

31

THE
GODAVARI
SUGAR MILLS
LIMITED

ANNUAL REPORT & ACCOUNTS
1969-70

1970
THE GODAVARI SUGAR MILLS LIMITED

(Incorporated under the Indian Companies Act, VII of 1913)

Board of Directors :

SHRI KARAMSHI JETHABHAI SOMAIYA

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 31st Annual General Meeting of the Godavari Sugar Mills Limited will be held on Saturday, the 30th January, 1971 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, 1970.
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 S. K. Somaiya, who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri D. M. Popat, who retires by rotation, but being eligible, offers himself for re-election.
5. To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

SPECIAL RESOLUTION:

"Resolved that the Articles of Association of the Company be altered in the manner following:

"Articles 82 and 118 be and they are hereby deleted."

"Articles 119, 120, 121, 122 and 126 be substituted by the following":

- 119 "Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body or any other suitable person or persons to be Managing Director or Managing Directors of the Company for a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places. The Directors may whenever there is more than one Managing Director decide whether the Managing Directors should act jointly or severally and may delegate powers separately to one or more Managing Directors."
- 120 "Subject to the provisions of the Act and these Articles, the Managing Director shall not, while he continues to hold that Office, be subject to retirement by rotation under Article 92 but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately cease to be Managing Director if he ceases to hold the office of Director from any cause."
- 121 "The remuneration of the Managing Director (subject to the provisions of the Act and of these Articles) shall be in accordance with the terms of his contract with the Company".
- 122 "The Directors may from time to time entrust to and confer on a Managing

Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw alter or vary all or any of such powers. Unless and until otherwise determined, Managing Director may exercise all the powers exercisable by the Directors save such powers as by the Act or by these Articles shall be exercisable by the Directors themselves”.

- 126 “Every deed or other instrument to which the Common Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by two Directors of the Company.”
“In Article 145, the words ‘and the Managing Agents’ shall be deleted.”

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

ORDINARY RESOLUTION NO. 1:

“Resolved that pursuant to the relevant provisions of the Companies Act, 1956 including Section 257 and Section 258, Shri K. J. Somaiya be and is hereby elected and appointed Director of the Company”.

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

ORDINARY RESOLUTION NO. 2:

“Resolved that pursuant to proposed new Article No. 119, and any other applicable provisions of the Companies Act 1956, and subject to sanction approval of the Central Government approval of the shareholders be and is hereby given to the payment of remuneration to Shri K. J. Somaiya as Managing Director of the Company for the period commencing from 1st June 1970 to 31st May 1975 as per terms and conditions given below with a power to the board of directors to agree to such variations in the said terms and conditions as may be required by the Central Government and agreeable to Shri K. J. Somaiya” :

1. *Salary* Rs. 7,500 (Rupees Seven thousand five hundred only) per month.
2. *Commission* 1% on the net profits of the Company in each financial year computed in the manner as laid down in Section 309 (5) of the Companies Act subject to a maximum of Rs. 45,000 (Rupees forty-five thousand only) per annum or one-half of the total annual salary whichever is less.
3. *Perquisites*
 - (i) Free furnished accommodation with facilities and amenities or reasonable rent in lieu thereof.
 - (ii) Use of Company's car with driver;
 - (iii) Actual medical expenses by the Managing Director and his wife;
 - (iv) Leave with pay for a period not exceeding one month in a year or one-eleventh of duty period subject to the condition that encashment of leave unavailed of shall not be allowed;
 - (v) Leave travelling expenses within India for self and wife once in each financial year;
 - (vi) Personal accident insurance;
 - (vii) Other benefits and amenities as may be applicable to other senior executives of the Company;

- (viii) Benefit of Provident Fund and Superannuation Scheme and other retirement benefits, if any, as may be fixed by the Board of Directors of the Company;
- (ix) Gratuity as admissible under the Company's rules.
- (x) Pension at Rs. 1750/- per month for the remainder of his life time from the date of retirement but such pension at the rate of Rs. 1750/- per month shall in any event be payable certain to him or his widow or to his nominee at the rate of one year's pension for each year of service put in from 1-6-1970 and for a period of service of less than a year to a pension of Rs. 1750/- per month for the proportionate period.

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

ORDINARY RESOLUTION NO. 3:

"Resolved, in supersession of the resolution passed at the Annual General Meeting of the Company held on 1st April, 1968, that pursuant to the Clause (d) of the sub-section of Section 293 of the Companies Act, 1956 the consent of the Company be and it is hereby granted to the Board of Directors of the Company from borrowing moneys for the purpose of the Company from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed if any, by the Company (apart from the temporary loans obtained by the Company from the Company's Bankers in the ordinary course of the business) will or may exceed the aggregate of the paid-up capital of the Company and its Free Reserves, if any, that is to say, Reserves not set apart for any specific purpose, so that the total amount upto which moneys can be borrowed by the Board of Directors shall not any time exceed Rs. 10 Crores (Rupees ten crores)."

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

The Transfer Books of the Company will be closed from 15th January 1971 to 30th January 1971 both days inclusive.

By Order of the Board of Directors

S. K. SOMAIYA

Director

BOMBAY, Dated 30th December, 1970.

- Notes:**
1. The final dividend when declared will be payable at the Registered Office of the Company on and after 15th February 1971. The dividend warrants will be posted to those shareholders whose names stand on the Company's register on 15th January, 1971.
 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 special items of business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of the Companies Act, 1956.

SPECIAL RESOLUTION:

The tenure of M/s K. J. Somaiya & Sons Private Ltd., the erstwhile Managing Agents of the Company, expired on 31st December, 1969 and that with effect from 1st January 1970, the Company did not have any Managing Agents. The said Managing Agents and their Directors used to look after the day to day management and affairs of the Company and consequent upon the termination of the Managing Agency, it was necessary to delete some clauses relevant to Managing Agents M/s. K. J. Somaiya & Sons Private Ltd., and substitute some clauses to authorise the Company to appoint Managing Directors to manage day to day affairs of the Company. Hence this Special Resolution is commended for the approval of the members.

