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THE
GODAVARI
SUGAR MILLS
LIMITED

ANNUAL REPORT & ACCOUNTS
1963-64

1964

THE GODAVARI SUGAR MILLS LIMITED

(Incorporated under the Indian Companies Act VII of 1913)

Board of Directors:

SHRI KARAMSHI JETHABHAI SOMAIYA
(*Ex-Officio Director*) *Chairman*

SHRI SHANTILAL KARAMSHI SOMAIYA

SHRI NAVALMAL KUNDANMAL FIRODIA

SHRI CHANDANSINHA BHARAKTIYA

SHRI JAYANTILAL GANGADAS DALAL

SHRI V. D. MUZUMDAR

SHRI D. M. POPAT

Managing Agents:

K. J. SOMAIYA AND SONS PRIVATE LTD.

Bankers:

THE BANK OF INDIA LTD.

THE CENTRAL BANK OF INDIA LTD.

THE UNITED COMMERCIAL BANK LTD.

THE BANK OF MAHARASHTRA LTD.

THE STATE BANK OF INDIA

THE BANK OF BARODA LTD.

Solicitors:

MULLA & MULLA AND CRAIGIE BLUNT AND CAROE.

Auditors:

NANUBHAI & CO.

Registered Office:

FAZALBHOY BUILDING, MAHATMA GANDHI ROAD,
FORT, BOMBAY 1.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

NOTICE

Notice is hereby given that Twenty-fifth Ordinary Annual General Meeting of the Members of THE GODAVARI SUGAR MILLS LIMITED will be held on Thursday the 7th January, 1965 at 4.00. P.M. (I.S.T) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay-1 to transact the following business:

1. To adopt the Directors' Report and the audited Statement of Accounts for the year ended 31st May, 1964.
2. To confirm interim dividends on Preference and Ordinary (Equity) shares and to declare final dividend on Ordinary (Equity) shares.
3. To elect a Director in place of Shri N. K. Firodia, who retires by rotation, but being eligible offers himself for re-election.
4. To appoint a Director in place of Shri S. K. Somaiya, who retires by rotation, but being eligible offers himself for re-appointment and to consider and if thought fit to pass, with or without modifications, the following Resolution as Special Resolution No. 1 in respect of which a Special Notice as required under section 261 of the Companies Act, 1956 has been received by the Company:

SPECIAL RESOLUTION No. 1:

"Resolved that pursuant to the provisions of Section 261 and other applicable provisions, if any, of the Companies Act, 1956 Shri S. K. Somaiya, who retires by rotation and who is an Associate of the Managing Agents of the Company, M/s. K. J. Somaiya & Sons Private Limited be and he is hereby re-appointed as a Director of the Company".

5. To consider and if thought fit to pass, with or without modifications, the following Resolution as Special Resolution No. 2:

SPECIAL RESOLUTION No. 2:

"Resolved that the present Article No. 131 be renumbered as 131(1) and that the following article be inserted after Article 131(1) as Article 131(2)":

"Before recommending any dividend, the Directors shall set aside out of the profits of the Company such sum as they may in their sole discretion deem fit, which will be not less than 2(two) per cent and not more than 15(fifteen) per cent of the net profits of the Company as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, which sum shall be utilised for making charitable contributions to one or more of such charitable trusts as the Directors deem fit".

6. To consider and if thought fit to pass, with or without modifications, the following Resolutions as Ordinary Resolution No. 1 and 2.

ORDINARY RESOLUTION No. 1:

"Resolved that the General Meeting hereby approves of the deletion of the State of Gujarat from amongst the area of operation comprising of several other States, made by the Managing Agents of the Company with mutual consent of the selling Agents with effect from 1st June, 1963 in respect of their selling Agency".

ORDINARY RESOLUTION No. 2:

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

7. To consider and if thought fit to pass, with or without modifications the following Resolution as Ordinary Resolution No. 3:

ORDINARY RESOLUTION No. 3:

“Resolved that pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company be and it is hereby authorised to sell the whole or substantially the whole of the undertaking of the Company comprising of the land, buildings, other structures, plant, distillery, machinery, stores, spare parts and other current assets situated at Captainganj, Dt. Deoria, U.P. belonging to the Company to SOMAIYA ORGANICS (INDIA) LIMITED at a price to be agreed by the Board of Directors of the Company, payable in cash or in fully paid Equity or Preference shares of the said SOMAIYA ORGANICS (INDIA) Ltd., and on such other terms and conditions as the Board of Directors of the Company deems fit”.

8. To consider and if thought fit to pass, with or without modifications the following Resolution as Ordinary Resolution No. 4:

ORDINARY RESOLUTION No. 4:

“Resolved that pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to mortgage or otherwise dispose off by way of mortgaging, hypothecating or creating a charge of the whole or substantially the whole of the undertaking of the Company, comprising of the lands, buildings, other structures, plants, distillery, machinery, stores, spare parts and other current assets situated at Captainganj, Dist. Deoria, U.P. belonging to the Company in favour of any bank/s or financial institution/s for procuring funds or other facilities as the Board of Directors deem fit”.

9. To consider and if thought fit to pass with or without modifications the following Resolution as Special Resolution No. 3:

SPECIAL RESOLUTION No. 3:

“Resolved that pursuant to the provisions of Section 372 and other applicable provisions, if any, of the Companies Act, 1956, sanction of the General Meeting be and is hereby accorded to the investment of a sum not exceeding Rs. 75,00,000/- (Rupees seventy five lacs only) by subscription and/or purchase or obtaining allotments otherwise than in cash of 75,000 shares (Equity or Preference or both) of the nominal value of Rs. 100/- each at par of the SOMAIYA ORGANICS (INDIA) LIMITED even though such investment

would be in excess of the limits specified under sub-section (2) of the said Section 372 of the Companies Act, '56 and the provisos thereto and the Board of Directors of the Company be and it is hereby authorised subject to the sanction of Central Government to determine the actual sum subject as aforesaid to be so invested and any matters arising out of and incidental to the said proposed investment”.

10. To consider and if thought fit to pass, with or without modifications, the following Resolution as Special Resolution No. 4:

SPECIAL RESOLUTION No. 4:

“Resolved that pursuant to the provisions of Section 360 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the contract being entered by the Company with SOMAIYA ORGANICS (INDIA) LIMITED, who are or may be deemed to be Associates of the Managing Agents of the Company for the sale and/or transfer to them of the following assets and properties of the Company at such prices as the Board of Directors of the Company deems fit and at such rates which are not less favourable to the Company than the market rates or which are otherwise reasonable provided that the payment shall be made by the said SOMAIYA ORGANICS (INDIA) LIMITED by way of allotment of fully paid up shares (Equity or Preference or both) of the said Company or cash or partly in shares and partly in cash within one month from the effective date of the sale:

1. Captainganj Distillery and other assets at Captainganj.
2. Right, title and interest of the Company in the lands at Barabanki.
3. The Industrial Licence No. 2(8) Chem. V/61 dated 28-10-1961.
4. The agreement with Les Usines De Melle dated 1-2-1964.
5. The agreements dated 10-2-1964, 10-2-1964 and 14-2-1964 with Speichim, Paris.
6. Import Licence No. P/CG/2040140/R/FG/18/C/CGIII dated 24-10-1963 for importing plant and machinery from France”.

11. To consider and if thought fit to pass, with or without modifications, the following Resolution as Special Resolution No. 5:

SPECIAL RESOLUTION No. 5:

“Resolved that subject to the approval of the Central Government to be obtained in that behalf M/s. K. J. Somaiya & Sons Private Ltd., be and they are hereby re-appointed as the Managing Agents of the Company and shall continue to be and be the Managing Agents of the Company for a further period of ten years commencing from 15th August, 1965 and expiring on 14th August, 1975 upon the terms, provisions and conditions as to remuneration, management and as otherwise specified in the agreement to be made between the Company of the one part and the said K. J. Somaiya & Sons Private Limited of the other part, a draft whereof is placed before this meeting duly initialled by the Chairman for the purpose of identification and that the Board of Directors of the Company be and it is hereby authorised to agree to such modifications subject to the approval of K. J. Somaiya & Sons Private Limited in order to get the approval of the Central Government to the said agreement and the Common Seal of the Company be affixed on such agreement in accordance with the relevant Articles of Association of the Company in that behalf”.

12. To consider and if thought fit to pass, with or without modifications, the following Resolution as Ordinary Resolution No. 5:

ORDINARY RESOLUTION No. 5:

“Resolved that pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, if at all applicable, consent of the Company be and it is hereby accorded to the sale of

the land, distillery, acetic acid plant and other assets, fixtures, otherwise sold to SOMAIYA ORGANO-CHEMICALS LIMITED.”

13. To consider and if thought fit to pass, with or without modifications, the following Resolution as Special Resolution No. 6:

SPECIAL RESOLUTION No. 6:

“Resolved that pursuant to Section 360 and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves of the contracts proposed to be entered into between the Company and Oriental Power Cables Limited, Kota, who are or may be deemed to be the Associates of K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company, for sale, purchase and/or supply of any goods by one to the other as may be required from time to time upon the terms and conditions contained in the draft of the agreement placed before the meeting and initialled by the Chairman for the purpose of identification. The material terms and conditions of such sales, purchases and/or supply shall be:

(a) that the sale, purchase and/or supply by or to the Company of the goods shall be at or for a price not less favourable to the Company than the market rate or rates which are otherwise reasonable,

and

(b) that the said Oriental Power Cables Limited shall make payment to the Company or the Company shall make payment to the said Oriental Power Cables Limited within one month from the date of the sale, purchase and/or supply of any goods by the Company to the said Oriental Power Cables Limited or by Oriental Power Cables Limited (as the case may be) or such earlier date as may be agreed between the parties”.

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

The transfer books of the Company will be closed from 24th December, 1964 to 7th January, 1965, both days inclusive.

By Order of the Board of Directors,
K. J. SOMAIYA & SONS PRIVATE LIMITED
S. K. SOMAIYA
Director,
Managing Agents.

BOMBAY, DATED : 23rd November, 1964.

