

29

THE  
GODAVARI  
SUGAR MILLS  
LIMITED

ANNUAL REPORT & ACCOUNTS  
1967-68

1968

# 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 UNION BANK OF INDIA 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 29th Annual General Meeting of The Godavari Sugar Mills Limited will be held on Saturday, the 22nd February, 1969 at 5.00 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, 1968.
2. To confirm interim dividend on Preference Shares and to declare dividend on Ordinary ( Equity ) Shares.
3. To elect a Director in place of Shri C. S. Bharaktiya, who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri J. G. Dalal, 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 Special Resolution No. 1 :

### SPECIAL RESOLUTION NO. 1 :

"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 on the one hand and any one or more of Oriental Power Cables Limited, Cablenagar, Messrs. Somaiya Organo-Chemicals Limited, Bombay, Messrs. Somaiya Organics (India) Limited, Lucknow, Messrs. Somaiya Chemical Industries Private Limited, Bombay, Messrs. Somaiya Publications Private Limited, Bombay, The Kutch Salt & Allied Industries Limited, Bombay, Messrs. Arpit Limited, Bombay, Messrs. Sugar Selling Agency Private Limited, Bombay and Messrs. Mamli Private Limited, Bombay on the other hand who are or may be deemed to be the Associates of M/s. K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company, for sale, purchase and/or supply of any property or goods by one to the other as may be required from time to time upon the terms and conditions contained in the respective drafts of the agreements placed before the meeting and initialled by the Chairman for the purpose of identification."

The material terms and conditions of such contracts shall be :

- (a) that the sale, purchase and/or supply by or to the Company of the property or goods shall be at or for a price not less favourable to the Company than the market rate or rates which are otherwise reasonable.
  - (b) that the Purchasing Party shall make payment to the Selling Party within one month (or on such earlier date as may be agreed between the Parties) from the date of the sale or supply of any property or goods by or to the Company.
  - (c) that the contracts will be in force for a period commencing on the respective date of execution of such contracts and shall continue for a period of 5 years from the date of execution unless terminated by notice as provided in the respective contracts.
6. To alter Article 86 of the Articles of Association of the Company and to consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution No. 2 :

### SPECIAL RESOLUTION NO. 2 :

"Resolved that Clause 86 of the Articles of Association be substituted by the following:—

86. ( 1 ) The remuneration of a Director for his services shall be Rupees two hundred for each meeting attended by him and, subject to the limitations provided by the Act, the Directors shall be paid such further remuneration, as the Company in General Meeting

shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine; subject as aforesaid, the Directors may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are held and who shall come to that place for the purpose of attending such meetings, such sum as the Directors may consider fair compensation for his expenses and loss of time in connection therewith, in addition to his fee for attending such meeting as above specified.

(2) Subject to the limitations provided by the Act and these Articles, if any Director shall be called upon to go or reside out of his usual place of residence on the Company's business or otherwise perform extra services outside the scope of his ordinary duties, the Board may arrange with such Director for such special remuneration for such services, either by way of salary, commission, or the payment of a stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and such Director shall be entitled to be paid or re-imbursed or repaid any travelling or other expenses incurred or to be incurred in connection with the business of the Company."

7. 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 the consent of the Company be and it is hereby accorded to Shri D. M. Popat, a Solicitor and Advocate and also a Director of the Company and any firm of Solicitors and/or Advocates wherein the said Shri D. M. Popat may be a Partner to hold an office or place of profit under the Company to render professional services on payment of fees, remuneration or retainer fees, or in any other manner whatsoever, on term basis or matter basis and the Managing Agents of the Company or Board of Directors of the company may from time to time determine the mode and quantum of payment for the same."

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

**ORDINARY RESOLUTION :**

"Resolved that pursuant to the provisions of Section 294 of the Companies Act, 1956, the Company hereby approves of the appointment of Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani the trustees for the time being of Indenture of Trust dated 3rd November, 1964 as the Selling Agents of the Company for the sale of sugar manufactured by the Company for the areas comprising of the States of Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and all other Southern States Viz. Kerala, Madras, Mysore and Andhra Pradesh for an initial period of two years commencing from 1st May, 1969 with power to the Board of Directors of the Company to renew the said term for a period not exceeding one year at a time at the expiry of each period, but so that the total period of appointment shall not exceed in all five years, upon the same terms and conditions contained in the agreement dated the 3rd September, 1964 made between the Company of the one part and Shri Ranchhoddas Shamji Kotak, Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani of the other part and placed before the meeting."

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

The Transfer Books of the Company will be closed from 8th February, 1969 to 15th February, 1969 both days inclusive.

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

K. J. SOMAIYA

*Director*

*Managing Agents*

**Notes:**

1. The final dividend when declared will be payable at the Registered Office of the Company on and after 1st March, 1969. The dividend warrants will be posted to those shareholders whose names stand on the Company's register on 8th February, 1969.
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 273 of the Companies Act, 1956 in respect of the above resolutions is annexed.

## **EXPLANATORY STATEMENT**

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

### **SPECIAL RESOLUTION NO. 1 :**

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 or goods will not be valid against the Company unless the contracts have been approved by the Company by a Special Resolution passed by it. The Oriental Power Cables Limited, Cablenagar, Messrs. Somaiya Organo-Chemicals Limited, Bombay, Messrs. Somaiya Organics (India) Limited, Lucknow, Messrs. Somaiya Chemical Industries Private Limited, Bombay, Messrs. Somaiya Publications Private Limited, Bombay, The Kutch Salt & Allied Industries Limited, Bombay, Messrs Arpit Limited, Bombay, Messrs Sugar Selling Agency Private Limited, Bombay, and Messrs. Mamli Private Limited, Bombay may be deemed to be the Associates of M/s. K. J. Somaiya & Sons Private Ltd, the Managing Agents of the Company, in as much as Shri K. J. Somaiya and Shri S. K. Somaiya are interested as shareholders (in their own right or as Trustees for others) and/or Directors in the said Companies. With a view to carry on the business of the Company in ordinary course, it might be necessary for the Company to enter into transactions of sale, purchase or supply of any property or goods with the said Companies or one or more of them. It is therefore advisable that the general body of the Company considers this matter and if thought advisable, passes a special resolution authorising the Managing Agents of the Company to enter into such transactions on the terms and conditions specified in the Resolution.

In view of what is stated above, the Special Resolution No. 1 as set out in the accompanying notice is commended for your consideration.

### **SPECIAL RESOLUTION NO. 2 :**

The sitting fee payable to Directors for attending meetings of Board of Directors of the Company was fixed long ago. Thereafter the Company has undergone substantial expansion and the workload of business to be transacted at Board Meetings has also increased a good deal.

The Board has therefore, thought it fit to commend for the consideration and approval of the shareholders an increase in the fees of Rs. 75/- presently being paid to Directors for this purpose to Rs. 200/- and hence this Special Resolution Opportunity is also being taken to bring the Article regarding payment of remuneration to Directors in line with similar articles in other Companies which interalia provide for empowering the General body to authorise payment of further remuneration to Directors as also payment of compensation and actual expenses to outstation Directors for attending Board Meetings.

### **SPECIAL RESOLUTION NO. 3 :**

Shri D. M. Popat is a Director of the Company. In view of his experience and knowledge, it is proposed to continue to utilise his services as a Legal Advisor. As the services of Shri D. M. Popat have always been utilised as a 'Legal Advisor' and as his services are proposed to be utilised in future also only as a 'Legal Advisor', provisions of Section 314 of the Companies Act, 1956 are not applicable to his case. Nevertheless, out of abundant caution the accompanying Resolution is proposed as a Special Resolution and the same is commended for the approval of shareholders.

### **ORDINARY RESOLUTION :**

The Board of Directors had appointed late Shri Ranchhoddas Shamji Kotak along with Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani as the Selling Agents of the Company

for the sale of sugar manufactured by the Company for a period of five years commencing from 1st May, 1964 with power to the Board of Directors of the Company to extend the period of appointment for a period not exceeding one year at a time at the expiry of each period, but so that the total period of appointment shall not exceed in all five years. The said appointment was made as per the terms and conditions mentioned in the agreement entered into by the Company with late Shri. Ranchhoddas Shamji Kotak, Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani on 3rd September, '64. Thereafter by virtue of an Indenture of Trust dated the 3rd November, 1964, the said late Shri Ranchhoddas Shamji Kotak, Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani settled the Selling Agency of the Company on Trust upon themselves, of which due notice was given to the Company. Consequently the said persons continued to be Selling Agents of the Company in terms of the agreement dated the 3rd September, 1964 in their capacity as the Trustees of the Trust Deed dated the 3rd November, 1964. In terms of the above agreement, the aggregate period of appointment of the aforesaid Sole Selling Agents shall expire on 30th April, 1969. Your approval is, therefore, sought under Section 294 of the Companies Act, 1956 to the re-appointment of Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani in their capacity as Trustees of the Trust Deed dated 3rd November 1964, as the Selling Agents of the Company for the areas comprising of the States of Maharashtra, Gujarat, Rajasthan, Madhya Pradesh and all other Southern States viz. Kerala, Madras, Andhra Pradesh and Mysore on the same terms and conditions as set out in the agreement dated 3rd September, 1964 for an initial period of two years commencing from 1st May, 1969 with power to the Board of Directors of the Company to renew the said term for a period not exceeding one year at a time at the expiry of each period, but so the total period of appointment shall not exceed in all five years. A copy of the said agreement dated 3rd September, 1964 is open for inspection on any working day during office hours at the Registered Office of the Company. You are requested to pass the Ordinary Resolution.

