

33

THE  
GODAVARI  
SUGAR MILLS  
LIMITED

ANNUAL REPORT & ACCOUNTS

1971-72

1972

# 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

SMT. SARLABEN SEVANTIBHAI PAREKH

## Bankers :

BANK OF INDIA

UNION BANK OF INDIA

BANK OF MAHARASHTRA

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 33rd Annual General Meeting of The Godavari Sugar Mills Limited will be held on Tuesday, the 30th January, 1973 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 Directors' Report and Audited Statement of Accounts for the year ended 31st May, 1972.
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 modification the following Resolution, as an Ordinary Resolution:

### ORDINARY RESOLUTION:

"Resolved that pursuant to the relevant Provisions of the Companies Act, 1956 including sections 257 and 258, Shrimati S. S. Parekh, be and is hereby elected and appointed Director of the Company".

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

The Transfer Books of the Company will be closed from 15th January, 1973 to 30th January, 1973 both days inclusive.

By Order of the Board of Directors

K. J. SOMAIYA

*Managing Director*

BOMBAY: Dated 16th December, 1972.

- Notes:**
1. The final dividend when declared will be payable at the Registered Office of the Company on and after 10th February, 1973. The dividend warrants will be posted to those shareholders whose names stand on the Company's Register on 15th January, 1973.
  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

## EXPLANATORY STATEMENT

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

### ORDINARY RESOLUTION:

Smt. Sarlaben S. Parekh was appointed Additional Director by the Board on 26th June, 1972. Under the provisions of Section 260 of the Companies Act, 1956 and of clause 84 of the Articles of Association of the Company, she would hold office upto the date of the next Annual General Meeting to be held on 30th January, 1973. The Board considers it desirable that the Company should avail itself of her services. The Directors accordingly commend the Resolution for your approval.

By Order of the Board of Directors

**K. J. SOMAIYA**

*Managing Director*

BOMBAY: Dated 16th December, 1972.



# 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, 1972.

### FINANCIAL RESULTS:

The Gross profit for the year before providing for depreciation and development rebate reserve amounted to .. .. .						Rs. 94,35,718
Deducting therefrom:						
Depreciation	..	..	..	..	..	Rs. 13,29,916
Development Rebate Reserve	..	..	..	..	..	Rs. 33,50,000
						<hr/> Rs. 46,79,916
						<hr/> Rs. 47,55,802

After adjusting short provision for Taxation of Rs. 28,04,433/- for previous year, balance of Profit is Rs. 19,51,369/-.

Your Directors recommend the following appropriations:

1. Transfer to General Reserve	..	..	..	Rs. 19,50,000
2. Balance carried forward to Balance Sheet	..	..	..	Rs. 1,369
				<hr/> Rs. 19,51,369

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, 1972 out of the reserves accumulated upto 31st May, 1971. 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, 1972 out of the reserves accumulated upto 31st May, 1971, if approved by the shareholders at the Annual General Meeting to be held on the 30th January, 1973.

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.

Under the existing land legislation in Mysore, the sugar factories are exempted from Land Ceiling and are permitted to hold Agricultural Lands. The Mysore Government have accordingly



issued a Notification enabling the Company to hold lands. However, in view of the impending changes, under the advice of the local lawyers, and in order to protect part of the lands, the Company transferred during the year under Report about 150 acres to 18 persons including three Directors and nine Officers of the Company as nominees of the Company. Subsequently on expert legal opinion, the Company was advised that such a transfer will not accord the necessary relief and hence it was decided to re-transfer the said lands back to the Company.

Your Directors are pleased to inform that Company's new sugar factory at Sameerwadi, Mysore State was erected in a record period of 10 months and went into production in April, 1972.

The Company is giving due attention to Research and Development both on the manufacturing side as well in agriculture. It has, among other things, a Research Section in the factory and it has also sponsored a Research Institute known as "Karnatak Institute of Applied Agricultural Research" which has its area of activity at Sameerwadi. During the year under report, company has incurred Rs. 4,42,129/- as Agricultural Development Expenses and Rs. 37,036/- as Scientific Research Expenses.

On 31st May 1972, there was one depositor whose fixed deposit of Rs. 1,500/- had matured for repayment. The amount was not collected by the party although advance intimation had been sent to him.

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

**K. J. SOMAIYA**

*Managing Director*

BOMBAY: Dated 16th December, 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, 1972 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 subject however to Notes No. 8 and 12 and read with other 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, 1972 and,
  - (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
*Partner*  
*Chartered Accountants.*

BOMBAY: Dated 19th December, 1972.



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1971		LIABILITIES		
Rupees			Rupees	Rupees
	<b>I. SHARE CAPITAL:</b>			
	<b>AUTHORISED CAPITAL:</b>			
1,80,00,000	2,30,000 Ordinary (Equity) Shares of Rs. 100/- each .. ..		2,30,00,000	
20,00,000	20,000 7.8572% subject to deduction of tax at source Redeemable Cumulative Second Preference Shares of Rs. 100/- each .. ..		20,00,000	
—	50,000 9½% subject to deduction of tax at source Redeemable Cumulative Third Preference Shares of Rs. 100/- each .. ..		50,00,000	
2,00,00,000				3,00,00,000
	<b>ISSUED AND SUBSCRIBED CAPITAL:</b>			
1,00,00,000	1,80,000 Ordinary (Equity) Shares of Rs. 100/- each fully paid up; of the above shares 1,70,000 shares are allotted as fully paid up by way of Bonus shares by Capitalisation of General Reserve .. ..		1,80,00,000	
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 giving three months' notice of the intention to so redeem the same .. ..		18,50,950	1,98,50,950
1,18,50,950				
	<b>II. RESERVES AND SURPLUS:</b>			
	<b>(A) General Reserve:</b>			
1,35,45,347	As per Last Balance Sheet .. ..	1,54,42,796		
—	Less: Transferred to Share Capital being amount capitalised by issue of Bonus Shares as per Resolution passed in Extra-Ordinary General Meeting held on 15th September, 1971 .. ..	80,00,000		
1,35,45,347		74,42,796		
4,45,433	Less: Dividend on Ordinary and Preference Shares paid for the year ending 31st May, 1971 .. ..	4,45,433		
1,30,99,914		69,97,363		
—	Less: Donation paid as per Special Resolution passed on 8th March, 1972 .. ..	20,00,000		
1,30,99,914		49,97,363		
1,32,882	Add: Transfer from Development Rebate Reserve .. ..	1,22,242		
1,32,32,796		51,19,605		
22,10,000	Add: Set aside from 1971-72 Profits .. ..	19,50,000		
1,54,42,796			70,69,605	
1,54,42,796				
1,18,50,950	Carried Over .. ..		70,69,605	1,98,50,950



