

20

**SOMAIYA
ORGANO-
CHEMICALS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1979 - 80**

1980

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

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 Twentieth Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED will be held on Thursday the 30th April, 1981 at 4.00 P. M. at the Registered Office of the Company, Fazalbhoy Building, 4th Floor, Mahatma Gandhi Road, Fort, Bombay-400 023 to transact the following business:

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st October, 1980.
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 Smt. Mayadevi S. Somaiya 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 October, 1980.
5. To appoint Auditors for the current year and to fix their remuneration.

The Register of Members will remain closed from 17th April, 1981 to 30th April, 1981 (both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS,

K. J. SOMAIYA

CHAIRMAN

BOMBAY : Dated 30th March, 1981

- 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 May, 1981. The dividend warrants will be posted to the shareholders whose names stand on the Company's Register of Members on 17th April, 1981.

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 October, 1980.

FINANCIAL RESULTS :

The Gross Profit for the year ended 31st October, 1980 before providing for depreciation and taxation amounted toRs. 23,03,627

Deducting therefrom :

Depreciation	Rs.	4,89,342		
Provision for Taxation	Rs.	8,50,000		
			Rs.	13,39,342
			Rs.	9,64,285

Adding to the above profit, last year's carried forward profit of Rs. 513/- and excess provision of Rs. 1,25,912/- for taxation and Sundry Credit balances written back Rs. 25,885/- the balance comes to Rs. 11,16,595/-.

Your Directors recommend the following appropriations:

1. Transfer to General Reserve	Rs.	8,25,000
2. Proposed dividend on 10,000 Preference Shares for the year 1979-80 at 9.1% (Subject to deduction of tax)	Rs.	91,000
3. Proposed dividend at Rs. 20/- per Share on 10,000 Equity Shares	Rs.	2,00,000
4. Balance carried forward to the next year	Rs.	595
	Rs.	11,16,595

OPERATIONS :

Both the Distillery as well as the Chemical Plant worked satisfactorily during the year. The production of Alcohol as well as of Chemical Products was maintained. Due to decline in sugar production, there was a shortfall in the availability of molasses. Efforts were made to get adequate allocations of Molasses.

The relations with labour remained cordial throughout the year under report.

DUTY ON MOLASSES :

In its budget for the year 1980, Govt. of India announced an imposition of specific Excise Duty of Rs. 30/- per M.T. This meant an increase of more than 50% in the cost of molasses. Representations have been made by various associations for withdrawal of this heavy impost.

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, Shri K. J. Somaiya and Smt. Mayadevi S. Somaiya, retire by rotation but being eligible, offer themselves for re-election.

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

Yours faithfully,

For and on behalf of the Board of Directors,

K. J. SOMAIYA

Chairman

BOMBAY: Dated 30th March, 1981.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER, 1980

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 particular 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 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. 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 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 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.

BARABANKI: Dated 31st March, 1981

SOMAIYA ORGANO- BALANCE SHEET

For the Period ended 31st Oct. 1979	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 :			
5,00,000	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 Rs. 100/- each fully paid up liable to be redeemed at the option of the Company		10,00,000	
15,00,000				20,00,000
	II. RESERVES AND SURPLUS :			
	(a) <i>General Reserve:</i>			
31,95,630	As per last Balance Sheet	37,52,906		
66,276	Add: Transferred from Development Rebate Reserve ..	10,473		
32,61,906		37,63,379		
4,91,000	Set aside during the year	8,25,000		
37,52,906		45,88,379		
—	Less: Capitalised for issue of 5000 Bonus Shares of Rs. 100/- each	5,00,000		
37,52,906			40,88,379	
	(b) <i>Development Rebate Reserve:</i>			
1,34,659	As per last Balance Sheet	68,383		
66,276	Less: Transferred to General Reserve	10,473		
68,383			57,910	
	(c) <i>Investment Allowance Reserve:</i>			
2,01,814	As per last Balance Sheet		2,01,814	
	(d) <i>Storage Fund for Molasses and Alcohol Account:</i>			
1,82,476	As per last Balance Sheet	2,11,459		
28,983	Add: Adjusted from Sale of Rectified and Denatured Spirit during the year	28,304		
2,11,459			2,39,763	
	(e) <i>Profit and Loss Account:</i>			
513	Balance as per Profit and Loss Account		595	
42,35,075				45,88,461
57,35,075	Carried Over			65,88,461

CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1980

For the Period ended 31st Oct. 1979	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (AT COST) :			
1,12,33,129	Gross Block	1,20,99,741		
93,88,026	Less: Depreciation written off upto 31-10-1980	96,74,138		
18,45,103	Net Depreciated Block as per Scheduled "A"	24,25,603		
1,40,922	Capital Work-in-Progress	1,40,922		
19,86,025				25,66,525
	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. 1000/-) Deposited with Excise Department	995		
21,000	(5) Investment in Shares of 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 Ltd.	500		
2,000	(7) Raghuvanshi Co-operative Bank Ltd.	2,000		
		<i>Cost</i>	<i>Market Value</i>	
	Aggregate Quoted Investments	2,38,541	2,58,750	
	Aggregate Unquoted Investments	30,495	—	
2,69,036		2,69,036	2,58,750	2,69,036
	Immovable Property (including Value of Land Rs. 1,65,000/-)			
2,48,759	Balance as per Last Balance Sheet	2,45,814		
2,945	Less: Depreciation written off during the year	2,020		
2,45,814				2,43,794
3,60,031	Capital in Partnership firm of M/s. Vashi Automobiles in which Company is partner		3,93,207	
8,74,881				9,06,037
28,60,906	Carried Over			24,72,562

SOMAIYA ORGANO-

BALANCE SHEET

For the Period ended 31st Oct. 1979	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
57,35,075	Brought Forward			65,88,461
	III. SECURED LOANS:			
6,00,000	(a) From Union Bank of India against Equitable Mortgage of Fixed Assets including Machineries etc. and guaranteed by two Directors of the Company		3,00,000	
8,99,714	(b) Cash Credit Account with Bank against Hypothecation of Finished Goods and Raw Materials and Stores		9,38,838	
	(c) <i>Debentures:</i> (Secured by negative lien on Fixed Assets of the Company's Sakarwadi Factory as per agreements)			
15,00,000	(i) 150 6% Debentures of Rs. 10,000/- each fully paid up redeemable at Company's option at any time after expiry of 20 years from the date of issue	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	5,00,000		
20,00,000			20,00,000	
55,208	(iii) Interest accrued on above		1,21,458	
35,54,922				33,60,296
	IV. UNSECURED LOANS:			
17,39,275	(1) From Ex-Selling Agents		15,19,274	
5,01,296	(2) From Others		13,46,750	
—	(3) From Madhavpur Co-op. Bank Ltd.		8,50,000	
2,82,513	(4) Interest Accrued on above		5,09,715	
25,23,084				42,25,739
1,18,13,081	Carried Over			1,41,74,496

CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1980

For the Period ended 31st Oct. 1979	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
28,60,906	Brought Forward			34,72,562
	III. CURRENT ASSETS, LOANS AND ADVANCES:			
	(A) CURRENT ASSETS:			
86	(i) Interest accrued on investments		131	
	(ii) Stores, Chemicals & Spares at cost (as per Inventory valued and certified by a Director)			
28,13,091	(a) On hand (including Machineries Rs. 14,02,546) ..	30,38,249		
67,114	(b) In Transit	1,14,185		
28,80,205			31,52,434	
7,696	(iii) Loose-Tools and implements (as per inventory certified by a Director)		6,926	
	(iv) Stock-in-trade (As valued and certified by a Director)			
56,658	(a) Acetic Acid at Market Rate	40,253		
6,45,417	(b) Rectified Spirit at Market Rate	5,24,428		
7,55,099	(c) Raw Materials (Molasses) At Cost	70,520		
10,127	(d) Denatured Spirit at Market Rate	12,542		
2,20,080	(e) Acetal Dehyde at Market Rate	1,20,442		
86,756	(f) Timber at Cost	86,756		
17,74,137			3,54,941	
	(v) Sundry Debtors (Unsecured and considered good except otherwise stated)			
1,71,420	(a) Debts outstanding for more than six months (including doubtful debts of Rs. 84,282/- previous year Rs. 84,282/- not provided for) ..	1,18,361		
13,15,012	(b) Other Debts	33,12,148		
14,86,432			34,30,509	
	(vi) Cash and Bank Balances:			
1,17,312	Cash on Hand (including Stamps on hand Rs. 39,375/-)	1,08,966		
5,12,960	In Current Account with Scheduled Banks	1,30,653		
—	In Current Account with Madhavpur Co-op. Bank Ltd.	1,000		
50,000	In Fixed Deposit with a Scheduled Bank as lien for guarantee	50,000		
6,80,272			2,90,619	
68,28,828				
28,60,906	Caried Over		77,35,580	34,72,562

