

THE
GODAVARI SUGAR MILLS
LIMITED.



REPORT
of the
DIRECTORS

with
STATEMENT OF ACCOUNTS

For the year ended 31st August 1942.



BOMBAY.

1942.

1942

THE GODAVARI SUGAR MILLS, LTD.

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

Board of Directors.

HARGOVINDDAS B. KOTAK, ESQ. (*Chairman*).
RAO BAHADUR MOTILAL BALMUKUND MUTHA.
NADIRSHAH RUSTAMJI MULLA, ESQ.
RANCHHODDAS SHAMJI KOTAK, ESQ.
SHETH AMRITLAL HARGOVINDDAS, (*Debenture Director*),
SHETH TRIBHOVANDAS HARGOVINDDAS, (*Debenture Director*).
KARAMSHI JETHABHAI SOMAIYA ESQ. (*Ex-Officio Director*):

Managing Agents.

MESSRS. K. J. SOMAIYA & SONS.

Bankers.

THE CENTRAL BANK OF INDIA LTD.
THE BANK OF INDIA LTD.

Solicitors.

MESSRS. MULLA & MULLA.

Auditors.

MESSRS. NANUBHAI & CO.

Registered Office.

GRESHAM BUILDING, MAHATMA GANDHI ROAD,
BOMBAY, No. 1.

The Godavari Sugar Mills Limited, BOMBAY.

NOTICE is hereby given that the **Third Ordinary General Meeting**, of the Godavari Sugar Mills Ltd., will be held on Wednesday the 23rd December 1942 at 10-30 A.M. (S. T.) at the Registered Office of the Company, Gresham Building Mahatma Gandhi Road, Bombay No. 1, to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st August 1942.
2. To declare a Dividend.
3. To elect Directors in place of Rao Bahadur Motilal Balmukund Mutha and Mr. Ranchhoddas Shamji Kotak who retire in accordance with Article 93, but, being eligible, offer themselves for re-election,
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact any other business that may be brought forward with the permission of the chairman.

The Transfer Books of the Company will be closed from the 16th December 1942 to the 29th December 1942, both days inclusive,

By order of the Board of Directors,
K. J. SOMAIYA & SONS
Managing Agents.

Bombay, 30th November 1942.

N. B.—The Dividend when declared will be made payable at the Registered office of the Company on and after the 1st February 1943. Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 16th December 1942.

THE GODAVARI SUGAR MILLS LTD.

DIRECTORS' REPORT, 1942

To,
The Shareholders,
The Godavari Sugar Mills Ltd.

Gentlemen,

Your Directors beg to submit their Report and Audited Statement of Accounts for the year ended 31st August 1942, which shows a net profit of Rs. 7,99,393-7-8 after providing Rs. 2,80,792-10-0 for depreciation, which with the balance of Rs. 19,717-0-0 brought forward from Last Year's Profit and Loss Account leaves an amount of Rs. 8,19,110-7-8 which your Directors propose to dispose of as follows:—

	Rs.	as.	ps.
Debenture Redemption Fund	2,50,000	0	0
Reserve Fund	1,00,000	0	0
Provision for Taxation	1,00,000	0	0
Dividend Equalization Fund	1,50,000	0	0
Preference Shares Dividend 6%, Free of Income-Tax	39,728	0	0
Ordinary Shares, Dividend 15%	1,31,775	15	0
Balance carried to next Year	47,606	8	8
Total...	8,19,110	7	8

In the year 1941 owing to a breach on the Left Bank of the Godavari Canal, our plantation was left without water for more than a month. This also delayed the plantation of Adsali Cane for 1942-43 crop. Added to this the rains were deficient and the scarcity of water was severely felt in the hot season. As a result our yield of cane per acre was somewhat adversely affected.

We had again to start the season very early in order to cope up with the crops. We had, however, to carry over 142 acres 9 gunthas of cane from the season under report to the current season.

As reported last year, we had expected to start our second Plant on the Godavari Right Bank at Lakshmiwadi in April. Contrary to this expectation, the Plant was ready for crushing in June of this year and had a Trial run for a few days only.