- NOTE:**
1. The final dividend when declared will be made payable at the Registered Office of the Company on and after 11th January, 1965. The dividend warrants will be posted to those shareholders whose names stand on the Company's register on 24th December, 1964.
 2. A member entitled to attend and vote is also entitled to appoint a proxy; the proxy need not be a member.
 3. An explanatory statement under section 173 of the Companies Act, 1956 in respect of the above resolutions is annexed.

EXPLANATORY STATEMENT

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

SPECIAL RESOLUTION No. 1:

Shri S. K. Somaiya, a Director of the Company, retires from the Office of the Director, but offers himself for re-appointment. Special Notice of the Special Resolution set out in item No. 4 has been received by the Company from a shareholder. The Special Notice states that the Special Resolution is necessary in order that the experience, knowledge and services of Shri S. K. Somaiya continue to be made available to the Company. Since Shri S. K. Somaiya is an Associate of the Managing Agents of the Company, the Special Resolution is necessary under the provisions of Section 261 of the Companies Act, 1956 and accordingly this Special Resolution is commended for the approval of the shareholders.

SPECIAL RESOLUTION No. 2:

The shareholders are aware that the Company donates handsome amounts almost every year for charitable purposes. In order to enable the Board of Directors to set aside out of the profits of the Company certain percentages of profits for the purposes of contribution for charitable purposes, the Article 131 of the Articles of Association of the Company will be required to be renumbered as 131(1) and new Article 131(2) as set out in the Notice will have to be inserted after Article 131(1). The Special Resolution No. 2 as set out in the Notice is therefore commended for the approval of the shareholders in order to carry out the aforesaid amendments and additions to the Articles of Association of the Company.

ORDINARY RESOLUTIONS No. 1 and 2:

The Managing Agents had after discussions with the Selling Agents Messrs. Sugar Trading Company, excluded the State of Gujarat from their area of operation with effect from 1st June 1963. It was not thought necessary to obtain any sanction of the shareholders to such exclusion. However, the Company is advised that for abundant caution, it is advisable to obtain such sanction. The Selling Agency of the Selling Agents Messrs. Sugar Trading Company came to an end on 30th April, 1964.

The Board of Directors had therefore appointed Shri Ranchhoddas Shamji Kotak, Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani as the Sole Selling Agents of the Company for the sale of sugar manufactured by the Company for a period of two years commencing from 1st May, 1964 with power to the Board of Directors of the Company to extend the period of appointment for a period not exceeding one year at a time at the expiry of each period, but so that the total period of appointment shall not exceed in all five years. The said appointment is made as per the terms and conditions mentioned in the Agreement entered into by the Company with Shri Ranchhoddas Shamji Kotak, Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani on 3rd September, 1964, a copy whereof is open for inspection on any working day during office hours at the Registered Office of the Company. Your approval is necessary under section 294 of the Companies Act, '56 to the said appointment of Shri Ranchhoddas Shamji Kotak, Shri Suryakant Hariram Kothari and Shri Manilal Dosabhai Lakhani as the Sole Selling Agents of the Company for the areas comprising of the States of Maharashtra, Gujarat, Rajasthan, Madhya Pradesh and all other Southern States viz. Kerala, Madras, Andhra Pradesh and Mysore. You are requested to pass the Ordinary Resolutions No. 1 and 2 as set out in the Notice.

ORDINARY RESOLUTION No. 3 AND SPECIAL RESOLUTIONS No. 3 and 4:

In the year 1960, the Company was granted original Industrial Licence for the manufacture of Butyl Alcohol and Butyl Acetate. With a view to give shape to a new project for the manufacture of Butyl Alcohol and Butyl Acetate the Company had purchased in the year 1960 distillery situated at Captainganj in order that the Company can have a steady flow of alcohol, which is the basic raw material for the manufacture of Butyl Alcohol and Butyl Acetate. The Company also obtained the necessary Import Licence No. P/CG/2040140/R/FG/18/C/CGIII dated 24-10-1963 for procuring plant and machinery from France. The Company also acquired some lands at Barabanki for the purpose

of this Project and also entered into agreements for technical collaboration with M/s. LES USINE DE MELLE and for supply of machinery with M/s. SPEICHIM.

Considering the total cost of Butyl Alcohol and Butyl Acetate Project, the Board of Directors of the Company has reached the conclusion that the right, title, interest and benefit of the Company in:

- (a) Captainganj Distillery and other assets at Captainganj,
- (b) Right, title and interest of the Company in the lands at Barabanki,
- (c) The Industrial Licence No. 2(8) Chem. V/61 dated 28-10-1964 for the manufacture of Butynol and Butyl Acetate,
- (d) Agreement with LES USINES DE MELLE dated 1-2-1964,
- (e) Two agreements dated 10-2-1964 and the one dated 14-2-1964 with M/s. SPEICHIM, and
- (f) The Import Licence No. P/CG/2040140/R/FG/18/C/CGIII dated 24-10-1963 for importing plant and machinery from France

be sold or transferred to the new Company "SOMAIYA ORGANICS (INDIA) LIMITED" which has been floated for the purpose of giving shape to the new project and to take consideration thereof from the said Company partly in Equity and/or Preference shares of such value as the Board of Directors deem fit and partly in cash. Shri K. J. Somaiya and Shri S. K. Somaiya, the Directors of the Company, the Directors of K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company, are the first Directors of the said SOMAIYA ORGANICS (INDIA) LIMITED. The new Company may, therefore, be deemed to be Associates of the Managing Agents of the Company.

In view of what is stated above, you are requested to pass the Ordinary Resolution No. 3 and Special Resolutions Nos. 3 and 4 as set out in the accompanying Notice.

ORDINARY RESOLUTION No. 4:

The Company may during the course of its business need funds or any facility from any Banker or financial institution/s by mortgaging some of its assets. The Board of Directors was given to understand that according to a possible interpretation of the relevant provisions of the Companies Act, 1956 and in order to enable the Board of Directors to mortgage the assets of the Company, the Resolution under section 293(1)(a) of the Companies Act, 1956 was necessary. The Ordinary Resolution as set out in the Notice is therefore commended for your approval.

SPECIAL RESOLUTION No. 5:

Members are aware that M/s. K. J. Somaiya & Sons Private Limited, in which Shri K. J. Somaiya and Shri S. K. Somaiya are the Directors, are acting as the Managing Agents of the Company for the past several years and they have rendered commendable services to the Company. In order that the wide experience, knowledge and services of M/s. K. J. Somaiya & Sons Private Limited continue to be made available to the Company for a further period of ten years commencing from 15th August, 1965 and expiring on 14th August, 1975 you are requested to pass the Special Resolution No. 5 as set out in the Notice.

ORDINARY RESOLUTION No. 5:

The Company during the year 1961 sold to its subsidiary Company M/s. Somaiya Organo-Chemicals Limited some of the lands, distillery, acetic acid plant etc. situated at Sakarwadi, Kanhegaon, Dt. Ahmednagar, in order to enable the said subsidiary to commence the production of Acetic Acid.

The Board of Directors was given to understand that according to the possible interpretation of the relevant provisions of the Companies Act, 1956 the sale of the said assets may affect the provisions of Sec. 293(1)(a) of the Companies Act, 1956. The ordinary resolution as set out in the Notice is therefore commended for your approval.

SPECIAL RESOLUTION No. 6:

Section 360 of the Companies Act, 1956 provides that contracts between the Company and its Managing Agents and/or the Associates of the Managing Agents for the sale, purchase or supply of

any property will not be valid against the Company unless the contract has been approved by the Company by a Special Resolution passed by it. Oriental Power Cables Limited are or may be deemed to be an Associate of K. J. Somaiya & Sons Private Limited, the Managing Agents of the Company.

The draft of the agreement proposed to be entered into with Oriental Power Cables Limited may be inspected at the Registered Office of the Company on any working day during business hours until 12 noon on the date of the meeting. In order to enable the Company to enter into the contract with the aforesaid Company for sale, purchase and/or supply of any goods, the resolution as set out in the Notice is commended for the approval of the shareholders.

INTEREST OF DIRECTORS

Shri S. K. Somaiya is interested in the Special Resolution No. 1 to the fees he is entitled to receive as a Director for attending the Board meeting of the Company.

Shri K. J. Somaiya and Shri S. K. Somaiya are interested in Ordinary Resolution No. 3 and Special Resolutions Nos. 3 and 4 being the Directors and shareholders of SOMAIYA ORGANICS (INDIA) LIMITED.

Shri K. J. Somaiya and Shri S. K. Somaiya are interested in Special Resolution No. 5 being the Directors and shareholders of K. J. SOMAIYA & SONS PRIVATE LIMITED.

Shri K. J. Somaiya and Shri S. K. Somaiya are interested in Ordinary Resolution No. 5 being the Directors and shareholders of SOMAIYA ORGANO-CHEMICALS LIMITED.

Shri K. J. Somaiya, Shri N. K. Firodia, Shri C. S. Bharaktiya and Shri S. K. Somaiya are interested in Special Resolution No. 6 being the Directors and shareholders of ORIENTAL POWER CABLES LIMITED.

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

	The Godavari Sugar Mills Ltd.,		Somaiya Organics (India) Ltd.,		K. J. Somaiya & Sons P. Ltd.,		Somaiya Organo- Chemicals Ltd.,		Oriental Power Cables Ltd.,	
	E	P	E	P	E	P	E	P	E	P
Shri K. J. Somaiya	36270	—	50	—	150	—	330	—	750	—
Shri N. K. Firodia	13	120	50	—	—	—	—	—	50	—
Shri C. S. Bharaktiya	12	15	—	—	—	—	—	—	50	—
Shri S. K. Somaiya	7467	—	50	—	525	—	320	—	750	—

By Order of the Board of Directors,
K. J. SOMAIYA & SONS PRIVATE LIMITED
S. K. SOMAIYA
Director,
Managing Agents.

BOMBAY, DATED: 23rd November, 1964.

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

DIRECTORS' REPORT

THE SHAREHOLDERS,
THE GODAVARI SUGAR MILLS LIMITED.,
BOMBAY.

LADIES & GENTLEMEN,

Your Directors are pleased to report on the audited statement of accounts of the Company for the year ended 31st May, 1964.

