

THE
GODAVARI SUGAR MILLS,
LIMITED.

REPORT
OF THE
DIRECTORS
WITH
STATEMENT OF ACCOUNTS
FOR THE PERIOD ENDED 31ST MAY, 1947

BOMBAY
1947.

Security Printing Press, Fort, Bombay.

1947
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.

NOTICE is hereby given that the **8th Ordinary General Meeting** of the Godavari Sugar Mills Ltd., will be held on Wednesday the 31st December 1947, at 12-30 P.M. (S.T.) at the Registered Office of the Company, Fazalbhoy Building Mahatma Gandhi Road, Fort, Bombay to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the period ended 31st May, 1947.
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 24th December 1947 to the 7th January 1948, both days inclusive.

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

Bombay, 13th December 1947.

Managing Agents.

N. B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 22nd January 1948. Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 24th December 1947.

THE GODAVARI SUGAR MILLS, LTD.
BOMBAY.

DIRECTORS' REPORT. 1947.

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 1947 which shows a net profit of Rs. 10,88,612-0-7 (after providing Rs. 3,47,619-0-9 for depreciation) which with the balance of Rs. 1,09,219-6-10 brought forward from last year, amounts to Rs. 11,97,831-7-5 which your Directors propose to dispose of as follows:—

Reserve Fund	....	....	....	Rs.	4,00,000	0	0
Dividend Equalisation Fund	....	....	....	„	1,00,000	0	0
Dividend on 1st Preference Shares at the rate of 6% free of Incometax	....	„	....	„	60,000	0	0
Dividend on Ordinary Shares at Rs 30/- per Share free of Incometax	....	„	....	„	3,00,000	0	0
Balance carried forward to next year.	....	„	....	„	3,37,831	7	5
					<hr/>		
Total Rs.					11,97,831	7	5

As done during past four years, this year also, at the request of the Directors, the Managing Agents agreed to give up their commission amounting to Rs. 76.202-15-0.

Lakshmiwadi factory is now working smoothly. Your Directors intend to put more new machinery and making it electrified.

Sakarwadi Factory is as usual running quite effeciently.

Both the factories which are capable of crushing daily 1300 tons, have not got sufficient Sugar cane. Production of Sugar cane per Acre is falling down due to lack of fertilisers. If the Government make a scheme to give sufficient fertilisers at a reasonable price for sugar cane more crop can be grown on the same area and this will naturally give more sugar.

Though we have planned for erecting pucca quarters for staff and labour, necessary material is not made available, such as, steel and cement. We are informed by the Indian Sugar Mills Association that no steel will be given for labour chawls, which our shareholders will find strange in view of Government policy to encourage housing for labour.

Sugar cane crop for 1948-49 season is satisfactory. Monsoon on the whole was good and beneficial. The total cane crop available for 1947-48 season is 3015 acres.

This year also we got quota of sugar for confectionery, which of course, was for a very small quantity. The quality manufactured this year showed good improvement. We have booked orders with foreign countries for machinery for manufacture of confectionery and have applied for the licence and are awaiting it.

Two of your Directors Mr. N. R. Mulla and Diwan Bahadur M. B. Mutha 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, 13-12-47.

The Godavari Sugar

Balance Sheet as at

CAPITAL & LIABILITIES.	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 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	
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 ✓
Dividend Equalization Fund				3,75,000 0 0 ✓
Reserve Fund				7,50,000 0 0 ✓
Capital Reserve				2,824 0 0 ✓
Housing Fund				1,50,000 0 0 ✓
Provision for Taxation :—				
As per last Balance Sheet				2,98,055 12 0
Staff Provident Fund				18,626 7 7 ✓
" " " Reserve				20,000 0 0 ✓
Carried Over				43,14,506 3 7

Mills Limited, Bombay.

31st May 1947.

PROPERTY & ASSETS.		Rs.	as.	p.	Rs.	as.	ps.
FIXED CAPITAL EXPENDITURE :-							
Free Hold Land :-							
Cost to 31-5-46		1,18,992	9	9			
Additions since		36,436	10	0	1,55,429	3	9
Buildings :-							
Cost to 31-5-46		8,68,838	3	11			
Additions since		17,131	1	9			
Less : Depreciation upto 31-5-46	Rs. 1,50,838	9	10		8,85,969	5	8
„ for the year	32,775	0	0		1,83,613	9	10
					7,02,355	11	10
Distillery building under construction		86,615	3	7	7,88,970	15	5
Temporary Quarters							
Cost to 31-5-46		2,34,312	0	8			
Less : Depreciation upto 31-5-46	1,13,103	0	10		1,24,576	0	10
„ for this year	11,473	0	0		1,09,735	15	10
At Farm :-							
Cost to 31-5-46		1,07,503	14	1			
Less : Depreciation up to 31-5-46	57,045	13	10		62,605	13	10
„ for this year	5,560	0	0		44,898	0	3
Plant and Machinery :-							
General :-							
Cost upto 31-5-46		21,69,418	8	2			
Additions since		1,37,403	3	0			
		23,06,821	11	2			
Less : Machinery sold during the year		15,000	0	0			
		22,91,821	11	2			
Carried Over					10,99,034	3	3

