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SOMAIYA ORGANO-CHEMICALS LIMITED  
BOMBAY



ANNUAL REPORT  
&  
ACCOUNTS

1966—67

1967

# 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  
SHRI CHAMPAKLAL AMRITLAL MEHTA

**Bankers :**

THE BANK OF INDIA LTD.  
THE UNITED COMMERCIAL BANK LTD.  
UNION BANK OF INDIA 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 7th Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED will be held on Thursday, the 30th November, 1967 at 5-00 P.M. (S.T) at the Registered Office of the Company, Fazalbhoy Building, Mahatma Gandhi Road, Bombay-1, to transact the following business :—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st May, 1967.
2. To elect a Director in place of Shri R. S. Kotak who retires by rotation, but being eligible offers himself for re-election.
3. To elect a Director in place of Shri P. M. Kavadia who retires by rotation, but being eligible offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

By order of the Board of Directors,  
K. J. SOMAIYA  
*Chairman.*

BOMBAY, Dated 29th November, 1967.

#### NOTE :—

A member entitled to attend and vote is also entitled to appoint a proxy; the proxy need not be a member.



# SOMAIYA ORGANO-CHEMICALS LIMITED BOMBAY

## DIRECTORS' REPORT

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

LADIES AND GENTLEMEN,

Your Directors are pleased to report on the audited accounts of the Company for the year ended 31st May 1967 submitted herewith.

The net loss of the Company for the year under report amounts to Rs. 1,09,347/- after providing Rs. 6,00,768/- for depreciation and after transferring Rs. 34,265/- to Development Rebate Reserve. The total loss after adding the carry forward loss of Rs. 18,46,807/- from last year, comes to Rs. 19,56,154/-, which has been carried forward to next year. In view of this, Directors do not recommend any dividend.

The working of the Distillery during the year under report was quite satisfactory. With its expanded capacity, the distillery, besides feeding our own Acetic Acid plant, also endeavoured to meet the demands of other industrial users of Alcohol. Sales of Rectified Spirit were resumed after a period of about five years.

The allotment of Molasses to your distillery has however not been adequate. Your Directors are pursuing this matter with the authorities. A sharp fall in sugar production in the country from the previous season's record of 35 lakh tonnes to 22 lakh tonnes in the year under report resulted into difficulties of availability of molasses to distilleries. The situation was further complicated by some of the sugar factories in our State having been permitted free sale of molasses in the open market upto a specified quantity.

In the latter part of the period under report, the market of Acetic Acid turned the corner and gradually began steadying. While shortage of molasses is likely to affect the production of alcohol during the forthcoming year, your Directors are hopeful that the current year will show better results on account of improvement in prices of Acetic Acid.

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 reappointment as Auditors.

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

BOMBAY, Dated 29th November, 1967.



# SOMAIYA ORGANO-CHEMICALS LIMITED

## BOMBAY

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of SOMAIYA ORGANO-CHEMICALS LIMITED, as at 31st May, 1967, and also the attached Profit and Loss Account of the Company for the year ended on that date 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 the Books of Accounts produced before us.
- (3) The Balance Sheet and Profit and Loss Account dealt with by the 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, 1967, 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 the 29th day of November, 1967.

