

THE
GODAVARI SUGAR MILLS
LIMITED.



REPORT
of the
DIRECTORS
with
STATEMENT OF ACCOUNTS
For the year ended 31st August 1943.

BOMBAY.

1943.

1943

THE GODAVARI SUGAR MILLS, LTD.

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

Board of Directors.

NADIRSHAH RUSTOMJI MULLA, Esq. (*Chairman*).
DEWAN BAHADUR MOTILAL BALMUKUND MUTHA.
RANCHHODDAS SHAMJI KOTAK, Esq.
SETH AMRITLAL HARGOVINDDAS, (*Debenture Director*).
SETH 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.

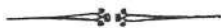
Auditors.

MESSRS. NANUBHAI & CO.

Registered Office.

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

The Godavari Sugar Mills Limited, BOMBAY.



NOTICE is hereby given that the **Fourth Ordinary General Meeting**, of The Godavari Sugar Mills Ltd., will be held on Wednesday the 22nd December 1943 at 2-0 P.M. (S. T.) at the Registered Office of the Company, Fazalbhoy Building, Mahtma 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 1943.
2. To declare Dividend.
3. To elect Directors in place of Mr. N. R. Mulla & Mr. R. S. 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 15th December 1943 to the 28th December 1943, both days inclusive.

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

Bombay, 1st December 1943.

N.B.—The Dividend when declared will be made payable at the Registered office of the Company on and after the 11th January 1944. Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 15th December 1943,

THE GODAVARI SUGAR MILLS LTD.

BOMBAY.

DIRECTORS' REPORT, 1943.

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 1943, which shows a net profit of Rs. 8,77,714-7-3 after providing Rs. 3,39,757-10-5 for depreciation, which with the balance of Rs. 47,606-8-8 brought forward from the last year's Profit and Loss Account, leaves an amount of Rs. 9,25,320-15-11, which your Directors propose to dispose of as follows:—

Debenture Redemption Fund	...	...	Rs.	2,00,000	0	0
Reserve Fund	...	...	..	2,00,000	0	0
Provision for Taxation	...	...	..	50,000	0	0
Dividend equalization Fund	...	...	..	1,50,000	0	0
Preference Shares Dividend, 6 per cent free of Income-tax	...	..	..	60,000	0	0
Ordinary Shares Dividend 20 per cent. free of Income-tax...	...	...	..	2,00,000	0	0
Balance carried to next year	...	...	..	65,320	15	11
Total Rs.				9,25,320	15	11

Your Directors regret to inform you of the sad demise of Mr. H. B. Kotak, the Chairman of the Board on 29th July 1943, who rendered yeoman services in guiding the affairs of the Company from its very inception.

As mentioned in our Report for the year 1942, the plantation of Adsali cane for the year under report was delayed. There was again insufficient rain and the yield, therefore, was only 41 tons per Acre. During the year under report, sugar sales were controlled by the Director of Civil Supplies as in the previous year and therefore we had a stock of sugar worth Rs. 6,28,051-14-0 in the 31st of August 1943. However, the stock is practically cleared off by now.

The rise in prices of materials coupled with the rise in wages of labour and salaries of staff, has influenced the cost of production.

As we have two Mills, your Directors have thought fit to take additional land in order that there may be sufficient sugarcane for crushing during the current season. The area of standing sugarcane on 31st August 1943 was 4646 Acres, 36 Gunthas, i e., 572 Acres, 23 Gunthas more than the previous year and the cost of the cane crop in progress on 31st August 1943 was Rs. 16,16,174/1/8

The Factory at Lakshmiwadi did not work satisfactorily due to defect in Machinery and after manufacturing 15,511 bags, it had to be closed down leaving a carry-over of 365 acres of cane. Necessary alterations have since been made and your Directors hope that it will give satisfactory results in the ensuing season.

Taking into consideration all the above matters, the net working for the year under report may be considered satisfactory though the cost of production went up above that of the last year.

The condition of crops on your estate can be said to be very good owing to the recent good rains.

It has been very difficult to obtain sufficient labour in time as they are in constant demand by the Government and Military authorities. Further, by reason of better yield from Food & Fodder crops, labour is also locked up in private Farms longer than usual because of late rains. All this has resulted in delaying the starting of our factories by almost a month. We, however, expect to start the factories by the first week of December.

Mr. N. R. Mulla has been elected as the Chairman of the Board of Directors in place of late Mr. H. B. Kotak.

Two of your Directors, Mr. N. R. Mulla & Mr. R. S. Kotak, retire in accordance with Article 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,

N. R. MULLA,

Chairman.

Bombay, 26th November, 1943.

