

4

SOMAIYA ORGANO-CHEMICALS LIMITED
BOMBAY

ANNUAL REPORT
&
ACCOUNTS

1963—64

1964

SOMAIYA ORGANO-CHEMICALS LIMITED

BOMBAY

(Incorporated under Indian Companies Act, 1956)

Board of Directors:

SHRI KARAMSHI JETHABHAI SOMAIYA
SHRI SHANTILAL KARAMSHI SOMAIYA
SHRI PURUSHOTTAM 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 Fourth Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED will be held on Monday the 30th November, 1964 at 5-00 P.M. (I.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, 1964.
2. To consider and if thought fit to pass, with or without modifications, the following Resolution as Ordinary Resolution:

ORDINARY RESOLUTION:

"Resolved that pursuant to the provisions of Section 294 of the Companies Act, 1956 the Company hereby approves of the appointment of M/s. Arpit Limited as the Sole Selling Agents of the Company for the sale of the products of the Company for the areas comprising of the States of Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, Andhra Pradesh, Kerala, Madras, Mysore, West Bengal, Punjab, Uttar Pradesh, Bihar and Delhi for an initial period of two years commencing from 1st June, 1964 with power to the Board of Directors of the Company to renew the said term for a period not exceeding one year at a time, but so that the total period of appointment shall not exceed in all five years upon the terms and conditions contained in the draft agreement placed before the meeting and initialled by the Chairman for the purpose of identification made between the Company of the one part and M/s. Arpit Limited of the other part."

3. To elect Directors in place of Shri R. S. Kotak and Shri S. K. Somaiya, who retire by rotation, but being eligible offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The transfer books of the Company will be closed from 17th November, 1964 to 30th November, 1964, both days inclusive.

By Order of the Board of Directors,
S. K. SOMAIYA
Chairman of the Meeting

BOMBAY, Dated 23rd November, 1964.

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

An Explanatory Statement under section 173 of the Companies Act, 1956 in respect of the above resolution is annexed.

EXPLANATORY STATEMENT

The following explanatory statement is given in respect of the special item of business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of the Companies Act, 1956:

ORDINARY RESOLUTION:

The Board of Directors of the Company has appointed M/s. Arpit Limited as the Sole Selling Agents of the Company for the sale of the products manufactured by the Company for an initial period of two years commencing from 1st June, 1964 with power to the Board of Directors of the Company to renew the said term for a period not exceeding one year at a time, but so that the total period of appointment shall not exceed in all five years upon the terms and conditions contained in the draft agreement. The said appointment is made as per the terms and conditions mentioned in the said draft agreement to be entered into by the Company with M/s. Arpit Limited, a copy whereof is placed before the meeting duly initialled by the Chairman for the purpose of identification. Your approval is necessary under section 294 of the Companies Act, 1956 to the said appointment of M/s. Arpit Limited as the Sole Selling Agents of the Company for the areas comprising of the States of Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, Andhra Pradesh, Kerala, Madras, Mysore, West Bengal, Punjab, Uttar Pradesh, Bihar and Delhi. You are requested to pass the Ordinary Resolution as set out in the accompanying Notice.

By Order of the Board of Directors,
S. K. SOMAIYA
Chairman of the Meeting

BOMBAY, Dated 23rd November, 1964.

SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

DIRECTORS' REPORT

THE SHAREHOLDERS,
SOMAIYA ORGANO-CHEMICALS LTD.,
BOMBAY.

LADIES & GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May, 1964 submitted herewith.

The net loss of the Company for the year under report amounts to Rs. 4,33,574 after providing Rs. 8,55,305 for Depreciation and after transferring Rs. 60,661 to Development Rebate Reserve. The total loss after adding the carry forward loss of Rs. 1,73,972 from last year, comes to Rs. 6,07,546, which has been carried forward to next year. In view of this the Directors do not recommend any dividend.

The Acetic Acid Plant functioned intermittently during the year under report due to shortage of molasses. Your Directors have approached the authorities for adequate allotment of molasses from nearby sugar factories.

Your Directors are glad to inform you that necessary steps were taken during the year under report for expansion of the distillery. The new plant with a capacity of 6,000 glns/day is expected to go into production in early 1965.

Two of your Directors, Shri S. K. Somaiya and Shri R. S. Kotak, 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 Board of Directors,
S. K. SOMAIYA
Chairman of the Meeting

BOMBAY, Dated: 23rd November, 1964.