SOMAIYA ORGANO- BALANCE SHEET

For the period ended 31st Oct. 1979	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
1,18,13,081	Brought Forward			1,41,74,496
	V. CURRENT LIABILITIES AND PROVISIONS:			
	(A) CURRENT LIABILITIES:			
65,26,080	1. Sundry Creditors		68,85,086	
5,45,471	2. Deposits and Advances from Customers		5,06,559	
1,20,629	3. Liability for Income-Tax		1,91,664	
23,53,797	4. Due to Selling Agents (in dispute)		23,53,797	
29,626	5. Due for Managing Director's Remuneration		—	
3,87,831	6. Provision for Accrued Gratuity		3,87,831	
7,768	7. Interest accrued on Deposits		12,577	
20,098	8. Interest accrued but not due		24,282	
99,91,300			1,03,61,796	
	(B) PROVISIONS:			
54,49,780	(i) Provision for Taxation	50,05,000		
41,35,438	Less: Advance Tax paid	46,75,739		
1,20,002	Add: Income Tax deducted at source	1,24,626		
42,55,440		48,00,365		
11,94,340		2,04,635		
11,50,000	(ii) Provision for Bonus	6,00,000		
23,44,340			8,04,635	
2,53,500	(iii) Proposed Dividend		2,91,000	
1,25,89,140				1,14,57,431
	CONTINGENT LIABILITIES (Not Provided for):			
	(i) 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	
14,40,154	(ii) In respect of Bills discounted with a Bank		12,52,568	
2,44,02,221	TOTAL RUPEES			2,56,31,927

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

AS AT 31ST OCTOBER, 1980

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.

Directors

13

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the Period ended 31st Oct. 1979			Rupees	Rupees
Rupees				
	To Opening Stock as on 1-11-1979			
1,85,811	Acetic Acid		56,658	
5,73,919	Rectified Spirit		6,45,417	
4,645	Ordinary Denatured Spirit		10,127	
7,522	Acetal Dehyde		2,20,080	
86,756	Timber		86,756	
8,58,653				10,19,038
54,50,792	.. Molasses Consumed (Purchased Rs. 52,03,445/-)			58,88,024
3,07,789	.. Rectified Spirit			
21,41,247	.. Stores and Chemicals Consumed			15,48,561
41,57,632	.. Power and Fuel			54,81,597
32,86,199	.. Salaries and Wages		28,43,178	
5,33,803	.. Bonus of Previous years		5,059	
—	.. Workmen's Compensation		13,500	
3,00,000	.. Provision for Bonus		3,00,000	
68,275	.. Workmen & Staff Welfare Expenses		59,600	
38,984	.. Gratuity		27,182	
83,263	.. Company's Contribution to The Godavari Sugar Mills Limited Employees Provident Fund and Employees Family Pension Fund Scheme		85,726	
1,30,753	.. Company's Contribution to Government Provident Fund and Administrative Charges and Family Pension Scheme		1,22,328	
14,504	.. Company's Contribution to Link Insurance Deposit Scheme and Administrative Charges		13,990	
44,55,781				34,70,563
	.. Repairs:			
13,34,793	.. Plant and Machinery		2,90,139	
29,989	.. Buildings		12,884	
87,379	.. Other Repairs		1,04,244	
14,52,161				4,07,267
2,46,303	.. Rent (Net)			1,77,722
1,53,405	.. Excise Establishment Charges			2,68,865
4,60,641	.. Excise Duity			3,57,503
2,62,121	.. Insurance Premium			1,99,412
1,575	.. Directors' Fees			1,350
66,944	.. Legal Expenses			97,780
2,00,15,044	Carried Over			1,89,17,682

