

THE
GODAVARI
SUGAR MILLS
LIMITED

ANNUAL REPORT & ACCOUNTS
1965-66

1966

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 the 27th Annual General Meeting of the Members of The Godavari Sugar Mills Limited will be held on Monday, the 27th February, 1967 at 5 p.m. (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 audited statement of accounts for the year ended 31st May, 1966.
2. To declare dividend on Preference and Equity Shares.
3. To elect a Director in place of Shri V. D. Muzumdar, who retires by rotation, but being eligible offers himself for re-election.
4. To elect a Director in place of Shri D. M. Popat, who retires by rotation, but being eligible offers himself for re-election.
5. To consider and if thought fit to pass, with or without modifications, the following Resolution as ORDINARY RESOLUTION:

ORDINARY RESOLUTION:

"RESOLVED:

- (i) That subject to the approval of the Controller of Capital Issues being obtained, a sum upto Rs. 50 lacs forming part of the undistributed profits of the Company, subsequent to Assessment year 1959-60 and standing to the credit of the General Reserve be capitalised and that the Board of Directors be and they are hereby authorised to capitalise such amount by issuing requisite shares by way of bonus shares to the present holders of Equity Shares credited as fully paid-up on a date and in a ratio to be fixed by the Directors;
- (ii) That such Bonus Shares so distributed be treated for all intents and purposes as an increase in Equity Capital of the Company held by such shareholders and not as an income;
- (iii) That such Bonus Shares shall rank in all respects '*Pari Pasu*' with the existing Equity Shares except that they shall rank for dividend that will be declared only from the date of issue or as may be determined by the Board;
- (iv) That the Board of Directors be and they are hereby authorised to pay such tax on the said Bonus Shares as may be applicable and necessary;
- (v) That no fractional certificate be issued to the members and that the shares remaining after the allotment of the said Bonus Shares in proportion, as nearly as the circumstances permit to the Capital paid-up on these shares, be allotted as the Board may deem fit to any person or persons for being sold and the sale proceeds thereof after first deducting therefrom the expenses of the sale, be divided proportionately among the shareholders who would otherwise have been entitled to a fraction of such further shares;

- (vi) That no allotment letters be issued for this issue of Bonus Shares but the share certificates relating to the said further Equity Shares (Bonus Shares) to be allotted as aforesaid be completed and delivered to the shareholders within nine months from the date of passing of this Resolution.
6. To consider and if thought fit to pass, with or without modifications, the following Resolutions as SPECIAL RESOLUTIONS:

SPECIAL RESOLUTION NO. 1:

- (i) "Resolved that the Board of Directors of the Company be and they are hereby authorised to make any loan or give any guarantee to any person or provide any security in connection with any loan made or to be made by any person to any other person upto a limit given hereunder:
- (a) to or in connection with any single individual upto a limit of Rs. 10 lacs subject to a limit of Rs. 50 lacs to or in connection with all such individuals;
 - (b) to or in connection with any single firm or association of persons upto a limit of Rs. 10 lacs subject to a limit of Rs. 50 lacs to or in connection with all such firms or association of persons;
 - (c) to or in connection with any single body corporate (whether a private or public limited company or any other body corporate) upto a limit of Rs. 25 lacs in each individual case subject to a limit of Rs. 125 lacs to or in connection with all such bodies corporate.
- (ii) "Resolved further that the aggregate of loans made to bodies corporate may exceed, subject to the prior approval of the Central Government, wherever necessary, the following viz:
- (a) thirty per cent of the aggregate of the subscribed capital of the Company and its Free Reserves where all such other bodies corporate are not under the same management as the Company.
 - (b) twenty per cent of the aggregate of the subscribed capital of the Company and its Free Reserves where such other bodies corporate are under the same management as the Company."

7. To consider and if thought fit to pass, with or without modifications, the following Resolution as Special Resolution No. 2:

SPECIAL RESOLUTION NO. 2:

"Resolved that pursuant to the provisions of Section 372 and other applicable provisions if any, of the Companies Act, 1956, sanction of the General Meeting be and is hereby accorded to the investment of a sum not exceeding Rs. 1,15,00,000 (Rupees one crore and fifteen lacs only) by subscription and/or purchase or obtaining allotments otherwise than in cash of 1,15,000 shares (Equity or Preference or both) of the nominal value of Rs. 100/- each at par of the SOMAIYA ORGANICS (INDIA) LIMITED even though such investment would be in excess of the limits specified under sub-section (2) of the said Section 372 of the Companies Act, 1956 and the provisos thereto and the Board of Directors of the Company be and it is hereby authorised subject to the sanction of Central Government to determine the actual sum subject as aforesaid to be so invested and any matters arising out of and incidental to the said proposed investment".

8. To consider and if thought fit to pass, with or without modifications, the following Resolution as Special Resolution No. 3:

SPECIAL RESOLUTION No. 3:

“Resolved that pursuant to Section 360 and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves of the contracts proposed to be entered into between the Company and Somaiya Organics (India) Limited, who are or may be deemed to be the Associates of K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company, for sale, purchase and/or supply of any goods by one to the other as may be required from time to time upon the terms and conditions contained in the draft of the agreement placed before the meeting and initialled by the Chairman for the purpose of identification. The material terms and conditions of such sales, purchases and/or supply shall be:

- (a) that the sale, purchase and/or supply by or to the Company of the goods shall be at or for a price not less favourable to the Company than the market rate or rates which are otherwise reasonable,

and

- (b) that the said Somaiya Organics (India) Limited shall make payment to the Company or the Company shall make payment to the said Somaiya Organics (India) Limited within one month from the date of the sale, purchase and/or supply of any goods by the Company to the said Somaiya Organics (India) Limited or by Somaiya Organics (India) Limited (as the case may be) or such earlier date as may be agreed between the parties.”
9. To appoint Auditors for the current year and fix their remuneration.

The transfer books of the Company will be closed from 13th February, 1967 to 27th February, 1967 both days inclusive.

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

BOMBAY, Dated: 20th January, 1967.

NOTES:

1. The final dividend when declared will be made payable at the Registered Office of the Company on and after 5th April, 1967. The dividend warrants will be posted to those shareholders whose names stand on the Company's register on 13th February, 1967.
2. A member entitled to attend and vote is also entitled to appoint a proxy; the proxy need not be a member.
3. An explanatory statement under Section 173 of the Companies Act, 1956 in respect of the above resolutions is annexed.

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:

The present paid-up Capital of the Company, as you are aware, is Rs. 1,18,50,950/- comprising of the Equity Capital of Rs. 1 Crore and Preference capital of Rs. 18,50,950/-. In addition to this, the Company has as on 31st May, 1966 the General Reserve of Rs. 93,87,000/-, and Development Rebate Reserve of Rs. 15,21,707/- making a total of Rs. 1,09,08,707/-. The Board of Directors thought it desirable to capitalise a sum upto Rs. 50 lacs by issuing Bonus Shares of the like amount as the financial position of the Company warrants the issuance of such bonus shares. Moreover, the Finance Act, 1966 has also removed the Capital Gain Tax on the Bonus shares. The issue of Bonus shares upto Rs. 50 lacs is subject, however, to the consent of the Controller of Capital Issues being obtained. In order to enable the Board of Directors to give shape to the decision regarding the issuance of the Bonus Shares, the Ordinary Resolution as set out in the accompanying Notice is commended for your approval.

SPECIAL RESOLUTION No. 1:

During the course of the business, the Company may be required to give loans to various individuals, firms, association of persons and bodies corporate and in so giving loans the limits prescribed by Section 370 (as amended) of the Companies Act, 1956 might have to be exceeded and as such the Special Resolution as set out in the accompanying Notice is commended for the approval of the shareholders.