ORDINARY RESOLUTION NO. 1:

Shri K. J. Somaiya who was Ex-officio director of the Company appointed by M/s K. J. Somaiya & Sons Private Ltd., ceased to be a director of the Company on completion of tenure of K. J. Somaiya & Sons Private Ltd., as Managing Agents on 31st December 1969. Shri K. J. Somaiya was appointed Additional Director by the Board in March 1970. Under the provisions of Section 260 of the Companies Act, 1956 and of Clause 84 of the Articles of Association of the Company, he would hold office upto the date of the next Annual General Meeting, namely 30th January 1971. The Board considers it desirable that the Company should continue to avail itself of his experience and services. The Directors accordingly commend the Resolution for your approval.

ORDINARY RESOLUTION NO. 2:

Upon the termination of the Managing Agency of M/s. K. J. Somaiya & Sons Private Ltd., the Board of Directors have decided that the best alternative form of management for the Company would be the appointment of a person as the Managing Director.

With regard to the person who should act as the Managing Director of the Company, the Board feels that no other person would be better fitted to hold this appointment than Shri K. J. Somaiya who is a Director of the Company. He has also been a Director of the erstwhile Managing Agency Company from the beginning, and in view of his long and very close association with the administration of the Company to which he has rendered valuable service and his intimate knowledge and practical experience of its affairs, the smooth continuity of the management of the Company would be best ensured by his appointment as a Managing Director.

Accordingly the Board of Directors have in their meeting held on 6th March 1970 recommended for your approval the appointment of Shri K. J. Somaiya as Managing Director of the Company subject to Central Government's sanction on the terms and conditions set out in the draft of an agreement produced before the said meeting a copy whereof initialled by the Chairman of the meeting is available for inspection by any member of the Company at the Registered Office of the Company between 10-30 a.m. and 1-00 p.m. on any working day.

The material terms relating to the appointment and the remuneration of Shri K. J. Somaiya as a Managing Director are set out in the abstract under Section 302 of the Companies Act, 1956 which is attached to this Explanatory Statement.

ORDINARY RESOLUTION NO. 3:

By an Ordinary Resolution passed at the Annual General Meeting of the Company on 1st April, 1968, the Board of Directors were authorised to borrow funds upto a limit of Rs. 4 crores.

The Board of Directors are of the opinion that to meet the additional requirements, the borrowing limit of Rs. 4 crores should be increased to Rs. 10 crores. The Ordinary Resolution as set out in the Notice is, therefore, commended for the approval of the shareholders.

Two of the Company's Directors i.e. Shri K. J. Somaiya and Shri S. K. Somaiya are interested in Ordinary Resolutions No. 1 and No. 2.

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

	No. of Equity Shares held
Shri K. J. Somaiya.....	5770
Shri S. K. Somaiya	6447

In addition to the above, Shri K. J. Somaiya and Shri S. K. Somaiya along with other person or persons hold 78166 equity shares of the Company, Shri K. J. Somaiya as Karta of K. J. Somaiya Hindu Undivided Family holds 2000 Equity Shares of the Company, Shri S. K. Somaiya as natural guardian of Kumari H. S. Somaiya holds 600 Equity Shares of the Company and Shri K. J. Somaiya and others hold 5000 Equity Shares of the Company.

By the Order of the Board of Directors,

S. K. SOMAIYA
Director

BOMBAY, Dated 30th December, 1970.

(An Abstract of the Agreement, to be entered into, between the Company and Shri K. J. Somaiya for his appointment as the Managing Director of the Company and Memorandum of Interest furnished in accordance with Section 302 of the Companies Act, 1956.)

PARTIES:

THE GODAVARI SUGAR MILLS LIMITED (hereinafter called "*The Company*")
and **SHRI K. J. SOMAIYA** (hereinafter called "*Managing Director*").

1. Period:

Commencing from 1st June, 1970 and ending on 31st May, 1975.

2. Duties, Responsibilities and Powers:

Subject to the superintendence, control and direction of the Board of Directors of the Company, the Managing Director shall be responsible for the general conduct and management of the business and affairs of the Company for which he shall have all the usual powers.

3. Remuneration:

1. Salary:

Rs. 7,500 (Rupees seven thousand five hundred only) per month.

2. Commission:

1% on the net profits of the Company for each financial year computed in the manner as laid down in Section 309(5) of the Companies Act subject to a maximum of Rs. 45,000 (Rupees forty-five thousand only) per annum or one-half of the total annual salary whichever is less.

3. Perquisites:

- (i) Free furnished accommodation with facilities and amenities or reasonable rent in lieu thereof;
- (ii) Use of Company's car with driver;
- (iii) Actual medical expenses incurred by the Managing Director and his wife;
- (iv) Leave with pay for a period not exceeding one month in a year or one-eleventh of duty period subject to the condition that encashment of leave unavailed of shall not be allowed;
- (v) Leave travelling expenses within India for self and wife once in each financial year;
- (vi) Personal accident insurance;
- (vii) Other benefits and amenities as may be applicable to other senior executives of the Company;
- (viii) Benefit of Provident Fund and Superannuation Scheme and other retirement benefits, if any, as may be fixed by the Board of Directors of the Company;
- (ix) Gratuity as admissible under the Company's rules;
- (x) Pension at Rs. 1750/- per month for the remainder of his life time from the date of retirement but such pension at the rate of Rs. 1750/- per month shall in any event be payable certain to him or his widow or to his nominee at the rate of one year's pension for each year of service put in from 1-6-1970 and for a period of service of less than a year to a pension of Rs. 1750/- per month for the proportionate period.

4. Minimum Remuneration:

In case of absence of profits (including the case of loss) or inadequacy of profits in any year, or part of the year, the Managing Director shall be paid as minimum remuneration salary of Rs. 7500/- (Rupees seven thousand five hundred only) per month along with aforesaid perquisites so that the total perquisites during any year do not exceed Rs. 30,000/- (Rs. Thirty Thousand only) per year.

5. Compensation:

Compensation for loss of office of Managing Director will be paid subject to the provision of Section 318 of the Companies Act, 1956.

6. General:

Managing Director shall be entitled to be reimbursed for expenses incurred by him on behalf of the Company.

Memorandum of Interest

Shri K. J. Somaiya who is appointed as the Managing Director of the Company is deemed to be concerned or interested in the Agreement to the extent of remuneration to which he will be entitled to, as the Managing Director of the Company.

