

THE
GODAVARI SUGAR MILLS,
LIMITED

REPORT
of the
DIRECTORS

with

STATEMENT OF ACCOUNTS

For the period ended 31st May, 1945.

BOMBAY

1945.

1945

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,
FORT, BOMBAY No. 1.

The Godavari Sugar Mills, Limited, BOMBAY.



NOTICE is hereby given that the **Sixth Ordinary General Meeting**, of The Godavari Sugar Mills Ltd., will be held on Friday the 28th December 1945 at 12-30 P. M. (S. T.) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Fort, Bombay No. 1, to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the period ended 31st May, 1945.
2. To declare Dividend.
3. To elect Directors in place of Mr. R. S. Kotak & 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 21st December, 1945 to the 4th January, 1946, both days inclusive.

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

Bombay, 3rd December, 1945.

N. B.—The Dividend when declared will be made payable at the Registered office of the Company on and after the 25th January, 1946. Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 21st December, 1945.

THE GODAVARI SUGAR MILLS, LTD., BOMBAY.

DIRECTORS' REPORT, 1945.

To,
The Shareholders,
The Godavari Sugar Mills Ltd.

Gentlemen,

Your Directors beg to submit their Report and Audited Statements of Accounts for the period ended 31st May, 1945 which shows a net profit of Rs. 5,41,559-0-4 after providing Rs. 3,11,859-15-9 for depreciation, which with the balance of Rs. 55,534-3-1 brought forward from last year, amounts to Rs. 5,97,093-3-5 which your Directors propose to dispose of as follows:—

Reserve Fund	...	...	...	Rs.	1,00,000	0	0
Dividend Equalisation Fund	...	...	...	"	75,000	0	0
Provision for Housing	...	...	...	"	1,00,000	0	0
Provision for Provident Fund to start from							
1st June 1946	...	...	...	"	20,000	0	0
Dividend on Preference Shares at the rate of							
6% free or Incometax	...	...	...	"	45,000	0	0
Dividend on Ordinary Shares @ 20% free of							
Incometax	...	...	...	"	2,00,000	0	0
Balance carried to next year	...	...	...	"	57,093	3	5
Total Rs.					5,97,093	3	5

As done during the past two years, this year also the Managing Agents agreed to give up their commission amounting to Rs. 38,402-6-0.

Your Directors decided to change the Accounting year which constituted a period from the 1st of September to the 31st August so far, to the period from the 1st June to the 31st May, and also to close the accounts for the year 1944-45 on the 31st May 1945. Therefore the statement of Accounts submitted herewith is for a period of nine months only from the 1st September, 1944 to the 31st of May, 1945.

During the period under report, the Management was confronted with the serious difficulties in securing Farm and Harvesting labour and Carting problems. Your Directors, however, did all that was possible under the circumstances to obtain the best possible results.

Your Directors beg to refer you to the fact that last year there was a large carry-over of more than a thousand acres of cane. This has materially affected this year's results by giving a low out-turn of sugarcane which would otherwise have been higher and would have yielded better results.

The necessary repairs and replacements in the Lakshmiwadi factory are being effected as materials are being available and your Directors expect that it will show better results in the current season. Some important parts which have been ordered from U.K. and the U.S.A., have not still arrived. It is hoped that these will be received at an early date. Lakshmiwadi factory crushed more than double the quantity of sugar-cane during the season under report as compared to the previous year.

The Sakarwadi factory worked satisfactorily.

Your Directors had to face many difficulties on the Agricultural side such as lack of sufficient agricultural labour, to carry out the necessary field operations, the continued shortage of the required Tractor-spares and agricultural implements and insufficient supply of water from irrigation Department.

The Food crop Act also affected the result as certain portion of the lands had to be switched over to growing food grains and the Labour had to be diverted there.

The new plantation programme was not very satisfactory. The crops have not fared well for want of rains for a long time, but luckily the end of the Monsoon saw good rains and the situation improved slightly.

The total cane crop available for 1945-46 is 3,491 acres.

To solve the problem of transport permanently, your Directors have taken up in earnest the scheme of installing a light Railway from the Farms to the Factory to be completed gradually as circumstances permit. All the materials for the first instalment have been obtained and the work is in progress.

Your Directors are also glad to inform you that during the period under Report, the Management was able to secure a quota of sugar for Confectionery.