FINANCIAL RESULTS:

	Rs.	Rs.
The gross profit for the year, before providing for depreciation, development rebate reserve and taxation amounted to ...		81,38,057
Deducting therefrom:—		
Depreciation	11,69,864	
Development Rebate Reserve	1,01,973	
Provision for Taxation	51,00,000	
	63,71,837	
the profit comes to		17,66,220
Add: (i) Balance brought forward from previous year's account	18,849	
(ii) Transfer from General Reserve for payment of additional dividends for 1948-49 and 1949-50 ...	21,71,500	
(iii) Transfer from Reserve for Gratuity	1,50,000	
(iv) Provision for Super-Profits tax for 1962-63 recredited.	11,00,000	
	34,40,349	
Less: Additional dividends paid on ordinary shares for years 1948-49 and 1949-50		52,06,569
The amount available for disposal is		21,71,500
Your Directors recommend the following appropriations:		30,35,069
1. Interim dividends declared after the close of the year:		
(a) On Preference shares @ Rs. 7·8572 per share (subject to deduction of tax)	1,45,433	
(b) On ordinary (Equity) shares @ Rs. 5/- per share (subject to deduction of tax)	5,00,000	
2. Transfer to Dividend Reserve		6,45,433
3. Transfer to General Reserve		5,00,000
4. Balance carried forward to Balance sheet		18,50,000
		39,636
		30,35,069

The Directors recommend a dividend on Ordinary (Equity) shares at Rs. 5/- (subject to deduction of tax) per share for the year ended 31st May 1964 to be paid out of Dividend Reserve, if approved by the shareholders at the Annual General Meeting to be held on 7th January 1965.

You are requested to approve Rs. 5,16,573 by way of Charity and Donation during the year as under:

	Rs.
1. The Somaiya Trust	3,00,000
2. K. J. Somaiya Trust	2,00,000
3. Shikshan Prasarak Mandal, Katol	11,000
4. Maharashtra Pragati Shetkari Sangh, Poona	2,500
5. Sundry	3,073
	5,16,573

The working of the two factories has been satisfactory.

The cane crop available for crushing season 1964-65 is about 2,925 acres.

The Government of India have continued the controls on price and distribution of sugar which were imposed by them with effect from 17th April, 1963. During earlier controls, the price of sugar in Maharashtra was always fixed higher than in other States, particularly U.P. This difference was very much narrowed down on imposition of the controls. Thereafter there have been three revisions in control prices. At the first revision in November 1963, this difference was not only kept down, but the price for Maharashtra was fixed lower than that for several other States including U.P. This trend was accentuated when the 2nd revision was made in May 1964. This trend is continued even during the 3rd revision of prices which was made in November 1964. The factories in Maharashtra region have always enjoyed the freight advantages and advantages of efficiency and the same were always taken into consideration. Under the present price policy of the Government, these advantages have been totally denied with the result that the price parity between Maharashtra and other regions has been substantially disturbed to the disadvantage of Maharashtra. This policy of the Government apparently puts premium on inefficiency and needs to be reconsidered.

During the previous controls as well as during the free market, about 50% of the sugar manufactured by your Company used to come to the Bombay market. Under the present system of distribution and the administrative measures adopted by the Maharashtra Government, sugar manufactured by this Company has been denied to the Bombay market whereas sugar manufactured in units which are more distant from the City of Bombay than the company's units is allotted to Bombay, requiring the consumers to pay higher price on account of extra freight. The Company has drawn attention of the authorities to this anomaly and has represented to them that the same be removed.

There was an organised agitation in October 1964 by the bagaitdars supplying the sugarcane to the Company, demanding prices higher than those fixed by the Government. Although such higher prices are not taken into account for fixing the controlled price of sugar, the Company had under the circumstances to agree to pay higher price for sugarcane as otherwise there would have been a steep decline in the supply of sugarcane. In the opinion of your Board of Directors, the Government should either take into account the actual price paid by the Company for sugar cane in arriving at the controlled price of sugar, or should ensure that the sugar cane growers supply sugarcane to the factories at the price fixed by the Government in adequate quantities.

In regard to petitions filed by some sugar companies challenging the validity of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act 1961, in which the Bombay High Court held provisions of Section 28 to be void, the State of Maharashtra has filed an appeal to the Supreme Court.

In the Writ Petition filed by the Company in the High Court at Bombay challenging the validity of the Maharashtra Agricultural Lands (Ceiling on Holding) Act, 1961, an Interim Stay has been granted restraining the State from taking over the lands of the Company till the disposal of the said Writ Petition. The said Writ Petition is not likely to be disposed of until the disposal of the above Appeal in the Supreme Court.

The shortage of molasses continues to be a factor which is responsible for the intermittent working of the distillery at Captainganj.

The Directors have pleasure in reporting further progress made in the matter of the Butyl Alcohol and Butyl Acetate project at Barabanki. The Government of the State of Uttar Pradesh has assisted by acquiring the land required at the factory site at Barabanki, and this land is now being taken possession of. It is proposed to transfer this project to Messrs. Somaiya Organics (India) Limited, a new company formed for the purpose of taking over this project. It is expected that this latter company will soon be able to take further steps necessary for early execution of the project.

Shri N. K. Firodia and Shri S. K. Somaiya retire by rotation, but being eligible offer themselves for re-election.

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

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

DATED: 23rd November, 1964

THE GODAVARI SUGAR MILLS LIMITED, BOMBAY

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of the GODAVARI SUGAR MILLS LIMITED as at 31st May, 1964 and also the Profit and Loss Account of the Company for the year ended on that date, attached thereto and report that:—

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of those Books of Accounts.
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 together 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, 1964 and
 - (b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.

NANUBHAI & CO.,
Chartered Accountants

BOMBAY, Dated: 24th November, 1964.

THE GODAVARI SUGAR

BALANCE SHEET

<i>As at 31st May 1963</i>	LIABILITIES			
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	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:			
	1,00,000 Ordinary (Equity) Shares of Rs. 100/- each fully paid up:			
	Of the above shares 90,000 shares are allotted as fully paid up by way of bonus shares by Capitalisation of General Reserve		1,00,00,000	
1,00,00,000	18,509½ 7·8572% subject to deduction of tax at source Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid, liable to be redeemed at the option of the Company at any time and from time to time after 1st October 1952 after giving three months' notice of the intention to so redeem the same		18,50,950	
18,50,950				1,18,50,950
1,18,50,950				
	II. RESERVES AND SURPLUS:—			
	(A) Capital Reserve:			
61,098	As per last Balance Sheet		60,498	
—	Add: Profit on sale of land		8,135	
61,098			68,633	
600	Less: Loss on sale of Machinery		—	
60,498				68,633
	(B) General Reserve:			
1,23,00,000	As per last Balance Sheet		73,50,000	
1,23,00,000				
60,498				
1,18,50,950				
	Carried Over ..	73,50,000	68,633	1,18,50,950

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

As at 31st May 1963	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At cost or book value):—			
2,92,93,304	Gross Block		3,02,49,435	
1,67,60,208	Less: Depreciation written off upto 31st May, 1964 ..		1,79,59,220	
1,25,33,096	Net Depreciated Block as per Schedule 'A' attached. ..		1,22,90,215	
7,12,297	Capital work-in-progress		23,50,925	
1,32,45,393				1,46,41,140
	II. INVESTMENTS (At cost):—			
	(A) TRADE INVESTMENTS:			
	(i) Shares of subsidiary Companies:			
1,00,000	2,000 Partly paid up Ordinary (Equity) Shares of Godavari Investment & Finance Corporation Ltd. of Rs. 100/- each		1,00,000	
5,00,000	5,000 Fully paid up 7% Free of Income Tax Cumulative Preference Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd. ..		5,00,000	
2,55,000	2,550 Fully paid up Equity Shares of Rs. 100/- each of Somaiya Organo-Chemicals Ltd. ..		2,55,000	
8,55,000			8,55,000	
	(ii) Investment in Company under same Group:			
7,87,500	10,500 Fully paid up Equity Shares of Rs. 100/- each of Oriental Power Cables Ltd., (Managing Agents: Somaiya Bharaktiya Private Limited)		10,50,000	
			19,05,000	
	(B) OTHER INVESTMENTS:			
78	One Ordinary Share of Maharashtra State Co-operative Bank Ltd., of Rs. 50/- each fully paid up		78	
9,500	National Savings Certificates deposited with Excise Commissioner, U.P. and Hydro Electric Division, Gorakhpur		9,500	
1,995	4½% U.P. State Development loan of 1972 (Face value Rs. 2,000/-)		1,995	
		Cost	Market value	
	Aggregate quoted Investments	10,51,995	7,57,970	
16,54,073	Aggregate unquoted Investments	8,55,078	—	
		19,07,073	7,57,970	19,16,573
1,48,99,466	Carried Over ..			1,65,57,713

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1963	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
1,18,50,950	Brought Forward ..	73,50,000	68,633	1,18,50,950
<u>60,498</u>				
1,23,00,000				
<u>40,00,000</u>	<i>Less:</i> Transfer to share Capital being amount capitalised by issue of bonus shares as per special Resolution dated 12th March 1962 ..	—		
83,00,000		73,50,000		
<u>9,50,000</u>	<i>Less:</i> Transferred to Profit and Loss account for payment of additional dividend	21,71,500		
73,50,000		51,78,500		
—	<i>Add:</i> Set aside from 1963-64 Profit	18,50,000		
73,50,000			70,28,500	
—	(C) Dividend Reserve:			
—	As per last Balance Sheet	3,00,000		
—	<i>Less:</i> Dividend paid for 1962-63	3,00,000		
<u>3,00,000</u>	<i>Add:</i> Amount set aside from Profit of the year ..	5,00,000		
3,00,000			5,00,000	
1,25,000	(D) Reserve for Gratuity:			
<u>25,000</u>	As per last Balance Sheet	1,50,000		
1,50,000	<i>Add:</i> Set aside from Profit & Loss Account ..	—		
—		1,50,000		
1,50,000	<i>Less:</i> Transferred to Profit & Loss Account ..	1,50,000		
12,23,778	(E) Development Rebate Reserve:			
<u>1,22,242</u>	As per last Balance Sheet	13,46,020		
13,46,020	<i>Add:</i> Amount set aside from Profit of the year ..	1,01,973		
18,849	(F) Profit & Loss Account:		14,47,993	
<u>92,25,367</u>	Balance as per Profit & Loss Account annexed.		39,636	
				90,84,762
	III. SECURED LOANS:—			
62,13,430	Cash credit account with Bank against hypothecation of all tangible moveable assets of the Company including stocks of sugar fully guaranteed by the Managing Agents and two Directors		37,31,469	
<u>22,00,000</u>	From Bank of India Ltd., 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 the Managing Agents and by two Directors		19,00,000	
84,13,430				56,31,469
<u>2,94,89,747</u>	Carried Over ..			2,65,67,181