By Order of the Board of Directors,

S. K. SOMAIYA

Director

BOMBAY, Dated 30th December, 1970.

THE GODAVARI SUGAR MILLS LTD, 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, 1970.

FINANCIAL RESULTS

The Gross profit for the year, before providing for depreciation, development rebate reserve and taxation amounted to Rs. 71,65,663

Deducting therefrom:

Depreciation	Rs. 13,44,534
Development Rebate Reserve	Rs. 10,884
Provision for taxation	Rs. 43,00,000
	<hr/>
	Rs. 56,55,418
	<hr/>
	Rs. 15,10,245

Your Directors recommend the following appropriations:

1. Transfer to General Reserve Account	Rs. 15,00,000
2. Balance carried forward to Balance Sheet	Rs. 10,245
	<hr/>
	Rs. 15,10,245

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, 1970 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, 1970 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 the 30th January, 1971.

You are requested to approve Rs. 1,80,051 by way of charity and donation during the year as under:—

The Somaiya Trust, Bombay	Rs. 1,75,000
Mahila Mandal, Udaipur	Rs. 5,000
Sundry	Rs. 51
	<hr/>
.. .. . Total	Rs. 1,80,051

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.

During the year under report, the Company secured an Industrial Licence for setting up a new sugar factory of 2500 tonnes capacity in Mudhol Taluka in Mysore State. Major part of the lands for the factory site have already been purchased. Necessary financial arrangements for the project have since been made and the Order for plant and machinery have been placed. According to present indications, the new factory will start crushing in 1971-72 season.

Shri S. K. Somaiya and Shri D. M. Popat, two of your Directors retire by rotation, but being eligible, offer themselves for re-election.

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

Yours faithfully,
By Order of the Board of Directors,

S. K. SOMAIYA
Director

BOMBAY : Dated 30th December, 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, 1970 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, 1970 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 31st December, 1970.

**BALANCE SHEET
&
PROFIT AND LOSS ACCOUNT
1969-70**

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1969	LIABILITIES			
Rupees	I. SHARE CAPITAL:	Rupees	Rupees	Rupees
	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			<u>2,00,00,000</u>	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	18,509 1/2 7.8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after 1st October 1952 after giving three months' notice of the intention to so redeem the same		18,50,950	
1,18,50,950			<u>1,18,50,950</u>	1,18,50,950
	II. RESERVES AND SURPLUS:			
	(A) General Reserve:			
1,17,58,121	As per last Balance Sheet	1,24,43,297		
1,35,608	Add: Transfer from Development Rebate Reserve	47,483		
1,18,93,729		<u>1,24,90,780</u>		
9,95,000	Add: Set aside from 1969-70 profits	15,00,000		
1,28,88,729		<u>1,39,90,780</u>		
4,45,433	Less: Dividend on ordinary and preference shares paid for the year ending 31st May, 1969	4,45,433		
1,24,43,296		<u>1,35,45,347</u>		
1,18,50,950	Carried Over	<u>1,35,45,347</u>		1,18,50,950

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1970

As at 31st May, 1969	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At cost or book value):			
3,62,40,443	Gross Block		3,74,90,292	
2,30,21,827	Less: Depreciation written off upto 31st May, 1970		2,43,76,599	
1,32,18,616	Net Depreciated Block as per Schedule 'A' attached		1,31,13,693	
1,79,172	Capital work-in-progress		36,375	
1,33,97,788				1,31,50,068
	II. INVESTMENTS (At cost):			
	(A) TRADE INVESTMENTS:			
	(i) Shares of subsidiary Company:			
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	
	(ii) Investments in shares of Somaiya Organo-Chemicals Ltd., company under the same group			
10,00,000	10,000 7% Free of Income tax cumulative Preference shares of Rs. 100/- each fully paid up	10,00,000		
2,55,000	2,550 Fully paid up Equity Shares of Rs. 100/- each	2,55,000		
—	Less: 2,550 Equity Shares of Rs. 100/- each sold during the year	2,55,000	—	
13,55,000				10,00,000
	(iii) Investments in Shares of Oriental Power Cables Ltd., Company under the same Group:			
10,54,000	10,200 Equity Shares of Rs. 100/- each fully paid up	10,54,000		
25,000	250 9 1/2% 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 fulfilment 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
	(iv) Investments in shares of Somaiya Organics (India) Ltd. a Company under the same Group			
61,99,000	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				
1,33,97,788	Carried Over	83,78,000		1,31,50,068

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1969	LIABILITIES—(Contd.)									
Rupees										
1,18,50,950									Rupees	Rupees
	Brought Forward	..	..	..	..	..	..	..	1,35,45,347	1,18,50,950
1,24,43,296										
11,71,577	(B) Development Rebate Reserve:									
49,395	As per Last Balance Sheet ..	..	..	..	..	..	..	..	10,85,364	
12,20,972	Add: Amount set aside from Profit of the year ..	..	..	..	..	..	..	..	10,884	
1,35,608									10,96,248	
10,85,364	Less: Transferred to General Reserve ..	..	..	..	..	..	..	..	47,483	
3,111										10,48,765
	(C) Profit & Loss Account:									
1,35,31,771	Balance as per Profit & Loss Account ..	..	..	..	..	..	..	..	10,245	1,46,04,357
	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 Ex-Managing Agents and two Directors....									
1,74,13,498		..	..	..	..	..	..	..	2,63,18,507	
1,000	From Bank of India, against equitable mortgage by way of deposits of title deeds of the Company's movable property at factories and Somaiya Farms and fully guaranteed by the Ex-Managing Agents and by two Directors ..	..	..	..	..	..	..	..	1,000	2,63,19,507
1,74,14,498	IV. UNSECURED LOANS:									
31,270	(i) From Directors ..	..	..	..	..	..	..	..	33,289	
5,53,798	(ii) From Others guaranteed by a Director ..	..	..	..	..	..	..	..	28,10,650	
8,70,451	(iii) On Current Account:									
14,45,934	(a) From Managing Agents ..	..	..	..	..	..	..	..	—
	(b) From Selling Agents guaranteed by Director ..	..	..	..	..	..	..	..	23,97,230	23,97,230
23,16,385										
71,972	(iv) From Somaiya Organo-Chemicals Ltd. ..	..	..	..	..	..	..	..	—
3,32,806	(v) From Banks ..	..	..	..	..	..	..	..	2,440	
59,83,121	(vi) Public Fixed Deposits ..	..	..	..	..	..	..	..	60,04,205	1,12,47,814
92,89,352										
5,20,86,571	Carried Over ..	..	..	..	..	..	..	..		6,40,22,628

