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OMAIYA ORGANO-CHEMICALS LIMITED
BOMBAY



ANNUAL REPORT
&
ACCOUNTS

1961—62

SOMAIYA ORGANO-CHEMICALS LIMITED

BOMBAY

(Incorporated under Indian Companies Act, 1956)

Board of Directors:

SHRI KARAMSHI JETHABHAI SOMAIYA
SHRI SHANTILAL KARAMSHI SOMAIYA
SHRI PURSHOTTAM MAVJI KAVADIA
SHRI NAVINCHANDRA CHUNILAL SAYTA
SHRI RANCHHODDAS SHAMJI KOTAK

Bankers:

THE BANK OF INDIA LTD.
THE UNITED COMMERCIAL BANK LTD.

Solicitors:

MULLA & MULLA AND CRAIGIE BLUNT AND CAROE.

Auditors:

NANUBHAI & Co.

Registered Office:

FAZALBHOY BUILDING,
MAHATMA GANDHI ROAD,
FORT, BOMBAY No. 1.

NOTICE

Notice is hereby given that the Second Annual General Meeting of SOMAIYA ORGANOCHEMICALS LIMITED will be held on Friday the 28th December, 1962 at 3-30 p.m. (S.T.) at the Registered Office of the Company, Fazalbhoy Building, 4th Floor, 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, 1962.
2. To elect directors in place of Shri R. S. Kotak and Shri P. M. Kavadia who retire by rotation but being eligible offer themselves for re-election.
3. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from 14th December 1962 to 28th December, 1962, both days inclusive.

By Order of the Board of Directors:

K. J. SOMAIYA

Chairman.

BOMBAY, Dated: 26th November, 1962

Note:—A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

DIRECTORS' REPORT

THE SHAREHOLDERS,
SOMAIYA ORGANO-CHEMICALS LIMITED,
MUMBAI.

GENTLEMEN,

Your Directors have pleasure in reporting on the audited accounts of the Company for the year ended 31st May, 1962 submitted herewith.

The acetic acid plant commenced production in the month of November, 1961, but plant functioned only intermittently during the year under report due to shortage of fuel and plant trouble.

The net profit of the Company for the year amounts to Rs. 2,56,175/- after providing Rs. 4,15,194/- for depreciation and after transferring Rs. 33,180/- to Development Rebate Reserve. The net loss after setting of the carried forward loss of Rs. 7,29,282/- from the last year against the profit of Rs. 2,56,175/- of the year amounts to Rs. 4,73,107/-. In view of this, the Directors do not recommend any dividend. The net loss is carried forward to the next year.

Your Company agreed to purchase the Acetic Acid Plant, Distillery, machinery, buildings and land in the previous year from the holding Company (The Godavari Sugar Mills Limited), conveyance and agreement whereof are not yet executed; the same are being finalised. The assets so agreed to be purchased were a part of the arrangement of the holding Company with a Bank for the loan obtained from them under the Equitable mortgage, and on the terms of security arrangement. The Company subsequent to the purchase as desired by the Bank has agreed to continue the arrangement with the holding Company and as such the assets so acquired from the holding Company are under the Equitable mortgage and hypothecation to the Bank for the loan obtained by the holding Company. Attention of the Board of Directors is drawn by the Auditors to the provisions of Section 295 of the Companies Act, 1956, whereby previous approval of the Central Government would become necessary for any security provided by the Company in connection with a loan made to the holding Company. The Board of Directors have been advised that the provisions of Section 295 do not apply in as much as the vendors (the holding Company) had agreed to the sale of assets and consequently the Company had acquired the same with the same right, title and interest subject to the same encumbrances attendant thereupon as the Vendor.

Two of your Directors, Shri R. S. Kotak and Shri P. M. Kavadia, retire by rotation but being eligible offer themselves for re-election.

Messrs. Nanubhai & Co. retire and offer themselves for re-appointment as Auditors.

Yours faithfully,
For and on behalf of the Board of Directors,
K. J. SOMAIYA
Chairman.

MUMBAI, Dated 26th November, 1962.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED as at 31st May, 1962 and also the Profit and Loss Account of the Company for the period ended on that date, attached thereto and report that attention is invited to para No. 4 of the Directors' Report dated 26th November 1962.