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, 1964 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 State of affairs of the Company as at 31st May, 1964, and
 - (b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

BOMBAY, Dated: 24th November, 1964

NANUBHAI & CO.
Chartered Accountants

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st May 1963	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:	
5,00,000	5,000 Equity Shares of Rs. 100/- each fully paid up out of which, 2550 shares are 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
10,00,000		10,00,000
	II. RESERVES AND SURPLUS:	
	Development Rebate Reserve:—	
5,78,107	As per last Balance Sheet	6,23,410
45,303	Add: Amount set aside from the profit of the year	60,661
6,23,410		6,84,071
	III. UNSECURED LOANS:	
30,62,569	On Current Account with the Holding Company, The Godavari Sugar Mills Limited	33,05,226
1,74,567	Interest on above	2,38,218
32,37,136		35,43,444
	IV. CURRENT LIABILITIES AND PROVISIONS:	
	(A) Current Liabilities:	
81,169	Sundry creditors (including Rs. 5697 due to holding Company) ..	57,297
75,000	Security deposit from customers (including Rs. 25,000/- under dispute)	65,000
1,56,169		1,22,297
	(B) Provisions:	
1,00,000	Provision for bonus	70,000
51,16,715		1,92,297
	Carried Forward ..	54,19,812

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

As at 31st May, 1963	ASSETS	
Rupees		Rupees Rupees
	I. FIXED ASSETS (At cost):—	
44,83,898	Gross block	47,94,503
10,12,949	Less: Depreciation written off upto 31st May, 1964	18,68,254
34,70,949	Net depreciated block as per Schedule 'A'	29,26,249
85,230	Capital work in progress	1,11,479
35,56,179		30,37,728
	II. INVESTMENTS (At cost):—	
	(A) TRADE INVESTMENTS: (in company under same group)	
1,12,500	1,500 fully paid up equity shares of Rs. 100/- each of Oriental Power Cables Ltd. (Managing Agents: Somaiya Bharaktiya Private Ltd.) ..	1,50,000
	(B) OTHER INVESTMENTS:—	
995	4% 1967 Maharashtra State Loan (face value Rs. 1,000/-) deposited with Excise Department	995
1,13,495		1,50,995
	III. CURRENT ASSETS, LOANS AND ADVANCES:—	
	(A) CURRENT ASSETS:	
7	(i) Interest accrued on investment	—
	(ii) Stores, chemicals and spares at cost (as per inventory valued and certified by a Director):	
6,02,016	(a) On hand	6,78,164
7,085	(b) In transit	1,226
6,09,101		6,79,390
3,018	(iii) Loose tools and implements (as per inventory certified by a Director)	17,358
	(iv) Stock-in-trade:	
3,52,574	Acetic Acid at market rate	3,41,067
17,336	Rectified Spirit at market rate	82,617
35,011	Raw materials (molasses) at cost	43,369
4,04,921		4,67,053
	(iv) Sundry debtors (unsecured and considered good, other than in dispute not provided for):	
70,598	(a) Debts outstanding for more than 6 months due for supply of goods under dispute excluding unadjusted claim for damages under agreement	70,598
91,830	(b) Other debts	92,940
1,62,428		1,63,538
11,79,475		
36,69,674	Carried forward ..	13,27,339 31,88,723

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st May 1963	LIABILITIES—(Contd.)	
Rupees		Rupees Rupees
51,16,715	Brought Forward ..	54,19,812
	CONTINGENT LIABILITIES (Not provided for):—	
98,583	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative Preferences shares for the period 1960-61, 1961-62, 1962-63 and 1963-64	1,44,383
7,500	2. In respect of legal expenses of suit for recovery proceedings against a customer	7,500
Unascertained	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
37,500	4. Uncalled liability on partly paid shares, held as investment of Oriental Power Cables Limited	—
2,000	5. In respect of counter guarantee given to Bank of India for purchase of car	—
—	6. In respect of counter guarantee given to Bank of India for payment of freight by way of Railway credit notes	11,000
3,40,000	7. In respect of purchase commitments including for capital purchases (including Rs. 3,20,000/- for counter guarantee to Bank of India Ltd., for purchase of machinery) about	3,40,000
<u>51,16,715</u>	Total Rupees ..	<u>54,19,812</u>

Referred to in our report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 24th November, 1964.

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1964

<i>As at 31st May 1963</i>	ASSETS—(Contd.)		
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
36,69,674		Brought Forward ..	13,27,339
<u>11,79,475</u>			31,88,723
	(v) Cash and Bank Balances:		
236	Cash on hand	562	
22,906	In current account with Scheduled Banks ..	<u>1,548</u>	
<u>23,142</u>			2,110
<u>12,02,617</u>			<u>13,29,449</u>
	(B) LOANS AND ADVANCES: (Unsecured and considered good):		
57,502	(i) Advances recoverable in cash or kind or for value to be received	2,80,919	
<u>12,950</u>	(ii) Deposits	<u>13,175</u>	
<u>12,73,069</u>			16,23,543
	IV. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted):—		
1,73,972	Balance as per Profit & Loss Account		6,07,546
<u>51,16,715</u>		Total Rupees ..	<u>54,19,812</u>

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.

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

BOMBAY: Dated 23rd November, 1964.

