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THE
GODAVARI
SUGAR MILLS
LIMITED

ANNUAL REPORT & ACCOUNTS

1970-71

1971

THE GODAVARI SUGAR MILLS LIMITED

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

Board of Directors :

SHRI KARAMSHI JETHABHAI SOMAIYA

Chairman and Managing Director

SHRI SHANTILAL KARAMSHI SOMAIYA

SHRI CHANDANSINHA BHARAKTIYA

SHRI JAYANTILAL GANGADAS DALAL

SHRI DHARAMSHI MORARJI 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 32nd Annual General Meeting of The Godavari Sugar Mills Limited will be held on Friday, the 25th February, 1972 at 3-00 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 Directors' Report and Audited Statement of Accounts for the year ended 31st May, 1971.
2. To confirm interim dividend on Preference Shares and to declare dividend on Ordinary (Equity) Shares.
3. To elect a Director in place of Shri C. S. Bharaktiya, who retires by rotation, but being eligible, offers himself for re-election.
4. To elect a Director in place of Shri J. G. Dalal, who retires by rotation, but being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 10th February, 1972 to 25th February, 1972 both days inclusive.

By Order of the Board of Directors

K. J. SOMAIYA

Managing Director

BOMBAY: Dated 10th January, 1972.

- Notes:**
1. The final dividend when declared will be payable at the Registered Office of the Company on and after 6th March, 1972. The dividend warrants will be posted to those shareholders whose names stand on the Company's Register on 10th February, 1972.
 2. A member entitled to attend and vote is also entitled to appoint a proxy and the proxy need not be a member.

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, 1971.

FINANCIAL RESULTS

The Gross profit for the year before providing for depreciation, development rebate reserve and taxation amounted to Rs. 64,63,236

Deducting therefrom:

Depreciation	Rs. 12,23,267	
Development Rebate Reserve	Rs. 26,622	
Provision for taxation	Rs. 30,00,000	
		Rs. 42,49,889
		<u>Rs. 22,13,347</u>

Your Directors recommend the following appropriations :-

1. Transfer to General Reserve Account ..	Rs. 22,10,000
2. Balance carried forward to Balance Sheet ..	Rs. 3,347
	<u>Rs. 22,13,347</u>

The Directors have resolved to pay an interim dividend on Preference shares at Rs. 7.8572 (subject to deduction of tax) per share for the year ended 31st May, 1971 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, 1971 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 25th February, 1972.

You are requested to approve Rs. 1,99,962 by way of charity and donation during the year as under :-

The Somaiya Trust, Bombay	Rs. 1,65,000
Kopargaon Education Society	Rs. 31,237
Sundry	Rs. 3,725
Total ..	<u>Rs. 1,99,962</u>

The writ petition filed by the Company in the Bombay High Court challenging the validity of Maharashtra Agricultural Lands (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.

The hearing of the application filed by Maharashtra State Farming Corporation Ltd., before Sugar Cane Price Fixation Board for fixing fair price in respect of sugarcane supplied to the Company during the season 1968-69 has been concluded but the award is still awaited. Similar applications filed by the Corporation for fixing fair price for sugarcane supplied to the Company during the seasons 1969-70 and 1970-71 are pending before Sugar Cane Price Fixation Boards.

During the year under report, the Company took effective steps for implementation of the Industrial Licence issued to it for setting up a new sugar factory of 2500 TPD capacity in Mysore State. The foundation for the factory building was since laid by His Excellency Dharma Vira, Governor of Mysore on the 6th June, 1971. Most of the machinery has already arrived and it is expected that the unit will go in production in the later half of the current crushing season.

Since the close of the year under report, the Company has issued 200 unsecured Debentures of Rs. 10,000/- each fully paid up. The Company has also received permission from the Central Government for issue of Bonus Shares in the ratio of 4 shares for every five shares held, by capitalising Rs. 80 lacs from General Reserve. The same are being issued.

Shri C. S. Bharaktiya and Shri J. G. Dalal, 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,

K. J. SOMAIYA

Managing Director

BOMBAY : Dated 10th January, 1972.

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, 1971 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, 1971 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 18th January, 1972.

**BALANCE SHEET
AND
PROFIT AND LOSS ACCOUNT
1970-71**

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1970	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	I. SHARE CAPITAL:			
	AUTHORISED CAPITAL:			
1,80,00,000	1,80,000 Ordinary (Equity) Shares of Rs. 100/- each	1,80,00,000		
20,00,000	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:			
1,24,43,297	As per last Balance Sheet	1,35,45,347		
47,483	Add: Transfer from Development Rebate Reserve	1,32,882		
1,24,90,780		1,36,78,229		
15,00,000	Add: Set aside from 1970-71 Profits	22,10,000		
1,39,90,780		1,58,88,229		
4,45,433	Less: Dividend on Ordinary and Preference Shares paid for the year ending 31st May, 1970	4,45,433		
1,35,45,347			1,54,42,796	
1,35,45,347				
1,18,50,950	Carried Over	1,54,42,796		1,18,50,950

