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**SOMAIYA
ORGANO-
CHEMICALS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1977 - 78**

1978

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

(Incorporated under Indian Companies Act, 1956)

BOARD OF DIRECTORS :

SHRI KARAMSHI JETHABHAI SOMAIYA, *Chairman*

SHRI BANARSILAL NARULA

DR. (MISS) USHABEN H. MEHTA

SHRI SURESH R. KHATOD

SHRI NIRMAL CHANDRA VARMA

SMT. MAYADEVI S. SOMAIYA,

Managing Director

BANKERS :

UNION BANK OF INDIA

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 the Eighteenth Annual General Meeting of SOMAIYA ORGANO - CHEMICALS LIMITED will be held on Monday the 27th November, 1978 at 12 Noon at the Registered Office of the Company, Fazalbhoj Building, Mahatma Gandhi Road, Bombay-400 023 to transact the following business:

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st May, 1978.
2. To elect a Director in place of Shri Banarsilal Narula who retires by rotation, but, being eligible, offers himself for re-election.
3. To elect a Director in place of Dr (Miss) Ushaben H. Mehta who retires by rotation, but, being eligible, offers herself for re-election.
4. To declare dividend on equity shares and preference shares for the year ended 31st May, 1978.
5. To appoint Auditors to hold office for the period from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

The Register of Members will remain closed from 13th November, 1978 to 27th November, 1978 (both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS

M. S. SOMAIYA

BOMBAY: Dated 27th October, 1978.

MANAGING DIRECTOR

- NOTES:
1. A member entitled to attend and vote is also entitled to appoint a proxy and the proxy need not be a member.
 2. The dividend when declared will be payable at the Registered Office of the Company on and after 5th January, 1979. The dividend warrants will be posted to those shareholders whose names stand on the Company's Register of Members on 13th November, 1978.

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, 1978.

FINANCIAL RESULTS:

The Gross Profit for the year before providing for Depreciation, Investment Allowance, Reserve and Taxation amounted to Rs. 19,43,384

Deducting therefrom:

Depreciation	Rs. 4,64,147	
Provision for Taxation	Rs. 10,00,000	Rs. 14,64,147
		<u>Rs. 4,79,237</u>

Adding to the above Profit, last year's carried forward profit of Rs. 159/- and Income Tax Refund Rs. 5,534/- and deducting therefrom short provision for taxation amounting to Rs. 2,84,060/- the balance comes to Rs. 2,00,870/-.

Your Directors recommend the following appropriations:

1. Transfer to General Reserve	Rs.	50,000
2. Proposed dividend on 10,000 Preference Shares for the year 1977-78 at Rs. 9.1% (Subject to deduction of Tax)	Rs.	91,000
3. Proposed Dividend at Rs. 11.90 per Share on 5,000/- equity Shares	Rs.	59,500
4. Balance carried forward to next year	Rs.	370
	Rs.	<u>2,00,870</u>

The working of the Distillery and the Chemical Plant were satisfactory during the year under Report.

As was reported at the time of last Annual General Meeting, there was a major breakdown in the Acetic Acid Plant due to an explosion that took place on 22nd September, 1977. This resulted in the Chemical Plant remaining closed for about four months, and the Plant could be restarted only on 8th January, 1978 after major and extensive repairs, particularly to the entire instrumentation system.

The markets during the year were by and large steady. However, the cost of production continued to rise due to escalations in various components, particularly Coal, Stores and Stainless Steel materials. In order to bring some relief to the Alcohol producing Industry, Representations to the authorities at the Centre were made by associations of the industry for reduction in the price of molasses from Rs. 60/- to a reasonable level but so far without success.

Labour relations remained cordial during the year.

The statement concerning employees as required by subsection (2A) of Section 217 of the Companies Act, 1956, as amended is attached to this report.

Two of your Directors Shri Banarsilal Narula and Dr. (Miss) Ushaben H Mehta, retire by rotation, but being eligible, offer themselves for re-election.

M/s. Ambalal Thakkar & Co., retire and offer themselves for reappointment as Auditors.

