

30

THE
GODAVARI
SUGAR MILLS
LIMITED

ANNUAL REPORT & ACCOUNTS
1968-69

1969

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 CHANDANSINHA BHARAKTIYA

SHRI JAYANTILAL GANGADAS DALAL

SHRI V. D. MUZUMDAR

SHRI D. M. POPAT

Bankers :

BANK OF INDIA

CENTRAL BANK OF INDIA

UNION BANK OF INDIA

BANK OF MAHARASHTRA

STATE BANK OF INDIA

BANK OF BARODA

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 30th Annual General Meeting of the Godavari Sugar Mills Limited will be held on Friday, the 6th March, 1970 at 4-00 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, 1969.
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 K. J. Somaiya, who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri V. D. Muzumdar, who retires by rotation, but being eligible, offers himself for re-election.
5. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution :—

SPECIAL RESOLUTION

- (a) "Resolved that the Company hereby approves of, ratifies and confirms the loans and/or advances of the diverse sums made from time to time to M/s Somaiya Chemical Industries Private Ltd. (which is not a body corporate under the same management but in which two of the directors of the Company are interested as directors and members) during accounting year 1968-69, of which the maximum debit balance during the year and the balance as on 31st May, 1969 was Rs. 1,28,610/-"
 - (b) "Resolved that the Company hereby approves of, ratifies and confirms the loan and/or advance of Rs. 10,000/- made for a short period of 37 days to M/s. Somaiya Publications Private Ltd. (which is not a body corporate under the same management but in which two of the directors of the Company are interested as directors and members) during the accounting year 1968-69, the maximum debit balance whereof was Rs. 10,000/- only"
 - (c) "Resolved further that the Board of Directors be and it is hereby authorised to apply to the Central Government for its approval to the aforesaid loans and/or advances made to M/s. Somaiya Chemical Industries Private Ltd. and M/s Somaiya Publications Private Ltd.
6. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from 19th February, 1970 to 6th March, 1970 both days inclusive.

By Order of the Board of Directors,
K. J. SOMAIYA,
Chairman.

BOMBAY : Dated 30th January, 1970.

1. The final dividend when declared will be payable at the Registered Office of the Company on and after 12th March, 1970. The dividend warrants will be posted to those shareholders whose names stand on the Company's register on 19th February, 1970.
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 resolution is annexed.

EXPLANATORY STATEMENT

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

SPECIAL RESOLUTION :

M/s. Somaiya Publications Private Ltd. has repaid before the close of the year the loan of Rs 10,000/- advanced to them. Company has charged interest at 10% per annum to them. Loan given by the Company to M/s. Somaiya Chemical Industries Private Ltd. is by way of temporary business accommodation. The said Somaiya Chemical Industries Private Ltd. proposes to repay the loan by 31st May, 1970. The Company is charging and receiving interest on the same at 10% per annum.

For grant of the above loans, the previous approval of Central Government was necessary under Section 295 of the Companies Act, 1956. It has been therefore thought expedient to seek the approval of the shareholders for the loans already granted by the Company and also to seek the sanction of the Central Government. Hence, the Special Resolution is commended for the approval of the shareholders.

Two of your Company's Directors i.e. Shri K. J. Somaiya and Shri S. K. Somaiya are interested in the Special Resolution as directors and members of Somaiya Chemical Industries Private Ltd. and Somaiya Publications Private Ltd.

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

	The Godavari Sugar Mills Ltd.	Somaiya Chemical Industries Pvt. Ltd.	Somaiya Publications Pvt.Ltd.
1. Shri K. J. Somaiya	8770	10	50
2. Shri S. K. Somaiya	6467	20	50

In addition to the above, Shri K. J. Somaiya and/or Shri S. K. Somaiya along with other person or persons hold 77166 Equity shares of Godavari Sugar Mills Ltd, Shri K. J. Somaiya as karta of K. J. Somaiya Hindu Undivided Family holds 2000 Equity Shares of the Godavari Sugar Mills Ltd, Shri S. K. Somaiya, as natural guardian of Kumari H. S. Somaiya holds 600 Equity Shares of Godavari Sugar Mills Ltd., and Shri K. J. Somaiya and others hold 3000 Equity Shares of Godavari Sugar Mills Ltd.

By Order of the Board of Directors,

K. J. SOMAIYA,

Chairman.

BOMBAY : Dated 30th January , 1970.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

DIRECTORS' REPORT

The Shareholders,
The Godavari Sugar Mills Ltd.,
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, 1969.

FINANCIAL RESULTS

The Gross profit for the year, before providing for depreciation, development rebate reserve and taxation amounted to 32,62,905

Deducting therefrom:

Depreciation

12,15,399

Development Rebate Reserve

49,395

Provision for taxation

10,00,000

22,64,794

9,98,111

Your Directors recommend the following appropriations:—

1. Transfer to General Reserve Account

9,95,000

2. Balance carried forward to Balance Sheet

3,111

The Directors have paid dividend on Preference Shares at Rs. 7.8572 (subject to deduction of tax) per share for the year ended 31st May, 1969 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, 1969 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 6th March, 1970.

You are requested to approve Rs. 2,31,081/- by way of Charity and donation during the year as under:—

The Somaiya Trust, Bombay

2,12,000

Balwant College, Vita (Dist. Sangali)

15,000

Chief Minister's Fund, Bangalore

2,500

Sundry

1,581

Total Rs.

2,31,081

The writ petition filed by the Company in the Bombay High Court challenging the validity of Maharashtra Agricultural Land (Ceiling on Holdings) Act 1961 as amended by Maharashtra Act XVI of 1968 is pending. The appeal filed by the Company before the Division Bench of the Bombay High Court against the Order of single judge dismissing the Company's petition challenging the validity of Maharashtra Agricultural Income-tax Act is also pending.

Since the close of the accounting year under report, Somaiya Organo-Chemicals Ltd. has ceased to be subsidiary of your Company.

Shri K. J. Somaiya, and Shri V. D. Muzumdar, 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 30th January 1970.

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, 1969, 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, 1969, and
 - (b) in the case of Profit and Loss Account of the Profit for the year ended on that date.

NANUBHAI & CO.
Chartered Accountants.

BOMBAY : Dated the 31st day of January, 1970.

