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THE  
GODAVARI  
SUGAR MILLS  
LIMITED

ANNUAL REPORT & ACCOUNTS  
1964-65



# 1965 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 1.

# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## NOTICE

NOTICE is hereby given that Twenty-Sixth Ordinary Annual General Meeting of the Members of THE GODAVARI SUGAR MILLS LIMITED will be held on Thursday, the 30th December, 1965 at 5-00 P.M. (I.S.T.) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, 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, 1965.
2. To elect a Director in place of Shri C. S. Bharaktiya, who retires by rotation, but being eligible offers himself for re-election.
3. To elect a Director in place of Shri J. G. Dalal, who retires by rotation, but being eligible offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The transfer books and Register of Members of the Company will be closed from 16th December 1965 to 30th December, 1965 both days inclusive.

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

BOMBAY, Dated 2nd November, 1965.

### NOTES:

1. The dividend on Preference and Ordinary (Equity) Shares when declared will be made payable at the Registered Office of the Company on and after 5th January, 1966. The dividend Warrants will be posted to those shareholders whose names stand on the Company's register on 16th December, 1965.
2. A member entitled to attend and vote is also entitled to appoint a proxy; the proxy need not be a member.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## DIRECTORS' REPORT

THE SHAREHOLDERS,  
THE GODAVARI SUGAR MILLS LIMITED,  
BOMBAY.

LADIES AND GENTLEMEN,

Your Directors are pleased to report on the audited statement of accounts of the Company for the year ended 31st May, 1965.

### FINANCIAL RESULTS:

	Rs.	Rs.
The Gross profit for the year, before providing for depreciation, development rebate reserve and taxation amounted to ...		56,57,177
Deducting therefrom:		
Depreciation ... ..	13,11,665	
Development Rebate Reserve ... ..	3,09,334	
Provision for taxation ... ..	30,00,000	
		<u>46,20,999</u>
The profit comes to ... ..		10,36,178
Add:—		
(i) Balance brought forward from previous year's account.	39,636	
(ii) Transfer from capital reserve ... ..	77,044	
		<u>1,16,680</u>
The amount available for disposal is ... ..		11,52,858
Your Directors recommend the following appropriations:—		
1. Transfer to Dividend Reserve ... ..		11,50,000
2. Balance carried forward to Balance Sheet ... ..		2,858
		<u>11,52,858</u>

The Directors recommend a dividend on Ordinary (Equity) Shares at Rs. 10/- (subject to deduction of tax) per share and on Preference Shares @ Rs. 7.8572/- (Subject to deduction of tax) per share for the year ended 31st May, 1965 to be paid out of dividend reserve, if approved by the Shareholders at the Annual General Meeting to be held on 30th December, 1965 ...

You are requested to approve Rs. 5,04,327/- by way of Charity and Donation during the year as under:—

	Rs.
1. The Somaiya Trust ... ..	3,15,000
2. K. J. T. Trust ... ..	1,00,000
3. Nirupam Trust ... ..	85,000
4. Harkishandas Hospital, Bombay ... ..	1,000
5. Subhashnagar Education Society, Bombay ... ..	1,250
6. Sundry ... ..	2,077
Total Rs. ...	<u>5,04,327</u>



The working of the two factories had been satisfactory.

The cane crop available for crushing season 1965-66 is about 2,961 acres.

The Government of India have continued the controls on price and distribution of sugar which were imposed by them with effect from 17th April, 1963. The price for Maharashtra has been allowed to remain lower than that for several other States including Uttar Pradesh in spite of several protests from Sugar Industry in the State of Maharashtra.

As in the previous year, sugar manufactured by the Company has been denied to the Bombay market whereas sugar manufactured by Units which are more distant from the City of Bombay than Company's Unit is allotted to Bombay. Consequently, the consumers in Bombay are made to pay higher price on account of extra freight. In spite of the Company's repeatedly drawing attention of the authorities to this anomaly, the situation has not been corrected.

On account of the cost of Living Indices going up, the Company has, in terms of the recommendations of the Central Wage Board for Sugar Industry, increased the rates of dearness allowance payable to its workmen at the Sugar factories and the farms with effect from the 1st June, 1964 in the first instance and again from the 1st October, 1965.

The Writ Petition filed by the Company challenging the validity of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act 1961, has been dismissed by the Bombay High Court on 10th March, 1965. The Company has been granted leave to appeal to the Supreme Court. On the application made by the Company for prohibiting the State of Maharashtra from taking possession of the Company's agricultural lands, the High Court at Bombay has made an Order prohibiting the State of Maharashtra from taking such possession of Company's agricultural lands on Company's fulfilling certain terms and conditions. The Company is taking steps to fulfil those terms.

During the year under review, the existing two units at Captainganj Distillery with a combined capacity of 5,500 gallons per day have been thoroughly renovated. Besides a new unit with a capacity of 6,000 gallons has been installed and put into commission. This has raised the capacity of Captainganj Distillery to 11,500 gallons per day.

The Directors have pleasure in reporting further progress made in the matter of the Butyl Alcohol and Butyl Acetate project at Barabanki. The possession of the land acquired by the State of Uttar Pradesh on behalf of the Company has been taken. Steps are being taken to transfer this project and the Captainganj Distillery to Messrs. Somaiya Organics (India) Limited.

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, 2nd November, 1965.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of The GODAVARI SUGAR MILLS LIMITED as at 31st May, 1965 and also the Profit and Loss Account of the Company for the year ended on that date, attached hereto and have to observe as under:—

“As the checking of the books and vouchers had already been done by us prior to the commencement of the Companies (Amendment) Act, 1965, the inquiries required to be made by sub-section (1A) introduced in section 227 by the Amendment Act have not been made.”

Subject to above, we report that:

1. We have obtained all the information and explanation 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 matter 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, 1965 and
  - (b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.

BOMBAY: Dated 15th November, 1965

NANUBHAI & CO.,  
*Chartered Accountants*



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May 1964	LIABILITIES			
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	2,00,00,000
20,00,000	20,000 7·8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each .. .. .			
<u>2,00,00,000</u>				
	ISSUED AND SUBSCRIBED CAPITAL:			
1,00,00,000	1,00,000 Ordinary (Equity) Shares of Rs. 100/- each fully paid up:	1,00,00,000		
	Of the above shares 90,000 shares are allotted as fully paid up by way of bonus shares by Capitalisation of General Reserve .. .. .			
18,50,950	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		1,18,50,950
<u>1,18,50,950</u>				
	II. RESERVES AND SURPLUS:—			
	(A) Capital Reserve:			
60,498	As per last Balance Sheet .. .. .	68,633		
8,135	Add: Profit on sale of land .. .. .	8,411		
<u>68,633</u>		<u>77,044</u>		
68,633	Less: Transferred to Profit & Loss Account ..	<u>77,044</u>		
73,50,000	(B) General Reserve:			
	As per last Balance Sheet .. .. .	70,28,500		
<u>73,50,000</u>				
<u>68,633</u>				
<u>1,18,50,950</u>				
	Carried Over ..	<u>70,28,500</u>	—	<u>1,18,50,950</u>