Yours faithfully,

For and on behalf of the Board of Directors,

M. S. SOMAIYA

Managing Director

BOMBAY: Dated 27th October, 1978.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MAY, 1978

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

- (a) Employees of the Company who were employed throughout the year under review and were in receipt of remuneration for that period 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 a 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.	Nature of Employment (Whether Contractual or Otherwise)	Other Terms & Conditions	Qualifications & Experience (Years)	Date of Commencement of Employment	Age of Employee	Last Employment held
1.	Smt. M. S. Somaiya	Managing Director	76,781/—	Subject to approval of the Central Government.	As approved by Ministry of law and companies affairs vide letter No. 1/72/76/C/1 dated 25.3.1977	B. A. 8 years	1st December, 1970	38	—
2.	Shri P. K. R. Nair	Works Manager	45,500/—	Permanent, subject to termination by one month's notice on either side.	As per Company's Rules	Inter Science 2 years Technical training in General Engineering & Air craft Instrumentation. 18 years	25th May, 1961	45	Erection Engineer in Air-Conditioning Corporation.

(b) EMPLOYED FOR A PART OF THE YEAR UNDER REVIEW.

3.	Com. S. Rajendra	Executive	11,160/—	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B. Sc. 21 years	1st February, 1972	57	Commodore in Indian Navy.
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(c) Smt. M. S. Somaiya is a relative of Shri K. J. Somaiya, Director of the Company.

Yours faithfully,
By Order of the Board of Directors,
M S. SOMAIYA
Managing Director

BOMBAY: Dated 27th October, 1978.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDING 31ST MAY, 1978.

We have examined the attached Balance Sheet and the Profit and Loss Account annexed thereto which are in agreement with the Company's Book 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 has 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 repaid 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 is 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. The Company has not accepted any Deposit from the public. In respect of Loans from other parties the Company has complied with the directives issued by the Reserve Bank of India.
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 clause 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 notes Nos. 1 & 2 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 the above financial year and of the PROFIT for the year.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS,

G. P. BHATT
Partner.

BOMBAY: Dated 27th October, 1978.

SOMAIYA ORGANO- BALANCE SHEET

As at 31st May, 1977	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	
<u>50,00,000</u>				<u>50,00,000</u>
	ISSUED AND SUBSCRIBED CAPITAL:			
5,00,000	5,000 Equity Shares of Rs. 100/- each fully paid		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		10,00,000	
<u>15,00,000</u>				<u>15,00,000</u>
	II. RESERVES AND SURPLUS:			
	(a) <i>General Reserve:</i>			
29,24,546	As on 1-6-1977	30,79,397		
1,24,851	Add: Transferred from Development Rebate Reserve	66,233		
<u>30,49,397</u>		<u>31,45,630</u>		
	<i>Set aside:</i>			
30,000	During the year	50,000		
<u>30,79,397</u>			<u>31,95,630</u>	
	(b) <i>Development Rebate Reserve:</i>			
3,25,743	As per last Balance Sheet	2,00,892		
1,24,851	Less: Transferred to General Reserve	66,233		
<u>2,00,892</u>			<u>1,34,659</u>	
	(c) <i>Investment Allowance Reserve:</i>			
1,89,301	As per Last Balance Sheet	2,01,814		
12,513	Set aside during the year	—		
<u>2,01,814</u>			<u>2,01,814</u>	
	(d) <i>Storage Fund for Molasses and Alcohol Account:</i>			
1,26,917	As per Last Balance Sheet	1,55,656		
28,739	Add: Adjusted from Sales of Rectified & Denatured Spirit during the year	26,820		
<u>1,55,656</u>			<u>1,82,476</u>	
<u>36,37,759</u>				
<u>15,00,000</u>	Carried Over		<u>37,14,579</u>	<u>15,00,000</u>