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

<i>As at 31st May 1963</i>	ASSETS—(Contd.)			
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
1,48,99,466				1,65,57,713
	Brought Forward ..			
	III. CURRENT ASSETS, LOANS AND ADVANCES:—			
	(A) CURRENT ASSETS:			
	Stores, Chemicals and Spares (at cost as per inventories valued and certified by Managing Agents)			
62,52,772	On hand (including machineries Rs. 6,81,433/-)	53,53,978		
2,14,435	In transit	3,31,408		
<u>64,67,207</u>			56,85,386	
38,706	Loose tools and implements (as per inventories valued and certified by Managing Agents) ..		54,630	
	Stock-in-trade (as per inventories valued and certified by Managing Agents):			
2,32,19,139	Sugar at Market Rate	1,36,26,661		
—	Denatured and Rectified Spirit at Market Rate	1,14,229		
89,314	Power Alcohol and Absolute Alcohol at Market Rate	8,348		
2,54,831	Grains, Cotton etc. at Market Rate	3,42,571		
4,420	Molasses at Cost	58,369		
<u>2,35,67,704</u>			1,41,50,178	
27,55,244	Crop in progress (at cost including tillages, preparation of land, irrigation charges etc. as valued and certified by Managing Agents)		33,90,628	
	Sundry Debtors (Unsecured and considered good except otherwise stated):			
10,535	(i) Debts outstanding for more than six months	38,419		
6,655	(ii) Considered doubtful	6,654		
<u>17,190</u>		45,073		
6,655	Less: Provision for doubtful debts	6,654		
<u>10,535</u>		38,419		
12,85,607	(iii) Other debts	1,94,717		
<u>3,41,25,003</u>			2,33,136	
<u>1,48,99,466</u>	Carried Over ..		<u>2,35,13,958</u>	<u>1,65,57,713</u>

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1963	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
2,94,89,747	Brought Forward ..			2,65,67,181
	IV. UNSECURED LOANS:—			
—	From Directors		32,811	
6,42,259	From others		6,00,585	
	On Current Account:			
25,079	From Managing Agents		3,66,213	
73,980	From Selling Agents		94,910	
7,41,318				10,94,519
	V. CURRENT LIABILITIES AND PROVISIONS:			
	(A) CURRENT LIABILITIES:			
1,04,70,197	Sundry Creditors		88,44,804	
—	Advances from Customers		76,442	
25,000	Security Deposit from Selling Agents		25,000	
—	Security Deposit from Customers		30,891	
43,84,060	For Taxation		24,68,396	
77,516	Due to partnership firm of Khanapur Farms		1,98,894	
—	Due to partnership firm of Lakh farms		91,153	
—	Due for Selling Agents' Commission		35,452	
6,35,655	Due for Managing Agents' remuneration		5,24,216	
6,633	Unclaimed dividend		7,336	
2,200	Unclaimed Redemption money		2,200	
11,009	Due to Trustees to Staff Provident Fund (since paid)		17,455	
1,93,319	Interest accrued but not due on loans		1,32,141	
1,58,05,589			1,24,54,380	
	(B) PROVISIONS:			
1,12,74,044	Provision for taxation	1,39,31,649		
11,59,289	Less: Advance payment under Section 210 of Indian Income-Tax Act, 1961	17,86,141		
1,01,14,755		1,21,45,508		
—	Less: Provision for Super-tax for 1962-63 transferred to Profit & Loss Account	11,00,000		
1,01,14,755			1,10,45,508	
8,45,433	Interim dividends declared after the close of the year		6,45,433	
8,00,000	Provision for Bonus		7,27,000	
2,75,65,777			2,48,72,321	
5,77,96,842	Carried Over ..			5,25,34,021

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

As at 31st May 1963	ASSETS—(Contd.)		
Rupees		Rupees	Rupees
1,48,99,466	Brought Forward ..	2,35,13,958	1,65,57,713
<u>3,41,25,003</u>			
1,18,235	CASH AND BANK BALANCES:		
<u>7,98,597</u>	Cash on hand	3,91,520	
—	Cash in transit	1,61,000	
—	In Current Account with Scheduled Banks	2,06,854	
—	In Cash Credit Account with Scheduled Bank	31	
—	In Current Account with non-Scheduled Banks:		
455	(i) Maharashtra State Co-operative Bank Ltd., Bombay (Maximum debit balance during the year Rs. 455/-)	—	
—	(ii) Ahmednagar District Central Co-operative Bank Ltd., Shrirampur (Maximum debit Balance during the year Rs. 436/-)	436	
<u>418</u>			
873		436	
—	In fixed and call deposits with a Scheduled Bank	11,00,000	
—	Interest on above deposit	11,733	
376	Stamps on hand	355	
—	In Post Office Savings Bank (pledged with Collec- tor of Central Excise)	1,000	
<u>1,000</u>			
<u>3,19,081</u>		18,72,929	
<u>3,44,44,084</u>		<u>2,53,86,887</u>	
	(B) LOANS AND ADVANCES:		
	(Unsecured and considered good except otherwise stated):		
35,916	Loans to others	2,69,592	
<u>14,303</u>	Considered doubtful	37,904	
50,219		3,07,496	
<u>14,303</u>	Less: Provision for doubtful loans	<u>37,904</u>	
35,916		2,69,592	
7,50,865	Loan to Arpit Ltd. a company under the same management (maximum debit balance during the year Rs. 23,72,254)	23,72,254	
	Loan to subsidiary Companies of which the Com- pany is Holding Company:		
10,24,515	(a) Godavari Investment & Finance Corpora- tion Ltd.	14,31,909	
<u>32,37,136</u>	(b) Somaiya Organo-Chemicals Ltd.	35,43,445	
<u>42,61,651</u>		49,75,354	
<u>3,94,92,516</u>			
1,48,99,466	Carried Over ..	3,30,04,087	1,65,57,713

THE GODAVARI SUGAR

BALANCE SHEET

As at 31st May 1963	LIABILITIES—(Contd.)			
Rupees		Rupees	Rupees	Rupees
5,77,96,842	Brought Forward ..			5,25,34,021
	CONTINGENT LIABILITIES (Not provided for):-			
50,000	(i) (a) In respect of lands for which suits are pending in courts		50,000	
10,000	(b) In respect of legal expenses on above		10,000	
	(ii) Uncalled liability on partly paid shares, held as investments:			
1,00,000	(a) Of Godavari Investment and Finance Corporation Ltd., a subsidiary Company		1,00,000	
2,62,500	(b) Of Oriental Power Cables Ltd., a company under the same group		—	
4,50,000	(iii) In respect of two counter guarantees given to Bank of Baroda Limited, in connection with export of sugar ..		—	
22,000	(iv) In respect of counter guarantee given to Bank of India Ltd., for payment of freight by way of Railway Credit Notes		22,000	
2,00,000	(v) In respect of estimated purchase commitments on capital purchases against which advances of Rs. 8,26,571/- have been made and shown under the head Advances. About		74,65,000	
	(vi) In respect of losses of subsidiary companies:			
2,28,295	(a) Of Godavari Investment & Finance Corporation Ltd., Profit & Loss Account as at 31st May, 1964 ..		2,63,725	
1,73,972	(b) Somaiya Organo-Chemicals Limited, Profit & Loss Account as at 31st May, 1964		6,07,546	
—	(vii) In respect of demands for Excise Duty of Rs. 3,43,040/- and Rs. 2,09,895/- for the years 1959-60 and 1960-61 respectively, against which Company has preferred an appeal		5,52,935	
—	(viii) In respect of development charges payable to Government in 19 instalments for leasehold lands at Gandhidham ..		2,18,388	
—	(ix) In respect of colony road case at Captainganj		2,000	
<u>5,77,96,842</u>	Total Rupees ..			<u>5,25,34,021</u>

MILLS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

<i>As at 31st May 1963</i>	ASSETS—(Contd.)			
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
1,48,99,466	Brought Forward ..		3,30,04,087	1,65,57,713
<u>3,94,92,516</u>				
21,050	Partnership Firm of Lakh Farms.. .. .		—	
	Advances recoverable in cash or in kind or for value to be received (including Rs. 3,66,403 in dispute and Rs. 7,01,754 in respect of drawings, designs, technical know-how, patents etc. for chemical Plant)	21,06,588		
12,21,695				
<u>13,814</u>	Considered doubtful	23,369		
12,35,509		<u>21,29,957</u>		
<u>13,814</u>	<i>Less:</i> Provision for doubtful Advances	23,369		
12,21,695			21,06,588	
20,81,387	Paid under Section 23A of Income-tax Act 1922 (See Note No. 1 (b))		8,08,426	
<u>80,728</u>	Deposit with Irrigation Department, Railways and others		<u>57,207</u>	
4,28,97,376				3,59,76,308
<u>5,77,96,842</u>	Total Rupees ..			<u>5,25,34,021</u>

THE GODAVARI SUGAR

BALANCE SHEET

NOTES: (1) (a) Provision for taxation made in the accounts is subject to completion of pending assessments from assessment year 1961-62 onwards.

(b) As sanctioned by Central Board of Revenue as per their letter No. 52/27/63-IR dated 4th January, 1964 and by Commissioner of Income-tax, Bombay as per their letter No. B.C.T.I/150(18)63 dated 31st January, 1964, the Company has, during the year under report, paid additional dividends of Rs. 13,89,000/- and Rs. 7,82,500/- @ Rs. 138.90 and Rs. 78.25 per share on Ordinary Shares for the year 1948-49 and 1949-50 to those shareholders whose names stood on the Register of shareholders of the Company on 30th December, 1949 and on 30th December, 1950 respectively.

While paying the dividends, the Company has deducted Rs. 12,36,812/- for tax paid by it on behalf of shareholders under Section 23A (3)(ii) of Income-Tax Act, 1922 for assessment years 1950-51 and 1951-52. Refund due to the Company of Rs. 8,08,426/- paid under Section 23A of Income-tax Act 1922 has been shown under Loans and Advances in Balance Sheet.