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1968		LIABILITIES		
Rupees			Rupees	Rupees
	I. SHARE CAPITAL :—			
	AUTHORISED CAPITAL :			
1,80,00,000	1,80,000 Ordinary (Equity) Shares of Rs. 100/- each		1,80,00,000	
20,00,000	20,000 7.8572% subject to deduction of tax at source Redeemable cumulative Preference Shares of Rs. 100/- each		20,00,000	2,00,00,000
2,00,00,000				
	ISSUED AND SUBSCRIBED CAPITAL :			
1,00,00,000	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	
18,50,950	18,509½ 7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after 1st October, 1952 after giving three months' notice of the intention to so redeem the same		18,50,950	1,18,50,950
1,18,50,950				
	II. RESERVES AND SURPLUS :—			
	(A) General Reserve :			
1,04,00,790	As per last Balance Sheet	1,17,58,121		
5,77,764	Add: Transfer from Development Rebate Reserve	1,35,608		
1,09,78,554		1,18,93,729		
12,25,000	Add: Set aside from 1968-69 profits	9,95,000		
1,22,03,554		1,28,88,729		
4,45,433	Less: Dividend on ordinary and preference shares paid for the year ending 31 st May, 1968	4,45,433		
1,17,58,121			1,24,43,296	
1,18,50,950	Carried over ..		1,24,43,296	1,18,50,950

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1969

As at 31st May, 1968		ASSETS			
Rupees			Rupees	Rupees	Rupees
	I. FIXED ASSETS (At cost or book value) :—				
3,40,48,549	Gross Block			3,62,40,443	
2,17,80,089	Less: Depreciation written off upto 31st May, 1969			2,30,21,827	
1,22,68,460	Net Depreciated Block as per Schedule 'A' attached.			1,32,18,616	
9,08,392	Capital work-in progress			1,79,172	
1,31,76,852					1,33,97,788
	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	
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	
10,54,000	(ii) Investments in Shares of Oriental Power Cables Ltd., Company under same Group : (Managing Agents : Somaiya Bharaktiya Private Limited). 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			
	Out of which 4000 Equity Shares have been deposited with The New India Assurance Co. Ltd., as security for fulfillment of Agreement and undertaking by the Company to purchase from them 4000 Equity shares of Rs. 100 /- each of Somaiya Organics (India) Ltd.			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.) 61,990 Fully paid up Equity Shares of Rs. 100/- each			61,99,000	
	Out of which 5000 shares have been deposited with The New India Assurance Co. Ltd., in connection with their Indemnity Policy favouring The Uttar Pradesh State Industrial Corporation Ltd., in terms of Company's agreement with the Corporation for repurchase of six Lakhs Rupees of equity shares from the Corporation.			86,33,000	
86,33,000				86,33,000	
78	(B) OTHER INVESTMENTS :— One Ordinary Share of Maharashtra State-Co-operative Bank Ltd., of Rs. 50/- each fully paid up ..			78	
2,500	National Defence Certificates deposited with Electricity Department, Bhopal ..			2,500	
6,500	National Savings Certificates deposited with Excise Commissioner, U. P. and Hydro Electric Division, Gorakhpur			6,500	
86,42,078					
1,31,76,852	Carried Over ..			86,42,078	1,33,97,788

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1968	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,18,50,950				
1,17,58,121	Brought Forward ..		1,24,43,296	1,18,50,950
	(B) Development Rebate Reserve :			
13,18,527	As per last Balance Sheet	11,71,577		
4,30,814	Add: Amount set aside from Profit of the year ..	49,395		
17,49,341		12,20,972		
5,77,764	Less: Transferred to General Reserve ..	1,35,608		
11,71,577			10,85,364	
	(C) Profit & Loss Account :			
678	Balance as per Profit & Loss Account ..		3,111	1,35,31,771
1,29,30,376				
	III. SECURED LOANS :—			
	Cash Credit account with Bank against hypothecation of all tangible movable assets of the Company including stocks of sugar fully guaranteed by the Managing Agents and two Directors		1,74,13,498	
1,74,97,024				
	From Bank of India, 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		1,000	1,74,14,498
4,00,000				
1,78,97,024				
	IV. UNSECURED LOANS :—			
35,287	(i) From Directors		31,270	
43,553	(ii) From Others		5,53,798	
	(iii) On Current Account :			
2,44,348	(a) From Managing Agents	8,70,451		
8,95,051	(b) From Selling Agents	14,45,934	23,16,385	
—	(iv) From Somaiya Organo-Chemicals Ltd. a subsidiary Company.		71,972	
3,00,000	(V) From Banks		3,32,806	
30,41,281	(vi) Public Fixed Deposits		59,83,121	
45,59,520				92,89,352
4,72,37,870	Carried Over ..			5,20,86,571

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1969

As at 31st May, 1968	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,31,76,852	Brought Forward		86,42,078	1,33,97,788
86,42,078	4½% U. P. State Development loan of 1972 (Face value Rs. 2,000/-)		1,995	
1,995	100 Shares of Rs. 10/- each of U. P. Bhokta Distillery AUR Sugar Mills Sahakari Samiti Ltd., Captainganj		1,000	
1,000				
	Cost Market Value			
	Aggregate quoted Investments 10,55,995 6,59,830			
	Aggregate unquoted Investments 75,89,078 —			
	86,45,073 6,59,830			86,45,073
86,45,073				
	III. CURRENT ASSETS, LOANS AND ADVANCES :—			
	(A) CURRENT ASSETS :			
470	(i) Interest accrued on Investments		470	
	(ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director)			
51,21,504	On hand (including machineries Rs. 3,67,179)	51,29,694		
64,409	In transit	1,78,255	53,07,949	
51,85,913				
28,325	(iii) Loose tools and implements (as per inventories valued and certified by a Director) ..		31,268	
	(iv) Stock-in-trade (as per inventories valued and certified by a Director)			
3,71,28,180	(a) Sugar at realised value	4,96,07,983		
—	(b) Sugar in process at estimated cost	4,17,845		
—	(c) Stock of Cane at cost	2,198		
10,67,838	(d) Grains, Cotton etc. at Market Rate ..	3,36,225		
9,743	(e) Molasses at Market Rate	44,857	5,04,09,108	
3,82,05,761				
	(v) Crop in progress : (including tillages, preparation of land, irrigation charges etc., at cost as valued and certified by a Director)		9,43,756	
15,62,606	(vi) Sundry Debtors : (Unsecured and considered good except otherwise stated)			
87,202	(a) Debts outstanding for more than six months	86,300		
87,202				
4,49,83,075				
2,18,21,925	Carried Over ..	86,300	5,66,92,551	2,20,42,861

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1968	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
4,72,37,870				
	Brought Forward ..			5,20,86,571
	V. CURRENT LIABILITIES AND PROVISIONS :			
	(A) CURRENT LIABILITIES :			
1,69,27,391	Sundry Creditors		2,74,76,652	
15,594	Advances from Customers against sale of land & wood		1,35,046	
50,000	Security Deposit from Selling Agents ..		50,000	
4,878	Security Deposits from Customers		4,878	
24,96,216	For taxation		37,01,094	
2,53,716	Due to partnership firm of Khanapur Farms ..		3,71,108	
3,09,426	Due to partnership firm of Lakh Farms ..		2,81,535	
5,41,634	Due for Selling Agents' Commission		7,73,535	
5,97,764	Due for Managing Agents' remuneration ..		1,60,120	
9,671	Unclaimed dividend		16,090	
2,200	Unclaimed Redemption Money		2,200	
4,169	Due to Trustees to Staff Provident Fund		—	
3,85,204	Interest accrued but not due on loans ..		4,27,387	
4,22,213	Due to Somaiya Organics (India) Ltd. ..		—	
2,20,20,076			3,33,99,645	
	(B) PROVISIONS :			
2,08,66,399	Provision for taxation	1,93,64,661		
70,34,000	Less: Advance payment under Section 207 of Income-Tax Act, 1961	96,62,056		
1,38,32,399			97,02,605	
2,000	Provision for Bonus		2,000	
46,45,000	Provision for payment of Agri : profits under Maha- rashtra Agricultural Lands (Ceiling on holdings) Act, 1961 (Subject to adjustment)	46,45,000		
12,50,000	Less: Paid	24,50,000	21,95,000	4,52,99,250
33,95,000				
3,92,49,475				
	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 Corpora- tion Ltd., a subsidiary Company		1,00,000	
8,64,87,345				
	Carried Over ..			9,73,85,821