# SOMAIYA ORGANO-

## BALANCE SHEET

As at 31st May, 1966	LIABILITIES		
Rupees		Rupees	Rupees
	<b>I. SHARE CAPITAL:</b>		
	<b>AUTHORISED CAPITAL:</b>		
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>
	<b>ISSUED &amp; SUBSCRIBED CAPITAL:</b>		
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	10,000 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 .. .. .	10,00,000	
<u>10,00,000</u>			15,00,000
	<b>II. RESERVES AND SURPLUS:</b>		
	<b>Development Rebate Reserve:</b>		
7,38,533	As per last Balance Sheet .. .. .	10,09,811	
2,71,278	Add: Amount set aside from the profit of the year .. .. .	34,265	
<u>10,09,811</u>			10,44,076
	<b>III. SECURED LOANS:</b>		
—	From Union Bank of India Ltd. against Equitable Mortgage of Fixed Assets including Machineries etc. and guaranteed by two directors of the Company .. .. .		20,00,000
	<b>IV. UNSECURED LOANS:</b>		
50,77,028	On Current Account with the Holding Company, The Godavari Sugar Mills Limited .. .. .	23,36,172	
4,79,845	Interest on above .. .. .	3,72,982	
<u>55,56,873</u>			27,09,154
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>		
	<b>(A) Current Liabilities:</b>		
93,200	Due to Selling Agents .. .. .	1,65,000	
6,90,159	Sundry Creditors (including Rs. 58,674/- due to Holding Company)	3,86,227	
1,35,512	Deposits (including Rs. 25,000/- under dispute) .. .. .	1,56,000	
—	Interest accrued but not due .. .. .	32,272	
<u>9,18,871</u>		7,39,499	
	<b>(B) Provisions:</b>		
45,000	Provisions for bonus .. .. .	45,000	
<u>9,63,871</u>			7,84,499
<u>85,30,555</u>			<u>80,37,729</u>
	Carried Forward ..		



# CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1967

As at 31st May, 1966	ASSETS	
Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS (At cost):—</b>	
69,04,563	Gross block .. .. .	70,57,407
32,75,243	Less: Depreciation written off upto 31st May, 1967 .. .. .	38,76,011
36,29,320	Net depreciated block as per Schedule 'A' .. .. .	31,81,396
1,38,210	Capital Work in progress .. .. .	5,13,569
37,67,530		36,94,965
	<b>II. INVESTMENTS (At cost):—</b>	
	<b>(A) TRADE INVESTMENTS:</b>	
1,50,000	(1) (In company under same group) 1,500 fully paid up equity shares of Rs. 100/- each of Oriental Power Cables Ltd. (Managing Agents: Somaiya Bharkatiya Private Ltd.) ..	1,50,000
—	(2) 20,000 Equity Shares of Rs. 10/- each of Kutch Salt & Allied In- dustries Limited fully paid up .. .. .	90,000
1,50,000		2,40,000
	<b>(B) OTHER INVESTMENTS:—</b>	
995	4% 1967 Maharashtra State Loan (face value Rs. 1,000/-) deposited with Excise Department (Quoted Investments: Cost Rs. 2,40,995, Market Value Rs. 1,85,491/-) .. .. .	995
1,50,995		2,40,995
	<b>III. CURRENT ASSETS, LOANS AND ADVANCES:—</b>	
	<b>(A) CURRENT ASSETS:</b>	
	<b>(i) Stores, Chemicals and spares at cost (as per inventory valued and certified by a Director):</b>	
10,94,580	(a) On hand .. .. .	6,92,937
29,166	(b) In transit .. .. .	70,354
11,23,746		7,63,291
18,262	<b>(ii) Loose tools and implements (as per inventory certified by a Director) .. .. .</b>	17,167
	<b>(iii) Stock-in-trade: (As valued and Certified by a Director)</b>	
2,55,874	(a) Acetic Acid at market rate .. .. .	6,252
3,77,242	(b) Rectified Spirit at market rate .. .. .	3,37,110
97,152	(c) Raw materials (molasses) at cost .. .. .	1,19,631
8,672	(d) Denatured Spirit at market rate .. .. .	14,130
—	(e) Fusel Oil .. .. .	2,800
—	(f) Ethyl Acetate .. .. .	13,500
7,38,940		4,93,423
	<b>(iv) Sundry debtors (unsecured and considered good, other than in dispute not provided for):</b>	
70,695	(a) Debts outstanding for more than 6 months due for supply of goods under dispute exclud- ing unadjusted claim for damages under agree- ment .. .. .	70,696
1,94,999	(b) Other debts .. .. .	2,39,203
24,000	(c) Due from Oriental Power Cables Ltd., a com- pany under the same management .. .. .	—
2,89,694		3,09,899
21,70,642		
39,18,525	Carried forward ..	15,83,780
		39,35,960