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May 1963	Rupees	Rupees	Rupees
		To Opening stock on 1st June 1963:	
	6,13,037	Acetic Acid	3,52,574
	4,422	Rectified Spirit	17,336
	<u>6,17,459</u>		
	72,626	,, Raw materials consumed (Purchases Rs. 87,976/-)	3,69,910
	81,665	,, Stores and chemicals consumed	79,618
	1,81,679	,, Power and fuel	86,235
	2,99,691	,, Salaries and wages	3,01,460
	412	,, Bonus	2,64,956
	1,00,000	,, Provision for bonus	632
	6	,, Workmen and staff welfare expenses	20,000
	708	,, Company's contribution (to the Holding Company) towards provident Fund	13
	11,792	,, Company's contribution to Govt. Provident Fund and Administrative charges	1,117
	<u>4,12,609</u>		14,106
	47,007	,, Repairs:	3,00,824
	5,309	Plant and machinery	24,420
	1,927	Buildings	3,059
	<u>54,243</u>	Other repairs	6,156
	20,261		
	26,350	,, Excise establishment charges	33,635
	12,111	,, Packing and forwarding	21,574
	13,378	,, Insurance premium	—
	2,400	,, Emergency Risk Insurance premium	11,571
	1,950	,, Brokerage and commission	9,808
	6,000	,, Directors' fees	—
	<u>1,74,567</u>	,, Legal expenses	1,725
	2,042	,, Directors' Travelling expenses	7,350
	<u>1,76,609</u>	,, Interest on loan to Holding Company, The Godavari Sugar Mills Ltd.	10,500
	27,736	,, Others	2,38,218
	7,535		65
	2,400	,, Miscellaneous expenses, including Printing and stationery, postage and telegrams, travelling, subscription, motor car maintenance etc.	2,38,283
	500	,, Rates and taxes	51,826
	101	,, Office Rent	5,347
	187	,, Audit Fees	14,400
	4,43,201	,, Charity and donations	500
	45,303	,, Loose tools written off	100
	2,99,135	,, Depreciation (including Rs. 2,36,843/- short provided in previous years)	1,059
	<u>25,05,438</u>	,, Development Rebate Reserve	8,55,305
	4,73,107	,, Balance being Profit for the year	60,661
	<u>—</u>	Total Rupees	24,61,691
	<u>4,73,107</u>		
	—	To Balance as per last Balance Sheet	1,73,972
	<u>4,73,107</u>	,, Balance brought down	4,46,838
		,, Bonus for previous year	36,736
		Total Rupees	6,57,546

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants

BOMBAY: Dated 24th November, 1964.

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1964

<i>As at 31st May 1963</i> Rupees		Rupees	Rupees
	By Sales:		
20,83,919	Acetic Acid	15,60,556	
<u>35,050</u>	Spirit	<u>—</u>	15,60,556
21,18,969			
5,030	„ Insurance claims		—
11,494	„ Miscellaneous receipts		30,593
35	„ Interest on Government loan (net)		20
	„ Closing stock in trade (valued and certified by a Director):		
3,52,574	„ Acetic Acid at Market rate	3,41,067	
<u>17,336</u>	„ Rectified spirit at market rate	<u>82,617</u>	4,23,684
3,69,910			
—	„ Balance being Loss during the year		4,46,838
<u>25,05,438</u>		Total Rupees ..	<u>24,61,691</u>
2,99,135	By Balance carried down		—
—	„ Provision for Bonus recredited		50,000
<u>1,73,972</u>	„ Balance carried to Balance Sheet		<u>6,07,546</u>
4,73,107		Total Rupees ..	<u>6,57,546</u>

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

} Directors

BOMBAY: Dated 23rd, November, 1964.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1964

Schedule 'A'

Particulars	Gross Block at cost as at 1st June, 1963	Additions during the year	Gross Block as at 31st May, 1964	Deprecia- tion written off upto 31st May, 1963	Deprecia- tion written off this year	Total depreciation as at 31st May, 1964	Net depreciated block as at 31st May, 1964	Net depreciated block as at 31st May, 1963
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	10,000	—	10,000	—	—	—	10,000	10,000
Distillery Building ..	3,18,368	6,131	3,24,499	24,119	14,866	38,985	2,85,514	2,94,249
Distillery machinery	8,46,352	3,356	8,49,708	1,53,603	1,73,007	*3,26,610	5,23,098	6,92,749
Acetic Acid Plant building	1,96,543	—	1,96,543	18,001	8,927	26,928	1,69,615	1,78,541
Diesel Generating Set	—	2,63,118	2,63,118	—	35,082	35,082	2,28,036	—
Acetic Acid Plant ..	30,32,883	36,828	30,69,711	8,02,038	6,11,440	*14,13,478	16,56,233	22,30,845
Laboratory apparatus	3,808	—	3,808	339	243	582	3,226	3,469
Furniture and Office equipments ..	21,865	1,172	23,037	2,037	2,118	4,155	18,882	19,829
Motor car and lorries	51,659	—	51,659	12,522	9,366	21,888	29,771	39,137
Scales & weighbridges	2,420	—	2,420	290	256	546	1,874	2,130
Total Rupees ..	44,83,898	3,10,605	47,94,503	10,12,949	8,55,305	18,68,254	29,26,249	34,70,949

*Note:—After adjusting depreciation of Rs. 2,36,843/- for previous years short provided.

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

BOMBAY, Dated: 24th November, 1964.

BOMBAY,
Dated: 23rd November, 1964.

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