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1972

As at 31st May, 1971	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS (At Cost or Book Value):</b>			
4,03,52,786	Gross Block		7,75,33,226	
2,56,75,885	Less: Depreciation written off upto 31st May, 1972 .. ..		2,70,06,101	
1,46,76,901	Net Depreciated Block as per Schedule 'A' attached .. ..		5,05,27,125	
7,36,693	Capital Work-in-Progress .. .. .		1,34,027	
17,63,393	Payment to Contractors for Building Construction .. .. .		—	
3,98,615	Expenses during Construction period .. .. .		—	
49,15,675	Payment to suppliers for New Project .. .. .		—	
21,04,518	Stock of machineries and stores lying at site of New Project ..		—	
91,82,201				5,06,61,152
2,45,95,795				
	<b>II. INVESTMENTS (At Cost):</b>			
	(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:			
10,54,000	(i) Investments in Shares of Oriental Power Cables Ltd. 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	
61,99,000	(ii) Investments in Shares of Somaiya Organics (India) Ltd. 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.			
10,000	Guarantee Commission paid for repurchase of Shares		10,000	
7,440	(iii) 80 Equity Shares of Rs. 100/- each fully paid up of Sugar Selling Agency Pvt. Ltd. .. .. .		7,440	
78	(iv) One Ordinary Share of Maharashtra State Co-operative Bank Ltd., of Rs. 50/- each fully paid up .. .. .		78	
73,95,518				
2,45,95,795	Carried Over .. .. .		73,95,518	5,06,61,152



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1971	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
1,18,50,950				
1,54,42,796	Brought Forward .. .. .		70,69,605	1,98,50,950
10,48,765	(B) Development Rebate Reserve:			
26,622	As per Last Balance Sheet .. .. .	9,42,505		
10,75,387	Add: Amount set aside from Profit of the year .. .. .	33,50,000		
1,32,882		42,92,505		
9,42,505	Less: Transferred to General Reserve .. .. .	1,22,242		
			41,70,263	
3,347	(C) Profit & Loss Account:			
1,63,88,648	Balance as per Profit & Loss Account .. .. .		1,369	1,12,41,237
	<b>III. SECURED LOANS:</b>			
2,80,24,795	(a) Cash Credit Account with Bank against hypothecation of all tangible movable assets of the Company including Stocks of Sugar, Raw sugar, Stores, Chemicals, Spares etc. and fully guaranteed by two Directors .. .. .		2,62,16,845	
1,000	(b) 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 .. .. .		1,000	
	(c) Term Loans secured against Joint Equitable Mortgage by deposit of Title Deeds of the Companies immovable properties situate at Sakarwadi (Kanhgaon), Lakshmiwadi (Kopergaon) in the state of Maharashtra and at Sameerwadi in the State of Mysore (but excluding Agricultural Assets) and by hypothecation of Movable Machinery with Bank of India acting for itself and as Agent of Mysore State Financial Corporation and The Vijaya Bank Ltd., (Term Loan from The Vijaya Bank Ltd., received after the close of the year)			
45,00,000	(i) Bank of India (Instalment payable within a year Rs. 25,00,000/-) .. .. .	2,00,00,000		
—	(ii) Mysore State Financial Corporation .. .. .	15,00,000		
45,00,000			2,15,00,000	
—	(d) From State Industrial and Investment Corporation of India Limited against guarantee of Life Insurance Corporation of India against which guarantee, the Company has pledged 56,990 Equity Shares of Somaiya Organics (India) Ltd., (Instalment payable within a year Rs. 12,80,000/-) .. .. .		45,00,000	5,22,17,845
3,25,25,795				
6,07,65,393	Carried Over .. .. .		8,33,10,032	



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1972

As at 31st May, 1971	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
2,45,95,795	Brought Forward .. .. .		73,95,518	5,06,61,152
73,95,518				
2,500	(v) National Defence Certificates deposited with Electricity Department, Bhopal .. .. .		2,500	
100	(vi) 7 Years' National Savings Certificates (Purchased during the year Rs. 600/-) .. .. .		700	
1,000	(vii) 100 Shares of Rs. 10/- each of U. P. Bhokta Distillery AUR Sugar Mills Sahakari Samiti Ltd., Captainganj .. .. .		1,000	
6,500	(viii) National Savings Certificates deposited with Excise Commissioner, U. P. and Hydro-Electric Division, Gorakhpur .. .. .		6,500	
1,995	(ix) 4½% U.P. State Development Loan of 1972 (Face Value Rs. 2,000/-) .. .. .		1,995	
—	(x) National Savings Certificates of the face value of Rs. 1,000/- deposited as Security Deposit with Central Excise Authority Mudhol (Purchased during the year) .. .. .		1,000	
		Cost	Market Value	
	Aggregate quoted Investments .. .. .	72,54,995	73,01,080	
	Aggregate unquoted Investments .. .. .	1,54,218	—	
		74,09,213	73,01,080	
74,07,613				74,09,213
<b>III. CURRENT ASSETS, LOANS AND ADVANCES:</b>				
<b>(A) CURRENT ASSETS:</b>				
470	(i) Interest accrued on Investments .. .. .		470	
	(ii) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Managing Director) .. .. .			
55,80,105	Stock on hand (including machineries Rs. 14,13,145/-) .. .. .	97,07,181		
4,18,145	In transit .. .. .	3,71,734		
59,98,250			1,00,78,915	
27,869	(iii) Loose Tools and Implements (as per inventories valued and certified by a Managing Director) .. .. .		25,354	
	(iv) Stock-in-trade (as per inventories valued and certified by a Managing Director) .. .. .			
5,21,43,941	(a) Sugar at market rate ( See Note No. 5 ) .. .. .	5,28,04,567		
3,26,429	(b) Stock of Grains, Cotton etc., at market rate .. .. .	2,28,614		
28,496	(c) Molasses at market rate .. .. .	35,518		
5,24,98,866			5,30,68,699	
10,31,788	(v) Crop in Progress: (including tillages, preparation of land irrigation charges etc. at cost as valued and certified by a Managing Director) .. .. .		8,58,356	
5,95,57,243				
3,20,03,408	Carried Over .. .. .		6,40,31,794	5,80,70,365



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1971	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
6,07,65,393	Brought Forward .. .. .			8,33,10,032
	<b>IV. UNSECURED LOANS:</b>			
—	(i) 200 6% Unsecured Debentures of Rs. 10,000/- each fully paid up redeemable at the option of the Company .. .. .		20,00,000	
33,473	(ii) From Directors .. .. .		34,015	
4,24,568	(iii) From Others guaranteed by a Director .. .. .		41,737	
	(iv) On Current Account:			
5,87,409	From Selling Agents guaranteed by a Director .. .. .		14,48,930	
9,870	(v) From Somaiya Organo-Chemicals Ltd., guaranteed by a Director .. .. .		2,768	
4,129	(vi) From Banks .. .. .		490	
62,09,816	(vii) Public Fixed Deposits (including Rs. 45,60,000/- guaranteed by a Director) .. .. .		1,00,67,807	
1,36,245	(viii) Interest accrued due on unsecured loans .. .. .		1,39,389	
74,05,510			1,37,35,136	
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>			
	(A) CURRENT LIABILITIES:			
3,07,87,329	Sundry Creditors .. .. .		4,22,99,235	
8,50,000	Bills Payable .. .. .		—	
2,09,766	Advance from Customers against sale of Land & Wood .. .. .		2,14,246	
50,000	Security Deposit from Selling Agents .. .. .		50,000	
13,09,558	Security Deposits from Bagaitdars .. .. .		14,41,953	
4,878	Security Deposits from Customers .. .. .		4,878	
46,01,606	For Taxation .. .. .		14,11,104	
4,57,803	Due to Partnership Firm of Khanapur Farms .. .. .		2,80,132	
1,13,237	Due to Partnership Firm of Lakh Farms .. .. .		—	
6,89,618	Due for Selling Agents' Commission .. .. .		10,34,452	
1,32,500	Due for Managing Director's Remuneration & Commission .. .. .		13,471	
6,796	Unclaimed Dividend .. .. .		8,887	
3,42,047	Liability for Accrued Gratuity .. .. .		4,22,348	
8,28,265	Interest accrued but not due on Loans .. .. .		14,49,443	
4,03,83,403				
6,81,70,903	Carried Over .. .. .		4,86,30,149	9,70,45,168