SPECIAL RESOLUTION No. 2:

In the year 1965, the Company resolved to sell or transfer the right, title, interest and benefit of the Company in:

- (a) Captainganj Distillery and other assets at Captainganj,
- (b) Right, title and interest of the Company in the lands at Barabanki,
- (c) The Industrial Licence No. 2(8) Chem. V/61 dated 28th October 1961 for the manufacture of Butanol and Butyl Aceate,
- (d) Agreement with LES USINES DE MELLE dated 1st February, 1964,
- (e) Two agreements dated 10th February, 1964 and the one dated 14th February, 1964 with M/s. SPEICHIM, and
- (f) The Import Licence No. P/CG/2040140/R/FG/18/C/CGIII dated 24th October 1963 for importing plant and machinery from France.

to Somaiya Organics (India) Limited and to receive the consideration thereof from the said Company in Equity and/or Preference Shares. It was also resolved to invest a sum not exceeding Rs. 75,00,000/- (Rupees Seventy-five lacs only) by subscription and/or purchase or obtaining allotments otherwise than in cash of 75,000 shares (Equity or Preference or both) of the nominal value of Rs. 100/- each at par in Somaiya Organics (India) Limited.

After devaluation, the cost of machinery to be supplied by M/s. SPEICHIM under the agreement dated 10th February, 1964 has gone up. In order to get full consideration for transfer of right, title, interest and benefit under these agreements, the Board of Directors might be advised to increase the purchase consideration by the increase in value consequent upon devaluation which is expected to be between Rs. 37 lacs and Rs. 40 lacs. The Company should correspondingly increase its investment in the said Somaiya Organics India Limited from Rs. 75 lacs upto Rs. 115 lacs.

In view of what is stated above, you are requested to pass the special Resolution No. 2 as set out in the accompanying Notice.

SPECIAL RESOLUTION No. 3:

Section 360 of the Companies Act, 1956 provides that contracts between the Company and its Managing Agents and/or the Associates of the Managing Agents for the sale, purchase or supply of any property will not be valid against the Company unless the contract has been approved by the Company by a Special Resolution passed by it. Somaiya Organics (India) Limited are or may be deemed to be an Associate of K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company.

The draft of the Agreement proposed to be entered into with Somaiya Organics (India) Limited may be inspected at the Registered Office of the Company on any working day during business hours and until 12 noon on the date of the meeting. In order to enable the Company to enter into the contract with the aforesaid Company for sale, purchase and/or supply of any goods, the resolution as set out in the Notice is commended for the approval of the shareholders.

One or more of your Directors may be a Director or may be otherwise interested in the individual, the firm, the association of persons or the body corporate to whom a loan may be made or in connection with a loan to whom a guarantee may be given or security may be provided by the Company in terms of Special Resolution No. 1 above.

Shri K. J. Somaiya, Shri S. K. Somaiya, Shri N. K. Firodia and Shri D. M. Popat are interested in Special Resolutions No. 2 and 3 being the Directors and Shareholders of SOMAIYA ORGANICS (INDIA) LIMITED.

The respective Shareholdings of each of the above Directors is shown below:

	THE GODAVARI SUGAR MILLS LTD.		SOMAIYA ORGANICS (INDIA) LTD.		K. J. SOMAIYA & SONS P. LTD.	
	E	P	E	P	E	P
Shri K. J. Somaiya ...	24,770	—	50	—	150	—
Shri S. K. Somaiya ...	6,467	—	50	—	525	—
Shri N. K. Firodia ...	13	20	50	—	—	—
Shri D. M. Popat ...	11	15	5	—	—	—

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

BOMBAY, Dated: 20th January, 1967.

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, 1966.

FINANCIAL RESULTS:

	Rs.	Rs.
The Gross profit for the year, before providing for depreciation, development rebate reserve and taxation amounted to		66,36,063
Deducting therefrom:		
Depreciation	9,27,726	
Development Rebate Reserve	38,313	
Provision for taxation	42,00,000	
		51,66,039
The profit comes to		14,70,024
Add:—		
(i) Balance brought forward from previous year's account ..	2,858	
(ii) Depreciation of Captainganj Distillery for 1964-65 written back	3,28,313	
(iii) Leasehold Land development expenses written back ..	31,651	
		3,62,822
The amount available for disposal is		18,32,846
Your Directors recommend the following appropriations:—		
1. Transfer to General Reserve Account		18,30,000
2. Balance carried forward to Balance Sheet		2,846

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, 1966 to be paid out of taxed profits for and upto assessment year 1959-60, if approved by the Shareholders at the Annual General Meeting to be held on 27th February, 1967.

You are requested to approve Rs. 5,14,631/- by way of Charity and Donation during the year as under:—

	Rs.
1. The Somaiya Trust	5,00,000
2. K. J. Somaiya Trust	10,000
3. National Defence Fund	3,440
4. Sundry	1,191
Total Rs. ..	5,14,631

The working of the two factories had been satisfactory.

The Cane crop available for crushing season 1966-67 is about 2,420 acres.

In October 1965, the Government imposed a 25% cut in Water Supply to sugarcane from the canals as a temporary measure. This was done with a view to divert water for increasing food grains production. This cut has however been continued also for the season 1966-67 and this has drastically affected the availability of sugarcane from our own farms. The matter has been taken up with the Government through the Association. If the cut continues in the coming year, it will create acute problems regarding cane availability.

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 kept 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 years, 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 prices 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 further going up, the Company has, in terms of the recommendations of the Central Wage Board for Sugar Industry further increased the rates of dearness allowance payable to its workmen at the Sugar factories and the farms with effect from 1st October, 1966 in addition to the increases made earlier.

The appeal filed by the Company against the order of the Bombay High Court dismissing the Company's petition challenging the validity of the Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961 has not yet come up for hearing. The Company has furnished security to the State of Maharashtra in terms of the order for interim stay passed by the Bombay High Court. The Full Bench of Supreme Court had considered the issue whether fundamental rights guaranteed in the Constitution of India can be abridged or taken away by way of giving immunity to certain enactments against challenge of contravening fundamental rights. As the Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961, has been given such immunity, the Company had intervened in the said matter. The Judgment of the Supreme Court is awaited.

The Writ Petition filed by the Company challenging the validity of Maharashtra Agricultural Income Tax Act, 1962 was dismissed by the Bombay High Court on 26th October, 1966. The Company has filed an appeal in the Bombay High Court against the said dismissal. The said appeal has been admitted. The Company had also applied for interim stay which has been granted on certain terms as to furnishing security to the satisfaction of the Court and paying Rs. 15 lacs towards the agricultural income-tax dues which would be payable if the Company does not succeed. The Company has furnished the necessary security and made payment in terms of the said order.

The Directors have pleasure in reporting that during the year under review the Captainganj Distillery has yielded more satisfactory results than in the previous years.

In regard to the Butanol and Butyl Acetate Project at Barabanki, its transfer to Messrs. Somaiya Organics (India) Ltd., is likely to take some more time and it is expected to be completed in the course of this year. The transfer of the Captainganj Distillery will take place at the same time.

As the deposits made by 8 depositors with the Company was not for any fixed period, your Directors are advised that the question of furnishing particulars of information relating to the total number of depositors or amount of unpaid deposits or unclaimed deposits does not arise in terms of Non-banking Non-Financial Companies (Reserve Bank) directions, 1966. The unclaimed deposits by these 8 depositors do not exceed Rs. 10 lacs.

Shri V. D. Muzumdar and Shri D. M. Popat 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, 20th January, 1967.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

AUDITORS' REPORT TO SHAREHOLDERS

We have audited the attached Balance Sheet of The GODAVARI SUGAR MILLS LIMITED, as at 31st May, 1966, and also the attached Profit and Loss Account of the Company 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 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 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 Books of Accounts.
- (4) In our opinion and to the best of our information and according to the explanations given to us, the Accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st May, 1966, 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 the 21st day of January, 1967.