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST OCTOBER, 1980

For the Period ended 31st Oct. 1979			
Rupees		Rupees	Rupees
2,72,56,496	By Sales	2,39,49,163	
28,983	Less Transferred to Storage Fund for Molasses and Alcohol	28,304	
2,72,27,513			2,39,20,859
3,48,323	.. Miscellaneous Receipts		2,42,723
—	.. Dividend (Gross)		15,000
	.. Interest :		
64	On Government Loan (Net)	45	
16,15,738	On other Loans	720	
1,257	On Deposits	2,161	
16,17,059			2,926
4,23,778	.. Insurance Claim received		—
—	.. Refund of Sales Tax		4,237
1,990	.. Claims and Refund		73,973
30,101	.. Rent		21,228
48,976	.. Excess provision of Selling Agents' Commission Written back		—
—	.. Provision for Bonus for earlier years Written back		8,50,000
—	.. Profit on Sale of Car		21,600
	.. Closing Stock-in-Trade (As valued and Certified by a Director)		
56,658	Acetic Acid at Market Rate	40,253	
6,45,417	Rectified Spirit at Market Rate	5,24,428	
10,127	Ordinary Denatured Spirit at Market Rate	12,542	
2,20,080	Acetal Dehyde at Market Rate	1,20,442	
86,756	Timber at Cost	86,756	
10,19,038			7,84,421
3,07,16,778	Carried Over		2,59,36,967

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the Period ended 31st Oct. 1979			
Rupees		Rupees	Rupees
2,00,15,044	Brought Forward		1,89,17,682
1,50,000	To Contribution to Scientific Research Institution		—
12,50,000	.. Expenditure by way of Contribution to an Institution for Programme of Rural Development		15,00,000
—	.. Contribution to Company's Employees' Welfare Trust		2,51,000
2,501	.. Directors' Travelling Expenses		5,030
	.. Interest to :		
6,79,171	Bank	4,92,099	
1,87,708	Debentures	1,32,500	
2,90,281	Others	2,49,009	
11,57,160			8,73,608
1,43,029	.. Acetal Dehyde Transport and Handling Charges		82,809
12,76,439	.. Miscellaneous Expenses including Printing and Stationery, Postage and Telegrams, Travelling, Subscription, Motor Car Maintenance etc.		12,46,714
26,806	.. Rates and Taxes		19,823
	.. Remuneration to Auditors :		
5,675	.. Audit Fees	7,500	
—	.. For Others	382	
4,950	.. For Company Law Matter	—	
10,625			7,882
—	.. Cost Audit Fees		1,500
2,65,501	.. Charity and Donation		5,001
1,227	.. Loose Tools Written off		770
—	.. Loss on Sale of Machinery		44,345
	.. Depreciation:		
5,10,454	.. On Fixed Assets	4,87,322	
2,945	.. On Investments	2,020	
5,13,399			4,89,342
7,324	.. Research and Development Expenditure		2,479
8,01,174	.. Brokerage and Commission		6,25,494
1,51,557	.. Additional Tax on Sales Tax		47,651
23,00,000	.. Compensation against non-performance of Contract (as per arbitration award)		—
	.. Managing Director's Remuneration :		
38,710	.. Remuneration	—	
15,024	.. Commission on Profit	—	
53,734			—
—	.. Share of Loss in Partnership Firm of M/s. Vashi Automobiles		1,552
20,00,000	.. Provision for Taxation		8,50,000
5,91,258	.. Balance being Profit for the year		9,64,285
3,07,16,778	TOTAL RUPEES		2,59,36,967

