

THE
GODAVARI SUGAR MILLS,
LIMITED.
[AND REDUCED]

REPORT
OF THE
DIRECTORS
WITH
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31ST MAY, 1949

BOMBAY

1949

1949

The Godavari Sugar Mills, Limited (And Reduced)
(Incorporated under the Indian Companies Act VII of 1913)

Board of Directors.

Nadirshah Rustomji Mulla, Esq. (*Chairman*)
Dewan Bahadur Motilal Balmukund Mutha
Seth Ranchhoddas Shamji Kotak
Seth Amritlal Hargovandas
Seth Karamshi Jethabhai Somaiya (*Ex-Officio Director*)
Seth Shantilal Karamshi Somaiya.

Managing Agents.

Messrs. K. J. Somaiya & Sons.

Bankers.

The Central Bank of India, Ltd., Bombay.
The Bank of India, Ltd., Bombay.
The Bombay Provincial Co-operative Bank Ltd., Bombay.
The Bombay Provincial Co-operative Bank Ltd.,
Belapur Road, Dist. Ahmednager.

Solicitors.

Messrs. Mulla & Mulla.

Auditors.

Messrs. Nanubhai & Co.

Registered Office.

Fazalbhoy Building, Mahatma Gandhi Road,
Fort, BOMBAY, No. 1.

**The Godavari Sugar Mills, Limited (And Reduced),
BOMBAY.**

Notice is hereby given that the 10th ORDINARY GENERAL MEETING of the Godavari Sugar Mills, Ltd., (And Reduced) will be held on Friday the 30th December 1949 at 3 P. M. 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 year ended 31st May 1949.
- 2 To declare dividend.
- 3 To elect Directors in place of Mr. N. R. Mulla and Seth R. S. Kotak, who retire in accordance with Article 93, but being eligible, offer themselves for re-election.
- 4 To elect Director in place of Seth S. K. Somaiya who retires under Article 100, but being eligible, offers himself for election.
- 5 To appoint Auditors for the current year and fix their remuneration.
- 6 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 21st December 1949 to 4th January 1950, both days inclusive.

Bombay, 30-11-1949.

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

N.B.—The dividend when declared will be made payable at the Registered Office of the Company on and after the 16th January 1950. Dividend Warrants will be posted to those shareholders whose names stand on the Register on the 21st December 1949.

THE GODAVARI SUGAR MILLS LIMITED (And Reduced),
B O M B A Y.

DIRECTORS' REPORT 1949.

To

The Shareholders,

The Godavari Sugar Mills, Ltd. (And Reduced)

Gentlemen,

Your Directors have great pleasure in submitting to you their report and audited statement of accounts for the year ended 31st May 1949, which shows a net profit of Rs. 29,64,033,-14-11 (after providing depreciation of Rs. 5,66,667-8-0) which together with the balance of Rs. 6,33,005-11-11 brought forward from the last year amounts to Rs. 35,97,039-10-10, which your Directors propose to appropriate as follows:

Distribution:—

1. Dividend of Rs. 50/- per share on Ordinary Shares free of Income-tax	Rs. 5,00,000	0	0
2. Dividend on 1st Preference Shares at the rate of 6% free of Income-tax	" 60,000	0	0
3. Dividend on 2nd-Preference Shares at the rate of 5½% free of Income-tax	" 1,01,802	4	0
4. Provision for Housing	" 1,00,000	0	0
5. Reserve Fund	" 7,80,000	0	0
6. Provision for Taxation	" 14,00,000	0	0
Carried Forward	" 6,55,237	6	10
Total	Rs. 35,97,039	10	10

You are requested to confirm the same.

Your Directors are glad to report that the Lakshmiwadi factory worked efficiently during the year, showing as good results as in Sakarwadi Factory. The work of electrifying the same is taken in hand, and it is hoped that with complete electrification, it will show still better results.

Sakarwadi Factory also was running smoothly as usual.