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1965	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	I. SHARE CAPITAL:—			
	AUTHORISED CAPITAL:			
1,80,00,000	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:			
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		1,00,00,000	
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	
<u>1,18,50,950</u>				<u>1,18,50,950</u>
	II. RESERVES AND SURPLUS:—			
	(A) Capital Reserve:			
68,633	As per last Balance Sheet			
8,411	Add: Profit on sale of land	22,661		
77,044		<u>22,661</u>		
77,044	Less: Transfer to Profit & Loss Account			
			22,661	
	(B) General Reserve:			
70,28,500	As per last Balance Sheet	70,28,500		
—	Add: Transfer from Development Rebate Reserve	2,73,933		
70,28,500		73,02,433		
—	Add: Set aside from 1965-66 profits	18,30,000		
70,28,500		91,32,433		
—	Add: Transfer from Dividend Reserve	2,54,567		
70,28,500			93,87,000	
<u>1,18,50,950</u>	Carried Over		<u>94,09,661</u>	<u>1,18,50,950</u>

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1966

As at 31st May, 1965	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At cost or book value):—			
3,21,77,027	Gross Block	3,27,85,548		
1,92,95,723	Less: Depreciation written off upto 31st May, 1965 ..	1,99,16,374		
1,28,81,304	Net Depreciated Block as per Schedule 'A' attached. ..	1,28,69,174		
11,02,809	Capital work-in-progress	12,71,755		
1,39,84,113				1,41,40,929
	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, Rs. 50/- per share paid up	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:			
10,50,000	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) 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	4½% U.P. State Development loan of 1972 (Face value Rs. 2,000/-)	1,995		
1,000	100 Shares of Rs. 10/- each of U. P. Bhokta Distillery AUR Sugar Mills Sahakari Samiti Ltd. Captainganj	1,000		
		Cost	Market value	
	Aggregate quoted Investments	10,51,995	6,00,294	
	Aggregate unquoted Investments	8,55,078	—	
19,17,573		19,07,073	6,00,294	19,17,573
1,59,01,686	Carried Over ..			1,60,58,502

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1965	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
1,18,50,950	Brought Forward ..		94,09,661	1,18,50,950
70,28,500				
5,00,000	(C) Dividend Reserve:			
5,00,000	As per last Balance Sheet	11,50,000		
	Less: Dividend paid for 1964-65	8,95,433		
		2,54,567		
11,50,000	Add: Amount set aside from Profit of the year ..	—		
11,50,000		2,54,567		
	Less: Transfer to General Reserve	2,54,567	—	
11,50,000				
14,47,993	(D) Development Rebate Reserve:			
3,09,333	As per last Balance Sheet	17,57,327		
17,57,326	Add: Amount set aside from Profit of the year ..	38,313		
		17,95,640		
	Less: Transferred to General Reserve	2,73,933		
17,57,326				
2,858	(E) Profit & Loss Account:		15,21,707	
99,38,684	Balance as per Profit & Loss Account	2,846		
	III. SECURED LOANS:—			1,09,34,214
78,20,944	Cash Credit account with Bank against hypothecation of all tangible moveable assets of the Company including stocks of sugar fully guaranteed by the Managing Agents and two Directors.	87,27,713		
37,859	Cash Credit Account with United Commercial Bank Ltd., against Hypothecation of all tangible moveable assets of Captainganj Distillery including stocks of alcohol	75,029		
16,00,000	From Bank of India Ltd., against equitable mortgage by way of deposits of title deeds of the Company's moveable property at factories and Somaiya Farms and fully guaranteed by the Managing Agents and by two Directors	12,00,000		
94,58,804				1,00,02,742
32,262	IV. UNSECURED LOANS:—			
6,63,060	i) From Directors	34,344		
	ii) From others	7,89,619		
81,191	iii) On Current Account:			
	(a) From Managing Agents	69,933		
	(b) From Selling Agents	—		
7,76,513				8,93,896
3,20,24,951	Carried Over ..			3,36,81,802

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1966

As at 31st May 1965	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
1,59,01,686	Brought Forward ..			1,60,58,502
	III. CURRENT ASSETS, LOANS AND ADVANCES:—			
	(A) CURRENT ASSETS:			
1,280	i) Interest accrued on Investments		1,280	
	ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by Managing Agents)			
47,53,644	On hand (including machineries Rs. 3,25,915/-)	46,28,034		
1,25,516	In transit	1,86,920		
48,79,160			48,14,954	
55,688	iii) Loose tools and implements (as per inventories valued and certified by Managing Agents) ..		54,618	
	iv) Stock-in-trade (as per inventories valued and certified by Managing Agents):			
1,38,86,202	a) Sugar at Market Rate	2,44,59,777		
84,960	b) Denatured and Rectified Spirit at Market Rate	1,19,811		
32,932	c) Industrial Alcohol at Market Rate	75,191		
6,22,570	d) Grains, Cotton etc. at Market Rate	5,26,498		
51,383	e) Molasses at Cost	49,799		
32,892	f) Molasses at Market Rate	57,799		
1,47,10,939			2,52,88,875	
	v) National Defence Remittance premium		1,02,818	
35,11,810	vi) Crop in progress: (including tillages, preparation of land, irrigation charges etc. at cost as valued and certified by Managing Agents)		28,83,812	
	vii) Sundry Debtors: (Unsecured and considered good except otherwise stated)			
51,508	a) Debts outstanding for more than six months	54,799		
1,731	b) Considered doubtful	7,090		
53,239		61,889		
1,731	Less: Provision for doubtful debts	7,090		
51,508		54,799		
	c) Other debts: (Including Rs. 29,760 due from Somaiya Organo-Chemicals Ltd., a subsidiary Company	13,10,157		
7,07,690			13,64,956	
7,59,108				
2,39,18,075				
1,59,01,686	Carried Over ..	3,45,11,313		1,60,58,502

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1965	LIABILITIES—(Contd.)			
Rupees	Rupees	Rupees	Rupees	
3,20,24,951	Brought Forward ..			3,36,81,802
	V. CURRENT LIABILITIES AND PROVISIONS:			
	(A) CURRENT LIABILITIES:			
90,20,965	Sundry Creditors :	1,76,95,396		
1,05,181	Advances from Customers (N. F.) against sale of land & wood	80,787		
50,000	Security Deposit from Selling Agents	50,000		
21,146	Security Deposit from Customers	22,533		
19,92,856	For Taxation	23,45,284		
2,64,171	Due to partnership firm of Khanapur Farms ..	2,84,119		
1,24,006	Due to partnership firm of Lakh farms	1,68,768		
4,05,382	Due for Selling Agents' Commission	3,34,188		
4,20,317	Due for Managing Agents' remuneration	4,33,711		
8,063	Unclaimed dividend	10,357		
2,200	Unclaimed Redemption money	2,200		
16,519	Due to Trustees to Staff Provident Fund (since paid)	20,498		
2,31,490	Interest accrued but not due on loans	2,58,057		
1,26,62,296		2,17,05,898		
	(B) PROVISIONS:			
1,22,84,629	Provision for taxation	1,57,12,063		
19,90,000	Less: Advance payment under Section 207 of Indian Income-Tax Act, 1961	33,30,000	1,23,82,063	
1,02,94,629				
7,27,000	Provision for Bonus	9,02,000		
—	Provision for payment of Agri: profit under Maha- rashtra Agri. Lands (Ceiling on holdings) Act, 1961.	11,45,000		
2,36,83,925			3,61,34,961	
	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 invest- ments of Godavari investment & Finance Corporation Ltd., a subsidiary Company.	1,00,000		
95,02,315	(iii) In respect of Counter guarantee given to Banks, Insu- rances Companies and others	1,12,52,315		
2,36,83,925				
5,57,08,876	Carried Over ..			6,98,16,763

