

29

**SOMAIYA
ORGANO-
CHEMICALS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1989 - 90**

1990

SOMAIYA ORGANO-CHEMICALS LIMITED

(Incorporated under Companies Act, 1956)

BOARD OF DIRECTORS:

SHRI BANARSILAL NIHALCHAND NARULA

DR. (MISS) USHABEN H. MEHTA

SHRI SURESH R. KHATOD

SHRI RAMNATH SADANAND MHATRE

SHRI YESHODHAN SHANTARAM MUZUMDAR

DR. THIRUKKUDANTHAI PARTHASARATHY SOUNDARA RAJAN

SHRI PARAMESHWARAN KESHAVAN RAVINDRAN NAIR

Director (Works)

BANKERS:

BANK OF BARODA

SOLICITORS:

MULLA & MULLA AND CRAIGIE, BLUNT AND CAROE

AUDITORS:

AMBALAL THAKKAR & CO.

REGISTERED OFFICE:

FAZALBHOY BUILDING,
45/47, MAHATMA GANDHI ROAD,
FORT, BOMBAY-400 023.

SOMAIYA ORGANO-CHEMICALS LIMITED

NOTICE

NOTICE is hereby given that Twenty-ninth Annual General Meeting of SOMAIYA ORGANO-CHEMICALS LIMITED, will be held on Tuesday the 25th day of September, 1990 at 3.00 p.m. at the Registered Office of the Company at Fazalbhoj Building, 45-47, Mahatma Gandhi Road, Bombay-400 023, to transact the following business :

1. To consider and adopt the Balance Sheet as at 31st March, 1990 and the Profit and Loss Account for the year ended on that date, and the Directors' and Auditor's Report thereon.
2. To appoint a Director in place of Shri Banarsilal Narula who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Y. S. Muzumdar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri S. R. Khatod, who retires by rotation and being eligible, offers himself for re-appointment.
5. To declare a dividend on Equity and Preference Shares.
6. To appoint Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
7. SPECIAL BUSINESS :

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner."

(i) Article No. 104 :

In place of the word 'Two' substitute the word 'Five'.

(ii) Insert the following Article with Marginal Note thereto after the existing Article No. 180 as Article No. 180A.

Unpaid dividend
pending registra-
tion of shares

180A — "Where any instrument for transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall :

- (a) transfer the dividend in relation to such shares to an account called "Unpaid dividend Account" unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee in such instrument of transfer; and

- (b) keep in abeyance in relation to such shares any offer of right shares pursuant to section 81 (1) of the Act and any issue of fully paid-up bonus shares under Section 205(3) of the Act."

(iii) Article No. 181 be substituted by the following:

"All dividends unpaid/unclaimed after having been declared by the Company shall be dealt with as per the provisions of Section 205A of the Companies Act, 1956, or such other statutory provisions as may be applicable."

(iv) Article No. 199 :

In place of the words, 'six annas for every 100 words or fractional part thereof required to be copied,' substitute the words 'Such sum as may be prescribed under Section 196 of the Act.'

8. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in accordance with the provisions of the Articles of Association of the Company and provisions of Section 81 and other applicable provisions if any of the Companies Act, 1956 and subject to the approval of the Controller of Capital Issues and also subject to such other approvals, permissions and consents as may be necessary and subject to such terms, conditions and modifications as may be prescribed, the Company hereby accords its consent to the Board of Directors for issuing 250,000-14% Redeemable Non-convertible Secured Debentures of the face value of Rs. 100/- each of the aggregate value of Rs. 250,00,000/- (Rupees Two Crores fifty lacs only) at par to CANBANK Mutual Fund and/or other Financial Institutions/Mutual Funds/Banks/Trusts/Societies/Private Parties etc. on private placement basis on such terms and conditions as the Board of Directors deem appropriate."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to agree to such modifications of the terms and conditions relating to the issue of these Debentures as may be suggested by the Controller of Capital Issues and other appropriate authorities in giving consent to the proposed issue and to do such acts, deeds, matters or things and take such steps as they may in their absolute discretion consider necessary, expedient or proper."

9. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT the consent of the Company be and the same is hereby accorded, in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for mortgaging and/or creating any charge on such terms and conditions and at such time or times and in such form and manner as the Board may think fit, on any one or more of the Company's immovable and movable properties wheresoever situate present and future to or in favour of Canara Bank (hereinafter referred to as "the Trustees") and/or any other Financial Institutions/Mutual Funds/Banks/Trusts/Societies/Private Parties for securing the due repayment and redemption of 14% Redeemable Non-convertible Secured Debentures of the aggregate nominal value of Rs. 2,50,00,000/- (Rupees Two Crores fifty lacs only) to be issued to CANBANK Mutual Fund and/or Other Financial Institutions/Mutual Funds/Banks/Trusts/Societies/Private Parties etc. on private placement basis together with interest thereon, additional interest, cumulative interest, remuneration of the Trustees, premium payable on redemption, costs, charges and expenses and other monies payable by the Company to the Trustees and holders of the Debentures in terms of the issue of the Debentures."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to finalise trust deeds, trusteeship agreements and to negotiate and finalise all such documents as may be required for creating aforesaid mortgage and/or charge and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this Resolution."

By Order of the Board of Directors,

U. H. MEHTA
Director

BOMBAY : Dated 31st August, 1990.

- NOTES :
1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
 2. The relevant Explanatory Statement setting out all material facts concerning the aforesaid Special Business as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.

SOMAIYA ORGANO-CHEMICALS LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 :

ITEM No. 7

The Companies (Amendment) Act, 1988 has made certain changes in the Companies Act, 1956 necessitating corresponding changes in certain Articles of the Company's Articles of Association.

(i) *Article No. 104 :*

Section 174 of the Companies Act, 1956 provides that five members personally present in the case of a Public Company shall be the quorum for a meeting of the Company.

Accordingly, Article No. 104 is proposed to be altered.

(ii) *Article No. 180A :*

The amendment to Section 206A of the Act provides that where the Shares have been lodged for transfer, but the Company has not registered any transfer of these shares, it shall transfer the dividend in relation to such shares to a special account and keep in abeyance any offer of right shares and any issue of fully paid bonus shares in relation to such shares. The Article now proposed to be inserted seeks to give effect to the above amendment.

(iii) *Article No. 181 :*

Section 205A of the Companies Act, 1956 provides that any amount transferred to unpaid/unclaimed dividend, lying with the Company for a period of three years from the date of such transfer, shall be transferred to the General Revenue Account of the Central Government but a claim to any money so transferred to the General Revenue Account may be preferred to the Central Government by the person to whom the money is due.

The amendment to Article No. 181 now proposed to be substituted seeks to give effect to the above amendment.

(iv) *Article No. 199 :*

Article No. 199 provides that any member shall be entitled to be furnished within 7 days after he has made a request in that behalf to the Company with a copy of any minutes on payment of Six annas for every 100 words or fractional part thereof required to be copied. The amendment to Section 196 of the Act provides that the fee for furnishing copy of the Minutes shall be such sum as may be prescribed by the Central Government. Presently, the prescribed fee is Rupee One for every one hundred words or fractional part thereof required to be copied.

The amendment to Article No. 199 now proposed to be substituted seeks to give effect to the above amendment.

ITEM Nos : 8 & 9

The Company proposes to incur substantial capital expenditure including installing a Biogas Plant for Effluent Treatment at its Sameerwadi distillery. The total capital outlay involves about Rs. 300 lacs. In order to meet part of the Company's said Capital expenditure programme, it is proposed to issue, subject to the terms and conditions of the consent for the Controller of

Capital Issues, 2,50,000 Redeemable Non-convertible Secured Debentures of Rs. 100/- each of the total nominal value of Rs. 2,50,00,000/- (Rupees Two Crores fifty lacs only) carrying interest at 14% per annum on private placement basis to CANBANK Mutual Fund or other Financial Institutions/Mutual Funds/Banks/Trusts/Societies/Private Parties etc. or such other amount as may be permitted by the Controller of Capital Issues.

Section 293(1) (a) of the Companies Act, 1956 provides interalia, that the Board of Directors of a public limited company shall not, without the consent of such Company in General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking or where the Company owns more than one undertaking, the whole or substantially the whole of any such undertaking. Since the creation of mortgage/charge by the Company as aforesaid in favour of CANBANK Mutual Fund or any other party may be regarded as disposal of the assets of the Company, it is necessary for the members to pass a Resolution under Section 293(1) (a) of the Companies Act, 1956 before creation of such mortgage/charge.