The production of sugar cane was not very satisfactory, the yield showing progressive deterioration, partly due to the insufficient supply of manures and fertilisers and partly to the exhaustion and impoverishment of soil caused by the enforcement of Grow More Food restrictions.

This year, so far, sugarcane crops for the year 1950-51 are in good condition, and with sufficient rainfall though late, and good amount of manure, it is expected that the yield next year will show some improvement over the previous years.

Similarly the total cane crop available for the season 1949-50 is 2953 acres, which is less than last year's and it is further apprehended, that we may not succeed in obtaining as large quantities of sugarcane from outsiders as we did last year, as large quantities may be diverted for the manufacture of "Gur", the ruling rates of which are very attractive.

Regarding food and fodder crops, we are glad to state that Government has taken a more realistic view of the problem this year, and it is hoped that the difficulties of the sugar factories will be better appreciated in days to come.

The question of disposal of molasses proved to be too embarrassing as stocks have accumulated during the last two seasons with very little disposal, either by way of private sales or by way of sales to the Nasik Distillery.

You will know that the Company has undertaken the process of redeeming the 4,000 first preference shares of the value of Rs. 250/- each, with a premium of Rs. 25/- per share, and the necessary "Capital Redemption Reserve Fund" has been created for the purpose, by transferring 11 lacs of rupees from the profits which otherwise would have been available for dividends.

Seth S. K. Somaiya was appointed as an Additional Director. He retires under Article 100 of the Articles of Association, but being eligible, offers himself for re-election.

Two of our Directors M/s. N. R. Mulla and 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, the 30th day of
November, 1949.*

STATEMENTS OF ACCOUNTS

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 1st Preference Shares of Rs. 250/- each liable to be redeemed at premium of Rs. 25/- per shares at the option of the Co. 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		
20,000 5½% Free of Income Tax Redeemable Cumulative 2nd Preference Shares of Rs. 100/- each liable to be redeemed at the option of the Co. at any time and from time to time after 1st October 1952 after giving 3 months' notice of the intention to so redeem the same.		20,00,000	0 0	40,00,000	0 0
Issued Capital:—					
10,000 Ordinary Shares at rate of Rs. 100/- each.		10,00,000	0 0		
4,000 6% Free of Income Tax Redeemable Cumulative 1st Preference Shares of Rs. 250/- each.		10,00,000	0 0		
20,000 5½% Free of Income Tax Redeemable Cumulative 2nd Preference Shares of Rs. 100/- each.		20,00,000	0 0	40,00,000	0 0
Subscribed & paid up Capital:—					
10,000 Ordinary Shares of Rs. 100/- each fully paid up.		10,00,000	0 0		
4,000 6% Free of Income Tax Redeemable Cumulative 1st Preference Shares of Rs. 250/- each fully paid up.		10,00,000	0 0		
18,509½ 5½% Free of Income Tax Redeemable Cumulative 2nd Preference Shares of Rs. 100/- each fully paid up.		18,50,950	0 0	38,50,950	0 0
Carried over...				38,50,950	0 0

Mills Limited (And Reduced), Bombay.

31st May, 1949.

PROPERTY & ASSETS					Rs.	as.	ps.	Rs.	as.	as.
FIXED CAPITAL EXPENDITURE:—										
Free Hold Land:—										
Cost upto 31-5-48	..	...	...	...	1,79,053	13	9			
Additions since	...	...	...	...	41,200	7	0			
					2,20,254	4	9			
Less: Sale proceeds during the year	...			...	3,960	0	0	2,16,294	4	9
Buildings:—										
Cost upto 31-5-48	...	...	...	...	10,49,657	5	0			
Additions since	...	...	...	...	44,375	10	0			
					10,94,032	15	0			
Less: Depreciation upto										
31-5-48	...	2,28,443	13	5						
" for this year		42,916	2	0	2,71,359	15	5	8,22,672	15	7
Temporary Quarters:—										
Cost upto 31-5-48	...	...	...	...	2,14,312	0	8			
Less: Depreciation upto										
31-5-48	...	1,25,908	6	1						
" for this year		6,630	6	0	1,32,538	12	1	81,773	4	7
Temporary Quarters at Farms:—										
Cost upto 31-5-48	...	...	...	...	99,658	1	1			
Less: Depreciation upto										
31-5-48	...	59,550	12	5						
" for this year		3,008	0	0	62,558	12	5	37,099	4	8
Plant & Machinery:—										
General:—cost upto 31-5-48					26,75,315	4	8			
Additions since	...	...	...	...	1,67,143	14	0			
					28,42,459	2	8			
Less: Depreciation upto										
31-5-48	...	14,00,077	1	1						
" for this year		3,18,085	9	0	17,18,162	10	1	11,24,296	8	7
Carried over...								22,82,136	6	2

