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SOMAIYA ORGANO-CHEMICALS LIMITED
BOMBAY

*

ANNUAL REPORT
&
ACCOUNTS

1967-68

1969

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 CHAMPAKLAL AMRITLAL MEHTA

BANKERS:

THE UNION BANK OF INDIA LTD.

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 1.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

NOTICE

Notice is hereby given that the 8th Annual General Meeting of Somaiya Organo-Chemicals Limited will be held on Saturday, the 30th November, 1968 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, 1968.
2. To elect a Director in place of Shri K. J. Somaiya who retires by rotation, but being eligible offers himself for re-election.
3. To elect a Director in place of Shri N. C. Sayta 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, 1968.

Notes : A member entitled to attend and vote is also entitled to appoint a proxy instead of himself and 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, 1968 submitted herewith.

The net profit of the Company for the year amounts to Rs. 7,45,080 after providing Rs. 5,25,999 for depreciation and after transferring Rs. 1,24,851 to Development Rebate Reserve. The net carry forward loss after adjusting the above profit comes to Rs. 12,11,074 which has been carried forward to next year. In view of this, Directors do not recommend any dividend.

The year under report was a year of acute fall in the sugar production in the country which could reach only 22 lac tonnes. This affected the availability of molasses in the country. Naturally your distillery also experienced difficulties regarding availability of molasses. This difficulty has continued and your Company has since been allotted molasses from as far away as Kolhapur area. In order to keep the distillery working, the molasses is being transported from a distance of over 300 miles.

The working of the Acetic Acid plant and distillery were on the whole satisfactory. The market of Acetic Acid maintained a steady and firm trend. The distillery met the requirements of industrial users and supplied Rectified Spirit to large customers including the Maharashtra Small Scale Industries Development Corporation. It also supplied Ordinary Denatured Spirit to licensed holders as per the allocations made by the authorities.

Your Directors have been pursuing the matter of allotment of molasses from within nearby distance with the authorities. It is expected that the current year will show better results.

Shri R. S. Kotak, a Director of the Company passed away on 8th May, 1968.

Two of your Directors Shri N. C. Sayta and Shri K. J. Somaiya retire by rotation, but being eligible, offer themselves for re-election.

M/s. 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 : 29th November, 1968

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, 1968, 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 puposes 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.
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 read with the notes thereon, 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, 1968 and
 - b) in the case of the Profit and Loss Account of the 'Profit' for the year ended on that date.

NANUBHAI & Co.,
Chartered Accountants.

BOMBAY : Dated the 29th day of November, 1968.

SOMAIYA ORGANO- BALANCE SHEET

As at 31st May, 1967		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 Ltd.	5,00,000	
10,00,000	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	
15,00,000			15,00,000
	II. RESERVES AND SURPLUS :		
	Development Rebate Reserve :—		
10,09,811	As per last Balance Sheet	10,44,076	
34,265	Add: Amount set aside from the Profit of the year	1,24,851	
10,44,076			11,68,927
	III. SECURED LOANS :		
20,00,000	From Union Bank of India Ltd, against Equitable Mortgage of Fixed Assets including Machineries etc. and guaranteed by two Directors of the Company		18,00,000
	IV. UNSECURED LOANS :		
22,36,172	On Current Account with the Holding Company, The Godavari Sugar Mills Limited	17,48,320	
3,72,982	Interest on above	1,99,362	
27,09,154			19,47,682
	V. CURRENT LIABILITIES AND PROVISIONS :		
	(A) Current Liabilities :		
1,65,000	Due to Selling Agents	3,66,806	
3,86,277	Sundry Creditors (including Rs. 64,953- due to Holding Company)	5,38,354	
1,56,000	Deposits and Advances from Customers	4,03,080	
32,272	Interest accrued but not due	29,415	
7,39,499		13,37,655	
45,000	(B) Provisions:		
7,84,499	Provisions for Bonus		
80,37,729			13,37,655
	Carried Over		77,54,264