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1969

As at 31st May, 1968	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,18,21,925	Brought Forward ..	86,300	5,66,92,551	2,20,42,861
4,49,83,075				
87,202				
18,768	(b) Considered doubtful	21,166		
1,05,970		1,07,466		
18,768	Less: Provision for doubtful debts : ..	21,166		
87,202		86,300		
69,74,143	(c) Other debts : (Including Rs. 69,88,789 due from Arpit Ltd, a Company under the same management)	76,32,832		
70,61,345			77,19,132	
VII. CASH AND BANK BALANCES :				
1,52,219	Cash, cheques and drafts on hand	7,04,956		
3,00,000	Cash in Transit	—		
7,37,093	In Current Accounts with Scheduled Banks ..	1,24,489		
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		
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 during the year nil and during previous year Rs. 1,000/-)	—		
12,40,748			8,79,881	
(B) LOANS AND ADVANCES :				
	(Unsecured and considered good except otherwise stated).			
40,81,875	(i) Loans to Arpit Ltd., a Company under the same management) (Maximum debit balance Rs. 41,83,400)	—		
	(ii) Loans to Private Limited Companies in which one or more Directors are interested as Directors) (Maximum debit balance during the year Rs. 1,38,610)	1,28,610		
15,48,153	(iii) Loans to others	43,01,501		
		44,30,111		
464,007	Considered doubtful	27,904		
60,94,035		44,58,015		
4,64,007	Less : Provision for doubtful loans	27,904		
56,30,028			44,30,111	
1,632	Loans to subsidiary Companies of which the Company is Holding Company :			
19,47,682	(a) Godavari Investment & Finance Corporation Ltd.	8,86,889		
19,49,314	(b) Somaiya Organo-Chemicals Ltd. ..	—		
6,08,64,510			8,86,889	
2,18,21,925	Carried Over ..		7,06,08,564	2,20,42,861

THE GODAVARI SUGAR

BALANCE SHEET

As at 31, st May, 1968	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,64,87,345	Brought forward ..			9,73,85,821
25,00,000	(iii) In respect of guarantee given to a Bank for loan granted to a subsidiary Company		25,00,000	
209,13,215	(iv) In respect of Counter guarantee given to Banks, Insurance Companies and others		1,01,66,500	
1,00,000	(v) In respect of estimated purchase commitments on Capital purchases		50,000	
1,72,485	(vi) In respect of development charges payable to Government in 14 instalments for leasehold lands at Gandhidham		1,60 990	
—	(vii) In respect of cane price payable to Maharashtra State Farming Corporation Ltd. under provision of Para 3 of Third Schedule of M. A. L. (Ceiling on Holding) Act, - 1961, amount whereof not ascertained.		—	
<u>8,64,87,345</u>	Total Rupees ..			<u>9,73,85,821</u>

AS AT 31ST MAY, 1969

15

THE GODAVARI SUGAR

BALANCE SHEET

- NOTES: (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1965-66 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. 1,08,342/- at cost have been supplied to the said firms.
- (4) No provision has been made in respect of Balance of Loss of Rs. 99,881/- as on 31st May, 1969 of Godavari Investment & Finance Corporation Ltd.
- (5) As resolved by the directors on 7th January, 1970 the Company has paid 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. The Directors recommend 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 6th March 1970 will be paid out of the taxed profits and upto assessment year 1959-60. No separate provision has been made therefore.
- (6) Application to the Company Law Board is being made for loans of Rs. 1,38,610/- given without the previous approval of the Central Government to Private Limited Companies in which one or more directors of the Company are interested as directors and members as provided in section 295 of Companies Act, 1956.
- (7) Adjustment has been made at cost for standing crop transferred to Maharashtra State Farming Corporation Ltd., in May, 1968, as the amount of compensation to be received from them is not yet determined.

Referred to in our report of even date.

NANUBHAI & Co.
Chartered Accountants.

BOMBAY, Dated: 31st January, 1970

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1969

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 and Finance Corporation Limited as at 31st May, 1969.
- (ii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 14,326/- for the year ended 31st May, 1969,. The Net loss after adjusting the previous years' Loss from profit of this year comes to Rs. 99,881/-. 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 Limited, 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, 1969 stands at Rs. 8,86,889/-.

(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 Limited made a profit of Rs. 16,21,430/- for the year ended 31st May 1969. The net Profit after adjusting previous years' loss and other adjustments comes to Rs. 4,10,357/-. The said profit has been carried forward to the Balance Sheet of that Company.
- (iii) Advances : The Amount advanced by Somaiya Organo-Chemicals Limited as at 31st May, 1969 stands at Rs. 71,972/-.

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.

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

} Directors.

BOMBAY, Dated : 30th January, 1970.

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1968		Rupees	Rupees
Rupees	To Opening Stock on 1st June, 1968 :—		
2,08,57,374	Sugar	3,71,28,180	
37,343	Molasses	9,744	3,71,37,924
2,08,94,717			
29,75,781	.. Crop in progress as at 1st June, 1968 ..	15,62,606	
—	Less : cost of crop transferred to		
	Maharashtra State Farming Corporation Ltd. ..	10,71,218	
29,75,781			4,91,388
97,184	.. Stock of grains and other seeds as at 1st June, 1968 ..	97,670	
45,787	.. Grains and other seeds for sowing	80,204	
41,34,634	.. Salaries and Wages	13,37,526	
4,83,768	.. Bonus	—	
1,01,184	.. Contribution to Govt. Provident Fund and Administrative charges ..	31,023	
1,40,496	.. Gratuity	4,344	
—	.. Workmen and Staff Welfare expenses	906	
19,10,110	.. Stores inclusive of manures	8,29,884	
29,580	.. Repairs and renewals (including salaries and wages Rs. 2,131/-) ..	1,27,021	
4,18,003	.. Land Rent (Net)	1,21,681	
7,83,184	.. Irrigation rates and taxes	2,55,746	
1,809	.. Expenses on sales of grains, cotton, tobacco etc.	10,262	
1,14,817	.. Education Cess	36,005	
694	.. Rent	2,530	
—	.. Interest	38,042	
7,500	.. Payments to Auditors in other capacity	7,500	
	.. Miscellaneous expenses, including Hire Charges of Tractors, Printing and Stationery, Postage and Telegrams and Travelling expenses (including harvesting and carting Commission Rs. 25,062) ..	1,94,418	
2,28,377	.. Depreciation	1,74,437	
1,38,336	.. Land Development Expenses written off	—	
2,181	.. Staff Quarters Rent Refund	43,017	
—	.. Legal charges	9910	
2,28,003	.. Premium on lease hold land written off	14,440	
14,443	.. Brokerage and commission	214	
47,000	.. Loose tools written off	8	
8	.. User's compensation for Agricultural land	—	
22,100	.. Livestock written off	1,600	
1,870			
1,19,26,849			
2,08,94,717	Carried Over ..	39,09,776	3,71,37,924