The Godavari Sugar

Balance Sheet as at

CAPITAL & LIABILITIES.	Rs.	as. ps.	Rs.	as. ps.
CAPITAL:—				
Authorised :				
10,000 Ordinary Shares of Rs. 100/- each...			10,00,000	0 0
4,000 6% Free of Income-tax Redeemable Cumulative Preference shares of Rs. 250/- each, Liable to be redeemed at the option of the Company, but not otherwise, after the expiry of the period of 5 years from the date of allotment and after giving 6 months previous notice of the intention to so redeem the same.				
			10,00,000	0 0
			20,00,000	0 0
Issued, Subscribed and Paid up :—				
10,000 Ordinary Shares @ Rs. 100/- each ...	10,00,000	0 0		
4,000 6% Free of Income-tax Redeemable Cumulative Pref. Shares @ Rs. 250/- each	10,00,000	0 0	20,00,000	0 0
Debenture Redemption Fund			4,00,000	0 0
Reserve Fund			2,00,000	0 0
Mortgage Debenture Loan :—				
700 6% Free of Income-tax Mortgage Debentures of Rs. 1000/- each	7,00,000	0 0		
Interest etc. on Debentures	22,057	4 8	7,22,057	4 8
Dividend Equalization Fund... ..			1,50,000	0 0
Provision for Taxation :—				
As per last Balance Sheet	67,170	12 0		
Add: Provision from 1941-42 Profit ...	1,00,000	0 0		
Carried Forward...	1,67,170	12 0	34,72,057	4 8

Mills Limited, Bombay.

31st August, 1943.

PROPERTY & ASSETS.				Rs.	as.	ps.	Rs.	as.	ps.
FIXED CAPITAL EXPENDITURE :—									
Freehold land at Cost :—									
As per last Balance Sheet	...	...	...	56,450	9	0			
Additions during the year re: Agricultural...				3,412	7	9	59,863	0	9
Buildings at Cost :—									
As per last Balance Sheet	...	...	...	5,32,725	4	4			
Additions during the year	...	...	...	92,016	0	0			
				6,24,741	4	4			
Less: Depreciation to-date	...	...	...	60,059	12	1	5,64,681	8	3
Temporary Huts at Cost :—									
As per last Balance Sheet	1,73,289	10	6						
Additions during the year	34,681	8	0						
	2,07,971	2	6						
Less: Depreciation to-date	73,268	9	6	1,34,702	9	0			
At Farms :									
As per last Balance Sheet	65,585	13	0						
Additions during the year	11,682	0	0						
	77,267	13	0						
Less: Depreciation to-date	40,979	8	6	36,288	4	6	1,70,990	13	6
Plant & Machinery at Cost :—									
General as per last Balance Sheet	17,81,722	14	5						
Additions during the year	2,28,356	11	3						
	20,10,079	9	8						
Less: Depreciation to-date	4,70,129	9	5	15,39,950	0	3			
Electric as per last Balance Sheet	2,49,901	15	6						
Additions during the year	6,482	13	0						
	2,56,384	12	6						
Less: Depreciation to-date	1,20,499	12	6	1,35,885	0	0			
Agricultural as per last Balance Sheet	1,68,715	8	0						
Additions during the year	40,832	6	0						
	2,09,547	14	0						
Less: Depreciation to-date	74,904	14	0	1,34,643	0	0	18,10,478	0	3
Carried Forward...							26,06,013	6	9

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought over...	1,67,170	12	0	34,72,057	4	8
Add: Amount from Dividend on Ordinary Shares	30,885	0	0	1,98,055	12	0
LOANS:—						
(A) Secured.						
From Bank, secured against Sugar	1,27,027	5	3			
(B) Unsecured.						
From Others	13,08,538	11	9	14,35,566	1	0
Unclaimed Dividend				128	14	3
Deposits & Advances from Merchants and others ...				22,558	7	6
Liabilities:—						
For Goods supplied	25,467	10	3			
For Unpaid Salaries & Wages... ..	14,861	10	9			
For Expenses	2,99,357	0	2			
For Income Tax on Salaries	94	1	6	3,39,780	6	8
Profit & Loss Account:—						
Balance as per Profit & Loss Appropriation Account	47,606	8	8			
Add: Profit as per Profit & Loss Account for this year subject to provision for taxation ...	8,77,714	7	3	9,25,320	15	11
Carried Forward...				63,93,467	14	0

Mills Limited, Bombay.

31st August, 1943. (Contd.)