Shri K. J. Somaiya, Shri S. K. Somaiya, Shri N. K. Firodia, Shri C. S. Bharaktiya and Shri D. M. Popat are interested in Special Resolution No. 1 being the Directors and/or shareholders of the said Companies. Shri K. J. Somaiya, Shri S. K. Somaiya, Shri N. K. Firodia, Shri C. S. Bharaktiya, Shri V. D. Muzumdar, Shri J. G. Dalal and Shri D. M. Popat are interested in Special Resolution No. 2 being the Directors and shareholders of the Company.

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

	The Godavari Sugar Mills Ltd.	Oriental Power Cables Ltd.	Somaiya Organo-Chemicals Limited	Somaiya Organics (India) Limited	Somaiya Chemical Industries Pvt. Ltd.	Somaiya Publications Pvt. Ltd.	Kutch Salt & Allied Industries Limited.
	Eq. Pre.	Eq. Pre.	Eq. Pre.	Eq. Pre.	Eq. Pre.	Eq. Pre.	Eq. Pre.
1 Shri K. J. Somaiya	5,770 —	750 —	320 —	50 —	10 —	50 —	2500 —
2 Shri S. K. Somaiya	6,467 —	750 —	320 —	50 —	20 —	50 —	2500 —
3 Shri N. K. Firodia	13 20	50 —	— —	50 —	— —	— —	— —
4 Shri V. D. Muzumdar	9 15	— —	— —	— —	— —	— —	— —
5 Shri C. S. Bharaktiya	12 15	50 —	— —	— —	— —	— —	— —
6 Shri J. G. Dalal	11 15	— —	— —	— —	— —	— —	— —
7 Shri D. M. Popat	11 15	40 —	— —	5 —	— —	— —	— —

In addition to the above, Shri K. J. Somaiya and or Shri S. K. Somaiya along with other person or persons hold 83166 Equity Shares of Godavari Sugar Mills Ltd; Shri K. J. Somaiya as Karta of K. J. Somaiya Hindu Undivided Family holds 2,000 Equity Shares of the Godavari Sugar Mills Ltd., and Shri S. K. Somaiya, as natural guardian of Kumari H. S. Somaiya holds 600 Equity Shares of Godavari Sugar Mills Ltd.

By Order of the Board of Directors  
K. J. Somaiya & Sons Private Limited

K. J. SOMAIYA  
Director  
Managing Agents

BOMBAY, Dated : 17th January, 1969

# 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, 1968.

### FINANCIAL RESULTS

The Gross profit for the year, before providing for depreciation, development rebate reserve and taxation amounted to

		99,21,537
Deducting therefrom :		
Depreciation	10,65,045	
Development Rebate Reserve	4,30,814	
Provision for disputed additional Agri. Income-tax	29,00,000	
Provision for taxation	43,00,000	86,95,859
		<u>12,25,678</u>

Your Directors recommend the following appropriations :-

1. Transfer to General Reserve Account	12,25,000
2. Balance carried forward to Balance sheet	<u>678</u>

The Directors recommend an interim dividend on Preference Shares at Rs. 7.8572 (subject to deduction of tax) per share for the year ended 31st May, 1968 out of taxed profits for and upto assessment year 1959-60. You are requested to approve the same. Your Directors also recommend a Dividend on Ordinary (Equity) Shares at Rs. 3/- (subject to deduction of tax) per share for the year ended 31st May, 1968 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 22nd February, 1969.

You are requested to approve Rs. 2,03,650/- by way of Charity and donation during the year as under :-

The Somaiya Trust	2,00,000
University of Bombay	2,500
Sundry	1,150
Total Rs.	<u>2,03,650</u>

The appeal filed by the Company against the Order of Bombay High Court dismissing the Company's petition challenging the validity of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 was dismissed by the Supreme Court on 10th April, 1968.

The Company applied to the Bombay High Court for allowing it to pay to the State of Maharashtra the amounts of its actual agricultural profits, instead of the amounts for which the Company had earlier given surety bonds by way of security as stated in last Annual Report. The Bombay High Court directed the Company to pay rounded up sums nearing the amounts of actual agricultural profits to the State of Maharashtra and to give a security to the State of Maharashtra in the sum of Rs. 12.50 lakhs to cover the amount which might be found to be due and payable by the Company to the State of Maharashtra on the amount of company's agricultural profits being determined consequent upon the Company's agricultural income-tax assessments. The Company has paid Rs. 24.50 lacs and interest to the State of Maharashtra as per Court's Orders.

However, in respect of the amount of agricultural profits for the Season 1967-68, the State of Maharashtra has contended that the agricultural profits of your Company for the relevant year should be computed on the basis of market price of sugarcane commensurate with the price fixed by a committee appointed by the Government in respect of other sugar factories, instead of the minimum cane price notified by Central Government. Your Company has been advised to dispute the claim of the Government, but if the agricultural profits were to be computed on that basis, an additional amount of about Rs. 58 lacs would be payable to the State of Maharashtra by way of a agricultural profits and agricultural income-tax. Your Directors have been advised to make specific provisions for this amount which has been done.

Pursuant to the undertaking given by the Company to the Bombay High Court, the Company has, in May 1968 handed over to the State of Maharashtra possession of agricultural lands admeasuring little over 10,315 acres. The State of Maharashtra has handed over these lands to the Maharashtra State Farming Corporation Ltd. The Company has also filed a Writ Petition in Bombay High Court, challenging the validity of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 as amended by Maharashtra Act XVI of 1968 as the Company was advised that by reason of the said Amendment Act, the original Act was open to a fresh challenge and ceased to have the immunity against a challenge of contravening fundamental rights.

As your Company is challenging the Constitutional validity of Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961 as amended, although an area of little over 10,315 acres have been handed over to State of Maharashtra as stated above, the lands are continued to be shown in the Balance sheet as in the said Writ Petition your Company has claimed back the possession of the said lands.

The State of Maharashtra had in September 1968, promulgated an Ordinance, being Ordinance No. V of 1968, with a view to assume powers to appoint a Committee to fix "fair price" for the sugarcane to be supplied by the Maharashtra State Farming Corporation Ltd. to the joint stock sugar factories in the State of Maharashtra. The said Ordinance has been followed by an Act, being Act XXXIII of 1968. But for the provisions of the said Ordinance and the Act, it would have been possible for your Company to obtain from the Maharashtra State Farming Corporation Ltd. sugarcane at minimum price notified by the Central Government under the Sugar Cane Control Order 1966. Although the validity of the said Ordinance and the Act is under challenge, it has become doubtful for your Company to have assured supply of sugarcane at minimum price notified by the Central Government. This situation has compelled the Board to conserve reserves of the Company with the result that your Directors are not in a position to recommend a dividend beyond a dividend of Rs. 3/- per Equity Share.

The formalities in connection with the transfer of Captainganj Distillery and Butanol project to Somaiya Organics (India) Ltd, have now been completed.

Shri C. S. Bharaktiya and Shri J. G. Dalal two of your Directors retire by rotation, but being eligible, offer themselves for re-election.

M/s. Nanubhai and Co. retire and offer themselves for re-appointment as Auditors.

Yours faithfully,

By Order of the Board of Directors,

K. J. SOMAIYA

*Chairman*

BOMBAY, Dated : 17th January 1969.

# 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, 1968, 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, 1968, 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 18th day of January, 1969.

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1967	LIABILITIES					
Rupees				Rupees	Rupees	Rupees
	I. SHARE CAPITAL :—					
	AUTHORISED CAPITAL :					
1,80,00,000	1,80,000	Ordinary (Equity) Shares of Rs. 100/- each		1,80,00,000		
	20,000	7.8572% subject to deduction of tax at source Redeemable cumulative Preference Shares of Rs. 100/- each			20,00,000	2,00,00,000
20,00,000						
2,00,00,000						
	ISSUED AND SUBSCRIBED CAPITAL :					
	1,00,000	Ordinary (Equity) Shares of Rs. 100/- each fully paid up : Of the above shares 90,000 shares are allotted as fully paid up by way of bonus shares by Capitalisation of General Reserve ..		1,00,00,000		
1,00,00,000	18,509½	7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after 1st October, 1952 after giving three months' notice of the intention to so redeem the same .. .. .			18,50,950	1,18,50,950
18,50,950						
1,18,50,950						
	II. RESERVES AND SURPLUS :—					
	(A) Capital Reserve :					
22,661	As per last Balance Sheet .. .. .					
36,748	Add: Profit on sale of land .. .. .					
59,409						
59,409	Less: Transfer to Profit & Loss Account .. .. .					
—						
	(B) General Reserve :					
93,87,000	As per last Balance Sheet .. .. .			1,04,00,790		
4,39,223	Add: Transfer from Development Rebate Reserve			5,77,764		
98,26,223				1,09,78,554		
7,20,000	Add: Set aside from 1967-68 profits .. .. .			12,25,000		
1,05,46,223				1,22,03,554		
1,45,433	Less: Dividend on ordinary and preference shares paid for the year ending 31st May, 1967			4,45,433		
1,04,00,790					1,17,58,121	
1,18,50,950	Carried Over ..				1,17,58,121	1,18,50,950