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

As at 31st May, 1964		ASSETS			
Rupees			Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS (At cost or book value):—</b>				
3,02,49,435	Gross Block .. .. .		3,21,77,027		
1,79,59,220	Less: Depreciation written off upto 31st May, 1965 ..		1,92,95,723		
1,22,90,215	Net Depreciated Block as per Schedule 'A' attached. ..		1,28,81,304		
23,50,925	Capital work-in-progress .. .. .		11,02,809		
1,46,41,140					1,39,84,113
	<b>II. INVESTMENTS (At cost):—</b>				
	<b>(A) TRADE INVESTMENTS:</b>				
	(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					
	(ii) Investment in Company under same Group:				
10,50,000	10,500 Fully paid up Equity Shares of Oriental Power Cables Ltd., (Managing Agents: Somaiya Bharaktiya Private Limited) ..		10,50,000		
19,05,000			19,05,000		
	<b>(B) OTHER INVESTMENTS:</b>				
78	One Ordinary Share of Maharashtra State Co-operative Bank Ltd., of Rs. 50/- each fully paid up .. .. .		78		
9,500	National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur .. .. .		9,500		
1,995	4½% U.P. State Development loan of 1972 (Face value Rs. 2,000/-) .. .. .		1,995		
—	100 Shares of Rs. 10/- each of Co-Operative Society .. .. .		1,000		
		Cost	Market value		
	Aggregate quoted Investments	10,51,995	7,10,720		
	Aggregate unquoted Investments	8,65,578	—		
19,16,573		19,17,573	7,10,720		19,17,573
1,65,57,713		Carried Over ..			1,59,01,686



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May 1964	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
1,18,50,950		Brought Forward ..	70,28,500	—
68,633				1,18,50,950
73,50,000				
21,71,500	Less: Transferred to Profit and Loss account for payment of additional dividend .. ..	—		
51,78,500		70,28,500		
18,50,000	Add: Set aside from 1964-65 Profits .. ..	—		
70,28,500				
	(C) Dividend Reserve:		70,28,500	
3,00,000	As per last Balance Sheet .. .. .	5,00,000		
3,00,000	Less: Dividend paid for 1963-64 .. .. .	5,00,000		
5,00,000	Add: Amount set aside from Profit of the year ..	11,50,000		
5,00,000				
	(D) Reserve for Gratuity:		11,50,000	
1,50,000	As per last Balance Sheet .. .. .	—		
—	Add: Set aside from Profit & Loss Account ..	—		
1,50,000		—		
1,50,000	Less: Transferred to Profit & Loss Account ..	—		
—		—		
	(E) Development Rebate Reserve:			
13,46,020	As per last Balance Sheet .. .. .	14,47,993		
1,01,973	Add: Amount set aside from Profit of the year ..	3,09,333		
14,47,993				
	(F) Profit & Loss Account:		17,57,326	
39,636	Balance as per Profit & Loss Account annexed.		2,858	
90,84,762				
	III. SECURED LOANS:—			99,38,684
	(A) Cash credit with Bank of India Ltd. against hypothecation of all tangible moveable assets of the Company at sugar factories including stocks of sugar fully guaranteed by the Managing Agents and two Directors .. .. .		78,20,945	
37,31,469				
	(B) Cash Credit Account with United Commercial Bank Ltd., against Hypothecation of all tangible moveable assets of Captainganj Distillery including stocks of alcohol .. .. .		37,859	
—				
	(C) 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 .. .. .		16,00,000	
19,00,000				
56,31,469				
2,65,67,181				
	Carried Over ..			94,58,804
				3,12,48,438



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

As at 31st May 1964		ASSETS—(Contd.)		
Rupees		Rupees	Rupees	Rupees
1,65,57,713	Brought Forward ..			1,59,01,686
	III. CURRENT ASSETS, LOANS AND ADVANCES:—			
	(A) CURRENT ASSETS:			
—	i) Interest accrued on Investments ..		1,280	
	ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by Managing Agents)			
53,53,978	On hand (including machineries Rs. 5,32,757/-)	47,53,644		
3,31,408	In transit .. .. .	1,25,516		
56,85,386			48,79,160	
54,630	iii) Loose tools and implements (as per inventories valued and certified by Managing Agents) ..		55,688	
	iv) Stock-in-trade (as per inventories valued and certified by Managing Agents):			
1,36,26,661	a) Sugar at Market Rate .. .. .	1,38,86,202		
1,14,229	b) Denatured and Rectified Spirit at Market Rate	84,960		
8,348	c) Industrial Alcohol at Market Rate .. ..	32,932		
3,42,571	d) Grains, Cotton etc. at Market Rate .. ..	6,22,570		
58,369	e) Molasses at Cost .. .. .	51,383		
—	f) Molasses at Market Rate .. .. .	32,892		
1,41,50,178			1,47,10,939	
	v) Crop in progress: (including tillages, preparation of land, irrigation charges etc. at cost as valued and certified by Managing Agents) .. ..		35,11,810	
33,90,628	vi) Sundry Debtors: (Unsecured and considered good except otherwise stated)			
38,419	a) Debts outstanding for more than six months	51,508		
6,654	b) Considered doubtful .. .. .	1,731		
45,073		53,239		
6,654	Less: Provision for doubtful debts .. ..	1,731		
38,419		51,508		
1,94,717	c) Other debts: (Including Rs. 6,541 due from Somaiya Organo-Chemicals Ltd., a subsidiary Company .. .. .	7,07,690		
2,33,136			7,59,198	
2,35,13,958				
1,65,57,713	Carried Over ..		2,39,18,075	1,59,01,686



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1964		LIABILITIES—(Contd.)			
Rupees			Rupees	Rupees	Rupees
2,65,67,181		Brought Forward ..			3,12,48,438
		<b>IV. UNSECURED LOANS:—</b>			
32,811	i) From Directors .. .. .		32,262		
6,00,585	ii) From others .. .. .		6,63,060		
	iii) On Current Account:				
3,66,213	(a) From Managing Agents .. .. .		81,191		
94,910	(b) From Selling Agents .. .. .		—		
10,94,519					7,76,513
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>				
	(A) CURRENT LIABILITIES:				
88,44,804	Sundry Creditors : (Including Rs. 750/- due to a director) .. .. .		90,20,965		
76,442	Advances from Customers .. .. .		1,05,181		
25,000	Security Deposit from Selling Agents .. .. .		50,000		
30,891	Security Deposit from Customers .. .. .		21,146		
24,68,396	For Taxation .. .. .		19,92,856		
1,98,894	Due to partnership firm of Khanapur Farms .. .. .		2,64,171		
91,153	Due to partnership firm of Lakh farms .. .. .		1,24,006		
35,452	Due for Selling Agents' Commission .. .. .		4,05,382		
5,24,216	Due for Managing Agents' remuneration .. .. .		4,20,317		
7,336	Unclaimed dividend ... .. .		8,063		
2,200	Unclaimed Redemption money .. .. .		2,200		
17,455	Due to Trustees to Staff Provident Fund (since paid)		16,519		
1,32,141	Interest accrued but not due on loans .. .. .		2,31,490		
1,24,54,380			1,26,62,296		
	(B) PROVISIONS:				
1,39,31,649	Provision for taxation .. .. .	1,22,84,629			
17,86,141	Less: Advance payment under Section 207 of Indian Income-Tax Act, 1961 .. .. .	19,90,000			
1,21,45,508		1,02,94,629			
11,00,000	Less: Provision for Super-profits tax for 1962-63 transferred to Profit & Loss Account .. .. .	—			
1,10,45,508			1,02,94,629		
6,45,433	Interim dividends declared after the close of the year		—		
7,27,000	Provision for Bonus .. .. .		7,27,000		
2,48,72,321					2,36,83,925
5,25,34,021					5,57,08,876
	Carried Over ..				