THE YEAR ENDED 31ST OCTOBER, 1980

THE YEAR ENDED 31ST OCTOBER, 1980

17

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the Period ended 31st Oct. 1979				
Rupees			Rupees	Rupees
4,91,000	To Transfer to General Reserve ..			
91,000	" Proposed Dividend:			
1,62,500	On Preference Shares			8,25,000
	On Equity Shares @ Rs. 20.00 per Share ..		91,000	
2,53,500			2,00,000	
513	" Balance Carried to Balance Sheet ..			2,91,000
				595
	Note: Computation of Managing Director's Commission is as follows:			
	5,91,258 Net Profit as per Profit and Loss Account			
	Add:			
	53,734 1. Managing Director's Remuneration			
	20,00,000 2. Provision for Taxation ..			
	5,13,399 3. Depreciation ..			
	25,67,133			
	31,58,391			
	Less:			
	5,11,358 Depreciation to the extent Specified in Section 350 of the Companies Act, 1956			
	26,47,033 Net Profit for Calculating Managing Director's Commission			
	15,02,370 Net Profit for Calculating Managing Director's Commission for the Period 1st June 1978 to 21st March 1979			
	15,024 Commission Payable at 1% ..			
	19,355 Maximum Payable as per Central Government's approval			
	75,119 Over all remuneration payable @ 5% of the Profit as per Companies Act, 1956			
	Less:			
	38,710 Remuneration			
	3,226 Company's Contribution to Provident Fund			
	5,373 Perquisites in respect of Rent Free Quarter			
	4,355 Perquisites in respect of Company's Car ..			
	51,664			
	23,455 Maximum Commission payable on the basis of 5% of Profits			
	Total Managerial Remuneration:			
	38,710 (a) Remuneration ..			
	15,024 (b) Commission on Profit ..			
	3,226 (c) Company's Contribution to Provident Fund ..			
	5,373 (d) Perquisites in respect of Rent Free Quarter ..			
	4,355 (e) Perquisites in respect of Company's Car ..			
	66,688			
7,45,013	TOTAL RUPEES ..			11,16,595

ARABANKI: Dated 31st March, 1981.

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

CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST OCTOBER, 1980

For the Period ended 31st Oct. 1979												Rupees	Rupees
Rupees													
370	By	Balance as per last year's Account	..	..	..	..	..	..	..	..	..	513	
5,91,258	"	Balance being Profit Brought Forward	..	..	..	..	..	..	..	..	..	9,64,285	
9,352	"	Refund of Income-Tax	..	..	..	..	..	..	..	..	..	—
1,44,033	"	Excess Provision for Taxation written back	..	..	..	..	..	..	..	..	..	1,25,912	
—	"	Sundry Credit Balances written back	..	..	..	..	..	..	..	..	..	25,885	

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY
SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1980
SCHEDULE "A"

Particulars (1)	Gross Block at Cost Except Otherwise stated as at 1-11-1979 (2)	Addition during the year (3)	Sold during the year (4)	Gross Block as at 31-10-1980 (5)	Depreciation Written off Upto 31-10-1979 (6)	Depreciation Written off this year (7)	Depreciation Adjusted on Sale of Assets during the year (8)	Total Depreciation Upto 31-10-1980 (9)	Net Depreciated Block as at 31-10-1980 (10)	Net Depreciated Block as at 31-10-1979 (11)
1. Land	Rs. 37,180	—	—	Rs. 37,180	—	—	—	—	Rs. 37,180	Rs. 37,180
2. Distillery Building	8,11,705	—	—	8,11,705	4,43,601	18,405	—	4,62,006	3,49,699	3,68,104
3. Distillery Machinery (Book Value)	36,80,955	—	—	36,80,955	32,97,163	77,732	—	33,74,895	3,06,060	3,83,792
4. Acetic Acid Building	2,61,550	—	—	2,61,550	1,48,949	5,630	—	1,54,579	1,06,971	1,12,601
5. Electric Machinery	3,08,115	2,06,000	—	5,14,115	2,90,430	44,864	—	3,35,294	1,78,821	17,685
6. Acetic Acid Plant	44,86,558	—	—	44,86,558	41,56,699	89,330	—	42,46,029	2,40,629	3,29,859
7. General Machinery	3,07,551	9,97,000	3,07,551	9,97,000	1,63,206	1,99,400	1,63,206	1,99,400	7,97,600	1,44,345
8. Laboratory Apparatus	4,756	—	—	4,756	4,006	75	—	4,081	675	750
9. Furniture and Office Equipment	1,13,578	13,528	—	1,27,106	56,309	8,845	—	65,154	61,952	57,269
10. Motor Cars, Lorries and Tankers	3,63,115	—	42,365	3,20,750	2,53,923	8,504	38,004	2,24,423	96,327	1,09,192
11. Scale & Weigh Bridges	7,557	—	—	7,557	3,998	356	—	4,354	3,203	3,559
12. Storage Vats and Tanks	7,71,335	—	—	7,71,335	5,13,635	31,874	—	5,45,509	2,25,826	2,57,700
13. Electric Installation	79,174	—	—	79,174	56,107	2,307	—	58,414	20,760	23,067
TOTAL RUPEES	1,12,33,129	12,16,528	3,49,916	1,20,99,741	93,88,026	4,87,322	2,01,210	96,74,138	24,25,603	18,45,103