This Season, your Directors have decided to start the G. L. B. SAKARWADI-Factory on the 3rd December 1942 and the G.R.B -LAKSHMIWADI Factory on or about 15th December 1942. Between them, both these Factories are expected to be easily able to dispose of the whole of our crops.

Taking into consideration all circumstances, the result of the working for the year under Report will be considered satisfactory, though the cost of production soared very high as a result of all round rise in prices of material.

Demand for your sugar was good and found an easy Market. The sugar, however, could not be moved freely due to lack of Transport and the Sugar Control Order which came into force from the 14th April 1942. Our stock of sugar was at the disposal of the Controller. However, the whole stock is practically disposed of now.

Most of the molasses produced in your Factory has been sold to the Government Distillery, Nasik and the balance to the local purchasers.

The growing cane on your Estate on the 31st August 1942 was 4074 acres 13 gunthas. The condition of the crop is fairly good.

Two of your Directors, Rao Bahadur M. B. Mutha and Mr. Ranchhoddas Shamji Kotak retire in accordance with Art, 93 of the Articles of Association but being eligible offer themselves for re-election.

You are requested to appoint Auditors for the current year and fix their remuneration.

Yours faithfully,
By Order of the Board of Directors,
H. B. KOTAK,
Chairman.

Bombay, 30th November, 1942.

The Godavari Sugar

Balance Sheet as at

	Rs.		as. ps.		Rs.		as. ps.	
Brought Over...					28,50,074	14	7	
Provision for Taxation:—								
As per last Balance Sheet	35,000	0	0					
Add: Provision from 1940-41 Profit ...	40,000	0	0					
	75,000	0	0					
Less: Paid for the period ending 31-8-1940	7,829	4	0		67,170	12	0	
Mortgage Debenture Loan —								
700 6% Free of Income-tax Mortgage Debentures of Rs. 1,000/- each	7,00,000	0	0					
Interest etc. on Debentures	21,601	9	0		7,21,601	9	0	
Loans Unsecured:—								
Due to Sundries					5,11,740	8	3	
Unclaimed Dividend... ..					312	0	0	
Deposits from Merchants					8,081	6	6	
Liabilities:								
For goods supplied	30,158	0	8					
For unpaid salaries & wages... ..	57,259	6	3					
For Expenses	3,32,577	13	1					
For Incometax on salaries	603	6	6		4,20,598	10	6	
Profit & Loss Account:—								
Balance as per Profit & Loss Appropriation Account	19,717	0	0					
Add: Profit as per Profit & Loss Account for this year subject to Provision for taxation.	7,99,393	7	8		8,19,110	7	8	
Carried Forward...					53,98,690	4	6	

Mills Limited, Bombay.

31st August, 1942. (Contd.)

		Rs	as.	ps.	Rs.	as.	ps.
Brought over...					30,28,391	10	9
Electric Instalation & Fittings at cost:							
At Sakarwadi & Lakshmiwadi as per last							
Balance Sheet	15,344	3	6	21,147	3	0
Additions during the year	5,802	15	6			
Furniture at cost:							
As per last Balance Sheet		13,599	10	3			
Less: Cost of Typewriter sold during the year	100	0	0			
		13,499	10	3			
Additions during the year	9,910	13	9	23,410	8	0
Weigh-Bridges at cost:							
At Sakarwadi & Lakshmiwadi as per last							
Balance Sheet	12,250	3	6	20,209	3	6
Additions during the year	7,959	0	0			
Motor Cars & Lorries etc. at cost:							
At Sakarwadi & Lakshmiwadi as per last							
Balance Sheet	15,141	0	9	40,726	10	9
Additions during the year	25,585	10	0			
Carts & Trucks at cost:							
At Sakarwadi & Lakshmiwadi as per last							
Balance Sheet	27,279	5	0	28,358	10	6
Addition during the year	1,079	5	6			
Laboratory Apparatus at cost:							
At Sakarwadi & Lakshmiwadi as per last							
Balance Sheet	7,763	2	6	10,227	15	6
Additions during the year	2,464	13	0			
Roads & Drainage at cost:							
At Sakarwadi & Lakshmiwadi as per last							
Balance Sheet	23,684	9	6	38,851	4	0
Additions during the year	15,166	10	6			
Carried Forward...					32,11,323	2	0

The Godavari Sugar*Balance Sheet as at*

	Rs.	as. ps.	Rs.	as. ps.
Brought Over...			53,98,690	4 6
Carried Forward...			53,98,690	4 6

Mills Limited, Bombay.