MILLS LIMITED, BOMBAY

AS AT 31ST MAY 1970

As at 31st May, 1969	ASSETS—(Contd.)				
Rupees			Rupees	Rupees	Rupees
1,33,97,788	Brought Forward	.. .. .	.. .. .	83,78,000	1,31,50,068
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	
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	
1,995	4.1/2 % U.P. State Development loan of 1972 (Face Value Rs. 2,000/-)	.. .. .	.. .. .	1,995	
1,000	100 Shares of Rs. 10/- each of U.P. Bhokta Distillery AUR Sugar Mills Sahakari Samiti Ltd., Captainganj	.. .. .	.. .. .	1,000	
		Cost	Market Value		
	Aggregate quoted Investments	10,55,995	5,93,580		
	Aggregate unquoted Investments	73,34,078	—		
		83,90,073	5,93,580		83,90,073
86,45,073					
	III. CURRENT ASSETS, LOANS AND ADVANCES:				
	(A) CURRENT ASSETS:				
470	(i) Interest accrued on Investments	.. .. .	.. .. .	470	
51,29,694	(ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director)				
1,78,255	On hand (including machineries Rs. 6,24,249)	.. .. .	54,25,103		
	In transit	.. .. .	2,48,882		
53,07,949				56,73,985	
31,268	(iii) Loose tools and implements (as per inventories valued and certified by a Director)	.. .. .	.. .. .	30,570	
4,96,07,983	(iv) Stock-in-trade (as per inventories valued and certified by a Director)				
4,17,845	(a) Sugar at realised value	.. .. .	5,74,19,179		
2,198	(b) Sugar in process at estimated cost	.. .. .	—	
3,36,225	(c) Stock of Cane at cost	.. .. .	—	
44,857	(d) Grains, Cotton etc. at Market Rate	.. .. .	1,80,986		
	(e) Molasses at Market Rate	.. .. .	38,395		
5,04,09,108				5,76,38,560	
5,57,48,795					
2,20,42,861	Carried Over	.. .. .	.. .. .	6,33,43,585	2,15,40,141

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1969	LIABILITIES—(Contd.)				
Rupees			Rupees	Rupees	Rupees
5,20,86,571	Brought Forward				6,40,22,628
	V. CURRENT LIABILITIES AND PROVISIONS:				
	(A) CURRENT LIABILITIES:				
2,74,76,652	Sundry Creditors			3,25,43,935	
1,35,046	Advances from Customers against sale of land & wood			1,66,845	
50,000	Security Deposit from Selling Agents			50,000	
4,878	Security Deposits from Customers			4,878	
37,01,094	For taxation			49,00,873	
3,71,108	Due to Partnership firm of Khanapur Farms			3,83,026	
2,81,535	Due to partnership firm of Lakh Farms			1,47,126	
7,73,535	Due for Selling Agents' Commission			7,44,329	
1,60,120	Due for Managing Agents' Remuneration			2,30,952	
16,090	Unclaimed dividend			33,383	
2,200	Unclaimed Redemption Money			—	
—	Liability for accrued Gratuity			2,62,223	
4,27,387	Interest accrued but not due on loans			9,00,374	
3,33,99,645				4,03,67,944	
	(B) PROVISIONS:				
1,93,64,661	Provision for taxation		1,95,82,223		
96,62,056	Less: Advance payment under Section 207 of Income-tax Act, 1961		89,14,563		
97,02,605				1,06,67,660	
2,000	Provision for Bonus			4,02,000	
46,45,000	Provision for payment of Agri.: Profits under Maharashtra Agricultural Lands (Ceiling on holdings) Act, 1961 (Subject to adjustment)		46,45,000		
24,50,000	Less: Paid		24,50,000		
21,95,000				21,95,000	
4,52,99,250					5,36,32,604
	CONTINGENT LIABILITIES (Not provided for):				
50,000	(i) (a) In respect of lands for which suits are pending in Court			50,000	
10,000	(b) In respect of Legal expenses on above			10,000	
1,00,000	(ii) Uncalled liability on partly paid shares held as investments of Godavari Investment & Finance Corporation Ltd., a subsidiary Company.			1,00,000	
9,73,85,821	Carried Over				11,76,55,232

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1970

As at 31st May, 1969	ASSETS—(Contd.)				
Rupees			Rupees	Rupees	Rupees
2,20,42,861	Brought Forward	.. .. .		6,33,43,585	2,15,40,141
5,57,48,795					
9,43,756	(v) Crop in progress: (including tillages, preparation of land, irrigation charges etc., at cost as valued and certified by a Director)	.. .. .		11,25,665	
	(vi) Sundry Debtors: (Unsecured and considered good except otherwise stated)				
	(a) Debts outstanding for more than six months (including Rs. 2,62,721/- due from Arpit Ltd., Company under the same management)		9,99,877		
86,300					
21,166	(b) Considered doubtful	.. .. .	46,849		
			10,46,726		
1,07,466	Less: Provision for doubtful debts	.. .. .	46,849		
21,166					
86,300			9,99,877		
76,32,832	(c) Other debts: (Including Rs. 96,03,494/- (previous year Rs. 69,88,789/-) due from Arpit Ltd., Company under the same management)	.. .. .	1,04,30,171		
77,19,132				1,14,30,048	
	(vii) CASH AND BANK BALANCES:				
7,04,956	Cash, cheques and drafts on hand (includes stamps on hand of Rs. 47,463/-)		3,49,024		
1,24,489	In Current Account with Scheduled Banks	.. .. .	10,94,090		
	In Current Account with non-Scheduled Banks:				
	(a) Ahmednagar District Central Co-operative Bank Ltd., Shirampur (Maximum Debit Balance during the year Rs. 436/-)	.. .. .	436		
436					
—	(b) Mudhol Urban Co-operative Bank Ltd., Mudhol (Maximum Debit balance during the year Rs. 101/-)	.. .. .	101		
436			537		
50,000	Fixed Deposit with a Scheduled Bank	.. .. .	50,000		14,93,651
8,79,881					
	(B) LOANS AND ADVANCES:				
	(Unsecured and considered good except otherwise stated)				
	(i) Loans to companies under the same Management:				
	(a) Arpit Ltd., (Maximum debit Balance Rs. 47,98,616/-, previous year Rs. 41,83,400/-)	47,98,616			
—					
—	(b) Somaiya Organo Chemicals Ltd., (Maximum debit balance Rs. 5,79,414/-)	46,573	48,45,189		
—					
6,52,91,564					
2,20,42,861	Carried Over	.. .. .	48,45,189	7,73,92,949	2,15,40,141