- (2) Inventories are taken of obsolete and unserviceable stores and spares and other obsolete and unserviceable goods and molasses, value thereof not being ascertained.
- (3) The Company has entered into partnership with other persons who are working partners in respect of working of Khanapur and Lakh farms owned by the Company. Company's Share in Liabilities and Assets of the partnership firms are incorporated in the Books of Accounts of Firms. Profits for the year have been incorporated in Accounts as per the statements certified by the partners. During the year materials of the value of Rs. 1,64,527/- at cost have been supplied to the said firms.
- (4) No provision has been made for about Rs. 3,91,807/- in respect of land for which suit filed by the claimant decided against the Company by the High Court, as the appeal of the Company is pending before the Supreme Court. The Bank of Baroda Ltd. has given a guarantee for the amount for which Company has given counter guarantee to the said Bank.
- (5) Reference is invited to Para 4 of Directors' Report.
- (6) The Directors have recommended a final dividend of Rs. 5,00,000/- (subject to deduction of tax) on ordinary shares which dividend if approved by the shareholders at the Annual General Meeting to be held on 31st December, 1964, will be paid out of the Dividend Reserve and no separate provision has been made therefor.

Referred to in our report of even date.

NANUBHAI & CO.

Chartered Accountants.

BOMBAY, Dated: 24th November, 1964.

MILLS LIMITED, BOMBAY.

AS AT 31ST MAY, 1964

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

(1) *RE:* GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED.

- (i) The Godavari Sugar Mills Ltd. holds the whole of the subscribed Capital of Rs. 2,00,000/- of which Rs. 1,00,000/- has been paid up in Godavari Investment & Finance Corporation Limited, as at 31st May, 1964.
- (ii) Godavari Investment & Finance Corporation Limited made a loss of Rs. 35,430/- for the year ended 31st May, 1964. The total loss including that of previous years comes to Rs. 2,63,725/-. The said loss has been carried to the Balance Sheet of that Company and no adjustment has been made in the Books of the Godavari Sugar Mills Ltd., in respect of the said loss of the subsidiary Company.
- (iii) Advances: The amount advanced to Godavari Investment & Finance Corporation Ltd., as at 31st May, 1964 stands at Rs. 14,31,909/-.

(2) *RE:* SOMAIYA ORGANO-CHEMICALS LIMITED.

- (i) The Godavari Sugar Mills Ltd. holds 5,000 fully paid 7% free of Income tax cumulative Preference Shares of Rs. 100/- each and 2,550 fully paid Equity Shares of Rs. 100/- each of Somaiya Organo-Chemicals Limited.
- (ii) Somaiya Organo-Chemicals Ltd. made a loss of Rs. 4,46,838/- for the year ended 31st May, 1964. The total loss including that of previous years comes to Rs. 6,07,546/-. The said loss has been carried forward to the Balance Sheet of that Company and no adjustment has been made in the books of the Godavari Sugar Mills Ltd., in respect of the said loss of the subsidiary Company.
- (iii) Advances: The amount advanced to Somaiya Organo-Chemicals Ltd., as at 31st May, 1964, stands at Rs. 35,43,445/-.

In the opinion of the Board, the current assets, loans and advances are of the value stated, if realised in the ordinary course of business. The provision for all known liabilities and depreciation is adequate and not in excess of the amount reasonably necessary.

Managing Agents:

FOR K. J. SOMAIYA & SONS PRIVATE LTD.

S. K. SOMAIYA
Director.

K. J. SOMAIYA
V. D. MUZUMDAR
N. K. FIRODIA
S. K. SOMAIYA
D. M. POPAT

} *Directors*

BOMBAY, Dated: 23rd November, 1964.

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1963	Rupees		Rupees	Rupees
		To Opening Stock on 1st June 1963:—		
3,54,97,765		Sugar	2,32,19,139	
54,804		Denatured & Rectified spirit	54,264	
62,343		Power and Absolute Alcohol	35,050	
<u>3,56,14,912</u>				<u>2,33,08,453</u>
1,91,693		.. Raw materials consumed (purchase of raw materials Rs. 2,00,458) ..		1,46,509
32,06,933		.. Crops in progress as at 1st June 1963	27,55,244	
45,178		.. Stock of grains and other seeds as on 1st June, 1963	46,422	
1,228		.. Purchase of food-grains, tobacco, cotton etc.	3,164	
8,537		.. Grains and other seeds for sowing	14,075	
21,57,783		.. Salaries and wages	22,97,522	
1,50,000		.. Provision for bonus	1,27,000	
3,932		.. Contribution to Provident Fund of the Company	4,120	
69,232		.. Contribution to Govt. Provident Fund and administrative charges	64,445	
—		.. Gratuity	11,902	
2,111		.. Workmen and staff welfare expenses	5,284	
76		.. Workmen compensation	5	
16,25,987		.. Stores inclusive of manures	23,14,842	
16,335		.. Repairs and renewals (including salaries and wages Rs. 13,516)	19,465	
2,79,134		.. Land Rent	2,74,246	
8,80,283		.. Irrigation rates and taxes	10,84,301	
21,604		.. Drainage	29,009	
3,227		.. Expenses on sales of grains, cotton tobacco etc.	3,263	
74,272		.. Education cess	75,354	
		.. Miscellaneous expenses, including printing and stationery, postage and telegrams, travelling and legal charges (including harvesting and carting commission Rs. 52,096 and sundry debit balances written of Rs. 4,015) ..	1,07,724	
1,21,110				
2,75,462		.. Depreciation	2,55,597	
548		.. Land development expenses written off	262	
14,968		.. Premium on leasehold land written off	15,042	
801		.. Loose tools written off	727	
5,390		.. Livestock written off	2,805	
<u>89,64,071</u>				<u>95,11,820</u>
27,55,244		.. Less: Crops in progress as at 31st May, 1964	33,90,628	
<u>62,08,827</u>				<u>61,21,192</u>
4,44,455		.. Transportation of cane	4,23,824	65,45,016
93,90,054		.. Locally purchased cane		57,91,062
<u>5,18,49,941</u>				
		Carried Over ..		<u>3,57,91,040</u>

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1964

<i>As at 31st May, 1963</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
		By Sales:		
5,42,84,582		Sugar	4,61,59,972	
55,721		Molasses	60,965	
1,87,595		Denatured and Rectified spirit	1,95,888	
5,72,341		Power and Absolute Alcohol	2,84,626	
67,154		Foodgrains, tobacco, cotton, grains etc., (including consumption of Rs. 14,075/- as per contra)	85,095	
<u>5,51,67,393</u>				4,67,86,546
1,93,588		„ Sundry receipts from Flour Mills, Dairy etc. (including credit balances of Rs. 6,703/- written off)		1,73,586
5,000		„ Supervision charges from subsidiary Company		5,000
1,54,374		„ Staff quarters rent		98,031
3,16,558		„ Sundry receipts being market value of Farm Produce etc. (including loss on sale of cotton Rs. 454/- and profit on grains Rs. 19,171/-)		3,60,094
		„ Income from Khanapur and Lakh Farms in Partnership:		
		(a) Khanapur Farms:		
4,500		Rent	4,500	
9,225		Add: $\frac{1}{4}$ share of profit for the year	27,521	
<u>13,725</u>				32,021
		(b) Lakh Farms:		
4,500		Rent	4,500	
12,268		Add: $\frac{1}{4}$ share of profit for the year	28,515	
<u>16,768</u>				33,015
<u>30,493</u>				65,036
3		„ Dividend on Co-operative Bank share		3
46		„ Share transfer and splitting fees		18
		„ Interest:		
173		On Bank accounts	38,303	
129		On loans and others	9,753	
2,43,770		From subsidiary companies	3,30,369	
1,01,668		From Arpit Ltd., a company under the same management	1,17,143	
1,574		From lessors	1,757	
<u>3,47,314</u>				4,97,325
<u>5,62,14,769</u>		Carried Over ..		<u>4,79,85,639</u>

THE GODAVARI S

PROFIT AND LOSS ACCOU

As at 31st May, 1963 Rupees	Brought Forward .. Rupees
5,18,49,941	
23,09,808	To Salaries and wages (including Rs. 30,000/- commission in addition to salary to General Manager at Factories who is also Superintending Engineer) after deducting Rs. 6,17,804/- charged to repairs, capital and other relevant heads
26,667	.. Bonus to employees 21,41,830
2,50,000	.. Provision for bonus 29,249
16,163	.. Contribution to Provident Fund of the Company 2,00,000
136	.. Gratuity 21,829
1,46,061	.. Contribution to Government Provident Fund and administrative charges .. 27,718
84,409	.. Workmen and staff welfare expenses 1,24,686
9,631	.. Workmen compensation 1,11,157
28,42,875	756
12,14,116	.. Stores, chemicals & spare parts (after deducting Rs. 45,79,552/- charged to agriculture, capital, repairs and other relevant heads) 26,5
4,47,816	.. Power and fuel 9,8
7,18,661	.. Repairs to Plant and machinery (inclusive of salaries and wages Rs. 3,38,508/-) .. 3,4
1,42,585	.. Repairs to buildings (inclusive of salaries and wages Rs. 1,43,396/-) .. 6,99,193
54,919	.. Other repairs (inclusive of salaries and wages Rs. 15,185/-) 3,13,355
9,16,165	34,147
9,01,755	.. Sugarcane purchase-tax 10,46,
—	.. Gratuity insurance 4,69,
70,37,193	.. Excise duty 1,25,0
98,436	.. Insurance premium 89,56,0
79,525	.. Emergency Risk Insurance Premium 52,7
8,53,797	.. Packing and forwarding 50,5
11,047	.. Rent (net) (received Rs. 1,200/-) 5,85,08
1,65,338	.. Rates and taxes 14,81
4,40,865	.. Sole Selling Agents' Commission on sugar 1,65,04
7,83,574	.. Miscellaneous expenses, including printing and stationery, postage and telegrams, telephones, travelling and motor cars and lorries maintenance (including Rs. 681/- sundry debit balances written off) 2,37,15
6,10,512	.. Charity and donations (refer Directors' Report on page No. 9) 6,72,772
	5,16,573

