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**SOMAIYA
ORGANO-
CHEMICALS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1983-84**

1984

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

(Incorporated under Companies Act, 1956)

BOARD OF DIRECTORS:

SHRI KARAMSHI JETHABHAI SOMAIYA

SHRI BANARSILAL NARULA

DR. (MISS) USHABEN H. MEHTA

SHRI SURESH R. KHATOD

SHRI NIRMAL CHANDRA VARMA

SHRI RAMNATH SADANAND MHATRE

SHRI YESHODHAN SHANTARAM MUZUMDAR

DR. THIRUKKUDANTHAI PARTHASARATHY SOUNDARA RAJAN

BANKERS:

BANK OF BARODA

SOLICITORS:

MULLA & MULLA AND CRAIGIE BLUNT AND CAROE

AUDITORS:

AMBALAL THAKKAR & CO.

REGISTERED OFFICE:

FAZALBHOY BUILDING,
MAHATMA GANDHI ROAD,
FORT, BOMBAY-400 023.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

NOTICE

Notice is hereby given that twenty-fourth Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED will be held on Monday the 29th April, 1985 at 4.00 P.M. (S.T.) at the Registered Office of the Company at Fazalbhoy Building, 45/47, Mahatma Gandhi Road, Bombay 400 023 to transact the following business:

1. To receive and adopt Directors' Report and Audited Statement of Accounts for the year ended 31st October, 1984.
2. To appoint a Director in place of Dr. (Miss) U. H. Mehta who retires by rotation, but being eligible, offers herself for re-election.
3. To appoint a Director in place of Shri S. R. Khatod who retires by rotation, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Dr. T. P. S. Rajan, who was appointed as an additional Director and who holds office upto the date of the next Annual General Meeting of the Company under Section 262 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of Companies Act, 1956, proposing his candidature for the office of Director.
5. To appoint a Director in place of Shri Y. S. Muzumdar who was appointed as an additional Director and who holds office upto the date of the next Annual General Meeting of the Company under Section 262 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company received a notice in writing from a member pursuant to Section 257 of Companies Act, 1956, proposing his candidature for the office of Director.
6. To declare dividend on Equity and Preference Shares for the year ended 31st October, 1984.
7. To appoint Auditors for the current year and to fix their remuneration.

The Register of Members will remain closed from 15th April, 1985 to 29th April, 1985 (both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS,

K. J. SOMAIYA
CHAIRMAN

BOMBAY: Dated 4th April, 1985.

- NOTES:
- (1) A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
 - (2) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under items No. 4 and 5 is annexed hereto.
 - (3) The dividend when declared will be payable at the Registered office of the Company on and after 31st May, 1985. The dividend warrants will be posted to the shareholders whose names stand on the Company's Register of Members on 15th April, 1985.

EXPLANATORY STATEMENT

The following Explanatory Statement is given in respect of items No. 4 and 5 of Special Business mentioned in the accompanying Notice pursuant to the provisions contained in Section 173 of the Companies Act, 1956.

Items No. 4 & 5 :

Dr. T. P. S. Rajan and Shri Y. S. Muzumdar were appointed as Additional Directors by the Board of Directors in their meeting held on 27th September, 1984 and 29th March, 1985 respectively. In terms of provisions of Section 260 of the Companies Act, 1956 they hold office as Directors upto the date of the next Annual General Meeting of the Company. They have however offered themselves for re-appointment and the Company has received notices in writing from members proposing their candidature for the aforesaid offices. The said appointments are within the strength fixed by Article 114 of the Articles of Association of the Company.

Dr. T. P. S. Rajan is an experienced Chemical Engineer, well-known in the Chemical Industry. Shri Y. S. Muzumdar is a practising Chartered Accountant. The Company will stand to gain from the knowledge and experience of Dr. T. P. S. Rajan and Shri Y. S. Muzumdar and it would be in the interests of the Company to have them on the Board.

The Ordinary resolutions in respect of the appointment of Dr. T. P. S. Rajan and Shri Y. S. Muzumdar are commended for approval of the members.

INTEREST OF DIRECTORS :

Dr. T. P. S. Rajan and Shri Y. S. Muzumdar may be deemed to be interested in the resolutions under items No. 4 and 5 respectively as they pertain to their appointment as Directors. No other Director is interested in the said resolutions.

BY ORDER OF THE BOARD OF DIRECTORS,

K. J. SOMAIYA
CHAIRMAN

BOMBAY: Dated 4th April, 1985.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

DIRECTORS' REPORT

To

The Shareholders,

Your Directors are pleased to place this report before you on the audited accounts of the Company for the year ended 31st October, 1984.

FINANCIAL RESULTS :

The Gross Profit for the year under review before providing depreciation and investment allowance reserve comes to Rs. 28,36,273

Deducting therefrom the following:

Depreciation	Rs. 8,42,827	
Investment Allowance Reserve	Rs. 16,75,000	Rs. 25,17,827

There is a Net Profit of Rs. 3,18,446

Adding to the above Profit, last year's carried forward profit of Rs. 3/- and after adjusting Rs. 63,987/- for short provision for taxation of earlier year, the balance Profit comes to Rs. 2,54,462. Your Directors recommend the following appropriations:

(1) Transfer to General Reserve	Rs. 63,000
(2) Proposed Dividend on 10,000 Preference shares for the year 1983-84 @ 9.1% (subject to deduction of tax)	Rs. 91,000
(3) Proposed Dividend on 10,000 Equity Shares @ Rs. 10/- each	Rs. 1,00,000
(4) Balance carried forward to the next year	Rs. 462
	Rs. <u>2,54,462</u>

OPERATIONS :

The working of the Distillery as well as Chemical Plant were by and large satisfactory. However, there was acute scarcity of Molasses, the main raw material, due to shortfall in sugar production in the State in line with the decline in the entire country. The production of Industrial Alcohol, therefore, was about 25% lower than that during the last year. In fact, the availability of Molasses became very critical in June/July 1984. In view of the decline in the area under sugarcane, the prospects for supply of Molasses in the following year are not too bright.