				Rs.	as.	ps.	Rs.	as.	ps.
			Brought Over...				26,06,013	6	9
Electric installations & Fittings at cost :—									
As per last Balance Sheet	...	...	...	21,147	3	0			
Additions during the year	...	...	...	7,743	9	0			
				28,890	12	0			
Less: Depreciation to-date	...	...	...	5,944	12	0	22,946	0	0
Furniture at Cost :—									
As per last Balance Sheet	...	...	...	23,410	8	0			
Additions during the year	...	...	...	4,463	8	3			
				27,874	0	3			
Less: Depreciation to-date	...	...	...	4,225	14	3	23,648	2	0
Weigh-Bridges at Cost :—									
As per last Balance Sheet	...	...	...	20,209	3	6			
Additions during the year	...	...	...	3,735	3	0			
				23,944	6	6			
Less: Depreciation to-date	...	...	...	5,753	5	9	18,191	0	9
Motor Cars, Lorries, Motor-Cycle & Cycles at Cost :—									
As per last Balance Sheet	...	...	...	40,726	10	9			
Additions during the year	...	...	...	1,450	0	0			
				42,176	10	9			
Less: Depreciation to-date	...	...	...	20,031	1	6	22,145	9	3
Carts & Trucks at Cost :									
As per last Balance Sheet	...	...	...	28,358	10	6			
Additions during the year	...	...	...	5,564	8	0			
				33,923	2	6			
Less: Depreciation to-date	...	...	...	7,556	2	6	26,367	0	0
Laboratory Apparatus at Cost :—									
As per last Balance Sheet	...	...	...	10,227	15	6			
Additions during the year	...	...	...	5,811	7	6			
				16,039	7	0			
Less: Depreciation to-date	...	...	...	1,464	4	6	14,575	2	6
Roads & Drainage at Cost :—									
As per last Balance Sheet	...	...	...	38,851	4	0			
Less: Depreciation to-date	...	...	...	7,382	4	0	31,469	0	0
			Carried Forward...				27,65,355	5	3

The Godavari Sugar*Balance Sheet as at*

	Rs.	as.	ps.	Rs.	as.	ps.
Brought over...				63,93,467	14	0
Carried forward...				63,93,467	14	0

Mills Limited, Bombay.

31st August, 1943. (Contd.)

					Rs.	as.	ps.	Rs.	as.	ps.
				Brought over...				27,65,355	5	3
Tools & Implements at Cost :—										
As per last Balance Sheet	...	...	...		25,037	1	9			
Additions during the year	...	...	...		5,289	3	3			
					30,326	5	0			
Less : Depreciation to-date	...	...	...		4,249	13	3	26,076	7	9
Dead Stock at Cost :—										
As per last Balance Sheet	...	...	...		26,065	13	3			
Additions during the year	...	...	...		11,079	7	0			
					37,145	4	3			
Less : Depreciation to-date	...	...	...		7,656	4	3	29,489	0	0
Library at Cost :—										
As per last Balance Sheet	...	...	...		734	14	3			
Additions during the year	...	...	...		33	2	0			
					768	0	3			
Less : Depreciation to-date	...	...	...		84	9	9	683	6	6
Medical Instruments at Cost :—										
As per last Balance Sheet	...	...	...		115	15	0			
Additions during the year	...	...	...		179	12	0			
					295	11	0			
Less : Depreciation to-date	...	...	...		40	11	0	255	0	0
Irrigation Lifts at Farms at Cost :—					1,06,803	12	1			
Less : Depreciation	...	...	...		35,601	4	3	71,202	7	10
Oil Mill Machinery at Cost :—								17,248	12	0
Stores on hand at cost :—										
As on 31/8/1943 as per Inventories valued and certified by the Managing Agents	...	...	...		7,43,304	0	1			
Stores in Transit	...	...	...		21,475	15	9	7,64,779	15	10
Live Stock at Cost :—										
As per last Balance Sheet	...	...	...		32,588	6	0			
Additions during the year	...	...	...		39,592	13	0			
					72,181	3	0			
Less: Written off	...	...	...		2,250	0	0	69,931	3	0
Stock-in-trade on 31-8-43 :—										
Sugar and Molasses at Market Rate as valued and certified by Managing Agents	...	...	...					6,54,301	14	0
Carried Forward...								43,99,323	8	2

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Over...				63,93,467	14	0
Note:—Contingent Liability of Rs. 40,000/- in respect of Machinery.						
Total Rs....				63,93,467	14	0

We have audited the Balance Sheet of The Godavari Sugar Mills Ltd., as at 31-8-43 and also the foregoing Profit & Loss Account of the Company for the year ended upon that date and report that:—

- We have obtained all the information and explanations, which we have required.
- In our opinion the foregoing Balance Sheet and Profit & Loss Account are drawn up in conformity with the law.
- 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
- In our opinion, the Books of Accounts have been kept by the Company as required by Section 130 of the Indian Companies Act.
- The Allocation of the expenditure to the capital construction, as certified by the Managing Agents has been accepted.

NANUBHAI & Co.
Registered Accountants
Auditors.