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1971

As at 31st May, 1970	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At Cost or Book Value):			
3,74,90,292	Gross Block		4,03,52,786	
2,43,76,599	Less: Depreciation written off upto 31st May, 1971		2,56,75,885	
1,31,13,693	Net Depreciated Block as per Schedule 'A' attached		1,46,76,901	
36,375	Capital Work-in-Progress		7,36,693	
—	Payment to Contractors for Building Construction	17,63,393		
—	Expenses during Construction period as per Schedule 'B' attached ..	3,98,615		
—	Payment to Suppliers for New Project	49,15,675		
—	Stock of machineries and stores lying at site of New Project (at cost as per inventories valued & certified by a Managing Director)	21,04,518		
			91,82,201	
				2,45,95,795
1,31,50,068	II. INVESTMENTS (At Cost):			
	(A) INVESTMENTS IN SHARES OF SUBSIDIARY COMPANY:			
1,00,000	2000 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	
	(B) OTHER INVESTMENTS:			
10,00,000	(i) Investments in Shares of Somaiya Organo-Chemicals Ltd., Company under the same Group:			
	10,000 7% Free of Income-tax Cumulative Preference Shares of Rs. 100/- each fully paid up	10,00,000		
—	Less: 10,000 7% Free of Income-tax Cumulative Preference Shares of Rs. 100/- each sold during the year	10,00,000	—	
10,00,000				
	(ii) Investments in Shares of Oriental Power Cables Ltd.,			
10,54,000	10,200 Equity Shares of Rs. 100/- each fully paid up ..	10,54,000		
25,000	250 9½% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	25,000		
	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				
	(iii) Investments in shares of Somaiya Organics (India) Ltd.			
61,99,000	61,990 Equity Shares of Rs. 100/- each fully paid up ..		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 ..			
—	(iv) 80 Equity Shares of Rs. 100/- each fully paid up of Sugar Selling Agency Pvt. Ltd., purchased during the year ..		7,440	
83,78,000				
1,31,50,068	Carried Over		73,85,440	2,45,95,795

THE GODAVARI SUGAR

BALANCE SHEET

<i>As at 31st May, 1970</i>	LIABILITIES—(Contd.)				
<i>Rupees</i>			<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
1,18,50,950	Brought Forward			1,54,42,796	1,18,50,950
1,35,45,347					
	(B) Development Rebate Reserve:				
10,85,364	As per Last Balance Sheet		10,48,765		
10,884	Add: Amount set aside from Profit of the year		26,622		
			<u>10,75,387</u>		
10,96,248					
47,483	Less: Transferred to General Reserve		1,32,882	9,42,505	
10,48,765					
	(C) Profit & Loss Account:				
10,245	Balance as per Profit & Loss Account			3,347	1,63,88,648
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 two Directors		2,80,24,795		
2,63,18,507					
	From Bank of India, against equitable mortgage by way of deposits of title deeds of the Company's Immovable Property at factories and Somaiya Farms and fully guaranteed by two Directors		45,01,000	3,25,25,795	
1,000					
2,63,19,507					
	IV. UNSECURED LOANS:				
33,289	(i) From Directors		33,473		
28,10,650	(ii) From Others guaranteed by a Director		4,24,568		
	(iii) On Current Account:-				
23,97,230	From Selling Agents guaranteed by a Director		5,87,409		
—	(iv) From Somaiya Organo-Chemicals Ltd., guaranteed by a Director		9,870		
2,440	(v) From Banks		4,129		
60,04,205	(vi) Public Fixed Deposits		62,09,816		
—	(vii) Interest accrued due on unsecured loans.		1,36,245	74,05,510	
1,12,47,814					
6,40,22,628	Carried Over			6,81,70,903	

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1971

As at 31st May, 1970	ASSETS—(Contd.)				
Rupees			Rupees	Rupees	Rupees
1,31,50,068	Brought Forward	.. .. .	73,85,440		2,45,95,795
83,78,000	(v) One Ordinary Share of Maharashtra State Co-operative Bank Ltd., of Rs. 50/- each fully paid up	.. .. .	78		
78	(vi) National Defence Certificates deposited with Electricity Department, Bhopal	.. .. .	2,500		
2,500	(vii) 7 Years' National Savings Certificate purchased during the year		100		
—	(viii) National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro-Electric Division, Gorakhpur	.. .. .	6,500		
6,500	(ix) 4½% U.P. State Development loan of 1972 (Face value Rs. 2,000/-)		1,995		
1,995	(x) 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	6,63,530		
	Aggregate unquoted Investments	.. .. . 63,41,618	—		
		73,97,613	6,63,530		
					73,97,613
83,90,073	III. CURRENT ASSETS, LOANS AND ADVANCES:				
	(A) CURRENT ASSETS:				
470	(i) Interest accrued on Investments	.. .. .	470		
	(ii) Stores, Chemicals and Spares (at cost or realisable value whichever is low as per inventories valued and certified by a Managing Director)				
54,25,103	On hand (including machineries Rs. 5,54,589/-)	.. .. . 55,80,105			
2,48,882	In transit	.. .. . 4,18,145			
56,73,985			59,98,250		
30,570	(iii) Loose tools and implements (as per inventories valued and certified by a Managing Director)	.. .. .	27,869		
	(iv) Stock-in-trade (as per inventories valued and certified by a Managing Director)				
5,74,19,179	(a) Sugar at realised value or realisable value	.. .. . 5,21,43,941			
1,80,986	(b) Grains, Cotton etc. at market rate	.. .. . 3,26,429			
38,395	(c) Molasses at market rate	.. .. . 28,496			
			5,24,98,866		
5,76,38,560					
6,33,43,585					
2,15,40,141	Carried Over	.. .. .	5,85,25,455		3,19,93,408