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1972

As at 31st May, 1971	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
3,20,03,408	Brought Forward .. .. .		6,40,31,794	5,80,70,365
5,95,57,243	(vi) Sundry Debtors: (Unsecured and considered good except otherwise stated)			
10,22,547	(a) Debts outstanding for more than six months ..	2,46,819		
93,090	(b) Considered doubtful .. .. .	58,827		
11,15,637		3,05,646		
93,090	Less: Provision for doubtful debts .. .. .	58,827		
10,22,547		2,46,819		
90,58,394	(c) Other Debts (including Rs. 55,65,212/- (Previous year Rs. 85,20,514/-) due from Arpit Ltd., and Rs. 46,130/- due from Somaiya Organo-Chemicals Ltd., Companies under the same management) .. .. .	58,00,860		
1,00,80,941			60,47,679	
	(vii) CASH AND BANK BALANCES:			
3,24,509	Cash, Cheques and Drafts on hand (including Stamps on hand Rs. 42,717/-) .. .. .	8,19,232		
5,49,564	In Current Account with Scheduled Banks .. .. .	59,71,206		
	In Current Account with Non-Scheduled Banks:			
436	(a) Ahmednagar District Central Co-operative Bank Ltd., Shirampur (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		
54,757	Fixed Deposit with a Scheduled Bank .. .. .	64,154		
7,723	Accrued interest on Fixed Deposit .. .. .	1,720		
9,37,090			68,56,849	
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated)			
	(i) Loans to Companies under the same Management .. .. .			
—	(a) Somaiya Organo-Chemicals Ltd. (Maximum debit balance during the year Rs. 2,90,339/-) .. .. .	—		
39,20,615	(b) Arpit Ltd., (Maximum debit balance during the year Rs. 44,02,974/- Previous year Rs. 48,61,956/-) .. .. .	35,09,517		
1,71,857	Interest accrued on above .. .. .	2,36,182		
40,92,472				
7,05,75,274				
3,20,03,408	Carried Over .. .. .	37,45,699	7,69,36,322	5,80,70,365



# THE GODAVARI SUGAR

## BALANCE SHEET

As at 31st May, 1971	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
6,81,70,903				
4,03,83,403	Brought Forward .. .. .		4,86,30,149	9,70,45,168
1,88,60,292	(B) PROVISIONS:			
85,98,648	Provision for Taxation .. .. .	1,72,53,270		
1,02,61,644	Less: Advance payment under Section 207 of Income-tax Act, 1961 & tax deducted at source .. .. .	72,37,400		
8,02,000			1,00,15,870	
46,45,000	Provision for Bonus .. .. .		2,000	
24,50,000	Provision for Payment of Agri. Profits under Maharashtra Agricultural Lands (Ceiling on holdings) Act, 1961 .. .. .	46,45,000		
21,95,000	Less: Paid .. .. .	24,50,000		
5,36,42,047			21,95,000	6,08,43,019
50,000	CONTINGENT LIABILITIES (Not provided for):			
10,000	(i) (a) In respect of Lands for which suits are pending in Court		50,000	
	(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	
25,00,000	(iii) In respect of guarantee given to a Bank for loan granted to a Subsidiary Company .. .. .		25,00,000	
63,65,000	(iv) In respect of Counter Guarantees given to others .. .. .		47,000	
5,00,000	(v) In respect of guarantee given to a Bank for the loan granted to Somaiya Organics (India) Ltd. .. .. .		1,50,00,000	
2,38,00,627	(vi) In respect of estimated purchase commitments on capital purchases .. .. .		6,07,940	
1,38,002	(vii) In respect of development charges payable to Government in 11 Instalments for leasehold lands at Gandhidham .. .. .		1,26,508	
	(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 to 1971-72, amount whereof not ascertained .. .. .			
12,18,12,950	Total Rupees .. .. .		15,78,88,187	



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1972

As at 31st May, 1971	ASSETS—(Contd.)				
Rupees			Rupees	Rupees	Rupees
3,20,03,408					
7,05,75,274	Brought Forward .. .. .		37,45,699	7,69,36,322	5,80,70,365
40,92,472					
96,60,098	(ii) Loans to Others .. .. .	78,34,314			
9,18,559	Interest accrued on above .. .. .	12,20,112			
1,05,78,657			90,54,426		
1,46,71,129			1,28,00,125		
25,404	Considered doubtful .. .. .		23,601		
1,46,96,533			1,28,23,726		
25,404	Less: Provision for doubtful Loans .. .. .		23,601	1,28,00,125	
1,46,71,129					
12,61,565	Loans to Godavari Investment & Finance Corporation Ltd., a Subsidiary Company of which the Company is a Holding Company .. .. .		11,85,436		
67,765	Interest accrued on above .. .. .		1,13,044	12,98,480	
13,29,330					
21,83,557	Advances recoverable in cash or kind or for value to be received (including advance to an officer of the Company Rs. 6,000/- Maximum debit balance during the year Rs. 6,000/-, Rs. 4,32,309/- in dispute and Rs. 27,000/- to a firm in which one of the Directors is interested as a partner) .. .. .		74,15,711		
36,554	Considered doubtful .. .. .		64,028		
22,20,111			74,79,739		
36,554	Less: Provision for doubtful Advances .. .. .		64,028	74,15,711	
21,83,557					
8,08,427	Paid under Section 23A of Income-tax Act, 1922 .. .. .			8,08,427	
2,41,825	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) .. .. .			3,65,623	
—	Due from Partnership Firm of Lakh Farms .. .. .			1,93,134	
8,98,09,542					9,98,17,822
12,18,12,950	Total Rupees .. .. .				15,78,88,187



