

**THE  
GODAVARI SUGAR MILLS  
LIMITED.**

---

**REPORT**

of the

**DIRECTORS**

with

**STATEMENT OF ACCOUNTS**

**For the year ended 31st August 1944.**

---

**BOMBAY.**

**1944.**

# 1944

## 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 **Fifth Ordinary General Meeting**, of The Godavari Sugar Mills Ltd., will be held on Friday the 22nd December 1944 at 2 P.M. (S. T.) at the Registered Office of the Company, Fazalbhoy 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 31 August 1944.
2. To declare Dividend.
3. To elect Directors in place of Mr. N. R. Mulla & Dewan Bahadur M. B. Mutha 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 1944 to the 28th December 1944, both days inclusive.

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

*Bombay, 1st December 1944.*

*N.B.*—The Dividend when declared will be made payable at the Registered office of the Company on and after the 15th January 1945. Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 15th December 1944.

# THE GODAVARI SUGAR MILLS LTD.

BOMBAY.

## DIRECTORS' REPORT, 1944.

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 1944 which shows a net profit of Rs. 4,50,213-3-2 after providing Rs. 3,18,412-15-4 for depreciation, which, with the balance of Rs. 65,320-15-11 brought forward from the last year's Profit and Loss Account, leaves an amount of Rs. 5,15,534-3-1 which your Directors propose to dispose of as follows :—

Debenture Redemption Fund	...	...	Rs. 1,00,000	0	0
Reserve Fund	...	...	50,000	0	0
Provision for Taxation	...	...	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	...	...	55,534	3	1
Total Rs.			5,15,534	3	1

At the request of your Directors, the Managing Agents have very kindly agreed to give up their commission amounting to Rs. 31,950-14-0.

Your Directors regret to inform you that the Factory at Lakshmiwadi again did not work satisfactorily this year also, as the essential parts of the machinery were not obtainable in spite of all possible efforts to secure them.



During the year labour difficulties were very acute. It was very difficult to get labour not only for harvesting and carting cane during crushing season, but even for day to day work. Owing to this, Sakarwadi factory, which your Directors hoped to start in November, could not be started upto December. Even then in the beginning your Directors had to be satisfied with partial crushing, and full normal working was done only from February to April. During May, crushing was again only partial. Labour trouble has worsened since then. In spite of all these difficulties, the working of the Sakarwadi factory was quite satisfactory and recovery from this factory this year, was 11.44 (average), which was better by .71% over last season.

The yield per acre of sugarcane for the area harvested for crushing was about 44 tons.

Owing to labour shortage at Sakarwadi factory and early closing of Lakshmiwadi factory, sugarcane only on an area of 2,190 acres could be crushed, leaving a large carryover of 1,058 acres.

The transport problem is also very difficult owing to shortage of bullocks and carts. Other factories, who had started before the war, have their own arrangement for transport of cane by railway and are better off in this respect.

Another trouble was of Oilcake for manure. In the beginning oilcake could not be transported due to wagon difficulties, and thereafter the same being controlled by Government, it was difficult to be had in time. Certain sections of your cane, therefore, could not be manured for a period of three to four months, which affected the standing cane and, therefore, the crops for crushing this season are not upto the required standard.

New Adsali plantation programme could not be carried out according to scheme, partly because the rains were continuous this year and so field operations could not be carried out, and partly because of difficulty in obtaining spare parts of Tractors. Tractors were kept idle for long periods owing to scarcity of spares which were not only not available, but could not be manufactured in India.

The condition of new cane is satisfactory. Aereage of cane crop as on 31-8-44 is 4207.

As regards the current season, only recently Sakarwadi factory has started crushing partially owing to labour shortage. It is expected to run in full swing by the end of December.

Most of the machinery of Lakshmiwadi factory has been repaired and where possible replaced under the supervision of our new engineer and the overhauling of the factory is expected to be complete by the first week of January, when we hope to start it, if the necessary labour is available.

