

3

SOMAIYA ORGANO-CHEMICALS LIMITED
BOMBAY



ANNUAL REPORT
&
ACCOUNTS

1962—63

1963

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.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

NOTICE

Notice is hereby given that the Third Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED will be held on Monday the 23rd December, 1963 at 5-00 P.M. (S.T.) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Bombay to transact the following business:

1. To adopt the Directors' Report and audited Statement of Accounts for the year ended 31st May, 1963.
2. To elect Directors in place of Shri N. C. Sayta and Shri K. J. Somaiya, 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 9th December, 1963 to 23rd December, 1963, both days inclusive.

By Order of the Board of Directors,
K. J. SOMAIYA
Chairman.

BOMBAY, Dated: 15th November, 1963.

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.

SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

DIRECTORS' REPORT

THE SHAREHOLDERS,
SOMAIYA ORGANO-CHEMICALS LIMITED,
BOMBAY.

GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May, 1963 submitted herewith.

The net profit of the Company for the year under report amounts to Rs. 2,99,135/- after providing Rs. 4,43,201/- for Depreciation and after transferring Rs. 45,303/- to Development Rebate Reserve. The net loss after setting off the carried forward loss of Rs. 4,73,107/- from the last year against the profit of Rs. 2,99,135/- of the year amounts to Rs. 1,73,972/-. In view of this, the Directors do not recommend any dividend. The net loss is carried forward to the next year.

The acetic acid plant functioned intermittently during the year under report due to shortage of fuel, molasses and plant trouble.

In order to have steady and continuous supply of power, the Company has made its own arrangements to generate electricity and arrangements are being made to increase production of steam.

Your Directors have pleasure in informing that the Government has permitted the Company to expand the production of industrial alcohol upto 1.50 lacs gallons per year. Orders for purchase of additional plant to increase production capacity have been already placed.

Two of your Directors, Shri N. C. Sayta and Shri K. J. Somaiya, 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.

BOMBAY, Dated: 15th November, 1963.

SOMAIYA ORGANO-CHEMICALS LIMITED

BOMBAY

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED as at 31st May, 1963 and also the Profit and Loss Account of the Company for the year ended on that date, attached thereto and report that:—

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, 1963, and
 - (b) In the case of the Profit and Loss Account for the Profit of the year ended on that date.

BOMBAY, Dated: 16th November, 1963.

NANUBHAI & CO.,
Chartered Accountants.

SOMAIYA ORGANO-

BALANCE SHEET AS AT

As at 31st May 1962	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
<u>50,00,000</u>		<u>50,00,000</u>
	ISSUED & SUBSCRIBED CAPITAL:	
5,00,000	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
<u>10,00,000</u>		<u>10,00,000</u>
	II. RESERVES AND SURPLUS:—	
	Development Rebate Reserve:	
5,44,927	As per last Balance Sheet	5,78,107
33,180	Add: Amount set aside from the Profit of the year	45,303
<u>5,78,107</u>		<u>6,23,410</u>
	III. UNSECURED LOANS:—	
18,750	1. Loan from K. J. Somaiya & Sons Private Ltd., a company under the same management	—
26,21,609	2. Loan from the Holding Company, The Godavari Sugar Mills Ltd.	—
	3. Short term Loans and Advances:	
	On current account with the Holding Company, The Godavari Sugar Mills Ltd.	30,62,569
1,82,120	Interest on above	1,74,567
<u>28,22,479</u>		<u>32,37,136</u>
	IV. CURRENT LIABILITIES AND PROVISIONS:—	
	(A) Current Liabilities:	
6,75,362	Sundry Creditors	81,169
62,500	Security Deposit from customers (including Rs. 25,000/- under dispute)	75,000
<u>7,37,862</u>		<u>1,56,169</u>
	(B) Provisions:	
	Provision for bonus	1,00,000
<u>7,37,862</u>		<u>2,56,169</u>
<u>51,38,448</u>	Carried Over ..	<u>51,16,715</u>