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

As at 31st May 1964		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
1,65,57,713		Brought Forward ..	2,39,18,075	1,59,01,686
2,35,13,958				
	VII. CASH AND BANK BALANCES:			
3,91,520	Cash, cheques and drafts on hand .. .. .	1,29,347		
1,61,000	Cash in transit .. .. .	—		
2,06,854	In Current Account with Scheduled Banks ..	4,12,842		
31	In Cash Credit Account with Scheduled Bank ..	—		
	In current account with Ahmednagar District Central Co-Operative Bank Ltd., Shrirampur a non-scheduled Bank (maximum debit Balance during the year Rs. 436/-) .. .. .	436		
436				
11,00,000	In fixed and call deposits with a Scheduled Bank	—		
11,733	Interest on above deposit .. .. .	—		
355	Stamps on hand .. .. .	310		
1,000	In Post Office Savings Bank (pledged with Collector of Central Excise) .. .. .	1,000		
18,72,929			5,43,935	
2,53,86,887			2,44,62,010	
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated):			
2,69,592	Loans to others .. .. .	17,91,462		
37,904	Considered doubtful .. .. .	37,904		
3,07,496		18,29,366		
37,904	Less: Provision for doubtful loans .. .. .	37,904		
2,69,592			17,91,462	
23,72,254	Loan to Arpit Ltd. a company under the same management (maximum debit balance during the year Rs. 29,56,920) .. .. .		29,53,393	
	Loans to subsidiary Companies of which the Company is Holding Company:			
14,31,909	(a) Godavari Investment & Finance Corporation Ltd. .. .. .	19,87,899		
35,43,445	(b) Somaiya Organo-Chemicals Ltd. .. .. .	43,70,208		
49,75,354			63,58,107	
3,30,04,087				
1,65,57,713	Carried Over ..		3,55,64,972	1,59,01,686

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1964		LIABILITIES—(Contd.)		
Rupees			Rupees	Rupees
5,25,34,021		Brought Forward ..		5,57,08,876
		CONTINGENT LIABILITIES (Not provided for):-		
50,000	(i) (a) In respect of lands for which suits are pending in Court.		50,000	
10,000	(b) In respect of Legal expenses on above.		10,000	
1,00,000	(ii) Uncalled liability on partly paid shares held as investments of Godavari Investment & Finance Corporation Ltd., a subsidiary Company. .. .. .		1,00,000	
22,000	(iii) In respect of Counter guarantee given to Bank of India Ltd., for payment of freight by way of Rly. Credit Notes.		22,000	
74,65,000	(iv) In respect of estimated purchase commitments on Capital purchases against which advances of Rs. 9,01,533 have been made and shown under the head Advances about .. .. .		75,00,000	
	(v) In respect of losses of subsidiary companies:			
2,63,725	(a) Of Godavari Investment & Finance Corporation Ltd., Profit & Loss Account as at 31st May, 1965 ..		1,98,481	
6,07,546	(b) Of Somaiya Organo-Chemicals Limited, Profit & Loss Account as at 31st May, 1965 .. .. .		11,11,747	
5,52,935	(vi) In respect of demands of Excise Duty of Rs. 3,43,040/- and Rs. 2,09,895/- for the years 1959-60 and 1960-61 respectively, against which Company has preferred an appeal .. .. .		5,52,935	
2,18,388	(vii) In respect of development charges payable to Government in 18 instalments for leasehold lands at Gandhidham ..		2,06,982	
2,000	(viii) In respect of colony road case at Captainganj .. ..		2,000	
—	(ix) In respect of counter guarantee to Punjab National Bank Ltd. Bombay for issue of Guarantee by them to M/s. Speichim, France in connection with deferred payment of Rs. 60,80,315 for Supply of Machinery. ...		60,80,315	
—	(x) In respect of Counter guarantee given to Hercules Insurance Co. Ltd. Bombay for issue of Guarantee by them in favour of Prothonotary & Senior Master and/or other officers of High Court of Judicature of Bombay in connection with writ petition filed by the company in High Court of Bombay relating to Maharashtra Agricultural Income Tax .. .. .		34,00,000	
5,25,34,021		Total Rupees ..		5,57,08,876



AS AT 31ST MAY, 1965

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# THE GODAVARI SUGAR

## BALANCE SHEET

- NOTES: (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1961-62 onwards.
- (2) Inventories are taken of obsolete and unserviceable stores and spares and other obsolete and unserviceable goods 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. Company's Share in Liabilities and Assets of the partnership firms are incorporated in the Books of Accounts of the Firms. Profits for the year have been incorporated in Accounts as per the statements certified by the partners. During the year materials of the value of Rs. 87,897/- at cost have been supplied to the said firms.
- (4) Under the order passed by the High Court at Bombay in Application No. C. A. 1698 dated 20th September, 1965 the Company is bound to hand over its agricultural profits with effect from 1st April, 1965 to the State of Maharashtra in the event of the Company's appeal to the Supreme Court challenging validity of Land Ceiling Legislation is dismissed. No provision has been made in respect of this liability as the amount of such profits for the period 1st April to 31st May, 1965 has not been ascertained.
- (5) Reference is invited to Para 3 of Directors' Report.
- (6) Company has created equitable Mortgage of immovable property at Captainganj Distillery in favour of Punjab National Bank Limited, in consideration of guarantee given by the Bank for Rs. 60,80,315/- in favour of Speichim, Paris.
- (7) No provision has been made for about Rs. 4,25,000/- being compensation and interest in respect of use of Agricultural lands for which the proceedings were pending before the Supreme Court as on 31st May, 1965. The said proceedings have been disposed off by the Supreme Court against the company on 8th October, 1965. The Bank of Baroda Ltd., has given a guarantee of Rs. 3,61,507/- for which Company has given counter guarantee to the said bank.
- (8) The valuation of Agricultural lands has been reduced by Rs. 7,20,899/- being the estimated loss that will be sustained on acquisition by Maharashtra Government under the Provisions of Maharashtra Agricultural Lands (ceiling on holdings) Act, 1961.
- (9) The Directors have recommended a dividend of Rs. 11,45,433/- (subject to deduction of tax) @ Rs. 10/- per share on 1,00,000 ordinary Shares and @ Rs. 7.8572 per share on 18509½ Preference Shares of the Company, which dividend if approved by the shareholders at the Annual General Meeting to be held on 30th December, 1965 will be paid out of the Dividend Reserve and no separate provision has been made therefore.

Referred to in our report of even date.

NANUBHAI & CO.  
Chartered Accountants

BOMBAY, Dated: 15th November, 1965.



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

## 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, 1965.
- (ii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 65,244/- for the year ended 31st May, 1965. The Net loss after adjusting the previous years' Loss from Profit of this year comes to Rs. 1,98,481/-. 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 & Finance Corporation Ltd., as at 31st May, 1965 stands at Rs. 19,87,899/-.

### (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 2,550 fully paid Equity Shares of Rs. 100/- each of Somaiya Organo-Chemicals Limited.
- (ii) Somaiya Organo-Chemicals Ltd. made a loss of Rs. 5,04,201/- for the year ended 31st May, 1965. The total loss including that of previous years comes to Rs. 11,11,747/-. 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, 1965, stands at Rs. 43,70,208/-.

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.

S. K. SOMAIYA

*Director.*

BOMBAY, Dated: 2nd November, 1965.