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1978

As at 31st May, 1977	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (At Cost):			
1,11,51,372	Gross Block		1,10,06,275	
84,37,765	Less: Depreciation written off upto 31-5-1978		88,77,572	
27,13,607	Net Depreciated Block as per Schedule 'A'		21,28,703	
76,617	Capital Work-in-Progress		1,08,669	
27,90,224				22,37,372
	II. INVESTMENTS (At Cost):			
	OTHER INVESTMENTS:			
1,50,000	(1) 1,500 Equity Shares of Rs. 100/- each of Oriental Power Cables Ltd., fully paid up		1,50,000	
43,541	(2) 24,500 Equity Shares of Rs. 10/- each of Kutch Salt & Allied Industries Ltd., fully paid up		43,541	
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. 1,000/-) Deposited with Excise Department		995	
21,000	(5) Investment in Shares of the Book Centre Ltd., 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 Limited		500	
—	(7) Raghuvanshi Co-operative Bank Ltd.		2,000	
		<u>Cost</u>	<u>Market Value</u>	
	Aggregate Quoted Investments	2,38,541	1,76,250	
	Aggregate Unquoted Investments	30,495	—	
		<u>2,69,036</u>	<u>1,76,250</u>	
2,67,036	Immovable property (including value of Land Rs. 1,65,000/-)		2,69,036	
2,53,110	Balance as per Last Balance Sheet		2,50,907	
2,203	Less: Depreciation written off during the year		2,148	
2,50,907			2,48,759	
5,17,943				5,17,795
33,08,167	Carried Over			27,55,167

SOMAIYA ORGANO- BALANCE SHEET

As at 31st May, 1977	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
15,00,000	Brought Forward		37,14,579	15,00,000
36,37,759				
	(e) Profit and Loss Account:			
159	Balance as per Profit and Loss Account		370	
36,37,918			<u>370</u>	37,14,949
	III. SECURED LOANS:			
16,00,000	(a) From Union Bank of India against Equitable Mortgage of Fixed Assets including Machineries etc. and guaranteed by two Directors of the Company		12,00,000	
12,59,079	(b) Cash Credit Account with Bank against Hypothecation of finished goods and Raw Materials and Stores ..		10,51,015	
	(c) Debentures:			
15,00,000	(i) 150 6% debentures of Rs. 10,000/- each fully paid up redeemable at the option of the Company at any time or times on giving 3 (Three) Calendar months Previous Notice	15,00,000		
5,00,000	(ii) 50 8½% debentures of Rs. 10,000/- each fully paid up redeemable after twenty years and before twenty-five years from the date of issue. (Secured by Negative lien of fixed assets of the Company's Sakarwadi factory as per agreements entered during the year)	5,00,000		
20,00,000			20,00,000	
1,25,093	(iii) Interest Accrued on above		2,60,323	
49,84,172			<u>2,60,323</u>	45,11,338
	IV. UNSECURED LOANS:			
20,03,039	(1) From Selling Agents		15,45,942	
3,12,154	(2) Interest Accrued on above		5,73,641	
23,15,193			<u>5,73,641</u>	21,19,583
	V. CURRENT LIABILITIES AND PROVISIONS:			
	(A) CURRENT LIABILITIES:			
37,76,059	(1) Sundry Creditors		42,13,961	
5,05,469	(2) Deposits and Advances from Customers (including Rs. 54,733/- from Selling Agents)		4,24,443	
—	(3) Liability for Income-tax		1,83,746	
15,96,898	(4) Due to Selling Agents		23,53,797	
1,04,108	(5) Due to Managing Director of Remuneration and Commission		15,427	
59,82,534			<u>15,427</u>	
1,24,37,283	Carried Over		<u>71,91,374</u>	<u>1,18,45,870</u>