31st August, 1942. (Contd.)

	Rs.	as.	ps.	Rs.	as.	ps.
Brought over...				32,11,323	2	0
Tools & Implements at cost:						
At Sakarwadi & Lakshmiwadi as per last	11,488	0	3			
Balance Sheet	13,549	1	6	25,037	1	9
Additions during the year						
Dead Stock at cost:						
At Sakarwadi & Lakshmiwadi as per last	13,174	6	9			
Balance Sheet	12,891	6	6	26,065	13	3
Additions during the year						
Library at cost:						
As per last Balance Sheet	624	4	6			
Additions during the year	110	9	9	734	14	3
Medical Instruments at cost:						
As per last Balance Sheet	59	15	0			
Additions during the year	56	0	0	115	15	0
				32,63,276	14	3
(Depreciation Fund as per contra)						
Stores on Hand at cost:						
As on 31-8-42 as per Inventories valued and certified by the Managing Agents	5,23,029	3	6			
Stores in Transit	41,482	9	9	5,64,511	13	3
Live-Stock at cost:						
At Sakarwadi & Lakshmiwadi as per last	27,044	14	0			
Balance Sheet	6,693	8	0			
Additions during the year	33,738	6	0	32,588	6	0
Less: Written off	1,150	0	0			
Stock in Trade on 31-8-42 at Market rate as valued and certified by Managing Agents.				2,50,297	0	0
Cane-Crop-in Progress (at cost) including expenses of Tillage, Preparation of land, irrigation charges etc.				9,35,082	0	7
Advances:						
For expenses and materials	30,359	0	0			
To Lessors	76,053	1	6	1,10,008	1	2
To Employees... ..	3,595	15	8			
Carried Forward...				51,55,764	3	3

The Godavari Sugar

Balance Sheet as at

	Rs.	as. ps.	Rs.	as. ps.
Brought Over...			53,98,690	4 6
<p><i>Note:—Contingent Liability of Rs. 40,000/- in respect of Machinery.</i></p>				
Total Rs. ...			53,98,690	4 6

We have audited the Balance Sheet of the Godavari Sugar Mills Ltd., as at 31-8-42 and also the foregoing Profit & Loss Account of the Company for the year ended upon that date and report that:—

- (a) We have obtained all the information and explanations, we have required,
- (b) In our opinion the foregoing Balance Sheet and Profit & Loss Account are drawn up in conformity with the law.
- (c) Such Balance Sheet exhibits a true and correct view of the state of the Company's affairs according to the best of our information & explanations given to us and as shown by the Books of the Company, and
- (d) In our opinion, the Books of Accounts have been kept by the Company as required by Section 130 of the Indian Companies Act,
- (e) The Allocation of the expenditure to the capital construction, as certified by the Managing Agents has been accepted.

Bombay, 30th November 1942.

NANUBHAI & Co.
Registered Accountants and
Auditors.

Mills Limited, Bombay.

31st August, 1942. (Contd.)

	Rs.	as.	ps.	Rs.	as.	ps.
Brought over...				51,55,764	3	3
Deposits:						
With Suppliers, Irrigation Department, Railway Co., and others				26,276	0	0
Sundry Debtors Considered Good:						
Due from Sundries				14,197	7	1
Due from Managing Agents on current account ...				1,24,428	4	9
Cash & Bank Balances :						
In current account with Banks	17,121	2	5			
On hand at Bombay & Factory Offices ...	53,638	3	0			
Remittance in Transit... ..	7,265	0	0	78,024	5	5
Total Rs...				53,98,690	4	6

The above Balance Sheet, to the best of our belief, contains a true account of the Capital and Liabilities and of the Property & Assets of the Company.

K. J. SOMAIYA & SONS.
Managing Agents.

H. B. KOTAK
N. R. MULLA
R. S. KOTAK
AMRITLAL HARGOVINDDAS
TRIBHOVANDAS HARGOVINDDAS
K. J. SOMAIYA

Chairman.

Directors.