# SOMAIYA ORGANO- BALANCE SHEET

As at 31st May, 1966		LIABILITIES—(Contd.)	
Rupees		Rupees	Rupees
85,30,555	Brought Forward ..		80,37,729
	<b>CONTINGENT LIABILITIES (Not provided for):—</b>		
2,24,583	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative preference shares for the period of 1960-61 to 1966-67 .. .. .	2,62,076	
7,500	2. In respect of legal expenses of suit for recovery proceedings against a customer .. .. .	7,500	
3,150	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 .. .. .	—	
11,000	4. In respect of counter guarantees given to a Bank .. .. .	50,375	
1,00,000	5. In respect of purchases commitments including for capital purchases ..	1,00,000	
8,79,365	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	
<u>85,30,555</u>	Total Rupees ..		<u>80,37,729</u>

Referred to in our Report of even date.

NANUBHAI & CO.,  
Chartered Accountants.

BOMBAY: Dated 29th November, 1967



# CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1967

As at 31st May, 1966		ASSETS—(Contd.)		
Rupees			Rupees	Rupees
39,18,525		Brought Forward ..	15,83,780	39,35,960
21,70,642				
	(v) Cash and Bank Balances:			
19,623	Cash on hand .. .. .	12,659		
29,090	In current account with Scheduled Banks	88,450		
48,713			1,01,109	
22,19,355			16,84,889	
	(B) LOANS AND ADVANCES: (Unsecured and considered good except otherwise stated):			
4,32,305	(i) Loan to M/s. Oriental Power Cables Ltd., a Company under the same Management. (Maximum Debit Balance during the year Rs. 4,32,305/- previous year Rs. 4,32,305) .. .. .	2,65,563		
—	Loan to M/s. Arpit Ltd., a Company under the same Management. (Maximum Debit Balance during the year Rs. 16,800/- previous year Nil) .. .. .	12,839		
96,123	(ii) Advances recoverable in cash or kind or for value to be received (Including Rs. 11,379/- considered doubtful not provided for) ..	1,64,374		
17,440	(iii) Deposits (Includes Rs. 4,000/- in Post Office a/c. Pass Book whereof lodged with a Car dealer.) .. .. .	17,950		
27,65,223				21,45,615
66,83,748				60,81,575
	IV. MISCELLANEOUS EXPENDITURE:			
18,46,807	Balance as per Profit & Loss Account .. .. .			19,56,154
85,30,555		Total Rupees ..		80,37,729

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	
R. S. KOTAK	
N. C. SAYTA	

BOMBAY: Dated 29th November, 1967.



# SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1966			Rupees	Rupees
		To Opening Stock on 1st June, 1966:		
		Acetic Acid .. .. .	2,55,873	
		Rectified Spirit .. .. .	3,77,242	
		Denatured Spirit .. .. .	8,672	
				6,41,787
1,69,227		„ Rectified Spirit purchases .. .. .		—
19,987		„ Molasses consumed (purchase Rs. 4,98,327/-) .. .. .		4,75,849
		„ Stores and Chemicals consumed .. .. .		2,54,280
1,89,214		„ Power and Fuel .. .. .		4,99,857
23,561		„ Salaries and Wages .. .. .	4,22,670	
2,80,831		„ Bonus .. .. .	5,000	
1,90,876		„ Provision for Bonus .. .. .	15,000	
4,78,224		„ Workmen and Staff Welfare expenses .. .. .	18	
3,70,653		„ Company's contribution (to the Holding Company) towards Provident Fund .. .. .	1,171	
5,987		„ Company's contribution to Govt. Provident Fund and Administrative charges .. .. .	26,292	
30,000		„ Workmen compensation .. .. .	—	
1,260				4,70,151
1,416		„ Repairs:		
23,510		„ Plant and Machinery .. .. .	16,026	
6,019		„ Buildings .. .. .	5,698	
		„ Other repairs .. .. .	52,090	
4,38,845				73,814
		„ Excise establishment charges .. .. .		57,250
		„ Insurance Premium .. .. .		16,838
		„ Emergency Risk Insurance Premium .. .. .		—
		„ Personal Injuries Insurance Premium .. .. .		16
		„ Brokerage and Commission .. .. .		19,000
		„ Directors' fees .. .. .		1,275
		„ Legal Expenses .. .. .		6,413
		„ Directors' Travelling expenses .. .. .		4,536
		„ Interest on loan to Holding Company, The Godavari Sugar Mills Ltd. .. .. .	3,72,982	
		„ Interest on loan to Bank .. .. .	1,28,649	
		„ Others .. .. .	3,235	
				5,04,866
		„ Miscellaneous expenses, including Printing and Stationery, postage and telegrams, travelling, subscription, motor car maintenance etc. .. .. .		69,796
		„ Rates and Taxes .. .. .		2,379
		„ Office Rent .. .. .		14,400
		„ Audit Fees .. .. .		500
		„ Charity and Donation .. .. .		25,000
		„ Loose tools written off .. .. .		1,096
		„ Depreciation .. .. .		6,00,768
		„ Development Rebate Reserve .. .. .		34,265
		„ Sole Selling Agents' Commission .. .. .		1,65,000
		„ Balance being Profit for the year .. .. .		—
33,58,244		Total Rupees .. .. .		39,39,136
		To Balance as per last Balance Sheet .. .. .		18,46,807
		„ Balance brought down .. .. .		44,533
		„ Bonus for previous year .. .. .		79,997
		Total Rupees .. .. .		19,71,337
11,11,747				
7,40,568				
15,663				
18,67,978				