Two of your Directors, Dewan Bahadur M. B. Mutha and Mr, N. R. Mulla 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, 24th November 1944.*

# The Godavari Sugar

Balance Sheet as at

CAPITAL & LIABILITIES.	Rs.	as.	ps.	Rs.	as.	ps.
<b>CAPITAL:—</b>						
<b>Authorised :</b>						
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' notice of the intention to so redeem the same ...	10,00,000	0	0			
	20,00,000	0	0			
<b>Issued, Subscribed &amp; Paid Up :—</b>						
10,000 Ordinary Shares @ Rs. 100/- each ...	10,00,000	0	0			
40,00, 6% Free of Income Tax Redeemable Cumulative Preference Shares @ Rs. 250/- each ...	10,00,000	0	0	20,00,000	0	0
<b>Debenture Redemption Fund</b> ...				6,00,000	0	0
<b>Reserve Fund</b> ...				4,00,000	0	0
<b>Mortgage Debentures :—</b>						
700, 6% Free of Income Tax Mortgage Debentures of Rs. 1,000/- each ...	7,00,000	0	0			
Interest on Debentures ...	22,421	14	0	7,22,421	14	0
<b>Carried Over...</b>				3,722,421	14	0

# Mills Limited, Bombay.

31st August, 1944.

PROPERTY & ASSETS.					Rs.	as.	ps.	Rs.	as.	ps.
FIXED CAPITAL EXPENDITURE:—										
Freehold land:—										
Cost to 31-8-1943	...	...	...	...	59,863	0	9			
Additions since	...	...	...	...	13,629	13	0	73,492	13	9
Buildings:—										
Cost to 31-8-43	...	...	...	...	6,24,741	4	4			
Additions since	...	...	...	...	53,110	3	7			
					6,77,851	7	11			
Less: depreciation up to 31-8-43	...	...	...	...	60,059	12	1			
.. depreciation this year					28,164	3	7	5,89,627	8	3
Temporary Quarters:										
Cost to 31-8-43	...	...	...	...	2,07,971	2	6			
Additions since	...	...	...	...	20,496	12	9			
					2,28,467	15	3			
Less: depreciation up to 31-8-43	73,268	9	6							
.. this year	14,021	12	9		87,290	6	3	1,41,177	9	0
At Farms:—Cost to 31-8-43					77,267	13	0			
Additions since	...	...	...	...	7,283	0	10			
					84,550	13	10			
Less: depreciation up to 31-8-43	40,979	8	6							
.. this year	5,043	0	10		46,022	9	4	38,528	4	6
Plant & Machinery:—										
General:										
Cost to 31-8-43	...	...	...	...	20,10,079	9	8			
Additions since	...	...	...	...	61,717	12	6			
					20,71,797	6	2			
Less: depreciation up to 31-8-43	...	...	...	...	4,70,129	9	5			
.. depreciation this year	1,72,291	12	6		6,42,421	5	11	14,29,376	0	3
Electric:—										
Cost to 31-8-43	...	...	...	...	2,56,384	12	6			
Additions since	...	...	...	...	852	0	0			
					2,57,236	12	6			
Less: depreciation up to 31-8-43	...	...	...	...	1,20,499	12	6			
.. depreciation this year	21,279	0	0		1,41,778	12	6	1,15,458	0	0
Carried Over...								23,87,660	3	9