CHEMICALS LIMITED, BOMBAY

31ST MAY, 1963

As at 31st May 1962		ASSETS	
Rupees		Rupees	Rupees
	I. FIXED ASSETS (At cost):—		
40,72,060	Gross Block	44,83,898	
5,69,748	Less: Depreciation written off upto 31st May 1963	10,12,949	
35,02,312	Net depreciated block as per Schedule 'A'	34,70,949	
92,002	Capital work in progress	85,230	
35,94,314			35,56,179
	II. INVESTMENTS (At cost):—		
	(A) TRADE INVESTMENTS : (in company under same group)		
—	1500 partly paid up equity shares of Rs. 100/- each of Oriental Power Cables Ltd. (Managing Agents: Somaiya Bharaktiya Private Ltd.)	1,12,500	
	(B) OTHER INVESTMENTS:—		
—	4% 1967 Maharashtra State Loan (face value Rs. 1000/-) deposited with Excise Department.	995	
			1,13,495
	III. CURRENT ASSETS, LOANS AND ADVANCES:—		
	(A) CURRENT ASSETS:		
—	Interest accrued on investment	7	
2,49,885	Stores, chemicals and spares at cost (as per inventories valued and certified by a Director) Rs. 6,02,016		
1,128	In transit „ 7,085		
2,51,013		6,09,101	
3,030	Loose tools & implements (as per inventory certified by a Director)	3,018	
	Stock-in-trade:		
6,13,037	Acetic acid at market rate Rs. 3,52,574		
4,422	Rectified spirit at market rate „ 17,336		
42,985	Raw materials (Molasses) at cost „ 35,011		
6,60,444		4,04,921	
	Sundry debtors (unsecured and considered good, other than in dispute not provided for)		
50	(a) Debts outstanding for more than 6 months due for supply of goods under dispute excluding unadjusted claim for damages under agreement) Rs. 70,598		
80,162	(b) Other debts „ 91,830		
80,212		1,62,428	
9,94,699			
35,94,314	Carried Over	11,79,475	36,69,674

SOMAIYA ORGANO-

BALANCE SHEET AS AT

As at 31st May 1962	LIABILITIES—(Contd.)		
Rupees		Rupees	Rupees
51,38,448	Brought Forward ..		51,16,715
	CONTINGENT LIABILITIES (Not provided for):—		
	1. Arrears of dividend on 7% (free of Income-Tax) redeemable cumulative preference shares for the period 1960-61, 1961-62 and 1962-63	98,583	
	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, The Godavari Sugar Mills Limited	Unascertained	
	4. Uncalled liability on partly paid shares, held as investment, of Oriental Power Cables Limited	37,500	
	5. In respect of counter guarantee given to Bank of India for purchase of Car	2,000	
	6. In respect of purchase commitments including for capital purchases (includes Rs. 3,20,000/- for counter guarantee to Bank of India Ltd. for purchase of machinery) about	3,40,000	
<u>51,38,448</u>	Total Rupees ..		<u>51,16,715</u>

Referred to in our Report of even date

NANUBHAI & CO.

Chartered Accountants.

BOMBAY, Dated: 16th November, 1963

CHEMICALS LIMITED, BOMBAY

31ST MAY, 1963

As at 31st May 1962		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
35,94,314		Brought Forward ..	11,79,475	36,69,674
9,94,699				
	Cash and Bank Balances :			
418	Cash on hand Rs.	236		
19,490	In current account with Scheduled Banks ,	22,906		
19,908			23,142	
10,14,607			12,02,617	
	(B) LOANS AND ADVANCES: (Unsecured considered good)			
18,750	Application money in deposit for Shares of Oriental Power Cables Limited		—	
34,970	Advances recoverable in cash or kind or for value to be received ..		57,502	
2,700	Deposits		12,950	
10,71,027				12,73,069
	IV. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted):—			
4,73,107	Balance as per Profit & Loss Account			1,73,972
51,38,448		Total Rupees ..		51,16,715

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 business. The provision for all known liabilities and depreciation is adequate and not in excess of amount reasonably necessary.

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

} Directors

BOMBAY, Dated: 15th November, 1963.