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967		ASSETS	
Rupees		Rupees	Rupees
	I. FIXED ASSETS (At cost) :—		
70,57,407	Gross Block	77,01,752	
38,76,011	Less : Depreciation written off upto 31st May, 1968	44,02,010	
31,81,396	Net depreciated block as per Schedule 'A'	32,99,742	
5,13,569	Capital Work-in-progress	54,859	
36,94,965			33,54,601
	II. INVESTMENTS (At cost) :—		
	(A) TRADE INVESTMENTS :		
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 Bharaktiya Private Ltd).	1,50,000	
90,000	(2) 20,000 Equity Shares of Rs. 10/- each of Kutch Salt & Allied Indus- tries Limited fully paid up 90,000		
2,40,000	Less : 500 Equity Shares of Rs. 10/-each sold during the year 2,250	87,750	
		2,37,750	
	(B) OTHER INVESTMENTS :		
995	4% 1967 Maharashtra State Loan (face value Rs. 1,000/- deposited with Excise Department)	995	
		Cost	Market
		Value	
	Aggregate quoted Investments	2,37,750	3,07,500
	Aggregate unquoted Investments	955	—
2,40,995		2,38,745	3,07,500
	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)		
6,92,937	(a) On hand	9,29,815	
70,354	(b) In transit	1,14,379	
7,63,291			10,44,194
17,167	(ii) Loose Tools and implements (as per inventory certified by a Director)		16,137
7,80,458			
	(iii) Stock-in-trade :		
	(As valued and certified by a Director)		
6,252	(a) Acetic Acid at market rate	4,05,756	
3,37,110	(b) Rectified Spirit at market rate	2,47,564	
1,19,631	(c) Raw materials (Molasses) at cost	82,372	
14,130	(d) Denatured Spirit at market rate	12,562	
2,800	(e) Fusel Oil at market rate	4,900	
13,500	(f) Ethyl Acetate at market rate	12,750	
4,93,423			7,65,904
	iv) Sundry debtors (unsecured and considered good- other than in dispute not provided for)		
70,696	(a) Debts outstanding for more than 6 months (including Rs. 24,000/-due by Oriental Power Cables Ltd., a company under the same management)	73,615	
2,39,203	(b) Other debts (including Rs. 24,000/- due by Oriental Power Cables Ltd., a Company under the same management)	5,06,595	5,80,210
3,09,899			
39,35,960			
	Carried Over	24,06,445	35,93,346

SOMAIYA ORGANO- BALANCE SHEET

<i>As at 31st May, 1967</i>	LIABILITIES (Contd.)		
<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
80,37,729	Brought Forward		77,54,264
	CONTINGENT LIABILITIES (Not provided for) :—		
2,62,076	1. Arrears of dividend on 7% (free of Income-tax) redeemable cumulative preference shares for the period of 1960-61 to 1967-68	3,74,824	
7,500	2. In respect of legal expenses of suit for recovery proceedings against a customer	—	
50,375	3. In respect of counter guarantee given to a Bank	28,000	
1,00,000	4. In respect of purchase commitment including for capital purchase	—	
<u>80,37,729</u>	Total Rupees ..		<u>77,54,264</u>

Referred to in our Report of even date

NANUBHAI & CO.,
Chartered Accountants

BOMBAY, Dated : 29th November, 1968

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1968

As at 31st May, 1967	ASSETS (Contd.)			
Rupees 39,35,960	Brought Forward			
			Rupees 24,06,445	Rupees 35,93,346
	(v) Cash and Bank Balances :			
12,659	Cash on Hand	27,326		
88,450	In Current Account with Scheduled Banks ..	96,858		
1,01,109			1,24,184	
16,84,889			25,30,629	
	(B) LAONS AND ADVANCES : (Unsecured and considered good except otherwise stated)			
2,65,563	(i) Loan to M/s Oriental Power Cables Ltd, a Company under the same Management (Maximum Debit Balance during the year Rs. 2,88,641 Previous year Rs. 4,32,305)		2,88,641	
12,839	Loan to M/s Arpit Ltd, a Company under the same Management (Maximum Debit Balance during the year Rs. Nil Previous year Rs. 16,800)		—	
1,64,374	(ii) Advances recoverable in Cash or kind or for value to be received (including Rs. 10,570/- considered doubtful not provided for) ..		1,11,728	
17,950	(iii) Deposits (includes Rs. 4,000/- in Post Office a/c. Pass Book whereof lodged with a Car dealer)		18,846	
21,45,615				29,49,844
	IV. MISCELLANEOUS EXPENDITURE :			
19,56,154	Balance as per Profit & Loss Account			12,11,074
80,37,729		Total Rupees ..		77,54,264