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1969

<i>As at 31st May, 1968</i>						Rupees	Rupees
<i>Rupees</i>	By Sales :						
6,31,04,202	Sugar					7,54,54,312	
1,00,535	Molasses					89,255	
9,246	Gur Sales					—	
1,14,468	" Foodgrains, Tobacco, Cotton, grains etc. (including consumption of Rs. 80,204 as per contra,)					1,80,554	7,57,24,121
6,33,28,451	" Sundry receipts from Flour Mills, Dairy etc. .. (including sundry credit balances written back Rs. 107/-)						4,18,554
2,24,475	" Income from Immovable property .. (including Rs. 14850/- received from Associates of Managing Agents.)						1,34,188
1,44,315	" Sundry receipts being market value of Farm Produce etc. (including profit on sale of grains Rs. 9,058/-)						3,58,732
11,69,633	" Income from Khanapur and Lakh Farms in Partnership :						
	(a) Khanapur Farms :						
4,500	Machinery Hire Charges				4,500		
12,796	Add: $\frac{1}{4}$ share of profit for the year				21,359	25,859	
17,296							
	(b) Lakh Farms :						
4,500	Machinery Hire Charges				4,500		
32,780	Add: $\frac{1}{4}$ share of profit for the year				16,782	21,282	47,141
37,280							
54,576							
3	" Dividend on Co-operative Bank share						3
18	" Share transfer and splitting fees						14
	" Interest :						
5,33,062	On loans and others				6,19,179		
48,532	Less: Income-tax deducted at source				1,16,086	5,03,093	
4,84,530							
3,26,241	From subsidiary companies				1,25,437		
42,284	Less: Income-tax deducted at source				25,087	1,00,350	
2,83,957							
145	From lessors					3,783	6,07,226
7,68,632							
6,56,90,103							7,72,89,979
	Carried Over ..						

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

<i>As at</i> 31st May, 1968			Rupees	Rupees
Rupees				
2,08,94,717		Brought Forward ..	39,09,776	3,71,37,924
1,19,26,849				
15,62,606		Less: Crops in progress as at 31st May, 1969	9,43,756	
1,03,64,243			29,66,020	
7,30,106	To	Transportation of cane	1,13,015	30,79,035
1,10,94,349				
3,56,88,582	"	Locally purchased cane		5,50,50,783
	"	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. 3,99,193/- charged to repairs, capital and other relevant heads	38,53,481	
32,03,326	"	Bonus to employees	1,08,260	
6,04,638	"	Contribution to Provident Fund of the Company	46,265	
38,197	"	Gratuity	24,896	
6,352	"	Contribution to Government Provident Fund and administrative charges	2,50,990	
2,17,661	"	Workmen and staff welfare expenses	2,04,317	
2,28,387	"	Workmen compensation	606	44,88,815
934				
42,99,495	"	Stores, chemicals & spare parts (after deducting Rs. 29,09,296/- charged to agriculture, capital, repairs and other relevant heads)		13,31,368
11,48,829	"	Power and fuel		2,28,031
2,26,682	"	Repairs to Plant and Machinery (inclusive of salaries and wages Rs. 3,11,886/-)	6,04,714	
5,53,884	"	Repairs to buildings (inclusive of salaries and wages Rs. 48,957/-)	87,189	
1,29,167	"	Other repairs (inclusive of salaries and wages Rs. 33,881/-)	49,091	7,40,994
76,071				
7,59,122	"	Sugarcane purchase-tax		22,13,231
9,97,645	"	Gratuity insurance		75,000
89,653	"	Excise duty		1,40,19,252
79,08,423	"	Insurance Premium		1,23,581
1,10,509	"	Packing and forwarding		14,44,967
10,04,415	"	Rent (Received Rs. 3,400)		77,514
80,069	"	Staff Quarters Rent Refund		5,178
—	"	Rates and taxes		2,91,497
2,61,311	"	Sole Selling Agents' Commission on sugar		7,73,535
5,41,634	"	Miscellaneous expenses, including printing and stationery, postage and telegrams, telephone, travelling and motor cars maintenance		13,73,325
9,68,308				
8,60,73,743		Carried Over ..		12,24,54,030

THE YEAR ENDED 31ST MAY, 1969

21

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1968							Rupees	Rupees
	Rupees							
8,60,73,743			Brought Forward	..				12,24,54,030
2,03,900	To Charity and donation	..	..	..	..			2,31,081
	To Interest :							
8,499	Managing Agents	..	..	..	..	..	24,275	
2,108	Directors	..	..	..	..		2,244	
11,08,505	Cash Credit account	..	..	..	..		11,66,876	
41,558	Fixed loans	..	..	..	..		2,866	
1,20,060	On fixed Deposit	..	..	..	..		4,89,420	
1,02,264	Other loans	..	..	..	..		32,507	
								17,18,188
13,82,994	„ Directors fee (including Rs. 1050/- to Members of Managing Agents as Directors)	..	..	..	..			3,300
2,550								
39,895	„ Directors' and Managing Agents' Travelling expenses				..			37,431
	„ Managing Agents' remuneration—commission on profits subject to adjustments that may have to be made in respect of bonus and other provisions if any	..	..	..	..			2,10,120
6,47,764	„ Payment to auditors :							
7,500	Audit fees	..	..	..	..		7,500	
10,000	In other capacity	..	..	..	..		10,000	
130	Travelling expenses	..	..	..	..	..	—	17,500
17,630								
1,18,818	„ Brokerage and Commission	..	..	..	..			1,51,578
73,278	„ Legal expenses (including Rs. 22,500/- to a Director)				..			67,468
9,26,709	„ Depreciation	..	..	..	..			10,40,962
1,805	„ Loose tools and implements written off	..	..	..	..	..		1,869
10,000	„ Premium on leasehold land written off	..	..	..	..			10,000
300	„ Premium on Leasehold Garage written off			..	..			300
	„ Provision for payment of Agricultural profits to Maharashtra Government (subject to Adjustment)			..	..			—
6,00,000								
29,00,000	„ Provision for payment of additional amount by way of Agri. Profits as claimed by Maharashtra Govt. but disputed by the Company							—
4,30,814	„ Development Rebate Reserve	..	..	..	..			49,395
4,18,174	„ Provision for doubtful debts and advances			..	..			—
	„ Provision for additional Agri. Income-tax claimed by Maharashtra Govt. but disputed by the Company	..	..	..	..			—
29,00,000								
43,00,000	„ Provision for Taxation	..	..	..	..			10,00,000
18,77,322	„ Balance being Profit for the year	..	..	..	..			4,45,448
10,29,25,696			Total Rupees	..				12,74,38,670