SOMAIYA ORGANO- PROFIT & LOSS ACCOUNT FOR

As at 31st May 1962 Rupees		Rupees	Rupees
	To Opening stock on 1st June 1962:		
—	Acetic acid	6,13,037	
15,565	Rectified spirit	4,422	
15,565			6,17,459
67,516	„ Raw materials consumed (purchases Rs. 56,086)		72,626
1,34,844	„ Stores and chemicals consumed		81,665
1,02,935	„ Power and fuel		1,81,679
1,87,157	„ Salaries and Wages	2,99,691	
—	„ Bonus	412	
—	„ Provision for bonus for 1961-62 and 1962-63	1,00,000	
726	„ Workmen and Staff welfare expenses	6	
27	„ Workmen compensation	—	
5,744	„ Company's contribution (to the Holding Company) towards Provident Fund	708	
—	„ Company's contribution to Govt. Provident Fund & administrative charges	11,792	
1,93,654			4,12,609
	„ Repairs:		
7,375	Plant and machinery	47,007	
1,664	Buildings	5,309	
—	Other repairs	1,927	
9,039			54,243
21,788	„ Excise establishment charges		20,261
47,077	„ Packing and forwarding		26,350
7,796	„ Insurance premium		12,111
—	„ Emergency Risk Insurance premium		13,378
507	„ Brokerage and commission		2,400
2,325	„ Directors' fees		1,950
—	„ Legal Expenses		6,000
1,82,120	„ Interest on loan to Holding Company, The Godavari Sugar Mills Ltd.	1,74,567	
—	„ Others	2,042	
1,82,120			1,76,609
	„ Miscellaneous expenses, including printing and stationery, postage and telegrams, travelling, subscriptions, motor car maintenance etc. (including sundry debit balances of Rs. 50 written off)		27,736
18,160	„ Rates and taxes		7,535
1,770	„ Office rent		2,400
—	„ Audit Fees		500
500	„ Charity and donations		101
—	„ Loose tools written off		187
50	„ Depreciation (after adjusting excess provision of Rs. 18,925/- during previous year)		4,43,201
4,15,194	„ Preliminary expenses written off		—
3,935	„ Development Rebate Reserve		45,303
33,180	„ Balance being Profit for the year		2,99,135
2,56,175			
15,14,130		Total Rupees ..	25,05,438
7,29,282	To Balance as per last Balance Sheet		4,73,107
		Total Rupees ..	4,73,107
7,29,282			

Referred to in our Report of even date.

NANUBHAI & CO.
Chartered Accountants.

Bombay, Dated: 16th November, 1963.

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1963

As at 31st May 1962											Rupees	Rupees
Rupees												
By Sales:												
8,25,663	Acetic Acid	..	..	..	..	..	..	..	..	..	20,83,919	
71,008	Spirit	..	..	..	..	..	..	..	..	..	35,050	
8,96,671												21,18,969
—	„ Insurance claims	..	..	..	..	..	..	..	..	..		5,030
—	„ Miscellaneous receipts	..	..	..	..	..	..	..	..	..		11,494
—	„ Interest on Government Loan (net)	..	..	..	..	..	..	..	..	..		35
	„ Closing stock in trade (valued and certified by a Director)											
6,13,037	Acetic acid at market rate	..	..	..	..	..	..	..	..	..	3,52,574	
4,422	Rectified Spirit at market rate	..	..	..	..	..	..	..	..	..	17,336	
6,17,459												3,69,910
15,14,130											Total Rupees	25,05,438
2,56,175	By Balance carried down	..	..	..	..	..	..	..	..	..		2,99,135
4,73,107	„ Balance carried to Balance Sheet	..	..	..	..	..	..	..	..	..		1,73,972
7,29,282											Total Rupees	4,73,107

BOMBAY, Dated: 15th November, 1963.

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

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1963

Schedule A

Particulars	Gross Block at cost as at 1st June, 1962	Additions during the year	Gross Block as at 31st May, 1963	Written off upto 31st May, 1962	Written off this year	Total depreciation as at 31st May, 1963	Net depreciated block as at 31st May, 1963	Net depreciated block as at 31st May, 1962
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	10,000	—	10,000	—	—	—	10,000	10,000
Distillery building ...	1,70,000	1,48,368	3,18,368	12,750	*11,369	24,119	2,94,249	1,57,250
Distillery machinery	7,93,348	53,004	8,46,352	55,566	*98,037	1,53,603	6,92,749	7,37,782
Acetic Acid Plant building	1,80,519	16,023	1,96,542	9,025	8,976	18,001	1,78,541	1,71,494
Acetic Acid Plant ...	28,63,070	1,69,813	30,32,883	4,90,842	*3,11,196	8,02,038	22,30,845	23,72,228
Laboratory apparatus	2,245	1,563	3,808	78	261	339	3,469	2,167
Furniture and office equipments	4,735	17,131	21,866	323	1,714	2,037	19,829	4,412
Motor car and Lorries	45,723	5,936	51,659	1,164	11,358	12,522	39,137	44,559
Scale & Weighbridges	2,420	—	2,420	—	290	290	2,130	2,420
Total Rupees ...	40,72,060	4,11,838	44,83,898	5,69,748	4,43,201	10,12,949	34,70,949	35,02,312

*Note:— These figures are put after adjusting excess depreciation charged in the year 1961-62.

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

BOMBAY, Dated: 16th November, 1963.

BOMBAY,
Dated : 15th November, 1963.

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

} Directors