# The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...				37,22,421	14	0
Dividend Equalization Fund ... ..				3,00,000	0	0
Provision for Taxation:—						
As per last Balance Sheet ... ..	1,98,055	12	0			
Add: Provision from 1942-43 Profit ...	50,000	0	0	2,48,055	12	0
LOANS:—						
(a) Secured:						
From Bank, secured against sugar ...	8,17,454	3	9			
(b) Unsecured:						
From others ... ..	1,849,264	7	3	26,66,718	11	0
Unclaimed Dividend ... ..				298	12	0
Deposits and Advances from Merchants and others...				1,35,033	0	9
Liabilities:—						
For Goods supplied ... ..	39,589	6	0			
„ Unpaid Salaries and Wages ... ..	17,502	11	6			
„ Expenses ... ..	2,94,854	8	2			
„ Income Tax on Salaries... ..	844	13	0	3,52,791	6	8
Profit & Loss Account :—						
Balance as per Profit & Loss Appropriation Account ... ..	65,320	15	11			
Add: Profit as per Profit & Loss Account for this year subject to Provision for taxation ... ..	450,213	3	2	5,15,534	3	1
Carried Over...				7,940,853	11	6

# Mills Limited, Bombay.

31st August 1944. (Contd.)

Brought Forward...					Rs.	as.	ps.	Rs.	as.	ps.
								23,87,660	3	9
Agricultural: Cost to 31-8-43	...	...	...	...	2	09,547	14	0		
Less: Machinery sold	...	...	...	...	26,625	3	0			
					1,82,922	11	0			
Additions since	...	...	...	...	20,607	11	3			
					2,03,530	6	3			
Less: depreciation up to 31-8-43	74,904	14	0							
" " this year	19,293	8	3		94,198	6	3	109,332	0	0
Electric Installations & Fittings:—										
Cost to 31-8-43	...	...	...	...	28,890	12	0			
Additions since	...	...	...	...	293	6	6			
					29,184	2	6			
Less: depreciation up to 31-8-43	5,944	12	0							
" " this year	2,276	6	6		8,221	2	6	20,963	0	0
Furniture:—										
Cost to 31-8-43	...	...	...	...	27,874	0	3			
Additions since	...	...	...	...	1,549	10	3			
					29,423	10	6			
Less: depreciation up to 31-8-43	4,225	14	3							
" " this year	1,524	10	3		5,750	8	6	23,673	2	0
Weigh Bridges:—										
Cost to 31-8-43	...	...	...	...	23,944	6	6			
Less: depreciation up to 31-8-43	5,753	5	9							
" " this year	2,072	0	0		7,825	5	9	16,119	0	9
Motor Cars, Lorries, Motor Cycles, etc.:—										
Cost to 31-8-43	...	...	...	...	42,176	10	9			
Less: cost of motor car, etc. sold	...	...	...	...	1,387	0	0			
					40,789	10	9			
Less: depreciation up to 31-8-43	20,031	1	6							
" " this year	4,519	0	0							
					24,550	1	6			
Depreciation already provided in previous years for motor cars sold	...	...	...	...	759	0	0	23,791	1	6
Carried Over...								16,998	9	3
								25,74,745	15	9

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...				79,40,853	11	6
Carried Over...				79,40,853	11	6

**Mills Limited, Bombay.**

31st August 1944. (Contd.)

					Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...								25,74,745	15	9
<b>Carts &amp; Trucks:—</b>										
Cost to 31-8-43	...	...	...	...	33,923	2	6			
Additions since	...	...	...	...	524	2	3			
					34,447	4	9			
Less: depreciation up to 31-8-43	7,556	2	6		9,306	4	9	25,141	0	0
"    this year	1,750	2	3							
<b>Laboratory Apparatus:</b>										
Cost to 31-8-43	...	...	...	...	16,039	7	0			
Less: Depreciation up to 31-8-43	1,464	4	6		2,299	4	6	13,740	2	6
"    this year	8,35	0	0							
<b>Roads &amp; Drainage:</b>										
Cost to 31-8-43	...	...	...	...	38,851	4	0			
Less: Depreciation up to 31-8-43	7,382	4	0		10,528	4	0	28,323	0	0
"    this year	3,146	0	0							
<b>Tools &amp; Implements:</b>										
Cost to 31-8-43	...	...	...	...	30,326	5	0			
Less: Cost of tools sold	...	...	...	...	1,510	9	11			
					28,815	11	1			
Additions since	...	...	...	...	1,318	12	3			
					30,134	7	4			
Less: Depreciation up to 31-8-43	4,249	13	3		5,864	15	7	24,269	7	9
"    this year	1,615	2	4							
<b>Dead Stock:</b>										
Cost to 31-8-43	...	...	...	...	37,145	4	3			
Additions since	...	...	...	...	2,074	15	3			
					39,220	3	6			
Less: Depreciation up to 31-8-43	7,656	4	3		9,716	9	0	29,503	10	6
"    this year	2,060	4	9							
Carried Over...								26,95,723	4	6