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1968						
Rupees				Rupees	Rupees	Rupees
	To Bonus to employees pertaining to previous years -					
4,64,774	Agriculture	..	..	..	10,318	
6,98,999	Manufacturing	..	..	..	35,194	45,512
11,63,773						
12,25,000	„ Transfer to General Reserve	..	..	..		9,95,000
678	„ Balance carried to Balance Sheet	..	..	..		3,111
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 :					
18,77,322	Net Profit as per Profit and Loss Account	..	..	..	4,45,448	
Add :—						
6,47,764	(i) Managing Agents' Remuneration	..		2,10,120		
900	(ii) Director's fees to members of Managing Agency Company	..	..	1,050		
4,18,174	(iii) Provision for doubtful debts and advances			—		
72,00,000	(iv) Provision for taxation	..		10,00,000		
4,30,814	(v) Development Rebate Reserve	..		49,395		
80,816	(vi) Tax deducted at source			1,41,173		
87,78,468					14,01,738	
23,89,451	1,06,55,790	Carried Over			18,47,186	10,43,623

THE YEAR ENDED 31ST MAY, 1969

THE YEAR ENDED 31ST MAY, 1969

25

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1968	Rupees		Rupees	Rupees	Rupees
23,89,451	1,06,55,790	Brought Forward ..	18,47,186	10,43,623	
	Add :—				
	Depreciation :—				
	1,38,336 Agriculture	1,74,437			
	9,26,709 Fractory	10,40,962			
			12,15,399		
	1,17,20,835		30,62,585		
	Add :—				
	Income shown in Lower part of Profit & Loss Account :—				
	5,00,000 (i) Provision of Bonus recredited	—			
	9,453 (ii) Unclaimed salaries, wages and bonus written back	46,797			
	— (iii) Claims	4,108			
	— (iv) Excise duty Refund	16,852			
	— (v) Excess Provision for doubtful debts recredited	4,24,899			
			4,92,656		
	5,09,453		35,55,241		
	1,22,30,288				
	Less :—				
	(i) Bonus for previous years shown in lower part of Profit & Loss A/c	45,512			
	11,63,773 (ii) Provision for surtax (Estimated)	—			
	2,90,000 (iii) Depreciation to the extent specified in Section 350 of Companies Act, 1956	12,45,712			
	10,53,232		12,90,624		
	25,07,005				
	Net Profit for calculating				
	97,23,283 Managing Agents' Remuneration	—	22,64,617		
	Managing Agents' Remuneration on Rs. 22,64,617 as detailed below :—				
	10% on first Rs. 10 lacs	1,00,000			
	9% on next Rs. 10 lacs	90,000			
	6,48,664 8% on next Rs. 2,64,617	21,170	2,11,170		
	Less :—				
	900 Directors' Fees to Members of Managing Company	—	1,050		
	6,47,764				
	Amount of Managing Agents' Remuneration		2,10,120		
23,89,451				10,43,623	
	Total Rupees				

Referred to in our report of even date

NANUBHAI & CO.,
Chartered Accountants.

Bombay, Dated : 31st January, 1970.

THE YEAR ENDED 31ST MAY, 1969

THE YEAR ENDED 31ST MAY, 1969

MBAY, Dated : 30th January, 1970.

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

} Directors.

Schedule A

THE GODAVARI SUGAR

Schedule of fixed Assets Attached to and Forming Part of

P A R T I C U L A R S					Gross Block as on 1-6-68 at cost except otherwise stated	Additions during the year	Sub-Total
(1)					(2)	(3)	(4)
					Rupees	Rupees	Rupees
Freehold Land (Book Value)					15,56,568	19,336	15,75,904
Leasehold Land Premium					3,68,850	2,31,464*	6,00,314
Leasehold Land Development expenses					66,515	11,494	78,009
Leasehold Premium on Garage					12,000	—	12,000
Buildings (Book Value)					58,93,138	12,89,534	71,82,672
Temporary Quarters					2,12,512	—	2,12,512
Temporary Quarters at Farms					97,360	22,270	1,19,630
Pucca Quarters at Factories					10,99,542	—	10,99,542
Pucca Quarters at Farms					2,18,392	133	2,18,525
General Machinery (Book Value)					1,38,47,137	1,92,299	1,40,39,436
Electrical Machinery					22,14,544	22,088	22,36,632
Agricultural Machinery (Book Value)					30,51,417	3,40,514	33,91,931
Locomotives					92,974	—	92,974
Electrical Installations & Fittings					96,947	32,585	1,29,532
Furniture & Office Equipments					10,12,721	2,47,870	12,60,591
Weigh Bridge					1,89,243	—	1,89,243
Trolley Line					6,28,058	—	6,28,058
Railway Sidings					1,25,620	—	1,25,620
Motor Cars Lorries & Cycles (Book Value)					7,97,653	1,20,581	9,18,234
Carts & Trucks (Book Value)					3,50,872	2,741	3,53,613
Laboratory Apparatus					48,318	—	48,318
Roads, Drainage & Tube Wells					9,54,293	29,694	9,83,987
Dead Stock					67,190	827	68,017
Library					7,758	—	7,758
Medical Instruments					363	—	363
Irrigation Lifts					9,39,723	32,751	9,72,474
Live Stock					98,841	—	98,841
TOTAL RUPEES:					3,40,48,549	25,96,181	3,66,44,730

(1) No adjustment has been made in the books in respect of Profit / Loss on sale of assets.
 (2) * Rs. 22,635/- Sale in previous year wrongly deducted from leasehold land premium adjusted.

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

Bombay, Dated: 31st January, 1970.

MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1969

Deduction of Sales and other Adjustments During the year	Gross Block as on 31st May, 1969	Written off up to 31st May, 1968	Written off during the year	Total Depreciation upto 31st May, 1969	Net Depreciated Block as at 31st May, 1969	Net Depreciated Block as at 31st May, 1968
(5)	(6)	(7)	(8)	(9)	(10)	(11)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
22,635 (*)	15,53,269	—	—	—	15,53,269	15,56,568
—	6,00,314	3,54,411	24,439	3,78,850	2,21,464	14,439
—	78,009	—	—	—	78,009	66,515
—	12,000	3,300	300	3,600	8,400	8,700
—	71,82,672	22,60,118	1,16,842	23,76,960	48,05,712	36,33,020
—	2,12,512	1,95,158	1,302	1,96,460	16,052	17,354
—	1,19,630	89,816	2,793	92,609	27,021	7,544
—	10,99,542	98,208	34,454	1,32,662	9,66,880	10,01,334
—	2,18,525	49,866	5,460	55,326	1,63,199	1,68,526
3,25,000	1,37,14,436	1,05,46,787	6,01,673	1,11,48,460	25,65,976	33,00,350
—	22,36,632	13,35,329	1,55,329	14,90,658	7,45,974	8,79,215
39,495	33,52,436	28,31,453	1,10,077	29,41,530	4,10,906	2,19,964
—	92,974	83,552	942	84,494	8,480	9,422
—	1,29,532	76,691	2,026	78,717	50,815	20,256
—	12,60,591	4,57,760	57,304	5,15,064	7,45,527	5,54,961
—	1,89,243	1,38,265	6,039	1,44,304	44,939	50,978
—	6,28,058	5,64,151	6,390	5,70,541	57,517	63,907
—	1,25,620	99,821	1,851	1,01,672	23,948	25,799
7,100	9,11,134	6,05,837	61,768	6,67,605	2,43,529	1,91,816
—	3,53,613	2,88,895	4,612	2,93,507	60,106	61,977
—	48,318	30,723	1,232	31,955	16,363	17,595
—	9,83,987	6,10,802	34,349	6,45,151	3,38,836	3,43,491
—	68,017	56,352	1,148	57,500	10,517	10,838
—	7,758	4,447	199	4,646	3,112	3,311
—	363	319	3	322	41	44
—	9,72,474	9,20,769	9,606	9,30,375	42,099	18,954
10,057	88,784	77,259	1,600	78,859	9,925	21,582
4,04,287	3,62,40,443	2,17,80,089	12,41,738	2,30,21,827	1,32,18,616	1,22,68,460.