A Provident Fund Scheme for certain class of employees is being framed and the Directors hope to put it into force from the commencement of next year, i.e., 1st of June, 1946.

Two of your Directors, Mr. R. S. Kotak and Dewan Bahadur M. B. Mutha retire in accordance with Article 93 of Articles of Association, but being eligible, offer themselves for reelection.

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, 3rd December, 1945.

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 Share 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 month's notice of the intention to so redeem the same	10,00,000	0	0			
	20,00,000	0	0			
Issued, Subscribed & Paid Up:—						
10,000 Ordinary Shares at the rate of Rs. 100/- each	10,00,000	0	0			
4,000 6% Free of Income Tax Redeemable Cumulative Preference Shares at the rate of Rs. 250/- each	10,00,000	0	0	20,00,000	0	0
Debenture Redemption Fund				7,00,000	0	0
Reserve Fund				4,50,000	0	0
Mortgage Debentures :—						
700 6% Free of Income Tax Mortgage Debentures of Rs 1,000/- each ...	7,00,000	0	0			
Interest on Debentures	9,035	6	0	7,09,035	6	0
Dividend Equalization Fund				3,00,000	0	0
Provision for Taxation :—						
As per last Balance Sheet	2,48,055	12	0			
Add : Provision from 1943-44 Profit ...	50,000	0	0	2,98,055	12	0
LOANS :—						
(a) Secured :						
From Bank, secured against Sugar... ..	9,09,693	11	6			
(b) Unsecured :						
From others	26,77,389	1	0	35,87,082	12	6
Unclaimed Dividend...				889	12	0
Deposits and Advances from Merchants and others...				14,162	0	8
Carried Over...				80,59,225	11	2

Mills Limited, Bombay.

31st May, 1945.

PROPERTY & ASSETS.					Rs.	as.	ps.	Rs.	as.	ps.
FIXED CAPITAL EXPENDITURE :—										
Free hold land :—										
Cost to 31-8-44	73,492	13	9	85,752	6	9
Additions since	...	...	...	...	12,259	9	0
Buildings :—										
Cost to 31-8-44	6,77,851	7	11	6,71,864	8	4
Add: Oil Mill Building as per last Balance Sheet	...	...	...	...	34,086	6	9
Additions since	...	...	...	...	70,783	15	1
					7,82,721	13	9			
Less: depreciation up to 31-8-44	88,223	15	8		1,18,886	5	6			
" " this period	30,662	5	10		6,63,835	8	3			
Distillery building under construction	...				8,029	0	1			
Temporary Quarters :—										
Cost to 31-8-44	2,28,467	15	3	1,33,612	9	0
Additions since	...	...	...	...	5,844	1	5
					2,34,312	0	8			
Less: depreciation up to 31-8-44	87,290	6	3		1,00,699	7	8			
" " this period	13,409	1	5							
At Farms :—										
Cost to 31-8-44	84,550	13	10	38,167	4	6
Additions since	...	...	...	...	4,652	5	3
					89,203	3	1			
Less: depreciation up to 31-8-44	46,022	9	4		51,035	14	7			
" " this period	5,013	5	3							
Plant and Machinery :—										
General :										
Cost to 31-8-44	20,71,797	6	2	13,37,062	0	3
Add: Oil Mill Machinery as per last Balance Sheet	...	...	...	...	32,562	14	6
Additions since	...	...	...	...	41,341	7	3
					21,45,701	11	11			
Less: depreciation up to 31-8-44	6,42,421	5	11		8,08,639	11	8			
" depreciation this period	1,66,218	5	9							
Carried Over...										
								22,66,458	12	10

[illegible]

Mills Limited, Bombay.

31st May 1945. (Contd.)