# THE GODAVARI SUGAR

## BALANCE SHEET

- NOTES: (1) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1970-1971 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. 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. 83,058/- at cost have been supplied to the said firms.
- (3) No provision has been made in respect of Balance of Loss of Rs. 34,057/- as on 31st May, 1972 of Godavari Investment & Finance Corporation Ltd.
- (4) Miscellaneous expenses include Advertisement of Rs. 32,000/- in Souvenir of District Congress Committee.
- (5) Stock of Sugar as on 31st May, 1972 is valued at market rate instead of at realised/realisable value which has resulted in valuation of stocks more by Rs. 43,28,595/- and consequential increase in Profit to that extent.
- (6) No Depreciation has been provided during the year in respect of Fixed Assets of Sameerwadi, amounting to Rs. 37,39,686/-.
- (7) While valuing Crop in Progress of Sameerwadi as on 31st May, 1972 Depreciation of Rs. 26,371/- is not taken into consideration as was being done in the past. To that extent crop in progress is reduced.
- (8) Attention is invited to Para 6 of the Directors' Report in respect of Lands held by nominees.
- (9) During the year no provision for Bonus has been made. Liability of the Bonus according to Bonus Act comes to about Rs. 4,00,000/-.
- (10) Number of employees of the Company who are in receipt of or are entitled to receive emoluments amounting in the aggregate of Rs. 2,000/- or more per mensem are 11.
- (11) Quantitative information in respect of Goods manufactured:

	Sakarwadi M. Tonnes	Lakshmiwadi M. Tonnes	Sameerwadi. M. Tonnes
(a) Licenced Capacity .. .. .	1,016.0	1,016.0	2,500.0
(b) Installed Capacity (As certified by the Manager of respective factories)	1,050.0/1,100.0	1,200.0/1,250.0	1,500.0
(c) Actual Production .. .. .	21,410.5	25,598.0	260.6
(d) Raw materials (Sugarcane) purchased or acquired .. .. .	1,99,316.0	2,36,192.0	4,197.0
(e) Opening Stocks of Goods produced .. .. .	12,719.5	16,955.7	—
(f) Closing Stocks of Goods produced .. .. .	11,308.1	11,176.2	260.6

- (12) The Directors have resolved to pay on or after 31st December, 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 for the year ended 31st May, 1972 out of the reserves accumulated upto 31st May, 1971 and have recommended a dividend of Rs. 5,40,000/- (subject to deduction of tax) at Rs. 3/- per share on 1,80,000 Ordinary (Equity) Shares, which dividend if approved by the Shareholders at the Annual General Meeting to be held on 30th January, 1973 will be paid out of reserves accumulated upto 31st May, 1971. No separate provision has been made therefore.
- (13) The figures of the previous year have been recasted wherever necessary so as to make them comparable with the Current Year's figures.

Referred to in our report of even date  
For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
Partner  
Chartered Accountants.

BOMBAY: Dated 19th December, 1972.



# MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1972

## 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, 1972.
- (ii) Godavari Investment & Finance Corporation Limited made a Profit of Rs. 7,775/- for the year ended 31st May, 1972. The net loss after adjusting the previous year's Loss from Profit of this year comes to Rs. 34,057/-. 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, 1972 stands at Rs. 12,98,480/-.

In the opinion of the Board, the Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business. The provision for all known liabilities and depreciation is adequate and not in excess of the amount reasonably necessary.

K. J. SOMAIYA

*Chairman and Managing Director*

K.R. THANAWALA  
*Secretary*

C. S. BHARAKTIYA  
S. K. SOMAIYA  
D. M. POPAT  
S. S. PAREKH

} *Directors.*

BOMBAY: Dated 16th December, 1972.



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1971																
Rupees		To	Opening Stock on 1st June, 1971 :												Rupees	Rupees
5,74,19,179		Sugar	..	..	..	..	..	..	..	..	..	..	..	..	5,21,43,941	
38,395		Molasses	..	..	..	..	..	..	..	..	..	..	..	..	28,496	
5,74,57,574																5,21,72,437
11,25,665		„ Crop in Progress as at 1st June, 1971	..	..	..	..	..	..	..	..	..	..	..	..	10,31,788	
77,776		„ Stock of grains and other seeds as at 1st June, 1971	..	..	..	..	..	..	..	..	..	..	..	..	50,010	
30,394		„ Grains and other seeds for sowing	..	..	..	..	..	..	..	..	..	..	..	..	20,604	
8,88,129		„ Salaries and Wages	..	..	..	..	..	..	..	..	..	..	..	..	9,58,140	
75,000		„ Provision for Bonus	..	..	..	..	..	..	..	..	..	..	..	..	—	
14,803		„ Contribution to Govt. Provident Fund and Administrative charges	..	..	..	..	..	..	..	..	..	..	..	..	31,188	
459		„ Workmen and Staff Welfare Expenses	..	..	..	..	..	..	..	..	..	..	..	..	779	
—		„ Gratuity	..	..	..	..	..	..	..	..	..	..	..	..	120	
6,94,446		„ Stores inclusive of Seeds and Manures	..	..	..	..	..	..	..	..	..	..	..	..	7,34,268	
57,584		„ Repairs and renewals	..	..	..	..	..	..	..	..	..	..	..	..	7,978	
1,93,765		„ Land Rent (Net)	..	..	..	..	..	..	..	..	..	..	..	..	1,99,205	
1,67,363		„ Irrigation rates and taxes	..	..	..	..	..	..	..	..	..	..	..	..	1,70,621	
2,140		„ Expenses on sales of grains, cotton, tobacco etc.	..	..	..	..	..	..	..	..	..	..	..	..	6,542	
21,055		„ Education Cess	..	..	..	..	..	..	..	..	..	..	..	..	33,207	
6,275		„ Rent	..	..	..	..	..	..	..	..	..	..	..	..	6,562	
		„ Miscellaneous expenses, including Printing & Stationery, Postage and Telegrams and Travelling expenses (including harvesting and carting Commission Rs. 15,664/- Previous year Rs. 14,580/-)	..	..	..	..	..	..	..	..	..	..	..	..	65,387	
1,03,760		„ Insurance Premium	..	..	..	..	..	..	..	..	..	..	..	..	288	
264		„ Depreciation (See Note No. 6)	..	..	..	..	..	..	..	..	..	..	..	..	25,687	
1,02,715		„ Land Development Expenses written off	..	..	..	..	..	..	..	..	..	..	..	..	19,854	
23,618		„ Staff Quarters Rent Refund	..	..	..	..	..	..	..	..	..	..	..	..	167	
3,700		„ Legal charges	..	..	..	..	..	..	..	..	..	..	..	..	5,962	
4,604		„ Expenses for manufacturing gur	..	..	..	..	..	..	..	..	..	..	..	..	222	
24,158		„ Brokerage and Commission (Guarantee Commission)	..	..	..	..	..	..	..	..	..	..	..	..	27,750	
35,250		„ Loose Tools written off	..	..	..	..	..	..	..	..	..	..	..	..	10	
10																
36,52,933															33,96,339	
10,31,788		Less: Crop in progress as at 31st May, 1972	..	..	..	..	..	..	..	..	..	..	..	..	8,58,356	
26,21,145																
5,74,57,574		Carried Over	..	..	..	..	..	..	..	..	..	..	..	..	25,37,983	5,21,72,437