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS (At cost or book value) :—</b>			
3,56,33,735	Gross Block .. .. .			
2,12,54,418	Less: Depreciation written off upto 31st May, 1968 .. .. .	3,40,48,549		
1,43,79,317	Net Depreciated Block as per Schedule 'A' attached.	2,17,80,089		
10,33,425	Capital work-in-progress .. .. .	1,22,68,460		
1,54,12,742		9,08,392		
	<b>II. INVESTMENTS (At cost) :—</b>			1,31,76,852
	(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		
10,00,000	10,000 Fully paid up 7% Free of Income-tax Cumulative Preference Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd., .. .. .	10,00,000		
2,55,000	2,550 Fully paid up Equity Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd. .. .. .	2,55,000		
13,55,000		13,55,000		
	(ii) Investments in Shares of Oriental Power Cables Ltd., Company under same Group: (Managing Agents: Somaiya Bharaktiya Private Limited).			
10,54,000	10,200 Equity Shares of Rs. 100/- each Fully paid up .. .. .	10,54,000		
25,000	250 9½% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up. .. .. .	25,000		
10,79,000		10,79,000		
	(iii) Investments in shares of Somaiya Organics India Ltd., a Company under the same Group (Managing Agents: Somaiya Agencies Pvt. Ltd.)			
24,34,000	61,990 Fully paid up Equity Shares of Rs. 100/-each (Purchased during the year) .. .. .	61,99,000		
		86,33,000		
	(B) OTHER INVESTMENTS :—			
78	One Ordinary Share of Maharashtra State Co-operative Bank Ltd., of Rs. 50/- each fully paid up .. .. .	78		
—	National Defence Certificates deposited with Electricity Department, Bhopal .. .. .	2,500		
9,500	National Savings Certificates deposited with Excise Commissioner, U. P. and Hydro Electric Division, Gorakhpur .. .. .	6,500		
24,43,578				
1,54,12,742				
	Carried over .. .. .	86,42,078		1,31,76,852

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1967	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,18,50,950				
1,04,00,790	Brought Forward ..		1,17,58,121	1,18,50,950
	(C) Development Rebate Reserve :			
15,21,707	As per last Balance Sheet .. .. .	13,18,527		
2,36,043	Add : Amount set aside from Profit of the year ..	4,30,814		
17,57,750		17,49,341		
4,39,223	Less : Transferred to General Reserve ..	5,77,764		
13,18,527			11,71,577	
	(D) Profit & Loss Account :			
2,476	Balance as per Profit & Loss Account ..		678	
1,17,21,793				1,29,30,376
	<b>III. SECURED LOANS :—</b>			
	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 .. .. .		1,74,97,024	
1,43,13,190				
	Cash Credit Account with the United Commercial Bank Ltd., against Hypothecation of all tangible moveable assets of Captainganj Distillery including stock of alcohol .. .. .		—	
30,000				
	From The 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 .. .. .		4,00,000	
8,00,000				1,78,97,024
1,51,43,190				
	<b>IV. UNSECURED LOANS :—</b>			
33,255	(i) From Directors .. .. .		35,287	
16,036	(ii) From Others .. .. .		43,553	
	(iii) On Current Account :			
99,099	(a) From Managing Agents .. .. .	2,44,348		
3,39,508	(b) From Selling Agents .. .. .	8,95,051	11,39,399	
16,580	(iv) From Banks .. .. .		3,00,000	
3,52,818	(v) Public Fixed Deposits .. .. .		30,41,281	
8,57,296				45,59,520
3,95,73,229	Carried Over ..			4,72,37,870

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,54,12,742	Brought Forward ..	86,42,078		1,31,76,852
24,43,578	4½% U. P. State Development loan of 1972 (Face value Rs. 2,000/-) .. .. .	1,995		
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      10,80,995      7,66,820			
	Aggregate unquoted Investments      75,64,078			
	86,45,073      7,66,820			86,45,073
24,46,573				
	<b>III. CURRENT ASSETS, LOANS AND ADVANCES :—</b>			
	<b>(A) CURRENT ASSETS :</b>			
1,280	(i) Interest accrued on Investments	470		
	(ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by Managing Agents).			
48,92,672	On hand (including machineries Rs. 7,01,365)	51,21,504		
1,39,372	In transit .. .. .	64,409		
			51,85,913	
50,32,044	(iii) Loose tools and implements (as per inventories valued and certified by Managing Agents) ..	—	28,325	
55,127	(iv) Stock-in-trade (as per inventories valued and certified by Managing Agents) :—			
2,08,57,374	(a) Sugar at realised value (See Note No. 5)	3,71,28,180		
1,04,647	(b) Denatured and Rectified Spirit at Market Rate .. .. .	—		
9,664	(c) Industrial Alcohol at Market Rate .. .. .	—		
9,14,400	(d) Grains, Cotton etc. at Market Rate ..	10,67,838		
18,167	(e) Molasses at Cost .. .. .	—		
37,342	(f) Molasses at Market Rate .. .. .	9,743		
			3,82,05,761	
2,19,41,594	(vi) Crop in progress : (including tillages, preparation of land, irrigation charges etc., at cost as valued and certified by Managing Agents) ..		15,62,606	
29,75,781	(vii) Sundry Debtors : (Unsecured and considered good except otherwise stated)			
53,483	(a) Debts outstanding for more than six months .. .. .	87,202		
53,483				
3,00,05,826				
1,78,59,315	Carried Over ..	87,202	4,49,83,075	2,18,21,925

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1967	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
3,95,73,229	Brought Forward ..			4,72,37,870
	<b>V. CURRENT LIABILITIES AND PROVISIONS :</b>			
	(A) CURRENT LIABILITIES :			
1,04,34,304	Sundry Creditors .. .. .		1,69,27,391	
15,594	Advances from Customers against sale of land & wood		15,594	
50,000	Security Deposit from Selling Agents .. ..		50,000	
20,128	Security Deposit from Customers .. ..		4,878	
29,47,371	For taxation .. .. .		24,96,216	
3,72,549	Due to partnership firm of Khanapur Farms ..		2,53,716	
63,070	Due to partnership firm of Lakh Farms ..		3,09,426	
5,32,173	Due for Selling Agents' Commission .. ..		5,41,634	
46,526	Due for Managing Agents' remuneration ..		5,97,764	
14,266	Unclaimed dividend .. .. .		9,671	
2,200	Unclaimed Redemption Money .. ..		2,200	
48,173	Due to Trustees to Staff Provident Fund (since paid)		4,169	
2,99,788	Interest accrued but not due on loans ..		3,85,204	
—	Due to Somaiya Organics (India) Ltd. .. ..		4,22,213	
1,48,46,142			2,20,20,076	
	(B) PROVISIONS :			
1,43,62,216	Provision for taxation .. .. .	2,08,66,399		
56,80,000	Less: Advance payment under Section 207 of Indian Income-Tax Act, 1961 .. .. .	70,34,000		
86,82,216			1,38,32,399	
5,02,000	Provision for Bonus .. .. .		2,000	
11,45,000	Provision for payment of Agri: profits under Maha- rashtra Agricultural Lands (Ceiling on holdings) Act, 1961 (Subject to adjustment) .. ..	46,45,000		
—	Less: Paid .. .. .	12,50,000		
11,45,000			33,95,000	
2,51,75,358				3,92,49,475
	CONTINGENT LIABILITIES (Not provided for) :—			
50,000	(i) (a) In respect of lands for which suits are pend- ing 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 Investments & Finance Corporation Ltd., a subsidiary Company ..		1,00,000	
6,47,48,587	Carried Over ..			8,64,87,345

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967		ASSETS (Contd.)			
Rupees			Rupees	Rupees	Rupees
1,78,59,315		Brought Forward ..	87,202	4,49,83,075	2,18,21,925
300,05,826					
53,483					
21,712	(b) Considered doubtful ..	..	18,768		
75,195			1,05,970		
21,712	Less: Provision for doubtful debts : ..	..	18,768		
53,483			87,202		
19,49,339	(c) Other debts : (Including Rs. 64,953 due from Somaiya Organo-Chemicals Ltd., a subsidiary Company) ..	..	69,74,143		
20,02,822				70,61,345	
<b>VII. CASH AND BANK BALANCES :</b>					
2,88,017	Cash, cheques and drafts on hand ..	..	1,52,219		
—	Cash in Transit ..	..	3,00,000		
1,95,336	In Current Account with Scheduled Banks ..	..	7,37,093		
436	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		
265	Stamps on hand ..	..	—		
50,000	Fixed Deposit with a Scheduled Bank ..	..	50,000		
1,000	In Post Office Savings Bank (pledged with Collector of Central Excise) ( Maximum debit balance Rs. 1,000/-)		1,000		
5,35,054				12,40,748	
<b>(B) LOANS AND ADVANCES :</b>					
17,88,332	(Unsecured and considered good except otherwise stated).				
40,60,112	Loans to others ..	..	15,48,153		
57,98,444	Considered doubtful ..	..	45,45,882		
32,904			60,94,035		
57,65,540	Less: Provision for doubtful loans (Balance not provided for) ..	..	4,64,007		
				56,30,028	
10,17,632	Loans to subsidiary Companies of which the Company is Holding Company :				
27,09,154	(a) Godavari Investment & Finance Corporation Ltd.		1,632		
	(b) Somaiya Organo-Chemicals Ltd. ..	..	19,47,682		
				19,49,314	
37,26,786					
4,20,36,028					
1,78,59,315					
	Carried Over ..			6,08,64,510	2,18,21,925

# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1967		LIABILITIES (Contd.)		
Rupees			Rupees	Rupees
6,47,48,587		Brought forward ..		8,64,87,345
25,00,000	(iii)	In respect of guarantee given to a Bank for loan granted to a subsidiary Company ..	25,00,000	
1,25,52,315	(iv)	In respect of Counter guarantee given to Banks, Insurance Companies and others ..	2,09,13,215	
57,30,907	(v)	In respect of estimated purchase commitments on Capital purchases	1,00,000	
5,52,935	(vi)	In respect of demands of Excise duty for the years 1959-60 and 1960-61.	—	
1,83,984	(vii)	In respect of development charges payable to Government in 15 instalments for leasehold lands at Gandhidham .. .. .	1,72,485	
2,000	(viii)	In respect of Colony road case at Captainganj ..	—	
6,47,48,587		Total Rupees ..		8,64,87,345

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,78,59,315				
4,20,36,028	Brought Forward ..		6,08,64,510	2,18,21,925
38,54,848	Advances recoverable in cash or kind or for value to be received .. ..	28,22,878		
33,571	Considered doubtful .. ..	23,586		
38,88,419		28,46,464		
33,571	Less: Provision for doubtful Advances ..	23,586		
38,54,848			28,22,878	
8,08,427	Paid under Section 23A of Income-tax Act, 1922 ..		8,08,427	
1,89,969	Deposits with Irrigation Department, Railways and others (including Rs. 6,000/- with Post Office Savings A/c, Pass Books whereof lodged with Car dealers) ..		1,69,605	
4,68,89,272				6,46,65,420
6, 47,48,587				
	Total Rupees ..			8,64,87,345

# THE GODAVARI SUGAR

## BALANCE SHEET

- NOTES:** (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1964-65 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 firm 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. 1,76,056/- at cost have been supplied to the said firms.
- (4) No adjustment has been made in the Accounts for the value of the Standing Cane Crop of about 962 acres handed over to Maharashtra Government as the compensation to be received from them is not yet determined.
- (5) Stock of Free Sugar as on 31st May, 1968 is valued at realised value after the close of the year instead of market rate ruling on closing date which has resulted in valuation of Stock less by Rs. 27,02,985/-.
- (6) No provision has been made in respect of Balance of Losses as on 31st May, 1968 of Subsidiary Companies as under :
- |  |               |   |
|--|---------------|---|
| (i) Godavari Investment & Finance Corporation Ltd. | Rs. 98,600    | → |
| (ii) Somaiya Organo-Chemicals Ltd. . .             | Rs. 12,11,074 |   |
- (7) The Directors have resolved to pay on or after 17th January, 1969 interim dividend of Rs. 1,45,433/- (Subject to deduction of tax) at Rs. 7.8572 per share on 18509½ Preference shares of the Company out of the taxed profits for and upto assessment year 1959-60 and have recommended a dividend of Rs. 3,00,000/- (subject to deduction of tax) at Rs. 3/- per share on 1,00,000 ordinary (Equity) shares, which dividend if approved by the shareholders at the Annual General Meeting to be held on 22nd February 1969 will be paid out of the taxed profits and upto assessment year 1959-60. No separate provision has been made therefore.
- (8) The figures of the previous year have been recasted wherever necessary so as to make them comparable with the current year's figures.

Referred to in our report of even date.

NANUBHAI & CO.,  
Chartered Accountants.

BOMBAY, Dated : 18th January, 1969

# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

## 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, 1968.
- (ii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 15,929/- for the year ended 31st May, 1968. The Net loss after adjusting the previous years' Loss from profit of this year comes to Rs. 98,600/-. The said loss has been carried to the Balance Sheet of this 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, 1968 stands at Rs. 1,632/-.

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

- (i) The Godavari Sugar Mills Ltd., holds 10,000 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 Profit of Rs. 7,45,080/- for the year ended 31st May, 1968. The net loss after adjusting Profit of this year from previous years' loss comes to Rs. 12,11,074/-. 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 Limited as at 31st May, 1968 stands at Rs. 19,47,682/-.

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

} *Directors*

BOMBAY, Dated : 17th January, 1969

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1967		Rupees	Rupees
	To Opening Stock on 1st June, 1967 :—		
2,44,59,777	Sugar .. .. .	2,08,57,374	
57,799	Molasses .. .. .	37,343	
1,19,811	Denatured & Rectified spirit .. .. .	—	
75,191	Power and Absolute Alcohol .. .. .	—	
2,47,12,578			2,08,94,717
6,91,911	„ Raw materials consumed		—
28,83,812	„ Crops in progress as at 1st June, 1967 .. .. .	29,75,781	
42,904	„ Stock of grains and other seeds as at 1st June, 1967 .. .. .	97,184	
25,753	„ Grains and other seeds for sowing .. .. .	45,787	
29,92,117	„ Salaries and Wages .. .. .	41,34,634	
—	„ Bonus .. .. .	4,83,768	
88,090	„ Contribution to Govt. Provident Fund and Administrative charges .. .. .	1,01,184	
4,117	„ Gratuity .. .. .	1,40,496	
83	„ Workmen and Staff Welfare expenses .. .. .	—	
26,15,122	„ Stores inclusive of manures .. .. .	19,10,110	
15,267	„ Repairs and renewals (including salaries and wages Rs. 1,178/-) .. .. .	29,580	
7,61,230	„ Land Rent .. .. .	4,18,003	
7,40,928	„ Irrigation rates and taxes .. .. .	7,83,184	
666	„ Insurance premium .. .. .	—	
977	„ Expenses on sales of grains, cotton, tobacco etc. .. .. .	1,809	
1,19,350	„ Education Cess .. .. .	1,14,817	
760	„ Rent .. .. .	694	
—	„ Payments to Auditors in other capacity .. .. .	7,500	
1,21,002	„ Miscellaneous expenses, including Printing and Stationery, Postage and Telegrams & Travelling expenses (including harvesting and carting commission Rs. 1,02,933) .. .. .	2,28,377	
1,51,602	„ Depreciation .. .. .	1,38,336	
129	„ Land Development Expenses written off .. .. .	2,181	
34,213	„ Legal charges .. .. .	2,28,003	
14,443	„ Premium on lease hold land written off .. .. .	14,443	
1,05,759	„ Brokerage and commission (guarantee Commission) .. .. .	47,000	
8	„ Loose tools written off .. .. .	8	
—	„ User's compensation for Agricultural land .. .. .	22,100	
1,122	„ Livestock written off .. .. .	1,870	
1,07,19,454			
2,54,04,489			
	Carried Over ..	1,19,26,849	2,08,94,717

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1968

As at 31st May, 1967						Rupees	Rupees
Rupees							
	By Sales :						
5,35,71,726	Sugar .. .. .					6,31,04,202	
1,11,569	Molasses .. .. .					1,00,535	
7,42,809	Denatured and Rectified spirit .. .. .					—	
19,57,609	Power and Absolute Alcohol .. .. .					—	
—	Gur Sales .. .. .					9,246	
1,13,607	Foodgrains, tobacco, cotton, grains etc. (including consumption of Rs. 45,783/- as per contra) .. .. .					1,14,468	
5,64,97,320							6,33,28,451
4,21,880	„ Sundry receipts from Flour Mills, Dairy etc.						2,24,475
1,42,215	„ Income from Immovable property .. .. .						1,44,315
13,14,909	„ Sundry receipts being market value of Farm Produce etc. (including profit on sale of cotton and grains Rs. 31,987/-) .. .. .						11,69,633
	„ Income from Khanapur and Lakh Farms in Partnership :						
	(a) Khanapur Farms :						
4,500	Rent .. .. .				4,500		
17,793	Add : $\frac{1}{4}$ share of profit for the year .. .. .				12,796		
22,293						17,296	
	(b) Lakh Farms :						
4,500	Rent .. .. .				4,500		
19,641	Add : $\frac{1}{4}$ share of profit for the year .. .. .				32,780		
24,141						37,280	
46,434							54,576
2	„ Dividend on Co-operative Bank share .. .. .						3
38	„ Share transfer and splitting fees .. .. .						18
	„ Interest :						
3,000	On Bank accounts .. .. .					—	
6,23,637	On loans and others .. .. .				5,33,062		
—	Less : Income-tax deducted at source .. .. .				48,532		
6,23,637						4,84,530	
5,22,713	From subsidiary companies .. .. .				3,26,241		
—	Less: Income-tax deducted at source .. .. .				42,284		
5,22,713						2,83,957	
4,885	From lessors .. .. .					145	
11,54,235							7,68,632
5,95,77,033	Carried Over .. .. .						6,59,90,103