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

Directors.

BOMBAY :: Dated : 30th January 1970

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Fourteenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1969.

During the year under report, the Finance Scheme and Hire Purchase Scheme worked satisfactorily. The scales of advances under the Finance Scheme have been revised upwards in keeping with the increase in the costs of cultivation, fertilisers, etc.

The working of the Company for the year resulted in a profit of Rs. 14,326/- after providing Rs. 31,250/- for taxation. The net carry forward loss after adjusting the above profit comes to Rs. 99,881/- which has been carried forward to next year. In view of this, Directors do not recommend any dividend 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

K. J. SOMAIYA
Director

Bombay, Dated : 29th December, 1969.

GODAVARI INVESTMENT & FINANCE CORPORATION LTD., 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, 1969, 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, 1969 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 : 30th day of December, 1969.

GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May, 1968		LIABILITIES	
Rupees		Rupees	Rupees
5,00,000	I. AUTHORISED CAPITAL :— 5,000 Ordinary (Equity) Shares of Rs. 100/- each		5,00,000
1,00,000	II. SUBSCRIBED CAPITAL :— 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
11,94,756	III. SECURED LOANS :— 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.		5,54,310
1,632	IV. UNSECURED LOANS :— Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.		8,86,889
	V. CURRENT LIABILITIES AND PROVISIONS :—		
	(A) CURRENT LIABILITIES :		
50,869	(i) Sundry Creditors	43,655	
1,16,804	(ii) Estimated unearned Finance charges on hire Purchase carried forward	61,834	
19,033	(iii) Interest accrued but not due on loans	9,013	
1,86,706		1,14,502	
	(B) PROVISIONS :		
10,500	For taxation	41,750	
1,97,206			1,56,252
14,93,594	Carried Over		16,97,451

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1969

As at 31st May, 1968	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS & ADVANCES :			
	(A) CURRENT ASSETS :			
	(i) Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director)			
59,365	Machinery Stores and Spares		40,256	
	(ii) Future instalments receivable from hire of oil engines and pumps under Hire Purchase Agreements : (Considered good)			
3,40,082			1,85,149	
	(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			
1,65,234	Outstanding for more than 6 months	1,76,750		
29,681	Considered doubtful	24,102		
1,94,915		2,00,852		
29,681	Less : Provision for doubtful debts	24,102		
1,65,234		1,76,750		
62,260	Other debts	29,391		
2,27,494			2,06,141	
	(iv) CASH AND BANK BALANCES :			
2,232	Cash on hand	261		
5,216	Stamp papers on hand	9729		
764	In current Account with a Scheduled Bank	637		10,627
8,212				
6,35,153	Carried Over		4,42,173	—

GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May, 1968	LIABILITIES—(Contd.)	
Rupees	Rupees	Rupees
14,93,594	Brought Forward ..	16,97,451
NOTE :		
Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for loans amounting to Rs. 1,74,835 have been either sent for registration or are under execution.		
14,93,594	Total Rupees ..	16,97,451

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

BOMBAY, Dated : 30th December, 1969.

AS AT 31ST MAY, 1969

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 } *Directors.*
S. R. PARIKH }

GODAVARI INVESTMENT & PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1968		Rupees	Rupees
	To Opening Stock :		
88,998	Machinery, Spares and Fittings ..		59,365
	„ Purchases :—		
19,037	Machinery	9,640	
2,52,858	Stores	2,31,032	
2,71,895			2,40,672
4,501	„ Machinery returned by Bagaitdars		2,106
	„ Miscellaneous expenses, fees and stamps, printing and stationery, postage and telegrams, conveyance, travelling (including debit balances written off Rs. 67/-)		8,419
3,791			
5,000	„ Charity and Donation		5,000
310	„ Insurance Premium		300
	„ Interest :		
96,259	On current account to the Holding Company, The Godavari Sugar Mills Ltd.	44,661	
1,17,983	On cash credit account with a bank	91,033	
2,14,242			1,35,694
500	„ Audit Fees		500
14,632	„ Salary		20,440
—	„ Bonus		1,540
397	„ Company's Contribution (to the Holding Company) towards Provident fund		680
—	„ Govt. Provident fund Company's contribution & Administrative charges		252
721	„ Loss on Plant and machinery		—
14,765	„ Bad debts written off		—
10,500	„ Provision for taxation		31,250
15,929	„ Profit carried down		14,326
6,46,181	Total Rupees ..		5,20,544
1,28,078	„ Loss as per last Balance Sheet		98,600
—	„ Income tax for 1966-67 not Provided in the year		15,607
1,28,078	Total Rupees ..		1,14,207

Referred to in our Report of even date
NANUBHAI & CO.
CHARTERED ACCOUNTANTS.

Bombay, Dated : 30th December, 1969.

THE YEAR ENDED 31ST MAY, 1969

K. J. SOMAIYA	}	<i>Directors.</i>
S. K. SOMAIYA		
S. R. PARIKH		

37

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, 1969 submitted herewith. The net profit of the Company for the year amounts to Rs. 16,21,430/- after providing Rs. 11,60,000/- for provision for taxation, Rs. 5,24,486/- for depreciation and after transferring Rs. 66,233/- to Development Rebate Reserve. The Balance Profit after adjusting carried forward loss of Rs. 12,11,073/- from last year comes to Rs. 4,10,357/- which is carried forward to next year.

The Directors do not recommend any dividends in view of insufficient balance in Profit and Loss Account to pay the arrears of Preference Dividends. You are requested to approve the same.

The working of the distillery and the Acetic Acid Plant during the year under report were quite satisfactory. The Acetic Acid market continued to rule steady during the year. Besides meeting requirements of our Acetic Acid Plant, the distillery continued to meet the demands of other industrial users of alcohol.

While the allotment of molasses to your distillery was adequate in respect of quantity, the allotment continues to be made from distant sugar factories from Nasik Dist. and Aurangabad Dist. and not from the nearby sugar factories in Ahmednagar Dist. Your Directors have pursued this matter with the authorities in the past and are endeavouring their best to have the principle of "nearby molasses to the nearest distillery" accepted.

Two of your Directors Shri S. K. Somaiya and Shri N. C. Sayta retire by rotation, but being eligible, offer themselves for re-election. Shri Banarasilal Narula has been appointed as an additional director of the Company from 29-12-1969.

Messrs. Nanubhai & Co., retire and offer themselves for re-appointment as auditors.

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

BOMBAY, Dated : 29th December, 1969.

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, 1969, and also the Profit and Loss Account of the Company for the year ended on that date, attached thereto and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of those Books.
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, 1969 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 30th day of December, 1969.