Subject to the above:—

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion proper Books of Accounts as required by law have been kept by the Company so far as appears from our Examination of those Books of Accounts.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of Accounts.
4. In our opinion and to the best of our information and according to the explanations given to us, the Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:—
 - (a) In the case of the Balance Sheet of the Company as at 31st May, 1962, and
 - (b) In the case of the Profit and Loss Account of the Profit of the year ended on that date.

BOMBAY, Dated: 28th November, 1962

NANUBHAI & CO.,
Chartered Accountants.

As at 1st May 1961		LIABILITIES	
Rupees		Rupees	Rupees
	I. SHARE CAPITAL:—		
	AUTHORISED CAPITAL:		
25,00,000	25,000 Equity Shares of Rs. 100/- each	25,00,000	
25,00,000	25,000 7% free of Income-Tax Cumulative Preference Shares of Rs. 100/- each liable to be redeemed at the option of the Company ..	25,00,000	
50,00,000			50,00,000
	ISSUED & SUBSCRIBED CAPITAL:		
15,000	5,000 Equity Shares of Rs. 100/- each fully paid up out of which 2,550 Shares held by the holding Company, The Godavari Sugar Mills Limited	5,00,000	
5,00,000	5,000 7% free of Income-Tax Cumulative Preference Shares of Rs. 100/- each fully paid up liable to be redeemed at the option of the Company, held by the holding Company, The Godavari Sugar Mills Limited	5,00,000	
5,15,000			10,00,000
	II. RESERVES AND SURPLUS:—		
	Development Rebate Reserve:		
—	As per last Balance Sheet	5,44,927	
5,44,927	Add: Amount set aside from the Profit of the year	33,180	
5,44,927			5,78,107
	III. UNSECURED LOANS:—		
—	1. Loan from K. J. Somaiya & Sons Private Ltd., a company under the same managment (bearing no interest)	18,750	
31,53,889	2. Loan from the holding Company, The Godavari Sugar Mills Ltd. (payable by instalments)	26,21,609	
—	3. Short term Loans and Advances:		
—	On current account with the holding Company, the Godavari Sugar Mills Ltd.	—	
—	Interest on 2 and 3	1,82,120	
31,53,889			28,22,479
	IV. CURRENT LIABILITIES AND PROVISIONS:—		
	Current Liabilities:		
11,170	Sundry Creditors (including Rs. 6,31,218/- due to the holding Company, The Godavari Sugar Mills Ltd.)	6,75,362	
—	Security Deposit from customers (including Rs. 25,000/- under dispute)	62,500	
11,170			7,37,862
42,24,986	Carried Forward ..		51,38,448

Rupees		Rupees	Rupees
	I. FIXED ASSETS (At cost):—		
	(Inclusive of Rs. 31,36,597/- for Land, Buildings, Machinery and Acetic Acid plant subject to equitable mortgage and hypothecation in favour of a Bank for Loan granted to holding Company)		
32,02,634	Gross Block	40,72,060	
1,54,554	Less: Depreciation written off upto 31st May 1962	5,69,748	
30,48,080	Net depreciated block as per Schedule 'A'	35,02,312	
1,88,678	Capital work in progress	92,002	
32,36,758			35,94,314
	II. CURRENT ASSETS, LOANS & ADVANCES:—		
	(A) CURRENT ASSETS:		
1,45,394	Stores, chemicals and spares at cost (as per inventories valued and certified by a Director) Rs. 2,49,885		
753	In transit „ 1,128		
1,46,147		2,51,013	
—	Loose tools & Implements (as per Inventory certified by a Director)	3,030	
	Stock-In-Trade:		
—	Acetic Acid (sold at contract rate and unsold at Market rate) Rs. 6,13,037		
15,565	Rectified Spirit at Market rate „ 4,422		
—	Raw materials (Molasses) at cost „ 42,985		
15,565		6,60,444	
—	Sundry debtors (unsecured and considered good, other than in dispute not provided for:)		
—	(a) Debts outstanding for more than 6 months .. Rs. 50		
—	(b) Other debts (including Rs. 70,598 due for supply of goods under dispute excluding unadjusted claim for damages under agreement) .. „ 80,162		
—		80,212	
—	Cash and Bank Balances:		
35	Cash on hand Rs. 418		
9,440	In Current account with Banks „ 19,490		
9,475		19,908	
	(B) LOANS AND ADVANCES:		
—	Application money in deposit for Shares of Oriental Power Cables Limited	18,750	
83,824	Advances recoverable in cash or kind or for value to be received ..	34,970	
—	Deposits	2,700	
2,55,011			10,71,027
34,91,769	Carried forward		46,65,341

As at
31st March 1961

LIABILITIES—(Contd.)