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1978

As at 31st May, 1977	ASSETS (Contd.)				
Rupees			Rupees	Rupees	Rupees
33,08,167		Brought Forward			27,55,167
	III. CURRENT ASSETS, LOANS & ADVANCES:				
	(A) CURRENT ASSETS:				
90	(i)	Interest Accrued on Investments		135	
	(ii)	Stores, Chemicals & Spares at cost (as per inventory valued & Certified by Managing Director)			
15,91,332	(a)	On Hand	21,40,216		
64,424	(b)	In Transit	59,095		
16,55,756				21,99,311	
9,914	(iii)	Loose Tools & Implements (as per inventory certified by Managing Director)		8,923	
50,058	(iv)	Stock-in-trade (as valued and Certified by Managing Director)			
5,31,553	(a)	Acetic Acid at Market Rate	1,85,811		
10,38,654	(b)	Rectified Spirit at Market Rate	5,73,919		
18,664	(c)	Raw Materials (Molasses) at cost	9,39,150		
4,349	(d)	Denatured Spirit at Market Rate	4,645		
63,779	(e)	Acetic Anhydride at Market Rate	—		
1,23,369	(f)	Acetal Dehyde at Market Rate	7,522		
18,30,426	(g)	Timber at Cost	86,756		
	(v)	Sundry Debtors (Unsecured and considered good except otherwise stated)		17,97,803	
3,20,992	(a)	Debts outstanding for more than 6 months (includ- ing Doubtful Debts of Rs. 84,282/- not provided for)	2,52,590		
17,99,140	(b)	Other Debts	18,31,183		
21,20,132				20,83,773	
56,16,318					
33,08,167		Carried Over		60,89,945	27,55,167

SOMAIYA ORGANO- BALANCE SHEET

As at 31st May, 1977	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,24,37,283	Brought Forward		71,91,374	1,18,45,870
59,82,534				
3,87,831	(6) Provision for Accrued Gratuity		3,87,831	
5,473	(7) Interest Accrued on Deposits		10,955	
1,49,419	(8) Deferred Dividend payable on Equity Dividend for the year 1974-75		—	
66,840	(9) Interest Accrued but not due		58,157	
65,92,097			<u>76,48,317</u>	
	(B) PROVISIONS:			
67,59,780	Provision for Taxation	70,24,780		
51,11,083	Less: Advance Tax paid	51,49,154		
1,20,118	Add: Income-Tax deducted at Source	<u>1,28,991</u>		
52,31,201			52,78,145	
15,28,579			<u>17,46,635</u>	
7,50,000	Provision for Bonus	8,50,000		
22,78,579			<u>25,96,635</u>	
	PROPOSED DIVIDEND:			
	Proposed out of profit for the year:			
91,000	Preference Dividend for the year 1977-78	91,000		
1,17,000	Equity Dividend at Rs. 11.90 per share for the year 1977-78 subject to tax	<u>59,500</u>		
2,08,000			<u>1,50,500</u>	
90,78,676				1,03,95,452
	CONTINGENT LIABILITIES (Not provided for):			
75,000	(1) In respect of Counter Guarantee given in favour of Bank in Lieu of Guarantee given by Bank in favour of Central Railway		1,00,000	
15,29,219	(2) In respect of Bills discounted with a Bank		14,43,578	
2,15,15,959	Total Rupees		<u>2,22,41,322</u>	

Accompanying to our Report of even date.
For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS
G. P. BHATT
Partner

BOMBAY: Dated 27th October, 1978.

CHEMICALS LIMITED, BOMBAY

AS AT 31ST MAY, 1978

As at 31st May, 1977	ASSETS (Contd.)				
Rupees			Rupees	Rupees	Rupees
33,08,167		Brought Forward		60,89,945	27,55,167
56,16,318					
		(vi) <i>Cash and Bank Balances:</i>			
8,870		Cash on Hand	44,286		
		<i>Balance with Scheduled Banks:</i>			
1,27,794		In Current Account	2,38,011		
54,000		In Fixed Deposit Account	50,000		
1,90,664				3,32,297	
39,375		(vii) Stamps on Hand		39,375	
		(B) LOANS AND ADVANCES:			
		(Unsecured and considered good except otherwise stated)			
96,73,437		Loans to Others	92,96,474		
11,38,532		Interest accrued on above	22,59,920		
1,08,11,969				1,15,56,394	
		Advances recoverable in Cash or Kind for value to be received (including doubtful advances of Rs. 45,530/- not provided for and due by an officer of company Rs. 16,200/-) ..		12,64,417	
13,94,444		Deposits		2,03,727	
1,55,022					
1,82,07,792					1,94,86,155
2,15,15,959		Total Rupees		2,22,41,322	

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 the amount reasonably necessary.

K. J. SOMAIYA	}	<i>Directors</i>
N. C. VARMA		
BANARSILAL NARULA		
U. H. MEHTA		
M. S. SOMAIYA		<i>Managing Director</i>

BOMBAY: Dated 27th October, 1978.