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1966

As at 31st May 1965		ASSETS—(Contd.)		
Rupees		Rupees	Rupees	Rupees
1,59,01,686		Brought Forward ..	3,45,11,313	1,60,58,502
2,39,18,075				
	VII. CASH AND BANK BALANCES:			
1,29,347	Cash, cheques and drafts on hand	1,48,498		
4,12,842	In Current Account with Scheduled Banks ..	11,46,721		
	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	Stamps on hand	304		
310	In Post Office Savings Bank (pledged with Collec- tor of Central Excise)	1,000		
1,000				
5,43,935			12,96,959	
2,44,62,010				
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated):			
17,91,462	Loans to others	26,01,949		
37,904	Considered doubtful	32,904		
18,29,366		26,34,853		
37,904	Less: Provision for doubtful loans	32,904		
17,91,462			26,01,949	
29,53,393	Loan to Arpit Ltd. a company under the same management (maximum debit balance during the year Rs. 36,47,038)		36,47,038	
	Loans to subsidiary Companies of which the Com- pany is Holding Company:			
19,87,899	(a) Godavari Investment & Finance Corpora- tion Ltd.	19,54,276		
43,70,208	(b) Somaiya Organo-Chemicals Ltd.	55,56,873		
63,58,107			75,11,149	
3,55,64,972				
1,59,01,686				
	Carried Over ..		4,95,68,408	1,60,58,502

BALANCE SHEET

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MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1966

As at 31st May, 1965	ASSETS—(Contd.)	Rupees	Rupees	Rupees
<u>Rupees</u> 1,59,01,686 <u>3,55,64,972</u>	Brought Forward ..		4,95,68,408	1,60,58,502
32,61,464 <u>33,383</u>	Advances recoverable in cash or kind or for value to be received (including Rs. 3,60,463 in dispute and Rs. 7,01,754 in respect of drawings, designs, technical know-how, patents etc. for chemical Plant)	31,94,679		
32,94,847 <u>33,383</u>	Considered doubtful	48,216		
		<u>32,42,895</u>		
32,61,464 <u>8,08,427</u>	Less: Provision for doubtful Advances	48,216		
			31,94,679	
	Paid under Section 23A of Income-tax Act, 1922		8,08,427	
1,72,327 <u>3,98,07,190</u>	Deposits with Irrigation Department, Railways and others (including Rs. 6,000/- with Post Office Savings a/c., Pass Books where of lodged with Car dealers		<u>1,86,747</u>	5,37,58,261
<u>5,57,08,876</u>	Total Rupees ..			<u>6,98,16,763</u>

THE GODAVARI SUGAR

BALANCE SHEET

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- NOTES: (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1962-63 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. 1,23,876/- at cost have been supplied to the said firms.
- (4) No provision for depreciation has been made on the Assets of Captainganj Distillery and the provision for year ended 31st May, 1965 has been credited back to profit and loss account. Quantum of depreciation computed in accordance with Section 205 of the Company's Act 1956 is Rs. 7,09,318/- which is unprovided.
- (5) In the opinion of the Board the loan of Rs. 36,47,038/- to Arpit Limited, a company under the same management, may not have the same value on realization in the ordinary course of business. No specific provision has been made in view of the available Reserves.
- (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. 60,80,316/- in favour of Speichim, Paris.
- (7) 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 27th February 1967 will be paid out of the taxed profits for and upto assessment year 1959-60 and no separate provision has been made therefore.
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Referred to in our report of even date.

NANUBHAI & CO.

Chartered Accountants.

BOMBAY, Dated: 21st January, 1967.

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1966

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, 1966.
- (ii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 40,102/- for the year ended 31st May, 1966. The Net loss after adjusting the previous years' Loss from profit of this year comes to Rs. 40,102/-. 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, 1966 stands at Rs. 19,54,276/-.

(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. 7,40,568/- for the year ended 31st May, 1966. The total loss including that of previous years comes to Rs. 18,46,807/-. 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, 1966, stands at Rs. 55,56,873/-.

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.

K. J. SOMAIYA V. D. MUZUMDAR J. G. DALAL S. K. SOMAIYA D. M. POPAT	}	Directors
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BOMBAY, Dated: 20th January, 1967.

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1965	Rupees		Rupees	Rupees
		To Opening Stock on 1st June 1965:—		
1,36,26,661		Sugar		
—		Molasses	1,38,86,202	
1,14,229		Denatured & Rectified spirit	32,892	
8,348		Power and Absolute Alcohol	84,960	
			32,932	
1,37,49,238				
3,32,526		„ Raw materials consumed (purchase of raw materials Rs. 5,93,053/-)		1,40,36,986
33,90,628		„ Crops in progress as at 1st June, 1965		5,94,637
74,532		„ Stock of grains and other seeds as at 1st June, 1965	35,11,810	
2,315		„ Purchase of food-grains, tobacco, cotton etc.	66,528	
17,231		„ Grains and other seeds for sowing	—	
27,09,815		„ Salaries and Wages	8,696	
1,40,000		„ Provision for Bonus	28,72,804	
3,180		„ Contribution to Provident Fund of the Company	2,25,000	
76,900		„ Contribution to Govt. Provident Fund and Administrative charges	—	
26,883		„ Gratuity	84,857	
8,084		„ Workmen and Staff Welfare expenses	538	
—		„ Workmen compensation	565	
24,33,026		„ Stores inclusive of manures	75	
5,494		„ Repairs and renewals (including salaries and wages Rs. 857/-)	18,65,701	
2,85,501		„ Land Rent	10,268	
9,13,765		„ Irrigation rates and taxes	2,85,519	
34,466		„ Drainage	8,59,310	
1,465		„ Expenses on sales of grains, cotton, tobacco etc.	—	
71,815		„ Education Cess	1,186	
693		„ Rent	70,936	
		„ Miscellaneous expenses, including Printing and Stationery, Postage and Telegrams, Travelling and Legal charges (including harvesting and carting commission Rs. 69,510/-) and Rs. 75/- Sundry debit balances written off..	693	
1,13,630		„ Depreciation	1,11,553	
2,38,484		„ Land development expenses written off	1,85,128	
380		„ Legal charges	18,218	
3,519		„ Premium on leasehold land written off	—	
14,443		„ Brokerage and commission	14,443	
52,825		„ Loose tools written off	21,886	
693		„ Estimated loss on Acquisition of Agricultural Lands written off	9	
7,20,899		„ User's compensation for Agricultural land	—	
—		„ Livestock written off	4,39,430	
1,870			1,496	
1,13,42,536		Less: Crops in progress as at 31st May, 1966	1,06,56,649	
35,11,810			28,83,812	
78,30,726		By Transportation of cane	77,72,837	
4,94,808			5,29,104	
83,25,534		„ Locally purchased cane		83,01,941
1,44,33,860				2,18,31,820
3,68,41,158				4,47,65,384
		Carried Over		

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1966

As at 31st May, 1965			Rupees	Rupees
Rupees				
By Sales:				
4,37,97,148	Sugar		4,86,35,795	
1,44,945	Molasses		1,00,539	
97,394	Denatured and Rectified spirit		1,91,788	
13,88,385	Power and Absolute Alcohol		19,42,885	
—	Gur Sales		4,151	
87,710	Foodgrains, tobacco, cotton, grains etc., (including consumption of Rs. 8,696/- as per contra)		91,222	
4,55,15,582				5,09,66,380
2,21,955	„ Sundry receipts from Flour Mills, Dairy etc. (including credit balances of Rs. 742/- written off)			2,37,031
1,28,959	„ Income from Immovable property			1,47,979
6,01,308	„ Sundry receipts being market value of Farm Produce etc. (including profit on sale of cotton and grains Rs. 29,492/-)			6,59,250
	„ Income from Khanapur and Lakh Farms in Partnership:			
	(a) Khanapur Farms:			
4,500	Rent	4,500		
36,524	Add: $\frac{1}{4}$ share of profit for the year	14,116		
41,024			18,616	
	(b) Lakh Farms:			
4,500	Rent	4,500		
40,009	Add: $\frac{1}{4}$ share of profit for the year	16,753		
44,509			21,253	
85,533				39,869
3	„ Dividend on Co-operative Bank share			3
28	„ Share transfer and splitting fees			30
	„ Interest:			
9,177	On Bank accounts			
66,483	On loans and others	2,25,379		
5,11,150	From subsidiary companies	6,90,460		
2,25,139	From Arpit Ltd., a company under the same management	3,25,544		
1,429	On Government Securities (Net)			
1,862	From lessors	260		
8,15,240				12,41,643
4,73,68,608				
	Carried Over			5,32 92,185

