. Arrears of dividend on 7% (free of Income-Tax) redeemable cumulative preference shares for the period 1960-61, 1961-62 and 1962-63	98,583	
	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, The Godavari Sugar Mills Limited	Unascertained	
	4. Uncalled liability on partly paid shares, held as investment, of Oriental Power Cables Limited	37,500	
	5. In respect of counter guarantee given to Bank of India for purchase of Car	2,000	
	6. In respect of purchase commitments including for capital purchases (includes Rs. 3,20,000/- for counter guarantee to Bank of India Ltd. for purchase of machinery) about	3,40,000	
<u>51,38,448</u>	Total Rupees ..		<u>51,16,715</u>

Referred to in our Report of even date

NANUBHAI & CO.
Chartered Accountants.

BOMBAY, Dated: 16th November, 1963

CHEMICALS LIMITED, BOMBAY

31ST MAY, 1963

<i>As at 31st May 1962</i>	ASSETS—(Contd.)		Rupees	Rupees
35,94,314		Brought Forward ..	11,79,475	36,69,674
<u>9,94,699</u>				
	Cash and Bank Balances :			
418		Cash on hand Rs.	236	
<u>19,490</u>		In current account with Scheduled Banks	<u>22,906</u>	
19,908			23,142	
<u>10,14,607</u>			<u>12,02,617</u>	
	(B) LOANS AND ADVANCES: (Unsecured considered good)			
18,750		Application money in deposit for Shares of Oriental Power Cables Limited	—	
<u>34,970</u>		Advances recoverable in cash or kind or for value to be received ..	57,502	
2,700		Deposits	<u>12,950</u>	
<u>10,71,027</u>				12,73,069
	IV. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted):—			
4,73,107		Balance as per Profit & Loss Account		1,73,972
<u>51,38,448</u>		Total Rupees ..		<u>51,16,715</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 business. The provision for all known liabilities and depreciation 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: 15th November, 1963.

SOMAIYA ORGANO- PROFIT & LOSS ACCOUNT FOR

As at 31st May 1962 Rupees		Rupees	Rupees
	To Opening stock on 1st June 1962:		
	Acetic acid	6,13,037	
	Rectified spirit	4,422	
15,565			
15,565	„ Raw materials consumed (purchases Rs. 56,086)		6,17,459
67,516	„ Stores and chemicals consumed		72,626
1,34,844	„ Power and fuel		81,665
1,02,935	„ Salaries and Wages		1,81,679
1,87,157	„ Bonus	2,99,691	
—	„ Provision for bonus for 1961-62 and 1962-63	412	
—	„ Workmen and Staff welfare expenses	1,00,000	
726	„ Workmen compensation	6	
27	„ Company's contribution (to the Holding Company) towards Provident Fund	708	
5,744	„ Company's contribution to Govt. Provident Fund & administrative charges	11,792	
1,93,654			4,12,609
	„ Repairs:		
7,375	Plant and machinery	47,007	
1,664	Buildings	5,309	
—	Other repairs	1,927	
9,039			54,243
21,788	„ Excise establishment charges		20,261
47,077	„ Packing and forwarding		26,350
7,796	„ Insurance premium		12,111
—	„ Emergency Risk Insurance premium		13,378
507	„ Brokerage and commission		2,400
2,325	„ Directors' fees		1,950
—	„ Legal Expenses		6,000
1,82,120	„ Interest on loan to Holding Company, The Godavari Sugar Mills Ltd. ..	1,74,567	
—	„ Others	2,042	
1,82,120			1,76,609
	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, travelling, subscriptions, motor car maintenance etc. (including sundry debit balances of Rs. 50 written off)		27,736
18,160	„ Rates and taxes		7,535
1,770	„ Office rent		2,400
—	„ Audit Fees		500
500	„ Charity and donations		101
—	„ Loose tools written off		187
50	„ Depreciation (after adjusting excess provision of Rs. 18,925/- during previous year)		4,43,201
4,15,194	„ Preliminary expenses written off		—
3,935	„ Development Rebate Reserve		45,303
33,180	„ Balance being Profit for the year		2,99,135
2,56,175			
15,14,130		25,05,438	
	Total Rupees ..		
7,29,282	To Balance as per last Balance Sheet		73,107
7,29,282		Total Rupees ..	4,73,107

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants.

Bombay, Dated: 16th November, 1963.

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1963

<i>As at 31st May 1962</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
		By Sales:		
	8,25,663	Acetic Acid	20,83,919	
	71,008	Spirit	35,050	
	<u>8,96,671</u>			21,18,969
—		„ Insurance claims		5,030
—		„ Miscellaneous receipts		11,494
—		„ Interest on Government Loan (net)		35
		„ Closing stock in trade (valued and certified by a Director)		
	6,13,037	Acetic acid at market rate	3,52,574	
	4,422	Rectified Spirit at market rate	17,336	
	<u>6,17,459</u>			3,69,910
	<u><u>15,14,130</u></u>		Total Rupees ..	<u><u>25,05,438</u></u>
		By Balance carried down		2,99,135
	2,56,175	„ Balance carried to Balance Sheet		1,73,972
	4,73,107			
	<u>7,29,282</u>		Total Rupees ..	<u>4,73,107</u>

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

BOMBAY, Dated: 15th November, 1963.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1963

Schedule A

Particulars	Gross Block at cost as at 1st June, 1962	Additions during the year	Gross Block as at 31st May, 1963	Written off upto 31st May, 1962	Written off this year	Total depreciation as at 31st May, 1963	Net depreciated block as at 31st May, 1963	Net depreciated block as at 31st May, 1962
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	10,000	—	10,000	—	—	—	10,000	10,000
Distillery building ...	1,70,000	1,48,368	3,18,368	12,750	*11,369	24,119	2,94,249	1,57,250
Distillery machinery	7,93,348	53,004	8,46,352	55,566	*98,037	1,53,603	6,92,749	7,37,782
Acetic Acid Plant building	1,80,519	16,023	1,96,542	9,025	8,976	18,001	1,78,541	1,71,494
Acetic Acid Plant ...	28,63,070	1,69,813	30,32,883	4,90,842	*3,11,196	8,02,038	22,30,845	23,72,228
Laboratory apparatus	2,245	1,563	3,808	78	261	339	3,469	2,167
Furniture and office equipments	4,735	17,131	21,866	323	1,714	2,037	19,829	4,412
Motor car and Lorries	45,723	5,936	51,659	1,164	11,358	12,522	39,137	44,559
Scale & Weighbridges	2,420	—	2,420	—	290	290	2,130	2,420
Total Rupees ...	40,72,060	4,11,838	44,83,898	5,69,748	4,43,201	10,12,949	34,70,949	35,02,312

*Note:— These figures are put after adjusting excess depreciation charged in the year 1961-62.

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

BOMBAY, Dated: 16th November, 1963.

BOMBAY,
Dated: 15th November, 1963.

K. J. SOMAIYA
S. K. SOMAIYA
N. C. AYTA
P. M. AVADIA

} Directors