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1969		LIABILITIES—(Contd.)			
Rupees			Rupees	Rupees	Rupees
9,73,85,821	Brought Forward				11,76,55,232
25,00,000	(iii) In respect of guarantee given to a Bank for loan granted to a subsidiary Company		25,00,000		
1,01,66,500	(iv) In respect of Counter guarantee given to Banks, Insurance Companies and others		59,87,000		
50,000	(v) In respect of estimated purchase commitments on capital purchases		50,000		
1,60,990	(vi) In respect of development charges payable to Government in 13 instalments for leasehold lands at Gandhidham		1,49,496		
	(vii) In respect of additional cane price payable to Maharashtra State Farming Corporation Limited, under the provisions of Para-3 of Third Schedule of Maharashtra Agricultural Land (Ceiling on Holdings) Act 1961, for the year 1968-69 and 1969-70, amount whereof not ascertained				
9,73,85,821		Total Rupees			11,76,55,232

AS AT 31ST MAY, 1970

21

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 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. 76,252/- at cost have been supplied to the said firms.
- (4) No provision has been made in respect of Balance of Loss of Rs. 66,269/- as on 31st May, 1970 of Godavari Investment & Finance Corporation Ltd.
- (5) As resolved by the directors on 28th November, 1970 the Company has paid dividend of Rs. 1,45,433/- (subject to deduction of tax) at Rs. 7.8572 per share on 18509 1/2 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 30th January, 1971 will be paid out of the taxed profits for and upto assessment year 1959-60. No separate provision has been made therefore.
- (6) The compensation to be received by the Company from Maharashtra State Farming Corporation Limited in respect of standing crop transferred to them in May, 1968 is not yet determined.

Referred to in our report of even date

BOMBAY : Dated: 31st December, 1970

NANUBHAI & CO.
Chartered Accountants.

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1970

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

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, 1970.
- (ii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 33,612/- for the year ended 31st May, 1970. The net loss after adjusting the previous years' Loss from Profit of this year comes to Rs. 66,269/-. 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, 1970 stands at Rs. 7,94,336/-.

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.

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

} Directors.

BOMBAY, Dated: 30th December, 1970

PROFIT & LOSS ACCOUNT FOR

24

MILLS LIMITED., BOMBAY

THE YEAR ENDED 31ST MAY, 1970

As at 31st May, 1969			Rupees	Rupees
Rupees				
	By Sales:			
7,54,54,312	Sugar		7,52,19,438	
89,255	Molasses		1,33,441	
—	Sugar Cane		73,901	
1,80,554	" Foodgrains, Tobacco, Cotton, Grains etc. (including consumption of Rs. 65,773/- as per contra)		1,47,557	7,55,74,337
7,57,24,121	" Sundry receipts from Flour Mills, Dairy etc. (including sundry credit balances written back Rs. 273/-)			6,59,992
4,18,554	" Income from Immovable property			1,38,730
1,34,188	" Sundry receipts being market value of Farm Produce etc. (including loss on sale of grains Rs. 16,219/-)			1,85,198
3,58,732	" Income from Khanapur and Lakh Farms in Partnership:			
	(a) Khanapur Farms:			
4,500	Machinery Hire charges	4,500		
21,359	Add: 1/4 share of profit for the year	18,333	22,833	
25,859				
	(b) Lakh Farms:			
4,500	Machinery Hire charges	4,500		
16,782	Add: 1/4 share of profit for the year	1,181	5,681	28,514
21,282				
47,141	" Dividend on Co-operative Bank share			3
3	" Share transfer and splitting fees			8
14	" Interest:			
6,19,179	On loans and others	13,71,598		
1,16,086	Less: Income-tax deducted at source	1,97,766	11,73,832	
5,03,093				
1,25,437	" From subsidiary company	57,922		
25,087	Less: Income-tax deducted at source	11,584	46,338	
1,00,350				
3,783	" From Lessors		2,147	12,22,317
6,07,226				
7,72,89,979	Carried Over			7,78,09,099

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1969		Rupees	Rupees
Rupees			
3,71,37,924	Brought Forward	38,00,138	5,00,72,883
39,09,776		11,25,665	
9,43,756	Less: Crop in progress as at 31st May, 1970	26,74,473	
29,66,020		87,789	
1,13,015	To Transportation of Cane		27,62,262
30,79,035	„ Locally Purchased Cane		4,17,52,950
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. 8,75,609/- charged to repairs, capital and other relevant heads	44,85,234	
38,53,481	„ Bonus to employees	62,354	
1,08,260	„ Provision for Bonus	3,25,000	
—	„ Contribution to Provident Fund of the Company	59,594	
46,265	„ Gratuity	2,75,850	
24,896	„ Contribution to Government Provident Fund and administrative charges	2,51,688	
2,50,990	„ Workmen and staff welfare expenses	1,45,645	
2,04,317	„ Workmen's compensation	1,640	56,07,005
606	„ Stores, chemicals & spare parts (after deducting Rs. 36,32,302/- charged to agriculture, capital, repairs and other relevant heads)		13,46,875
44,88,815	„ Power and Fuel		1,12,046
13,31,368	„ Repairs to Plant and Machinery (inclusive of Salaries and Wages Rs. 4,25,347/-)	8,20,893	
2,28,031	„ Repairs to buildings (inclusive of Salaries and Wages Rs. 1,14,785/-)	2,75,642	
6,04,714	„ Other repairs (inclusive of Salaries and Wages Rs. 1,50,489/-)	1,94,411	12,90,946
87,189	„ Sugarcane Purchase-tax		22,68,757
49,091	„ Gratuity Insurance		75,000
7,40,994	„ Excise Duty		1,36,24,319
22,13,231	„ Insurance Premium		1,13,180
75,000	„ Packing and forwarding		20,96,833
1,40,19,252	„ Rent (Received Rs. 2,382/-)		90,697
1,23,581	„ Staff Quarters Rent Refund		—
14,44,967	„ Rates and Taxes		2,93,682
77,514	„ Sole Selling Agents' Commission on Sugar		7,44,329
5,178	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, telephone, travelling and motor cars maintenance		14,80,108
2,91,497			
7,73,535			
13,73,325			
12,24,54,030	Carried Over		12,37,31,872