Referred to in our Report of even date.

NANUBHAI & CO.,

Chartered Accountants.

BOMBAY, Dated: 29th November, 1967.



THE YEAR ENDED 31ST MAY, 1967

K. J. SOMAIYA  
S. K. SOMAIYA  
R. S. KOTAK  
N. C. SAYTA

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# SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1967

Schedule 'A'

Particulars	Gross Block at cost except otherwise stated as at 1st June, 1966	Additions during the year	Deduction for Transfer or sale	Gross Block as at 31st May, 1967	Depreciation written off upto 31st May, 1966	Depreciation written off this year	Total depreciation upto 31st May, 1967	Net depreciated block as at 31st May, 1967	Net depreciated Block as at 31st May 1966
1	2	3	4	5	6	7	8	9	10
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land .. .. .	10,000	3,150	—	13,150	—	—	—	13,150	10,000
Millery Building ..	7,96,847	719	—	7,97,566	80,471	35,855	1,16,326	6,81,240	7,16,376
Millery Machinery (Book value) ..	21,50,221	46,753	27,000	21,69,974	7,36,705	2,60,866	9,97,571	11,72,403	14,13,516
Electric Acid Building	2,01,664	—	—	2,01,664	43,761	7,895	51,656	1,50,008	1,57,903
Electric Machinery ..	2,78,711	16,735	—	2,95,446	98,444	18,864	1,17,308	1,78,138	1,80,267
Electric Acid Plant ..	31,03,768	6,749	—	31,10,517	22,32,292	2,30,648	24,62,940	6,47,577	8,71,476
Laboratory apparatus	3,808	—	—	3,808	1,018	195	1,213	2,595	2,790
Furniture and Office equipments .. .. .	27,584	4,651	—	32,235	8,905	2,464	11,369	20,866	18,679
Motor car, Lorries & trucks .. .. .	51,659	—	—	51,659	34,393	4,102	38,495	13,164	17,266
Scales & Weighbridges	2,420	—	—	2,420	969	174	1,143	1,277	1,451
Storage Vats & Tanks	2,51,800	1,01,087	—	3,52,887	35,677	37,358	73,035	2,79,852	2,16,123
Electric Installation	26,081	—	—	26,081	2,608	2,347	4,955	21,126	23,473
Total Rupees ..	69,04,563	1,79,844	27,000	70,57,407	32,75,243	6,00,768	38,76,011	31,81,396	36,29,320

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

BOMBAY, Dated: 29th November, 1967.

BOMBAY,  
Dated: 29th November, 1967.

K. J. SOMAIYA  
S. K. SOMAIYA  
R. S. KOTAK  
N. C. SAYTA

Directors