MARKET :

Due to scarcity of Molasses, there was shortfall in the production of Acetic Acid and Acetaldehyde which was insufficient to cope with the increased demand for these products. The Market for Company's products continued to be satisfactory. The Company's products enjoy a special preference from Pharmaceutical and Chemical buyers and the demand remained buoyant throughout the year.

RESEARCH & DEVELOPMENT ACTIVITY :

The Research and Development Department of Sakarwadi has been engaged in developing processes for a couple of items of Fine Chemicals. The Research & Development Department developed the process for "Mebendazol" on a laboratory scale. The quality of this trial product on laboratory scale has been well appreciated in the market.

DISTILLERY AT SAMEERWADI :

Your Directors are happy to report that the project of a New Distillery at Sameerwadi (Taluka Mudhol, District Bijapur: Karnataka) was completed during the year under report. This distillery went on stream on the 20th October, 1984 and the commercial production has already started. The Distillery reached its rated capacity immediately after its being commissioned. Rectified Spirit produced from this Distillery is at present being delivered as per directions of the Karnataka State Govt. The users of our Rectified Spirit have greatly appreciated the quality of our product. There is already a proposal for an alcohol-based chemical unit adjacent to our Distillery. Till that time, the Spirit would be delivered as per Karnataka Government's directions.

GENERAL :

In order to diversify its activities, the Company proposes to embark upon business of manufacturing and selling power cables, wires, accessories and other articles pertaining to this line. Although the Company has been advised that the present Memorandum of Association permits diversification in this field of activity, for abundant caution, the Company is shortly presenting its petition to Company Law Board, Western Region Bench, Bombay for confirmation of the alteration of its Memorandum of Association in this behalf.

OTHER MATTERS :

Your Directors place on record their appreciation of the co-operation and assistance extended by Company's Bankers, viz. Bank of Baroda as well as Karnataka State Industrial Investment & Development Corporation Ltd.

The relations between the Management and the workers remained cordial throughout the year.

The statement concerning employees, as required by sub-section (2A) of Section 217 of the Companies Act, 1956 is attached as per Schedule "C".

Two of your Directors viz. Dr. (Miss) U. H. Mehta and Shri S. R. Khatod retire by rotation but, being eligible offer themselves for re-election.

Your Directors were pleased to appoint Dr. T. P. S. Rajan and Shri Y. S. Muzumdar as Additional Directors with effect from 27-9-1984 and 29-3-1985 respectively. Their term as Directors expires on the day of the Annual General Meeting of the Company. Being eligible, they offer themselves for re-election.

M/s. Ambalal Thakkar and Co., Auditors of the Company, retire but offer themselves for re-appointment.

BY ORDER OF THE BOARD OF DIRECTORS

K. J. SOMAIYA
CHAIRMAN

BOMBAY: Dated 4th April, 1985.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER, 1984

We have examined the attached Balance Sheet and the Profit and Loss Account annexed thereto which are in agreement with the Company's Books of Accounts.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1975 dated 7th November, 1975 issued by the Central Government and on the basis of such checks as we consider appropriate, we report as under :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets. Physical verification of all the assets has been conducted by the Management at the close of the year and no serious discrepancies were notified.
2. No fixed assets of the Company have been revalued during the year.
3. The Stock of Finished Goods, Raw Materials, Stores and Spares etc. were physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on verification between physical stock, and the stock as shown in the Books have been properly dealt with in the Books of Accounts. In our opinion, valuation of the above-mentioned stocks is fair and proper in accordance with the normally accepted principles and is on the same basis as in the earlier years.
4. The Company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 and 370 (I-C) of the Companies Act, 1956.
5. In respect of loans and advances in nature of loans given by the Company, parties have been repaying the principal amounts and have also been regular in the payment of interest wherever it has become due as stipulated. Loans and advances in the nature of loans given to employees are recovered regularly as stipulated.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchases of raw materials, stores, plant and machineries, equipment and other Assets.
7. The Company has purchased stores and raw materials exceeding Rs. 10,000/- from a Company in which Directors are interested and the prices paid are reasonable as compared to the prices of similar items supplied by other parties.
8. As informed to us and as per usual practice, unsaleable and obsolete stock of Stores is shown at NIL value and no provision for the loss has been made in the accounts.
9. In respect of deposits accepted from public and loans from other parties, the Company has complied with the provisions of Section 58-A and Acceptance of Deposit Rules framed thereunder.

10. Company has maintained reasonable records for the sale and disposal of by-products.
11. The paid-up capital of the Company is less than Rs. 25 lakhs and hence requirements regarding Internal Audit does not apply.
12. According to the records produced and information given to us, we are of the opinion that Cost Records and Accounts as prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 have been maintained by the Company but no detailed examination of such Records and Accounts have been carried out by us.
13. The Company is regular in depositing Provident Fund dues with the appropriate authorities.

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.

In our opinion, proper Books of Accounts as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of those Books.

In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account subject to Note No. 1 regarding non-provision of gratuity and Note No. 2 regarding provision of depreciation, in Schedule 'B' and read with other notes thereon gives the information required by the Act, in the manner so required and present a true and fair view of the State of the Company's affairs as at the close of above financial year and of the PROFIT for the year ended on that date.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

Bombay: Dated 4th April, 1985.