The Godavari Sugar

Profit and Loss Appropriation Account

	Rs.	as.	ps.	Rs.	as.	ps.
To Appropriation as follows:—						
2nd Dividend on Pref. Shares	14,424	0	0			
" " " Ordy. Shares	52,650	0	0			
Provision for Taxes	40,000	0	0			
Provision for Redemption of Debentures	1,20,000	0	0			
Transfer to Reserve Fund	1,00,000	0	0	3,27,074	0	0
Balance carried to Balance Sheet				19,717	0	0
Total Rs.				3,46,791	0	0

Profit and Loss Account for the year

	Rs.	as.	ps.	Rs.	as.	ps.
To Opening Stock:—						
Sugar & Molasses				87,334	9	3
.. Sugar Cane:—						
Balance of Sugar Cane Plantation expenses as per last Balance Sheet	8,95,223	5	0			
Add: Amount of expenditure during the year on plantation of cane, etc	10,07,754	11	7	19,02,978	0	7
<i>Less:</i> Crop in progress carried to next year as shown in the Balance Sheet	9,35,082	0	7	9,67,896	0	0
.. Stores Chemicals, Fuel & Oil, Carting etc.,				4,17,431	12	9
.. Salaries and Wages				2,42,897	2	0
.. Excise duty				6,63,567	7	9
.. Interest on Debentures & other Loans	92,490	11	11			
<i>Less:</i> Interest on Current Accounts, Banks, etc... ..	5,339	6	0	87,151	5	11
.. Commission on sugar sale to Selling Agents				22,382	10	0
.. General expenses including:—						
War Risk and Fire Insurance, Postage & Telegram, Printing, Stationary, Travelling Expenses, Rent & Taxes, Repairs, Medical Expenses, etc.				77,866	4	4
Carried over...				25,66,527	4	0

Mills Limited, Bombay.

for the Period ended 31st August 1941.

	R.	as.	ps.	Rs.	as.	ps.
By Profit as per Balance Sheet as at 31st August 1941				3,46,791	0	0
Total Rs.				3,46,791	0	0

ended 31st August 1942.

	Rs.	as.	ps.	Rs.	as.	ps.
By Sale of Sugar				34,93,6	12	3
.. Sale of Molasses				32,89	14	1
.. Interest from Lessors				3,437		4
.. Sundry Receipts				111	1	0
.. Transfer Fees				2	0	
.. Stock on hand as on 31-8-1942						
Sugar	2,23,672	0	0			
Molasses	26,625	0	0	2,50,297	0	0
Carried over...						
				37,80,363	8	8

The Godavari Sugar

Profit and Loss Account for the year

	Rs.	as.	ps.	Rs.	as.	ps.
Brought forward...				25,66,527	4	0
To Directors' Fees,	920	0	0			
Travelling Allowance to Directors ...	105	8	0	1,025	8	0
„ Auditors' Fees ...				700	0	0
„ Live Stock written off ...				1,150	0	0
„ Depreciation ...				2,80,792	10	0
„ Charity ...				1,963	12	0
„ Underwriting Commission ...				12,500	0	0
„ Brokerage shares balance written off ...				723	0	0
„ Debenture Expenses balance written off ...				6,993	0	0
„ Preliminary Expenses balance written off ...				4,974	8	0 ¹⁹⁰
„ Managers' Agents' Allowance ...	12,000	0	0			
„ „ Commission on net profit...	91,620	7	0	1,03,620	7	0
„ Balance being net profit carried to Balance Sheet subject to taxation ...				7,99,393	7	8
Total Rs....				37,80,363	8	8

Bombay, 30th November 1942.

NANUBHAI & CO.
Registered Accountants
Auditors.

Mills Limited, Bombay.*ended 31st August 1942. (Contd.)*

	R.	as. ps.	Rs.	as. ps.
Brought forward...			37,80,363	8 8
Total Rs...			37,80,363	8 8

K. J. SOMAIYA & SONS.
Managing Agents.

H. B. KOTAK
R. N. MULLA
R. S. KOTAK
AMRITLAL HARGOVINDDAS
TRIBHOVANDAS HARGOVINDDAS
K. J. SOMAIYA

Chairman.

Directors.