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May, 1970	LIABILITIES—(Contd.)				
Rupees			Rupees	Rupees	Rupees
6,40,22,628	Brought Forward				6,81,70,903
	V. CURRENT LIABILITIES AND PROVISIONS:				
	(A) CURRENT LIABILITIES:				
3,25,43,935	Sundry Creditors			3,07,87,329	
—	Bills Payable			8,50,000	
1,66,845	Advance from Customers against sale of Land & Wood			2,09,766	
50,000	Security Deposit from Selling Agents			50,000	
—	Security Deposits from Bagaitdars			13,09,558	
4,878	Security Deposits from Customers			4,878	
49,00,873	For Taxation			46,01,606	
3,83,026	Due to Partnership firm of Khanapur Farms			4,57,803	
1,47,126	Due to Partnership firm of Lakh Farms			1,13,237	
7,44,329	Due for Selling Agents' Commission			6,89,618	
2,30,952	Due for Managing Agents' Remuneration			—	
—	Due for Managing Director's Remuneration & Commission			1,32,500	
33,383	Unclaimed Dividend			6,796	
2,62,223	Liability for Accrued Gratuity			3,42,047	
9,00,374	Interest accrued but not due on loans			8,28,265	
4,03,67,944				4,03,83,403	
	(B) PROVISIONS:				
1,95,82,223	Provision for taxation		1,88,60,292		
89,14,563	Less: Advance payment under Section 207 of Income-tax Act, 1961		85,98,648		
1,06,67,660				1,02,61,644	
4,02,000	Provision for Bonus			8,02,000	
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	
5,36,32,604					5,36,42,047
11,76,55,232	Carried Over				12,18,12,950

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1971

As at 31st May, 1970	ASSETS—(Contd).			
Rupees		Rupees	Rupees	Rupees
2,15,40,141	Brought Forward	5,85,25,455		3,19,93,408
6,33,43,585	(v) Crop in Progress: (including tillages, preparation of land irrigation charges etc. at cost as valued and certified by a Managing Director)		10,31,788	
11,25,665	(vi) Sundry Debtors: (Unsecured and considered good except otherwise stated)			
9,99,877	(a) Debts outstanding for more than six months ..	10,22,547		
46,849	(b) Considered doubtful	93,090		
10,46,726		11,15,637		
46,849	Less: Provision for doubtful debts	93,090		
9,99,877		10,22,547		
1,04,30,171	(c) Other debts (including Rs. 85,20,514/- (Previous year Rs. 96,03,494/-) due from Arpit Ltd., Company under the same management)	90,58,394		
1,14,30,048			1,00,80,941	
	(vii) CASH AND BANK BALANCES:			
3,49,024	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 50,307/-)	3,24,509		
10,94,090	In Current Account with Scheduled Banks	5,49,564		
	In Current Account with Non-Scheduled Banks:			
436	(a) Ahmednagar District Central Co-operative Bank Ltd., Shrirampur (Maximum Debit Balance during the year Rs. 436/-)	436		
101	(b) Mudhol Urban Co-operative Bank Ltd., Mudhol (Maximum Debit Balance during the year Rs. 101/-)	101		
537		537		
50,000	Fixed Deposit with a Scheduled Bank	54,757		
—	Accrued interest on Fixed Deposit	7,723		
14,93,651			9,37,090	
7,73,92,949				
2,15,40,141	Carried Over	7,05,75,274		3,19,93,408

THE GODAVARI SUGAR BALANCE SHEET

As at 31st May, 1970		LIABILITIES—(Contd.)			
Rupees		Brought Forward	Rupees	Rupees	Rupees
11,76,55,232					12,18,12,950
50,000		CONTINGENT LIABILITIES (Not provided for):			
10,000		(i) (a) In respect of lands for which suits are pending in Court			
		(b) In respect of Legal expenses on above		50,000	
1,00,000		(ii) Uncalled liability on partly paid shares held as investments of Godavari Investment & Finance Corporation Ltd., a Subsidiary Company		10,000	
25,00,000		(iii) In respect of guarantee given to a Bank for loan granted to a Subsidiary Company		1,00,000	
59,87,000		(iv) In respect of Counter Guarantees given to Banks, Insurance Companies and others		25,00,000	
—		(v) In respect of guarantee given to a Company, for the loan granted to Somaiya Organics (India) Ltd.		63,65,000	
50,000		(vi) In respect of estimated purchase commitments on capital purchases		5,00,000	
1,49,496		(vii) In respect of development charges payable to Government in 12 Instalments for leasehold lands at Gandhidham		2,38,00,627	
		(viii) 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, 1969-70 and 1970-71, amount whereof not ascertained		1,38,002	
		Total Rupees			12,18,12,950
11,76,55,232					