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought forward...				38,50,950	0	0
Dividend Equalisation Fund.				10,00,000	0	0
Reserve Fund.				28,70,000	0	0
Capital Reserve.				2,824	0	0
Housing Fund.				4,00,000	0	0
Provision for Taxation:—						
As per Last Balance Sheet ...	2,89,767	5	0			
Additions during the year ...	12 50,000	0	0			
	15 39,767	5	0			
Less: paid during the year. ...	1,17,860	15	0	14 21,906	6	0
Loans:—						
Unsecured ...				13,173	15	3
Unclaimed Dividend ...				926	1	4
Liabilities:—						
For Goods Supplied. ...	34,327	13	0			
Deposit and advance from Merchants and Others ...	1,47,257	4	6			
Unpaid Wages, Salaries & Bonus ...	1,61,065	1	3			
For Expenses ...	12,09 333	4	7			
For Income Tax on Salaries... ..	537	15	9	15,52,521	7	1
Profit & Loss Account:—						
Balance as per Profit & Loss Appropriation Account ...	6,33,005	11	11			
Add Profit as per Profit & Loss Account for the year subject to Provision for Taxation.	29,64,033	14	11	35,97,039	10	10
Carried over...				1,47,09,341	8	6

Mills Limited (And Reduced), Bombay.

31st May, 1949.

					Rs.	as.	ps.	Rs.	as.	ps.
				Brought forward...				22,82,136	6	2
Electrical Machinery:—										
Cost upto 31-5-48	...	...	...	...	2,67,502	12	6			
Additions since	...	...	...	...	3,537	9	0			
					2,71,040	5	6			
Less: Depreciation upto										
31-5-48	...	2,11,003	7	0				45,379	7	6
" " for this year		14,657	7	0						
					2,25,660	14	0			
Agricultural Machinery:—										
Cost upto 31-5-48	...	...	...	...	3,46,610	7	3			
Additions since	...	...	...	...	63,609	10	0			
					4,10,220	1	3			
Less: Depreciation upto										
31-5-48	...	1,86,303	1	3				1,80,788	2	0
" " for this year		43,128	14	0						
					2,29,431	15	3			
Locomotives:—										
Additions during the year	...	...	...	...	39,514	0	0			
Less: Depreciation for this year	...	...	...	...	15,805	9	0	23,708	7	0
Electric Installation & Fittings:—										
Cost upto 31-5-48	...	...	...	...	31,742	10	9			
Less: Depreciation upto										
31-5-48	...	15,618	14	9				14,511	6	0
" " for this year		1,612	6	0						
					17,231	4	9			
Furniture:—										
Cost upto 31-5-48	...	...	...	...	35,993	0	3			
Additions since	...	...	...	...	3,826	3	3			
					39,819	3	6			
Less: Depreciation upto										
31-5-48	...	11,857	0	9				26,284	10	9
" " for this year		1,677	8	0						
					13,534	8	9			
Weigh Bridges:—										
Cost upto 31-5-48	...	...	...	...	29,989	8	6			
Additions since	...	...	...	...	4,540	0	0			
					34,529	8	6			
Less: Depreciation upto										
31-5-48	...	14,898	9	4				15,822	1	2
" " for this year		3,808	14	0						
					18,707	7	4			
				Carried over...				25,88,630	8	7

Mills Limited (And Reduced), Bombay.