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

} *Directors*



# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1964	Rupees		Rupees	Rupees
		To Opening Stock on 1st June 1964:—		
2,32,19,139		Sugar .. .. .	1,36,26,661	
54,264		Denatured & Rectified spirit .. .. .	1,14,229	
35,050		Power and Absolute Alcohol .. .. .	8,348	
<u>2,33,08,453</u>				
1,46,509		„ Raw materials consumed (purchase of raw materials Rs. 3,25,540/-) ..		1,37,49,238
27,55,244		„ Crops in progress as at 1st June 1964 .. .. .	33,90,628	3,32,526
46,422		„ Stock of grains and other seeds as on 1st June, 1964 .. .. .	74,532	
3,164		„ Purchase of food-grains, tobacco, cotton etc. .. .. .	2,315	
14,075		„ Grains and other seeds for sowing .. .. .	17,231	
22,97,522		„ Salaries and Wages .. .. .	27,09,815	
1,27,000		„ Provision for Bonus .. .. .	1,40,000	
4,120		„ Contribution to Provident Fund of the Company .. .. .	3,180	
64,445		„ Contribution to Govt. Provident Fund and Administrative charges ..	76,900	
11,902		„ Gratuity .. .. .	26,883	
5,284		„ Workmen and Staff Welfare expenses .. .. .	8,084	
5		„ Workmen compensation .. .. .	—	
23,14,842		„ Stores inclusive of manures .. .. .	24,33,026	
19,465		„ Repairs and renewals (including salaries and wages Rs. 2,881/-) .. ..	5,494	
2,74,246		„ Land Rent .. .. .	2,85,501	
10,84,301		„ Irrigation rates and taxes .. .. .	9,13,765	
29,009		„ Drainage .. .. .	34,466	
3,263		„ Expenses on sales of grains, cotton, tobacco etc. .. .. .	1,465	
75,354		„ Education Cess .. .. .	71,815	
—		„ Rent .. .. .	693	
1,07,724		„ Miscellaneous expenses, including Printing and Stationery, Postage and Telegrams, Travelling and Legal charges (including harvesting and carting commission Rs. 54,249/-) .. .. .	1,13,630	
2,55,597		„ Depreciation .. .. .	2,38,484	
262		„ Land development expenses written off .. .. .	380	
—		„ Legal charges (includes Rs. 750/- to a Director) .. .. .	3,519	
15,042		„ Premium on leasehold land written off .. .. .	14,443	
—		„ Brokerage and commission .. .. .	52,825	
727		„ Loose tools written off .. .. .	693	
—		„ Estimated loss on Acquisition of Agricultural Lands written off .. ..	7,20,899	
2,805		„ Livestock written off .. .. .	1,870	
<u>95,11,820</u>				
33,90,628		Less: Crops in progress as at 31st May, 1965 .. .. .	1,13,42,536	
61,21,192			35,11,810	
4,23,824		„ Transportation of cane .. .. .	78,30,726	
<u>65,45,016</u>			4,94,808	
57,91,062		„ Locally purchased cane .. .. .		83,25,534
<u>3,57,91,040</u>				1,44,33,860
		Carried Over ..		3,68,41,158



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1965

As at 31st May, 1964	Rupees		Rupees	Rupees
		By Sales:		
4,61,59,972		Sugar .. .. .	4,37,97,148	
60,965		Molasses .. .. .	1,44,945	
1,95,888		Denatured and Rectified spirit .. .. .	97,394	
2,84,626		Power and Absolute Alcohol .. .. .	13,88,385	
85,095		Foodgrains, tobacco, cotton, grains etc., (including consumption of Rs. 17,231/- as per contra) .. .. .	87,710	
4,67,86,546				4,55,15,582
1,73,586		„ Sundry receipts from Flour Mills, Dairy etc. (including credit balances of Rs. 1,599/- written off) .. .. .		2,21,955
5,000		„ Supervision charges from subsidiary Company .. .. .		—
99,531		„ Income from Immovable property .. .. .		1,28,959
3,60,094		„ Sundry receipts being market value of Farm Produce etc. ( including profit on sale of cotton and grains Rs. 25,313/- ) .. .. .		6,01,308
		„ Income from Khanapur and Lakh Farms in Partnership:		
		(a) Khanapur Farms:		
4,500		Rent .. .. .	4,500	
27,521		Add: $\frac{1}{4}$ share of profit for the year .. .. .	36,524	
32,021				41,024
		(b) Lakh Farms:		
4,500		Rent .. .. .	4,500	
28,515		Add: $\frac{1}{4}$ share of profit for the year .. .. .	40,009	
33,015				44,509
				85,533
3		„ Dividend on Co-operative Bank share .. .. .		3
18		„ Share transfer and splitting fees .. .. .		28
		„ Interest:		
38,303		On Bank accounts .. .. .	9,177	
9,753		On loans and others .. .. .	66,483	
3,30,369		From subsidiary companies .. .. .	5,11,150	
1,17,143		From Arpit Ltd., a company under the same management .. .. .	2,25,139	
—		On Government Securities (Net) .. .. .	1,429	
1,757		From lessors .. .. .	1,862	
4,97,325				8,15,240
4,79,87,139				
		Carried Over ..		4,73,68,608

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1964			Rupees	Rupees
		Brought Forward ..		3,68,41,158
	To Salaries and wages (including Rs. 30,000/- commission in addition to salary to General Manager at Factories who is also Superintending Engineer) after deducting Rs. 5,61,241/- charged to repairs, capital and other relevant heads		27,79,279	
21,41,830				
29,249	„ Bonus to employees .. .. .		40,118	
2,00,000	„ Provision for bonus .. .. .		2,60,000	
21,829	„ Contribution to Provident Fund of the Company .. .. .		28,568	
27,718	„ Gratuity .. .. .		684	
1,24,686	„ Contribution to Government Provident Fund and administrative charges ..		1,49,312	
1,11,157	„ Workmen and staff welfare expenses .. .. .		2,62,266	
756	„ Workmen compensation .. .. .		577	
<u>26,57,225</u>				<u>35,20,804</u>
	„ Stores, chemicals & spare parts (after deducting Rs. 54,39,248/- charged to agriculture, capital, repairs and other relevant heads) .. .. .			11,74,734
9,84,526				
3,45,633	„ Power and fuel .. .. .			5,16,772
6,99,193	„ Repairs to Plant and machinery (inclusive of salaries and wages Rs. 2,75,078/-)		5,34,260	
3,13,355	„ Repairs to buildings (inclusive of salaries and wages Rs. 80,103/-)		2,13,280	
34,147	„ Other repairs (inclusive of salaries and wages Rs. 37,840/-) .. .. .		75,758	
<u>10,46,695</u>				<u>8,23,298</u>
4,69,534	„ Sugarcane purchase-tax .. .. .			9,55,252
1,25,000	„ Gratuity insurance .. .. .			1,25,000
89,56,073	„ Excise duty .. .. .			79,86,347
52,731	„ Insurance premium .. .. .		72,520	
50,566	„ Emergency Risk Insurance Premium .. .. .			—
5,85,084	„ Packing and forwarding .. .. .			8,23,906
14,811	„ Rent (net) (received Rs. 2,626/-) .. .. .			58,801
1,65,043	„ Rates and taxes .. .. .			1,82,087
2,37,156	„ Sole Selling Agents' Commission on sugar .. .. .			4,05,382
	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, telephones, travelling and motor cars and lorries maintenance (including Rs. 6,976/- sundry debit balances written off) .. .. .			6,83,146
6,72,772				
5,16,573	„ Charity and donations (refer Directors' Report on page No. 3) .. .. .			5,04,327
<u>5,26,70,462</u>		Carried Over ..		<u>5,46,73,534</u>