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1964

<i>As at 1st May, 1963</i>			Rupees	Rupees
	<i>Rupees</i>			
5,62,14,769		Brought Forward ..		4,79,85,639
1,500	By Income from immoveable property			
5,494	„ Insurance claims			1,500
	„ Stock-in-trade (as taken, valued and certified by the Managing Agents):			
2,32,19,139	Sugar at market rate		1,36,26,661	
—	Denatured and Rectified spirit at market rate		1,22,577	
89,314	Power and Absolute Alcohol at market rate		—	
46,422	Food grains, tobacco, etc. at market rate		74,532	
<u>2,33,54,875</u>				<u>1,38,23,770</u>
		Carried Over ..		<u>6,18,10,909</u>
<u>5,76,638</u>				

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1963	Rupees	Rupees	Rupees
	6,82,52,955	Brought Forward ..	5,26,70,462
To Interest:			
32,921	Managing Agents	11,164	
—	Directors	2,075	
6,70,736	Cash Credit account	2,54,023	
1,63,858	Fixed loans	1,45,176	
69,079	Other loans	56,604	
<u>9,36,594</u>			4,69,042
2,700	„ Directors' Fees (including Rs. 900/- to Members of Managing Agents as Directors)		2,775
25,786	„ Directors' and Managing Agents' Travelling expenses		36,914
6,35,655	„ Managing Agents' remuneration—commission on profits subject to adjustments that may have to be made in respect of bonus and other provisions if any		5,24,216
„ Payment to auditors:			
7,500	Audit fees	7,500	
15,400	In other capacity	15,400	
637	Travelling expenses	1,037	
<u>23,537</u>			23,937
6,255	„ Brokerage and commission		7,764
38,168	„ Legal expenses (including Rs. 18,000/- to a Director)		45,939
7,50,132	„ Depreciation (including Rs. 1,14,535 short provided in previous year)		9,14,267
1,688	„ Loose tools and implements written off		2,917
10,000	„ Premium on leasehold land written off		10,000
—	„ Lease-hold land development expenses written off		11,494
300	„ Premium on leasehold garage written off		300
1,000	„ Goodwill written off		1,000
—	„ Cash stolen written off		1,000
10,721	„ Provision for doubtful debts and advances		33,157
85,00,000	„ Provision for taxation (including Rs. 5,00,000 for Sur-tax for 1962-63)		51,00,000
3,81,147	„ Balance being Profit for the year		19,55,725
<u>7,95,76,638</u>		Total Rupees ..	<u>6,18,10,909</u>

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1964

<i>As at</i> <i>31st May, 1963</i>	<i>Rupees</i>	Brought Forward ..	Rupees	Rupees
	7,95,76,638			6,18,10,909
	<u>7,95,76,638</u>		Total Rupees ..	<u>6,18,10,909</u>

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1963 Rupees		Rupees	Rupees
	To Bonus to employees pertaining to previous year:		
2,17,038	Agriculture	1,51,846	
4,52,943	Manufacturing	3,58,008	
6,69,981			5,09,854
	„ Interim dividends declared after the close of the year:		
1,45,433	On Preference shares at Rs. 7. 8572/- per share (subject to deduction of tax)	1,45,433	
7,00,000	On Ordinary shares at Rs. 5/- per share (subject to deduction of tax) ..	5,00,000	
8,45,433			6,45,433
—	„ Additional Dividend on Ordinary Shares (subject to deduction of tax) for accounting year 1948-49		13,89,000
—	„ Additional Dividend on Ordinary Shares (subject to deduction of tax) for accounting year 1949-50		7,82,500
3,00,000	„ Dividend Reserve (see Note No. 6)		5,00,000
1,22,242	„ Development Rebate Reserve		1,01,973
—	„ General Reserve		18,50,000
25,000	„ Reserve for gratuity		—
18,849	„ Balance carried to Balance Sheet		39,636
	NOTES:		
	(i) Remuneration received by Directors for their own use from other companies by virtue of nomination by the Company on Board of subsidiary Companies amounted to Rs. 300/- during the year.		
	(ii) Amount of transactions with associates of Managing Agents is as follows:		
	Purchase of moveable property	3,23,498	
	For sale	3,87,378	
	For rendering services	3,290	
		7,14,166	
	(iii) Computation of Managing Agents' Remuneration is as follows:		
	Net profit as per Profit and Loss Account	19,55,725	
	Add:—Managing Agents' Remuneration	5,24,216	
	Directors' fees to members of Managing Agency Company ..	900	
	Provision for taxation	27,00,000	
	Provision for Agriculture Income Tax	24,00,000	
19,81,505			75,80,841
	Carried Over ..		58,18,396

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1964

<i>As at 31st May 1963</i>		Rupees	Rupees
2,38,155	By Balance brought forward from last year's balance sheet		18,849
	„ Item pertaining to previous years:		
	Unclaimed salaries, wages and bonus written back:		
7,670	Factory and Head Office	13,536	
4,533	Agriculture	8,786	
<u>12,203</u>			<u>22,322</u>
—	„ Transfer from Reserve for gratuity		1,50,000
—	„ Provision for Super Profit Tax for 1962-63 recredited		11,00,000
4,00,000	„ Provision for bonus recredited		4,00,000
9,50,000	„ Transfer from General Reserve for payment of additional dividends ..		21,71,500
3,81,147	„ Balance brought down		19,55,725
<u>19,81,505</u>			<u>58,18,396</u>
	Carried Over ..		

THE GODAVARI SUGAR

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1963 Rupees 19,81,505		Rupees	Rupees	Rupees
	Brought Forward ..		75,80,841	58,18,396
	Depreciation:			
	Agriculture	2,55,597		
	Factory	9,14,267		
			11,69,864	
	<i>Add:—</i>			
	Income shown in Lower part of Profit & Loss Account:			
	Provision for Bonus recredited		4,00,000	
	Unclaimed salaries, wages and bonus written back		22,322	
			91,73,027	
	<i>Less:—</i>			
	Bonus for previous year shown in lower part of Profit & Loss Account	5,09,854		
	Depreciation to the extent specified in Section 350 of Companies Act, 1956	13,88,323		
			18,98,177	
	 Net Profit for calculating Managing Agents' Remuneration ..		 72,74,850	
	Managing Agents' remuneration on Rs. 72,74,850/- as detailed below:			
	10 % on First Rs. 10 lacs		1,00,000	
	9 % on next Rs. 10 lacs		90,000	
	8 % on next Rs. 10 lacs		80,000	
	7 % on next Rs. 10 lacs		70,000	
	6 % on next Rs. 10 lacs		60,000	
	5½ % on next Rs. 22,74,850		1,25,116	
	Rs. 72,74,850		5,25,116	
	<i>Less:—</i>			
	Directors' Fees to Members of Managing Agency Company		900	
	Amount of Managing Agents' Remuneration ..		5,24,216	
<u>19,81,505</u>		Total Rupees ..		<u>58,18,396</u>

Referred to in our report of even date.

NANUBHAI & CO.
Chartered Accountants.

BOMBAY, Dated: 24th November, 1964.

MILLS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1964

<i>As at</i> 31st May 1963			
Rupees		Rupees	Rupees
19,81,505	Brought Forward ..		58,18,396
<u>19,81,505</u>	Total Rupees ..		<u>58,18,396</u>

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

S. K. SOMAIYA
Director.

K. J. SOMAIYA
V. D. MUZUMDAR
N. K. FIRODIA
S. K. SOMAIYA
D. M. POPAT

} *Directors*

BOMBAY, Dated: 23rd November, 1964.

THE GODAVARI SUGAR

Schedule A

Schedule Attached to and Forming Part of

PARTICULARS	Gross Block as at 1st June, 1963 at cost except as otherwise stated	Additions during the year	Sub-Total	Adjustment for cost of sale and other adjustments during the year
	Rupees	Rupees	Rupees	Rupees
✓ Goodwill	5,000	—	5,000	—
✓ Freehold land (book value)	23,93,384	818	23,94,202	—
✓ Leasehold land premium	3,91,025	—	3,91,025	—
✓ Leasehold premium on garage	12,000	—	12,000	—
✓ Buildings (Book value)	48,21,407	4,86,224	53,07,631	—
✓ Temporary quarters	2,12,512	—	2,12,512	—
✓ Temporary quarters at farms	97,360	—	97,360	—
✓ Pucca quarters at factory	6,36,510	4,700	6,41,210	—
✓ Pucca quarters at farms	1,30,727	—	1,30,727	—
General machinery (Book value)	1,18,58,895	3,44,194	1,22,03,089	1,31,834
Electrical machinery	10,01,203	2,08,161	12,09,364	—
Agricultural machinery (Book value)	30,03,412	—	30,03,412	—
Locomotives	92,974	—	92,974	—
Electric Installation & fittings	96,947	—	96,947	—
Furniture & Office equipment	6,15,350	53,042	6,68,392	—
Weigh bridges	1,90,858	—	1,90,858	—
Trolley line	6,29,591	—	6,29,591	—
Railway sidings	1,36,597	—	1,36,597	—
✓ Motor cars, lorries & Cycles (Book value)	5,39,347	15,151	5,54,498	—
Carts & Trucks (Book value)	3,50,872	—	3,50,872	—
Laboratory apparatus	50,584	—	50,584	—
✓ Roads and drainage	9,21,648	—	9,21,648	—
✓ Dead stock	67,953	—	67,953	—
✓ Library	7,758	—	7,758	—
Medical instruments	363	—	363	—
Irrigation lifts	9,39,723	—	9,39,723	—
✓ Live stock (Book value)	89,304	641	89,945	—
Total Rupees ..	2,92,93,304	11,12,931	3,04,06,235	1,31,834

Note: No depreciation has been taken on freehold land.
* Includes Rs. 1,14,535 short provided in previous year.

Referred to in our report of even date.

NANUBHAI & CO.
Chartered Accountants.

BOMBAY, Dated: 24th November, 1964.