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1971

As at 31st May, 1970	ASSETS —(Contd.)			
Rupees		Rupees	Rupees	Rupees
2,15,40,141	Brought Forward		7,05,75,274	3,19,93,408
7,73,92,949				
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated)			
	(i) Loans to companies under the same Management:			
47,98,616	(a) Arpit Ltd., (Maximum debit balance during the year Rs. 48,61,956/-, previous year Rs. 47,98,616/-)	40,92,472		
46,573	(b) Somaiya Organo-Chemicals Ltd.,	—		
48,45,189		40,92,472		
77,31,427	(ii) Loans to Others	96,60,098		
5,16,054	Interest accrued on above	9,18,559		
82,47,481		1,05,78,657		
1,30,92,670		1,46,71,129		
26,904	Considered doubtful	25,404		
1,31,19,574		1,46,96,533		
26,904	Less: Provision for doubtful Loans	25,404		
1,30,92,670			1,46,71,129	
	Loans to Godavari Investment & Finance Corporation Ltd., a Subsidiary Company of which the Company is a Holding Company		13,29,330	
	Advances recoverable in cash or kind or for value to be received (including advance to an officer of the Company Rs. 6000/- Maximum debit balance during the year Rs. 6000/-, Rs. 4,32,309/- in dispute and Rs. 10,000/- to a firm in which one of the Directors is interested as a partner)	21,93,557		
39,02,754	Considered doubtful	36,554		
27,074		22,30,111		
39,29,828	Less: Provision for doubtful Advances	36,554		
27,074			21,93,557	
39,02,754	Paid under Section 23A of Income-tax Act, 1922 ..		8,08,427	
8,08,427	Deposits with Irrigation Department, Railways and others (including Rs. 4,000/- with Post Office Savings A/c. Pass Books whereof are lodged with Car dealers)		2,41,825	
1,23,955				8,98,19,542
9,61,15,091				
	Total Rupees			12,18,12,950
11,76,55,232				

THE GODAVARI SUGAR

BALANCE SHEET

- NOTES: (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1968-69 onwards.
- (2) 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 is incorporated in the Books of Accounts of the Firms. Losses 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. 46,842/- at cost have been supplied to the said firms.
- (3) No provision has been made in respect of Balance of Loss of Rs. 41,544/- as on 31st May, 1971 of Godavari Investment & Finance Corporation Ltd.
- (4) Loans and guarantee given to bodies corporate not under the same management exceeded during the year the limit laid down in Section 370 of Companies Act, 1956, without prior sanction of the Central Government. Considering the reserves at the end of the year, the said loans are within the limit. However, for abundant caution, the Company is approaching the Central Government for their approval.
- (5) The Directors have resolved to pay on or after 21st January 1972 interim dividend of Rs. 1,45,433/- (subject to deduction of tax) at Rs. 7.8572 per share on 18509½ Preference Shares of the Company out of the taxed profits for and upto assessment year 1959-60 and have recommended a dividend of Rs. 3,00,000/- (subject to deduction of tax) at Rs. 3/- per share on 1,00,000 Ordinary (Equity) Shares, which dividend if approved by the shareholders at the Annual General Meeting to be held on 25th February, 1972 will be paid out of the taxed Profits for and upto Assessment year 1959-60. No separate provision has been made therefore.
- (6) The balance amount of Rs. 14,57,107/- for Compensation to be received by the Company from Maharashtra State Farming Corporation Ltd., in respect of standing crop taken by them in May, 1968 has been adjusted in the accounts for the year, but the whole amount of Company's claim for standing crops has been disputed by the said Corporation.
- (7) The figures of the previous year have been recasted wherever necessary so as to make them comparable with the current year's figures.

BOMBAY: Dated 18th January, 1972.

Referred to in our report of even date

NANUBHAI & CO.,
Chartered Accountants

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1971

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 & Finance Corporation Limited as at 31st May, 1971.
- (ii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 9,118/- for the year ended 31st May, 1971. The net loss after adjusting the previous years' Loss from Profit of this year comes to Rs. 41,544/-. 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, 1971 stands at Rs. 13,29,330/-.

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.

BOMBAY; Dated 10th January, 1972.

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

} Directors.

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

<i>As at</i> 31st May, 1970				
Rupees			Rupees	Rupees
	To Opening Stock on 1st June, 1970:			
4,17,845	Sugar in Process	—		
2,198	Sugar Cane in Yard	—		
4,96,07,983	Sugar	5,74,19,179		
44,857	Molasses	38,395		
5,00,72,883				5,74,57,574
9,43,756	„ Crop in progress as at 1st June, 1970	11,25,665		
75,808	„ Stock of grains and other seeds as at 1st June, 1970	77,776		
65,773	„ Grains and other seeds for sowing	30,394		
6,53,329	„ Salaries and Wages	8,88,129		
75,000	„ Provision for Bonus	75,000		
15,118	„ Contribution to Govt. Provident Fund and Administrative charges	14,803		
39	„ Workmen and Staff Welfare Expenses	459		
10,04,298	„ Stores inclusive of Manures	6,94,446		
1,07,313	„ Repairs & renewals	57,584		
1,89,054	„ Land Rent (Net)	1,93,765		
1,40,899	„ Irrigation rates and taxes	1,67,363		
2,803	„ Expenses on sales of grains, cotton, tobacco etc.	2,140		
20,968	„ Education Cess	21,055		
6,950	„ Rent	6,275		
1,74,534	„ Interest	—		
2,500	„ Payment to Auditors in other capacity	—		
99,983	Miscellaneous expenses, including Printing & Stationery, Postage and Telegrams and Travelling expenses (including harvesting and carting Commission Rs. 14,580/-)	1,03,760		
—	„ Insurance Premium	264		
1,48,652	„ Depreciation	1,02,715		
32,232	„ Land Development Expenses written off	23,618		
—	„ Staff Quarters Rent Refund	3,700		
5,867	„ Legal charges	4,604		
—	„ Expenses for manufacturing gur	24,158		
35,250	„ Brokerage and Commission (Guarantee Commission)	35,250		
12	„ Loose Tools written off	10		
38,00,138		36,52,933		
11,25,665	Less: Crop in progress as at 31st May, 1971	10,31,788		
26,74,473				
5,00,72,883	Carried Over	26,21,145		5,74,57,574