Rupees

2,24,986

Rupees

Rupees

51,38,448

Brought forward ..

CONTINGENT LIABILITIES (Not Provided for):—

1. Arrears of Dividend on 7% (free of Income-Tax) Redeemable Cumulative Preference Shares for the period 1960-61 and 1961-62 53,083
2. In respect of Legal expenses of suit for recovery proceedings against a customer 7,500
3. In respect of share of cost towards conveyance and agreement for purchase of Fixed Assets from the holding Company Unascertained
4. In respect of Loan granted to the holding Company, The Godavari Sugar Mills Ltd., by a Bank for security offered by way of equitable Mortgage and hypothecation of the Acetic Acid Plant, land, Building and Distillery Machinery of the value of Rs. 31,36,597/-

Total Rupees ..

51,38,448

2,24,986

Referred to in our Report of even date.

NANUBHAI & CO.
Chartered Accountants.

Y, Dated: 28th November, 1962

Rupees		Rupees	Rupees
34,91,769	Brought Forward ..		46,65,341
	III. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted):—		
3,935	Preliminary expenses	—	
7,29,282	Balance as per Profit & Loss Account	4,73,107	
7,33,217			4,73,107
42,24,986	Total Rupees ..		51,38,448

NOTE:—

In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of the business. The provision for all the known liabilities is adequate and not in excess of amount reasonably necessary.

K. J. SOMAIYA	} Directors
S. K. SOMAIYA	
N. C. SAYTA	
P. M. KAVADIA	

MBAY, Dated: 26th November, 1962.

Rupees

NANUBHAI & CO.,
Chartered Accountants.

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Ruppes

Ruppes

Ruppes

By Sales:

[illegible][illegible]

8,96,671

„ Stock in trade (valued and certified by a Director):

[illegible]

Acetic Acid (sold at contract rate and unsold at market rate)	6,13,037
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Rectified Spirit at market rate	4,422
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6,17,459

„ Balance being loss for the year

7,44,847

Total Rupees ..

15,14,130

By Balance carried down

„ Balance carried to Balance Sheet

Total Rupees ..

7,29,282

K. J. SOMAIYA
S. K. SOMAIYA
N. C. SAYTA
P. M. KAVADIA

Directors

AY, Dated: 26th November, 1962.

Particulars	Gross Block at cost as at 31st May, 1961	Additions during the year	Gross Block as at 31st May, 1962	Written off upto 31st May, 1961	Written off this year	Total depreciation as at 31st May, 1962	Net depreciated block as at 31st May, 1962
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
... ..	10,000	—	10,000	—	—	—	10,000
... building	1,70,000	—	1,70,000	4,250	8,500	12,750	1,57,250
Machinery	3,22,143	4,71,205	7,93,348	13,634	41,932	55,566	7,37,782
... Plant building	—	1,80,519	1,80,519	—	9,025	9,025	1,71,494
... plant	27,00,491	1,62,579	28,63,070	1,36,670	3,54,172	4,90,842	23,72,228
... apparatus	—	2,245	2,245	—	78	78	2,167
... e and office equipments	—	4,735	4,735	—	323	323	4,412
... ar & Lorries	—	45,723	45,723	—	1,164	1,164	44,559
... Weighbridges	—	2,420	2,420	—	—	—	2,420
Total ...	32,02,634	8,69,426	40,72,060	1,54,554	4,15,194	5,69,748	35,02,312

to in our Report of even date.
NANUBHAI & CO.
Chartered Accountants.

Dated: 28th November 1962.

BOMBAY,
Dated : 26th November 1962.

K. J. SOMAIYA
S. K. SOMAIYA
N. C. SAYTA
P. M. KAVADIA } Directors