

THE
GODAVARI SUGAR MILLS,
LIMITED

REPORT

OF THE

DIRECTORS

WITH

STATEMENT OF ACCOUNTS

FOR THE PERIOD ENDED 31ST MAY, 1946

BOMBAY

1946.

Shantilal & Co. Fort, Bombay.

1946
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, (*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.

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NOTICE is hereby given that the **Seventh Ordinary General Meeting** of the Godavari Sugar Mills Ltd. will be held on Tuesday the 31st December 1946, 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, 1946.
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 24th December, 1946 to the 7th January, 1947. both days inclusive.

By order of the Board of Directors,

K. J. SOMAIYA & SONS,

Bombay, 14th December 1946.

Managing Agents.

N. B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 29th January, 1947. Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 24th December, 1946.

THE GODAVARI SUGAR MILLS, LTD.,

BOMBAY.

DIRECTORS' REPORT. 1946.

To

The Shareholders,

The Godavari Sugar Mills Ltd.

Gentlemen,

Your Directors beg to submit their Report and Audited Statement of Accounts for the period ended 31st May 1946 which shows a net profit of Rs. 5,62,126-3-5 after providing Rs. 2,88,082-0-2 for depreciation, which with the balance of Rs. 57,093-3-5 brought forward from last year, amounts to Rs. 6,19,219-6-10 which your Directors propose to dispose of as follows :—

Reserve Fund	...	...	...	Rs.	2,00,000	0	0
Provision for Housing...	...	...	...	"	50,000	0	0
Dividend on Preference Shares at the rate of 6% free of Incometax	...	...	...	"	60,000	0	0
Dividend on Ordinary Shares @ 20% free of Incometax	...	...	...	"	2,00,000	0	0
Balance carried to next year	..	...	...	"	1,09,219	6	10
Total Rs.					6,19,219	6	10

As done during past three years, this year also, at the request of the Directors, the Managing Agents agreed to give up their commission amounting to Rs. ~~58,028-5-0~~.

39,894-6-0

During the period under report both the factories showed satisfactory working. While Sakarwadi Factory worked satisfactorily as usual, Lakshmiwadi Factory showed an improvement as most of the necessary repairs and replacements have been carried out.

Your Directors, however, beg to refer to the fact that the difficulties in respect of Farm and Harvesting and Carting labour yet continued and though there was no large carryover, the season had to be prolonged necessitating the working of Sakarwadi Factory till late May. The scheme of installing a light railway from the farms to the factory, though now well in hand, could not be completed so as to avail of its use during the period under report as the work of laying the track was yet in progress and as locomotives could not be secured duly repaired from Messrs. Alcock Ashdown.

The management was confronted also with the difficulties in respect of shortage of required Tractorspares and agricultural implements and insufficient supply of water from irrigation department.

The new plantation programme is satisfactory. Monsoon began with good rains and though there was a long dry interval recent rains will prove beneficial to the crops.

The total cane crop available for 1946-47 is 3193 acres.

Your Directors are glad to inform you that this year also the management were able to secure a quota of sugar for confectionery which, however, was of a meagre quantity. The confectionery manufactured was of a high-grade quality and was awarded first prize by the Governor of Bombay in the Kopergaon Agricultural Show.

The Management hope to start a Distillery this year as most of the preliminaries have been now completed and only the auxiliary plant is being awaited from Bangalore which is expected to be received within about a month.

Two of your Directors, Mr. N. R. Mulla and 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, 14-12-46.