SOMAIYA ORGANO- BALANCE SHEET

As at 31st Oct. 1983	LIABILITIES			
Rupees		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 AND SUBSCRIBED CAPITAL :			
10,00,000	10,000 Equity Shares of Rs. 100/- each fully paid up. Of the above Shares 5000 Shares of Rs. 100/- each are allotted as Bonus shares by capitalising General Reserve		10,00,000	
10,00,000	10,000 7% Free of Income-Tax Cumulative Preference Shares of 100/- each fully paid up liable to be redeemed at the option of the Company		10,00,000	
20,00,000				20,00,000
	II. RESERVES AND SURPLUS :			
63,48,139	(a) <i>General Reserve :</i>			
12,150	As per last Balance Sheet	99,22,289		
	Add: Transferred from Development Rebate Reserve ..	—		
63,60,289		99,22,289		
35,62,000	Add: Set aside during the year	63,000		
99,22,289			99,85,289	
12,150	(b) <i>Development Rebate Reserve :</i>			
	As per last Balance Sheet	—		
12,150	Less: Transferred to General Reserve	—		
—				
25,52,340	(c) <i>Investment Allowance Reserve :</i>			
62,006	As per last Balance Sheet	26,14,346		
	Add: Set aside during the year	16,75,000		
26,14,346			42,89,346	
	(Utilised for purchase of New Plant & Machinery Rs. 26,14,346/- including Previous year Rs. 11,25,832/-)			
3,12,657	(d) <i>Storage Fund for Molasses and Alcohol Account :</i>			
	As per last Balance Sheet	3,39,743		
27,086	Add: Adjusted from Sale of Rectified and Denatured Spirit during the year	16,139		
3,39,743			3,55,882	
1,28,76,378				
20,00,000	Carried Over		1,46,30,517	20,00,000

CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1984

As at 31st Oct. 1983	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (AT COST)			
2,12,10,791	Gross Block	3,46,41,900		
1,04,79,185	Less: Depreciation written off upto 31-10-1984	1,12,83,126		
1,07,31,606	Net Depreciated Block as per Schedule "A"	2,33,58,774		
90,34,270	Capital Work-in-Progress	2,77,560		
1,97,65,876				2,36,36,334
	II. INVESTMENTS (At Cost) :			
	OTHER INVESTMENTS :			
1,50,000	(1) 1,500 Equity Shares of Rs. 100/- each of Oriental Power Cables Limited fully paid up	1,50,000		
821	(2) 500 Equity Shares of Rs. 10/- each of The Kutch Salt & Allied Industries Limited fully paid up	821		
45,000	(3) 450 Equity Shares of Rs. 100/- each of Somaiya Organics (India) Ltd. fully paid up	45,000		
995	(4) 4% 1967 Maharashtra State Loan (Face value Rs. 1000/-) Deposited with Excise Department	995		
21,000	(5) Investment in Shares of The Book Centre Limited 210 Equity Shares of Rs. 100/- each fully paid up	21,000		
6,000	60 7½ % Preference shares of Rs. 100/- each fully paid up	6,000		
27,000			27,000	
500	(6) 5 Shares of Rs. 100 each of Basant Co-operative Housing Society Ltd.	500		
2,000	(7) 80 Shares of Rs. 25/- each of Raghuvanshi Co-operative Bank Ltd.	2,000		
		<i>Cost</i>	<i>Market Value</i>	
	Aggregate quoted Investments	1,95,821	89,700	
	Aggregate Unquoted Investments	30,495	—	
2,26,316		2,26,316	89,700	2,26,316
2,39,904	Immovable property (Including value of land Rs.1,65,000/-) (For which agreements for sale has already been executed)		2,39,904	
4,66,220				4,66,220
2,02,32,096	Carried Over			2,41,02,554

SOMAIYA ORGANO- BALANCE SHEET

As at 31st Oct. 1983	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
20,00,000	Brought Forward		1,46,30,517	20,00,000
1,28,76,378				
	(e) <i>Effluent Fund Account :</i>			
84,422	As per last Balance Sheet	1,13,313		
28,891	Add: Adjusted from sale of Rectified & Denatured Spirit during the year	17,214		
1,13,313			1,30,527	
3	(f) <i>Profit and Loss Account :</i>			
	Balance as per Profit and Loss Account		462	
1,29,89,694				1,47,61,506
	III. SECURED LOANS :			
18,87,738	(a) Cash Credit Account with Bank of Baroda against Hypothe- cation of Finished Goods and Raw Materials and Stores ..		47,86,461	
	(b) <i>Debentures :</i>			
	(Secured by negative lien of Fixed Assets of the Company's Sakarwadi Factory as per Agreement)			
15,00,000	(i) 15,000 6% Debentures of Rs. 100/- each fully paid up redeemable at the Company's option at any time after expiry of twenty years from the date of issue ..	15,00,000		
5,00,000	(ii) 5,000 8½% Debentures of Rs. 100/- each fully paid up redeemable after twenty years and before twenty- five years from the date of issue	5,00,000		
20,00,000			20,00,000	
1,67,442	(iii) Interest accrued on above		1,67,712	
	(c) Due for purchase of machineries on deferred payments for which usance bills are guaranteed by Bank of Baroda which guarantee is secured against equitable mortgage by way of deposit of title deeds of the Company's Fixed Assets at Sakarwadi and Hypothecation of all tangible movable machinery and plant both present and future (including machinery purchased under this facility) and fully guaran- teed by two Directors.		37,53,124	
55,24,146				
15,00,000	(d) Debenture Application Money		15,00,000	
—	(e) Karnataka State Industrial Investment Development Corpo- ration against agreement to create equitable mortgage of Fixed Assets of distillery at Sameerwadi in Karnataka State		40,00,000	
1,10,79,326				1,62,07,297
2,60,69,020	Carried Over			3,29,68,803

CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1984

As at 31st Oct. 1983	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,02,32,096	Brought Forward			2,41,02,554
	III. CURRENT ASSETS, LOANS AND ADVANCES :			
	(A) CURRENT ASSETS :			
270	(i) Interest accrued on investments		315	
	(ii) Stores, Chemicals & Spares at Cost (As per inventory valued and certified by a Director)			
18,76,403	(a) On Hand	41,87,480		
1,47,023	(b) In Transit	4,01,371		
20,23,426			45,88,851	
5,049	(iii) Loose Tools and Implements (as per inventory certified by a Director)		4,544	
	(iv) Stock-in-trade (as valued and certified by a Director)			
79,653	(a) Acetic Acid at Market Rate	5,84,343		
7,72,152	(b) Rectified Spirit at Market Rate	8,70,553		
9,08,982	(c) Raw Materials (Molasses) at cost	7,27,816		
3,426	(d) Denatured Spirit at Market Rate	—		
19,717	(e) Acetal Dehyde at Market Rate	1,94,020		
86,756	(f) Timber at Cost	86,756		
—	(g) Others at Market Rate	44,240		
18,70,686			25,07,728	
	(v) Sundry Debtors (Unsecured and considered good except otherwise stated)			
4,66,193	(a) Debts outstanding for more than six months (including doubtful debts of Rs. 84,282/- previous year Rs. 84,282/- not provide for) ..	6,33,266		
58,19,305	(b) Other Debts	27,29,583		
62,85,498			33,62,849	
1,01,84,929				
2,02,32,096	Carried Over		1,04,64,287	2,41,02,554

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st Oct. 1983	LIABILITIES (Contd.)				
Rupees			Rupees	Rupees	Rupees
2,60,69,020		Brought Forward			3,29,68,803
	IV. UNSECURED LOANS :				
26,45,700	(1)	Public Fixed Deposits		24,55,800	
47,97,972	(2)	From Ex-Selling Agents		49,08,703	
10,67,500	(3)	Public Loans (Guaranteed by a Director)		11,92,000	
24,50,000	(4)	Inter Corporate Deposits			
5,67,480	(5)	Interest Accrued on above		5,83,484	
1,15,28,652					91,39,987
	V. CURRENT LIABILITIES AND PROVISIONS :				
	(A) CURRENT LIABILITIES :				
80,40,228	(1)	Sundry Creditors		89,35,906	
6,31,481	(2)	Deposit and Advances from Customers		8,37,372	
—	(3)	Liabilities for Income-tax		88,746	
4,528	(4)	Interest Accrued on Deposit		4,864	
1,58,545	(5)	Interest Accrued but not due		1,40,304	
30,000	(6)	Advance against Sale of Immovable property		30,000	
88,64,782				1,00,37,192	
	(B) PROVISIONS :				
45,25,000	(i)	Provision for Taxation	25,25,000		
48,31,040		Less: Advance Income-tax paid	31,58,468		
64,230		Add: Income-tax deducted at Source	73,553		
48,95,270			32,32,021		
3,70,270			7,07,021		
3,70,270		Less: As per Contra	7,07,021		
—					
8,00,000	(ii)	Provision for Bonus	4,00,000		
2,91,000	(iii)	Proposed Dividend	1,91,000		
10,91,000				5,91,000	
99,55,782					1,06,28,192
	CONTINGENT LIABILITIES (Not provided for) :				
	(i)	In respect of counter guarantee given in favour of Bank of Baroda in lieu of guarantee given by Bank in favour of Central Railway	1,00,000		
1,00,000					
10,65,083	(ii)	In respect of bills discounted with a Bank	4,11,180		
4,75,53,454		TOTAL RUPEES			5,27,36,982

Accompanying our Report of even date.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

Bombay : Dated 4th April, 1985

CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1984

As at 31st Oct. 1983	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
2,02,32,096	Brought Forward		1,04,64,287	2,41,02,554
1,01,84,929	(vi) Cash and Bank Balances :			
1,75,706	Cash on hand (including Stamps on hand Rs. 39,375)	2,62,376		
80,955	In Current Account with Scheduled Banks	4,53,613		
1,000	In Current Account with Madhavpura Mercantile Co-op. Bank Limited	1,000		
2,41,000	In fixed deposit with a Scheduled Bank (including Rs. 50,000/- as lien for guarantee)	1,90,000		
4,98,661			9,06,989	
	(B) LOANS AND ADVANCES :			
	(Unsecured and considered good except otherwise stated)			
76,94,674	Loans to Others	76,29,674		
38,37,935	Interest accrued on above	38,37,935		
1,15,32,609			1,14,67,609	
	Advances recoverable in cash or in kind for value to be received (including doubtful advance of Rs. 45,530/- previous year Rs. 45,530/- not provided for and due from Officers of the Company Rs. 5,300/- previous year Rs. 18,450/-)		46,13,411	
45,86,740				
3,70,270	Advance Income-Tax (As per Contra)		7,07,021	
1,48,149	Deposits		3,16,778	
2,73,21,358				2,84,76,095
	MISCELLANEOUS EXPENSES :			
—	(i) Preliminary Expenses			1,58,333
4,75,53,454	TOTAL RUPEES			5,27,36,982

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 provisions for all known liabilities and depreciation is adequate and not in excess of the amount reasonably necessary.