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1965			Rupees	Rupees
		Brought Forward ..		4,47,65,384
	By Salaries and wages (including Rs. 36,000/- commission in addition to salary to General Manager at Factories who is also Superintending Engineer) after deducting Rs. 4,99,820/- charged to repairs, capital and other relevant heads		32,93,916	
27,79,279				
40,118	„ Bonus to employees		40,251	
2,60,000	„ Provision for bonus		2,75,000	
28,568	„ Contribution to Provident Fund of the Company		32,140	
684	„ Gratuity		24,021	
1,49,312	„ Contribution to Government Provident Fund and administrative charges ..		1,76,799	
2,62,266	„ Workmen and staff welfare expenses		1,50,526	
577	„ Workmen compensation		11,687	
35,20,804				40,04,340
11,74,734	„ Stores, chemicals & spare parts (after deducting Rs. 1,96,684/- charged to agriculture, capital, repairs and other relevant heads)			12,98,918
5,16,772	„ Power and fuel			6,17,916
5,34,260	„ Repairs to Plant and machinery (inclusive of salaries and wages Rs. 3,03,749/-)		5,33,525	
2,13,280	„ Repairs to buildings (inclusive of salaries and wages Rs. 61,009/-) ..		1,57,617	
75,758	„ Other repairs (inclusive of salaries and wages Rs. 20,982/-)		43,567	
8,23,298				7,34,709
9,55,252	„ Sugarcane purchase-tax			14,66,332
1,25,000	„ Gratuity insurance			98,704
79,86,347	„ Excise duty			1,17,65,072
72,520	„ Insurance Premium			91,605
—	„ Personal Injuries Insurance premium			3,629
—	„ Emergency Risk Insurance Premium			85,716
8,23,906	„ Packing and forwarding			14,11,698
58,801	„ Rent (Received Rs. 3,300/-)			1,17,821
1,82,087	„ Rates and taxes			2,32,965
4,05,382	„ Sole Selling Agents' Commission on sugar			3,34,188
6,83,146	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, telephone, travelling and motor cars and maintenance ..			7,39,801
5,04,327	„ Charity and donation (refer Directors' Report on page No. 7) (inclusive of Rs. 3,440/- to the National Defence Fund)			5,14,631
5,46,73,534		Carried Over ..		6,82,83,429

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1966

As at 31st May, 1965			
Rupees		Rupees	Rupees
4,73,68,608	Brought Forward ..		5,32,92,185
By Stock-in-trade (as taken, valued and certified by the Managing Agents):			
1,38,86,202	Sugar at market rate	2,44,59,777	
32,892	Molasses at market rate	57,799	
85,008	Denatured and Rectified spirit	1,19,811	
32,884	Industrial Alcohol at market rate	75,191	
66,528	Food grains, tobacco, etc. at market rate	42,904	
1,41,03,514			2,47,55,482
6,14,72,122	Carried Over ..		7,80,47,667

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1965										Rupees	Rupees
Rupees											
5,46,73,534	Brought Forward ..										6,82,83,429
To Interest:											
19,796	Managing Agents	..	..	..	..	..	..	..	..	13,277	
2,082	Directors ..	..	..	..	..	..	..	..	..	2,061	
4,35,961	Cash Credit account	..	..	..	..	..	..	..	..	7,87,001	
1,33,724	Fixed loans	..	..	..	..	..	..	..	..	1,15,570	
60,701	Other loans	..	..	..	..	..	..	..	..	87,350	
6,52,264											10,05,259
2,325	,, Directors' Fees (including Rs. 750/- of Members of Managing Agents as Directors)										2,400
21,844	,, Directors' and Managing Agents' Travelling expenses										30,884
4,20,317	,, Managing Agents' remuneration—commission on profits subject to adjustments that may have to be made in respect of bonus and other provisions if any										4,33,711
,, Payment to auditors:											
7,500	Audit fees	..	..	..	..	..	..	..	..	7,500	
15,400	In other capacity	..	..	..	..	..	..	..	..	16,150	
713	Travelling expenses	..	..	..	..	..	..	..	..	713	
23,613											24,363
1,06,198	,, Brokerage and commission.										1,39,420
1,11,815	,, Legal expenses (including Rs. 27,075/- to a Director)										76,186
10,72,581	,, Depreciation										7,42,598
2,866	,, Loose tools and implements written off										3,316
10,000	,, Premium on leasehold land written off										10,000
20,157	,, Lease-hold land development expenses written off										—
300	,, Premium on leasehold garage written off										300
1,000	,, Goodwill written off										—
—	,, Bad Debts written off										3,897
5,090	,, Provision for doubtful debts and advances										15,191
—	,, Provision for payment of Agricultural profits to Maharashtra Government..										11,45,000
3,09,334	,, Development Rebate Reserve										38,313
30,00,000	,, Provision for taxation										42,00,000
10,38,884	,, Balance being Profit for the year										18,93,400
6,14,72,122	Total Rupees ..										7,80,47,667

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1966

As at 31st May, 1965	Rupees	Rupees	Rupees
6,14,72,122		Brought Forward ..	7,80,47,667
<u>6,14,72,122</u>		Total Rupees ..	<u>7,80,47,667</u>

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1965		Rupees	Rupees
	To Bonus to employees pertaining to previous year:		
1,61,962	Agriculture	3,02,480	
2,97,189	Manufacturing	4,68,182	
4,59,151			7,70,662
—	„ General Reserve		18,30,000
11,50,000	„ Dividend Reserve		—
2,858	„ Balance carried to Balance Sheet		2,846
	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. 150/- during the year.		
2,170	(ii) Expenses reimbursed to Managing Agents	Nil	
	(iii) Amount of transactions with associates of Managing Agents is as follows:		
1,28,764	Purchase of moveable property	1,25,472	
2,85,677	For sale	2,19,772	
512	For rendering services	—	
4,14,953		3,45,244	
	(iv) Computation of Managing Agents' Remuneration is as follows:		
10,38,884	Net profit as per Profit and Loss Account	18,93,400	
4,20,317	Add:—		
750	(i) Managing Agents' Remuneration	4,33,711	
7,20,899	(ii) Directors' fees to members of Managing Agency Company ..	750	
30,00,000	(iii) Estimated loss on acquisition of Agricultural land	—	
3,09,334	(iv) Provision for taxation	42,00,000	
64	(v) Development Rebate Reserve	38,313	
	(vi) Tax Deduction at source	—	
54,90,248			
16,12,009			
	Carried Over ..	65,66,174	26,03,508

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1966

As at 31st May, 1965			Rupees	Rupees
	Rupees			
39,636	By Balance brought forward from last years' balance sheet.			2,858
	„ Item pertaining to previous year :			
	Unclaimed salaries, wages and bonus written back :			
13,940	Factory		12,745	
3,254	Agriculture		2,951	
17,194				15,696
—	„ Leasehold Land development Expenses Written back			31,651
—	„ Excess Provision for excise duty for previous year credited back			6,590
—	„ Depreciation on fixed assets of captainganj Distillery for 1964-65 written back			3,28,313
77,044	„ Transfer from Capital Reserve			—
39,251	„ Cane Cess Refund			—
4,00,000	„ Provision for bonus recredited			3,25,000
10,38,884	„ Balance brought down			18,93,400
16,12,009		Carried Over ...		26,03,508