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

K. J. SOMAIYA
 BANARSILAL NARULA
 U. H. MEHTA
 MAYA S. SOMAIYA
Directors

BARABANKI : Dated 31st March, 1981

BOMBAY : Dated 30th March, 1981

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE 'B' FOR NOTES FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1980

1. Total liability for Accrued gratuity to Employees under the payment of Gratuity Act, 1972 upto 31st October 1980 as per actuary's certificate is Rs. 6,40,254/- against which provision for accrued gratuity of Rs. 3,87,831/- is made.

2. 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.	Employed for full year Rs.	Employed for part of the year Rs.
(i) Salaries, Allowances and Perquisites	1,15,675	43,300	1,23,339	82,242		
(ii) Contribution to Provident Fund	9,390	1,983	8,300	4,791		
(iii) Number of Employees Covered	3	2	2	2		

1. Quantitative Information in respect of Goods Manufactured :

Classes of Goods	Unit	Licensed Capacity (Annual)	Installed Capacity (as certified by Works Manager) (Annual)	Actual Production (Excluding Normal Loss)	OPENING STOCK		CLOSING STOCK		SALES	
					Quantity	Value	Quantity	Value	Quantity	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Rectified Spirit	H.L.	1,00,000	1,00,000	1,11,912.59	10,373.13	6,45,417	5,826.98	5,24,428	11,630	10,67,150
Acetaldehyde/ Acetic Acid	H.L.	(1,00,000)	(1,00,000)	(1,37,562.55)	(9,224.02)	(5,73,919)	(10,373.13)	(6,45,417)	(9,547.50)	(7,31,723)
Denatured Spirit	M.T.	5,000/5,000	3,700/3,600	4,365.027/2,558.200	59,481/15,313	2,20,080/56,658	28,507/8,215	1,20,442/40,253	1,622,020/2,479,576	65,41,342/1,12,83,054
Aliphatic Acetic Acid	M.T.	(5,000/5,000)	(3,700/3,600)	(5,869,018/3,812,800)	(2,033/61,937)	(7,522/1,85,811)	(59,481/15,313)	(2,20,080/56,658)	(1,998,014/3,601,229)	(72,48,804/1,44,04,787)
Aliphatic Acetic Acid	H.L.	—	—	35,527.46	150.65	10,127	134.86	12,542	35,543.25	40,32,037
Aliphatic Acetic Acid	H.L.	(—)	(—)	(38,839.55)	(69.10)	(4,645)	(150.65)	(10,127)	(38,758.00)	(32,37,514)
Aliphatic Acetate	M.T.	—	—	549,462	—	—	—	—	549,462	6,69,438
Aliphatic Acetate	M.T.	(—)	(—)	(1,050,274)	—	—	—	—	(1,050,274)	(12,67,423)
Aliphatic Acetate	M.T.	3,000	—	NEW PLANT UNDER IMPLEMENTATION	—	—	—	—	—	—
Aliphatic Acetate	M.T.	(3,000)	—	—	—	—	—	—	—	—
Aliphatic Acetates	M.T.	1,800	—	R AND D WORK IN HAND	—	—	—	—	—	—
Aliphatic Acetates	M.T.	(1,800)	—	—	—	—	—	—	—	—
Aliphatic Acetates	M.T.	—	—	85,842	—	—	—	—	85,842	3,56,142
Aliphatic Acetates	M.T.	(—)	(—)	(121,980)	(—)	(—)	(—)	(—)	(121,980)	(3,66,245)

Notes : 1. Acetaldehyde is an intermediary product for the manufacture of Acetic Acid.

