

21

**SOMAIYA  
ORGANO-  
CHEMICALS  
LIMITED**

**ANNUAL REPORT & ACCOUNTS  
1980 - 81**

**1981**

**SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY**

(Incorporated under Indian 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

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 Twenty-first Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED, will be held on Thursday the 29th April, 1982 at 4 P.M. at the Registered Office of the Company at Fazalbhoj Building, 45/47, 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, 1981.
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 and Preference Shares for the year ended 31st October, 1981.
5. To appoint Auditors for the current year and to fix their remuneration.

The Register of Members will remain closed from 16th April, 1982 to 29th April, 1982 (both days inclusive).

BY ORDER OF THE BOARD OF DIRECTORS,

K. J. SOMAIYA

CHAIRMAN

BOMBAY : Dated 19th March, 1982

- 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 31st May 1982. The dividend warrants will be posted to the shareholders whose names stand on the Company's Register of Members on 16th April, 1982.



# 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, 1981.

### FINANCIAL RESULTS :

The Gross Profit for the year ended 31st October, 1981 before providing for depreciation and taxation amounted to ..... Rs. 44,19,724

Deducting therefrom :

Depreciation .....	Rs.	18,47,409	
Investment Allowance Reserve .....	Rs.	21,81,528	
			Rs. 40,28,937
			Rs. 3,90,787

Adding to the above profit, last year's carried forward profit of Rs. 595/- and deducting therefrom short provision for taxation amounting to Rs. 39,669/- the balance comes to Rs. 3,51,713/-.

Your Directors recommend the following appropriations :

1. Transfer to General Reserve .. .. .	Rs.	60,000
2. Proposed dividend on 10,000 Preference Shares for the year 1980-81 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.	713
	Rs.	3,51,713

### OPERATIONS :

Both the Distillery as well as the Chemical Plant worked satisfactorily during the year. The Company has out of its internal resources expanded the capacity of Acetaldehyde Section from 3,700 M.T. per annum to 5,000 M.T. per annum. Similarly the Company has carried out during the year replacement and renovation of Acetic Acid plant by obtaining deferred payment facility from Bank of Baroda.



As mentioned in the last year's Directors' Report, Government of India imposed a specific Excise duty of Rs. 30/- per M.T. with effect from June 1980 which increased the cost of Molasses by more than 50%. Similarly the Maharashtra Government increased in March, 1981 Transport Fee from 5 paise per litre to 17 paise per litre on industrial use of alcohol. This has adversely affected operations of alcohol based units within the state.

The Directors would like to draw attention of the Shareholders to another constraint which is assuming a serious magnitude. This is in relation to the increasing difficulty of availability of coal and its movement by Rail. To keep the operations of the Distillery and the Chemical Unit, arrangements had to be done to procure coal by Road in absence of allotment of wagons. Further, in view of the expansion and replacement carried out, the steam requirements have increased. Efforts are continuing to have the monthly coal quota suitably enhanced.

Apart from the above, the Maharashtra Government has recently further increased the "Transport Fee" on Industrial Alcohol from Rs. 0.17 per litre to Rs. 1.25 per litre with effect from 4th November, 1981 without any justification. This has resulted in a sharp increase in the cost of Acetaldehyde as well as Acetic acid. The Company has not been able to increase the prices of Acetaldehyde and other products because of the alternate sources outside Maharashtra from where the present clients can procure these products at cheaper price. The various Associations of the Chemical Industry have represented to Maharashtra Government for bringing down the transport fee to the original level prevailing prior to 4th November, 1981 and is following up the same with Government authorities.

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, Dr. (Miss) U. H. Mehta and Shri Banarsilal Narula, 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.

For and on behalf of the Board of Directors,

**K. J. SOMAIYA**  
*Chairman*

BOMBAY: Dated 19th March, 1982.



# SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

## AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER, 1981

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 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 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 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. 2 regarding Cash and Journal vouchers and note No. 3 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 22nd March, 1982



# SOMAIYA ORGANO- BALANCE SHEET

As at 31st Oct. 1980	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	<b>I. SHARE CAPITAL :</b>			
	<b>AUTHORISED CAPITAL :</b>			
25,00,000	25,000 Equity Shares of Rs. 100/- each .. .. .		25,00,000	
25,00,000	25,000 7% Free of Income-Tax Cumulative Preference Shares of Rs.100/- each liable to be redeemed at the option of the Company .. .. .		25,00,000	
50,00,000				50,00,000
	<b>ISSUED AND SUBSCRIBED CAPITAL :</b>			
10,00,000	10,000 Equity Shares of Rs. 100/-each fully paid up: of the above shares, 5,000 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	
20,00,000				20,00,000
	<b>II. RESERVES AND SURPLUS:</b>			
37,52,906	(a) <i>General Reserve:</i>			
10,473	As per last Balance Sheet .. .. .	40,88,379		
	Add: Transferred from Development Rebate Reserve .. .. .	45,760		
37,63,379		41,34,139		
8,25,000	Add: Set aside during the year .. .. .	60,000		
45,88,379		41,94,139		
5,00,000	Less: Capitalised for issue of 5,000 Bonus Shares of Rs.100/- each .. .. .	—		
40,88,379			41,94,139	
68,383	(b) <i>Development Rebate Reserve:</i>			
10,473	As per last Balance Sheet .. .. .	57,910		
	Less: Transferred to General Reserve .. .. .	45,760		
57,910			12,150	
2,01,814	(c) <i>Investment Allowance Reserve:</i>			
—	As per last Balance Sheet .. .. .	2,01,814		
	Add: Set aside during the year .. .. .	21,81,528		
2,01,814			23,83,342	
	(Utilised for Purchase of New Plant & Machinery Rs. 2,01,814/-)			
2,11,459	(d) <i>Storage Fund for Molasses and Alcohol Account:</i>			
28,304	As per last Balance Sheet .. .. .	2,39,763		
	Add: Adjusted from Sale of Rectified and Denatured Spirit during the year .. .. .	33,819		
2,39,763			2,73,582	
—	(e) Effluent Fund adjusted from Sale of Rectified and Denatured spirit during the year .. .. .		42,742	
45,87,866				
20,00,000	Carried Over .. .. .		69,05,955	20,00,000



# CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1981

As at 31st Oct. 1980	ASSETS			
Rupees		Rupees	Rupees	Rupees
	<b>I. FIXED ASSETS (At Cost):</b>			
1,20,99,741	Gross Block .. .. .	2,08,37,311		
96,74,138	Less: Depreciation Written off Upto 30-10-1981 .. ..	1,15,19,577		
24,25,603	Net Depreciated Block as per Schedule "A" .. .. .	93,17,734		
1,40,922	Capital Work-in-Progress .. .. .	38,667		
25,66,525				93,56,401
	<b>II. INVESTMENTS (At Cost):</b>			
	<b>OTHER INVESTMENTS:</b>			
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) 500 Equity Shares of Rs. 10/- each of Kutch Salt & Allied Industries Ltd., 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. 1,000/-) 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) Raghuvanshi Co-operative Bank Ltd. .. .. .	2,000		
		<i>Cost</i>	<i>Market Value</i>	
	Aggregate quoted Investments .. ..	1,95,821	2,11,950	
	Aggregate unquoted Investments .. ..	30,495	—	
2,69,036		2,26,316	2,11,950	226,316
	Immovable Property (including value of Land Rs. 1,65,000/-)			
2,45,814	Balance as per last Balance Sheet .. .. .	2,43,794		
2,020	Less: Depreciation written off during the year .. ..	1,970		
2,43,794			2,41,824	
3,93,207	Capital in Partnership firm of M/s. Vashi Automobiles from which Company retired from 30-9-1981 .. .. .		7,04,500	
9,06,037				11,72,640
34,72,562	Carried Over.. ..			1,05,29,041



# SOMAIYA ORGANO- BALANCE SHEET

As at 31st Oct. 1980	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
20,00,000	Brought Forward .. ..	69,05,955		20,00,000
45,87,866				
595	(e) Profit and Loss Account:			
45,88,461	Balance as per Profit and Loss Account .. ..	713		69,06,668
	III. SECURED LOANS:			
3,00,000	(a) From Union Bank of India against Equitable Mortgage of Fixed Assets including Machineries etc. and guaranteed by two Directors of the Company .. ..	—		
9,38,838	(b) Cash Credit Account with Bank against Hypothecation of Finished Goods and Raw Materials and Stores .. ..	9,50,483		
	(c) Debentures:			
	(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	
1,21,458	(iii) Interest accrued on above .. ..	1,21,462		
—	(d) 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 Deposits 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 guaranteed by two Directors .. ..	69,01,167		
33,60,296				99,73,112
99,48,757	Carried Over .. ..			1,88,79,780



# CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1981

As at 31st Oct. 1980	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
34,72,562	Brought Forward			1,05,29,041
	<b>III. CURRENT ASSETS, LOANS AND ADVANCES:</b>			
	<b>(A) CURRENT ASSETS:</b>			
131	(i) Interest accrued on Investments		180	
	(ii) Stores, Chemicals & Spares at Cost (as per inventory valued and certified by a Director)			
30,38,249	(a) On hand (including Machineries Rs. NIL)	20,09,390		
1,14,185	(b) In Transit	2,00,325		
31,52,434			22,09,715	
6,926	(iii) Loose Tools and Implements (as per inventory certified by a Director)		6,233	
	(iv) Stock-in-trade (as valued and certified by a Director)			
40,253	(a) Acetic Acid at Market Rate	1,07,206		
5,24,428	(b) Rectified Spirit at Market Rate	5,48,013		
70,520	(c) Raw Materials (Molasses) at Cost	9,98,247		
12,542	(d) Denatured Spirit at Market Rate	1,400		
1,20,442	(e) Acetal Dehyde at Market Rate	4,66,936		
86,756	(f) Timber at Cost	86,756		
8,54,941			22,08,558	
	(v) Sundry Debtors (Unsecured and considered good except otherwise stated)			
1,18,361	(a) Debts outstanding for more than six months (including doubtful debts of Rs. 84,282/- previous year Rs. 84,282/- not provided for)	1,26,301		
33,12,148	(b) Other Debts	31,17,385		
34,30,509			32,43,686	
74,44,941				
34,72,562	Carried Over		76,68,372	1,05,29,041



# SOMAIYA ORGANO- BALANCE SHEET

As at 31st Oct. 1980	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
99,48,757	Brought Forward .. ..			1,88,79,780
	<b>IV. UNSECURED LOANS:</b>			
—	(1) Public Fixed Deposits .. ..	10,76,600		
—	(2) Public Loans (guaranteed by a Director) .. ..	42,000		
15,19,274	(3) From Ex-Selling Agents .. ..	42,32,402		
13,46,750	(4) From Others .. ..	—		
8,50,000	(5) From Madhavpura Mercantile Co-op. Bank Ltd. .. ..	8,50,000		
5,09,715	(6) Interest Accrued on above .. ..	6,62,002		
42,25,739				68,63,004
	<b>V. CURRENT LIABILITIES AND PROVISIONS:</b>			
	(A) CURRENT LIABILITIES:			
68,85,086	(1) Sundry Creditors .. ..	56,21,326		
5,06,559	(2) Deposits and Advances from Customers .. ..	5,07,678		
1,91,664	(3) Liability for Income Tax .. ..	1,64,100		
23,53,797	(4) Due to Selling Agents (In Dispute) .. ..	—		
3,87,831	(5) Provision for Accrued Gratuity .. ..	3,87,831		
12,577	(6) Interest accrued on Deposits .. ..	4,031		
24,282	(7) Interest accrued but not due .. ..	73,887		
				67,58,853
1,03,61,796	(B) PROVISIONS:			
50,05,000	(i) Provision for Taxation .. ..	38,50,000		
46,75,739	Less: Advance Tax Paid .. ..	40,43,816		
1,24,626	Add: Income-tax deducted at Source .. ..	51,323		
48,00,365			40,95,139	
2,04,635		(—)	2,45,139	
—	Less: Shown in Advances recoverable in cash or in kind .. ..		2,45,139	
2,04,635				
6,00,000	(ii) Provision for Bonus .. ..	6,00,000		
8,04,635			6,00,000	
2,91,000	(iii) Proposed Dividend .. ..		2,91,000	
1,14,57,431				76,49,853
	<b>CONTINGENT LIABILITIES (Not provided for):</b>			
	(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	1,00,000	
	12,52,568 (ii) In respect of Bills discounted with a Bank .. ..	11,90,580		
2,56,31,927	<b>TOTAL RUPEES .. ..</b>			<b>3,33,92,637</b>