K. J. SOMAIYA
DR. U. H. MEHTA
N. C. VARMA
R. S. MHATRE
DR. T. P. S. RAJAN
Y. S. MUZUMDAR

Directors

PROFIT AND LOSS ACCOUNT FOR

For the year ending 31st Oct. 1983											
Rupees										Rupees	Rupees
	To Opening Stock										
30,50,790	" Acetic Acid									79,653	
12,80,643	" Rectified Spirit									7,72,152	
23,359	" Ordinary Denatured Spirit									3,426	
44,498	" Acetal Dehyde									19,717	
86,756	" Timber									86,756	
44,86,046											9,61,704
83,82,811	" Molasses Consumed (Purchased Rs. 77,59,732/-)										79,40,899
17,21,576	" Stores & Chemicals Consumed										20,59,216
79,11,822	" Power and Fuel										97,86,070
43,98,684	" Salaries and Wages									48,03,273	
7,01,400	" Bonus of Previous Years									5,84,011	
4,00,000	" Provision for Bonus									4,00,000	
2,17,434	" Workmen and Staff Welfare Expenses									2,61,208	
34,176	" Gratuity									47,370	
1,78,595	" Company's Contribution to Government Provident Fund and Administrative Charges & Family Pension Scheme									2,05,808	
1,03,022	" Company's Contribution to The Godavari Sugar Mills Limited Employees Provident Fund and Employees Family Pension Fund Scheme									1,18,723	
18,000	" Company's Contribution to Employees Deposit Linked Insurance Scheme and Administrative Charges									19,900	
60,51,311											64,40,293
	" Repairs :										
4,08,481	Plant and Machinery									4,46,548	
17,436	Building									8,694	
1,15,266	Other Repairs									1,87,663	
5,41,183											6,42,905
2,01,578	" Rent (Net)										3,06,046
1,76,307	" Excise Establishment Charges										2,06,573
22,87,265	" Excise Duty										21,12,105
3,12,276	" Insurance Premium										2,23,052
1,425	" Directors Fees										1,650
2,54,107	" Legal Expenses										2,41,539
3,23,27,707											
	Carried Over										3,09,22,052

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST OCTOBER, 1984

For the year ending 31st Oct. 1983				
Rupees		Rupees	Rupees	Rupees
3,62,80,568	By Sales		3,63,41,826	
27,086	" Less: Transferred to Storage Fund for Molasses and Alcohol ..	16,139		
28,891	" Transferred to Effluent Fund	17,214		
55,977			33,353	
3,62,24,591				3,63,08,473
5,35,307	" Miscellaneous Receipts			8,50,115
240	" Dividend (Gross)			240
	" Interest :			
45	On Government Loan (Net)		45	
4,040	On Other Loans		6,752	
31,540	On Deposits		60,835	
35,625				67,632
1,326	" Refund of Sales Tax			—
3,700	" Claims and Refund			7,218
8,21,580	" Profit on Sale of Machinery			—
5,952	" Profit on Sale of Car			8,323
8,998	" Share of Loss in partnership firm M/s. Vashi Automobiles			—
6,00,000	" Provision for Bonus for earlier years written back			8,00,000
	" Closing Stock-in-Trade (As valued and Certified by a Director)			
79,653	" Acetic Acid at Market Rate		5,84,343	
7,72,152	" Rectified Spirit at Market Rate		8,70,553	
3,426	" Ordinary Denatured Spirit at Market Rate		—	
19,717	" Acetal Dehyde at Market Rate		1,94,020	
86,756	" Timber at Cost		86,756	
—	" Others at Market Rate		44,240	
9,61,704				17,79,912
3,91,99,023	Carried Over			3,98,21,913

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the year ending 31st Oct. 1983											
Rupees											
3,23,27,707		Brought Forward	..	..	..	..	..	..	..	..	Rupees
											Rupees
65,000	To	Contribution to Scientific Research Institution	..	..	..	..	..	..	..	..	3,09,22,052
25,000	"	Expenditure by way of contribution to an Institution for Programme of Rural Development	..	..	..	..	..	..	..	..	—
10,635	"	Director's Travelling Expenses	..	..	..	..	..	..	..	..	6,239
	"	Interest :									
2,99,968		Bank	..	..	..	..	..	..	..	..	7,12,021
3,04,996		Debentures	..	..	..	..	..	..	..	..	3,57,500
4,48,620		Public Deposits	..	..	..	..	..	..	..	..	4,53,640
7,42,069		Others	..	..	..	..	..	..	..	..	7,20,941
2,89,062		Inter-Corporate Deposits	..	..	..	..	..	..	..	..	47,500
20,84,715											22,91,602
15,54,715	"	Miscellaneous Expenses including Printing and Stationery, Postage and Telegrams, Subscription, etc.	..	..	..	..	..	..	..	..	18,70,699
30,101	"	Rates and Taxes	..	..	..	..	..	..	..	..	87,544
	"	Remuneration to Auditors :									
7,500	"	Audit Fees	..	..	..	..	..	..	..	..	7,500
294	"	For Others	..	..	..	..	..	..	..	..	1,500
7,794											9,000
55,001	"	Charity and Donation	..	..	..	..	..	..	..	..	250
561	"	Loose Tools Written off	..	..	..	..	..	..	..	..	505
7,06,696	"	Depreciation	..	..	..	..	..	..	..	..	8,42,827
3,87,294	"	Motor Car Maintenance	..	..	..	..	..	..	..	..	4,01,634
3,69,894	"	Travelling Expenses	..	..	..	..	..	..	..	..	4,09,564
15,525	"	Water Transport Charges	..	..	..	..	..	..	..	..	—
400	"	Research & Development Expenditure	..	..	..	..	..	..	..	..	336
6,63,697	"	Brokerage and Commission	..	..	..	..	..	..	..	..	7,03,177
2,40,512	"	Additional Tax on Sales Tax	..	..	..	..	..	..	..	..	2,83,038
62,006	"	Investment Allowance Reserve	..	..	..	..	..	..	..	..	16,75,000
5,91,770	"	Balance being Profit for the year	..	..	..	..	..	..	..	..	3,18,446
3,91,99,023		TOTAL RUPEES	..	..	..	..	..	..	..	..	3,98,21,913