THE YEAR ENDED 31ST MAY, 1965

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# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1964	Rupees		Rupees	Rupees
	5,26,70,462		Brought Forward ..	5,46,73,534
		To Interest:		
11,164		Managing Agents .. .. .	19,796	
2,075		Directors .. .. .	2,082	
2,54,023		Cash Credit account .. .. .	4,35,961	
1,45,176		Fixed loans .. .. .	1,33,724	
56,604		Other loans .. .. .	60,701	
4,69,042				6,52,264
2,775		„ Directors' Fees (including Rs. 750/- to Members of Managing Agents as Directors) .. .. .		2,325
36,914		„ Directors' and Managing Agents' Travelling expenses .. .. .		21,844
5,24,216		„ Managing Agents' remuneration—commission on profits subject to adjustments that may have to be made in respect of bonus and other provisions if any .. .. .		4,20,317
		„ Payment to auditors:		
7,500		Audit fees .. .. .	7,500	
15,400		In other capacity .. .. .	15,400	
1,037		Travelling expenses .. .. .	713	
23,937				23,613
7,764		„ Brokerage and commission (including Rs. 6,313/- for previous year) ..		1,06,198
45,939		„ Legal expenses (including Rs. 21,000/- to a Director) .. .. .		1,11,815
9,14,267		„ Depreciation .. .. .		10,72,581
2,917		„ Loose tools and implements written off .. .. .		2,866
10,000		„ Premium on leasehold land written off .. .. .		10,000
11,494		„ Lease-hold land development expenses written off .. .. .		20,157
300		„ Premium on leasehold garage written off .. .. .		300
1,000		„ Goodwill written off .. .. .		1,000
1,000		„ Cash stolen written off .. .. .		—
33,157		„ Provision for doubtful debts and advances .. .. .		5,090
1,01,973		„ Development Rebate Reserve .. .. .		3,09,334
51,00,000		„ Provision for taxation .. .. .		30,00,000
18,53,752		„ Balance being Profit for the year .. .. .		10,38,884
<u>6,18,10,909</u>			Total Rupees ..	<u>6,14,72,122</u>



THE YEAR ENDED 31ST MAY, 1965

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# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1964			Rupees	Rupees
Rupees				
	To Bonus to employees pertaining to previous year:			
1,51,846	Agriculture .. .. .		1,61,962	
3,58,008	Manufacturing .. .. .		2,97,189	
5,09,854				4,59,151
	„ Interim dividends declared after the close of the year:			
1,45,433	On Preference shares .. .. .		—	
5,00,000	On Ordinary shares .. .. .		—	
6,45,433				—
13,89,000	„ Additional Dividend on Ordinary Shares (subject to deduction of tax) for accounting year 1948-49 .. .. .		—	
7,82,500	„ Additional Dividend on Ordinary Shares (subject to deduction of tax) for accounting year 1949-50 .. .. .		—	
5,00,000	„ Dividend Reserve (see Note No. 9) .. .. .			11,50,000
18,50,000	„ General Reserve .. .. .			—
39,636	„ Balance carried to Balance Sheet .. .. .			2,858
NOTES:				
	(i) Remuneration received by Directors for their own use from other companies by virtue of nomination by the Company and board of subsidiary Companies amounted to Rs. 300/- during the year.			
	(ii) Expenses reimbursed to Managing Agents .. .. .		2,170	
	(iii) Amount of transactions with associates of Managing Agents is as follows:			
3,23,498	Purchase of moveable property .. .. .		1,28,764	
3,87,378	For sale .. .. .		2,85,677	
3,290	For rendering services .. .. .		512	
7,14,166			4,14,953	
	(iv) Computation of Managing Agents' Remuneration is as follows:			
19,55,725	Net profit as per Profit and Loss Account .. .. .		10,38,884	
5,24,216	Add:—Managing Agents' Remuneration .. .. .		4,20,317	
900	Directors' fees to members of Managing Agency Company .. .. .		750	
—	Estimated Loss on Acquisition of Agri. Lands written off .. .. .		7,20,899	
27,00,000	Provision for taxation .. .. .		30,00,000	
24,00,000	Development Rebate Reserve .. .. .		3,09,334	
—	Tax deducted at source from interest on investments .. .. .		64	
57,16,423		Carried Over ..	54,90,248	16,12,009



THE YEAR ENDED 31ST MAY, 1965

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## PROFIT AND LOSS ACCOUNT FOR

Total Rupees ..	16,12,009
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NANUBHAI & CO.  
*Chartered Accountants.*

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# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1965

<i>As at 31st May, 1964</i>			
<i>Rupees</i>			<i>Rupees      Rupees</i>
57,16,423		Brought Forward ..	16,12,009
<u>57,16,423</u>		Total Rupees ..	<u>16,12,009</u>

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

S. K. SOMAIYA  
*Director.*

K. J. SOMAIYA	} <i>Directors</i>
N. K. FIRODIA	
V. D. MUZUMDAR	
J. G. DALAL	
S. K. SOMAIYA	
D. M. POPAT	

BOMBAY, Dated: 2nd November, 1965.

# THE GODAVARI SUGAR

## Schedule A

## Schedule of fixed Assets Attached to and Forming Part of

PARTICULARS	Gross Block as on 1st June, 1964 at cost except as otherwise stated	Additions during the year	Sub-Total
	Rupees	Rupees	Rupees
Goodwill .. .. .	5,000	—	5,000
Freehold land (book value) .. .. .	23,72,832	—	23,72,832
Leasehold land premium .. .. .	3,88,850	—	3,88,850
Leasehold premium on garage .. .. .	12,000	—	12,000
Buildings (Book value) .. .. .	53,07,631	5,00,186	58,07,817
Temporary quarters .. .. .	2,12,512	—	2,12,512
Temporary quarters at farms .. .. .	97,360	—	97,360
Pucca quarters at factory .. .. .	5,85,455	25,129	6,10,584
Pucca quarters at farms .. .. .	1,86,482	863	1,87,345
General machinery (Book value) .. .. .	1,20,71,255	18,50,414	1,39,21,669
Electrical machinery .. .. .	12,09,363	1,16,840	13,26,203
Agricultural machinery (Book value) .. .. .	30,03,412	—	30,03,412
Locomotives .. .. .	92,974	—	92,974
Electric Installation & fittings .. .. .	96,947	—	96,947
Furniture & Office equipments .. .. .	6,68,393	51,956	7,20,349
Weigh bridges .. .. .	1,90,858	—	1,90,858
Trolley lines .. .. .	6,29,591	—	6,29,591
Railway sidings .. .. .	1,36,597	—	1,36,597
Motor cars, lorries & Cycles (Book value) .. .. .	5,54,498	1,03,362	6,57,860
Cars & Trucks (Book value) .. .. .	3,50,872	—	3,50,872
Laboratory apparatus .. .. .	50,584	1,170	51,754
Roads and drainage .. .. .	9,21,648	7,008	9,28,656
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) .. .. .	86,349	11,697	98,046
Total Rupees ..	3,02,47,260	26,68,625	3,29,15,885

Note: No depreciation has been taken on freehold land.

Referred to in our report of even date.

NANUBHAI & CO.  
Chartered Accountants.

BOMBAY, Dated: 15th November, 1965.



# MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1965

Deduction of sale and other Adjustments	Gross block as on 31st May, 1965	Written off upto 31st May, 1964	Written off this year	Total depreciation as at 31st May, 1965	Net depreciated block as at 31st May, 1965	Net depreciated block as at 31st May, 1964
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
—	5,000	4,000	1,000	5,000	—	1,000
7,38,741	16,34,091	—	—	—	16,34,091	23,72,832
—	3,88,850	2,56,641	24,443	2,81,084	1,07,766	1,32,209
—	12,000	2,100	300	2,400	9,600	9,900
—	58,07,817	18,02,743	1,29,111	19,31,854	38,75,963	35,04,888
—	2,12,512	1,88,807	1,778	1,90,585	21,927	23,705
—	97,360	87,055	773	87,828	9,532	10,305
—	6,10,584	28,673	15,977	44,650	5,65,934	6,07,540
—	1,87,345	34,227	3,829	38,056	1,49,289	1,01,497
—	1,39,21,669	90,43,867	7,36,329	97,80,196	41,41,473	30,27,388
—	13,26,203	8,49,936	65,089	9,15,025	4,11,178	3,59,428
—	30,03,412	24,03,289	1,50,031	25,53,320	4,50,092	6,00,123
—	92,974	78,614	1,436	80,050	12,924	14,360
—	96,947	66,075	3,088	69,163	27,784	30,872
—	7,20,349	2,71,725	48,104	3,19,829	4,00,520	3,96,667
—	1,90,858	1,05,716	10,216	1,15,932	74,926	85,142
—	6,29,591	5,31,054	9,819	5,40,873	88,718	98,537
—	1,36,597	93,420	3,023	96,443	40,154	43,177
—	6,57,860	4,00,807	43,125	4,43,932	2,13,928	1,53,691
—	3,50,872	2,68,018	5,800	2,73,818	77,054	82,854
—	51,754	26,489	1,768	28,257	23,497	24,095
—	9,28,656	4,44,293	47,840	4,92,133	4,36,523	4,77,355
—	67,953	51,100	1,653	52,753	15,200	16,853
—	7,758	3,518	254	3,772	3,986	4,240
—	363	304	5	309	54	59
—	9,39,723	8,43,673	32,017	8,75,690	64,033	96,050
117	97,929	70,901	1,870	72,771	25,158	15,448
7,38,858	3,21,77,027	1,79,57,045	13,38,678	1,92,95,723	1,28,81,304	1,22,90,215

Managing Agents:

For K. J. SOMAIYA & SONS PRIVATE LTD.

S. K. SOMAIYA  
Director.

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

} Directors

BOMBAY, Dated: 2nd November, 1965.

# GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY

## DIRECTORS' REPORT

GENTLEMEN,

Your Directors submit herewith their Tenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1965.

The Graded Finance Scheme under which the advances are made to the cultivators on the basis of past yields has found favour with the growers and they took advantage of the Scheme on an increasing scale. The Scheme was introduced last year and lays down diminishing scales of assistance every year so that the cultivator ultimately stands on his own legs. The Scheme of giving Engines and Pumps on Hire-Purchase basis continued to be taken advantage of as usual.

The working of the Company for the year after adjusting Rs. 85,180/- being income on Hire-Purchase contracts for previous years, resulted in a profit of Rs. 65,243/-. The Net Loss of Rs. 1,98,482/- is carried forward to next year after adjusting profit of Rs. 65,243/- of this year from brought forward loss of Rs. 2,63,725/-.

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: 13th November, 1965



# GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, as at 31st May, 1965 and also the annexed Profit & Loss Account for the year ended on that date and report that :—

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of the Books of Accounts Produced before us.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the above Books of Accounts.
4. In our opinion and to the best of our information and according to the explanations given to us the Accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st May, 1965 and
  - (b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.

NANUBHAI & CO.,  
*Chartered Accountants.*

BOMBAY, Dated : 15th November, 1965

# GODAVARI INVESTMENT &

## BALANCE SHEET

As at 31st May, 1964		LIABILITIES	
Rupees		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 holding Company, The Godavari Sugar Mills Ltd., and its nominees.		1,00,000
	<b>III. UNSECURED LOANS:—</b>		
13,39,759	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd. .. .. .	18,22,021	
92,150	Interest accrued on above .. .. .	1,65,878	
14,31,909			19,87,899
	<b>IV. CURRENT LIABILITIES AND PROVISIONS:—</b>		
	Current Liabilities:—		
10,589	(i) Sundry Creditors .. .. .	14,467	
—	(ii) Deposit .. .. .	1,008	
—	(iii) Estimated unearned Finance charges on hire Purchase carried forward .. .. .	2,01,983	
10,589			2,17,458



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1965

As at 31st May 1964	ASSETS		
Rupees	I. CURRENT ASSETS, LOANS AND ADVANCES:		Rupees Rupees
	(A) CURRENT ASSETS:		
	(i) Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director):		
30,108	Machinery .. .. . 79,740		
7,088	Stores and Spares .. .. . 7,134		
<u>37,196</u>			86,874
	(ii) Future instalments receivable from hire of oil engines and pumps under Hire Purchase Agreements:		
2,68,032	(Considered good) .. .. . 6,09,660		
	(iii) 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		
99,789	Outstanding for more than six months .. .. . 1,01,288		
20,408	Considered doubtful .. .. . 20,408		
<u>1,20,197</u>		1,21,696	
20,408	Less: Provision for doubtful debts .. .. . 20,408		
99,789		1,01,288	
42,688	Other debts .. .. . 84,151		
<u>1,42,477</u>			1,85,439
	(iv) CASH AND BANK BALANCES:		
291	Cash on hand .. .. . 281		
7,950	Stamp papers on hand .. .. . 4,318		
7,159	In current Account with a Scheduled Bank .. .. . 1,094		
<u>15,400</u>			5,693
<u>4,63,105</u>		Carried Over .. 8,87,666	

# GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May, 1964		BALANCE SHEET	
		LIABILITIES—(Contd.)	
Rupees 15,42,498		Brought Forward ..	Rupees 23,05,357
NOTES:—			
1. No Provision for taxation has been made as Company expects no liability in view of carried forward losses.			
2. Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for loans amounting to Rs. 2,32,859/- have been either sent for registration or are under execution.			
15,42,498		Total Rupees ...	23,05,357

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

BOMBAY, Dated: 15th November, 1965.



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1965

As at 31st May, 1964		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
4,63,105		Brought Forward ..	8,87,666	—
	(B) LOANS AND ADVANCES:			
	(Secured and considered good as certified by Farm Manager except otherwise stated):			
	(i) Loans to cane growers under arrangement to supply cane to the Holding Company, The Godavari Sugar Mills Ltd. in terms of agreement:			
7,24,922	Secured .. .. .	9,93,305		
74,584	Unsecured .. .. .	2,12,191		
82,077	Unsecured considered doubtful .. .. .	82,077		
8,81,583		12,87,573		
82,077	Less: Provision for doubtful Loans ..	82,077		
7,99,506			12,05,496	
6,833	(ii) Advances against purchase of machinery .. .. .	—		
9,329	(iii) Suspense Account under dispute (doubtful) .. .. .	13,514		
—	(iv) Deposit against Insurance .. .. .	200		
12,78,773				21,06,876
	II. MISCELLANEOUS EXPENDITURE:			
	Profit and Loss Account:			
2,63,725	Loss as per Profit and Loss Account .. .. .			1,98,481
15,42,498		Total Rupees ..		23,05,357

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

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

BOMBAY, Dated: 13th November, 1965.