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1967		Rupees	Rupees
Rupees			
2,54,04,489			
1,07,19,454	Brought Forward	1,19,26,849	2,08,94,717
29,75,781	Less: Crops in progress as at 31st May, 1968 .. ..	15,62,606	
77,43,673		1,03,64,243	
3,83,887	To Transportation of cane .. ..	7,30,106	1,10,94,349
81,27,560			
2,13,02,203	„ Locally purchased cane .. ..		3,56,88,582
	„ 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. 5,29,797/- charged to repairs, capital and other relevant heads .. ..	32,03,326	
31,39,019			
8,000	„ Bonus to employees .. ..	6,04,638	
33,816	„ Contribution to Provident Fund of the Company .. ..	38,197	
27,351	„ Gratuity .. ..	6,352	
2,11,611	„ Contribution to Government Provident Fund and administrative charges .. ..	2,17,661	
2,35,840	„ Workmen and staff welfare expenses .. ..	2,28,387	
7,602	„ Workmen compensation .. ..	934	42,99,495
36,63,239			
12,81,157	„ Stores, chemicals & spare parts (after deducting Rs. 50,93,927/- charged to agriculture, capital, repairs and other relevant heads) .. ..		11,48,829
7,95,139	„ Power and fuel .. ..		2,26,682
5,53,302	„ Repairs to Plant and Machinery (inclusive of salaries and wages Rs. 370234/- ) .. ..	5,53,884	
1,46,458	„ Repairs to buildings (inclusive of salaries and wages Rs. 7,35,44/-) .. ..	1,29,167	
84,812	„ Other repairs (inclusive of salaries and wages Rs. 4,37,821/-) .. ..	76,071	7,59,122
7,84,572			
14,05,715	„ Sugarcane purchase-tax .. ..		9,97,645
1,03,653	„ Gratuity insurance .. ..		89,653
1,09,09,515	„ Excise duty .. ..		79,08,423
1,05,426	„ Insurance Premium .. ..		1,10,509
12,65,168	„ Packing and forwarding .. ..		10,04,415
1,35,329	„ Rent (Received Rs.4,200) .. ..		80,069
2,05,564	„ Rates and taxes .. ..		2,61,311
5,32,173	„ Sole Selling Agents' Commission on sugar .. ..		5,41,634
8,67,846	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, telephone, travelling and motor cars maintenance .. ..		9,68,308
7,68,88,748	Carried Over ..		8,60,73,743

**MILLS LIMITED, BOMBAY**

THE YEAR ENDED 31ST MAY, 1968

As at 31st May, 1967							
Rupees						Rupees	Rupees
5,95,77,033			Brought Forward ..				6,56,90,103
			By Stock-in-trade (as taken, valued and certified by the Managing Agents) :				
2,08,57,374	„	Sugar at realised value (See Note No. 5)	..	..	..	3,71,28,180	
37,343	„	Molasses at market rate	..	..	..	9,743	
1,04,647	„	Denatured and Rectified spirit	..	..	..	—	
9,664	„	Industrial Alcohol at market rate	..	..	..	—	
97,184	„	Food grains, tobacco, etc., at market rate	..	..	..	97,670	
2,11,06,212							3,72,35,593
6,08,644	By	Balance being Loss carried down	..	..	..	—	
8,12,91,889			Carried Over ..				10,29,25,696

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1967 Rupees		Rupees	Rupees
7,68,88,748	Brought Forward ..		8,60,73,743
2,58,800	To Charity and donation .. .. .		2,03,900
	To Interest :		
14,467	Managing Agents .. .. .	8,499	
2,032	Directors .. .. .	2,108	
10,56,858	Cash Credit account .. .. .	11,08,505	
79,937	Fixed loans .. .. .	41,558	
5,011	On fixed Deposit .. .. .	1,20,060	
83,897	Other loans .. .. .	1,02,264	13,82,994
12,42,202	„ Directors' fee (including Rs. 900/- to Members of Managing Agents as Directors) .. .. .		2,550
1,350	„ Directors' and Managing Agents' Travelling expenses .. .. .		39,895
30,877	„ Managing Agents' remuneration—commission on profits subject to adjustments that may have to be made in respect of bonus and other provisions if any .. .. .		6,47,764
96,526	„ Payment to auditors :		
7,500	Audit fees .. .. .	7,500	
10,000	In other capacity .. .. .	10,000	
415	Travelling expenses .. .. .	130	17,630
17,915	„ Loss on Shares donated .. .. .		—
1,00,000	„ Brokerage and Commission (including guarantee commission of Rs. 21,534/-) .. .. .		1,18,818
1,37,908	„ Legal expenses (including Rs. 27,000/- to a Director) .. .. .		73,278
63,076	„ Depreciation .. .. .		9,26,709
11,60,578	„ Loose tools and implements written off .. .. .		1,805
3,461	„ Premium on leasehold land written off .. .. .		10,000
10,000	„ Premium on Leasehold Garage written off .. .. .		300
300	„ Loss on National Defence Remittance Certificates .. .. .		—
44,105	„ Provision for payment of Agricultural profits to Maharashtra Government (subject to Adjustment) .. .. .		6,00,000
—	„ Provision for payment of additional amount by way of Agri. Profits as claimed by Maharashtra Govt. but disputed by the Company .. .. .		29,00,000
2,36,043	„ Development Rebate Reserve .. .. .		4,30,814
—	„ Provision for doubtful debts and advances .. .. .		4,18,174
—	„ Provision for additional Agri. Income-tax claimed by Maharashtra Govt. but disputed by the Company .. .. .		29,00,000
10,00,000	„ Provision for Taxation .. .. .		43,00,000
—	„ Balance being Profit for the year .. .. .		18,77,322
8,12,91,889	Total Rupees ..		10,29,25,696

THE YEAR ENDED 31ST MAY, 1968

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1967					
Rupees					
6,08,644	To Balance brought down .. .. .	Rupees	Rupees	Rupees	
2,55,190	To Bonus to employees pertaining to previous years :				—
4,14,051	Agriculture .. .. .		4,64,774		
6,69,241	Manufacturing .. .. .		6,98,999		
7,20,000	„ Transfer to General Reserve .. .. .			11,63,773	
2,476	„ Balance carried to Balance Sheet .. .. .			12,25,000	
				678	
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. 300/- during the year.					
(ii) Computation of Managing Agents' Remuneration is as follows :					
6,08,644	Net Profit as per Profit and Loss Account			18,77,322	
Add:—					
96,256	(i) Managing Agents' Remuneration	6,47,764			
525	(ii) Director's fees to members of Managing Agency Company .. .. .	900			
—	(iii) Provision for doubtful debts and advances	4,18,174			
10,00,000	(iv) Provision for taxation ..	72,00,000			
2,36,043	(v) Development Rebate Reserve ..	4,30,814			
13,33,094	(vi) Tax deducted at Source ..	80,816			
				87,78,468	
20,00,361					
7,24,450					
		Carried Over ..	1,06,55,790	23,89,451	

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1968

As at 31st May, 1967			Rupees	Rupees
	Rupees			
2,846	By Balance brought forward from last years' Balance Sheet .. ..			2,476
	By Items pertaining to previous year :			
	Unclaimed salaries, wages and bonus written back :			
7,708	Factory .. .. .	3,868		
1,353	Agriculture .. .. .	5,585		
9,061				9,453
—	„ Profit on Sale of Agriculture Land .. .. .			200
1,382	„ Purchase Tax Refund .. .. .			—
6,40,470	„ Excess Provision for excise duty for previous year credited back ..			—
59,409	„ Transfer from Capital Reserve .. .. .			—
4,00,000	„ Provision for Bonus recredited .. .. .			5,00,000
12,760	„ Excess Provision recredited .. .. .			—
22	„ Excess Provision for doubtful debt recredited .. .. .			—
7,13,827	„ Expenses such as repairs, interest and operating Loss/Profit of Captain- ganj Distillery capitalised .. .. .			—
1,60,584	„ Expenses in respect of new Project written off in previous years now written back .. .. .			—
—	„ Balance brought down .. .. .			18,77,322
20,00,361		Carried Over		23,89,451

# THE GODAVARI SUGAR

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1967					
Rupees	Rupees		Rupees	Rupees	Rupees
20,20,361	7,24,450	Brought Forward ..		1,06,55,790	23,89,451
		Add:—			
	1,51,602	Depreciation:—			
	11,60,578	Agriculture .. .. .	1,38,336		
		Factory .. .. .	9,26,709	10,65,045	
	<u>13,12,180</u>			<u>1,17,20,835</u>	
	20,36,630				
		Add:—			
		Income shown in Lower part of Profit & Loss Account:—			
	4,00,000	(i) Provision of Bonus recredited ..	5,00,000		
	9,061	(ii) Unclaimed salaries, wages and bonus written back .. .. .	9,453		
	1,382	(iii) Purchase Tax Refund .. .. .	—		
	6,40,470	(iv) Excise duty written back .. .. .	—		
	22	(v) Excess Provision for doubtful debts recredited .. .. .	—		
	<u>12,760</u>	(vi) Excess provision recredited ..	—		
	10,63,695			5,09,453	
	<u>31,00,325</u>			<u>1,22,30,288</u>	
		Less:—			
	6,69,241	(i) Bonus for previous years shown in lower part of Profit & Loss A/c	11,63,773		
	—	(ii) Provision for surtax (Estimated) ..	2,90,000		
	14,60,575	(iii) Depreciation to the extent specified in Section 350 of Companies Act, 1956	10,53,232	25,07,005	
	<u>21,29,816</u>				
	9,70,509	Net Profit for calculating Managing Agents' Remuneration ..		<u>97,23,283</u>	
		Managing Agents' Remuneration on Rs. 97,23,283 as detailed below:—			
		10% on first Rs. 10 lacs ..	1,00,000		
		9% on next Rs. 10 lacs ..	90,000		
		8% on next Rs. 10 lacs ..	80,000		
		7% on next Rs. 10 lacs ..	70,000		
		6% on next Rs. 10 lacs ..	60,000		
		5½% on next Rs. 25 lacs ..	1,37,500		
		5% on balance Rs. 22,23,283	1,11,164		
	97,051			<u>6,48,664</u>	
		Less:—			
	525	Directors' Fees to Members of Managing Company .. ..		900	
	<u>96,526</u>	Amount of Managing Agents' Remuneration		<u>6,47,764</u>	
20,00,361		Total Rupees ..			<u>23,89,451</u>

Referred to in our report of even date.