## The Godavari Sugar

Balance Sheet as at

[illegible]

# Mills Limited, Bombay.

31st August 1944. (Contd.)

Brought Forward...					R.	a.	p.	Rs.	a.	p.
								26,95,723	4	6
Library:										
Cost to 31-8-43	...	...	...	...	768	0	3			
Additions since	...	...	...	...	493	4	6			
					1,261	4	9			
Less: Depreciation up to 31-8-43	84	9	9							
" " this year	68	10	6		153	4	3	1,108	0	6
Medical Instruments:										
Cost to 31-8-43	...	...	...	...	295	11	0			
Additions since	...	...	...	...	67	0	0			
					362	11	0			
Less: Depreciation up to 31-8-43	40	11	0							
" " this year	32	0	0		72	11	0	290	0	0
Irrigation Lifts:—										
Cost to 31-8-43	...	...	...	...	1,06,803	12	1			
Additions since	...	...	...	...	44,058	13	0			
					1,50,862	9	1			
Less: Depreciation up to 31-8-43	35,601	4	3							
" " this year	38,420	4	10		74,021	9	1	76,841	0	0
Oil Mill:—										
Building at cost	...	...	...	...	34,086	6	9			
Machinery cost to 31-8-43	17,248	12	0							
Additions since	15,314	2	6		32,562	14	6	66,649	5	3
Stores on hand at cost:—										
As on 31-8-1944 as per Inventories, valued and certified by the Managing Agents	...	...	...	...	7,94,595	13	11			
Stores in Transit	...	...	...	...	19,222	3	0	8,13,818	0	11
Livestock:—										
Cost to 31-8-1943	...	...	...	...	69,931	3	0			
Additions since	...	...	...	...	26,102	15	0			
					96,034	2	0			
Less: written off...	...	...	...	...	3,250	0	0	92,784	2	0
Stock-in-Trade:—										
Sugar and molasses at market rate, as valued and certified by the Managing Agents	...	...	...	...				17,27,222	14	1
Crane Crops in Progress (at cost), including expenses of Tillage, Preparation of Land, Irrigation charges, etc.	...	...	...	...				19,05,081	9	11
Carried Over...								73,79,518	5	2

## The Godavari Sugar

## Balance Sheet as at

[illegible]

We have audited the Balance Sheet of the Godavari Sugar Mills Ltd., as at 31st August 1944, 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, which 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 and explanations given to us and as shown by the Books of the Company.
- (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

**NANUBHAI & Co.**  
*Registered Accountants*  
*Auditors.*

*Bombay, 22nd November 1944.*

# Mills Limited, Bombay.

31st August 1944. (Contd.)

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...				73,79,518	5	2
<b>Advances:—</b>						
To Lessors ... ..	44,523	5	8			
Against materials and expenses ... ..	1,25,953	15	11			
Against pre-paid insurance, etc. ... ..	43,856	12	6			
To Employees ... ..	3,119	11	6	2,17,453	13	7
<b>Deposits:—</b>						
With Irrigation Department, Railway Company & Others ... ..				27,986	0	0
<b>Book-debts:—</b>						
Unsecured—considered good ... ..	62,678	7	0			
Managing Agents' Current A/c. ... ..	1,36,196	5	8	1,98,874	12	8
<b>Cash &amp; Bank Balances:—</b>						
In current A/cs. with Banks ... ..	1,04,037	9	10			
On hand at Bombay and Factories ... ..	12,983	2	3	1,17,020	12	1
Total Rs...				79,40,853	11	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.