None of the Directors of the company may be deemed to be concerned or interested in the above Resolutions.

A copy of the Articles of Association of the Company together with the proposed alterations is open for inspection by the member/s of the Company at the Registered Office of the Company between 10.00 A.M. and 12.00 noon on all working days of the Company upto and including the day of the Meeting.

By Order of the Board of Directors,

U. H. MEHTA

Director

BOMBAY : Dated 31st August, 1990.

SOMAIYA ORGANO-CHEMICALS LIMITED

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting their Twenty-ninth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1990.

(A) FINANCIAL RESULTS :

The Gross Profit for the year under review — before providing for depreciation, taxation and transfer to Investment Allowance Reserve — has been Rs. 1,35,04,803/-. After providing depreciation of Rs. 1,18,90,430/- and transferring Rs. 12,10,000/- to Investment Allowance Reserve and making provision for taxation of Rs. 3,20,000/-, net profit works out to Rs. 84,373/-. Adding to the above, the last year's carried forward balance of Rs. 24,903/- and adjusting Rs. 13,07,771/- for excess provision for taxation of earlier year's written back and transfer to General Reserve Rs. 5,00,000/-, the balance profit comes to Rs. 9,17,047/-.

The Directors propose the following Dividends :

(i) Proposed Dividend on 10,000 Preference Shares for the year 1989-90 @ 9.1% (subject to deduction of tax).	Rs.	91,000
(ii) Proposed Dividend on 20,000 Equity Shares @ 10% and proportionate dividend on 20,000 Bonus Equity Shares issued during the year.	Rs.	2,16,667
	Rs.	3,07,667
Balance carried forward to the next year.	Rs.	6,09,380

(B) OPERATIONS :

(a) Sakarwadi Plant :

The working of the Distillery as well as Chemical Plant during the year was satisfactory. The market for the Company's main product viz., Acetic Acid, has become extremely competitive and is under continuous pressure. But because of the better quality of our product and prompt service, we have been able to maintain our sales in the midst of severe competition. This has resulted in increase in sales by 20% during the year as compared to last year on annualised basis. In view of the steep rise in price of coal, diesel and in the costs of transport and interest gross profit has been moderate.

(b) Sameerwadi Distillery :

As reported last year, the Sameerwadi Distillery continued to be leased out to M/s. Sapthagiri Enterprises, Bangalore. The term of lease expired on 31st October, 1989, which has been renewed for a further period of 3 years upto 31st October, 1992.

(C) EFFLUENT TREATMENT :

The Department of Chemicals and Petrochemicals in the Ministry of Petrochemicals and Chemicals, Government of India has directed all the Distilleries in India to instal primary treatment facilities for their Effluents to bring down B.O.D. The Government is strictly applying the Environment (Protection) Rules, 1986 and has ordered closure of some Distilleries in U.P. and Karnataka. It has therefore been imperative for all the distilleries to have satisfactory primary treatment arrangements. The most popular is treatment of effluent by having a Bio-gas Plant consisting of Anaerobic Digestors and to recover Methane Gas which can be used as fuel in Boilers.

The Company has consequently already placed orders with M/s. Degremont India Ltd., who are having a Regional Office in Delhi and Principal Office in France for supply of process knowhow, detailed design, engineering and machinery and equipment for Company's Distilleries at Sakarwadi and at Sameerwadi. The Company is making all efforts to complete the installation of Bio-gas Plants for Effluent Treatment at both the places as fast as possible, as required by the Government of India. There would be substantial saving in fuel cost after the plants are installed.

(D) DIVERSIFICATION :

As a part of diversification plan the Company is already having a "Fine Chemicals" division at Sakarwadi since last about four years manufacturing on a pilot scale, bulk drugs such as

Mebendazole, Tinidazole etc. To strengthen this base, the Company has taken over a running pharmaceutical unit named "Alex & Rogers" at Kadi Kalol Road in Gujarat, manufacturing "Sulphamethaxole." With major additions and alterations, the trial runs of this plant have been completed during this month and trial production is expected to start in September, 1990. Initially, Dicyclomine Hydrochloride and Frusemide would be manufactured at this plant.