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1965				
Rupees			Rupees	Rupees
16,12,009		Brought Forward ..	—	65,66,174
54,90,248				26,03,508
	Add:—			
2,38,484	Depreciation:			
10,72,581	Agriculture		1,85,128	
13,11,065	Factory		7,42,598	
				9,27,726
	Add:—			
4,00,000	Income shown in Lower part of Profit & Loss Account:			
17,194	(i) Provision for Bonus recredited		3,25,000	
39,251	(ii) Unclaimed salaries, wages and bonus written back ..		15,696	
4,56,445	(iii) Excise duty written back		6,590	
72,57,758	(iv) Leasehold land Development Expenses written back ..		31,651	
				3,78,937
				78,72,837
	Less:—			
4,59,151	(i) Bonus for previous year shown in lower part of			
60,000	Profit & Loss Account		7,70,662	
13,55,572	(ii) Provision for surtax		1,26,130	
18,74,723	(iii) Depreciation to the extent specified in Section 350			
	of Companies Act, 1956		13,49,474	
				22,46,266
53,83,035	Net Profit for calculating Managing Agents' Remuneration ..			56,26,571
	Managing Agents' remuneration on Rs. 56,26,571/- as			
	detailed below:			
1,00,000	10 % on First Rs. 10 lacs		1,00,000	
90,000	9 % on next Rs. 10 lacs		90,000	
80,000	8 % on next Rs. 10 lacs		80,000	
70,000	7 % on next Rs. 10 lacs		70,000	
60,000	6 % on next Rs. 10 lacs		60,000	
21,067	5½ % on next Rs. 6,26,571		34,461	
4,21,067			56,26,571	
			4,34,461	
	Less:—			
750	Directors' Fees to Members of Managing Agency			
4,20,317	Company		750	
	Amount of Managing Agents' Remuneration ..		4,33,711	
16,12,009				
		Total Rupees ..		26,03,508

Referred to in our report of even date.

NANUBHAI & CO.
Chartered Accountants.

BOMBAY, Dated: 21st January, 1967.

ILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1966

<i>As at 31st May, 1965</i>		<i>Rupees</i>	<i>Rupees</i>
<i>Rupees</i> <u>16,12,009</u>	Brought Forward .		26,03,508
<u>16,12,009</u>	Total Rupees ..		<u>26,03,508</u>

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: 20th January, 1967.

THE GODAVARI SUGAR

Schedule A

Schedule of fixed Assets Attached to and Forming Part of

PARTICULARS	Gross Block as on 1st June, 1965 at cost except as otherwise stated	Additions during the year	Sub-Total
	Rupees	Rupees	Rupees
Freehold land (book value)	16,34,091	—	16,34,091
Leasehold land premium	3,88,850	1,935	3,90,785
Leasehold land development expenses	—	*43,527	43,527
Leasehold premium on garage	12,000	—	12,000
Buildings (Book value)	58,07,817	22,970	58,30,787
Temporary quarters	2,12,512	—	2,12,512
Temporary quarters at farms	97,360	—	97,360
Pucca quarters at factory	6,10,584	2,65,489	8,76,073
Pucca quarters at farms	1,87,345	1,442	1,88,787
General machinery (Book value)	1,39,21,669	99,433	1,40,21,102
Electrical machinery	13,26,203	92,269	14,18,472
Agricultural machinery	30,03,412	—	30,03,412
Locomotives	92,974	—	92,974
Electric Installation & fittings	96,947	—	96,947
Furniture & Office equipments	7,20,349	17,541	7,37,890
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)	6,57,860	92,140	7,50,000
Cars & Trucks (Book value)	3,50,872	—	3,50,872
Laboratory apparatus	51,754	4,190	55,944
Roads and drainage	9,28,656	31,852	9,60,508
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)	97,929	175	98,104
Total Rupees ..	3,21,72,027	6,72,963	3,28,44,990

*Includes Rs. 31,651 written off in previous years adjusted.

Referred to in our report of even date.

NANUBHAI & CO.
Chartered Accountants

BOMBAY, Dated: 21st January, 1967.

MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1966

Deduction of Sale and other adjustments	Gross block as on 31st May, 1966	Written off up to 31st May, 1965	Written off this year	Less written back	Total Depreciation up to 31st May, 1966	Net depreciated block as at 31st May, 1966	Net depreciated block as at 31st May, 1965
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
49,442	15,84,649	—	—	—	—	15,84,649	16,34,091
—	3,90,785	2,81,084	24,442	—	3,05,526	85,259	1,07,766
—	43,527	—	—	—	—	43,527	—
—	12,000	2,400	300	—	2,700	9,300	9,600
—	58,30,787	19,31,854	1,15,618	16,305	20,31,167	37,99,620	38,75,963
—	2,12,512	1,90,585	1,645	—	1,92,230	20,282	21,927
—	97,360	87,828	715	—	88,543	8,817	9,532
—	8,76,073	44,650	14,554	4,388	54,816	8,21,257	5,65,934
—	1,88,787	38,056	3,768	—	41,824	1,46,963	1,49,289
—	1,40,21,102	97,80,196	4,15,171	2,98,097	98,97,270	41,23,832	41,41,473
—	14,18,472	9,15,025	70,017	5,098	9,79,944	4,38,528	4,11,178
—	30,03,412	25,53,320	1,12,524	—	26,65,844	3,37,568	4,50,092
—	92,974	80,050	1,292	—	81,342	11,632	12,924
—	96,947	69,163	2,778	—	71,941	25,006	27,784
3,200	7,34,690	3,19,829	43,289	1,768	3,61,350	3,73,340	4,00,520
—	1,90,858	1,15,932	8,862	146	1,24,648	66,210	74,926
—	6,29,591	5,40,873	8,766	79	5,49,560	80,031	88,718
—	1,36,597	96,443	2,302	548	98,197	38,400	40,154
6,800	7,43,200	4,43,932	54,083	843	4,97,172	2,46,028	2,13,928
—	3,50,872	2,73,818	5,395	—	2,79,213	71,659	77,054
—	55,944	28,257	1,404	386	29,275	26,669	23,497
—	9,60,508	4,92,133	42,493	625	5,34,001	4,26,507	4,36,523
—	67,953	52,753	1,461	30	54,184	13,769	15,200
—	7,758	3,772	239	—	4,011	3,747	3,986
—	363	309	4	—	313	50	54
—	9,39,723	8,75,690	21,346	—	8,97,036	42,687	64,033
—	98,104	72,771	1,496	—	74,267	23,837	25,158
59,442	3,27,85,548	1,92,90,723	9,53,964	3,28,313	1,99,16,374	1,28,69,174	1,28,81,304

Managing Agents:

or 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: 20th January, 1967.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

GENTLEMEN,

Your Directors submit herewith their Eleventh Annual Report and Audited Accounts of the Company for the year ended 31st May, 1966.

During the year under report the Graded Finance Scheme continued to remain in force. However, only a limited number of cultivators came forward to enrol themselves under the scheme as the scheme is essentially designed to help such cultivators as would ultimately stand on their own legs.

Regarding the scheme for giving Engines on Hire Purchase basis, the same has been modified to cover Electric Motors. The supply of electricity is increasingly covering the villages in Kopergaon taluka and, therefore, the cultivators are taking to electric motors rather than to oil engines for drawing water from the wells.

The working of the Company for the year resulted in a profit of Rs. 40,102/-. After adjusting from the last year's carried forward loss of Rs. 1,98,481/-, the profit of Rs. 40,102/- and excess provision for doubtful debts of Rs. 10,977/-, the balance loss of Rs. 1,47,402/- is carried forward to next year.

In view of the carried forward loss, your Directors do not recommend any dividends for the year.

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: 25th November, 1966.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, as at 31st May, 1966, and also the attached Profit and Loss Account of the Company 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 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 the Books of Accounts produced before us.
- (3) The Balance Sheet and Profit and Loss Account dealt with by the 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 read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st May, 1966, 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 the 28th day of November, 1966.