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1970

As at 31st May, 1969		Rupees	Rupees
7,72,89,979	Brought Forward		7,78,09,099
—	By Sale of Live Stock		16,668
—	„ Profit on Sale of Assets		62
—	„ Claims and Refunds		2,886
	„ Stock-in-trade (as taken valued and certified by a Director)		
4,96,07,983	Sugar at realised value	5,74,19,179	
44,857	Molasses at market rate	38,395	
4,17,845	Sugar in process at estimated cost	—	
2,198	Closing stock of cane at cost	—	
75,808	Food Grains, tobacco, etc., at market rate	<u>77,776</u>	
5,01,48,691			5,75,35,350
12,74,38,670	Carried Over		<u>13,53,64,065</u>

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1969		Rupees	Rupees
	Brought Forward		12,37,31,872
12,24,54,030			1,80,051
2,31,081	To Charity and Donation		
	„ Interest:		
24,275	Ex-Managing Agents	34,258	
2,244	Directors	1,997	
11,66,876	Cash Credit Account	19,64,138	
2,866	Fixed Loans	93	
4,89,420	On Fixed Deposit	5,97,562	
32,507	„ Other Loans (Includes Rs. 2,65,438/- relating to previous years)	6,69,965	32,68,013
17,18,188			5,200
3,300	„ Directors fee (including Rs. 400/- to Members of Ex-Managing Agents as Directors)		60,879
37,431	„ Directors' and Ex-Managing Agents' Travelling Expenses		
2,10,120	„ Managing Agents' remuneration-commission on profit subject to adjustments that may have to be made in respect of bonus and other provisions if any		2,58,952
	„ Payment to auditors:		
7,500	Audit Fees	7,500	
10,000	In other capacity	10,000	17,500
17,500			2,16,750
—	„ Loss on Sale of Shares		1,50,676
1,51,578	„ Brokerage and Commission (including guarantee commission of Rs. 25,972/-)		3,08,943
—	„ Agricultural Development Expenses (inclusive of Salaries and wages Rs. 1,84,988/-)		67,284
67,468	„ Legal Expenses (including Rs. 12,500/- to a Director)		11,95,882
10,40,962	„ Depreciation		3,360
1,869	„ Loose tools and implements written off		10,000
10,000	„ Premium on leasehold land written off		300
300	„ Premium on leasehold garage written off		10,884
49,395	„ Development Rebate Reserve		19,366
—	„ Provision for doubtful debts and advances		43,00,000
10,00,000	„ Provision for Taxation		15,58,153
4,45,448	„ Balance being Profit for the year		
	Total Rupees		13,53,64,065
12,74,38,670			

THE YEAR ENDED 31ST MAY, 1970

13,53,64,06.5

13,53,64,065

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1969				
Rupees			Rupees	Rupees
	To Bonus to employees pertaining to previous years—			
10,318	Agriculture		24,457	
35,194	Manufacturing		1,71,569	1,96,026
45,512	„ Transfer to General Reserve			15,00,000
9,95,000	„ Balance carried to Balance Sheet			10,245
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. 150/- during the year.			
	(ii) Computation of Managing Agents' Remuneration is as follows:			
4,45,448	Net Profit as per Profit and Loss Account		15,58,153	
	Add:			
2,10,120	(i) Managing Agents' Remuneration	2,58,952		
1,050	(ii) Directors' fees to members of Managing Agency Company	400		
—	(iii) Provision for doubtful debts and advances	19,366		
10,00,000	(iv) Provision for taxation	43,00,000		
49,395	(v) Development Rebate Reserve	10,884		
1,41,173	(vi) Tax deducted at source	2,09,350	47,98,952	
14,01,738				
10,43,623				
18,47,186				
	Carried Over		63,57,105	17,06,271

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1970

As at 31st May, 1969	Rupees		Rupees	Rupees
		By Balance brought forward from last years' Balance Sheet	.. .. .	3,113
678		„ Items pertaining to previous year:		
		Unclaimed salaries, wages and Bonus written back:	.. .. .
18,810		Factory	.. .. .	22,619
27,987		Agriculture	.. .. .	10,948
46,797				33,567
1,04,841		„ Profit on Sale of Live Stock	.. .. .	—
16,852		„ Excise Duty Refund	.. .. .	1,11,438
4,108		„ Claims	.. .. .	—
4,24,899		„ Excess Provision for doubtful debts recredited	.. .. .	—
4,45,448		„ Balance brought down	.. .. .	15,58,153
10,43,623				