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1977		Rupees	Rupees
	To Opening Stock on 1st June, 1977		
2,34,981	Acetic Acid	50,058	
7,32,333	Rectified Spirit	5,31,553	
1,936	Ordinary Denatured Spirit	18,664	
1,26,888	Acetic Anhydride	4,349	
46,810	Acetal Dehyde	63,779	
1,21,369	Timber	1,23,369	
<u>12,64,317</u>			<u>7,91,772</u>
2,000	.. Timber Purchases		—
47,85,717	.. Molasses Consumed (Purchased Rs. 42,21,464/-)		43,20,967
12,10,404	.. Stores and Chemicals Consumed		14,67,925
25,71,674	.. Power and Fuel		21,75,809
18,46,952	.. Salaries and Wages	19,75,185	
61,022	.. Bonus of Previous years	64,347	
257	.. Workmen's Compensation	19,660	
3,00,000	.. Provision for Bonus	3,00,000	
49,527	.. Workmen and Staff Welfare Expenses	49,632	
20,310	.. Gratuity	12,003	
40,158	.. Company's Contribution (to the G.S.M. Ltd., Employees' Provident Fund and Employees Family Pension Fund Scheme includes Rs. 4,000/- for 1977-78 towards Managing Director's Provident Fund)	47,877	
81,732	.. Company's Contribution to Government Provident Fund and Administrative Charges and Family Pension Scheme	87,572	
7,169	.. Company's Contribution to Link Insurance Deposit Scheme and Administrative Charges	10,032	
<u>24,07,127</u>			<u>25,66,308</u>
	.. Repairs:		
6,79,722	Plant and Machineries	7,82,728	
57,962	Buildings	96,544	
1,36,055	Other Repairs	2,06,406	
<u>8,73,739</u>			<u>10,85,678</u>
1,74,185	.. Rent (Net) (Includes Rs. 19,980/- for Managing Director's Quarter)		1,67,185
86,008	.. Excise Establishment Charges		67,745
3,00,259	.. Excise Duty		2,35,817
66,992	.. Insurance Premium		1,20,170
750	.. Directors' Fees		900
586	.. Emergency Risk Insurance Premium		—
<u>1,37,43,758</u>	Carried Over		<u>1,30,00,276</u>

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1978

As at 31st May, 1977		Rupees	Rupees
1,87,68,483	By Sales	1,51,01,840	
28,739	Less: Transferred to Storage Fund for Molasses and Alcohol Account	26,820	
1,87,39,744			1,50,75,020
1,30,859	.. Miscellaneous Receipts		1,14,512
—	.. Timber Sales		36,614
	.. Interest:		
45	On Government Loan (Net)	45	
906	On Fixed Deposit with Bank	8,320	
11,45,439	On Other Loans	11,32,848	
1,077	On Deposits	980	
11,47,467			11,42,193
—	.. Refund of Sales Tax		532
27,390	.. Rent		22,001
14,490	.. Claims and Refund		107
—	.. Insurance Claims Received		9,47,001
—	.. Profit on Sale of Immovable Property		11,543
—	.. Profit on Sale of Car		2,129
1,05,399	Reimbursement of Expenses of earlier years from Selling Agents		—
—	.. Provision for Bonus Written Back		2,00,000
7,520	.. Recovery of Commission paid to Managing Director in excess for the year 1970-71 and 1971-72		—
	.. Closing Stock-in-trade (as valued and Certified by Managing Director)		
50,058	Acetic Acid at Market Rate	1,85,811	
5,31,553	Rectified Spirit at Market Rate	5,73,919	
18,664	Ordinary Denatured Spirit at Market Rate	4,645	
4,349	Acetic Anhydride at Market Rate	—	
63,779	Acetal Dehyde at Market Rate	7,522	
1,23,369	Timber at Cost	86,756	
7,91,772			8,58,653
2,09,64,641	Carried Over		1,84,10,305