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st May, 1968		LIABILITIES	
Rupees		Rupees	Rupees
	I. SHARE CAPITAL :		
	AUTHORISED CAPITAL :		
25,00,000	25,000 Equity Shares of Rs. 100/- each	25,00,000	
25,00,000	25,000 7% Free of Income-tax cumulative Preference Shares of Rs. 100/- each liable to be redeemed at the option of the Company	25,00,000	50,00,000
50,00,000			
	ISSUED & SUBSCRIBED CAPITAL :		
5,00,000	5,000 Equity Shares of Rs. 100/- each fully paid out of which, 2,550 shares are held by the holding Company, The Godavari Sugar Mills Ltd.,	5,00,000	
10,00,000	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	15,00,000
15,00,000			
	II. RESERVES AND SURPLUS :—		
	(a) Development Rebate Reserve :—		
10,44,076	As per last Balance Sheet	11,68,927	
1,24,851	Add : Amount set aside from the Profit of the year	77,233	
11,68,927		12,35,160	
—	(b) Profit & Loss Account		
	Balance as per Profit & Loss Account	4,10,357	16,45,517
11,68,927			
	III. SECURED LOANS :		
18,00,000	From Union Bank of India against Equitable Mortgage of Fixed Assets including Machineries etc. and guaranteed by two Directors' of the Company		14,00,000
	IV. UNSECURED LOANS :		
17,48,320	On current account with the Holding Company, The Godavari Sugar Mills Limited	—	
1,99,362	Interest on above	—	
19,47,682			
	V. CURRENT LIABILITIES AND PROVISIONS :		
	(A) CURRENT LIABILITIES :		
3,66,806	Due to Selling Agents	3,79,657	
5,38,354	Sundry Creditors	6,88,783	
4,03,080	Deposits and Advances from Customers	3,67,082	
29,415	Interest accrued but not due	10,765	
13,37,655		14,46,287	
	(B) PROVISION :		
—	Provision for taxation	11,60,000	26,06,287
13,37,655			
77,54,264	Carried Over		71,51,804

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1969

As at 31st May, 1968		ASSETS.		
Rupees			Rupees	Rupees
	I. FIXED ASSETS (At cost) :—			
77,01,752	Gross Block		81,04,616	
44,02,010	Less : Depreciation written off upto 31st May 1969		49,26,496	
32,99,742	Net depreciated Block as per Schedule 'A'		31,78,120	
54,859	Capital Work-in-Progress		25,661	
33,54,601				32,03,781
	II. INVESTMENT (At cost) :—			
	(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	
87,750	(2) 19,500 Equity Shares of Rs. 10/- each of Kutch Salt & Allied Indus- tries Limited fully paid up 87,750			
—	Add : 5,000 Equity Shares of Rs. 10/- each purchased during the year 15,791		1,03,541	
87,750				
—	(3) 450 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Ltd. Purchased during the year partly paid up 33,750		33,750	
2,37,750			2,87,291	
	(B) OTHER INVESTMENTS :			
995	4% 1967 Maharashtra State Loan (face value Rs. 1,000/- deposited with Excise Department) 995		995	
		Cost Market		
	Aggregate quoted Investments 2,53,541	3,41,750		
	Aggregate unquoted Investments 34,745	—		
2,38,745		2,88,286	3,41,750	2,88,286
	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)			
9,29,815	(a) On hand 8,15,980			
1,14,379	(b) In transit 2,38,506		10,54,486	
10,44,194				
16,137	(ii) Loose Tools and implements (as per inventory certified by a Director) 15,169		15,169	
	(iii) Stock-in-trade : (As valued and certified by a Director)			
4,05,756	(a) Acetic Acid at Market rate 2,88,634			
2,47,564	(b) Rectified Spirit at market rate 3,56,283			
82,372	(c) Raw Materials (Molasses) at cost 1,38,484			
7,35,692				
10,60,331				
35,93,346	Carried over	7,83,451	10,69,655	34,92,067

SOMAIYA ORGANO- BALANCE SHEET

As at 31st May, 1968		LIABILITIES (Contd.)	
Rupees		Rupees	Rupees
77,54,264	Brought Forward ..		71,51,804
	CONTINGENT LIABILITIES (Not provided for) :—		
3,74,824	1. Arrears of dividend on 7% (free of Income -tax) redeemable cumulative preference shares for the period of 1960-61 to 1968-69 ..	4,44,824	
28,000	2. In respect of counter guarantee given to a Bank	28,000	
	NOTES :		
	(1) The Company has made during the year a Donation of Rs. 30,000/- to a political party and Rs. 1,000/- to an Institution. Through inadvertence, the limits of donation laid down in Section 293 (1) (c) and Section 293 (A) of the Companies Act, 1956 have been exceeded.		
	(2) Applications to Company Law Board are being made for the following :—		
	(a) Loan during the year in excess of the limit laid down in Section 370 (1) of the Companies Act 1956 to Oriental Power Cables Ltd., a Company under the same management without the prior approval of the Central Government. The balance as on 31st May, 1969 is within the limit laid down in the said Section.		
	(b) Loans to Bodies Corporate including holding Company in excess of the limit laid down under Section 370 of the Companies Act, 1956 without prior approval of the Central Government.		
	(c) Loans given to Private Ltd. Companies in which one or more Directors are interested as Directors without obtaining previous approval of the Central Government.		
77,54,264	Total Rupees		71,51,804

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY : Dated the 30th December, 1969

CHEMICALS LTD., BOMBAY

AS AT 31ST MAY, 1969

As at 31st May, 1968	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
35,93,346				
10,60,331				
7,35,692	Brought Forward	7,83,451	10,69,655	34,92,067
12,562	(d) Denatured Spirit at Market rate ..	13,713		
4,900	(e) Fusel Oil at market rate ..	—		
12,750	(f) Ethyl Acetate at Market rate ..	—		
7,65,904			7,97,164	
73,615	(iv) Sundry Debtors (unsecured and considered good— other than in dispute not provided for)			
	(a) Debts outstanding for more than 6 months ..	1,68,980		
5,06,595	(b) Other debts (including Rs. 4,000/- due by Oriental Power Cables Ltd. a Company under the same management Rs. 95,313/- in dispute) ..	4,00,929		
5,80,210			5,69,909	
27,326	(v) Cash and Bank Balances :			
96,858	Cash on Hand	15,781		
	In current account with Schedule Banks	53,806		
1,24,184			69,587	
25,30,629			25,06,315	
	(B) LOANS AND ADVANCES : (Unsecured and considered good except otherwise stated)			
	(1) To Companies under the same Management :			
2,88,641	Loan to M/s. Oriental Power Cables Ltd. (Maximum Debit Balance during the year Rs. 3,38,640/- Pre- vious year Rs. 2,88,641/-) ..	2,74,930		
—	(2) To Private Limited Companies in which one or more Directors are interested as Director :			
—	(Maximum debit balance during the year Rs.6,02,083/-)	5,99,625		
	(3) To Holding Company M/s. Godavari Sugar Mills Limited, (Maximum debit balance during the year Rs. 6,54,190/-) ..	71,972		
2,88,641			9,46,527	
1,11,728	(ii) Advance recoverable in Cash or kind or for value to be received ..		1,74,549	
18,846	(iii) Deposit (includes Rs. 4,000/- in Post Office a/c. Pass Book whereof lodged with a Car dealer) ..		32,346	
29,49,844				36,59,737
12,11,074	IV. MISCELLANEOUS EXPENDITURE :			
	Balance as per Profit & Loss Account ..			
77,54,284	Total Rupees : ..			71,51,804

Note : In the opinion of the Board, the current Assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The Provisions for all known liabilities and Depreciation is adequate and not in excess of amount reasonably necessary.