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



# CHEMICALS LIMITED, BOMBAY

AS AT 31ST OCTOBER, 1981

As at 31st Oct. 1980	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
34,72,562	Brought Forward .. ..		76,68,372	105,29,041
74,44,941				
	(vi) Cash and Bank Balances:			
1,08,966	Cash on hand (Including Stamps on hand Rs. 39,375/-)	2,11,605		
—	Remittance in Transit .. .. .	1,50,000		
1,30,653	In Current Account with Scheduled Banks .. ..	6,44,752		
1,000	In Current Account with Madhavpura Mercantile Co-op. Bank Ltd. .. .. .	1,000		
50,000	In Fixed Deposit with a Scheduled Bank as lien for guarantee .. .. .	50,000		
2,90,619			10,57,357	
	(B) LOANS AND ADVANCES:			
	(Unsecured and considered good except otherwise stated)			
86,29,075	Loans to Others .. .. .	78,34,261		
38,69,439	Interest Accrued on above .. .. .	38,67,978		
1,24,98,514			1,17,02,239	
	Advances recoverable in cash or in kind for value to be received (including doubtful advances of Rs. 45,530/- Previous year Rs. 45,530/- not provided for and due from Officers of the Company Rs. 23,300/- Previous year Rs. NIL) .. .. .		22,30,870	
17,58,326				
1,66,965	Deposits .. .. .		2,04,758	
2,21,59,365				2,28,63,596
2,56,31,927	TOTAL RUPEES .. ..			3,33,92,637

**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.

BOMBAY: Dated 19th March, 1982

K. J. SOMAIYA  
MAYA S. SOMAIYA  
N. C. VARMA  
BANARSILAL NARULA

} Directors



# SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the year ending 31st Oct. 1980											
Rupees											Rupees
To Opening Stock as on 1-11-1980											Rupees
56,658	..	Acetic Acid . . . . .	..	..	..	..	..	..	..	..	40,253
6,45,417	..	Rectified Spirit . . . . .	..	..	..	..	..	..	..	..	5,24,428
10,127	..	Ordinary Denatured Spirit . . . . .	..	..	..	..	..	..	..	..	12,542
2,20,080	..	Acetal Dehyde . . . . .	..	..	..	..	..	..	..	..	1,20,442
86,756	..	Timber . . . . .	..	..	..	..	..	..	..	..	86,756
10,19,038											7,84,421
58,88,024	..	Molasses Consumed (Purchased Rs. 82,00,469/-)	..	..	..	..	..	..	..	..	72,72,742
15,48,561	..	Stores & Chemicals Consumed . . . . .	..	..	..	..	..	..	..	..	20,63,422
54,81,597	..	Power and Fuel . . . . .	..	..	..	..	..	..	..	..	55,30,044
28,43,178	..	Salaries & Wages . . . . .	..	..	..	..	..	..	..	..	33,52,288
5,059	..	Bonus of Previous Years . . . . .	..	..	..	..	..	..	..	..	4,66,316
13,500	..	Workmen's Compensation . . . . .	..	..	..	..	..	..	..	..	210
3,00,000	..	Provision for Bonus . . . . .	..	..	..	..	..	..	..	..	3,00,000
59,600	..	Workmen & Staff Welfare Expenses . . . . .	..	..	..	..	..	..	..	..	74,956
27,182	..	Gratuity . . . . .	..	..	..	..	..	..	..	..	63,641
85,726	..	Company's Contribution to The Godavari Sugar Mills Limited Employees Provident Fund and Employees Family Pension Fund Scheme . . . . .	..	..	..	..	..	..	..	..	87,181
1,22,328	..	Company's Contribution to Government Provident Fund and Administrative Charges and Family Pension Scheme . . . . .	..	..	..	..	..	..	..	..	1,36,656
13,990	..	Company's Contribution to Link Insurance Deposit Scheme and Administrative Charges . . . . .	..	..	..	..	..	..	..	..	14,793
34,70,563											44,96,041
	..	Repairs:									
2,90,139	..	Plant and Machinery . . . . .	..	..	..	..	..	..	..	..	3,38,923
12,884	..	Buildings . . . . .	..	..	..	..	..	..	..	..	8,479
1,04,244	..	Other Repairs . . . . .	..	..	..	..	..	..	..	..	1,14,195
4,07,267											4,61,597
1,77,722	..	Rent (Net) . . . . .	..	..	..	..	..	..	..	..	1,93,329
2,68,865	..	Excise Establishment Charges . . . . .	..	..	..	..	..	..	..	..	1,07,969
3,57,503	..	Excise Duty . . . . .	..	..	..	..	..	..	..	..	8,79,098
1,99,412	..	Insurance Premium . . . . .	..	..	..	..	..	..	..	..	1,46,219
1,350	..	Directors' Fees . . . . .	..	..	..	..	..	..	..	..	1,650
97,780	..	Legal Expenses . . . . .	..	..	..	..	..	..	..	..	1,38,267
1,89,17,682		Carried Over . . . . .	..	..							2,20,74,799