# GODAVARI INVESTMENT & PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1964	Rupees		Rupees	Rupees
		To Opening Stock:		
68,367		Machinery .. .. .	30,108	
5,975		Spares and fittings .. .. .	6,914	
174		Stores .. .. .	174	
<u>74,516</u>				37,196
		„ Purchases:		
2,09,775		Machinery .. .. .	2,18,421	
3,231		Spares and fittings .. .. .	—	
<u>2,13,006</u>				2,18,421
5,000		„ Supervision charges to the Holding Company The Godavari Sugar Mills Ltd. . . . .		—
23,286		„ Salaries, wages and bonus. . . . .		—
925		„ Company's contribution (to the holding company) for Govt. Provident Fund and administrative charges .. .. .		—
2,126		„ Miscellaneous expenses, fees and stamps, Printing and stationery, postage, and telegrams, conveyance, travelling, etc. .. .. .		17,506
1,129		„ Railway freight and transportation charges .. .. .		679
—		„ Insurance Premium. . . . .		240
92,150		„ Interest on current account to the Holding Company, The Godavari Sugar Mills Ltd. . . . .		1,65,878
500		„ Audit fees .. .. .		500
—		„ Legal expenses .. .. .		1,225
—		„ Profit carried down .. .. .		65,244
<u>4,12,638</u>			Total Rupees ..	<u>5,06,889</u>
2,28,295		To Loss as per last Balance Sheet .. .. .		2,63,725
35,430		„ Loss brought down .. .. .		—
<u>2,63,725</u>			Total Rupees ..	<u>2,63,725</u>

Referred to in our Report of even date.

NANUBHAI & CO.,  
Chartered Accountants.

BOMBAY, Dated: 15th November, 1965



THE YEAR ENDED 31ST MAY, 1965

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

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# SOMAIYA ORGANO-CHEMICALS LIMITED

## BOMBAY

### DIRECTORS' REPORT

THE SHAREHOLDERS,  
SOMAIYA ORGANO-CHEMICALS LIMITED,  
BOMBAY.

LADIES & GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May, 1965 submitted herewith.

The net loss of the Company for the year under report amounts to Rs. 5,04,201/- after providing Rs. 7,13,013/- for depreciation and after transferring Rs. 54,462/- to development Rebate Reserve. The total loss after adding the carry forward loss of Rs. 6,07,546/- from last year comes to Rs. 11,11,747/- which has been carried forward to next year. In view of this, directors do not recommend any dividend.

Your Directors are glad to inform you that during the year under report, the expansion of the Distillery was completed and the new Distillery Plant with a capacity of 6,000 gallons per day has since gone into production from the beginning of the New Year S.Y. 2022 from the 27th October, 1965. The efforts of your Directors to get adequate allotment of molasses for the new Distillery have met with success.

With the above expansion coming into effect, besides meeting the captive requirements of Acetic Acid plant, the distillery will have during the year surplus alcohol. Your Directors are making necessary arrangements for sales of this surplus alcohol both in the internal as well as export markets.

The Acetic Acid Plant worked satisfactorily during the year. The company is now taking into hand the plans for diversification by way of manufacture of Ethyl Acetate and Esters, the Industrial Licence for which has already been received.

Two of your Directors, Shri P. M. Kavadia and Shri N. C. Sayta 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 of the Meeting.*

BOMBAY, Dated: 30th October, 1965.



# SOMAIYA ORGANO-CHEMICALS LIMITED

## BOMBAY

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED as at 31st May, 1965 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 State of affairs of the Company as at 31st May, 1965, and
  - (b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

NANUBHAI & CO.  
*Chartered Accountants.*

BOMBAY, Dated : 4th November, 1965

## SOMAIYA ORGANO-

## BALANCE SHEET

As at 31st May, 1964		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>		
5,00,000	5,000 Equity Shares of Rs. 100/- each fully paid out of which, 2,550 shares are 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>10,00,000</u>			<u>10,00,000</u>
	<b>II. RESERVES AND SURPLUS:</b>		
	Development Rebate Reserve:—		
6,23,410	As per last Balance Sheet .. .. .	6,84,071	
60,661	Add: Amount set aside from the profit of the year .. .. .	54,462	
<u>6,84,071</u>			<u>7,38,533</u>
	<b>III. UNSECURED LOANS:</b>		
33,05,226	On Current Account with the Holding Company, The Godavari Sugar Mills Limited .. .. .	40,24,935	
2,38,218	Interest on above .. .. .	3,45,273	
<u>35,43,444</u>			<u>43,70,208</u>
	<b>IV. CURRENT LIABILITIES AND PROVISIONS:</b>		
	(A) Current Liabilities:		
—	Due to Selling Agents .. .. .	1,03,501	
57,297	Sundry Creditors (including Rs. 6,541/- due to holding Company) ..	5,87,103	
65,000	Deposits (including Rs. 25,000/- under dispute) .. .. .	83,670	
<u>1,22,297</u>		<u>7,74,274</u>	
	(B) Provisions:		
70,000	Provision for bonus .. .. .	35,000	
<u>1,92,297</u>			<u>8,09,274</u>
<u>54,19,812</u>			
	Carried Forward ..		<u>69,18,015</u>



# CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

As at 31st May, 1964		ASSETS	
Rupees		Rupees	Rupees
	<b>I. FIXED ASSETS (At cost):—</b>		
47,94,503	Gross block .. .. .	51,02,528	
18,68,254	Less: Depreciation written upto 31st May, 1965 .. .. .	25,81,267	
29,26,249	Net depreciated block as per Schedule 'A' .. .. .	25,21,261	
1,11,479	Capital work in progress .. .. .	13,23,133	
30,37,728			38,44,394
	<b>II. INVESTMENTS (At cost):—</b>		
	(A) TRADE INVESTMENTS: (in company under same group)		
1,50,000	1,500 fully paid up equity shares of Rs. 100/- each of Oriental Power Cables Ltd. (Managing Agents: Somaiya Bharaktiya Private Ltd.) ..	1,50,000	
	(B) OTHER INVESTMENTS:—		
995	4% 1967 Maharashtra State Loan (face value Rs. 1,000/-) deposited with Excise Department .. .. .	995	
1,50,995	(Quoted Investments: Cost Rs. 1,50,995, Market Value Rs. 1,02,230) ..		1,50,995
	<b>III. CURRENT ASSETS, LOANS AND ADVANCES:—</b>		
	(A) CURRENT ASSETS:		
	(i) Stores, Chemicals and spares at cost (as per inventory valued and certified by a Director):		
6,78,164	(a) On hand .. .. .	10,92,502	
1,226	(b) In transit .. .. .	57,925	
6,79,390			11,50,427
17,358	(ii) Loose tools and implements (as per inventory certified by a Director) .. .. .		18,158
	(iii) Stock-in-trade: (As valued and Certified by a Director)		
3,41,067	(a) Acetic Acid at market rate .. .. .	1,69,227	
82,617	(b) Rectified Spirit at market rate .. .. .	19,987	
43,369	(c) Raw materials (molasses) at cost .. .. .	83,242	
4,67,053			2,72,456
	(iv) Sundry debtors (unsecured and considered good, other than in dispute not provided for):		
70,598	(a) Debts outstanding for more than 6 months due for supply of goods under dispute exclud- ing unadjusted claim for damages under agree- ment .. .. .	70,598	
92,940	(b) Other debts .. .. .	1,34,995	
1,63,538			2,05,593
13,27,339			
31,88,723			
	Carried forward ..	16,46,634	39,95,389