					Rs.	as.	ps.	Rs.	as.	ps.
								25,48,513	6	4
				Brought Forward...						
Carts & Trucks :—					34,447	4	9			
Cost to 31-8-44	...	...	...	...	13,895	5	9			
Additions since	...	...	...	...	48,342	10	6			
Less: depreciation up to 31-8-44	9,306	4	9		11,784	10	6	36,558	0	0
" " this period...	2,478	5	9							
Laboratory Apparatus :—					16,039	7	0			
Cost to 31-8-44	...	...	...	...	1,395	12	0			
Additions since	...	...	...	...	17,435	3	0			
Less: depreciation up to 31-8-44	2,299	4	6		3,169	0	6	14,266	2	6
" " this period...	869	12	0							
Roads & Drainage :—					38,851	4	0			
Cost to 31-8-44	...	...	...	...	4,510	5	9			
Additions since	...	...	...	...	43,361	9	9			
Less: depreciation up to 31-8-44	10,528	4	0		13,810	9	9	29,551	0	0
" " this period...	3,282	5	9							
Tools & Implements :—					30,134	7	4			
Cost to 31-8-44	...	...	...	...	4,696	9	1			
Additions since	...	...	...	...	34,831	0	5			
Less: depreciation up to 31-8-44	5,864	15	7		7,664	8	8	27,166	7	9
" " this period...	1,799	9	1							
Dead Stock :—					39,220	3	6			
Cost to 31-8-44	...	...	...	...	923	1	0			
Additions since	...	...	...	...	40,143	4	6			
Less: depreciation up to 31-8-44	9,716	9	0		11,708	10	0	28,434	10	6
" " this period...	1,992	1	0							
Library :—					1,261	4	9			
Cost to 31-8-44	...	...	...	...	790	4	0			
Additions since	...	...	...	...	2,051	8	9			
Less: depreciation up to 31-8-44	153	4	3		264	2	3	1,787	6	6
" " this period...	110	14	0							
Medical Instruments :—					362	11	0			
Cost to 31-8-44	...	...	...	...		
Less: depreciation up to 31-8-44	72	11	0		100	11	0	262	0	0
" " this period...	28	0	0							
				Carried Over...				26,86,539	1	7

Mills Limited, Bombay.

31st May 1945. (Contd.)

	Rs.	as.	ps.		Rs.	as.	ps.
Brought Forward...	.....				26,86,539	1	7
Irrigation Lifts :—							
Cost to 31-8-44	1,50,862	9	1				
Additions since	30,666	6	5				
	1,81,528	15	6				
Less: depreciation up to 31-8-34 74,021 9 1							
" " this period 35,835 6 5	1,09,856	15	6		71,672	0	0
Stores, Grains, Etc. on hand at costs :—							
As on 31-5-45 as per Inventories, valued and certified by the Managing Agents ...	9,37,934	7	8				
Stores in Transit	48,415	13	6		9,86,350	5	2
Live Stock :—							
Cost to 31-8-44	92,784	2	0				
Additions since	18,083	4	6				
	1,10,867	6	6				
Less; Written off	8,620	0	0		1,02,247	6	6
Stock in Trade :—							
Sugar, Confectionery, Molasses, Oil and Oil Cake at market rate as valued and certified by the Managing Agents					29,11,791	4	11
Cane Crops in Progress (at cost) including expenses of tillage Preparation of land, Irrigation charges etc.					15,94,586	12	1
Advances :—							
To Lessors	40,412	9	4				
Against Materials and expenses	2,47,298	2	11				
Against Prepaid Insurance etc.	7,047	11	0				
To employees	3,348	13	0		2,98,107	4	3
Carried Over...					86,51,294	2	6

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...				93,08,176	1	9
Contingent Liabilities:—						
In respect of Machinery	40,000	0	0			
In respect of Land, a Suit for which is pending in High Court	22,100	0	0			
	62,100	0	0			
Total Rs...				93,08,176	1	9

Report of the Auditors to the Share-Holders.

We have audited the Balance Sheet of the Godavari Sugar Mills, Ltd., as at 31st May, 1945 and also the foregoing Profit and Loss Account of the Company for the period 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 and 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 and explanations given to us and as shown by the Books of the Company.
- In our opinion the Books of Accounts have been kept by the Company as required by Section 130 of the Indian Company's 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, 3rd December, 1945.

Mills Limited, Bombay.

31st May 1945. (Contd.)