The Company has negotiated with a well known firm "Isochem S.A.", France for procuring knowhow for manufacture of value added product namely Diltiazem (D-5). Further steps in this direction are being taken.

(E) STATE LEVIES ON INDUSTRIAL ALCOHOL :

It is gratifying to note that the Supreme Court of India delivered the Judgement on 25th October 1989 in the matter of Synthetics & Chemicals Ltd. holding that the State of U. P. did not have Legislative competence to impose Vend Fee on Industrial Alcohol, declaring the said position to be prospective but saving the realisation of Vend Fee already made by the State of U. P. by expressly directing that the State of U. P. would not be liable to refund the same if already collected. The Supreme Court also dismissed an Interlocutory Application filed by 5 parties, including Secretary & Excise Commissioner of U. P., State of Maharashtra, State of Bihar and Ministry of Petroleum & Chemicals questioning the Court's ruling which took away the State's right to levy Vend Fee on Alcohol. Although this judgement applied to all the States, Andhra Pradesh is the only State to have complied with the same by scrapping all levies on Industrial Alcohol.

Maharashtra Government abolished 'Transport fee' of 50 Ps. per litre on Industrial Alcohol with effect from 12-1-1990. However, it introduced a new levy called 'Administrative fee' at 20 Ps. per litre from the said date. This charge is also on higher side, as according to the spirit of Supreme Court judgement, States can levy only a Regulatory fee to meet their actual expenditure.

(F) OTHER MATTERS :

(i) Fixed Deposits :

All deposits were paid on maturity. Deposits of Rs. 22,000/- which became due for payment on or before 31st March, 1990 were not claimed by the Depositors as on that date. Out of these deposits Rs. 5,000/- have since been repaid/renewed.

(ii) Particulars of Employees :

Particulars required under Section 217(2-A) of the Companies Act, 1956, as amended are given in the annexure forming part of this Report.

(iii) Conservation of Energy etc. :

The particulars in respect of conservation of energy etc. pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are set out in the Statement annexed hereto which is forming part of this Report.

(G) DIRECTORS :

Three of your Directors viz. Shri Banarsilal Narula, Shri Y. S. Muzumdar and Shri S. R. Khatod retire from the Board by rotation and being eligible offer themselves for re-appointment.

(H) AUDITORS :

The members are requested to appoint M/s. Ambalal Thakkar & Co., Chartered Accountants as Auditors, who retire but being eligible offer themselves for re-appointment, for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

(I) GENERAL :

Relations between Management and Staff and Workers were satisfactory during the year under Report.

Your Directors place on record their sincere appreciation of the co-operation and assistance extended by Company's Bankers viz., Bank of Baroda.

By Order of the Board of Directors,

U. H. MEHTA
R. S. MHATRE } *Directors*

BOMBAY : Dated 31st August, 1990.

SOMAIYA ORGANO-CHEMICALS LIMITED

ANNEXURE TO DIRECTORS' REPORT

Information in accordance with the Companies (Disclosure of Particulars, in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 1990.

CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION/FOREIGN EXCHANGE EARNINGS AND OUT GO:

(A) CONSERVATION OF ENERGY :

(a) Energy conservation measures taken :

We have installed :

- (i) One additional Beer heater (heat exchanger) to reduce steam consumption at Sakarwadi distillery and
- (ii) Two heat exchangers for reducing steam consumption in Alcohol Recovery column and Acetic-acid distillation column in Chemical Plant at Sakarwadi.

(b) Additional investment proposals, if any, being implemented for reduction in consumption of energy:

We propose to instal —

- (i) Economiser;
 - (ii) Fluidised Bed system in B & W Boiler;
 - (iii) High pressure steam turbine for captive power generation;
 - (iv) Methane Gas Recovery plant from spent-wash of distillery i.e. renewable energy from waste;
 - (v) Plate type Heat exchangers;
- (c) Impact of the measures at (a) and (b) above — Improved generation of steam per tonne of coal, smoother operation of the Plant with reduced steam consumption, alternate fuel and captive power generation;
- (d) Total energy consumption and energy consumption per unit of production.

Though the average consumption of power and fuel per unit of products almost remains the same, the steam consumption per unit of production is on the lower side. This is not reflected in terms of coal per unit production because steam generation per tonne of coal has declined (from 3.81 to 3.65 M.T./M.T. of coal) due to receipt of inferior quality of coal as compared to last year.