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

BOMBAY, Dated : 29th November, 1968

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1967		Rupees	Rupees
Rupees	To Opening Stock on 1st June 1967		
2,55,873	Acetic Acid	6,252	
3,77,242	Rectified Spirit	3,37,110	
8,672	Denatured Spirit	14,130	
—	Fusel Oil	2,800	
—	Ethyl Acetate	13,500	3,73,792
6,41,787			
4,75,849	„ Molasses consumed (purchase Rs. 4,61,181)		4,98,439
2,54,280	„ Stores & Chemical consumed		2,61,458
4,99,857	„ Power and Fuel		7,10,117
4,22,670	„ Salaries & Wages	5,17,318	
5,000	„ Bonus	84,438	
15,000	„ Provision for Bonus	—	
18	„ Workmen and Staff Welfare Expenses	352	
1,171	„ Company's contribution (to the Holding Company) towards Provident Fund	2,674	
26,292	„ Company's contribution to Govt. Provident Fund and Administrative charges	28,504	6,33,286
4,70,151			
16,026	„ Repairs :		
5,698	Plant and Machinery	31,602	
52,090	Buildings	8,624	
73,814	Other Repairs	6,934	47,160
57,250			
16,838	„ Excise Establishment charges		39,516
16	„ Insurance Premium		18,562
19,000	„ Personal Injuries Insurance Premium		—
	„ Brokerage and Commission		26,759
1,275			
6,413	„ Directors' Fees		1,350
4,536	„ Legal Expenses		15,750
	„ Directors' Travelling expenses		8,592
2,72,982	„ Interest :-		
1,28,649	To Holding Company, The Godavari Sugar Mills Ltd.	2,29,982	
3,235	To Bank on Fixed Loan	1,77,785	
	Others	18,257	4,26,024
5,04,866			
69,796	„ Miscellaneous expenses, including Printing and Stationery, Postage and Telegrams, Travelling, Subscription, Motor Car Maintenance etc. ..		66,759
2,379	„ Rates and Taxes		260
14,400	„ Office Rent		14,400
500	„ Audit Fees		500
25,000	„ Charity and Donation		25,000
1,096	„ Loose Tools written off		1,030
—	„ Bad debts Written off		5,195
6,00,768	„ Depreciation		5,25,999
34,265	„ Development Rebate Reserve		1,24,851
1,65,000	„ Sole Selling Agents' Commission		1,96,334
—	„ Balance being Profit for the year		7,75,356
39,39,136		Total Rupees	47,96,489
18,46,807	To Balance as per last Balance Sheet		19,56,154
79,997	„ Bonus for previous years		75,276
44,533	„ Balance brought down		—
19,71,337		Total Rupees	20,31,430

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

BOMBAY : Dated 29th November, 1968

THE YEAR ENDED 31ST MAY, 1968

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

Directors

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SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

Schedule attached to and forming part of Balance Sheet as at 31st May, 1968

Schedule 'A'

Particulars	Gross Block at cost except otherwise stated as at 1st June, 1967	Additions during the year	Gross Block as at 31st May, 1968	Depreciation written off upto 31st May, 1967	Depreciation written off this year	Total depreciation upto 31st May, 1968	Net depreciated block as at 31st May, 1968	Net depreciated Block as at 31st May, 1967
1	2	3	4	5	6	7	8	9
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	13,150	—	13,150	—	—	—	13,150	13,150
Distillery Buildings	7,97,566	14,138	8,11,704	1,16,326	34,467	1,50,793	6,60,911	6,81,240
Distillery Machinery (Book value) ..	21,69,974	5,53,454	27,23,428	9,97,571	2,50,612	12,48,183	14,75,245	11,72,403
Acetic Acid Building	2,01,664	4,399	2,06,063	51,656	7,720	59,376	1,46,687	1,50,008
Electric Machinery	2,95,446	1,971	2,97,417	1,17,308	18,012	1,35,320	1,62,097	1,78,138
Acetic Acid Plant	31,10,517	—	31,10,517	24,62,940	1,68,738	26,31,678	4,78,839	6,47,577
Laboratory Apparatus	3,808	—	3,808	1,213	182	1,395	2,413	2,595
Furniture and Office Equipments. .. .	32,235	1,548	33,783	11,369	2,563	13,932	19,851	20,866
Motor Car, Lorries & Tankers. .. .	51,659	—	51,659	38,495	3,119	41,614	10,045	13,164
Scale & Weigh bridges .. .	2,420	—	2,420	1,143	153	1,296	1,124	1,277
Storage Vats & Tanks	3,52,887	68,835	4,21,722	73,035	38,320	1,11,355	3,10,367	2,79,852
Electric Installation	26,081	—	26,081	4,955	2,113	7,068	19,013	21,126
Total Rupees ..	70,57,407	6,44,345	77,01,752	38,76,011	5,25,999	44,02,010	32,99,742	31,81,396

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

BOMBAY, Dated : 29th November, 1968.

BOMBAY
Dated : 29th November, 1968

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