# CHEMICALS LIMITED, BOMBAY

## THE YEAR ENDED 31ST OCTOBER, 1981

For the year ending 31st Oct. 1980			
Rupees		Rupees	Rupees
2,39,49,163	By Sales .. .. .	3,09,90,985	
28,304	Less: Transferred to Storage Fund for Molasses & Alcohol ..	33,819	
—	„ Transferred to Effluent Fund .. .. .	42,742	
		<u>76,561</u>	
2,39,20,859			3,09,14,424
2,42,723	„ Miscellaneous Receipts .. .. .		2,68,462
15,000	„ Dividend (Gross) .. .. .		15,120
	„ Interest:		
45	On Government Loan (Net) .. .. .	45	
720	On Other Loans .. .. .	1,224	
2,161	On Deposits .. .. .	<u>2,385</u>	
2,926			3,654
4,237	„ Refund of Sales Tax .. .. .		21,922
73,973	„ Claims and Refund .. .. .		551
21,228	„ Rent .. .. .		27,512
8,50,000	„ Provision for Bonus for earlier years written back .. .. .		3,00,000
—	„ Profit on Sale of Shares .. .. .		14,880
21,600	„ Profit on Sale of Car .. .. .		—
—	„ Profit on Sale of National Defence Gold Bonds 1980 .. .. .		6,59,908
—	„ Closing Stock-in-Trade (As valued and certified by a Director)		
40,253	Acetic Acid at Market Rate .. .. .	1,07,206	
5,24,428	Rectified Spirit at Market Rate .. .. .	5,48,013	
12,542	Ordinary Denatured Spirit at Market Rate .. .. .	1,400	
1,20,442	Acetal Dehyde at Market Rate .. .. .	4,66,936	
86,756	Timber at Cost .. .. .	<u>86,756</u>	
7,84,421			12,10,311
2,59,36,967	Carried Over .. .. .		<u>3,34,36,744</u>



# SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the year ending 31st Oct. 1980			
Rupees		Rupees	Rupees
1,89,17,682	Brought Forward .. ..		2,20,74,799
—	To Contribution to Scientific Research Institution .. ..		6,00,000
15,00,000	.. Expenditure by way of Contribution to an Insitution for Programme of Rural Development .. ..		50,000
2,51,000	.. Contribution to Company's Employees Welfare Trust .. ..		1,50,000
5,030	.. Directors' Travelling Expenses (Includes Rs. 16,744/- Foreign Travel Expenses) ..		23,261
—	.. Acetic Acid Conversion Charges .. ..		31,800
4,92,099	.. Interest to:		
1,32,500	Bank .. ..	4,30,701	
—	Debentures .. ..	1,32,500	
2,49,009	Deferred Payments .. ..	21,41,167	
	Others .. ..	7,08,261	
8,73,608			34,12,629
82,809	.. Acetal Dehyde Transport and Handling Charges .. ..		50,621
12,46,714	.. Miscellaneous Expenses including Printing & Stationery, Postage and Telegrams, Travelling, Subscription, Motor Car Maintenance etc. .. ..		17,35,162
19,823	.. Rates and Taxes .. ..		17,331
7,500	.. Remuneration to Auditors:		
382	Audit Fees .. ..	7,500	
	For Others .. ..	514	
7,832			8,014
1,500	.. Cost Audit Fees .. ..		—
5,001	.. Charity & Donation .. ..		5,352
770	.. Loose Tools Written Off .. ..		693
44,345	.. Loss on Sale of Machinery .. ..		—
	.. Depreciation:		
4,87,322	On Fixed Assets .. ..	18,45,439	
2,020	On Investments .. ..	1,970	
4,89,342			18,47,409
2,479	.. Research & Development Expenditure .. ..		2,275
6,25,494	.. Brokerage & Commission (Including Guarantee Commission to Bank Rs. 1,74,966/-)		7,76,162
47,651	.. Additional Tax on Sales Tax .. ..		71,475
—	.. Investment Allowance Reserve .. ..		21,81,528
1,552	.. Share of Loss in Partnership Firm M/s. Vashi Automobiles .. ..		7,446
8,50,000	.. Provision for Taxation .. ..		—
9,64,285	.. Balance being Profit for the year .. ..		3,90,787
2,59,36,967	TOTAL RUPEES .. ..		3,34,36,744