2. Figures shown in the BRACKETS pertain to the previous period of 17 Months while Current figures are for a period of 12 Months.

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE 'B' FOR NOTES FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1980

Consumption of Raw Materials:

	Unit	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
Molasses	M.T.	53,565.070	58,88,024	59,612.321	54,50,792
Rectified Spirit (Own Manufactured)	H.L.	1,04,828.74	—	1,26,865.94	—
Rectified Spirit (Purchased)	H.L.	—	—	3,740.00	3,07,789
Acetic Acid (Own Manufactured)	M.T.	85.722	—	258.195	—
Acetal Dehyde (Own Manufactured)	M.T.	2,773.981	—	3,813.556	—

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

	Current Year	Previous Year
	Amount	Amount
(i) Raw Materials	Nil	Nil
(ii) Stores, Spares and Components	Nil	1,80,725
(iii) Capital Goods	Nil	Nil

(b) Value of Raw Materials Consumed:

	Current Year		Previous Year	
	Amount	%	Amount	%
(i) Indigenous	58,88,024	100%	57,58,581	100%
(ii) Imported	Nil	Nil	Nil	Nil

(c) Value of Stores and Spare parts Consumed :

	Current Year		Previous Year	
	Amount	%	Amount	%
(i) Indigenous	15,02,070	97.00	21,16,477	98.84
(ii) Imported	46,491	3.00	24,770	1.16

Information in respect of Partnership Firm of M/s. Vashi Automobiles in which Company is a Partner:

Name	Share of Profit/Loss	Capital contributed upto 31-3-1980
(i) Somaiya Organo-Chemicals Ltd.	75%	3,82,147
(ii) Shri Chandravadan Vasantlal Bhandari, Karta of Vasantlal Babulal Bhandari HUF	18%	—
(iii) Shri Vijay Dhanraj Munot, Karta of Vijay Dhanraj Munot HUF	2%	—
(iv) Shri Ramesh Nemichand Munot	2%	—
(v) Shri Shobhachand Chandrakant Munot	2%	—
(vi) Shri Hastimal Chandmal Munot	1%	—

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

Accompanying our Report of even date.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

K. J. SOMAIYA
BANARSILAL NARULA
U. H. MEHTA
MAYA S. SOMAIYA

Directors

BARABANKI: Dated 31st March, 1981

BOMBAY: Dated 30th March, 1981

SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDING
31ST OCTOBER, 1980.

SCHEDULE "C"

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 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 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 and Conditions	Qualifications and Experience (Years)	Date of Commencement of Employment	Age of Employee	Last Employment held
1.	Shri P. K. R. Nair	Works Manager	49,665/-	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 20 years.	25th May, 1961	47	Erection Engineer in Air Conditioning Corporation.
2.	Shri V. Bodaji	Officer on Special Duty	39,000/-	Permanent, subject to termination by three month's notice on either side	As per Company's Rules	B. Com., F.C.A. 27 years	2nd October, 1979	52	Financial Controller in Parle (Exports) Pvt. Ltd.
3.	Shri C. G. Matrawadia	Executive	36,400/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B. E. (Civil) M.I.E. 13 years	1st April, 1978	45	Sr. Supdtg. Engineer in Stone & Webster (I) Ltd. (NOCIL Project)

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

1.	Shri W. H. Patwardhan	Officer on Special Duty	22,208/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	M. Sc. 12 years	2nd June, 1980	54	Chief Editor, Allied Publishers Pvt. Ltd.
2.	Shri B. R. S. Mundkar	Executive	23,075/-	Permanent, subject to termination by one month's notice on either side.	As per Company's Rules	M.A., M.B.A. (Pens), A.M. B.I.M. (Lon.) M.I. W.M. (Lon.) 1 year.	23rd May, 1979	53	Chief Executive, Goa Carbon Ltd.

Yours faithfully,
By Order of the Board of Directors,
K. J. SOMAIYA
CHAIRMAN

BOMBAY : Dated 30th March, 1981