10,43,623

Carried Over

17,06,271

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1969 Rupees	Rupees		Rupees	Rupees	Rupees
10,43,623	18,47,186	Brought Forward		63,57,105	17,06,271
	Add:				
	Depreciation:—				
	1,74,437 Agriculture		1,48,652		
	10,40,962 Factory		11,95,882	13,44,534	
	12,15,399				
	30,62,585				
	Add:				
	Income shown in Lower part of Profit & Loss Account:				
	46,797 (i) Unclaimed salaries, wages and bonus written back		33,567		
	4,108 (ii) Claims		—		
	16,852 (iii) Excise duty Refund		1,11,438		
	4,24,899 (iv) Excess Provision for doubtful debts recredited		—	1,45,005	
	4,92,656			78,46,644	
	35,55,241				
	Less:				
	45,512 (i) Bonus for previous years shown in lower Part of Profit & Loss A/c...		1,96,026		
	12,45,112 (ii) Depreciation to the extent specified in Section 350 of Companies Act, 1956		13,39,578	15,35,604	
	12,90,624				
	22,64,617	Net Profit for calculating Managing Agents' Remuneration ..		63,11,040	
		Managing Agents' Remuneration on Rs. 63,11,040 as detailed below:—			
		10% on first 10 lacs	1,00,000		
		9% on next 10 lacs	90,000		
		8% on next 10 lacs	80,000		
		7% on next 10 lacs	70,000		
		6% on next 10 lacs	60,000		
		5 1/2% on next Rs. 13,11,040	72,107	4,72,107	
	2,11,170				
	Less:				
	1,050 Directors' fees to Members of Managing Company			400	
	2,10,120	Amount of Managing Agents' Remuneration		4,71,707	
		Proportionate Managing Agents' Remuneration from 1-6-69 to 31-12-69 (i.e. for 7 months of Rs. 4,71,707 will be Rs. 2,75,162/-)		2,75,162	
		Less: Excess Managing Agent's remuneration paid in respect of liabilities for Sur-tax recredited for the year .. 1962-63 .. 1963-64	8,313 7,897	16,210	
		Amount of Managing Agents' Remuneration subject to adjustments.		2,58,952	
10,43,623		Total Rupees			17,06,271

Referred to in our report of even date

NANUBHAI & CO.,

Chartered Accountants

Bombay, Dated : 31st December, 1970.

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1970

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

} *Directors.*

BOMBAY, Dated : 30th December, 1970.

THE GODAVARI SUGAR

Schedule A

Schedule of fixed Assets Attached to and Forming Part of

PARTICULARS	Gross Block as at 1-6-69 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)	15,53,269	3,57,580*	19,10,849	—
Leasehold Land Premium	6,00,314	—	6,00,314	2,08,829*
Leasehold Land Development Expenses	78,009	11,494	89,503	—
Leasehold Premium on Garage	12,000	—	12,000	—
Buildings (Book Value)	71,82,672	1,40,590	73,23,262	—
Temporary Quarters	2,12,512	—	2,12,512	—
Temporary Quarters at Farms	1,19,630	29,651	1,49,281	—
Pucca Quarters at Factory	10,99,542	5,54,567	16,54,109	—
Pucca Quarters at Farms	2,18,525	—	2,18,525	—
General Machinery (Book Value)	1,37,14,436	33,332	1,37,47,768	—
Electrical Machinery	22,36,632	—	22,36,632	—
Agricultural Machinery (Book Value)	33,52,436	90,139	34,42,575	—
Locomotives	92,974	—	92,974	—
Electrical Installation & Fittings	1,29,532	26,694	1,56,226	—
Furniture & Office Equipment	12,60,591	1,20,110	13,80,701	—
Weigh Bridge	1,89,243	—	1,89,243	—
Trolley Line	6,28,058	—	6,28,058	—
Railway Siding	1,25,620	—	1,25,620	—
Motor Cars, Lorries & Cycles (Book Value)	9,11,134	7,900	9,19,034	3,810
Carts & Trucks (Book Value)	3,53,613	1,365	3,54,978	—
Laboratory Apparatus	48,318	—	48,318	—
Roads, Drainage & Tube Wells	9,83,987	62,842	10,46,829	—
Dead Stocks	68,017	7,133	75,150	—
Library	7,758	—	7,758	—
Medical Instruments	363	—	363	—
Irrigation Lifts	9,72,474	19,003	9,91,477	—
Live Stock	88,784	88	88,872	—
TOTAL RUPEES	3,62,40,443	14,62,488	3,77,02,931	2,12,639

(1) No adjustment has been made in the books in respect of Profit/Loss on sale of assets.

(2) *Rs. 2,08,829/- addition in previous year wrongly added in leasehold land premium adjusted.

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

BOMBAY, Dated: 31st December, 1970

MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1970

Gross Block as on 31st May, 1970	Written off upto 31st May, 1969	Written off during the year	Sub-Total	Depreciation written back on sale of Assets	Total Depreciation upto 31st May, 1970	Net Depreciated Block as at 31st May, 1970	Net Depreciated Block as at 31st May, 1969
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
19,10,849	—	—	—	—	—	19,10,849	15,53,269
3,91,485	3,78,850	10,000	3,88,850	—	3,88,850	2 635	2,21,464
89,503	—	—	—	—	—	89,503	78,009
12,000	3,600	300	3,900	—	3,900	8,100	8,400
73,23,262	23,76,960	1,56,558	25,33,518	—	25,33,518	47,89,744	48,05,712
2,12,512	1,96,460	16,052	2,12,512	—	2,12,512	—	16,052
1,49,281	92,609	56,672	1,49,281	—	1,49,281	—	27,021
16,54,109	1,32,662	39,949	1,72,611	—	1,72,611	14,81,498	9,66,880
2,18,525	55,326	4,115	59,441	—	59,441	1,59,084	1,63,199
1,37,47,768	1,11,48,460	6,03,190	1,17,51,650	—	1,17,51,650	19,96,118	25,65,976
22,36,632	14,90,658	1,49,194	16,39,852	—	16,39,852	5,96,780	7,45,974
34,42,575	29,41,530	98,550	30,40,080	—	30,40,080	4,02,495	4,10,906
92,974	84,494	848	85,342	—	85,342	7,632	8,480
1,56,226	78,717	7,752	86,469	—	86,469	69,757	50,815
13,80,701	5,15,064	92,412	6,07,476	—	6,07,476	7,73,225	7,45,527
1,89,243	1,44,304	4,433	1,48,737	—	1,48,737	40,506	44,939
6,28,058	5,70,541	5,752	5,76,293	—	5,76,293	51,765	57,517
1,25,620	1,01,672	2,459	1,04,131	—	1,04,131	21,489	23,948
9,15,224	6,67,605	53,619	7,21,224	62	7,21,162	1,94,062	2,43,529
3,54,978	2,93,507	6,147	2,99,654	—	2,99,654	55,324	60,106
48,318	31,955	1,636	33,591	—	33,591	14,727	16,363
10,46,829	6,45,151	34,329	6,79,480	—	6,79,480	3,67,349	3,38,836
75,150	57,500	1,745	59,245	—	59,245	15,905	10,517
7,758	4,646	311	4,957	—	4,957	2,801	3,112
363	322	4	326	—	326	37	41
9,91,477	9,30,375	8,807	9,39,182	—	9,39,182	52,295	42,099
88,872	78,859	—	78,859	—	78,859	10,013	9,925
3,74,90,292	2,30,21,827	13,54,834	2,43,76,661	62	2,43,76,599	1,31,13,693	1,32,18,616

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

Directors.