NANUBHAI & Co.,  
Chartered Accountants.

BOMBAY, Dated: 18th January, 1969.

# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1968

<i>As at</i> 31st May, 1967			
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
20,00,361	Brought Forward ..		23,89,451
<u>20,00,361</u>	Total Rupees .. ..		<u>23,89,451</u>

*Managing Agents :*  
For K. J. Somaiya & Sons Private Ltd.  
K. J. SOMAIYA  
*Director.*

BOMBAY, Dated : 17th January, 1968

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

# THE GODAVARI SUGAR

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

### Schedule A

PARTICULARS	Gross Block as on 1-6-1967 at cost except otherwise stated	Additions during the year	Sub Total	Deduction of Sales and other adjustments during the year.
(1)	(2)	(3)	(4)	(5)
	Rupees	Rupees	Rupees	Rupees
Freehold Land (Book Value) ..	15,56,568	—	15,56,568	—
Leasehold Land Premium .. .. .	3,91,485	—	3,91,485	22,635
Leasehold Land Development Expenses .. ..	55,021	11,494	66,515	—
Leasehold Premium on Garage .. .. .	12,000	—	12,000	—
Buildings (Book Value) .. .. .	64,81,965	36,353	65,18,318	6,25,180
Temporary Quarters .. .. .	2,12,512	—	2,12,512	—
Temporary Quarters at Farms .. .. .	97,360	—	97,360	—
Pucca Quarters at Factory .. .. .	10,37,204	1,72,388	12,09,592	1,10,050
Pucca Quarters at Farms .. .. .	1,90,642	27,750	2,18,392	—
General Machinery (Book Value) .. .. .	1,48,79,581	20,79,163	1,69,58,744	31,11,607
Electrical Machinery .. .. .	22,73,256	74,904	23,48,160	1,33,616
Agriculture Machinery (Book Value) .. ..	30,54,445	1,524	30,55,969	4,552*
Locomotive .. .. .	92,974	—	92,974	—
Electric Installation & Fitting .. .. .	96,947	—	96,947	—
Furniture & Office Equipments .. .. .	9,06,363	1,50,531	10,56,894	44,173*
Weigh Bridge .. .. .	1,91,745	—	1,91,745	2,502
Trolley Line .. .. .	6,29,911	—	6,29,911	1,853
Railway Sidings .. .. .	1,38,340	—	1,38,340	12,720
Motor Cars, Lorries & Cycles (Book Value) ..	8,00,472	53,941	8,54,413	56,760*
Carts and Trucks (Book Value) .. .. .	3,50,872	—	3,50,872	—
Laboratory Apparatus .. .. .	57,834	—	57,834	9,516
Roads & Drainage .. .. .	10,11,983	—	10,11,983	57,690
Dead Stock .. .. .	68,112	—	68,112	922
Library .. .. .	7,758	—	7,758	—
Medical Instruments .. .. .	363	—	363	—
Irrigation Lifts .. .. .	9,39,723	—	9,39,723	—
Live Stock .. .. .	98,299	542	98,841	—
Total Rupees.. ..	3,56,33,735	26,08,590	3,82,42,325	41,93,776

\*No adjustment has been made in the books in respect of Profit/Loss on sale of Agri; Machinery of Rs. 4,552/- and Motor cars of Rs. 12,600/-

Referred to in our report of even date.

NANUBHAI & CO.,  
Chartered Accountants.

BOMBAY : Dated 29th November, 1968.

# MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1968

Gross Block as on 31st May, 1968.	Written off upto 31st May, 1967.	Written off during the year	Sub Total	Depreciation written back on sale of assets	Total Depreciation upto 31st May, 1968.	Net Depreciated Block as at 31st May, 1968.	Net Depreciated Block as at 31st May, 1967.
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
15,56,568	—	—	—	—	—	15,56,568	15,56,568
3,68,850	3,29,968	24,443	3,54,411	—	3,54,411	14,439	61,517
66,515	—	—	—	—	—	66,515	55,021
12,000	3,000	300	3,300	—	3,300	8,700	9,000
58,93,138	21,60,532	1,30,783	22,91,315	31,197	22,60,118	36,33,020	43,21,433
2,12,512	1,93,751	1,407	1,95,158	—	1,95,158	17,354	18,761
97,360	89,204	612	89,816	—	89,816	7,544	8,156
10,99,542	77,851	25,674	1,03,525	5,317	98,208	10,01,334	9,59,353
2,18,392	45,544	4,322	49,866	—	49,866	1,68,526	1,45,098
1,38,47,137	1,05,74,668	4,68,182	1,10,42,850	4,96,063	1,05,46,787	33,00,350	43,04,913
22,14,544	11,81,365	1,70,573	13,51,938	16,609	13,35,329	8,79,215	10,91,891
30,51,417	27,56,615	74,838	28,31,453	—	28,31,453	2,19,964	2,97,830
92,974	82,505	1,047	83,552	—	83,552	9,422	10,469
96,947	74,441	2,250	76,691	—	76,691	20,256	22,506
10,12,721	4,03,384	59,417	4,62,801	5,041	4,57,760	5,54,961	5,02,979
1,89,243	1,32,047	6,863	1,38,910	645	1,38,265	50,978	59,698
6,28,058	5,57,321	7,100	5,64,421	270	5,64,151	63,907	72,590
1,25,620	99,638	1,991	1,01,629	1,808	99,821	25,799	38,702
7,97,653	5,55,002	54,929	6,09,931	4,094	6,05,837	1,91,816	2,45,470
3,50,872	2,84,229	4,666	2,88,895	—	2,88,895	61,977	66,643
48,318	30,404	1,324	31,728	1,005	30,723	17,595	27,430
9,54,293	5,76,439	38,166	6,14,605	3,803	6,10,802	3,43,491	4,35,544
67,190	55,304	1,183	56,487	135	56,352	10,838	12,808
7,758	4,236	211	4,447	—	4,447	3,311	3,522
363	316	3	319	—	319	44	47
9,39,723	9,11,265	9,504	9,20,769	—	9,20,769	18,954	28,458
98,841	75,389	1,870	77,259	—	77,259	21,582	22,910
3,40,48,549	2,12,54,418	10,91,658	2,23,46,076	5,65,987	2,17,80,089	1,22,68,460	1,43,79,317

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

K. J. SOMAIYA  
Director

BOMBAY, Dated : 17th January, 1969

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

Directors

# GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED BOMBAY

## DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Thirteenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1968.

During the year under report, the Graded Finance Scheme and Hire Purchase Scheme worked to a limited extent.

The working of the Company for the year resulted in a profit of Rs. 15,929/- after providing Rs. 10,500/- for taxation. Adding to this profit the excess provision for doubtful debts reccredited amounting to Rs. 13,549/- and adjusting the same from last year's carried forward loss of Rs. 1,28,078/-, the balance loss of Rs. 98,100/- is carried forward to next year.

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

Shri R. S. Kotak, a Director of the Company, passed away on 8th May, 1968.

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.  
K. J. SOMAIYA  
*Director*

BOMBAY, Dated : 28th November, 1968.

**GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED**  
**BOMBAY**

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance sheet of The Godavari Investment and Finance Corporation Limited as at 31st May, 1968, 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 note thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - a) in the case of the Balance sheet of the state of affairs of the company as at 31st May, 1968 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 29th day of November, 1968.

# GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May, 1967	LIABILITIES			
Rupees				Rupees      Rupees
5,00,000	<b>I. AUTHORISED CAPITAL :—</b>			
	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. SECURED LOANS :—</b>			
8,82,551	In cash credit account with Bank of India Ltd., against hypothecation of Machinery & Implements and book debts including those given/ to be given on hire purchase and against equitable submortgages by deposit of the mortgage documents including prior title deeds relating thereto in respect of the rights of the company as mortgages under mortgage documents executed in favour of the company by cultivators and guaranteed by two Directors of the company and also by holding company.			11,94,756
	<b>IV. UNSECURED LOANS :—</b>			
8,67,900	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.	..	..	1,632
1,49,732	Interest accrued on above	..	..	—
10,17,632				1,632
	<b>V. CURRENT LIABILITIES AND PROVISIONS :—</b>			
	<b>(A) CURRENT LIABILITIES :</b>			
22,509	(i) Sundry Creditors	..	..	50,869
728	(ii) Deposit	..	..	—
1,86,715	(iii) Estimated unearned Finance charges on hire Purchase carried forward	..	..	1,16,804
16,196	(iv) Interest accrued but not due on loans	..	..	19,033
2,26,148				1,86,706
	<b>(B) PROVISIONS :</b>			
—	For taxation.			10,500
2,26,148				1,97,206
22,26,331	Carried Over			14,93,594

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967		ASSETS			
Rupees			Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS &amp; ADVANCES :</b>				
	(A) CURRENT ASSETS :				
	(i) Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director) :				
88,998	Machinery Stores and Spares .. ..			59,365	
5,51,577	(ii) Future instalments receivable from hire of oil engines and pumps under Hire Purchase Agreements : (Considered good) .. ..			3,40,082	
	(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				
1,41,912	Outstanding for more than 6 months .. ..	1,65,234			
29,152	Considered doubtful .. ..	29,681			
1,71,064			1,94,915		
29,152	Less : Provision for doubtful debts .. ..	29,681			
1,41,912			1,65,234		
70,544	Other debts .. ..	62,260			
2,12,456				2,27,494	
	(iv) CASH AND BANK BALANCES :				
167	Cash on hand .. ..	2,232			
3,408	Stamp papers on hand .. ..	5,216			
664	In Current Account with a Scheduled Bank .. ..	764			
4,239				8,212	
8,57,270	Carried Over .. ..		6,35,153		—

## GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May, 1967	LIABILITIES—(Contd.)	
Rupees		Rupees
22,26,331	Brought Forward ..	14,93,594
	<p><b>NOTE :</b></p> <p>Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for loans amounting to Rs. 1,86,387 have been either sent for registration or are under execution.</p>	
22,26,331	Total Rupees ..	14,93,594

Referred to in our Report of even date.

NANUBHAI & CO.,

*Chartered Accountants.*

BOMBAY, Dated : 29th November, 1968

# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967		ASSETS—(Contd.)			
Rupees			Rupees	Rupees	Rupees
8,57,270		Brought Forward ..		6,35,153	
	(B) LOANS ADVANCES :				
	(Secured and considered good as certified by a 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 :				
12,25,878	Secured .. .. .	7,59,509			
84,529	Considered doubtful .. .. .	70,451			
13,10,407		8,29,960			
84,529	Less : Provision for doubtful Loans .. .. .	70,451		7,59,509	
12,25,878					
14,765	(ii) Suspense Account under dispute .. .. .				
200	(iii) Deposit against Insurance .. .. .			200	
141	(iv) Prepaid Insurance .. .. .			132	
20,98,254					13,94,994
	II. MISCELLANEOUS EXPENDITURE :				
	Profit and Loss Account :				
1,28,077	Loss as per Profit and Loss Account .. .. .				98,600
22,26,331		Total Rupees ..			14,93,594

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.

BOMBAY, Dated : 28th November, 1968.

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

# GODAVARI INVESTMENT & PROFIT AND LOSS ACCOUNT FOR

<i>As at 31st May, 1967</i>					Rupees	Rupees
<i>Rupees</i>						
	To Opening Stock :					
1,04,298	Machinery, Spares and Fittings	..	..			88,998
	„ Purchases :					
67,327	Machinery	..	..	..	19,037	
1,66,696	Stores	..	..	..	2,52,858	
2,34,023						2,71,895
4,919	„ Machinery returned by Bagaitdars	..	..	..		4,501
1,059	„ Miscellaneous expenses, fees and stamps, printing and stationery, postage and telegrams, conveyance, travelling (including debit balances written off Rs. 463/—)	..	..	..		3,791
—	„ Charity and Donation	..	..	..		5,000
181	„ Insurance Premium	..	..	..		310
	„ Interest :					
1,49,731	On current account to the Holding Company, The Godavari Sugar Mills Ltd.				96,259	
48,747	„ On cash credit account with a bank	..	..	..	1,17,983	
1,98,478						2,14,242
500	„ Audit Fees	..	..	..		500
5,325	„ Salary	..	..	..		14,632
—	„ Company's contribution (to the Holding Company) towards Provident fund			..		397
—	„ Loss on Plant and machinery	..	..	..		721
22,173	„ Provision for doubtful debts	..	..	..		—
—	„ Bad debts written off	..	..	..		14,765
—	„ Provision for taxation	..	..	..		10,500
19,325	„ Profit carried down	..	..	..		15,929
5,90,281						6,46,181
	Total Rupees	..				
1,47,402	„ To Loss as per last Balance Sheet	..	..	..		1,28,078
1,47,402						1,28,078
	Total Rupees	..				



# 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, 1968 submitted herewith.

The net profit of the Company for the year amounts to Rs. 7,45,080 after providing Rs. 5,25,999 for depreciation and after transferring Rs. 1,24,851 to Development Rebate Reserve. The net carry forward loss after adjusting the above profit comes to Rs. 12,11,074 which has been carried forward to next year. In view of this, Directors do not recommend any dividend.

The year under report was a year of acute fall in the sugar production in the country which could reach only 22 lac tonnes. This affected the availability of molasses in the country. Naturally your distillery also experienced difficulties regarding availability of molasses. This difficulty has continued and your Company has since been allotted molasses from as far away as Kolhapur area. In order to keep the distillery working, the molasses is being transported from a distance of over 300 miles.

The working of the Acetic Acid plant and distillery were on the whole satisfactory. The market of Acetic Acid maintained a steady and firm trend. The distillery met the requirements of industrial users and supplied Rectified Spirit to large customers including the Maharashtra Small Scale Industries Development Corporation. It also supplied Ordinary Denatured Spirit to licensed holders as per the allocations made by the authorities.

Your Directors have been pursuing the matter of allotment of molasses from within nearby distance with the authorities. It is expected that the current year will show better results.

Shri R. S. Kotak, a Director of the Company passed away on 8th May, 1968.

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

M/s. Nanubhai & Co., retire and offer themselves for re-appointment as auditors.

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

BOMBAY, Dated : 29th November, 1968

# 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, 1968, 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 puposes 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.
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, 1968 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 29th day of November, 1968.

## SOMAIYA ORGANO-

## BALANCE SHEET

As at 31st May, 1967	LIABILITIES		Rupees	Rupees
Rupees				
	<b>I. SHARE CAPITAL :</b>			
	AUTHORISED CAPITAL :			
25,00,000	25,000	Equity Shares of Rs. 100/- each .. .. .	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	
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 Ltd. .. .. .	5,00,000	
	10,000	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 .. .. .	10,00,000	
10,00,000				15,00,000
15,00,000				
	<b>II. RESERVES AND SURPLUS :</b>			
	Development Rebate Reserve :—			
10,09,811		As per last Balance Sheet .. .. .	10,44,076	
34,265		Add: Amount set aside from the Profit of the year .. .. .	1,24,851	
10,44,076				11,68,927
	<b>III. SECURED LOANS :</b>			
20,00,000		From Union Bank of India Ltd., against Equitable Mortgage of Fixed Assets including Machineries etc. and guaranteed by two Directors of the Company .. .. .		18,00,000
	<b>IV. UNSECURED LOANS :</b>			
22,36,172		On current Account with the Holding Company, The Godavari Sugar Mills Limited .. .. .	17,48,320	
3,72,982		Interest on above .. .. .	1,99,362	
27,09,154				19,47,682
	<b>V. CURRENT LIABILITIES AND PROVISIONS :</b>			
	(A) Current Liabilities :			
1,65,000		Due to Selling Agents .. .. .	3,66,806	
3,86,277		Sundry Creditors (including Rs. 64,953- due to Holding Company)	5,38,354	
1,56,000		Deposits and Advances from Customers .. .. .	4,03,080	
32,272		Interest accrued but not due .. .. .	29,415	
7,39,499			13,37,655	
	(B) Provisions:			
45,000		Provisions for Bonus		
7,84,499				13,37,655
80,37,729		Carried Over ..		77,54,264

# CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967	ASSETS			
Rupees			Rupees	Rupees
	<b>I. FIXED ASSETS (At cost) :—</b>			
70,57,407	Gross Block .. .. .		77,01,752	
38,76,011	Less: Depreciation written off upto 31st May, 1968 .. .. .		44,02,010	
31,81,396	Net depreciated block as per Schedule 'A'		32,99,742	
5,13,569	Capital Work-in-progress .. .. .		54,859	
36,94,965				33,54,601
	<b>II. INVESTMENTS (At cost) :—</b>			
	(A) TRADE INVESTMENTS :			
1,50,000	(1) (In Company under same Group) 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	
90,000	(2) 20,000 Equity Shares of Rs. 10/- each of Kutch Salt & Allied Indus- tries Limited fully paid up .. .. .	90,000		
2,40,000	Less: 500 Equity Shares of Rs. 10/-each sold during the year .. .. .	2,250	87,750	
			2,37,750	
	(B) OTHER INVESTMENTS :			
995	4% 1967 Maharashtra State Loan (face value Rs. 1,000/- deposited with Excise Department)		995	
		Cost	Market Value	
	Aggregate quoted Investments .. .. .	2,37,750	3,07,500	
	Aggregate unquoted Investments .. .. .	955	—	
2,40,995		2,38,745	3,07,500	2,38,745
	<b>III. CURRENT ASSETS, LOANS AND ADVANCES :</b>			
	(A) CURRENT ASSETS :			
6,92,937	(i) Stores, Chemicals and spares at cost (as per inventory valued and certified by a Director)			
70,354	(a) on Hand .. .. .	9,29,815		
7,63,291	(b) In transit .. .. .	1,14,379		10,44,194
17,167	(ii) Loose Tools and implements (as per inventory certified by a Director) .. .. .		16,137	
7,80,458	(iii) Stock-in-trade :			
	(As valued and Certified by a Director)			
6,252	(a) Acetic Acid at market rate .. .. .	4,05,756		
3,37,110	(b) Rectified Spirit at market rate .. .. .	2,47,564		
1,19,631	(c) Raw materials (Molasses) at cost .. .. .	82,372		
14,130	(d) Denatured Spirit at market rate .. .. .	12,562		
2,800	(e) Fusel Oil at market rate .. .. .	4,900		
13,500	(f) Ethyl Acetate at market rate .. .. .	12,750		
4,93,423			7,65,904	
	(iv) Sundry debtors (unsecured and considered good- other than in dispute not provided for)			
70,696	(a) Debts outstanding for more than 6 months (including Rs 24,000/- due by Oriental Power cables Ltd., a company under the same management)	73,615		
2,39,203	(b) Other debts (including Rs. 24,000/- due by Oriental Power Cables Ltd., a Company under the same management)	5,06,595	5,80,210	
3,09,899				
39,35,960	Carried Over .. .. .		24,06,445	35,93,346

# SOMAIYA ORGANO- BALANCE SHEET

<i>As at 31st May, 1967</i>	LIABILITIES ( <i>Contd.</i> )		
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
80,37,729	Brought Forward		77,54,264
	<b>CONTINGENT LIABILITIES (Not provided for) :—</b>		
2,62,076	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative preference shares for the period of 1960-61 to 1967-68 .. .. .	3,74,824	
7,500	2. In respect of legal expenses of suit for recovery proceedings against a customer .. .. .	—	
50,375	3. In respect of counter guarantee given to a Bank .. .. .	28,000	
1,00,000	4. In respect of purchase commitment including for capital purchase	—	
<u>80,37,729</u>	Total Rupees ..		<u>77,54,264</u>

Referred to in our Report of even date.

**NANUBHAI & CO.,**  
*Chartered Accountants.*

BOMBAY : Dated 29th November, 1968.

# CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967	ASSETS (Contd.)			
Rupees 39,35,960	(v) Cash and Bank Balances :	Brought Forward	Rupees 24,06,445	Rupees 35,93,346
12,659	Cash on Hand .. .. .	27,326		
88,450	In Current Account with Scheduled Banks ..	96,858		
1,01,109			1,24,184	
16,84,889			25,30,629	
	(B) LOANS AND ADVANCES : (Unsecured and considered good except otherwise stated)			
2,65,563	(i) Loan to M/s. Oriental Power Cables Ltd., a company under the same Management. (Maximum Debit Balance during the year Rs. 2,88,641 Previous year Rs. 4,32,305) .. .. .		2,88,641	
12,839	Loan to M/s. Arpit Ltd., a Company under the same Management (Maximum Debit Balance during the year Rs. Nil. Previous year Rs. 16,800) .. .. .		—	
1,64,374	(ii) Advances recoverable in Cash or kind or for value to be received (including Rs. 10,570/- considered doubtful not provided for) ..		1,11,728	
17,950	(iii) Deposits (includes Rs. 4,000/- in Post Office a/c. Pass Book whereof lodged with a Car dealer) .. .. .		18,846	
21,45,615				29,49,844
	IV. MISCELLANEOUS EXPENDITURE :			
19,56,154	Balance as per Profit & Loss Account .. .. .			12,11,074
80,37,729		Total Rupees ..		77,54,264

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

BOMBAY, Dated : 29th November, 1968

# SOMAIYA ORGANO-

## PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1967		Rupees	Rupees
Rupees	To Opening Stock on 1st June 1967		
2,55,873	Acetic Acid .. .. .	6,252	
3,77,242	Rectified Spirit .. .. .	3,37,110	
8,672	Denatured Spirit .. .. .	14,130	
—	Fusel Oil .. .. .	2,800	
—	Ethyl Acetate .. .. .	13,500	3,73,792
6,41,787			
4,75,849	„ Molasses consumed (purchase Rs. 4,61,181)		4,98,439
2,54,280	„ Stores & Chemical consumed		2,61,458
4,99,857	„ Power and Fuel .. .. .	5,17,318	7,10,117
4,22,670	„ Salaries & Wages .. .. .	84,438	
5,000	„ Bonus .. .. .	—	
15,000	„ Provision for Bonus .. .. .	352	
18	„ Workmen and Staff Welfare Expenses		
1,171	„ Company's contribution (to the Holding Company) towards Provident Fund	2,674	
26,292	„ Company's contribution to Govt. Provident Fund And Administrative charges	28,504	6,33,286
4,70,151			
16,026	„ Repairs :	31,602	
5,698	Plant and Machinery .. .. .	8,624	
52,090	Buildings .. .. .	6,934	47,160
73,814	Other Repairs .. .. .		
57,250			39,516
16,838	„ Excise Establishment charges .. .. .		18,562
16	„ Insurance Premium .. .. .		—
19,000	„ Personal Injuries Insurance Premium .. .. .		26,759
	„ Brokerage and Commission .. .. .		
1,275			1,350
6,413	„ Directors' Fees .. .. .		15,750
4,536	„ Legal Expenses .. .. .		8,592
	„ Directors' Travelling expenses .. .. .		
2,72,982	„ Interest :-		
1,28,649	To Holding Company, The Godavari Sugar Mills Ltd. .. .. .	2,29,982	
3,235	To Bank on Fixed Loan .. .. .	1,77,785	
	Others .. .. .	18,257	4,26,024
5,04,866			
69,796	„ Miscellaneous expenses, including Printing and Stationery, Postage and Telegrams, Travelling, Subscription, Motor Car Maintenance Etc. ..		66,759
2,379	„ Rates and Taxes .. .. .		260
14,400	„ Office Rent .. .. .		14,400
500	„ Audit Fees .. .. .		500
25,000	„ Charity and Donation .. .. .		25,000
1,096	„ Loose Tools written off .. .. .		1,030
—	„ Bad debts Written off .. .. .		5,195
6,00,768	„ Depreciation .. .. .		5,25,999
34,265	„ Development Rebate Reserve .. .. .		1,24,851
1,65,000	„ Sole Selling Agents' Commission .. .. .		1,96,334
—	„ Balance being Profit for the year		7,75,356
39,39,136		Total Rupees	47,96,489
18,46,807	To Balance as per last Balance Sheet .. .. .		19,56,154
79,997	„ Bonus for previous years .. .. .		75,276
44,533	„ Balance brought down .. .. .		—
19,71,337		Total Rupees	20,31,430

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

BOMBAY, Dated : 29th November, 1968

THE YEAR ENDED 31ST MAY, 1968

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

} *Directors*

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# SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1968

## Schedule 'A'

Particulars	Gross Block at cost except otherwise stated as at 1st June, 1967	Additions during the year	Gross Block as at 31st May, 1968	Depreciation written off upto 31st May, 1967	Depreciation written off this year	Total depreciation upto 31st May, 1968	Net depreciated block as at 31st May, 1968	Net depreciated Block as at 31st May, 1967
1	2	3	4	5	6	7	8	9
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land .. .. .	13,150	—	13,150	—	—	—	13,150	13,150
Distillery Buildings	7,97,566	14,138	8,11,704	1,16,326	34,467	1,50,793	6,60,911	6,81,240
Distillery Machinery (Book value) ..	21,69,974	5,53,454	27,23,428	9,97,571	2,50,612	12,48,183	14,75,245	11,72,403
Acetic Acid Building	2,01,664	4,399	2,06,063	51,656	7,720	59,376	1,46,687	1,50,008
Electric Machinery	2,95,446	1,971	2,97,417	1,17,308	18,012	1,35,320	1,62,097	1,78,138
Acetic Acid Plant	31,10,517	—	31,10,517	24,62,940	1,68,738	26,31,678	4,78,839	6,47,577
Laboratory Apparatus	3,808	—	3,808	1,213	182	1,395	2,413	2,595
Furniture and Office Equipments. .. .	32,235	1,548	33,783	11,369	2,563	13,932	19,851	20,866
Motor Car, Lorries & Tankers. .. .	51,659	—	51,659	38,495	3,119	41,614	10,045	13,164
Scale & Weigh bridges .. .	2,420	—	2,420	1,143	153	1,296	1,124	1,277
Storage Vats & Tanks	3,52,887	68,835	4,21,722	73,035	38,320	1,11,355	3,10,367	2,79,852
Electric Installation	26,081	—	26,081	4,955	2,113	7,068	19,013	21,126
Total Rupees ..	70,57,407	6,44,345	77,01,752	38,76,011	5,25,999	44,02,010	32,99,742	31,81,396

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

BOMBAY, Dated : 29th November, 1968.

BOMBAY  
Dated : 29th November, 1968

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

Directors