GODAVARI INVESTMENT &

BALANCE SHEET

As at 31st May, 1965		LIABILITIES	
Rupees		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. 100 each, Rs. 50/- called up, held by holding Company, The Godavari Sugar Mills Ltd., and its nominees.		1,00,000
	III. UNSECURED LOANS:—		
18,22,021	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.	17,43,662	
1,65,878	Interest accrued on above	2,10,614	
19,87,899			19,54,276
	IV. CURRENT LIABILITIES AND PROVISIONS:—		
14,467	(i) Sundry Creditors	16,636	
1,008	(ii) Deposit	1,479	
2,01,983	(iii) Estimated unearned Finance charges on hire Purchase carried forward	2,24,160	
2,17,458			2,42,275
23,05,357		Carried Over ..	22,96,551

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1966

As at 31st May 1965		ASSETS			
Rupees			Rupees	Rupees	Rupees
		I. CURRENT ASSETS, LOANS AND ADVANCES:			
		(A) CURRENT ASSETS:			
		(i) Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director):			
79,740		Machinery	1,00,610		
7,134		Stores and Spares	3,688		
<u>86,874</u>					1,04,298
6,09,660		(ii) Future instalments receivable from hire of oil engines and pumps under Hire Purchase Agreements: (considered good)		6,67,056	
		(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			
1,01,288		Outstanding for more than six months	1,06,681		
20,408		Considered doubtful	46,226		
<u>1,21,696</u>			<u>1,52,907</u>		
20,408		Less: Provision for doubtful debts	46,226		
<u>1,01,288</u>			<u>1,06,681</u>		
84,151		Other debts	69,374		
<u>1,85,439</u>					1,76,055
		(iv) CASH AND BANK BALANCES:			
281		Cash on hand	259		
4,318		Stamp papers on hand	5,942		
<u>1,094</u>		In current Account with a Scheduled Bank	<u>1,933</u>		
5,693				8,134	
<u>8,87,666</u>					
		Carried Over ..	9,55,543		

GODAVARI INVESTMENT &

BALANCE SHEET

As at 31st May, 1965		LIABILITIES—(Contd.)	
Rupees			Rupees
23,05,357		Brought Forward ...	22,96,551
NOTES:			
<div>1. No Provision for taxation has been made as Company expects no liability in view of carried forward losses.</div> <div>2. Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for loans amounting to Rs. 2,09,725/- have been either sent for registration or are under execution.</div>			
23,05,357		Total Rupees ...	22,96,551

Referred to in our report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 28th November, 1966.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1966

As at 31st May, 1965		ASSETS—(Contd.)			
Rupees			Rupees	Rupees	Rupees
8,87,666		Brought Forward ..	9,55,543		—
	(B) LOANS AND ADVANCES:				
	(Secured and considered good as certified by Director 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 agreements:				
9,93,305	Secured	11,53,928			
2,12,191	Unsecured	25,965			
82,077	Unsecured considered Doubtful	45,282			
12,87,573		12,25,175			
82,077	Less: Provision for doubtful Loans ..	45,282			
12,05,496			11,79,893		
13,514	(ii) Suspense Account under dispute (doubtful)		13,513		
200	(iii) Deposit against Insurance		200		
21,06,876					21,49,149
	II. MISCELLANEOUS EXPENDITURE:				
	Profit and Loss Account:				
1,98,481	Loss as per Profit and Loss Account				1,47,402
23,05,357		Total Rupees ..			22,96,551

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.

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

} Directors

BOMBAY, Dated: 25th November, 1966.

PROFIT AND LOSS ACCOUNT FOR

Referred to in our Report of even date.

BOMBAY, Dated: 28th November, 1966

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1966

<i>As at 31st May, 1965</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
		By cost of Machinery and spare parts let during the year to cane growers in terms of Hire Purchase Agreements:		
1,76,108		Machinery	1,68,609	
—		Spare parts	158	
1,76,108				
—		„ Cost of spares sold to The Godavari Sugar Mills Ltd.		1,68,767
—		„ Commission on Cane from Holding Co., The Godavari Sugar Mills Limited		3,288
83,833		„ Interest on loans		72,933
13,825		„ Supervision charges from cane growers		1,04,405
1,45,805		„ Income on Hire Purchase contracts		17,241
36		„ Miscellaneous Receipts		59,054
408		„ Bad Debts written off realised		253
		„ Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director):		8,055
79,740		Machinery	1,00,610	
7,134		Stores and Spares	3,688	
86,874				
				1,04,298
5,06,889		Total Rupees ..		5,38,294
65,244		By Profit Brought down		40,102
—		„ Excess Provision for doubtful debts reccredited		10,977
1,98,481		„ Loss carried to Balance Sheet		1,47,402
2,63,725		Total Rupees ..		1,98,481

BOMBAY, Dated: 25th November, 1966.

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

SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

DIRECTORS' REPORT

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

LADIES AND GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May, 1966 submitted herewith.

The net loss of the Company for the year under report amounts to Rs. 7,35,060/- after providing Rs. 6,93,976/- for depreciation and after transferring Rs. 2,71,278/- to Development Rebate Reserve. The total loss after adding the carry forward loss of Rs. 11,11,747/- from last year, comes to Rs. 18,46,807/-, which has been carried forward to next year. In view of this, Directors do not recommend any dividend.

During the year under report, the new Distillery Plant with a capacity of 6,000 gallons per day went into production in the end of October 1965. As a result, your Company has now resumed sales of alcohol in the internal market.

Some difficulty is being experienced in regard to adequate supply of water for the increased capacity of the distillery Your Directors are pursuing this problem and are endeavouring to resolve this with the Corporation of the Industries and the Irrigation Department of the State Government.

The Acetic Acid Plant worked satisfactorily during the year. The market in Acetic Acid however continued to be sluggish, particularly on account of total production in the country being more than the actual demand. With the development of diverse organic chemical industries in the country, this situation is expected to change for the better.

Your Directors are glad to inform you that the plans for the manufacture of Ethyl Acetate were completed during the year under report and that the company has since gone into production of Ethyl Acetate. The plan for manufacture of other Acetates and Esters is being perused.

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

Messrs. Nanubhai & Co. retire and offer themselves for reappointment as Auditors.

Yours faithfully,
For and on Behalf of the Board of Directors,
K. J. SOMAIYA
Chairman.

BOMBAY, Dated 20th January, 1967.

SOMAIYA ORGANO-CHEMICALS LIMITED

BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED, as at 31st May, 1966, and also the attached Profit and Loss Account of the Company 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 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 the Books of Accounts produced before us.
- (3) The Balance Sheet and Profit and Loss Account dealt with by the 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, 1966, 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 the 21st day of January, 1967.

SOMAIYA ORGANO- BALANCE SHEET

As at
31st May, 1965

LIABILITIES

Rupees

I. SHARE CAPITAL:

Rupees

Rupees

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 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

10,00,000

10,00,000

II. RESERVES AND SURPLUS:

6,84,071

Development Rebate Reserve:

54,462

As per last Balance Sheet

7,38,533

7,38,533

Add: Amount set aside from the profit of the year

2,71,278

10,09,811

III. UNSECURED LOANS:

40 24,935

On Current Account with the Holding Company, The Godavari Sugar
Mills Limited

50,77,028

3,45,273

Interest on above

4,79,845

43,70,208

55,56,873

IV. CURRENT LIABILITIES AND PROVISIONS:

(A) Current Liabilities:

1,03,501

Due to Selling Agents

93,200

5,87,103

Sundry Creditors (including Rs. 29,760/- due to Holding Company)

6,90,159

83,670

Deposits (including Rs. 25,000/- under dispute and Rs. 1250/- interest
accrued on a deposit)

1,35,512

7,74,274

9,18,871

(B) Provisions:

35,000

Provision for bonus

45,000

8,09,274

9,63,871

69,18,015

Carried Forward ..