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1977		Rupees	Rupees
	Brought Forward		1,30,00,276
1,37,43,758	To Legal Expenses		83,652
96,806	.. Contribution to Scientific Research Institutions		1,25,000
1,55,000	.. Expenditure for Rural Development Programme		1,00,000
—	.. Directors' Travelling Expenses		45,991
4,408	.. Acetic Anhydride Manufacturing and Transport Charges		2,10,102
14,88,080	.. Interest:		
6,57,410	On Bank	5,77,232	
1,32,500	On Debentures	1,32,500	
3,19,658	On Others	2,80,952	
11,09,568	.. Miscellaneous expenses including Printing and Stationery, Postage and Telegrams, Travelling, Subscription, Motor Car Maintenance etc.		9,90,684
6,80,815	.. Rates and Taxes		7,03,957
28,935	.. Payments to Auditors:		12,534
4,000	.. Audit Fees	4,000	
50	.. Auditors Travelling Expenses	—	
4,050	.. Cost Audit Fees		4,000
—	.. Charity and Donation		1,500
2,02,601	.. Loose Tools Written Off		251
1,102	.. Depreciation:		991
5,96,635	On Fixed Assets	4,61,999	
2,203	On Investments	2,148	
5,98,838	.. Research and Development Expenditure		4,64,147
12,372	.. Loss on Sale of Machinery		11,106
65,000	.. Commission:		—
9,36,987	Selling Agents Commission	7,56,899	
3,67,021	Others	3,60,551	
13,04,008	.. Investment allowance		11,17,450
12,513	.. Managing Director's Remuneration:		
54,000	Remuneration	48,000	
66,45	Commission on Profit	11,427	
60,645	.. Provision for Taxation		59,427
11,55,000	.. Balance being Profit for the year		10,00,000
2,41,142			4,79,237
2,09,64,641	TOTAL RUPEES		1,84,10,305

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1978

<i>As at 31st May, 1977</i>					Rupees	Rupees
<i>Rupees</i> 2,09,64,641	Brought Forward	..	..	..	..	1,84,10,305
<u>2,09,64,641</u>	TOTAL RUPEES	..	..	..	..	<u>1,84,10,305</u>

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1977		Rupees	Rupees
30,000	To Transferred to General Reserve		50,000
3,468	.. Short Provision of Taxation for Previous years		2,84,060
	.. Proposed Dividend:		
91,000	On Preference Shares	91,000	
1,17,000	On Equity Shares @ Rs. 11.90 per Share	59,500	
2,08,000			1,50,500
159	.. Balance Carried to Balance Sheet		370
	<i>Note:</i> Computation of Managing Director's Commission is as follow:		
	2,41,142 Net Profit as per Profit and Loss Account		4,79,237
	<i>Add:</i>		
	54,645 1. Managing Director's Remuneration	59,427	
	11,55,000 2. Provision for Taxation	10,00,000	
	12,513 3. Investment Allowance	—	
	5,98,838 4. Depreciation	4,64,147	
	18,20,996		15,23,574
	20,62,138		20,02,811
	<i>Less:</i>		
	6,00,246 Depreciation to the extent specified in Section 350 of the Companies Act, 1956		4,67,186
	14,61,892		15,35,625
	14,619 Commission payable at 1%		15,356
	24,000		24,000
	73,095 Overall remuneration payable at 5% of the profit as per Companies Act, 1956		76,781
	<i>Less:</i>		
	48,000 Remuneration	48,000	
	4,000 Company's Contribution to Provident Fund	4,000	
	9,050 Perquisites in respect of Rent-Free Quarter	7,954	
	5,400 Perquisites in respect of Company's Car	5,400	
	66,450		65,354
	6,645 Commission Payable		11,427
2,41,627	Carried Over		4,84,930

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1978

<i>As at 31st May, 1977</i>									
<i>Rupees</i>								<i>Rupees</i>	<i>Rupees</i>
485	By Balance as per last year's Account	..	..	..	..	..	..		159
2,41,142	„ Balance being Profit Brought Forward	..	..	..	..	..	..		4,79,237
—	„ Refund of Income-Tax	..	..	..	..	..	..		5,534
<u>2,41,627</u>									<u>4,84,930</u>
	Carried Over	..	..	..	..