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1971

As at 31st May, 1970				
Rupees			Rupees	Rupees
	By Sales			
7,52,19,438	Sugar		8,88,61,019	
1,33,441	Molasses		1,04,849	
73,901	Sugar Cane		45,708	
—	Gur		90,358	
1,47,557	Food grains, Tobacco, Cotton, Grains, etc. (including consumption of Rs. 30,394/- as per contra)		1,62,562	
7,55,74,337				8,92,64,496
6,59,992	„ Sundry receipts from Flour Mills, Dairy etc. (including sundry credit balances written back Rs. 2,691/-)			6,01,496
1,38,730	„ Income from Immovable property			1,51,103
1,85,198	„ Sundry receipts being market value of Farm Produce etc. (including Profit on sale of grains Rs. 651/-)			2,02,211
	„ Income from Khanapur and Lakh Farms in Partnership:			
22,833	(a) Khanapur Farms:		—	
5,681	(b) Lakh Farms:		—	
28,514				
3	„ Dividend on Co-operative Bank Share			96
8	„ Share transfer and splitting fees			72
	„ Interest:			
13,71,598	On loans and others	12,10,660		
1,97,766	Less: Income-tax deducted at source	1,60,058		
11,73,832			10,50,602	
57,922	„ From subsidiary Company	84,706		
11,584	Less: Income-tax deducted at source	16,941		
46,338			67,765	
	„ From Bank:			
—	On Fixed Deposit (includes Rs. 10,657/- of Previous Years)	13,669		
—	Less: Income-tax deducted at source	1,189		
2,147			12,480	
12,22,317	„ From Lessors		1,092	
				11,31,939
7,78,09,099	Carried Over			9,13,51,413

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1970				
Rupees			Rupees	Rupees
5,00,72,883		Brought Forward	26,21,145	5,74,57,574
26,74,473				
87,789	To Transportation of Cane		1,02,846	
	Loss of Lakh and Khanapur Farms in Partnership:			
	Lakh Farms:			
—	1/4 Share of loss for the year	15,170		
—	Less: Machinery Hire Charges	4,500		
		<u>10,670</u>		
	Khanapur Farms:			
—	1/4 Share of loss for the year	5,556		
—	Less: Machinery Hire Charges	4,500		
		<u>1,056</u>		
27,62,262			11,726	
4,17,52,950	„ Locally Purchased Cane			27,35,717
44,85,234	„ 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. 8,36,210/- charged to repairs, capital & other relevant heads)		53,36,050	3,82,42,747
62,354	„ Bonus to employees		54,485	
3,25,000	„ Provision for Bonus		3,25,000	
59,594	„ Contribution to Provident Fund of the Company		70,741	
2,75,850	„ Gratuity		1,01,158	
2,51,688	„ Contribution to Government Provident Fund and Administrative Charges		2,54,706	
1,45,645	„ Workmen and Staff welfare expenses		1,84,001	
1,640	„ Workmen's Compensation		5,147	
56,07,005				63,31,288
13,46,875	„ Stores, chemicals and spare parts(after deducting Rs.42,71,900/-charged to agriculture, capital, repairs & other relevant heads & includes net obsolete stores written off Rs. 14,47,556/-).			31,56,300
1,12,046	„ Power and Fuel			1,15,218
8,20,893	„ Repairs to Plant and Machinery (inclusive of Salaries & Wages Rs. 4,65,997/-)		9,15,888	
2,75,642	„ Repairs to Buildings (inclusive of Salaries & Wages Rs. 70,982/-)		1,76,396	
1,94,411	„ Other repairs (inclusive of Salaries & Wages Rs. 1,20,890/-)		1,89,149	
12,90,946				12,81,433
22,68,757	„ Sugarcane Purchase-tax			21,56,044
75,000	„ Gratuity Insurance			72,000
1,36,24,319	„ Excise Duty			1,44,95,860
11,89,13,043	Carried Over			12,60,44,181

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1971

As at 31st May, 1970															
Rupees										Rupees		Rupees			
7,78,09,099										Brought Forward		.. .. .		9,13,51,413	
16,668										By Sale of Live Stock		.. .. .		705	
62										,, Profit on Sale of Assets		.. .. .		5,455	
2,886										,, Claims and Refunds		.. .. .		26,839	
										,, Stock-in-trade (as taken valued & certified by a Managing Director)					
5,74,19,179										Sugar at realised or realisable value		.. .. .		5,21,43,941	
38,395										Molasses at market rate		.. .. .		28,496	
77,776										Food Grains, Tobacco, etc., at market rate			50,010	
5,75,35,350														5,22,22,447	