FORM—'A'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

		Current year	Previous year
		1989-90	1987-89 (17 Months)
A. POWER AND FUEL CONSUMPTION :			
1. ELECTRICITY :			
(A) PURCHASED.			
Unit	KWH	58,82,122	77,44,963
Total Amount	RS.	71,34,516	84,42,009
Rate/Unit	RS/KWH	1.21	1.09
(B) OWN GENERATION :			
(i) Through Diesel Generator (Skoda).			
Unit	KWH	85,230	2,46,780
Unit per Ltr. of Diesel Oil.	KWH	1.68	1.84
Cost per Unit.	RS/KWH	3.35	2.70
(ii) Through Steam Engine (BM Engine)			
Unit	KWH	9,27,190	12,99,390
Unit per kg.		After generation of power, the steam is consumed fully in the process. So, there is no appreciable cost for power generation. In practice, we get power as a bye-product with nominal/low cost per unit.	
Cost per Unit	RS/KWH		
2. COAL (B GRADE) :			
Quantity	MT	22,244	29,571
Total cost.	RS.	1,64,56,229	1,90,94,310
Average Rate	RS/MT	740	646
Total Steam generation	MT	81,190.60	1,12,665.51
Steam generation per M.T. of Coal	MT	3.65	3.81
3. FURNACE OIL : Furnace oil not used since boilers are coal fired.			
4. OTHERS/INTERNAL GENERATION :			
FIRE-WOOD.			
Quantity	MT	NIL	30
Total Cost	RS.	—	9,000
Rate per MT	RS/MT	—	300

		Current year	Previous year
		1989-90	1987-89 (17 Months)

B. CONSUMPTION PER UNIT OF PRODUCTION :

(a) ALCOHOL :

Production	KL	13,500	17,678
Electricity	KWH	10,34,181	13,92,472
Rate	KWH/KL	76.61	78.77
Coal	MT	12,474	16,264
Rate { Coal	MT/KL	0.92	0.92
Rate { Steam	MT/KL	3.35	3.50

(b) ACETALDEHYDE :

Production	MT	7,924	10,969
Electricity	KWH	29,30,180	39,45,331
Rate	KWH/MT	369.79	359.68
Coal	MT	4,885	6,653
Rate { Coal	MT/MT	0.62	0.61
Rate { Steam	MT/MT	2.26	2.32

(c) ACETIC-ACID :

Production	MT	8,898	11,832
Electricity	KWH	29,30,180	39,45,331
Rate	KWH/MT	329.31	333.45
Coal	MT	4,885	6,654
Rate { Coal	MT/MT	0.55	0.56
Rate { Steam	MT/MT	2.00	2.13

(B) TECHNOLOGY ABSORPTION :

(e) Efforts made in technology absorption as per Form B.

FORM — 'B'

(Disclosure of Particulars with respect to Technology Absorption)

RESEARCH & DEVELOPMENT (R & D) — NIL.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

There has been no foreign exchange earnings during the year under report. Outgo of foreign exchange was equivalent to Rs. 16,315/- (CIF value) for import of Thio-urea & on account of Foreign Travelling Rs. 26,343/-.

By Order of the Board of Directors,

U. H. MEHTA
R. S. MHATRE } Directors

BOMBAY : Dated 31st August, 1990.

SOMAIYA ORGANO-CHEMICALS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1990

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

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 in our opinion, and on the basis of such checks of books and records as we considered appropriate, and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:-

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 material discrepancies were noticed.
2. The fixed Assets of the Company have not been revalued during the year.
3. Physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials and no material discrepancies have been noticed on such physical verification as compared to book records. The procedures followed by the Management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business. On the basis of our examination, we are satisfied that the valuation of these stocks is fair and proper in accordance with normally accepted accounting principles applied on the same basis in the previous period.
4. The Company has not taken any loans from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 or covered by the definition of Companies under the same Management under Section 370(1B) 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 interest whenever 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, Equipments and other Assets and for the sale of goods.
7. According to information and explanation given to us, there have been no transactions of purchases of goods and materials and sale of goods, materials and services, made pursuance of contracts or arrangements entered in the register(s) maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000/- or more in respect of each party.
8. As informed to us and as per usual practice, unsaleable and obsolete stock of Stores is shown at NIL value and no provision for the loss has been made in the accounts.
9. In respect of deposits accepted from public and loans from other parties, the Company has complied with the provisions of Section 58-A of Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 framed thereunder.
10. Company has maintained reasonable records for the sale and disposal of by-products and scrap.