31st May, 1949.

					Rs.	as.	ps.	Rs.	as.	ps.
				Brought forward...				25,88,6	0	8 7
Trolley Line:—										
Cost upto 31-5-48	...	...	...	...	4,69	582	14 0			
Additions since	...	...	...	...	40,740	2 2				
					5,10,323	0 2				
Less: Depreciation upto										
31-5-48	...	77	203	2 11						
" for this year		55,534	0 0		1,32,737	2 11		3,77,585	13 3	
Motor Cars, Lorries & Cycles:—										
Cost upto 31-5-48	...	...	...	...	96,195	13 9				
Additions since	...	...	...	...	39,035	6 0				
					1,35,231	3 9				
Less: Depreciation upto										
31-5-48	...	56,416	10 10							
" for this year		35,988	0 0		92,404	10 10		42,826	8 11	
Carts & Trucks:—										
Cost upto 31-5-48	...	...	...	...	87,072	1 0				
Additions since	...	...	...	...	6,251	4 0				
					93,323	5 0				
Less: Depreciation upto										
31-5-48	...	22,155	10 0							
" for this year		6,668	10 0		28,824	4 0		64,499	1 0	
Laboratory Apparatus:—										
Cost upto 31-5-48	...	...	...	...	17,435	3 0				
Less: Depreciation upto										
31-5-48	...	5,477	15 3							
" for this year		836	13 0		6,314	12 3		11,120	6 9	
Roads & Drainage —										
Cost upto 31-5-48	...	...	...	...	43,361	9 9				
Less: Depreciation upto										
31-5-48	...	21,819	4 8							
" for this year		2,154	3 0		23,973	7 8		19,388	2 1	
				Carried over...				31,04,050	8 7	

The Godavari Sugar

Balance Sheet as at

	Rs.	as. ps	Rs.	as. ps.
Brought forward...			1,47,09,341	8 6
Carried over...			1,47,09,341	8 6

Mills Limited (And Reduced), Bombay.

31st May, 1949.

			Rs.	as. ps.	Rs.	as. ps.
	Brought forward...				31,04,050	8 7
Tools & Implements:—						
Cost upto 31-5-48			34,831	0 5		
Less: Depreciation upto						
31-5-48	12,439	3 11				
" " for this year	1,346	7 0	13,785	10 11	21,045	5 6
Dead Stock:—						
Cost upto 31-5-48			40,143	4 6		
Less: Depreciation upto						
31-5-48	16,997	1 1	18,385	11 1	21,757	9 5
" " for this year	1,388	10 0				
Library:—						
Cost upto 31-5-48			2,365	13 9		
Less: Depreciation upto						
31-5-48	613	8 1				
" " for this year	105	0 0	718	8 1	1,647	5 8
Medical Instruments:—						
Cost upto 31-5-48			362	11 0		
Less: Depreciation upto						
31-5-48	171	9 9				
" " for this year	12	12 0	184	5 9	178	5 3
Irrigation Lifts:						
Cost upto 31-5-48			2,00,535	3 6		
Less: Depreciation upto						
31-5-48	1,66,628	2 6				
" " for this year	11,302	6 0	1,77,930	8 6	22,604	11 0
Live Stock:						
Cost upto 31-5-48			1,05,653	11 0		
Additions since			20,490	10 0		
			1,26,144	5 0		
Less: Written off			59,900	0 0	66,244	5 0
Total Value of Assets at Somaiya Farms:—						
At cost as per Schedule A purchased during the year, Sale Deed whereof is under preparation					25,00,000	0 0
	Carried over...				57,37,528	2 5

The Godavari Sugar

Balance Sheet as at

	Rs.	as.	ps.	Rs.	as.	ps.
Brought forward...				1,47,09,341	8	6
Carried over...				1,47,09,341	8	6

Mills Limited (And Reduced), Bombay.