85,30,555

CHEMICALS LIMITED, BOMBAY

S AT 31ST MAY, 1966

As at 1st May, 1965		ASSETS	
Rupees		Rupees	Rupees
	I. FIXED ASSETS (At cost):—		
51,02,528	Gross block	69,04,563	
25,81,267	Less: Depreciation written upto 31st May, 1966	32,75,243	
25,21,261	Net depreciated block as per Schedule 'A'	36,29,320	
13,23,133	Capital work in progress	1,38,210	
38,44,394			
	II. INVESTMENTS (At cost):—		37,67,530
	(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. 86,400/-) ..		1,50,995
	III. CURRENT ASSETS, LOANS AND ADVANCES:—		
	(A) CURRENT ASSETS:		
	(i) Stores, Chemicals and spares at cost (as per inventory valued and certified by a Director):		
10,92,502	(a) On hand	10,94,580	
57,925	(b) In transit	29,166	
11,50,427			
18,158	(ii) Loose tools and implements (as per inventory certified by a Director)	11,23,746	
		18,262	
	(iii) Stock-in-trade: (As valued and Certified by a Director)		
1,69,227	(a) Acetic Acid at market rate	2,55,874	
19,987	(b) Rectified Spirit at market rate	3,77,242	
83,242	(c) Raw materials (molasses) at cost	97,152	
2,72,456	(d) Denatured Spirit at market Rate	8,672	
	(iv) Sundry debtors (unsecured and considered good, other than in dispute not provided for):	7,38,940	
	(a) Debts outstanding for more than 6 months due for supply of goods under dispute exclud- ing unadjusted claim for damages under agree- ment	70,695	
70,598	(b) Other debts	1,94,999	
1,34,995	(c) Due from Oriental Power Cables Ltd., a com- pany under the same management	24,000	
—			
2,05,593			
16,46,634			
39,95,389			
		2,89,694	
	Carried forward ..	21,70,642	39,18,525

SOMAIYA ORGANO-

BALANCE SHEET

<i>As at 31st May, 1965</i>	LIABILITIES—(Contd.)		
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
69,18,015		Brought Forward ..	85,30,555
	CONTINGENT LIABILITIES (Not provided for):—		
1,89,883	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative Preference Shares for the period of 1960-61 and 1961-62 to 1965-66 ..	2,24,583	
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	3,150	
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	
1,00,000	5. In respect of purchases commitments including for capital purchases ..	1,00,000	
8,79,365	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>69,18,015</u>	Total Rupees ..		<u>85,30,555</u>

Referred to in our Report of even date.

BOMBAY. Dated: 21st January, 1967.

NANUBHAI & CO.,
Chartered Accountants.

CHEMICALS LIMITED, BOMBAY

S AT 31ST MAY, 1966

As at 1st May, 1965	ASSETS—(Contd.)		
Rupees		Rupees	Rupees
39,95,389	Brought Forward ..	21,70,642	39,18,525
16,46,634			
	(v) Cash and Bank Balances:		
3,849	Cash on hand	19,623	
33,988	In current account with Scheduled Banks	29,090	
16,84,471		48,713	
	(B) LOANS AND ADVANCES: (Unsecured and considered good):		
—	(i) Loan to M/s. Oriental Power Cables Ltd., a company under the same Management. (Maximum Debit Balance during the year Rs. 4,32,305/- previous year. Nil.)	4,32,305	
1,12,958	(ii) Advance recoverable in cash or kind or for value to be received	96,123	
13,450	(iii) Deposits (Includes Rs. 2,000/- in Post Office a/c. Pass Book where of lodged with a Car dealer.)	17,440	
18,10,879			27,65,223
	IV. MISCELLANEOUS EXPENDITURE:		
11,11,747	Balance as per Profit & Loss Account		18,46,807
69,18,015	Total Rupees ..		85,30,555

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	
C. A. MEHTA	

BOMBAY: Dated 20th January, 1967.

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1965		Rupees	Rupees
	To Opening stock on 1st June, 1965:		
3,41,067	Acetic Acid	1,69,227	
82,617	Rectified Spirit	19,987	
4,23,684			1,89,214
15,708	„ Rectified Spirit Purchases		23,561
97,575	„ Molasses consumed (Purchase Rs. 2,94,741)		2,80,831
1,15,080	„ Stores and Chemicals consumed		1,90,876
4,10,974	„ Power and fuel		4,78,224
3,35,887	„ Salaries and Wages	3,70,653	
5,652	„ Bonus	5,987	
15,000	„ Provision for bonus	30,000	
45	„ Workmen and Staff welfare expenses	1,260	
1,303	„ Company's contribution (to the Holding Company) towards Provident Fund	1,416	
21,662	„ Company's contribution to Govt. Provident Fund and Administrative charges	23,510	
37	„ Workmen compensation	6,019	
3,79,586			4,38,845
28,225	„ Repairs:		
3,621	Plant and Machinery	61,107	
14,748	Buildings	673	
	Other repairs	2,328	
46,594			64,108
25,166	„ Excise establishment charges		27,632
15,275	„ Insurance premium		14,460
—	„ Emergency Risk Insurance premium		19,028
—	„ Personal Injuries Insurance Premium		247
15,000	„ Brokerage and commission		12,000
1,425	„ Directors' fees		1,575
6,000	„ Legal expenses		7,450
3,389	„ Directors' Travelling expenses		3,252
3,45,273	„ Interest on loan to Holding Company, The Godavari Sugar Mills Ltd.	4,79,845	
28	„ Others	1,616	
3,45,301			4,81,461
45,150	„ Miscellaneous expenses, including Printing and stationery, postage and telegrams, travelling, subscription, motor car maintenance etc.		50,775
4,815	„ Rates and taxes		225
14,400	„ Office Rent		14,400
500	„ Audit Fees		500
1,112	„ Loose tools written off		1,126
7,13,013	„ Depreciation		6,93,976
54,462	„ Development Rebate Reserve		2,71,278
1,03,501	„ Sole Selling Agents' commission		93,200
28,37,710		Total Rupees ..	33,58,244
6,07,546	To Balance as per last Balance Sheet		11,11,747
5,25,612	„ Balance brought down		7,40,568
29,802	„ Bonus for previous year		15,663
11,62,960		Total Rupees ..	18,67,978

Referred to in our Report of even date.

NANUBHAI & CO.,

Chartered Accountants.

BOMBAY, Dated: 21st January, 1967.

THE YEAR ENDED 31ST MAY, 1966

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

} *Directors*

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1966

Schedule 'A'

Particulars 1	Gross Block at cost as at 1st June, 1965 2	Additions during the year 3	Deduction for Transfer 4	Gross Block as at 31st May, 1966 5	Deprecia- tion written off upto 31st May, 1965 6	Deprecia- tion written off this year 7	Total depreciation upto 31st May, 1966 8	Net depreciated block as at 31st May, 1966 9
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	10,000	—	—	10,000	—	—	—	10,000
Distillery Building ..	3,52,359	4,44,488	—	7,96,847	54,464	26,007	80,471	7,16,376
Distillery Machinery	10,45,150	11,05,071	—	21,50,221	4,38,553	2,98,152	7,36,705	14,13,516
Acetic Acid Building	1,98,240	3,424	—	2,01,664	35,451	8,310	43,761	1,57,903
Electric Machinery	2,78,711	—	—	2,78,711	78,415	20,029	98,444	1,80,267
Acetic Acid Plant ..	30,84,055	25,702	5,989	31,03,768	19,27,252	3,05,040	22,32,292	8,71,476
Laboratory apparatus	3,808	—	—	3,808	808	210	1,018	2,790
Furniture and Office equipments ..	26,693	891	—	27,584	6,651	2,254	8,905	18,679
Motor car, Lorries & Tankers ..	51,659	—	—	51,659	28,996	5,397	34,393	17,266
Scale & weighbridges	2,420	—	—	2,420	771	198	969	1,451
Storage Vats & Tanks	49,433	2,02,367	—	2,51,800	9,906	25,771	35,677	2,16,123
Electric Installation	—	26,081	—	26,081	—	2,608	2,608	23,473
Total Rupees ..	51,02,528	18,08,024	5,989	69,04,563	25,81,267	6,93,976	32,75,243	36,29,320

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

BOMBAY, Dated: 21st January, 1967.

BOMBAY,
Dated: 20th January, 1967.

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