11. In our opinion, Company has an adequate Internal Audit System commensurate with the size and nature of its business.
12. According to the records produced and information given to us, we are of the opinion, that the 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 has been carried out by us.
13. The Company is regular in depositing Provident Fund dues with the appropriate authorities.
14. According to information and explanation given to us and records examined by us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty outstanding for a period exceeding six months from the date they become payable.
15. No personal expenses have been charged to revenue account.
16. The Company is not a Sick Industrial Company within the meaning of Section 3 (1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 these 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 & Loss Account subject to notes thereon give 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 accounting year and of the PROFIT for the year ended on that date.

For **AMBALAL THAKKAR & COMPANY**
CHARTERED ACCOUNTANTS

G. P. BHATT
Partner

BOMBAY : Dated 31st August, 1990.

SOMAIYA ORGANO-

BALANCE SHEET

As at 31st March, 1989	LIABILITIES			
Rupees		Rupees	Rupees	Rupees
	I. SHARE CAPITAL :			
	AUTHORISED CAPITAL :			
25,00,000	1,75,000 Equity Shares of Rs. 100/- each		1,75,00,000	
25,00,000	25,000 7% Free of Income Tax Redeemable Cumulative Preference Shares of Rs. 100/- each liable to be redeemed at the option of the Company		25,00,000	
50,00,000				2,00,00,000
	ISSUED AND SUBSCRIBED SHARE CAPITAL :			
20,00,000	40,000 Equity Shares of Rs. 100/- each fully paid-up. Of the above shares 35,000 equity shares of Rs. 100/- each (Including 20,000 equity shares issued during the year.) are allotted as fully paid up Bonus Shares by Capitalising General Reserve. ..		40,00,000	
10,00,000	10,000 7% Free of Income Tax Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up liable to be redeemed at the option of Company ..		10,00,000	50,00,000
30,00,000				
	II. RESERVES AND SURPLUS :			
	(a) General Reserve :			
2,76,12,289	As per Last Balance Sheet	2,73,89,103		
3,50,000	Add : Set aside during the year	5,00,000		
2,79,62,289		2,78,89,103		
—	Less : Transferred to Equity for Bonus Issue	20,00,000		
2,79,62,289		2,58,89,103		
2,01,814	Add : Transfer from Investment Allowance Reserve ..	—		
2,81,64,103		2,58,89,103		
7,75,000	Less : Transferred to Profit & Loss Account	—		
2,73,89,103			2,58,89,103	
	(b) Investment Allowance Reserve :			
53,80,723	As per last Balance Sheet	90,74,086		
38,95,177	Add : Set aside during the year	12,10,000		
	(Against above, Plant & Machinery costing Rs. 3,30,12,046/- Purchased Previous year Rs. 2,49,56,437)	1,02,84,086		
2,01,814	Less : Transferred to General Reserve	—		
90,74,086			1,02,84,086	
3,64,63,189				
30,00,000	Carried Over	3,61,73,189		50,00,000

CHEMICALS LIMITED

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS			
Rupees		Rupees	Rupees	Rupees
	I. FIXED ASSETS (AT COST)			
11,33,24,338	Gross Block	12,27,28,163		
3,28,34,267	Less : Depreciation Written off	4,47,24,697		
8,04,90,071	Net Depreciated Block as per Schedule "A"	7,80,03,466		
51,28,217	Capital Work-in-Progress (including Advance Against Purchase of Fixed Assets Rs. 45,00,000/-)	1,06,41,025		
8,56,18,288				8,86,44,491
	II. INVESTMENTS (AT COST)			
	OTHER INVESTMENTS :			
1,50,000	(1) 1,500 Equity Shares of Rs. 100/- each of Oriental Power Cables Limited fully paid-up	1,50,000		
821	(2) 500 Equity Shares of Rs. 10/- each of Kutch-Salt & Allied Industries Ltd. fully paid-up	821		
45,000	(3) 450 Equity Shares of Rs. 100/- of Somaiya Organics (India) Limited 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) 210 Equity Shares of Rs. 100/- each of Book Centre Ltd. fully paid-up	21,000		
6,000	60 7.5% Preference Shares of Rs. 100/- each fully paid-up	6,000		
27,000				27,000
1,01,000	(6) 7 Year National Saving Certificates	1,000		
500	(7) 5 Shares of Rs. 100/- each of Basant Co-operative Housing Society Limited	500		
2,000	(8) 80 Shares of Rs. 25/- each of Raghuvanshi Co-operative Bank Ltd.	2,000		
3,27,316				
8,56,18,288				
	Carried Over	2,27,316		8,86,44,491