31st May, 1949.

	Rs.	as.	ps.	Rs.	as.	ps.
Brought forward...				57,37,528	2	5
Stores, Grains etc., on hand at cost :-						
As on 31-5-49 as per inventories valued and certified by the Managing Agents ...	13,40,142	9	6			
Stores in Transit	52,950	13	9	13,93,093	7	3
Stock in Trade :-						
Sugar at market rate based on selling rate fixed by The Indian Sugar Syndicate Ltd., and Molasses at market rate as valued and certified by Managing Agents				47,42,451	0	3
Cane Crop in progress (at cost) including expenses of tillage preparation of land Irrigation charges etc,				12,50,812	4	0
Book Debts :-						
Unsecured Considered Good				6,26,736	0	6
Loans :-						
Unsecured Considered Good				1,68,908	1	0
Advance Income Tax :-				5,328	4	0
Advances :-						
To Lessors.	55,069	6	9			
Against purchase of land.	4,900	0	0			
.. Materials & Expenses.	4,15,158	7	6			
.. Prepaid Insurance & Licence Fees. ...	30,038	0	5			
To Employees.	8,869	6	3			
To Trustees to Employees' Provident Fund.	125	8	0	5,14,160	12	11
Deposits :-						
With Irrigation Department, Railway and others.				1,07,539	7	0
Carried over...				1,45,46,557	7	4

The Godavari Sugar

Balance Sheet as at

	Rs.	as. p.	Rs.	as. p.
Brought Forward...			1,47,09,341	8 6
Contingent Liabilities :—				
In respect of Machinery	40,000	0 0		
In respect of land for which suits are pending	32,100	0 0		
in the Courts	72,100	0 0		
Total Rs....			1,47,09,341	8 6

REPORT OF THE AUDITORS TO THE SHARE HOLDERS.

We have audited the above Balance Sheet of the Godavari Sugar Mills Ltd., (And Reduced) as at 31st May 1949, 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 & Profit & Loss Account 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.

NANUBHAI & Co.
Chartered Accountants.
Auditors.

Bombay, 31st October 1949.

Mills Limited (And Reduced), Bombay.

31st May, 1949.

	Rs.	as. p.	Rs.	a. p.
Brought Forward...			1,45,46,557	7 4
Investments (at cost)				
One fully paid up Share of Bombay Provincial Co-operative Bank Ltd., ...			78	0 0
Cash and Bank Balances :—				
On hand at Bombay and Factories. ...	63,577	6 0		
In Current Account with Banks. ...	99,128	11 2	1,62,706	1 2
Total Rs....			1,47,09,341	8 6

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

 **SOMAIYA & SONS.**
Managing Agents.

N. R. MULLA *Chairman.*

AMRITLAL HARGOVANDAS } *Directors.*
K. J. SOMAIYA }

The Godavari Sugar

Profit and Loss Appropriation Account

	Rs.	as. ps.	Rs.	as. ps.
To Appropriation:—				
Reserve Fund.	10,00,000	0 0		
Dividend Equalisation Fund.	5,25,000	0 0		
Housing Provision Fund.	2,50,000	0 0		
Provision for Taxation.	12,50,000	0 0		
Dividend on I Preference Shares at the rate of 6% Free of Tax.	60,000	0 0		
Dividend on II Preference Shares at the rate of 5½% Free of Tax.	58,432	8 10		
Dividend on Ordinary Shares at Rs. 25/- per Share Free of Tax.	2,50,000	0 0	33,93,432	8 10
Balance carried forward to Balance Sheet ...			6,33,005	11 11
Total Rs....			40,26,438	4 9