THE YEAR ENDED 31ST OCTOBER, 1984

*For the
year ending
31st. Oct. 1983*

Ruppes

3,91,99,023

Ruppes

Ruppes

Brought Forward

3,98,21,913

3,91,99,023

TOTAL RUPEES

3,98,21,913

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the year ending 31st Oct. 1983		PROFIT AND LOSS ACCOUNT FOR									
Rupees										Rupees	Rupees
35,62,000	To	Transfer to General Reserve	..	..	..	..	..	..	..
	"	Short Provision for Taxation	..	..	..	..	..	..	..		63,000
	"	Proposed Dividend :									63,987
91,000	"	On Preference Shares	..	..	..	..	..	..	..	91,000	
2,00,000	"	On Equity Shares @ Rs. 10/- per share	..	..	..	..	..	..	..	1,00,000	
2,91,000											
3	"	Balance Carried to Balance Sheet	..	..	..	..	..	..	..		1,91,000
											462

Accompanying our Report of even date.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

Bombay : Dated 4th April, 1985.

THE YEAR ENDED 31ST OCTOBER, 1984

K. J. SOMAIYA
DR. U. H. MEHTA
N. C. VARMA
R. S. MHATRE
DR. T. P. S. RAJAN
Y. S. MUZUMDAR

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1984

SCHEDULE "A"

Particulars	Gross Block at Cost except otherwise stated as at 1-11-1983	Additions during the year	Sold during the year	Gross Block as at 31-10-1984	Depreciation Written off upto 31-10-1983	Depreciation Written off this year	Depreciation Adjusted on Sale of Assets during the year	Total Depreciation Upto 31-10-1984	Net Depreciated Block as at 31-10-1984	Net Depreciated Block as at 31-10-1983
1	2	3	4	5	6	7	8	9	10	11
1. Land	37,180	—	—	37,180	—	—	—	—	37,180	37,180
2. Distillery Building ..	8,11,705	18,35,120	—	26,46,825	5,11,882	15,995	—	5,27,877	21,18,948	2,99,823
3. Distillery Machinery (Book Value) ..	26,06,618	58,10,555	—	84,17,173	24,56,543	52,493	—	25,09,036	59,08,137	1,50,075
4. Acetic Acid Building ..	2,61,550	—	—	2,61,550	1,89,836	4,585	—	1,74,421	87,129	91,714
5. Electric Machinery ..	5,14,115	8,38,264	—	13,52,379	3,29,176	14,750	—	3,43,926	10,08,453	1,84,939
6. Acetic Acid Plant ..	1,35,09,670	2,62,608	—	1,37,72,278	57,73,435	5,18,954	—	62,92,389	74,79,889	77,36,235
7. General Machinery ..	9,97,000	10,85,266	—	20,82,266	1,35,191	54,743	—	1,89,934	18,92,332	8,61,809
8. Laboratory Apparatus ..	23,434	16,968	—	40,402	5,531	703	—	6,234	34,168	17,903
9. Furniture & Office Equipments ..	1,91,196	62,968	—	2,54,164	87,206	8,749	—	95,955	1,58,209	1,03,990
10. Motor Car, Lorries, Tankers & Cycles ..	8,01,912	435	43,563	7,58,784	2,82,162	53,746	38,886	2,97,022	4,61,762	5,19,750
11. Scales & Weigh Bridges ..	3,37,695	—	—	3,37,695	27,370	11,426	—	38,796	2,98,899	3,10,325
12. Storage, Vats and Tanks ..	10,39,542	7,47,747	—	17,87,289	6,36,813	38,515	—	6,75,328	11,11,961	4,02,729
13. Electric Installation ..	79,174	2,03,071	—	2,82,245	64,040	1,906	—	65,946	2,16,299	15,134
14. Research & Development Machinery ..	—	9,22,386	—	9,22,386	—	48,702	—	48,702	8,73,684	—
15. Research & Development Equipments ..	—	1,58,996	—	1,58,996	—	5,390	—	5,390	1,53,606	—
16. Research & Development Electric Installation ..	—	1,36,818	—	1,36,818	—	4,638	—	4,638	1,32,180	—
17. Research & Development Furniture & Office Equipments ..	—	4,800	—	4,800	—	162	—	162	4,638	—

Particulars	1	2	3	4	5	6	7	8	Total Depreciation Upto 31-10-1984	Net Depreciated Block as at 31-10-1984	Net Depreciated Block as at 31-10-1983
		Gross Block at Cost except otherwise stated as at 1-11-1983	Additions during the year	Sold during the year	Gross Block as at 31-10-1984	Depreciation Written off Upto 31-10-1983	Depreciation Written off this year	Depreciation Adjusted on Sale of Assets during the year			
18. Research & Development Building	—	2,04,496	—	2,04,496	—	3,354	—	3,354	2,01,142	—
19. Effluent treatment (Lagoons)	—	8,76,626	—	8,76,626	—	3,819	—	3,819	8,72,807	—
20. Fire fighting Equipments	—	18,749	—	18,749	—	23	—	23	18,726	—
21. Boring & Tube Wells	—	2,88,799	—	2,88,799	—	174	—	174	2,88,625	—
Total Rupees	2,12,10,791	1,34,74,672	43,563	3,46,41,900	1,04,79,185	8,42,827	38,886	1,12,83,126	2,33,58,774	1,07,31,606