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought forward				43,14,506	3	7
Mortgage Debentures :—						
700 6% Free of Income tax Mortgage Debentures of Rs. 1000/- each	7,00,000	0	0			
Interest accrued on above	9,187	8	0	7,09,187	8	0
Loans :—						
(a) Secured :—						
From Bank secured against Sugar	10,05,017	1	0			
(b) Unsecured :—						
from others	24,97,130	9	8	35,02,147	10	8
Unclaimed Dividend				609	0	0
Deposits & Advances from Merchants & others				4,79,701	2	11
Liabilities :						
For goods supplied	95,356	8	3			
Unpaid salaries & wages	43,330	9	9			
For expenses	6,26,795	13	0			
For Incometax on salaries	464	6	9	7,65,947	5	9
Profit And Loss Account :—						
Balance as per Profit & Loss Appropriation account	1,09,219	6	10			
Add Profit as per Profit & Loss account for the year subject to provision for taxation	10,88,612	0	7	11,97,831	7	5
Carried Over				109,69,930	6	4

Mills Limited Bombay.

31st May, 1947.

		Rs.	as.	ps.	Rs.	as.	as.
	Brought forward	22,91,821	11	2	10,99,034	3	3
Less depreciation upto 31-5-46	9,60,674 8 9	11,47,388	8	9			
.. this year	1,86,714 0 0	11,44,433	2	5			
Machinery for distillery under construction		56,864	0	9	12,01,297	3	2
Electric :—		2,64,022	12	6			
Cost upto 31-5-46	1,79,058 11 8	1,93,508	11	8	70,514	0	10
Less : depreciation upto 31-5-46	14,450 0 0						
.. this year	...						
Agricultural :—		2,63,916	6	3			
Cost upto 31-5-46	...	32,019	5	0			
Additions since	...	2,95,935	11	3			
Less depreciation upto 31-5-46	1,33,675 8 8	158,013	8	8	1,37,922	7	5
.. this year	24,338 0 0						
Electrical installation & Fittings :—		29,576	11	9			
Cost upto 31-5-46	12,189 0 11	13,880	0	11	15,696	10	10
Less: depreciation upto 31-5-46	1,691 0 0						
.. this year		30,898	7	0			
Furniture :—		690	8	9			
Cost upto 31-5-46		31,588	15	9			
Additions since	8,773 11 8						
Less : depreciation upto 31-5-46	1,453 0 0	10,226	11	8	21,362	4	1
.. this year							
Weigh Bridges :—		24,708	4	6			
Cost upto 31-5-46		472	3	0			
Additions since		25,180	7	6			
Less: depreciation upto 31-5-46	11,426 1 0	12,966	1	0	12,214	6	6
.. this year	1,540 0 0						
Trolley Line :		1,02,652	7	0			
Cost upto 31-5-46		3,36,054	5	3			
Additions since		4,38,706	12	3			
Less: depreciation for this year		33,605	7	0	4,05,101	5	3
Motor Cars, Lorries Cycles etc :—		58,909	6	9			
Cost upto 31-5-46		13,977	14	0			
Additions since		72,887	4	9			
Less depreciation upto 31-5-46	37,405 9 6	44,956	0	1	27,931	4	8
.. for this year	7,550 6 7						
Carts & Trucks		65,972	10	6			
Cost to 31-5-46		6,448	4	3			
Additions since		72,420	14	9			
Less depreciation upto 31-5-46	14,251 0 9	17,872	0	9	54,548	14	0
.. for this year	3,621 0 0						
Carried Over					30,45,622	7	2

				Rs.	as.	ps.	Rs.	as.	ps.
Contingent Liabilities—									
				Brought Forward...			109,69,930 6 4		
In respect of machinery	40,000	0	0			
In respect of land for which suits are pending in the courts	32,100	0	0			
				72,100	0	0			
Total Rs...							109,69,930 6 4		

NANUBHAI & Co.
Registered Accountants,
Auditors,

Mills Limited, Bombay.

31st May 1947.