PROFIT & LOSS ACCOUNT FOR

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MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1971

As at 31st May, 1970		
Rupees		Rupees
13,53,64,065	Brought Forward	14,36,06,859
13,53,64,065	Total Rupees	14,36,06,859

THE GODAVARI SUGAR

PROFIT & LOSS ACCOUNT FOR

<i>As at</i> 31st May, 1970				
Rupees			Rupees	Rupees
	To Bonus to employees pertaining to previous years:			
24,457	Agriculture		58,402	
1,71,569	Manufacturing		6,46,928	
1,96,026				7,05,330
15,00,000	„ Transfer to General Reserve			22,10,000
10,245	„ Balance carried to Balance Sheet			3,347
	NOTE:			
	Computation of Managing Director's Commission is as follows:-			
	Net Profit as per Profit and Loss Account		13,99,085	
	Add: (i) Managing Director's Remuneration	1,35,000		
	(ii) Loss on Sale of Shares	1,25,000		
	(iii) Provision for Doubtful Debts and Advances	55,721		
	(iv) Provision for Taxation	30,00,000		
	(v) Development Rebate Reserve	26,622		
	(vi) Tax deducted at source	1,78,188		
		35,20,531		
	Add: Depreciation :-			
	Agriculture	1,02,715		
	Factory	11,20,552		
		12,23,267		
		47,43,798		
	Less: Depreciation to the extent specified in Section 350 of Companies Act, 1956	11,94,248		
			35,49,550	
	Net Profit for Calculating Managing Director's Commission		49,48,635	
	1% of the Net Profit of Rs. 49,48,635/-	Rs. 49,486		
	Maximum allowable as per permission of Central Government	Rs. 45,000		
17,06,271	Total Rupees			29,18,677

Referred to in our Report of even date

NANUBHAI & CO.,

Chartered Accountants.

BOMBAY : Dated 18th January, 1972.

MILLS LIMITED, BOMBAY
THE YEAR ENDED 31ST MAY, 1971

As at 31st May, 1970			Rupees	Rupees
Rupees				
3,113	By	Balance brought forward from last years' Balance Sheet		10,245
	"	Items pertaining to previous years:		
		Unclaimed Salaries, Wages & Bonus written back:		
22,619		Factory	2,533	
10,948		Agriculture	31,867	34,400
33,567				
—	"	Land Requisition compensation		16,340
1,11,438	"	Excise Duty Refund		—
—	"	Excess Provision for doubtful debts reccredited.. .. .		1,500
—	"	Balance of Compensation for standing crop from Maharashtrara State Farming Corporation Limited (See Note No. 5)		14,57,107
15,58,153	"	Balance brought down		13,99,085
17,06,271		Total Rupees		29,18,677

BOMBAY: Dated 10th January, 1972.

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

} *Directors.*

THE GODAVARI SUGAR

Schedule 'A'

Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as at 1-6-70 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)	19,10,849	7,05,051	26,15,900	—
Leasehold Land Premium	3,91,485	—	3,91,485	—
Leasehold Land Development Expenses	89,503	11,494	1,00,997	—
Leasehold Premium on Garage	12,000	—	12,000	—
Buildings (Book Value)	73,23,262	53,027	73,76,289	—
Temporary Quarters	2,12,512	4,24,298	6,36,810	—
Temporary Quarters at Farms	1,49,281	1,39,479	2,88,760	—
Pucca Quarters at Factories	16,54,109	2,82,801	19,36,910	—
Pucca Quarters at Farms	2,18,525	—	2,18,525	—
General Machinery (Book Value)	1,37,47,768	2,85,315	1,40,33,083	—
Electrical Machinery	22,36,632	25,657	22,62,289	—
Agricultural Machinery (Book Value)	34,42,575	1,71,195	36,13,770	—
Locomotives	92,974	—	92,974	—
Electrical Installation & Fittings	1,56,226	—	1,56,226	—
Furniture & Office Equipment	13,80,701	1,22,595	15,03,296	—
Weigh Bridge	1,89,243	5,869	1,95,112	—
Trolley Lines	6,28,058	—	6,28,058	—
Railway Siding	1,25,620	—	1,25,620	—
Motor Cars, Lorries and Cycles (Book Value)	9,15,224	4,66,881	13,82,105	30,673
Carts & Trucks (Book Value)	3,54,978	925	3,55,903	—
Laboratory Apparatus	48,318	—	48,318	—
Roads, Drainage and Tube Wells	10,46,829	88,391	11,35,220	—
Dead Stocks	75,150	—	75,150	—
Library	7,758	—	7,758	—
Medical Instruments	363	—	363	—
Irrigation Lifts	9,91,477	1,10,189	11,01,666	—
Live Stock	88,872	—	88,872	—
TOTAL RUPEES	3,74,90,292	28,93,167	4,03,83,459	30,673

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

BOMBAY: Dated 18th January, 1972.

MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 31st May, 1971

Gross Block as on 31st May, 1971	Written off upto 31st May, 1970	Written off during the year	Sub-Total	Depreciation written back on sale of Assets	Total Depreciation upto 31st May, 1971	Net Depreciated Block as at 31st May, 1971	Net Depreciated Block as at 31st May, 1970
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
26,15,900	—	—	—	—	—	26,15,900	19,10,849
3,91,485	3,88,850	—	3,88,850	—	3,88,850	2,635	2,635
1,00,997	—	—	—	—	—	1,00,997	89,503
12,000	3,900	300	4,200	—	4,200	7,800	8,100
73,76,289	25,33,518	1,53,913	26,87,431	—	26,87,431	46,88,858	47,89,744
6,36,810	2,12,512	31,822	2,44,334	—	2,44,334	3,92,476	—
2,88,760	1,49,281	10,461	1,59,742	—	1,59,742	1,29,018	—
19,36,910	1,72,611	46,019	2,18,630	—	2,18,630	17,18,280	14,81,498
2,18,525	59,441	2,823	62,264	—	62,264	1,56,261	1,59,084
1,40,33,083	1,17,51,650	5,19,895	1,22,71,545	—	1,22,71,545	17,61,538	19,96,118
22,62,289	16,39,852	1,22,891	17,62,743	—	17,62,743	4,99,546	5,96,780
36,13,770	30,40,080	1,19,872	31,59,952	—	31,59,952	4,53,818	4,02,495
92,974	85,342	763	86,105	—	86,105	6,869	7,632
1,56,226	86,469	6,975	93,444	—	93,444	62,782	69,757
15,03,296	6,07,476	94,958	7,02,434	—	7,02,434	8,00,862	7,73,225
1,95,112	1,48,737	4,576	1,53,313	—	1,53,313	41,799	40,506
6,28,058	5,76,293	5,176	5,81,469	—	5,81,469	46,589	51,765
1,25,620	1,04,131	2,214	1,06,345	—	1,06,345	19,275	21,489
13,51,432	7,21,162	1,40,831	8,61,993	28,528	8,33,465	5,17,967	1,94,062
3,55,903	2,99,654	5,625	3,05,279	—	3,05,279	50,624	55,324
48,318	33,591	1,473	35,064	—	35,064	13,254	14,727
11,35,220	6,79,480	37,987	7,17,467	—	7,17,467	4,17,753	3,67,349
75,150	59,245	863	60,108	—	60,108	15,042	15,905
7,758	4,957	280	5,237	—	5,237	2,521	2,801
363	326	2	328	—	328	35	37
11,01,666	9,39,182	18,095	9,57,277	—	9,57,277	1,44,389	52,295
88,872	78,859	—	78,859	—	78,859	10,013	10,013
4,03,52,786	2,43,76,599	13,27,814	2,57,04,413	28,528	2,56,75,885	1,46,76,901	1,31,13,693

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

} Directors.

BOMBAY: Dated 10th January, 1972.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

Schedule 'B'

Schedule of Expenses during Construction Period Attached to and Forming Part of Balance Sheet
as at 31st May, 1971

PARTICULARS																		Rupees
(1)	Salaries and Wages	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	51,656
(2)	Workmen and Staff Welfare Expenses	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,705
(3)	Rates and Taxes	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,883
(4)	Rent	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,725
(5)	Insurance Premium	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10,224
(6)	Stores Consumption	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	14,521
(7)	Miscellaneous Expenses	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,11,765
(8)	Depreciation	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,04,247
																		3,99,726
	Less: Miscellaneous Receipts	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,111
																		3,98,615

Referred to in our report of even date.

NANUBHAI & CO.,
Chartered Accountants.

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

} *Directors.*

BOMBAY: Dated 18th January, 1972.

BOMBAY: Dated 10th January, 1972.

**GODAVARI INVESTMENT
AND
FINANCE CORPORATION LIMITED**

**BALANCE SHEET
AND
PROFIT AND LOSS ACCOUNT
1970-71**

GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Sixteenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1971.

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. 9,118/— after providing Rs. 26,700/— for taxation. After adjusting the same from last year's loss, and after crediting refund of Income-tax of previous year amounting to Rs. 15,607/— the net carried forward loss comes to Rs. 41,544/—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 14th December, 1971.

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, 1971 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, 1971 and,
 - (b) in the case of the Profit and Loss Account of the profit for the year ended on that date.

NANUBHAI & CO.,

Chartered Accountants.

BOMBAY: Dated 15th December, 1971.

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1970	LIABILITIES	
Rupees		Rupees Rupees
	I. AUTHORISED CAPITAL:	
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each	<u>5,00,000</u>
	II. SUBSCRIBED CAPITAL:	
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company, The Godavari Sugar Mills Ltd., and its nominees	<u>1,00,000</u>
	III. SECURED LOANS:	
12,60,251	In Cash Credit Account with Bank of India against hypothecation of Machinery and Imple- ments 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 mortgagee under mortgage documents executed in favour of the company by cultivators and guaranteed by two Directors of the Company and also by Holding Company.. .. .	<u>9,85,475</u>
	IV. UNSECURED LOANS:	
7,94,336	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.,	<u>13,29,330</u>
	V. CURRENT LIABILITIES AND PROVISIONS:	
	(A) CURRENT LIABILITIES:	
57,871	(i) Sundry Creditors	36,417
31,279	(ii) Estimated unearned Finance charges on hire-purchase carried forward ..	<u>20,307</u>
20,133	(iii) Interest accrued but not due on Loans	<u>20,078</u>
1,09,283		<u>76,802</u>
	(B) PROVISIONS:	
74,750	For Taxation	<u>70,200</u>
1,84,033		<u>1,47,002</u>
23,38,620	Carried Over	<u>25,61,807</u>