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

As at 31st May, 1977		Rupees	Rupees	Rupees
Rupees 2,41,627	Brought Forward			4,84,930
	Total Managerial Remuneration:			
	Rupees			
	48,000 (a) Remuneration	48,000		
	6,645 (b) Commission on Profit	11,427		
	4,000 (c) Company's contribution to Provident Fund	4,000		
	9,050 (d) Perquisites in respect of Rent-Free Quarter	7,954		
	5,400 (e) Perquisites in respect of Company's Car ..	5,400		
	73,095	76,781		
2,41,627	TOTAL RUPEES			4,84,930

Accompanying to our Report of even date.
For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS,
G. P. BHATT
Partner

BOMBAY: Dated 27th October, 1978.

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST MAY, 1978

<i>As at 31st May, 1977</i>		Rupees	Rupees
<i>Rupees</i> 2,41,627	Brought Forward		4,84,930
<u>2,41,627</u>	TOTAL RUPEES		<u>4,84,930</u>

K. J. SOMAIYA
 N. C. VARMA
 BANARSILAL NARULA
 U. H. MEHTA

} *Directors*

M. S. SOMAIYA

} *Managing Director*

BOMBAY: Dated 27th October, 1978.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY
SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MAY, 1978

SCHEDULE "A"

Particulars (1)	Gross Block at Cost Except Other- wise stated as at 1-6-77 (2)	Additions during the year (3)	Sales during the year (4)	Gross Block as at 31st May, 1978 (5)	Depreciation written off upto 31st May, 1977 (6)	Depreciation written off this year (7)	Depreciation adjusted during this year (8)	Total Depreciation upto 31st May, 1978 (9)	Net Depreciated Block as at 31st May, 1978 (10)	Net Depreciated Block as at 31st May, 1977 (11)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	37,180	—	—	37,180	—	—	—	—	37,180	37,180
Distillery Building	8,11,705	—	—	8,11,705	3,95,156	20,827	—	4,15,983	3,95,722	4,16,549
Immovable Property at Bombay	1,49,382	—	1,49,382	—	10,925	—	10,925	—	—	1,38,457
Distillery Machinery (Book Value)	36,80,955	—	—	36,80,955	30,20,661	1,34,328	—	31,54,989	5,25,966	6,60,294
Acetic Acid Building	2,61,550	—	—	2,61,550	1,34,129	6,371	—	1,40,500	1,21,050	1,27,421
Electric Machinery	3,08,115	—	—	3,08,115	2,77,968	6,030	—	2,83,998	24,117	30,147
Acetic Acid Plant	44,86,558	—	—	44,86,558	37,77,619	1,96,266	—	39,73,885	5,12,673	7,08,939
General Machinery	3,07,551	—	—	3,07,551	61,510	49,208	—	1,10,718	1,96,833	2,46,041
Laboratory	4,756	—	—	4,756	3,789	97	—	3,886	870	967
Furniture and Office Equipment	66,722	15,923	—	82,645	42,802	4,637	—	47,439	35,206	23,920
Motor Cars, Lorries and Tankers	3,04,229	—	11,638	2,92,591	2,22,259	18,427	11,267	2,29,419	63,172	81,970
Scale and Weigh Bridges	7,557	—	—	7,557	2,971	459	—	3,430	4,127	4,586
Storage Vats and Tanks	6,45,938	—	—	6,45,938	4,38,518	22,377	—	4,60,895	1,85,043	2,07,420
Electric Installation	79,174	—	—	79,174	49,458	2,972	—	52,430	26,744	29,716
TOTAL RUPEES	1,11,51,372	15,923	1,61,020	1,10,06,275	84,37,765	4,61,999	22,192	88,77,572	21,28,703	27,13,607

Accompanying to our Report of even date,
For AMBALAL THAKKAR & COMPANY,
CHARTERED ACCOUNTANTS.

G. P. BHATT
Partner

K. J. SOMAIYA
 N. C. VARMA
 BANARSILAL NARULA
 U. H. MEHTA
Directors

M. S. SOMAIYA
Managing Director

BOMBAY: Dated: 27th October, 1978.

BOMBAY: Dated 27th October, 1978.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE 'B' FOR NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 1978.