CHEMICALS LIMITED, BOMBAY

THE YEAR ENDED 31ST OCTOBER, 1981

For the year ending <b>31st Oct. 1980</b>						
Rupees					Rupees	Rupees
2,59,36,967	Brought Forward .. .. .					3,34,36,744
	TOTAL RUPEES .. .. .					3,34,36,744



# SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the year ending 31st Oct. 1980			
Rupees		Rupees	Rupees
—	To Short Provision for taxation .. .. .		39,669
8,25,000	„ Transfer to General Reserve .. .. .		60,000
	„ Proposed Dividend:		
91,000	On Preference Shares .. .. .	91,000	
2,00,000	On Equity Shares @ Rs. 20/- per share .. .. .	2,00,000	
2,91,000			2,91,000
595	„ Balance Carried to Balance Sheet .. .. .		713
11,16,595			
	TOTAL RUPEES .. .. .		3,91,382

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

G. P. BHATT  
Partner

Barabanki : Dated 22nd March, 1982



# CHEMICALS LIMITED, BOMBAY

## THE YEAR ENDED 31ST OCTOBER, 1981

For the year ending 31st Oct. 1980									
Rupees								Rupees	Rupees
513	By Balance as per last year's Account	..	..	..	..	..	..		595
9,64,285	„ Balance being Profit Brought Forward	..	..	..	..	..	..		3,90,787
1,25,912	„ Excess Provision for Taxation Written back	..	..	..	..	..	..		—
25,885	„ Sundry Credit balances Written back	..	..	..	..	..	..		—



# SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1981

## SCHEDULE "A"

Particulars (1)	Gross Block at Cost except otherwise stated as at 1.11.1980 (2)	Additions During the Year (3)	Gross Block as at 31.10.1981 (4)	Depreciation Written off Upto 31.10.1980 (5)	Depreciation Written of this Year (6)	Total Depreciation Upto 31.10.1981 (7)	Net Depreciated Block as at 31.10.1981 (8)	Net Depreciated Block as at 31.10.1980 (9)
1. Land .. ..	37,180	—	37,180	—	—	—	37,180	37,180
2. Distillery Building ..	8,11,705	—	8,11,705	4,62,006	17,485	4,79,491	3,32,214	3,49,699
3. Distillery Machinery (Book Value) ..	36,80,955	5,800	36,86,755	33,74,895	62,754	34,37,649	2,49,106	3,06,060
4. Acetic Acid Building ..	2,61,550	—	2,61,550	1,54,579	5,349	1,59,928	1,01,622	1,06,971
5. Electric Machinery ..	5,14,115	—	5,14,115	3,35,294	35,890	3,71,184	1,42,931	1,78,821
6. Acetic Acid Plant ..	44,86,558	87,20,311	1,32,06,869	42,46,029	15,18,317	57,64,346	74,42,523	2,40,529
7. General Machinery ..	9,97,000	—	9,97,000	1,99,400	1,59,520	3,58,920	6,38,080	7,97,600
8. Laboratory Apparatus ..	4,756	—	4,756	4,081	68	4,149	607	675
9. Furniture and Office Equipment ..	1,27,106	11,459	1,38,565	65,154	9,225	74,379	64,186	61,952
10. Motor Cars, Lorries and Tankers ..	3,20,750	—	3,20,750	2,24,423	6,663	2,31,086	89,664	96,327
11. Scales and Weigh Bridges ..	7,557	—	7,557	4,354	320	4,674	2,883	3,203
12. Storage Vats and Tanks ..	7,71,335	—	7,71,335	5,45,509	27,772	5,73,281	1,98,054	2,25,826
13. Electric Installation ..	79,174	—	79,174	58,414	2,076	60,490	18,684	20,760
Total Rupees .. ..	1,20,99,741	87,37,570	2,08,37,311	96,74,138	18,45,439	1,15,19,577	93,17,734	24,25,603