NADIRSHAH RUSTOMJI MULLA *Chairman.*

RANCHHODDAS SHAMJI KOTAK  
AMRITLAL HARGOVINDDAS  
K. J. SOMAIYA } *Directors.*



## The Godavari Sugar

### Profit and Loss Appropriation Account

	Rs.	as.	ps.	Rs.	as.	ps.
<b>To Appropriation as follows:—</b>						
Dividend on Preference Shares ... ..	60,000	0	0			
Dividend on Ordinary Shares ... ..	2,00,000	0	0			
Provision for Taxation ... ..	50,000	0	0			
Provision for Redemption of Debentures ... ..	2,00,000	0	0			
Transfer to Reserve Fund ... ..	2,00,000	0	0			
Transfer to Dividend Equalisation Fund ... ..	1,50,000	0	0	8,60,000	0	0
Balance carried to Balance Sheet ... ..				65,320	15	11
	Total Rs...			9,25,320	15	11

### Profit and Loss Account for the year

	Rs.	as.	ps.	Rs.	as.	ps.
<b>To Opening Stock:—</b>						
Sugar and Molasses ... ..				6,54,301	14	0
<b>„ Sugar Cane:—</b>						
Crops in progress as per last Balance Sheet	16,16,174	1	8			
Add Expenditure during the year on Cane Plantation ... ..	17,34,067	8	3			
	33,50,241	9	11			
Less: Crops in Progress carried to next year	19,05,081	9	11	14,45,160	0	0
„ Stores, Chemicals, Fuel Oil etc. ... ..				7,74,843	7	9
„ Salaries and Wages ... ..				4,89,845	6	2
„ Excise Duty ... ..				4,40,707	12	4
„ Interest on Debentures and other loans ... ..	1,84,000	10	1			
Less: Interest on current accounts with Banks, etc	26,119	15	10	1,57,880	10	3
„ Commission on Sugar Sales ... ..				26,826	11	0
„ War Risk and other Insurance charges ... ..				55,573	1	0
				40,45,138	14	6
Carried Over...						

**Mills Limited, Bombay.**

for the year ended 31st August, 1943.

By Profit as per Balance Sheet as at 31st August 1943 ... ..	Rs. as ps.	Rs. as ps.
		9,25,320 15 11
	Total Rs ...	9,25,320 15 11

ended 31st August, 1944.

[illegible]

# The Godavari Sugar

## Profit and Loss Account

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...				40,45,138	14	6
To General Expenses, including Postage and Telegrams, Printing and Stationery, Travelling Expenses, Rent and Taxes, Medical Expenses, School Expenses, etc. ...				1,05,428	0	11
„ Directors' and Auditors' Fees... ..	1,720	0	0			
„ Travelling Allowance to Directors ... ..	290	12	0	2,010	12	0
„ Livestock written off ... ..				3,250	0	0
„ Depreciation ... ..				3,18,412	15	4
„ Charity ... ..				2,461	0	0
„ Managing Agents' Allowance... ..	12,000	0	0			
„ Managing Agents' Commission in part on Net Profit (Balance foregone) ... ..	14,522	12	0	26,522	12	0
„ Balance being NET PROFIT carried to Balance Sheet subject to Taxation ... ..				4,50,213	3	2
Total Rs....				49,53,437	9	11

Bombay, 22nd November 1944.

**NANUBHAI & Co.**  
Registered Accountants  
Auditors.

Brought Forward...	Rs.	as. ps.	Rs.	as. ps.
			49,53,437	9 11
Total Rs....			49,53,437	9 11

NADIRSHAH RUSTOMJI MULLA	<i>Chairman.</i>
RANCHHODDAS SHAMJI KOTAK	<i>Directors.</i>
AMRITLAL HARGOVINDDAS	
K. J. SOMAIYA	