	Rs.	as	ps.	Rs.	as.	ps.
Brought Forward...				86,51,294	2	6
Deposits:—						
With Irrigation Department Railway Company and others				56,078	8	4
Books Debts:—						
Unsecured considered good	4,17,358	13	1			
Managing Agents' Current Account ...	1,36,613	14	8	5,53,972	11	9
Cash & Bank Balances:—						
In Current Account with Banks	20,351	8	3			
On hand at Bombay and Factories	26,479	2	11	46,830	11	2
Total Rs. ...				93,08,176	1	9

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

K. J. SOMAIYA & SONS, <i>Managing Agents.</i>	NADIRSHAH RUSTOMJI MULLA	} <i>Directors.</i>
	AMRITLAL HARGOVINDDAS	
	M. B. MUTHA	
	RANCHHODDAS SHAMJI KOTAK	
	K. J. SOMAIYA	

The Godavari Sugar

Profit and Loss Appropriation Account

To Appropriation :—	Rs.	as.	ps.	Rs.	as.	ps.
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	1,00,000	0	0			
Transfer to Reserve Fund	50,000	0	0	4,60,000	0	0
Balance carried to Balance Sheet				55,534	3	1
	Total Rs...			5,15,534	3	1

Profit and Loss Account for the period

To Opening Stock :—	Rs.	as.	ps.	Rs.	as.	ps.
Sugar and Molasses				17,27,222	14	1
Sugar Cane:—						
Crop in progress as per last Balance Sheet ...	19,05,081	9	11			
Add : Expenditure during the year on cane plantation	18,98,863	2	2			
	38,03,944	12	1			
Less : Crop in progress carried to next year...	15,94,586	12	1	22,09,358	0	0
„ Stores, Chemicals, Fuel Oil etc.				9,93,307	4	10
„ Salaries and Wages				4,46,914	2	5
„ Excise Duty				10,55,479	5	6
„ Interest on Debentures and other loans	1,77,727	15	3			
Less : Interest on current accounts etc. received ...	23,395	8	1	- 1,54,332	7	2
„ Commission on Sugar Sales				- 39,404	10	0
„ War Risk and other Insurance charges				- 31,645	4	0
Carried Over...				66,57,664	0	0

Mills Limited, Bombay.

for the year ended 31st August, 1944.

for the year ended 31st August, 1944.					Rs. as. ps.			Rs. as. ps.		
By Profit as per Balance Sheet as at 31st August, 1944	...	...	...	...				5,15,534	3	1
					Total Rs...			5,15,534	3	1

ended 31st May, 1945.

					Rs.	as.	ps.	Rs.	as.	ps.
By Sales:					46,26,684	13	9			
„ Sugar and Confectionery	...	...	...	...	51,293	3	1	47,39,221	3	4
„ Molasses	...	...	...	...	61,243	2	6	4,533	9	8
„ Oil and Oilcake...	...	...	...	...				433	0	0
„ Interest from Lessors	...	...	...	...				56,071	15	0
„ Profit on Sale of Motor Car	...	...	...	...				6	8	0
„ Sundry receipts from Farm produce	...	...	...	...				5,880	0	3
„ Transfer Fees etc.	...	...	...	...		
„ Others Receipts	...	...	...	...		
Stock on hand as on 31-5-45:					27,94,888	14	9			
Sugar and Confectionery	...	...	...	...	1,00,844	6	2			
Molasses	...	...	...	...	16,058	0	0	29,11,791	4	11
Oil and Oilcake	...	...	...	...		
Carried Over...								77,17,937	9	2

The Godavari Sugar

Profit and Loss Account

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward ...				66,57,664	0	0
To General Expenses, including Postage and Telegrams, Printing and Stationary, Travelling Expenses, Rent and Taxes etc. ...				- 1,29,633	0	4
„ Directors' and Auditors' Fees ...				1,440	0	0
„ Livestock written off ...				8,620	0	0
„ Loss on Food Grains supplied to Staff ...				40,705	14	9 ✓
„ Depreciation ...				3,11,859	15	9
„ Managing Agents' Allowance ...	9,000	0	0			
„ Managing Agents' Commission in part on NET PROFIT (Balance forgone) ...	17,455	10	0	26,455	10	0
Balance being NET PROFIT carried to Balance Sheet subject to Taxation ...				5,41,559	0	4
Total Rs. ...				77,17,937	9	2

Bombay, 3rd December, 1945.

NANUBHAI & Co.
Registered Accountants,
Auditors.

Mills Limited, Bombay.

for the period ended 31st May, 1945. (Contd.)

	Rs.	as.	ps.
Brought Forward...	77,17,937	9	2
Total Rs. ...	77,17,937	9	2

K. J. SOMAIYA & SONS,
Managing Agents.

NADIRSHAH RUSTOMJI MULLA *Chairman*
 AMRITLAL HARGOVINDAS
 M. B. MUTHA
 RANCHHODDAS SHAMJI KOTAK
 K. J. SOMAIYA *Directors.*