Accompanying our Report of even date.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

K. J. SOMAIYA
DR. U. H. MEHTA
N. C. VARMA
R. S. MHATRE
DR. T. P. S. RAJAN
Y. S. MUZUMDAR

Directors

Bombay : Dated 4th April, 1985

Bombay : Dated 29th March, 1985

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE "B" FOR NOTES FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1984

1. Total liability for accrued gratuity to employees under Payment of Gratuity Act, 1972 upto 31st October, 1984 as per actuary's certificate is Rs. 13,46,636/- against which no provision for accrued gratuity has been made.
2. Company has provided depreciation on Straight Line Method as provided in Section 205(2) of the Companies Act, 1956 and no extra shift depreciation has been provided on Assets capitalised from the year 1979-80 onwards.
3. Expenditure on employees in receipt of Remuneration of not less than Rs. 36,000/- per year or Rs. 3,000/- per month if employed for a part of the year.

	Current Year			Previous Year		
	Employed for full year Rs.	Employed for Part of the year Rs.		Employed for full year Rs.	Employed for Part of the year Rs.	
(i) Salaries, Allowances and Perquisites	7,93,020	84,507		7,06,942	25,405	
(ii) Contribution to Provident Fund	56,125	6,548		25,405	1,285	
(iii) Number of Employees covered	19	3		15	3	

4. (a) Quantitative information in respect of Goods Manufactured :

Class of Goods Manufactured	Unit	Licensed Capacity (Annual)	Installed Capacity (as certified by Works Manager) (Annual)	Actual Production (Excluding Normal Loss)	Opening Stock		Closing Stock		Sales	
					Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(a) AT SAKARWADI :										
Rectified Spirit	H.L.	1,20,000	1,20,000	1,07,892.40	7,149.56	7,72,152	482.79	1,32,767	64.00	30,040
Acetal Dehyde/	M.T.	(1,20,000)	(1,20,000)	(1,38,634.58)	(11,857.81)	(12,80,643)	(7,149.56)	(7,72,152)	(5,490.85)	(7,71,040)
		5,000/5,000	5,000/5,000	5,647,203/4,424,200	4,151/18,965	19,717/79,653	19,402/64,927	1,94,020/5,84,343	1,399,314/4,171,138	73,43,541/2,22,13,079
Acetic Acid	M.T.	(5,000/5,000)	(5,950,578/4,937,100)	(9,338/744,095)	(44,498/30,50,790)	(4,151/18,965)	(19,717/79,653)	(1,303,559/5,446,630)	(54,62,464/2,17,96,607)	
Denatured Spirit	H.L.	—	—	26,808.86	24.83	3,427	—	—	26,833.69	45,19,611
Dilute Acetic Acid	M.T.	(—)	(—)	(44,965.56)	(169.27)	(23,359)	(24.83)	(3,427)	(45,110.00)	(72,85,601)
Ethyl Acetate	M.T.	(—)	(—)	456,365	—	—	—	—	456,365	15,68,485
		3,000	—	(388.100)	(—)	(—)	(—)	(—)	(388.100)	(6,56,174)
Other Acetates	M.T.	(3,000)	—	—	—	—	—	—	—	—
		1,800	—	—	—	—	—	—	—	—
		(1,800)	—	—	—	—	—	—	—	—
Others	M.T.	—	—	69,382	—	—	0.056	44,240	69,326	6,67,070
		(—)	(—)	(66,340)	(—)	(—)	(—)	(—)	(66,340)	(3,08,682)
		82,000	—	2,682.86	(—)	(—)	2,682.86	7,37,786	(—)	(—)
		(82,000)	—	(—)	(—)	(—)	(—)	(—)	(—)	(—)

(b) AT SAMEERWADI :

Rectified Spirit	H.L.	82,000	(82,000)	
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- Notes: 1. Acetal Dehyde is intermediary product for the manufacture of Acetic Acid.
2. Figures shown in the brackets are of previous year.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE "B" FOR NOTES FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1984

(b) Consumption of Raw Materials :

	Unit	Current Year		Previous Year	
		Quantity	Amount Rs.	Quantity	Amount Rs.
Molasses	M.T.	56,070.657	79,40,899	60,659.316	83,82,811
Rectified Spirit (Own Manufactured) for manufacturing Acetic Acid and Denatured Spirit	H.L.	1,14,495.16	—	1,37,851.98	—
Acetic Acid (Own Manufactured)	M.T.	207.100	—	215.600	—
Acetal Dehyde (Own Manufactured)	M.T.	4,232.638	—	4,652.236	—
(c) C. I. F. Value of Imports :			Nil		Nil
(d) Value of Raw Materials Consumed :					
(i) Indigenous		Amount	%	Amount	%
(ii) Imported		79,40,899	100	83,82,811	100
(e) Value of Stores and Spare Parts Consumed :					
(i) Indigenous		20,57,179	99.90	17,13,527	99.53
(ii) Imported		2,037	0.10	8,049	0.47

Accompanying our Report of even date.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

Bombay : Dated 4th April, 1985

K. J. SOMAIYA
DR. U. H. MEHTA
N. C. VARMA
R. S. MHATRE
DR. T. P. S. RAJAN
Y. S. MUZUMDAR

Directors

Bombay : Dated 29th March, 1985

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDING
31ST OCTOBER, 1984

SCHEDULE "C"

Statement under Section 217(2A) (b) (ii) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 in regards to :

- (a) Employees of the Company who were employed throughout the year under review and were in receipt of remuneration for that year in aggregate of not less than Rs. 36,000/-
- (b) Employees of the Company who were employed for part of the year under review and were in receipt of remuneration at rate which in the aggregate was not less than Rs. 3,000/- per month.