	Brought Forward...	Rs.	as.	ps.	Rs.	as.	ps.
					72,82,061	12	4
Cane crop in progress (at cost) including ex-							
penses of tillage preparation of land	...				17,31,713	1	11
Irrigation charges etc.	...						
Investment (at cost)							
One share of Bombay Provincial Cooperative,							
Bank Ltd..	...	78	0	0			
National Saving Certificates invested out of							
Provident fund	...	2,500	0	0	2,578	0	0
Advances—							
To lessors	...	26,782	6	0			
Against materials & expenses	...	2,88,536	6	6			
Against prepaid Insurance & Telephone expenses		3,693	10	0			
To employees	...	19,237	4	6	3,38,249	11	0
Deposits:—							
with Irrigation Dept, Railway & others	...				1	33,572	1
Book Debts:—							
Unsecured considered good	...				12,75,111	3	6
Cash & Bank balances:—							
On hand at Bombay & Factories:	...	9,499	1	2			
In current account with banks	...	1,97,145	6	7	2,06,644	7	9
Total Rs....					109,69,930	6	4

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.

NADIRSHAH RUSTOMJI MULLA
Chairman.

K. J. SOMAIYA & SONS,
Managing Agents.

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	2,00,000	0	0			
Provision for Housing	50,000	0	0			
Dividend on Preference Shares at the rate of 6% free of Income tax ..	60,000	0	0			
Dividend on Ordinary Shares @ 20% free of Income tax ..	2,00,000	0	0	5,10,000	0	0
Balance Carried to Balance Sheet ...				1,09,219	6	10
	Total Rs.			6,19,219	6	10

Profit and Loss Account for the period

To Opening Stock:—	Rs.	as.	ps.	Rs.	as.	ps.
Sugar, Confectionery, and Molasses. ...				29,43,036	12	4
Sugar Cane:—						
Crop in Progress as per last Balance Sheet ..	16,73,539	4	7			
Add: Expenditure during the year on cane plantation	22,78,549	15	7			
	39,52,089	4	2			
Less: Crop in Progress carried to next year ...	17,31,713	1	11	22,20,376	2	3
Stores, Chemicals, Fuel Oil etc. ...				10,95,626	9	5
Salaries & Wages				8,76,724	6	6
Charity & Donation				- 346	0	0
Bonus to Staff	1,05,309	0	9			
Less: Bonus paid to Agricultural Staff transferred to plantation expenses ...	37,176	8	3	68,152	8	6
Excise Duty:—				8,30,348	11	0
Interest on Debentures and other loans ...	2,73,955	7	3			
Less: Interest on Current accounts etc received...	85,554	11	2	1,88,400	12	1
Commission on Sugar Sales				- 59,222	10	0
War risk and other Insurance charges ...				- 5,558	11	0
Directors Travelling Expenses				2,022	8	0
Directors Fees				600	0	0
General expenses including Postage and Telegrams, Printing and Stationery, Travelling, Rent and Taxes etc				1,38,703	8	7
Carried Over..				84,29,099	3	8

Mills Limited., Bombay.

for the year ended 31st May 1946.

By Profit as per Balance Sheet as at 31st May 1946	Rs. as. ps.	Rs. as. ps.
		6 19,219 6 10
	Total Rs...	6,19,219 6 10

ended 31st May 1947.

	Rs. as. ps.	Rs. as. ps.
By Sales:—		
Sugar and Confectionery	69,61,086 8 5	70,93,940 8 5
Molasses	1,32,854 0 0	
Sundry receipts from farm produce...		54,318 6 9
Dividends received		2 8 0
Sundry receipts		19,698 10 3
Stock on hand as on 31-5-47:—		
Sugar & Confectionery	26,31,476 6 0	
Molasses	2,16,706 0 0	28,48,182 6 0
Carried Over Rs....		1,00,16,142 7 5

The Godavari Sugar

Profit and Loss Account for the period

	Rs.	as.	ps.	Rs.	as.	ps.
Brought Forward				84,29,099	3	8
Audit Fees ...				1,200,	0	0
Live stock written off ...				20,125	0	0
Loss in Foodgrains supplied to staff ...				72,096	10	11✓
Contribution to staff Provident Fund ...				9,103	6	6
Depreciation ...				3,47,619	0	9
Managing Agents Allowances ...	12,000	0	0			
" " Commission in part on net ...	36,287	1	0	48,287	1	0
Profit, balance being foregone ...						
Balance net Profit carried to Balance Sheet subject to Taxation ...				10,88,612	0	7
Total Rs....				1,00,16,142	7	5

NANUBHAI & CO.
Registered Accountants,
Auditors.

Bombay, 13th December, 1947.

Mills Limited., Bombay.

ended 31st May, 1947. (Contd.)

	Rs	as, ps.
Brought Forward...		100,16,142 7 5
Total Rs...		100,16,142 7 5

K. J. SOMAIYA & SONS,
Managing Agents.

NADIRSHAH RUSTOMJI MULLA
Chairman

M. B. MUTHA

K. J. SOMAIYA,

Directors