BOMBAY, Dated 30th December 1969.

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

} Directors

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1968 Rupees		Rupees	Rupees
	To Opening Stock on 1st June 1968	4,05,756	
6,252	Acetic Acid	2,47,564	
3,37,110	Rectified Spirit	12,562	
14,130	Denatured Spirit	4,900	
2,800	Fusel Oil	12,750	
13,500	Ethyl Acetate		6,83,532
			8,07,665
3,73,792	" Molasses consumed (purchase Rs. 8,63,776/-)		3,06,377
4,98,439	" Stores & Chemical consumed		8,93,330
2,61,458	" Power and Fuel	5,87,550	
7,10,117	" Salaries & Wages		
5,17,318	" Bonus	5,000	
84,438	" Provision for Bonus	89	
352	" Workmen and Staff Welfare Expenses		
2,674	" Company's contribution (to the Holding Company) towards Provident Fund	4,238	
28,504	" Company's contribution to Govt. Provident Fund And Administrative charges	30,440	6,27,317
6,33,286	" Repairs :	41,805	
31,602	Plant and Machinery	3,795	
8,624	Buildings	5,538	
6,934	Other Repairs		51,138
			36,367
47,160	" Excise Establishment charges		23,540
39,516	" Insurance Premium		3,691
18,562	" Emergency Risk Insurance Premium		1,650
1,350	" Directors' Fees		
15,750	" Legal Expenses (including Rs. 7,500/- paid to a director of holding company)		19,750
8,592	" Directors' Travelling expenses		16,760
	" Interest :-	80,777	
2,29,982	To Holding Company, The Godavari Sugar Mills Ltd.	1,45,488	
1,77,785	To Bank on Fixed Loan	3,000	
18,257	Others		2,29,265
4,26,024	" Miscellaneous expenses, including Printing and Stationery, Postage and Telegrams, Travelling, Subscription, Motor Car Maintenance etc.		1,72,073
66,759	" Rates and Taxes		566
260	" Office Rent		14,400
14,400	" Audit Fees		500
500	" Charity and Donations (including donation to Uttar Pradesh Congress Committee Rs. 25,000/- and Bombay Pradesh Congress Committee Rs. 5,000/-)		31,000
25,000	" Loose Tools written off		968
1,030	" Bad debts Written off		5,24,486
5,195	" Depreciation		66,233
5,25,999	" Development Rebate Reserve		
1,24,851	" Commission :-	3,51,029	
1,96,334	" Sole Selling Agent's Commission	1,76,276	5,27,305
26,759	" Others		11,60,000
2,23,093	" Provision for Taxation		16,29,185
7,75,356	" Balance being Profit for the year	Total Rupees	78,27,098
47,96,489			12,11,073
19,56,154	To Balance as per last Balance Sheet		10,010
75,276	" Bonus for previous years		
	" Balance carried to Balance Sheet		4,10,357
		Total Rupees	16,31,440
20,31,430			

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

BOMBAY, Dated : 30th December, 1969.

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1969

As at 31st May, 1968 Rupees						Rupees	Rupees
	By Sales :						
27,01,356	Acetic Acid					55,38,752	
12,21,784	Denatured Spirit & Rectified Spirit					10,84,888	
3,500	Amyl Alcohol					727	
40	Fusel Oil					5,400	
—	Acetal Dehyde					3,90,817	70,20,584
39,26,680							
48,000	„ Hire charges						48,000
1,12,773	„ Miscellaneous Receipts (including sundry credit balance written back Rs. 81).						51,012
2,400	„ Rent Compensation						—
26	„ Interest on Govt. Loan (Net)					45	
26,629	„ Interest on Loan				59,520		
3,551	Less : Tax deducted at Source				10,897		
23,078						48,623	
—	„ Others					154	48,822
23,104							
	„ Closing Stock in trade (as valued and certified by a Director)						
4,05,756	„ Acetic Acid at Market Rate					2,88,684	
2,47,564	„ Rectified Spirit at Market Rate					3,56,284	
—	„ Ordinary Denatured Spirit at Market Rate					13,712	
12,562	„ Denatured Spirit at Market Rate					—	
4,900	„ Fusel Oil at Market Rate					—	
12,750	„ Ethyl Acetate at Market Rate					—	6,58,680
6,83,532							
47,96,489					Total Rupees ..		78,27,098
7,75,356	By Balance Brought down						16,29,185
—	„ Unclaimed Salaries & Bonus written back						2,255
45,000	„ Provision for Bonus recredited						—
12,11,074	„ Balance carried to Balance Sheet						—
20,31,430					Total Rupees ..		16,31,440

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

} Directors.

BOMBAY, Dated : 29th December, 1969.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1969

Schedule 'A'

Particulars	Gross Block at Cost except otherwise stated as at 1st June 1968	Additions during the year	Gross Block as at 31st May 1969	Depreciation written off upto 31st May 1968	Depreciation written off this year	Total depreciation upto 31st May 1969	Net Depreciated block as at 31st May 1969	Net Depreciated block as at 31st May 1968
1	2		4	5	6	7	8	9
Land ..	13,150	—	13,150	—	—	—	13,150	13,150
Distillery Buildings	8,11,704	—	8,11,704	1,50,793	33,045	1,83,838	6,27,866	6,60,911
Distillery Machinery (Book Value) ..	27,23,428	7,588	27,31,016	12,48,183	2,43,950	14,92,133	12,38,883	14,75,245
Acetic Acid Building	2,06,063	55,487	2,61,550	59,376	10,108	69,484	1,92,066	1,46,687
Electric Machinery	2,97,417	2,765	3,00,182	1,35,320	32,872	1,68,192	1,31,990	1,62,097
Acetic Acid Plant ..	31,10,517	2,06,974	33,17,491	26,31,678	1,48,106	27,79,784	5,37,707	4,78,839
Laboratory Apparatus ..	3,808	—	3,808	1,395	169	1,564	2,244	2,413
Furniture and Office Equipments. ..	33,783	267	34,050	13,932	2,630	16,562	17,488	19,851
Motor Car, Lorries & Tankers. ..	51,659	20,943	72,602	41,614	6,562	48,176	24,426	10,045
Scale & Weigh bridges ..	2,420	—	2,420	1,296	135	1,431	989	1,124
Storage Vats & Tanks ..	4,21,722	55,746	4,77,468	1,11,355	43,835	1,55,190	3,22,278	3,10,367
Electric Installation.	26,081	53,094	79,175	7,068	3,074	10,142	69,033	19,013
Total Rupees ..	77,01,752	4,02,864	81,04,616	44,02,010	5,24,486	49,26,496	31,78,120	32,99,742

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

BOMBAY,

BOMBAY : Dated : 30th December, 1969. Dated : 29th December, 1969.

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

} Directors.