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1972

As at 31st May, 1971				
Rupees			Rupees	Rupees
	By Sales:			
8,88,61,019	Sugar .. .. .		10,50,37,843	
1,04,849	Molasses .. .. .		1,27,207	
45,708	Sugar Cane .. .. .		33,136	
90,358	Gur .. .. .		7,106	
1,62,562	Food grains, Tobacco, Grains etc. (including consumption of Rs. 20,604/- as per contra) .. .. .		1,30,830	
8,92,64,496				10,53,36,122
6,01,496	„ Sundry receipts from Flour Mills, Dairy etc. .. .. .			7,05,901
1,51,103	„ Income from Immovable Property .. .. .			1,53,067
2,02,211	„ Sundry receipts being market value of Farm Produce etc. (including Profit on sale of grains Rs. 104/- Previous year Rs. 651/-) .. .. .			2,52,021
	„ Income from Khanapur and Lakh Farms in Partnership:			
—	(a) Khanapur Farms:			
—	Machinery Hire Charges .. .. .	4,500		
	Add: 1/4 Share of profit for the year .. .. .	1,12,193	1,16,693	
—	(b) Lakh Farms:			
—	Machinery Hire Charges .. .. .	4,500		
—	Add: 1/4 Share of profit for the year .. .. .	75,316	79,816	
96	„ Dividend on Co-operative Bank Share .. .. .			1,96,509
72	„ Share transfer and splitting fees .. .. .			96
	„ Interest:			48
12,10,660	On Loans and others .. .. .	16,93,632		
1,60,058	Less: (Income-tax deducted at source Rs. 2,44,809/-) .. .. .	—		
10,50,602			16,93,632	
84,706	„ From Subsidiary Company .. .. .	1,43,094		
16,941	Less: (Income-tax deducted at source Rs. 30,050/-) .. .. .	—		
67,765			1,43,094	
	„ From Bank:			
13,669	On Fixed Deposit .. .. .	3,395		
1,189	Less: (Income-tax deducted at source Rs. Nil) .. .. .	—		
12,480			3,395	
1,092	„ From Lessors .. .. .		1,822	
11,31,939				18,41,943
9,13,51,413				
	Carried Over .. .. .			10,84,85,707



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1971			Rupees	Rupees
5,74,57,574				
26,21,145	Brought Forward .. .. .		25,37,983	5,21,72,437
1,02,846	To Transportation of Cane .. .. .		1,16,702	
10,670	„ Loss of Lakh and Khanapur Farms in Partnership:			
1,056	Lakh Farms: .. .. .	—		
11,726	Khanapur Farms: .. .. .	—		
27,35,717				26,54,685
3,82,42,747	„ Locally Purchased Cane .. .. .			
53,36,050	„ 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. 10,45,199/- charged to repairs, capital & other relevant heads) .. .. .		52,15,915	5,24,03,859
54,485	„ Bonus to employees .. .. .		72,332	
3,25,000	„ Provision for Bonus .. .. .		—	
—	„ Company's Contribution to Employee's Family Pension Fund Scheme .. .. .		890	
70,741	„ Contribution to Provident Fund of the Company .. .. .		91,103	
1,01,158	„ Gratuity .. .. .		94,548	
2,54,706	„ Contribution to Govt. Provident Fund and Administrative Charges .. .. .		3,70,047	
1,84,001	„ Workmen and Staff welfare expenses .. .. .		1,48,456	
5,147	„ Workmen's Compensation .. .. .		8,874	
63,31,288				60,02,165
31,56,300	„ Stores, chemicals and spare parts (after deducting Rs. 46,75,318/- charged to agriculture, capital, repairs & other relevant heads) .. .. .			
1,15,218	„ Power and Fuel .. .. .			18,72,595
9,15,888	„ Repairs to Plant and Machinery (inclusive of Salaries & Wages Rs. 4,88,069/-, Previous year Rs. 4,65,997/-) .. .. .		8,71,357	4,07,039
1,76,396	„ Repairs to Buildings (inclusive of Salaries and Wages Rs. 1,62,571/-, Previous year Rs. 70,982/-) .. .. .		4,19,572	
1,89,149	„ Other repairs (inclusive of Salaries & Wages Rs. 62,378/-, Previous year Rs. 1,20,890/-) .. .. .		3,29,312	
12,81,433				16,20,241
21,56,044	„ Sugarcane Purchase-tax .. .. .			
72,000	„ Gratuity Insurance .. .. .			34,03,269
1,44,95,860	„ Excise Duty .. .. .			86,000
				1,97,80,996
12,60,44,181	Carried Over .. .. .			14,04,03,286



# MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1972.

As at 31st May, 1971												
Rupees											Rupees	Rupees
9,13,51,413	Brought Forward .. .. .											10,84,85,707
705	By	Sale of Live Stock .. .. .									2,321	
5,455	„	Profit on Sale of Assets .. .. .									—	
26,839	„	Claims and Refunds .. .. .									11,106	
	„	Stock-in-trade (as taken valued & certified by a Managing Director)										
5,21,43,941		Sugar at market rate (see Note No. 5) .. .. .								5,28,04,567		
28,496		Molasses at market rate .. .. .								35,518		
50,010		Food Grains, Tobacco, etc., at market rate .. .. .								28,443		
5,22,22,447												5,28,68,528



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1971			Rupees	Rupees
Rupees		Brought Forward		14,04,03,286
12,60,44,181				
85,391	To Insurance Premium	.. .. .		1,48,281
—	„ Emergency Risk Insurance Premium	.. .. .		97,851
21,39,654	„ Packing and Forwarding	.. .. .		21,11,283
1,25,271	„ Rent (Received Rs. 1,200/- Previous year Rs. 1,200/-)	.. .. .		2,25,756
2,58,222	„ Rates and Taxes	.. .. .		2,98,147
6,89,618	„ Sole Selling Agents' Commission on Sugar	.. .. .		10,34,451
—	„ Staff House Rent Refund	.. .. .		2,054
18,03,916	„ Miscellaneous Expenses (including printing & stationery, postage and telegrams, telephone, travelling and motor cars maintenance)	.. .. .		22,60,556
1,99,962	„ Charity and Donation	.. .. .		2,770
2,061	„ Interest:			
	Directors	.. .. .	1,942	
22,36,136	Cash Credit Account	.. .. .	26,87,960	
2,39,296	Fixed Loans	.. .. .	4,17,773	
4,65,389	Fixed Deposits	.. .. .	10,10,239	
—	Debentures	.. .. .	1,20,000	
6,15,717	Other Loans	.. .. .	5,72,804	
				48,10,718
35,58,599	„ Directors' Fees	.. .. .		3,800
2,800	„ Directors' Travelling Expenses	.. .. .		1,22,853
59,047	„ Managing Director's Remuneration:			
	Remuneration	.. .. .	90,000	
90,000	Commission on profit	.. .. .	13,471	
45,000				1,03,471
1,35,000	„ Payment to Auditors:			
	Audit Fees	.. .. .	10,000	
7,500	In other capacity	.. .. .	10,750	
10,000	Auditors' Travelling Expenses	.. .. .	—	
2,829				20,750
20,329	„ Loss on Sale of Shares	.. .. .		—
1,25,000	„ Brokerage and Commission (including guarantee commission of Rs. 81,265/-, Previous year Rs. 14,172/-)	.. .. .		3,68,930
1,51,393	„ Agricultural Development Expenses (inclusive of Salaries & Wages Rs. 3,68,373/- Previous year Rs. 1,78,341/-)	.. .. .		4,42,129
3,32,368	„ Contribution to Scientific Research Institution	.. .. .		—
20,00,000	„ Expenses of Scientific Research after deduction of sale of products	.. .. .		37,036
1,84,298	„ Legal Expenses (including Rs. 7,500/- to a Director, Previous Year Rs. 7,500/-)	.. .. .		1,37,211
81,720	„ Depreciation (See note No. 6)	.. .. .		13,04,229
11,20,552	„ Loose tools and implements written off	.. .. .		2,505
2,905	„ Premium on leasehold garage written off	.. .. .		300
300	„ Development Rebate Reserve	.. .. .		33,50,000
26,622	„ Bad Debts written off	.. .. .		—
4,905	„ Provision for doubtful debts & advances	.. .. .		—
55,721	„ Provision for Taxation	.. .. .		—
30,00,000	„ Balance being Profit for the year	.. .. .		40,79,295
13,99,085				
	Total Rupees	.. .. .		16,13,67,662
14,36,06,859				