MILLS LIMITED, BOMBAY

Balance Sheet as at 31st May, 1964

*Plant & machinery 46,78845
land, bldg, etc.
Motor vehicle - 7411370
12290215*

*6763876
477355
7241231
1000
153691
15488
7411370*

Sales during the year subject to adjustment of gain or loss	Deduction of sales and other adjustments	Gross block as on 31st May, 1964	Written off upto 31st May, 1963	Written off this year	Total depreciation as at 31st May, 1964	Net depreciated block as at 31st May, 1964	Net depreciated block as at 31st May, 1963
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
—	—	5,000	3,000	1,000	4,000	1,000	2,000
—	21,370	23,72,832	—	—	—	23,72,832	23,93,384
—	—	3,91,025	2,33,773	25,043	2,58,816	1,32,209	1,57,252
—	—	12,000	1,800	300	2,100	9,900	10,200
—	—	53,07,631	16,86,225	1,16,518	18,02,743	35,04,888	31,35,182
—	—	2,12,512	1,86,885	1,922	1,88,807	23,705	25,627
—	—	97,360	86,219	836	87,055	10,305	11,141
—	—	6,41,210	18,092	15,578	33,670	6,07,540	6,18,418
—	—	1,30,727	26,627	2,603	29,230	1,01,497	1,04,100
—	—	1,20,71,255	84,51,704	*5,92,163	90,43,867	30,27,388	34,07,191
—	—	12,09,364	7,83,885	*66,051	8,49,936	3,59,428	2,17,318
—	—	30,03,412	22,57,913	1,45,376	24,03,289	6,00,123	7,45,499
—	—	92,974	77,018	1,596	78,614	14,360	15,956
—	—	96,947	62,644	3,431	66,075	30,872	34,303
—	—	6,68,392	2,23,082	48,643	2,71,725	3,96,667	3,92,268
—	—	1,90,858	94,106	11,610	1,05,716	85,142	96,752
—	—	6,29,591	5,20,147	10,907	5,31,054	98,537	1,09,444
—	—	1,36,597	90,170	3,250	93,420	43,177	46,427
—	—	5,54,498	3,62,787	38,020	4,00,807	1,53,691	1,76,560
—	—	3,50,872	2,61,781	6,237	2,68,018	82,854	89,091
—	—	50,584	24,675	1,814	26,489	24,095	25,909
—	—	9,21,648	3,91,122	53,171	4,44,293	4,77,355	5,30,526
—	—	67,953	49,264	1,836	51,100	16,853	18,689
—	—	7,758	3,247	271	3,518	4,240	4,511
—	—	363	299	5	304	59	64
—	—	9,39,723	7,95,647	48,026	8,43,673	96,050	1,44,076
—	3,596	86,349	68,096	2,805	70,901	15,448	21,208
—	24,966	3,02,49,435	1,67,60,208	11,99,012	1,79,59,220	1,22,90,215	1,25,33,096

Managing Agents:
For K. J. SOMAIYA & SONS PRIVATE LTD.
S. K. SOMAIYA
Director.

K. J. SOMAIYA
V. D. MUZUMDAR
N. K. FIRODIA
S. K. SOMAIYA
D. M. POPAT
Directors

BOMBAY, Dated: 23rd November, 1964.

*land bldg, machinery = 7411370
1126 block etc.
less. land & bldg
less
Plant & machinery
33
7241231
5048984*

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY

DIRECTORS' REPORT

GENTLEMEN,

Your Directors submit herewith their Ninth Annual Report and Audited Accounts of the Company for the year ended 31st May, 1964.

The Scheme of giving Engines and Pumps on hire purchase basis was taken advantage of by the cultivators in a satisfactory proportion. Requests continued to be received however, for financial assistance for raising the crops and for various operations such as tractorisation, plantation, manuring etc. The Company therefore decided to introduce graded finance scheme on the basis of past yields with diminishing scales of assistance every year. This scheme has since been successfully implemented.

The working of the Company for the year after recrediting excess provision for doubtful debts of Rs. 10,285/- has resulted in a loss of Rs. 35,430/-. The total loss, after adding carried forward loss of Rs. 2,28,295/- from last year, comes to Rs. 2,63,725 which has been carried forward to next 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. S. KOTAK
Director

BOMBAY, Dated: 21st November, 1964.

GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, BOMBAY

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of GODAVARI INVESTMENT AND FINANCE CORPORATION LIMITED, as at 31st May, 1964 and also the annexed Profit & Loss Account 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 purpose 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 above Books of Accounts.
4. In our opinion and to the best of our information and according to the explanations given to us the Accounts together 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, 1964, and
 - (b) In the case of the Profit and Loss Account of the loss for the year ended on that date.

BOMBAY, Dated : 24th November, 1964.

NANUBHAI & CO.,
Chartered Accountants

GODAVARI INVESTMENT &

BALANCE SHEET

As at 31st May 1963	LIABILITIES	
Rupees		Rupees Rupees
	I. AUTHORISED CAPITAL:—	
5,00,000	5,000 Ordinary (Equity) Shares of Rs. 100/- each	5,00,000
	II. SUBSCRIBED CAPITAL:—	
1,00,000	2,000 Ordinary (Equity) Shares of Rs. 50/- called up, held by the Holding Company, The Godavari Sugar Mills Ltd., and its nominees ..	1,00,000
	III. UNSECURED LOANS:—	
9,56,648	Loan on Current Account from the Holding Company, The Godavari Sugar Mills Ltd.	13,39,759
67,867	Interest accrued on above	92,150
10,24,515		14,31,909
	IV. CURRENT LIABILITIES AND PROVISIONS:—	
	Current Liabilities:—	
14,943	Sundry Creditors	10,589
11,39,458	Carried Over ..	15,42,498

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1964

As at 31st May 1963	ASSETS		Rupees	Rupees
Rupees				
	I. FIXED ASSETS:—			
	Plant and machinery (at cost) let on hire to cane growers in terms of hire purchase agreements:			
8,29,314	Cost upto 31st May, 1963	—	
56,447	Additions during the year	—	
8,85,761			—	
7,12,454	Less: Adjustment of Hire Purchase Instalments upto 31st May, 1964..		—	
1,73,307			—	
1,73,307	Less: Shown in current assets below	—	
			—	
	II. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS:			
	Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director):			
68,367	Machinery	30,108	
5,975	Spares and fittings	6,914	
174	Stores	174	
74,516			—	
			37,196	
	Future instalments receivable from hirers of oil engines and pumps under Hire Purchase Agreements:			
1,73,307	(Considered good)	2,68,032	
	SUNDRY DEBTORS:—			
	(Unsecured and considered good, except otherwise stated)			
	For supply of spares and fittings supplied to cane growers and for the supervision charges and hire purchase instalments due from them			
21,511	Outstanding for more than six months	99,789	
23,087	Considered doubtful	20,408	
44,598			1,20,197	
23,087	Less: Provision for doubtful debts	20,408	
21,511			99,789	
73,093	Other debts	42,688	
94,604			—	
			1,42,477	
3,42,427			—	
		Carried Over	4,47,705	—

GODAVARI INVESTMENT &

BALANCE SHEET

<i>As at 31st May, 1963</i>	LIABILITIES—(Contd.)		
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
11,39,458	Brought Forward ..		15,42,498
	<i>NOTES:—</i>		
	1. No provision for depreciation is made during the year as the Plant and machinery are given to Cane Growers on Hire Purchase Agreements.		
	2. Out of the land Mortgage Agreements for loans given to Bagaitdars, agreements of Rs. 16,072/- have been sent for registration and of Rs. 10,795/- are under execution. Seasonal agreements of Rs. 2,750/- for loans against security of standing crops are also sent for registration.		
<u>11,39,458</u>	Total Rupees ..		<u>15,42,498</u>

Referred to in our report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 24th November, 1964.

FINANCE CORPORATION LTD., BOMBAY

AS AT 31ST MAY, 1964

<i>As at 31st May, 1963</i>	ASSETS—(Contd.)		Rupees	Rupees
3,42,427		Brought Forward ..	4,47,705	—
	CASH AND BANK BALANCES:			
15	Cash on hand	291		
1,704	Stamp papers	7,950		
2,623	Balance with a Scheduled Bank	7,159		
<u>4,342</u>			<u>15,400</u>	
3,46,769			4,63,105.	
	(B) LOANS AND ADVANCES:			
	(Secured and considered good as certified by Farm Manager except otherwise stated):			
	Loans to cane growers under arrangement to supply cane to the Holding Company, The Godavari Sugar Mills Ltd. in terms of agreement:			
5,14,057	(i) Secured	7,24,922		
37,317	(ii) Unsecured	74,584		
89,683	(iii) Unsecured considered doubtful	82,077		
<u>6,41,057</u>		<u>8,81,583</u>		
89,683	<i>Less: Provision for doubtful Loans</i> ..	82,077		
<u>5,51,374</u>			7,99,506	
13,020	(iv) Advances against purchase of machinery		6,833	
<u>—</u>	(v) Suspense Account under dispute (doubtful)		9,329	
9,11,163				12,78,773
	III. MISCELLANEOUS EXPENDITURE:—			
	Profit and loss account:			
2,28,295	Loss as per Profit and Loss Account			2,63,725
<u>11,39,458</u>		Total Rupees ..		<u>15,42,498</u>

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

R. S. KOTAK }
S. K. SOMAIYA } *Directors*

BOMBAY, Dated: 21st November, 1964.

FINANCE CORPORATION LTD., BOMBAY

THE YEAR ENDED 31ST MAY, 1964

<i>As at 31st May 1963</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
		By Machinery and spare parts let during the year to cane growers in terms of hire purchase agreements:		
	56,447	Machinery	2,48,033	
	—	Spare parts	1,359	
	<u>56,447</u>			<u>2,49,392</u>
		„ Sales at cost to the Holding Company, The Godavari Sugar Mills Limited:		
	—	Machinery	—	
	59	Spares and fittings	—	
	—	Cost of spares sold to Bagaitdars	934	
	<u>59</u>			<u>934</u>
	45,415	„ Interest on loans		44,202
	11,543	„ Supervision charges from cane growers		14,414
	17,297	„ Income on Hire Purchase contracts		15,499
	134	„ Miscellaneous receipts		667
	—	„ Bad debts written off realised		4,619
		„ Stock-in-trade (at cost) (as per inventories taken, valued and certified by a Director):		
	68,367	Machinery	30,108	
	5,975	Spares and fittings	6,914	
	174	Stores	174	
	<u>74,516</u>			<u>37,196</u>
	—	„ Excess provision for doubtful debts recredited		10,285
	36,970	„ Loss carried down		35,430
	<u>2,42,381</u>		Total Rupees ..	<u>4,12,638</u>
	2,28,295	To Loss carried to Balance Sheet		2,63,725
	<u>2,28,295</u>		Total Rupees ..	<u>2,63,725</u>

R. S. KOTAK }
S. K. SOMAIYA } *Directors*

BOMBAY, Dated: 21st November, 1964.