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

K. J. SOMAIYA  
MAYA S. SOMAIYA  
N. C. VARMA  
BANARSILAL NARULA  
Directors

Barabanki: Dated 22nd March, 1982

BOMBAY: Dated 19th March, 1982



## SCHEDULE 'B' FOR NOTES FORMING PART OF BALANCE SHEET AS AT 31ST OCTOBER, 1981

1. Suits filed by Ex-Selling Agents of the Company in High Court for recovery of Selling Agency Commission of Rs. 23,53,797/- not approved by the Company Law Board has been decided by the High Court in their favour vide Judgement dated 21st July 1981. According to this judgement the amount is payable by the Company to Ex-Selling agents along with Interest at 12% by the date of filing the Suits i.e. from 28th April 1980 till the date of payment. Provision has been made in accounts for interest upto 31.10.1981 amounting to Rs. 4,26,392/-
2. Cash Vouchers of the Company for the period 8.9.1981 to 15.10.1981 and Journal Vouchers for June/July 1981 alongwith its supportings got destroyed in fire at the residence of Company's Director. Hence could not be produced before the Auditors for verification.
3. Total liability for Accrued gratuity to employees under Payment of Gratuity Act, 1972, up to 31st October, 1981 as per actuary's certificate is Rs. 739,413/- against which provision for Accrued gratuity of Rs. 3,87,831/- is made.
4. Expenditure on employees in receipt of Remuneration of not less than Rs. 36,000/- per year or Rs. 3000/- 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	4,25,506	NIL	1,15,675	43,300
(ii) Contribution to Provident Fund	30,977	NIL	9,390	1,983
(iii) Number of Employees Covered	10	NIL	3	2

## 5. (a) 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 Rs.	Quantity	Value Rs.	Quantity	Value Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Rectified Spirit	H.L.	1,20,000 (1,00,000)	1,20,000 (1,00,000)	1,24,471.75 (1,11,912.59)	5,826.98 (10,373.13)	5,24,428 (6,45,417)	5,074.19 (5,826.98)	5,48,013 (5,24,428)	6,705 (11,630)	10,58,625 (10,67,150)
Acetal Dehyde/ Acetic Acid M.T.	M.T.	5,000/5,000 (5,000/5,000)	5,000/3,600 (3,700/3,600)	4,367,507/2,120,500 (4,365,027/2,558,200)	28,507/8,215 (59,481/15,313)	1,20,442/40,253 (2,20,080/56,658)	91,556/19,492 (28,507/8,215)	4,66,936/1,07,206 (1,20,442/40,253)	1,995,927/1,978,423 (1,622,020/2,479,576)	1,01,79,111/1,04,06,955 (65,41,342/1,12,83,054)
Denatured Spirit	H.L.	— (—)	— (—)	49,534.79 (35,527.46)	134.86 (150.65)	12,542 (10,127)	10,150 (134.86)	1,400 (12,542)	49,659.50 (35,543.25)	79,14,288 (40,32,037)
Dilute Acetic Acid Ethyl	M.T.	— (—)	— (—)	470,620 (549,462)	— (—)	— (—)	— (—)	— (—)	470,620 (549,462)	9,67,333 (6,69,438)
Acetate	M.T.	3,000 (3,000)	NEW PLANT UNDER IMPLEMENTATION	—	—	—	—	—	—	—
Other Acetates	M.T.	1,800 (1,800)	R AND D WORK IN HAND	—	—	—	—	—	—	—
Others	M.T.	— (—)	— (—)	130,062 (85,842)	— (—)	— (—)	— (—)	— (—)	130,062 (85,842)	4,64,673 (3,56,142)

- Notes : 1. Acetal Dehyde is an 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, 1981

### (b) Consumption of Raw Materials :

	Unit	Current Year		Previous Year	
		Quantity	Amount	Quantity	Amount
Molasses .....	M.T.	54660.485	72,72,742	53,565.070	58,88,024
Rectified Spirit (Own Manufactured) for manufacturing Acetic Acid and Denatured Spirit .....	H.L.	1,18,519.54	—	1,04,828.74	—
Acetic Acid (Own Manufactured) .....	M.T.	130.800	—	85.722	—
Acetal Dehyde (Own Manufactured) .....	M.T.	2,287.331	—	2,773.981	—
(c) C.I.F. Value of Imports :			NIL		NIL
(d) Value of Raw Materials Consumed :					
(i) Indigenous .....		Amount	%	Amount	%
(ii) Imported .....		72,72,742	100	58,88,024	100
(e) Value of Stores and Spare Parts Consumed :		Nil	Nil	Nil	Nil
(i) Indigenous .....		20,39,129	98.82	15,02,070	97.00
(ii) Imported .....		24,293	1.18	46,491	3.00