The Godavari Sugar

Balance Sheet as at

	Rs.	as ps.	Rs.	as.	ps.
Brought Forward...			47,52,243	4	0
LOANS :					
(a) Secured :					
From Bank secured against Sugar ...	10,00,000	0 0			
(b) Unsecured :					
From others ...	25,43,159	5 9	35,43,159	5 9	
Unclaimed Dividend ...			1,381	0 0	
Deposits & Advances from Merchants and others			3,32,097	5 11	
Liabilities :-					
For Goods supplied ...	1,07,038	8 9			
„ Unpaid Salaries and Wages ...	25,598	3 3			
„ Expenses ...	7,51,718	13 0			
„ Income Tax on Salaries ...	2,002	12 8	8,86,558	5 8	
Profit and Loss Account :-					
Balance as per Profit and Loss Appropriation Account ...	57,093	3 5			
Add: Profit as per Profit and Loss Account for the year subject to provision for taxation ...	5,62,126	3 5	6,19,219	6 10	
Carried Over...			101,34,658	12 2	

Mills Limited, Bombay.

31st May 1946 (Contd)

				Rs.	as.ps.	Rs.	as. ps.
						22,33,144	8 11
	Brought Forward..						
Electric :-							
Cost to 31-5-45 ...	...	...	...	2,64,022	12 6		
Less: depreciation up to 31-5-45 Rs.	1,61,560	12 6					
" " this year "	17,497	15 2		1,79,058	11 8	84,964	0 10
Agricultural :-							
Cost to 31-5-45 ...	...	...	...	2,04,161	4 3		
Additions since...	...	...	...	59,755	2 0		
				2,63,916	6 3		
Less: depreciation up to 31-5-45 Rs.	1,10,692	6 3					
" " for the year "	22,983	2 5		1,33,675	8 8	1,30,240	13 7
Electrical Instalation and Fittings :-							
Cost to 31-5-45 ...	...	...	...	29,576	11 9		
Less: depreciation up to 31-5-45 Rs.	10,309	12 3					
" " this year "	1,879	4 8		12,189	0 11	17,387	10 10
Furniture :-							
Cost to 31-5-45 ...	...	...	...	31,033	14 3		
Additions since	...	...	...	914	8 9		
				31,948	7 0		
				1,050	0 0		
Less: Cost of Furniture sold	...	...	...	30,898	11 8		
Less: depreciation up to 31-5-45 Rs.	7,280	12 3					
" " this year "	1,492	15 5		8,773	11 8	22,124	11 4
Weigh Bridges:-							
Cost to 31-5-45 ...	...	...	...	24,708	4 6		
Less: depreciation up to 31-5-45 Rs.	9,740	3 9					
" " this year "	1,685	13 3		11,426	1 0	13,282	3 6
Trolley Line under Construction	...	...	...			1,02,652	7 0
Motor Cars, Lorries, Cycles etc.,							
Cost to 31-5-45 ...	...	...	...	59,719	6 9		
Less: Cost of Motor Car sold	...	...	...	810	0 0		
				58,909	6 9		
Less: depreciation up to 31-5-45 Rs.	31,583	13 6					
" " this year "	6,299	12 0					
	37,883	9 6					
Less: depreciation already provided in previous years for Motor sold Rs.	478	0 0		37,405	9 6	21,503	13 3
Carried Over...						26,25,300	5 3

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...				101,34,658	12	2
Carried Over...				101,34,658	12	2

Mills Limited, Bombay.

31st May 1946. (Contd)