BOMBAY, Dated: 30th December, 1970

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Fifteenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1970.

During the year under report, the Finance Scheme and Hire-Purchase Scheme worked satisfactorily.

The Working of the Company for the year resulted in a profit of Rs. 20,980/- after providing Rs. 43,500/- for taxation. After adjusting the same from last year's loss, and after recrediting excess provision of doubtful debts amounting to Rs. 20,936/- and adjusting short provision of taxation of previous year amounting to Rs. 8,304/- the net carried forward loss comes to Rs. 66,269/- 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,

S. K. SOMAIYA
Director

BOMBAY : Dated 23rd December, 1970.

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, 1970 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, 1970, 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 24th December, 1970.

GODAVARI INVESTMENT & BALANCE SHEET

As at 31st May, 1969		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
5,54,310	III. SECURED LOANS:		
	In Cash credit account with Bank of India against hypothecation of Machinery & Implements and book debts including those given/to be given on hire-purchase and against equitable sub-mortgages by deposit of the mortgage documents including prior title deeds relating thereto in respect of the rights of the company as mortgagees under mortgage documents executed in favour of the company by cultivators and guaranteed by two Directors of the company and also by holding Company		12,60,251
8,86,889	IV. UNSECURED LOANS:		
	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd. ..		7,94,336
	V. CURRENT LIABILITIES AND PROVISIONS:		
43,655	(A) CURRENT LIABILITIES:		
61,834	(i) Sundry Creditors	57,871	
9,013	(ii) Estimated unearned Finance charges on hire-purchase carried forward	31,279	
	(iii) Interest accrued but not due on Loans	20,133	
1,14,502		1,09,283	
41,750	(B) PROVISIONS:		
1,56,252	For Taxation	74,750	
			1,84,033
16,97,451	Carried Over		23,38,620

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1970

As at 31st May, 1969	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)			
40,256	Machinery Stores and Spares		33,332	
1,85,149	(ii) Future instalments receivable from hire of Oil Engines and Pumps under Hire-Purchase Agreements: (Considered good)		91,279	
	(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.			
1,76,750	Outstanding for more than 6 months	1,36,006		
24,102	Considered doubtful	38,138		
2,00,852		1,74,144		
24,102	Less: Provision for doubtful debts	38,138		
1,76,750		1,36,006		
29,391	Other debts	22,905		
2,06,141			1,58,911	
	(iv) CASH AND BANK BALANCES:			
261	Cash on hand	455		
9,729	Stamp Papers on hand	5,802		
637	In current Account with a Scheduled Bank	887		
10,627			7,144	
4,42,173	Carried Over		2,90,666	—

GODAVARI INVESTMENT &

BALANCE SHEET

As at 31st May, 1969	LIABILITIES—(Contd.)											
Rupees											Rupees	Rupees
16,97,451	Brought Forward											23,38,620
NOTE: Out of Land Mortgage Agreements for Loans given to Bagaitdars, Agreements for Loans amounting to Rs. 1,12,393/- have been either sent for registration or are under execution.												

Referred to in our Report of even date.

NANUBHAI & CO.,

Chartered Accountants

BOMBAY : Dated 24th December, 1970.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1970

As at 31st May, 1969	ASSETS—(Contd.)				
Rupees					Rupees
4,42,173	Brought Forward	..	..	..	2,90,666
	(B) LOANS AND 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:				
11,55,066	Secured	..	..	..	19,05,986
76,030	Considered doubtful	..	..	..	41,058
12,31,096					19,47,044
76,030	Less: Provision for Doubtful Loans..	..	..	..	41,058
11,55,066					19,05,986
—	(ii) Advance Income Tax	..	..	..	47,132
—	(iii) Income tax Refund due	..	..	..	28,328
200	(iv) Deposit against Insurance	..	..	..	200
131	(v) Advances recoverable in Cash or kind	..	..	..	39
15,97,570					22,72,351
	II. MISCELLANEOUS EXPENDITURE:				
	Profit and Loss Account:				
99,881	Loss as per Profit and Loss Account	..	..	..	66,269
16,97,451	Total Rupees	..	..	..	23,38,620

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 23rd December, 1970.

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

GODAVARI INVESTMENT & PORFIT & LOSS ACCOUNT FOR

As at 31st May, 1969			Rupees	Rupees
	To Opening Stock:			
59,365	Machinery, Spares and Fittings			40,256
	„ Purchases:-			
9,640	Machinery		19,046	
2,31,032	Stores		1,91,778	
2,40,672				2,10,824
2,106	„ Machinery returned by Bagaitdars			8,933
8,419	„ Miscellaneous expenses, fees and stamps, Printing and stationery, postage and telegrams, conveyance, travelling (including debit balances written off Rs. 130/-)			19,706
5,000	„ Charity and Donation			5,000
300	„ Insurance Premium			182
	„ Interest:-			
44,661	On current account to the Holding Company, The Godavari Sugar Mills Ltd.		57,922	
91,033	On Cash credit account with a Bank		94,056	
1,35,694				1,51,978
500	„ Audit Fees			500
20,440	„ Salary			15,771
1,540	„ Bonus			735
680	„ Company's Contribution (to the Holding Company) towards Provident Fund			767
252	„ Govt. Provident Fund Company's contribution & Administrative charges			—
—	„ Loss on Sale of Plant and Machinery			868
31,250	„ Provision for Taxation			43,500
14,326	„ Profit carried down			20,980
5,20,544	Total Rupees			5,20,000
98,600	To Loss as per last Balance Sheet			99,881
15,607	„ Short Provision of taxation of Previous year			8,304
1,14,207	Total Rupees			1,08,185

Referred to in our Report of even date.

NANUBHAI & CO.,

Chartered Accountants.

BOMBAY : Dated 24th December, 1970.

THE YEAR ENDED 31ST MAY, 1970

BOMBAY : Dated 23rd December, 1970.

43