1. Company has requested to the Company's Law Board to approve the appointment of Selling Agents up to 31-5-1978. Provision made in accounts for commission of Rs. 7,56,899/- to Selling Agents for the year is subject to approval of the Company's Law Board.
2. Total liability for Accrued Gratuity to employees under the payment of Gratuity Act 1972 upto 31st May, 1978 as per actuary's certificate is of Rs. 4,12,794/- against which the provision for accrued gratuity of Rs. 3,87,831/- is made.
3. Expenditure on employees in receipt of remuneration 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	1,15,081	11,160	1,62,345	—
(ii) Contribution to Provident Fund	7,200	—	7,000	—
(iii) Number of Employees Covered	2	1	3	—

4. Quantitative Information in respect of Goods Manufactured:

Classes of Goods	Unit	Licenced Capacity	Installed Capacity (as certified by Works Manager)	Actual Production (Excluding Normal Loss)	Opening Stock		Closing Stock		Sales	
					Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
Rectified Spirit	H.L. H.L.	1,00,000	1,00,000	91,303.28 (1,02,488.26)	8,543.12 (11,770.06)	5,31,553 (7,32,333)	9,224.02 (8,543.12)	5,73,919 (5,31,553)	8,202.00 (1.00)	6,42,048 (70)
Acetic Acid	M.T. M.T.	5,000	5,000	2,220,000 (3,056.550)	16,686 (72.302)	50,058 (2,34,981)	61,937 (16.686)	1,85,811 (50,058)	1,977,841 (2,189,147)	75,89,321 (76,12,868)
Dilute Acetic Acid	M.T.	—	—	470,025 (706.130)	— (—)	— (—)	— (—)	— (—)	470,025 (706.130)	5,06,688 (7,71,168)
Denatured Spirit	H.L.	—	—	36,289.441 (48,146.866)	277,659 (28,793)	18,664 (1,936)	69.10 (277.659)	4,645 (18,664)	36,498.00 (47,898.000)	29,77,240 (38,06,120)
Acetal Dehyde	M.T.	—	—	2,909.694 (3,550.038)	20,574 (15.100)	63,779 (46.810)	2,033 (20.574)	7,522 (63,779)	827,505 (667.316)	27,11,132 (20,76,082)
Acetic Anhydride	M.T.	—	—	70,170 (573.970)	0.652 (18.660)	4,349 (126.888)	— (0.652)	— (4,349)	70,822 (591.978)	5,65,096 (43,50,963)
Others		—	—	27,188 (53,199)	— (—)	— (—)	— (—)	— (—)	27,188 (53,199)	1,10,315 (1,51,212)

Figures shown in the BRACKETS are of Previous Year.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE 'B' FOR NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 1978.

5. Consumption of Raw Materials:

	Current year		Previous year		
	Unit	Quantity	Amount	Quantity	Amount
Molasses	M.T.	46,279.908	43,20,967	47,649.376	47,85,717
Rectified Spirit (Own Manufactured)	H.L.	82,420.38	—	—	—
Acetic Acid (Own Manufactured)	M.T.	196.908	—	—	—
Acetal Dehyde (Own Manufactured)	M.T.	2,100.730	—	—	—

6. (a) C. I. F. Value of Imports:

	Current year		Previous year	
	Amount	%	Amount	%
(i) Raw Materials	Nil	—	Nil	—
(ii) Stores, Spares and Components	51,424	100%	99,480	100%
(iii) Capital Goods	Nil	—	Nil	—

(b) Value of Raw Materials Consumed

	Current year		Previous year	
	Amount	%	Amount	%
(i) Indigenous	43,20,967	100%	47,85,717	100%
(ii) Imported	Nil	—	Nil	—
(c) Value of stores and spares parts Consumed	13,60,703	92.70	11,51,742	95.15
(i) Indigenous	1,07,222	7.30	58,662	4.85
(ii) Imported	—	—	—	—

7. The figure of previous year have been regrouped and recasted wherever necessary, so as to make them comparable with the current year's figures.

Accompanying to our Report of even date.
For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT

Partner

K. J. SOMAIYA

N. C. VARMA

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} *Directors*

Managing Director

BOMBAY: Dated 27th October, 1978.

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