				Rs.	as.ps.	Rs.	as.ps.
						26,25,300	5 3
	Brought Forward...						
Carts & Trucks:-				48,342	10 6		
Cost up to 31-5-45	...	...	...	17,630	0 0		
Additions since	...	...	...	65,972	10 6		
Less: depreciation up to 31-5-45	Rs.	11,784	10 6				
" " this year	"	2,466	6 3	14,251	0 9	51,721	9 9
Laboratory Apparatus:-				17,435	3 0		
Cost to 31-5-45	...	...	...	
Less: depreciation up to 31-5-45	Rs.	3,169	0 6				
" " this year	"	817	8 11	3,986	9 5	13,448	9 7
Roads & Drainage:-				43,361	9 9		
Cost to 31-5-45	...	...	...	
Additions since	...	...	...	
Less: depreciation up to 31-5-45	Rs.	13,810	9 9				
" " this year	"	2,955	1 6	16,765	11 3	26,595	14 6
Tools & Implements:-				34,831	0 5		
Cost to 31-5-45	...	...	...	
Additions since	...	...	...	
Less: Depreciation up to 31-5-45		7,664	8 8				
" " this year	...	1,691	2 0	9,355	10 8	25,475	5 9
Dead Stock:-				40,143	4 6		
Cost to 31-5-45	...	...	...	
Additions since	...	...	...	
Less: Depreciation up to 31-5-45		11,708	10 0				
" " this year	...	1,871	13 2	13,580	7 2	26,562	13 4
Library:-				2,051	8 9		
Cost to 31-5-45	...	...	...	314	5 0		
Additions since	...	...	...	2,365	13 9		
Less: Depreciation up to 31-5-45		264	2 3				
" " this year	...	123	9 11	387	12 2	1,978	1 7
Medical Instruments:				362	11 0		
Cost to 31-5-45	...	...	...	
Less: Depreciation up to 31-5-45		100	11 0				
" " this year	...	26	3 2	126	14 2	235	12 10
Irrigation Lifts:				1,81,528	15 6		
Cost to 31-5-45	...	...	...	
Additions since	...	...	...	
Less: Depreciation up to 31-5-45		1,09,856	15 6				
" " this year	...	23,890	10 6	1,33,747	10 0	47,781	5 6
Store, Grains etc. on hand at cost:							
As on 31-5-46 as per Inventories, valued and	...	...	...	12,38,543	8 1		
certified by the Managing Agents	...	...	...	97,507	4 2	13,36,050	12 3
Stores in Transit	...	...	...	
Carried Over...						41,55,150	10 4

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward...				10134658	12	2
Contingent Liabilities :						
In respect of Machinery	40,000	0	0			
In respect of Land for which suits are pending in Courts	32,100	0	0			
	<u>72,100</u>	<u>0</u>	<u>0</u>			
Total Rs...				10134658	12	2

Report of the Auditors to the Share-Holders.

We have audited the Balance Sheet of the Godavari Sugar Mills, Ltd., as at 31st May, 1946 and also the foregoing Profit and Loss Account of the Company for the period 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 and 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 Company's Act.
- (e) The Allocation of the expenditure to the capital construction, as certified by the Managing Agents has been accepted.

Bombay, 14th December, 1946

NANUBHAI & Co.
Registered Accountants,
Auditors.

Mills Limited, Bombay.

31st May 1946 (Contd)

			Rs.	as.	ps.	Rs.	as.	ps.
		Brought Forward...				41,55,150	10	4
Live Stock:		...	1,02,247	6	6			
Cost to 31-5-45	...	...	27,214	8	6			
Additions since	...	...	1,29,461	15	0	1,21,096	15	0
		...	8,365	0	0			
Less: Written off		...				29,43,036	12	4
Stock in Trade:		...				16,73,539	4	7
Sugar, Confectionery, Molasses at market rate as		...						
valued and certified by the Managing Agents ...		...				
Cane Crops in progress (at cost) including expenses of		...						
tillage preparation of land Irrigation charges etc...		...						
Investment: (at cost)		...						
One Share of Bombay Provincial Co-operative		...						
Bank Ltd.	...	...	26,137	6	0			
Advances:		...	2,51,484	9	5			
To Lessors	...	...	3,024	3	0	2,85,540	11	11
Against Materials and expenses	...	...	4,894	9	6			
Against Prepaid Insurance	...	...				
To employees	...	...				
Deposits:		...				83,289	15	4
With Irrigation Department Railway Company	...	...				8,62,590	6	6
and other	...	...				
Book Debts:		...						
Unsecured considered good	...	...	7,481	11	2			
Cash and Bank Balance:		...	2,854	5	0	10,336	0	2
In Current Account with Banks	...	...				
On Hand at Bombay and factories	...	...				10,134,658	12	2
		Total Rs...						