## SOMAIYA ORGANO-

## BALANCE SHEET

<i>As at</i> 31st May, 1964		LIABILITIES—(Contd.)	
Rupees		Rupees	Rupees
54,19,812		Brought Forward ..	69,18,015
	<b>CONTINGENT LIABILITIES (Not provided for):—</b>		
1,44,383	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative Preference Shares for the period of 1960-61 and for 1961-62 to 1964-65	1,89,583	
7,500	2. In respect of legal expenses of suit for recovery proceedings against a customer .. .. .	7,500	
Unascertained	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	
11,000	4. In respect of counter guarantee given to Bank of India Ltd. for payment of freight by way of Railway Credit Notes .. .. .	11,000	
3,40,000	5. In respect of purchase commitments including for capital purchases ..	1,00,000	
—	6. In respect of counter claim made by M/s P. Vrajlal Dulabhdas in the suit filed by the company against them for recovery of Rs. 61,165/- and interest .. .. .	8,79,365	
<u>54,19,812</u>		Total Rupees ..	<u>69,18,015</u>

Referred to in our Report of even date.

BOMBAY, Dated: 4th November, 1965.

NANUBHAI & CO.,  
Chartered Accountants.



# CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

As at 31st May, 1964		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
31,88,723		Brought Forward ..	16,46,634	39,95,389
13,27,339				
	(v) Cash and Bank Balances:			
562	Cash on hand .. .. .	3,849		
1,548	In current account with Scheduled Banks ..	33,988		
2,110			37,837	
13,29,449			16,84,471	
	(B) LOANS AND ADVANCES: (Unsecured and considered good):			
2,80,919	(i) Advances recoverable in cash or kind or for value to be received	1,12,958		
13,175	(ii) Deposits .. .. .	13,450		
16,23,543				18,10,879
	IV. MISCELLANEOUS EXPENDITURE:—			
6,07,546	Balance as per Profit & Loss Account .. .. .			11,11,747
54,19,812		Total Rupees ..		69,18,015

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

BOMBAY: Dated 30th October, 1965.

# SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1964		Rupees	Rupees	Rupees
	To Opening stock on 1st June, 1964:			
3,52,574	Acetic Acid .. .. .		3,41,067	
17,336	Rectified Spirit .. .. .		82,617	
<u>3,69,910</u>				
79,618	„ Rectified Spirit Purchases .. .. .			4,23,684
86,235	„ Molasses consumed (Purchase Rs. 1,37,448) .. .. .			15,708
3,01,460	„ Stores and Chemicals consumed .. .. .			97,575
2,64,956	„ Power and fuel .. .. .			1,15,080
632	„ Salaries and Wages .. .. .			4,10,974
20,000	„ Bonus .. .. .	3,35,887		
13	„ Provision for bonus .. .. .	5,652		
1,117	„ Workmen and Staff welfare expenses .. .. .	15,000		
14,106	„ Company's contribution (to the Holding Company) towards Provident Fund .. .. .	45		
<u>—</u>	„ Company's contribution to Govt. Provident Fund and Administrative charges .. .. .	1,303		
	„ Workmen compensation .. .. .	21,662		
<u>3,00,824</u>		37		
	„ Repairs:			3,79,586
24,420	Plant and Machinery .. .. .	28,225		
3,059	Buildings .. .. .	3,621		
6,156	Other repairs .. .. .	14,748		
<u>33,635</u>				
21,574	„ Excise establishment charges .. .. .			46,594
11,571	„ Insurance premium .. .. .			25,166
9,808	„ Emergency Risk Insurance premium .. .. .			15,275
<u>—</u>	„ Brokerage and commission .. .. .			—
1,725	„ Directors' fees .. .. .			15,000
7,350	„ Legal expenses .. .. .			1,425
10,500	„ Directors' Travelling expenses .. .. .			6,000
2,38,218	„ Interest on loan to Holding Company, The Godavari Sugar Mills Ltd. .. .. .			3,389
65	„ Others .. .. .	3,45,273		
<u>2,38,283</u>		28		
	„ Miscellaneous expenses, including Printing and stationery, postage and telegrams, travelling, subscription, motor car maintenance etc. .. .. .			3,45,301
51,826	„ Rates and taxes .. .. .			45,150
5,347	„ Office Rent .. .. .			4,815
14,400	„ Audit Fees .. .. .			14,400
500	„ Charity and donations .. .. .			500
100	„ Loose tools written off .. .. .			—
1,059	„ Depreciation (including Rs. 1,32,005/- short provided in previous years) .. .. .			1,112
8,55,305	„ Development Rebate Reserve .. .. .			7,13,013
60,661	„ Sole Selling Agents' commission on Acetic Acid .. .. .			54,462
<u>24,61,691</u>				1,03,501
	Total Rupees ..		28,37,710	
	To Balance as per last Balance Sheet			
1,73,972	„ Balance brought down .. .. .			6,07,546
4,46,838	„ Bonus for previous year .. .. .			5,25,612
36,736				29,802
<u>6,57,546</u>				
	Total Rupees ..		11,62,960	

Referred to in our Report of even date.

NANUBHAI & CO.,  
Chartered Accountants

BOMBAY, Dated 4th November, 1965.



THE YEAR ENDED 31ST MAY, 1965

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

# SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1965

## Schedule 'A'

Particulars	Gross Block at cost as at 1st June, 1964	Additions during the year	Gross Block as at 31st May, 1965	Deprecia- tion written off upto 31st May, 1964	Deprecia- tion written off this year	Total depreciation as at 31st May, 1965	Net depreciated block as at 31st May, 1965	Net depreciated block as at 31st May, 1964
1	2	3	4	5	6	7	8	9
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land .. ..	10,000	—	10,000	—	—	—	10,000	10,000
Distillery Building ..	3,24,499	27,860	3,52,359	38,985	15,479	54,464	2,97,895	2,85,514
Distillery Machinery	8,49,708	1,95,442	10,45,150	3,26,610	1,11,943	4,38,553	6,06,597	5,23,098
Acetic Acid Plant building ..	1,96,543	1,697	1,98,240	26,928	8,523	35,451	1,62,789	1,69,615
Electrical Machinery	2,63,118	15,593	2,78,711	35,082	43,333	78,415	2,00,296	2,28,036
Acetic Acid Plant ..	30,69,711	14,344	30,84,055	14,13,478	*5,13,774	19,27,252	11,56,803	16,56,233
Laboratory apparatus	3,808	—	3,808	582	226	808	3,000	3,226
Furniture and Office equipments ..	23,037	3,656	26,693	4,155	2,496	6,651	20,042	18,882
Motor car, Lorries & Tankers ..	51,659	—	51,659	21,888	7,108	28,996	22,663	29,771
Scale & weighbridges	2,420	—	2,420	546	225	771	1,649	1,874
Storage Vats & Tanks	—	49,433	49,433	—	9,906	9,906	39,527	—
Total Rupees ..	47,94,503	3,08,025	51,02,528	18,68,254	7,13,013	25,81,267	25,21,261	29,26,249

\*Note:—After adjusting depreciation of Rs. 1,32,005/- for previous years short provided.

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

BOMBAY, Dated: 4th November, 1965.

BOMBAY,  
Dated: 30th October, 1965.

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