(a) EMPLOYED THROUGHOUT THE YEAR UNDER REVIEW

Sr. No	Name of Employee	Designation	Remuneration Rs.	Qualifications and Experience (Years)	Date of Commencement of Employment	Age of Employee	Last Employment held
1.	Shri Bodaji V.	Officer on Special Duty	58,252/-	B. Com., F.C.A. 31 Years	2nd October, 1979	56	Financial Controller, Parle (Export) Pvt. Ltd.
2.	Shri Bhuta K. N.	Dy. Chief Accountant	36,329/-	M. Com., LL.B. A.C.A. 10 Years	25th May, 1981	28	Qualified Acctt., Lovelock & Lewes (CA)
3.	Shri Desai N. H.	Chemical Engineer	36,011/-	B. Tech. Engineering 10 Years	24th September, 1981	32	Chemical Engineer, Excel Industries Ltd.
4.	Shri Deshpande R. N.	Factory Manager	36,320/-	B. Sc., (Hons.) 23 Years	21st October, 1961	46	Lab. Chemist, Godavari Sugar Mills Ltd.
5.	Shri Dhrona R. R.	Executive	44,675/-	S. S. C. 44 Years	1st April, 1971	69	Officer, Shippers Association
6.	Shri Joshi M. N.	General Manager	51,794/-	Matric 43 Years	15th May, 1979	73	Controller, Indore University Press
7.	Shri Joshi M. C.	Senior Clerk	36,094/-	S. S. C. 33 Years	14th January, 1960	51	Clerk, Western Railway
8.	Shri Kajaria G. M.	Commercial Manager	38,152/-	B.Sc., M.B.A. 13 Years	10th January, 1980	35	Executive, Godavari Sugar Mills Ltd.
9.	Shri Mehta D. D.	Senior Accountant	53,152/-	I.C.W.A. 26 Years	1st April, 1978	55	Accountant, Godavari Sugar Mills Ltd.
10.	Shri Muzumdar M. H.	Distillery Chief Chemist	36,320/-	B.Sc., A.N.S.I. D.I.F.A.T. 29 Years	20th January, 1961	50	Lab. Chemist, Belwandi Sugar Farm
11.	Shri Nair P. K. R.	Works Manager	73,435/-	Inter Science, 2 Years Technical Training in General Engineering & Air Craft Instrumentation, 24 Years.	25th May, 1961	51	Erection Engineer in Air Conditioning Corporation.

SCHEDULE "C" (Contd.)

Sr. No.	Name of Employee	Designation	Remuneration Rs.	Qualifications and Experience (Years)	Date of Commencement of Employment	Age of Employee	Last Employment held
12.	Shri Nijhavan Om. N.	Project Manager	46,310/-	B.Sc., M.I.E. 26 Years	27th June, 1981	52	Production Supdt., Hyderabad Construction Co.
13.*	Dr. Pai G. K.	Research Officer	37,555/-	M.A. Ph. D. 19 Years	18th March, 1980	48	Director, Sukritindra Oriental Research Institute
14.	Shri Paradkar J. R.	Senior Typist	40,720/-	S. S. C. 27 Years	1st October, 1957	56	Nil
15.	Shri Rai V.	Secretarial Assistant	38,254/-	B. Com. 32 Years	27th January, 1981	61	Secretarial Executive, Oriental Power Cables Ltd.
16.	Shri Sathe S. S.	Dy. General Manager	50,398/-	S. S. C. 30 Years	1st March, 1978	50	Technical Sales Executive, Kores India Limited.
17.	Shri Shah V. M.	Chief Accountant	49,953/-	B. Com. A. C. A. 15 Years	10th January, 1973	43	Accountant, B. M. Mehta & Co.
18.	Shri Somaiya B. R.	Senior Clerk	36,094/-	S. S. C. 27 Years	5th September, 1957	45	Nil
19.	Dr. Venkat Subramanian N. K.	R. & D. Manager	49,327/-	M.Sc., Ph. D. 22 years	15th September, 1982	45	R. & D. Manager, S.D. Fine Chemicals Pvt. Ltd.

(b) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

1.	Shri D'Souza A. T.	Chief Civil Engineer	36,631/-	B.E. (Civil) 31 Years	15th September, 1983	52	Military Engineering Services
2.	Late Shri B. T. Lavingia	Sales Executive	10,365/-	B. Com., LL.B. 20 Years	1st February, 1966	58	Manager, Indian Sugar Mills Association
3.	Shri Matrawadia C. G.	Executive	44,059/-	B.E. (Civil) M. I. E. 17 Years	1st April, 1978	49	Sr. Supdt. Engineer, Stone & Wibster(I) Ltd. (NOCIL)

- Notes :**
1. Remuneration received as shown in the statement includes salary allowance, contribution to Provident Fund, Value of Perquisites as applicable.
 2. None of the employees is a relative of any Director of the Company.
 3. Nature of employment: All the above employees are on a contractual basis and subject to the termination of service on one month's notice except in respect of Serial No. 6 where termination of service is on three months' notice.
 4. Other terms and conditions as per rules and regulations of the Company.

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

BOMBAY: Dated 29th March, 1985