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SOMAIYA ORGANO-CHEMICALS LIMITED
BOMBAY

ANNUAL REPORT
&
ACCOUNTS

1964—65

1965

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 Fifth Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED will be held on Friday the 26th November, 1965 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, 1965.
2. To elect Directors in place of Shri P. M. Kavadia and Shri N. C. Sayta, who retire by rotation, but being eligible offer themselves for re-election.
3. To appoint Auditors for the current year and fix their remuneration.

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

BOMBAY, Dated, 30th October, 1965.

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.

LADIES & GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May, 1965 submitted herewith.

The net loss of the Company for the year under report amounts to Rs. 5,04,201/- after providing Rs. 7,13,013/- for depreciation and after transferring Rs. 54,462/- to development Rebate Reserve. The total loss after adding the carry forward loss of Rs. 6,07,546/- from last year comes to Rs. 11,11,747/- which has been carried forward to next year. In view of this, directors do not recommend any dividend.

Your Directors are glad to inform you that during the year under report, the expansion of the Distillery was completed and the new Distillery Plant with a capacity of 6,000 gallons per day has since gone into production from the beginning of the New Year S.Y. 2022 from the 27th October, 1965. The efforts of your Directors to get adequate allotment of molasses for the new Distillery have met with success.

With the above expansion coming into effect, besides meeting the captive requirements of Acetic Acid plant, the distillery will have during the year surplus alcohol. Your Directors are making necessary arrangements for sales of this surplus alcohol both in the internal as well as export markets.

The Acetic Acid Plant worked satisfactorily during the year. The company is now taking into hand the plans for diversification by way of manufacture of Ethyl Acetate and Esters, the Industrial Licence for which has already been received.

Two of your Directors, Shri P. M. Kavadia and Shri N. C. Sayta 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 of the Meeting.

BOMBAY, Dated: 30th October, 1965.

SOMAIYA ORGANO-CHEMICALS LIMITED

BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED as at 31st May, 1965 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, 1965, and
 - (b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

NANUBHAI & CO.
Chartered Accountants.

BOMBAY, Dated : 4th November, 1965

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st May, 1964		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 out of which, 2,550 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:—		
6,23,410	As per last Balance Sheet	6,84,071	
60,661	Add: Amount set aside from the profit of the year	54,462	
6,84,071			7,38,533
	III. UNSECURED LOANS:		
33,05,226	On Current Account with the Holding Company, The Godavari Sugar Mills Limited	40,24,935	
2,38,218	Interest on above	3,45,273	
35,43,444			43,70,208
	IV. CURRENT LIABILITIES AND PROVISIONS:		
	(A) Current Liabilities:		
—	Due to Selling Agents	1,03,501	
57,297	Sundry Creditors (including Rs. 6,541/- due to holding Company) ..	5,87,103	
65,000	Deposits (including Rs. 25,000/- under dispute)	83,670	
1,22,297		7,74,274	
	(B) Provisions:		
70,000	Provision for bonus	35,000	
1,92,297			8,09,274
54,19,812			
	Carried Forward ..		69,18,015

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

As at 31st May, 1964	ASSETS	
Rupees		Rupees Rupees
	I. FIXED ASSETS (At cost):—	
47,94,503	Gross block	51,02,528
18,68,254	Less: Depreciation written upto 31st May, 1965	25,81,267
29,26,249	Net depreciated block as per Schedule 'A'	25,21,261
1,11,479	Capital work in progress	13,23,133
30,37,728		38,44,394
	II. INVESTMENTS (At cost):—	
	(A) TRADE INVESTMENTS: (in company under same group)	
1,50,000	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
1,50,995	(Quoted Investments: Cost Rs. 1,50,995, Market Value Rs. 1,02,230)	1,50,995
	III. CURRENT ASSETS, LOANS AND ADVANCES:—	
	(A) CURRENT ASSETS:	
	(i) Stores, Chemicals and spares at cost (as per inventory valued and certified by a Director):	
6,78,164	(a) On hand	10,92,502
1,226	(b) In transit	57,925
6,79,390		11,50,427
17,358	(ii) Loose tools and implements (as per inventory certified by a Director)	18,158
	(iii) Stock-in-trade: (As valued and Certified by a Director)	
3,41,067	(a) Acetic Acid at market rate	1,69,227
82,617	(b) Rectified Spirit at market rate	19,987
43,369	(c) Raw materials (molasses) at cost	83,242
4,67,053		2,72,456
	(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 exclud- ing unadjusted claim for damages under agree- ment	70,598
92,940	(b) Other debts	1,34,995
1,63,538		2,05,593
13,27,339		
31,88,723		
	Carried forward ..	16,46,634 39,95,389

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st May, 1964		LIABILITIES—(Contd.)	
Rupees		Rupees	Rupees
54,19,812		Brought Forward ..	69,18,015
	CONTINGENT LIABILITIES (Not provided for):—		
1,44,383	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative Preference Shares for the period of 1960-61 and for 1961-62 to 1964-65	1,89,583	
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	
11,000	4. In respect of counter guarantee given to Bank of India Ltd. for payment of freight by way of Railway Credit Notes	11,000	
3,40,000	5. In respect of purchase commitments including for capital purchases ..	1,00,000	
—	6. In respect of counter claim made by M/s P. Vrajlal Dulabhdas in the suit filed by the Company against them for recovery of Rs. 61,165/- and interest	8,79,365	
54,19,812	Total Rupees ..		69,18,015

Referred to in our Report of even date.

NANUBHAI & CO.,
Chartered Accountants.

BOMBAY, Dated: 4th November, 1965.