Profit and Loss Account for the year

	Rs.	as. ps.	Rs.	as. ps.
To Opening Stock.				
Sugar, Confectionery & Molasses. ...			75,74,102	3 6
Sugar Cane:—				
Crop in progress as per last Balance Sheet...	11,72,015	5 0		
Add Expenditure during the year on cane plantation & Cane Purchase.	62,39,343	9 6		
	74,11,358	14 6		
Less: Crop in progress carried to next year.	12,50,812	4 0	61,60,546	10
Cost of Gul purchased for refining ...	3,81,181	13 3		
Less: sold.	1,55,286	1 9	2,25,895	11 6
Stores, Chemicals, Fuel, Oil etc.			18,02,202	14 7
Salaries & Wages.			12,68,940	12 2
Bonus to staff.	1,02,966	3 2		
Less: Bonus Paid to Agricultural Staff transferred to plantation expenses. ...	29,630	6 6	73,335	12 8
Carried over...			1,71,05,024	0 11

Mills, Limited. (And Reduced) Bombay.

for the year ended 31st May, 1948.

	Rs.	as. ps.	Rs.	as. ps.
By Profit as per Balance Sheet as at 31st May 1948.			40,26,438	4 9
Total Rs....			40,26,438	4 9

ended 31st May, 1949,

	Rs.	as. ps.	Rs.	as. ps.
By Sales:—				
Sugar & Confectionery.	1,87,40,036	8 9		
Molasses.	2,14,850	1 9	1,89,54,886	10 6
Interest received during the year	53,479	11 5		
Less Paid.	43,064	5 0	10,415	6 5
Sundry Receipts from Farm Produce.			1,18,562	7 9
Dividends received.			2	8 0
Share Transfer Fees.			44	8 0
Sundry Receipts.			51,964	0 8
Amount realised in excess over the provision made against Insurance claim for the loss by fire of temporary quarters.			5,600	0 0
Stocks on hand as on 31-5-1949:—				
Sugar.	46,67,009	11 3		
Molasses.	75,441	5 0	47,42,451	0 3
Carried Over...			2,38,83,926	9 7

The Godavari Sugar

Profit and Loss Account

	Rs.	as. ps	Rs.	as. ps.
Brought Forward...			1,71,05,024	0 11
Excise Duty.			12,85,663	14 0
Cane Cess.			8,46,944	2 3
Commission on Sugar Sales.			1,73,478	12 9
Insurance Charges.			29,487	4 10
Charity & Donation.			20,106	0 0
Directors' Travelling Expenses.			90	0 0
Directors Fees.			600	0 0
General Expenses including Postage & Telegrams, Printing & Stationery, Travelling, Rent & Taxes, Repairs etc.			4,78,636	15 11
Audit fees.			1,800	0 0
Live Stock written off.			59,900	0 0
Contribution to Staff Provident Fund			10,779	2 0
Depreciation.			5,66,667	8 0
Managing Agent's Allowance.	12,000	0 0	3,40,714	14 0
" " Commission.	3,28,714	14 0	29,64,033	14 11
Balance being Net Profit carried to balance Sheet subject to Taxation.			2,38,83,926	9 7
Total Rs....				

Bombay, 31st October 1949.

NANUBHAI & Co.,
Chartered Accountants
Auditors.

for the year ended 31st May, 1949.

SOMAIYA & SONS,

Managing Agents:

N. R. MULLA

Chairman.

AMRITLAL HARGOVANDAS

K. J. SOMAIYA

Directors.

SCHEDULE A.

Assets of the Somaiya Farms Purchased during the year.

1. Freehold Land.	....	...	Rs. 1,81,800
2. Leasehold Land Premium.	....	"	2,88,850
3. Buildings.	....	....	" 1,35,000
4. Agricultural Machinery.	....	....	" 8,99,700
5. Tools & Implements.	....	....	" 40,000
6. Roads & Drainage.	....	....	" 3,10,000
7. Livestock.	....	....	" 16,500
8. Cane Crop in progress.	....	....	" 4,44,150
9. Stores.	....	....	" 1,75,000
10. Advances to Lessors.	....	....	" 9,000

Total Rs. 25,00,000

Bombay
31st October 1949. }