**MILLS LIMITED, BOMBAY**

THE YEAR ENDED 31ST MAY, 1972

[illegible]



# THE GODAVARI SUGAR

## PROFIT & LOSS ACCOUNT FOR

As at 31st May, 1971				
Rupees			Rupees	Rupees
58,402	To Bonus to employees pertaining to previous years:			
6,46,928	Agriculture .. .. .			55,386
	Manufacturing .. .. .			4,88,055
7,05,330				<u>5,43,441</u>
—	„ Short provision for taxation for previous year .. .. .			
22,10,000	„ Transfer to General Reserve .. .. .			28,04,433
3,347	„ Balance carried to Balance Sheet .. .. .			19,50,000
				<u>1,369</u>
NOTE:				
Computation of Managing Director's Commission is as follows:				
13,99,085	Net Profit as per Profit and Loss Account .. .. .			40,79,295
1,35,000	Add: (i) Managing Director's Remuneration .. .. .	1,03,471		
1,25,000	(ii) Loss on Sale of Shares .. .. .	—		
55,721	(iii) Provision for Doubtful Debts and Advances .. .. .	—		
30,00,000	(iv) Provision for Taxation .. .. .	—		
26,622	(v) Development Rebate Reserve .. .. .	33,50,000		
1,78,188	(vi) Tax deducted at source .. .. .	—		
				<u>34,53,471</u>
35,20,531				
	Add: Depreciation:			
1,02,715	Agriculture .. .. .	25,687		
11,20,552	Factory .. .. .	13,04,229		13,29,916
				<u>88,62,682</u>
12,23,267				
61,42,883				
11,94,248	Less: Depreciation to the extent specified in Section 350 of Companies Act, 1956 .. .. .	51,15,556		
—	Estimated Liability of Bonus as per Note No. 9 .. .. .	4,00,000		
—	Donation paid and debited to General Reserve .. .. .	20,00,000		
				<u>75,15,556</u>
11,94,248				
49,48,635	Net Profit for Calculating Managing Director's Commission .. .. .			<u>13,47,126</u>
49,486	1% of the Net Profit of Rs. 13,47,126/- .. .. .	13,471		
	Total Managerial Remuneration :			
90,000	Remuneration .. .. .	90,000		
45,000	Commission on Profit .. .. .	13,471		
2,500	Company's contribution to Provident Fund .. .. .	7,500		
—	Perquisite for use of Company's car .. .. .	1,800		
				<u>1,12,771</u>
1,37,500				
	Total Rs.			
29,18,677	Total Rupees .. .. .			<u>52,99,243</u>

Note:- Income & Expenditure of Sameerwadi factory during construction period are not included in the above accounts and the same are shown in Schedule 'B' attached herewith.

Referred to in our Report of even date  
For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
Partner  
Chartered Accountants.

BOMBAY : Dated 19th December, 1972.



THE YEAR ENDED 31ST MAY, 1972

K. J. SOMAIYA  
*Chairman and Managing Director*

C. S. BHARAKTIYA  
S. K. SOMAIYA  
D. M. POPAT  
S. S. PAREKH

} *Directors*

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# THE GODAVARI SUGAR

## Schedule 'A'

## Schedule of Fixed Assets Attached to and

PARTICULARS	Gross Block as at 1-6-71 at Cost except otherwise stated	Additions during the year	Additions due to Allocation of Expenses during Construction as per schedule 'B'	Sub-Total	Deduction of sales and other adjustments during the year
(1)	(2)	(3)	(4)	(5)	(6)
	Rupees	Rupees	Rupees	Rupees	Rupees
Freehold Land (Book Value) .. .. .	26,15,900	1,99,249	—	28,15,149	—
Leasehold Land Premium .. .. .	3,91,485	—	—	3,91,485	—
Leasehold Land Development Expenses .. .. .	1,00,997	11,494	—	1,12,491	—
Leasehold Premium on Garage .. .. .	12,000	—	—	12,000	—
Buildings (Book Value) .. .. .	73,76,289	43,43,871	3,79,808	1,20,99,968	—
Temporary Quarters .. .. .	6,36,810	—	—	6,36,810	—
Temporary Quarters at Farms .. .. .	2,88,760	—	—	2,88,760	—
Pucca Quarters at Factories .. .. .	19,36,910	8,86,328	82,001	29,05,239	—
Pucca Quarters at Farms .. .. .	2,18,525	—	—	2,18,525	—
General Machinery (Book Value) .. .. .	1,40,33,083	2,66,65,718	23,53,287	4,30,52,088	—
Electrical Machinery .. .. .	22,62,289	4,65,772	39,236	27,67,297	—
Agricultural Machinery (Book Value) .. .. .	36,13,770	—	—	36,13,770	*1,35,251
Locomotives .. .. .	92,974	—	—	92,974	—
Electrical Installation & Fittings .. .. .	1,56,226	3,75,680	34,773	5,66,679	—
Furniture & Office Equipment .. .. .	15,03,296	2,88,455	10,344	18,02,095	—
Weigh Bridge .. .. .	1,95,112	1,32,874	8,781	3,36,767	—
Trolley Lines .. .. .	6,28,058	—	—	6,28,058	—
Railway Siding .. .. .	1,25,620	—	—	1,25,620	—
Motor Cars, Lorries and Cycles (Book Value) .. .. .	13,51,432	*6,37,445	49,764	20,38,641	—
Carts & Trucks (Book Value) .. .. .	3,55,903	—	—	3,55,903	—
Laboratory Apparatus .. .. .	48,318	47,233	4,087	99,638	—
Roads, Drainage and Tube Wells .. .. .	11,35,220	1,79,543	18,422	13,33,185	—
Dead Stocks .. .. .	75,150	—	—	75,150	—
Library .. .. .	7,758	—	—	7,758	—
Medical Instruments .. .. .	363	—	—	363	—
Irrigation Lifts .. .. .	11,01,666	1,01,191	—	12,02,857	—
Live Stock .. .. .	88,872	335	—	89,207	—
TOTAL RUPEES .. .. .	4,03,52,786	3,43,35,188	29,80,503	7,76,68,477	1,35,251

\* Cost and Depreciation of Rs. 1,35,251/- and Rs. 40,575/- respectively of Transport, Tractor & Trailors wrongly included in Agricultural Machinery in previous year adjusted.