Bombay, 26th November 1943.

Mills Limited, Bombay.

31st August, 1943. (Contd.)

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Over...				43,99,323	8	2
Cane Crop in Progress:—						
Including expenses of Tillage, Preparation of land, Irrigation charges etc.				16,16,174	1	8
Prepaid Expenses				3,288	12	0
Advances:—						
For Materials & Expenses etc.... ..	50,413	9	9			
„ Lessors	63,835	7	0			
„ Employees	2,072	9	0	1,16,321	9	9
Deposits:—						
With irrigation Department Railway Co. and others				26,681	0	0
Sundry Debtors considered good (unsecured)				12,016	1	0
Due from Managing Agents on Current A/c.				1,33,325	1	0
Cash & Bank Balances:—						
In Current Account with Banks	65,258	7	5			
On Hand at Bombay and Factory Offices	21,079	5	0	86,337	12	5
Total Rs....				63,93,467	14	0

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.

NADIRSHAH RUSTOMJI MULLA
MOTILAL BALMUKAND MUTHA
RANCHHODDAS SHAMJI KOTAK
AMRITLAL HARGOVINDDAS
K. J. SOMAIYA

Chairman.

Directors.

The Godavari Sugar

Profit and Loss Appropriation Account

	Rs.	as.	ps.	Rs.	as.	ps.
To Appropriation as follows:—						
3rd Dividend on Preference Shares. ...	39,728	0	0			
" " " Ordinary Shares ...	1,31,775	15	0			
Provision for Taxes ...	1,00,000	0	0			
" " Redemption of Debentures ...	2,50,000	0	0			
Transfer to Reserve Fund ...	1,00,000	0	0	7,71,503	15	0
" " Dividend Equalisation Fund ...	1,50,000	0	0	47,606	8	8
Balance Carried to Balance Sheet ...						
	Total Rs...			8,19,110	7	8

Profit and Loss Account for the year

	Rs.	as.	ps.	Rs.	as.	ps.
To Opening Stock:—						
Sugar & Molasses ...				2,50,297	0	0
„ Sugar Cane:—						
Balance of Sugar Cane Plantation expenses as per last Balance Sheet ...	9,35,082	0	7			
Add: Amount of Expenditure during the year on plantation of cane etc....	16,40,089	14	1			
	25,75,171	14	8			
Less: Crop in Progress carried to next year as shown in the Balance Sheet ...	16,16,174	1	8	9,58,997	13	0
„ Stores, Chemicals, Fuel, Oil etc. ...				5,13,760	3	2
„ Salaries & Wages... ..				4,07,458	5	1
„ Excise Duty				5,98,855	0	3
„ Interest on Debentures & other Loans ...	1,29,485	3	2			
Less: Interest on Current Accounts with Banks etc.	5,750	12	3	1,23,734	6	11
„ Commission on Sugar Sales to Selling Agents ...				26,711	13	3
„ War Risk & other Insurance Charges ...				74,769	1	0
„ General Expenses, Including Postages & Telegrams, Printing, Stationery, Travelling Expenses, Rent & Taxes, Repairs, Medical Expenses & School Expenses, etc. ...				71,003	15	2
Carried over...				30,25,587	9	10

	Rs.	as.	ps.	Rs.	as.	ps.
By Profit as per Balance Sheet as at 31st August 1942				8,19,110	7	8
Total Rs...				8,19,110	7	8

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The Godavari Sugar

Profit and Loss Account

	Rs.	as.	ps.	Rs.	as.	ps.
Brought forward...				30,25,587	9	10
To Directors' & Auditors' Fees	1,740	0	0			
Travelling Allowance to Directors	146	7	0	1,886	7	0
„ Live Stock written off				2,250	0	0
„ Depreciation				3,39,757	10	5
„ Charity				763	0	0
„ Managing Agents' Allowance	12,000	0	0			
Managing Agents' Commission in part on Net Profit (Balance forgone)	28,313	6	0	40,313	6	0
„ Balance being Net Profit carried to Balance Sheet subject to taxation				8,77,714	7	3
Total Rs...				42,88,272	8	6

Bombay, 26th November 1943,

NANUBHAI & Co.
Registered Accountants
Auditors.

Mills Limited, Bombay.*for the year ended 31st August, 1943. (Contd.)*

	Rs.	as.	ps.	Rs.	as.	ps.
Brought forward...				42,88,272	8	6
Total Rs...				42,88,272	8	6

K. J. SOMAIYA & SONS,
Managing Agents.

NADIRSHAH RUSTOMJI MULLA
MOTILAL BALMUKUND MUTHA
RANCHHODDAS SHAMJI KOTAK
AMRITLAL HARGOVINDDAS
K. J. SOMAIYA

Chairman.

Directors.