SOMAIYA ORGANO-CHEMICALS LIMITED

BOMBAY

DIRECTORS' REPORT

THE SHAREHOLDERS,
SOMAIYA ORGANO-CHEMICALS LTD.,
BOMBAY.

LADIES & GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May, 1964 submitted herewith.

The net loss of the Company for the year under report amounts to Rs. 4,33,574 after providing Rs. 8,55,305 for Depreciation and after transferring Rs. 60,661 to Development Rebate Reserve. The total loss after adding the carry forward loss of Rs. 1,73,972 from last year, comes to Rs. 6,07,546, which has been carried forward to next year. In view of this the Directors do not recommend any dividend.

The Acetic Acid Plant functioned intermittently during the year under report due to shortage of molasses. Your Directors have approached the authorities for adequate allotment of molasses from nearby sugar factories.

Your Directors are glad to inform you that necessary steps were taken during the year under report for expansion of the distillery. The new plant with a capacity of 6,000 glns/day is expected to go into production in early 1965.

Two of your Directors, Shri S. K. Somaiya and Shri R. S. Kotak, retire by rotation, but being eligible offer themselves for re-election.

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

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

BOMBAY, Dated: 23rd November, 1964.

SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED as at 31st May, 1964 and also the Profit and Loss Account of the Company for the year ended on that date, attached thereto and report that :—

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our Examination of those Books of Accounts.
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 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, 1964, and
 - (b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

NANUBHAI & CO.,
Chartered Accountants

BOMBAY, Dated: 24th November, 1964

SOMAIYA ORGANO- BALANCE SHEET

As at 31st May 1963	LIABILITIES	
Rupees		Rupees Rupees
	I. SHARE CAPITAL	
	AUTHORISED CAPITAL:	
25,00,000	25,000 Equity Shares of Rs. 100/- each	25,00,000
25,00,000	25,000 7% free of Income-tax cumulative Preference Shares of Rs. 100/- each liable to be redeemed at the option of the Company ..	25,00,000
50,00,000		50,00,000
	ISSUED & SUBSCRIBED CAPITAL:	
5,00,000	5,000 Equity Shares of Rs. 100/- each fully paid up out of which, 2550 shares are held by the Holding Company, The Godavari Sugar Mills Limited	5,00,000
5,00,000	5,000 7% free of Income-tax cumulative Preference Shares of Rs. 100/- each fully paid up liable to be redeemed at the option of the Company, held by the Holding Company, The Godavari Sugar Mills Limited	5,00,000
10,00,000		10,00,000
	II. RESERVES AND SURPLUS:	
	Development Rebate Reserve:—	
5,78,107	As per last Balance Sheet	6,23,410
45,303	Add: Amount set aside from the profit of the year	60,661
6,23,410		6,84,071
	III. UNSECURED LOANS:	
30,62,569	On Current Account with the Holding Company, The Godavari Sugar Mills Limited	33,05,226
1,74,567	Interest on above	2,38,218
32,37,136		35,43,444
	IV. CURRENT LIABILITIES AND PROVISIONS:	
	(A) Current Liabilities:	
81,169	Sundry creditors (including Rs. 5697 due to holding Company) ..	57,297
75,000	Security deposit from customers (including Rs. 25,000/- under dispute)	65,000
1,56,169		1,22,297
	(B) Provisions:	
1,00,000	Provision for bonus	70,000
51,16,715		1,92,297
	Carried Forward ..	54,19,812

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

<i>As at 31st May, 1963</i>	ASSETS		Rupees	Rupees
	I. FIXED ASSETS (At cost):—			
44,83,898	Gross block		47,94,503	
10,12,949	Less: Depreciation written off upto 31st May, 1964		18,68,254	
<u>34,70,949</u>	Net depreciated block as per Schedule 'A'		<u>29,26,249</u>	
85,230	Capital work in progress		1,11,479	
<u>35,56,179</u>				30,37,728
	II. INVESTMENTS (At cost):—			
	(A) TRADE INVESTMENTS: (in company under same group)			
1,12,500	1,500 fully paid up equity shares of Rs. 100/- each of Oriental Power Cables Ltd. (Managing Agents: Somaiya Bharaktiya Private Ltd.) ..		1,50,000	
	(B) OTHER INVESTMENTS:—			
995	4% 1967 Maharashtra State Loan (face value Rs. 1,000/-) deposited with Excise Department		995	
<u>1,13,495</u>				1,50,995
	III. CURRENT ASSETS, LOANS AND ADVANCES:—			
	(A) CURRENT ASSETS:			
7	(i) Interest accrued on investment		—	
	(ii) Stores, chemicals and spares at cost (as per inventory valued and certified by a Director):			
6,02,016	(a) On hand	6,78,164		
7,085	(b) In transit	<u>1,226</u>		
<u>6,09,101</u>			6,79,390	
3,018	(iii) Loose tools and implements (as per inventory certified by a Director)		17,358	
	(iv) Stock-in-trade:			
3,52,574	Acetic Acid at market rate	3,41,067		
17,336	Rectified Spirit at market rate	82,617		
35,011	Raw materials (molasses) at cost	<u>43,369</u>		
<u>4,04,921</u>			4,67,053	
	(iv) Sundry debtors (unsecured and considered good, other than in dispute not provided for):			
70,598	(a) Debts outstanding for more than 6 months due for supply of goods under dispute excluding unadjusted claim for damages under agreement	70,598		
91,830	(b) Other debts	<u>92,940</u>		
<u>1,62,428</u>			1,63,538	
<u>11,79,475</u>				
<u>36,69,674</u>				
	Carried forward ..		<u>13,27,339</u>	<u>31,88,723</u>

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st May 1963	LIABILITIES—(Contd.)	
Rupees		Rupees Rupees
51,16,715		54,19,812
	Brought Forward ..	
	CONTINGENT LIABILITIES (Not provided for):—	
98,583	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative Preferences shares for the period 1960-61, 1961-62, 1962-63 and 1963-64	1,44,383
7,500	2. In respect of legal expenses of suit for recovery proceedings against a customer	7,500
Unascertained	3. In respect of share of cost towards conveyance and agreement for purchase of Fixed Assets from the Holding Company, The Godavari Sugar Mills Limited	Unascertained
37,500	4. Uncalled liability on partly paid shares, held as investment of Oriental Power Cables Limited	—
2,000	5. In respect of counter guarantee given to Bank of India for purchase of car	—
—	6. In respect of counter guarantee given to Bank of India for payment of freight by way of Railway credit notes	11,000
3,40,000	7. In respect of purchase commitments including for capital purchases (including Rs. 3,20,000/- for counter guarantee to Bank of India Ltd., for purchase of machinery) about	3,40,000
<u>51,16,715</u>	Total Rupees ..	<u>54,19,812</u>

Referred to in our report of even date.

BOMBAY, Dated: 24th November, 1964.

NANUBHAI & CO.,
Chartered Accountants.

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

<i>As at 31st May 1963</i>	ASSETS—(Contd.)		
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
36,69,674		Brought Forward ..	13,27,339
<u>11,79,475</u>			31,88,723
	(v) Cash and Bank Balances:		
236	Cash on hand	562	
22,906	In current account with Scheduled Banks ..	<u>1,548</u>	
<u>23,142</u>			2,110
<u>12,02,617</u>			<u>13,29,449</u>
	(B) LOANS AND ADVANCES: (Unsecured and considered good):		
57,502	(i) Advances recoverable in cash or kind or for value to be received	2,80,919	
12,950	(ii) Deposits	<u>13,175</u>	
<u>12,73,069</u>			16,23,543
	IV. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted):—		
1,73,972	Balance as per Profit & Loss Account		6,07,546
<u>51,16,715</u>	Total Rupees ..		<u>54,19,812</u>

NOTE:—

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

S. K. SOMAIYA	}	<i>Directors</i>
N. C. SAYTA		
P. M. KAVADIA		

BOMBAY: Dated 23rd November, 1964.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1964

Schedule 'A'

Particulars	Gross Block at cost as at 1st June, 1963	Additions during the year	Gross Block as at 31st May, 1964	Depreciation written off upto 31st May, 1963	Depreciation written off this year	Total depreciation as at 31st May, 1964	Net depreciated block as at 31st May, 1964	Net depreciated block as at 31st May, 1963
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	10,000	—	10,000	—	—	—	10,000	10,000
Distillery Building ..	3,18,368	6,131	3,24,499	24,119	14,866	38,985	2,85,514	2,94,249
Distillery machinery	8,46,352	3,356	8,49,708	1,53,603	1,73,007	*3,26,610	5,23,098	6,92,749
Acetic Acid Plant building	1,96,543	—	1,96,543	18,001	8,927	26,928	1,69,615	1,78,541
Diesel Generating Set	—	2,63,118	2,63,118	—	35,082	35,082	2,28,036	—
Acetic Acid Plant ..	30,32,883	36,828	30,69,711	8,02,038	6,11,440	*14,13,478	16,56,233	22,30,845
Laboratory apparatus	3,808	—	3,808	339	243	582	3,226	3,469
Furniture and Office equipments ..	21,865	1,172	23,037	2,037	2,118	4,155	18,882	19,829
Motor car and lorries	51,659	—	51,659	12,522	9,366	21,888	29,771	39,137
Scales & weighbridges	2,420	—	2,420	290	256	546	1,874	2,130
Total Rupees ..	44,83,898	3,10,605	47,94,503	10,12,949	8,55,305	18,68,254	29,26,249	34,70,949

*Note:—After adjusting depreciation of Rs. 2,36,843/- for previous years short provided.

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

BOMBAY, Dated: 24th November, 1964.

BOMBAY,
 Dated: 23rd November, 1964.

S. K. SOMAIYA	}	<i>Directors</i>
N. C. SAYTA		
P. M. KAVADIA		