Referred to in our report of even date



# MILLS LIMITED, BOMBAY

Forming Part of Balance Sheet as at 31st May, 1972

Gross Block as on 31st May, 1972	Written off upto 31st May, 1971	Written off during the year & adjustment on account of transfer	Sub-Total	Deduction of Depreciation on account of transfer	Total Depreciation upto 31st May, 1972	Net Depreciated Block as at 31st May, 1972	Net Depreciated Block as at 31st May, 1971
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
28,15,149	—	—	—	—	—	28,15,149	26,15,900
3,91,485	3,88,850	—	3,88,850	—	3,88,850	2,635	2,635
1,12,491	—	—	—	—	—	1,12,491	1,00,997
12,000	4,200	300	4,500	—	4,500	7,500	7,800
1,20,99,968	26,87,431	1,54,395	28,41,826	—	28,41,826	92,58,142	46,88,858
6,36,810	2,44,334	—	2,44,334	—	2,44,334	3,92,476	3,92,476
2,88,760	1,59,742	—	1,59,742	—	1,59,742	1,29,018	1,29,018
29,05,239	2,18,630	55,483	2,74,113	—	2,74,113	26,31,126	17,18,280
2,18,525	62,264	2,752	65,016	—	65,016	1,53,509	1,56,261
4,30,52,088	1,22,71,545	6,86,303	1,29,57,848	—	1,29,57,848	3,00,94,240	17,61,538
27,67,297	17,62,743	1,08,480	18,71,223	*40,575	18,30,648	9,36,649	4,99,546
34,78,519	31,59,952	33,840	31,93,792	—	31,93,792	2,84,727	4,53,818
92,974	86,105	687	86,792	—	86,792	6,182	6,869
5,65,679	93,444	6,279	99,723	—	99,723	4,66,956	62,782
18,02,095	7,02,434	1,04,453	8,06,887	—	8,06,887	9,95,208	8,00,862
3,36,767	1,53,313	7,918	1,61,231	—	1,61,231	1,75,536	41,799
6,28,058	5,81,469	4,659	5,86,128	—	5,86,128	41,930	46,589
1,25,620	1,06,345	1,992	1,08,337	—	1,08,337	17,283	19,275
20,38,641	8,33,465	*1,68,576	10,02,041	—	10,02,041	10,36,600	5,17,967
3,55,903	3,05,279	4,669	3,09,948	—	3,09,948	45,955	50,624
99,638	35,064	1,633	36,697	—	36,697	62,941	13,254
13,33,185	7,17,467	25,481	7,42,948	—	7,42,948	5,90,237	4,17,753
75,150	60,108	776	60,884	—	60,884	14,266	15,042
7,758	5,237	252	5,489	—	5,489	2,269	2,521
363	328	2	330	—	330	33	35
12,02,857	9,57,277	1,861	9,59,138	—	9,59,138	2,43,719	1,44,389
89,207	78,859	—	78,859	—	78,859	10,348	10,013
7,75,33,226	2,56,75,885	13,70,791	2,70,46,676	40,575	2,70,06,101	5,05,27,125	1,46,76,901

K. J. SOMAIYA

Chairman and Managing Director

K. R. THANAWALA  
Secretary

C. S. BHARAKTIYA  
S. K. SOMAIYA  
D. M. POPAT  
S. S. PAREKH

} Directors.

BOMBAY : Dated 16th December, 1972.



# THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

## SCHEDULE 'B'

### Schedule of Expenses during Construction Period upto 19th May, 1972 of Sameerwadi Factory

PARTICULARS	Rupees	Rupees	Rupees
Balance as per Last Balance Sheet .. .. .			
1. Salaries & Wages .. .. .			3,98,615
2. Company's Contribution to Provident Fund .. .. .	4,16,508		
3. Workmen & Staff Welfare Expenses .. .. .	2,190		
	6,889		
4. Stores Consumption .. .. .		4,25,587	
5. Other Repairs .. .. .		4,72,322	
6. Insurance Premium .. .. .		13,611	
7. Rent .. .. .		47,318	
8. Rates & Taxes .. .. .		6,089	
9. Miscellaneous Expenses .. .. .		12,811	
10. Interest .. .. .		3,32,985	
11. Legal Expenses (including Rs. 9,750/- payment to Auditors in other capacity) .. .. .		13,43,558	
		14,343	
		26,68,624	
Less: Miscellaneous Receipts .. .. .		86,736	
Allocated to various Assets as shown in Schedule 'A' .. .. .			25,81,888
Total Rupees .. .. .			29,80,503

Referred to in our report of even date.  
For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
Partner  
Chartered Accountants

**K. R. THANAWALA**  
Secretary

**K. J. SOMAIYA**  
Chairman and Managing Director

**C. S. BHARAKTIYA**  
**S. K. SOMAIYA**  
**D. M. POPAT**  
**S. S. PAREKH** } Directors.

BOMBAY : Dated 19th December, 1972.

BOMBAY : Dated 16th December, 1972.



GODAVARI INVESTMENT  
AND  
FINANCE CORPORATION LIMITED

BALANCE SHEET  
AND  
PROFIT AND LOSS ACCOUNT  
1971-72



# GODAVARI INVESTMENT & FINANCE CORPORATION LIMITED, BOMBAY

## DIRECTORS' REPORT

Gentlemen,

Your Directors submit herewith their Seventeenth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1972.

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. 7,775/- after providing Rs. 14,438/- for taxation. After adjusting the same from last year's loss, and after making adjustment for excess Provision for doubtful debts reccredited amounting to Rs. 197/- and for short provision for taxation for previous year amounting to Rs. 485/- the net carried forward loss comes to Rs. 34,057/- 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 15th December, 1972.



# 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, 1972 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, 1972 and,
  - (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
*Partner*  
*Chartered Accountants.*

BOMBAY: Dated 18th December, 1972.