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.
Managing Agents.

NADIRSHAH RUSTOMJI MULLA
Chairman.

M. B. MUTHA,
K. J. SOMAIYA,
Directors.

The Godavari Sugar

Profit and Loss Appropriation Account

To Appropriation :—	Rs.	as.	ps.	Rs.	as.	ps.
Reserve Fund...	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 of Incometax	45,000	0	0			
Dividend on Ordinary shares @ 20% free of Incometax	2,00,000	0	0	5,40,000	0	0
Balance Carried to Balance Sheet				57,093	3	5
	Total Rs.			5,97,093	3	5

Profit and Loss Account for the period

To Opening Stock:—	Rs.	as.	ps.	Rs.	as.	ps.
Sugar & Confectionery, Molasses. Oil & Oil cake				29,11,791	4	11
Sugar Cane:—						
Crop in Progress as per last Balance Sheet	15,94,586	12	1			
Add: Expenditure during the year on cane plantation	23,80,249	12	8			
	39,74,836	8	9			
Less: Crop in progress carried to next year	16,73,539	4	7	23,01,297	4	2
Stores, Chemicals, Fuel oil etc.				8,78,653	1	7
Salaries & wages				6,24,503	7	9
BONUS TO STAFF.	68,803	9	6			
Less: Bonus paid to Agriculture Staff transferred to Plantation expenses	28,048	5	3	40,755	4	3
Excise duty				6,96,061	3	0
Interest on Debentures and other loans	2,53,091	12	0			
Less: Interest on current accounts etc. received	38,544	7	1	2,14,547	4	11
Commission on Sugar & Confectionery Sales				57,863	14	0
War Risk and other Insurance charges				12,913	14	0
General expenses including Postage & Telegrams						
Printing & Stationery, Travelling etc. Rent and Taxes				1,13,617	4	10
Carried Over...				78,52,003	15	5

Mills Limited, Bombay.

For the year ended 31st May 1945.

By Profit as per Balance Sheet as at 31st May 1945 ...	Rs. as. ps.	Rs. as. ps.
		5,97,093 3 5
	Total Rs.	5,97,093 3 5

ended 31st May 1946.

	Rs. as. ps.	Rs. as. ps.
By Sales:-		
Sugar & Confectionery ...	55,55,969 15 3	
Molasses ...	1,41,322 11 6	
Oil & Oil Cakes ...	48,176 5 9	57,45,469 0 6
Interest from Lessors ...		1,679 8 6
Profit on Sale of Motor Car ...		368 0 0
Sundry receipts from Farm produce ...		86,030 9 5
Transfer Fees etc. ...		3 0 0
Sundry Receipts ...		16,657 1 9
Stock on hand as on 31-5-46:		
Sugar & Confectionery ...	27,98,638 8 4	
Molasses ...	1,44,398 4 0	29,43,036 12 4
Carried Over...		87,93,244 0 6

The Godavari Sugar

Profit and Loss Account for the period

	Rs.	as. ps.	Rs.	as. ps.
Brought Forward...			78,52,003	15 5
Directors' & Auditors' Fees			1,400	0 0
Live Stock written off			8,365	0 0
Loss in Food grains supplied to Staff			50,863	0 6
Loss in Sale of Furniture... ..			270	0 0
Depreciation			2,88,082	0 2
Managing Agents' Allowance	12,000	0 0		
Managing Agents' Commission	18,133	13 0	30,133	13 0
Part on Net Profit being (Balance foregone)				
Balance NET PROFIT Carried to Balance Sheet Subject to Taxation			5,62,126	3 5
Total Rs...			87,93,244	0 6

NANUBHAI & CO.
Registered Accountants,
Auditors.

Bombay, 14th December, 1946.

ended 31st May, 1946. (Contd.)

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NADIRSHAH RUSTOMJI MULLA
Chairman.

Directors.