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1971

As at 31st May, 1970	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS:			
	(i) Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director)			
33,332	Machinery Stores and Spares		14,914	
91,279	(ii) Future instalments receivable from hire of Oil Engines and Pumps under Hire-Purchase Agreements: (Considered good)		55,142	
	(iii) SUNDRY DEBTORS:			
	(Unsecured and considered good, as certified by a Director, 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.			
1,36,006	Outstanding for more than 6 months	1,14,259		
38,138	Considered doubtful	45,141		
1,74,144		1,59,400		
38,138	Less: Provision for doubtful debts	45,141		
1,36,006		1,14,259		
22,905	Other debts	11,007		
1,58,911			1,25,266	
	(iv) CASH AND BANK BALANCES:			
455	Cash on hand	566		
5,802	Stamp Papers on hand	3,735		
887	In Current Account with a Scheduled Bank	717		
7,144			5,018	
2,90,666	Carried Over		2,00,340	—

GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1970	LIABILITIES—(Contd.)				
Rupees				Rupees	Rupees
23,38,620	Brought Forward				25,61,807
NOTE: Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for Loans amounting to Rs. 27,645/- have been either sent for registration or are under execution.					

Referred to in our Report of even date.

NANUBHAI & CO.,

Chartered Accountants.

BOMBAY: Dated 15th December, 1971.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1971

As at 31st May, 1970	ASSETS—(Contd.)				
Rupees			Rupees	Rupees	Rupees
2,90,666	Brought Forward	.. ..		2,00,340	
	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:—				
19,05,986	Secured	.. ..	22,88,432		
41,058	Considered doubtful	.. ..	38,077		
19,47,044			23,26,509		
41,058	Less: Provision for Doubtful Loans	.. ..	38,077		
19,05,986				22,88,432	
47,132	(ii) Advance Income-tax	.. ..		31,252	
28,328	(iii) Income-tax Refund due	.. ..		—
200	(iv) Deposit against Insurance	.. ..		200	
39	(v) Advances recoverable in cash or kind	.. ..		39	
22,72,351					25,20,263
	II. MISCELLANEOUS EXPENDITURE:				
	Profit and Loss Account:				
66,269	Loss as per Profit and Loss Account	.. ..			41,544
	Total Rupees				
23,38,620		.. ..			25,61,807

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 14th December, 1971.

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

GODAVARI INVESTMENT AND PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1970			
Rupees		Rupees	Rupees
	To Opening Stock:		
40,256	„ Machinery, Spares and Fittings		33,332
	„ Purchases:—		
19,046	Machinery	—	
1,91,778	Stores	2,38,080	
2,10,824			2,38,080
8,933	„ Machinery returned by Bagaitdars		6,908
19,706	„ Miscellaneous expenses, fees and stamps, printing and stationery, postage and telegrams, conveyance, travelling (including debit balances written off Rs. 123/-)		4,050
5,000	„ Charity and Donation		2,500
182	„ Insurance Premium		89
	„ Interest:—		
57,922	On Current Account to the Holding Company, The Godavari Sugar Mills Ltd., ..	84,706	
94,056	On Cash Credit Account with a Bank	1,37,114	
—	Others	350	
1,51,978			2,22,170
—	„ Office Rent		7,500
500	„ Audit Fees		500
15,771	„ Salary		17,796
735	„ Bonus		1,804
767	„ Company's Contribution (to the Holding Company) towards Provident Fund		761
—	„ Bad debts written off		956
868	„ Loss on Sale of Plant and Machinery		—
43,500	„ Provision for Taxation		26,700
—	„ Provision for doubtful debts & loans		4,023
20,980	„ Profit carried down		9,118
5,20,000	Total Rupees		5,76,287
99,881	To Loss as per last Balance Sheet		66,269
8,304	„ Short Provision for taxation of Previous Year		—
1,08,185	Total Rupees		66,269

BOMBAY: Dated 15th December, 1971.

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

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1971

As at 31st May, 1970			
Rupees		Rupees	Rupees
14,051	By Cost of Machinery & Spare parts let during the year to cane growers in terms of Hire-Purchase Agreements		15,718
	„ Cost of Stores & Spares sold to:—		
18,184	The Godavari Sugar Mills Ltd.	9,608	
1,94,446	Others	2,38,080	
2,12,630			2,47,688
24,736	„ Commission on Cane from Holding Company, The Godavari Sugar Mills Ltd., ..		31,455
	„ Interest:—		
1,70,728	On Loans	2,15,036	
—	On Advance Income-tax	464	
1,70,728			2,15,500
23,375	„ Supervision charges from cane growers		33,630
38,446	„ Income on Hire-Purchase Contracts		17,013
952	„ Miscellaneous Receipts		369
1,750	„ Bad debts written off recovered		—
33,332	„ Closing Stock of Machinery, Stores and Spares (at cost)		14,914
5,20,000	Total Rupees		5,76,287
20,980	By Profit brought down		9,118
20,936	„ Excess Provision for doubtful debts reccredited		—
—	„ Income-tax Refund of Previous Year		15,607
66,269	„ Loss carried to Balance Sheet		41,544
1,08,185	Total Rupees		66,269

BOMBAY: Dated 14th December, 1971.

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