# GODAVARI INVESTMENT AND BALANCE SHEET

As at 31st May, 1971	LIABILITIES		
Rupees		Rupees	Rupees
	<b>I. AUTHORISED CAPITAL:</b>		
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each .. .. .		5,00,000
	<b>II. SUBSCRIBED CAPITAL:</b>		
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 100/- each Rs. 50/- called up, held by Holding Company, The Godavari Sugar Mills Ltd., and its nominees .. .. .		1,00,000
	<b>III. SECURED LOANS:</b>		
9,85,475	In Cash Credit Account with Bank of India against hypothecation of Machinery and 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 mortgage under mortgage documents executed in favour of the company by cultivators and guaranteed by two Directors of the Company and also by Holding Company .. .. .		10,57,198
	<b>IV. UNSECURED LOANS:</b>		
13,29,330	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.,		12,98,480
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>		
	(A) CURRENT LIABILITIES:		
36,417	(i) Sundry Creditors .. .. .	57,934	
20,307	(ii) Estimated unearned Finance charges on hire-purchase carried forward ..	10,023	
20,078	(iii) Interest accrued but not due on Loans .. .. .	19,877	
76,802		87,834	
	(B) PROVISIONS:		
70,200	For Taxation .. .. .	41,138	
1,47,002			1,28,972
25,61,807	Carried Over .. .. .		25,84,650



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1972

As at 31st May, 1971	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. CURRENT ASSETS, LOANS AND ADVANCES:</b>			
	(A) CURRENT ASSETS:			
	(i) Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director)			
14,914	Machinery Stores and Spares .. .. .		12,017	
55,142	(ii) Future instalments receivable from hire of Oil Engines and Pumps under Hire-Purchase Agreements: (Considered good)		25,738	
	(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.			
1,14,259	Outstanding for more than 6 Months .. .. .	1,14,859		
45,141	Considered doubtful .. .. .	45,181		
1,59,400		1,60,040		
45,141	Less: Provision for doubtful debts .. .. .	45,181		
1,14,259		1,14,859		
11,007	Other debts .. .. .	21,354		
1,25,266			1,36,213	
	(iv) CASH AND BANK BALANCES:			
566	Cash on hand .. .. .	796		
3,735	Stamp Papers on hand .. .. .	3,105		
717	In Current Account with a Scheduled Bank .. .. .	1,628		
5,018			5,529	
2,00,340	Carried Over .. .. .		1,79,497	—

# GODAVARI INVESTMENT A

## BALANCE SHEET

As at 31st May, 1971	LIABILITIES—(Contd.)	Rupees	Rupees
Rupees 25,61,807	Brought Forward .. .. .		25,84,650
	NOTE: Out of Land Mortgage Agreements for Loans given to Bagaitdars, agreements for Loans amounting to Rs. 12,820/- have been either sent for registration or are under execution.		
25,61,807	Total Rupees .. .. .		25,84,650

BOMBAY: Dated 18th December, 1972.

Referred to in our Report of even date.  
For and on behalf of  
**NANUBHAI & CO.,**  
**D. H. PARMAR**  
Partner  
Chartered Accountants.



# FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1972

As at 31st May, 1971	ASSETS—(Contd.)			
Rupees		Rupees	Rupees	Rupees
2,00,340	Brought Forward .. .. .		1,79,497	—
	(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:—			
22,88,432	Secured .. .. .	22,96,066		
38,077	Considered doubtful .. .. .	37,841		
23,26,509		23,33,907		
38,077	Less: Provision for Doubtful Loans .. .. .	37,841		
22,88,432			22,96,066	
31,252	(ii) Advance Income-tax .. .. .		27,316	
200	(iii) Deposit .. .. .		29,000	
39	(iv) Advances recoverable in cash or kind .. .. .		18,714	
25,20,263				25,50,593
	II. MISCELLANEOUS EXPENDITURE:			
	Profit and Loss Account:			
41,544	Loss as per Profit and Loss Account .. .. .			34,057
25,61,807	Total Rupees .. .. .			25,84,650

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised, in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

K. R. THANAWALA  
Secretary

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

BOMBAY: Dated 15th December, 1972.

# GODAVARI INVESTMENT PROFIT & LOSS ACCOUNT

As at 31st May, 1971			Rupees	Rupees
	Rupees			
		To Opening Stock:		
33,332		„ Machinery, Spares and Fittings .. .. .		
		„ Purchases:—		
2,38,080		Stores .. .. .		14,
6,908		„ Machinery returned by Bagaitdars .. .. .		—
4,050		„ Miscellaneous expenses, fees and stamps, printing and stationery, postage and telegrams, conveyance, travelling etc. .. .. .		1,4
2,500		„ Charity and Donation .. .. .		2,9
89		„ Insurance Premium .. .. .		—
		„ Interest:—		8
84,706		On Current Account to the Holding Company, The Godavari Sugar Mills Ltd. .. .. .	1,43,094	
1,37,114		On Cash Credit Account with a Bank .. .. .	1,13,978	
350		Others .. .. .	—	
2,22,170				
7,500		„ Office Rent .. .. .		2,57,072
500		„ Audit Fees .. .. .		7,675
17,796		„ Salary .. .. .		500
—		„ Legal Expenses .. .. .		25,022
1,804		„ Bonus .. .. .		21,634
761		„ Company's Contribution (to the Holding Company) towards Provident Fund .. .. .		1,068
—		„ Govt. Provident Fund, Company's Contribution and Administrative charges .. .. .		1,054
—		„ Company's Contribution to Bombay Labour Welfare Fund .. .. .		251
956		„ Bad Debts written off .. .. .		1
26,700		„ Provision for Taxation .. .. .		—
4,023		„ Provision for doubtful debts & loans .. .. .		14,438
9,118		„ Profit carried down .. .. .		—
5,76,287				
		Total Rupees .. .. .	7,775	
66,269		To Loss as per last Balance Sheet .. .. .	3,55,850	
—		„ Short Provision for taxation of Previous Year .. .. .	41,544	
66,269			485	
		Total Rupees .. .. .	42,029	

BOMBAY: Dated 18th December, 1972.

Referred to in our Report of even date  
For and on behalf of  
**NANUBHAI & CO.**  
**D. H. PARMAR**  
Partner  
Chartered Accountants.



# FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1972

<i>As at 31st May, 1971</i>		Rupees	Rupees
Rupees	By Cost of Machinery & Spare parts let during the year to cane growers in terms of Hire-Purchase Agreements .. .. .		1,450
15,718	" Cost of Stores & Spares sold to:-		
	The Godavari Sugar Mills Ltd., .. .. .	2,897	
9,608	Others .. .. .	—	2,897
2,38,080			
2,47,688			
31,455	" Commission on Cane from Holding Company, The Godavari Sugar Mills Ltd., .. ..		74,655
	" Interest:—		
2,15,036	On Loans .. .. .	2,14,255	
464	On Advance Income-tax .. .. .	—	2,14,255
2,15,500			
33,630	" Supervision charges from cane growers .. .. .		38,075
17,013	" Income on Hire-Purchase Contracts .. .. .		10,911
369	" Miscellaneous Receipts .. .. .		1,590
14,914	" Closing Stock of Machinery, Stores and Spares (at cost) .. .. .		12,017
5,76,287	Total Rupees .. .. .		3,55,850
9,118	By Profit brought down .. .. .		7,775
—	" Excess Provision for doubtful debts recredited .. .. .		197
15,607	" Income-tax Refund of Previous Year .. .. .		—
41,544	" Loss carried to Balance Sheet .. .. .		34,057
66,269	Total Rupees .. .. .		42,029

K. R. THANAWALA  
*Secretary*

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

BOMBAY: Dated 15th December, 1972.