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1965

As at 31st May, 1964		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
31,88,723		Brought Forward ..	16,46,634	39,95,389
13,27,339				
	(v) Cash and Bank Balances:			
562	Cash on hand	3,849		
1,548	In current account with Scheduled Banks ..	33,988		
2,110			37,837	
13,29,449			16,84,471	
	(B) LOANS AND ADVANCES: (Unsecured and considered good):			
2,80,919	(i) Advances recoverable in cash or kind or for value to be received	1,12,958		
13,175	(ii) Deposits	13,450		
16,23,543				18,10,879
	IV. MISCELLANEOUS EXPENDITURE:—			
6,07,546	Balance as per Profit & Loss Account			11,11,747
54,19,812		Total Rupees ..		69,18,015

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

BOMBAY: Dated 30th October, 1965.

SOMAIYA ORGANO-

PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1964	Rupees		Rupees	Rupees
		To Opening stock on 1st June, 1964:		
	3,52,574	Acetic Acid	3,41,067	
	17,336	Rectified Spirit	82,617	
	<u>3,69,910</u>			
	79,618	„ Rectified Spirit Purchases		4,23,684
	86,235	„ Molasses consumed (Purchase Rs. 1,37,448)		15,708
	3,01,460	„ Stores and Chemicals consumed		97,575
	2,64,956	„ Power and fuel		1,15,080
	632	„ Salaries and Wages	3,35,887	4,10,974
	20,000	„ Bonus	5,652	
	13	„ Provision for bonus	15,000	
	1,117	„ Workmen and Staff welfare expenses	45	
	14,106	„ Company's contribution (to the Holding Company) towards Provident Fund	1,303	
	—	„ Company's contribution to Govt. Provident Fund and Administrative charges	21,662	
		„ Workmen compensation	37	
	<u>3,00,824</u>			<u>3,79,586</u>
	24,420	„ Repairs:		
	3,059	Plant and Machinery	28,225	
	6,156	Buildings	3,621	
		Other repairs	14,748	
	<u>33,635</u>			
	21,574	„ Excise establishment charges		46,594
	11,571	„ Insurance premium		25,166
	9,808	„ Emergency Risk Insurance premium		15,275
	—	„ Brokerage and commission		—
	1,725	„ Directors' fees		15,000
	7,350	„ Legal expenses		1,425
	10,500	„ Directors' Travelling expenses		6,000
	2,38,218	„ Interest on loan to Holding Company, The Godavari Sugar Mills Ltd.	3,45,273	3,389
	65	„ Others	28	
	<u>2,38,283</u>			<u>3,45,301</u>
	51,826	„ Miscellaneous expenses, including Printing and stationery, postage and telegrams, travelling, subscription, motor car maintenance etc.		45,150
	5,347	„ Rates and taxes		4,815
	14,400	„ Office Rent		14,400
	500	„ Audit Fees		500
	100	„ Charity and donations		—
	1,059	„ Loose tools written off		1,112
	8,55,305	„ Depreciation (including Rs. 1,32,005/- short provided in previous years)		7,13,013
	60,661	„ Development Rebate Reserve		54,462
	—	„ Sole Selling Agents' commission on Acetic Acid		1,03,501
	<u>24,61,691</u>			<u>28,37,710</u>
		Total Rupees		
	1,73,972	To Balance as per last Balance Sheet		6,07,546
	4,46,838	„ Balance brought down		5,25,612
	36,736	„ Bonus for previous year		29,802
	<u>6,57,546</u>			<u>11,62,960</u>
		Total Rupees		

Referred to in our Report of even date.

NANUBHAI & CO.,

Chartered Accountants

BOMBAY, Dated 4th November, 1965.

THE YEAR ENDED 31ST MAY, 1965

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

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SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1965

Schedule 'A'

Particulars	Gross Block at cost as at 1st June, 1964	Additions during the year	Gross Block as at 31st May, 1965	Deprecia- tion written off upto 31st May, 1964	Deprecia- tion written off this year	Total depreciation as at 31st May, 1965	Net depreciated block as at 31st May, 1965	Net depreciated block as at 31st May, 1964
1	2	3	4	5	6	7	8	9
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	10,000	—	10,000	—	—	—	10,000	10,000
Distillery Building ..	3,24,499	27,860	3,52,359	38,985	15,479	54,464	2,97,895	2,85,514
Distillery Machinery	8,49,708	1,95,442	10,45,150	3,26,610	1,11,943	4,38,553	6,06,597	5,23,098
Acetic Acid Plant building ..	1,96,543	1,697	1,98,240	26,928	8,523	35,451	1,62,789	1,69,615
Electrical Machinery	2,63,118	15,593	2,78,711	35,082	43,333	78,415	2,00,296	2,28,036
Acetic Acid Plant ..	30,69,711	14,344	30,84,055	14,13,478	*5,13,774	19,27,252	11,56,803	16,56,233
Laboratory apparatus	3,808	—	3,808	582	226	808	3,000	3,226
Furniture and Office equipments ..	23,037	3,656	26,693	4,155	2,496	6,651	20,042	18,882
Motor car, Lorries & Tankers ..	51,659	—	51,659	21,888	7,108	28,996	22,663	29,771
Scale & weighbridges	2,420	—	2,420	546	225	771	1,649	1,874
Storage Vats & Tanks	—	49,433	49,433	—	9,906	9,906	39,527	—
Total Rupees ..	47,94,503	3,08,025	51,02,528	18,68,254	7,13,013	25,81,267	25,21,261	29,26,249

*Note:—After adjusting depreciation of Rs. 1,32,005/- for previous years short provided.

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

BOMBAY, Dated: 4th November, 1965.

BOMBAY,
Dated: 30th October, 1965.

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