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

(a) Company's Share in Partnership Firm of M/s. Vashi Automobiles reduced from 75% to 26% with effect from 1st July, 1981. Company retired as a Partner from this firm on 30-9-1981. Share of Loss of this Partnership firm for the period 1-4-80 upto 30-9-1981 has been adjusted in the Profit & Loss Account of the year.

### (b) Name of the Partners

	Share of Profit/Loss for the period 1-4-1980 to 30th June 1981	Share of Profit/Loss for the period 1-7-1981 to 30-9-1981
(i) Somaiya Organo-Chemicals Ltd. ....	75%	26%
(ii) Shri Chandravadan Vasantlal Bhandari, Karta of Vasantlal Babulal Bhandari HUF ....	18%	18%
(iii) Shri Vijay Dhanraj Munot, Karta of Vijay Dhanraj Munot HUF .....	2%	2%
(iv) Shri Ramesh Nemichand Munot .....	2%	2%
(v) Shri Shobhachand Chandrakant Munot .....	2%	2%
(vi) Shri Hastimal Chandmal Munot .....	1%	1%
(vii) Ashwa Transport Pvt. Ltd. ....	—	49%

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  
MAYA S. SOMAIYA  
N. C. VARMA  
BANARSILAL NARULA

Directors

Barabanki: Dated 22nd March, 1982

BOMBAY: Dated 19th March, 1982.



# SOMAIYA ORGANO-CHEMICALS LIMITED, BOMBAY

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDING  
31ST OCTOBER, 1981

## 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.

### 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 M. N. Joshi	General Manager	43,476/-	Permanent, subject to termination by three months' notice on either side	As per Company's Rules	Matric. 40 years	15th May, 1979	70	Controller, Indore University Press.
2.	Shri S. S. Sathe	Dy. General Manager	44,070/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	S.S.C. 27 years	1st March, 1978	47	Technical Sales Executive, Kores India Limited.
3.	Shri P. K. R. Nair	Works Manager	65,543/-	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 21 years	25th May, 1961	48	Erection Engineer in Air Conditioning Corporation.
4.	Shri B. T. Lavingia	Sales Executive	44,700/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Com., LL.B. 17 years	1st February, 1966	55	Manager, Indian Sugar Mills Association.
5.	Shri V. Bodaji	Officer on Special Duty	46,082/-	Permanent, subject to termination by three months' notice on either side	As per Company's Rules	B.Com., F.C.A. 28 years	2nd October, 1979	53	Financial Controller, Parle (Exports) Pvt. Ltd.



**SCHEDULE 'C' Contd.**

<i>Sr. No.</i>	<i>Name of Employee</i>	<i>Designation</i>	<i>Remu- neration Rs.</i>	<i>Nature of Employment (Whether Contractual or Otherwise)</i>	<i>Other Terms and Conditions</i>	<i>Qualifications and Experience (Years)</i>	<i>Date of Commence- ment</i>	<i>Age of Employee</i>	<i>Last Employment held</i>
6.	Shri C. G. Matrawadia	Executive	45,450/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.E. (Civil) M.I.E. 14 years	1st April, 1978	46	Sr. Supdtg. Engineer, Stone & Webster (I) Ltd. (NOCIL)
7.	Shri W. H. Patwardhan	Officer on Special Duty	47,842/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	M.Sc. 13 years	2nd June, 1980	55	Chief Editor, Allied Publishers Pvt. Ltd.
8.	Shri V. M. Shah	Chief Accountant	38,280/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	B.Com., A.C.A. 12 years	10th January, 1973	39	Accountant, B.M. Mehta & Co.
9.	Shri D. D. Mehta	Senior Accountant	44,590/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	I.C.W.A. 23 years	1st April, 1978	52	Accountant, Godavari Sugar Mills Ltd.
10.	Shri R. R. Dhrona	Executive	36,450/-	Permanent, subject to termination by one month's notice on either side	As per Company's Rules	S.S.C.	1st April, 1971	51	Officer, Shippers Association.

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

BOMBAY: Dated 19th March, 1982.