SOMAIYA ORGANO- BALANCE SHEET

As at 31st March, 1989	LIABILITIES (Contd.)			
Rupees		Rupees	Rupees	Rupees
30,00,000	Brought Forward		3,61,73,189	50,00,000
3,64,63,189	(c) Storage fund for Molasses and Alcohol Account			
4,82,957	As per last Balance Sheet	4,82,957		
4,82,957			4,82,957	
	(d) Effluent Fund Account:			
2,65,484	As per last Balance Sheet	2,70,662		
5,178	Add: Adjusted from sale of Rectified and Denatured spirit during the period	4,046		
2,70,662			2,74,708	
	(e) Profit and Loss Account			
24,903	Balance as per Profit and Loss Account		6,09,380	
3,72,41,711				3,75,40,234
	III. SECURED LOANS :			
	(a) CashCredit Account with Bank of Baroda against Hypotheca- tion of Raw Materials, Stock-in-process, Finished goods, Chemicals, Stores, Spares (including coal & silver catalyst etc.) and collateral security of Book Debts, extension of equitable mortgage of Fixed Assets at Sakarwadi and Extension of Hypothecation Charge on movable machinery both present and future.		1,27,93,639	
45,48,920				
	(b) Debentures :			
	(1) (Secured by negative lien on fixed assets of the Company's Sakarwadi Factory as per Agreement)			
	(i) 15,000, 6% Non-convertible Debentures of Rs. 100 each fully paid-up redeemable at the Company's option at any time after expiry of twenty years from the date of issue.	15,00,000		
15,00,000				
	(ii) 5,000, 8.5% Non-convertible Debentures of Rs. 100/- each fully paid-up redeemable after twenty years and before twenty-five years from the date of issue.	5,00,000		
5,00,000				
20,00,000		20,00,000		
	(2) 15% Secured Redeemable Non-convertible Debentures of Rs. 100/- each fully paid-up secured by second charge on company's fixed assets at Sakarwadi, redeemable at the expiry of Seventh year from the date of allotment	15,00,000		
15,00,000				
1,26,875	(3) Interest Accrued on above	1,26,875		
36,26,875			36,26,875	
81,75,795				
4,02,41,711	Carried Over		1,64,20,514	4,25,40,234

CHEMICALS LIMITED

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS (Contd.)				
Rupees			Rupees	Rupees	Rupees
8,56,18,288		Brought Forward		2,27,316	8,86,44,491
3,27,316					
		<u>Cost</u>	<u>Market Value</u>		
	Aggregate Quoted Investments ..	45,000	29,700		
	Aggregate Unquoted Investments ..	1,82,316	—		
		<u>2,27,316</u>	<u>29,700</u>	2,27,316	
2,39,904	Immovable Property (including value of land Rs. 1,65,000/- for which Agreements for sale has been executed)			2,39,904	
5,67,220					4,67,220
	III. CURRENT ASSETS, LOANS AND ADVANCES :				
	(A) CURRENT ASSETS :				
315	(i) Interest Accrued on Investments			315	
	(ii) Stores Chemicals & Spares at Cost (as per Inventory valued and certified by a Director)				
75,32,584	(a) On Hand		74,80,922		
11,65,652	(b) In Transit		9,30,914		
86,98,236				84,11,836	
2,846	(iii) Loose Tools and Implements (As per Inventory certified by a Director)			2,546	
	(iv) Stock-in-trade (as valued and certified by a Director)				
22,70,183	(a) Acetic Acid at Market Rate		70,08,271		
20,96,095	(b) Rectified Spirit at Market Rate		26,94,030		
20,02,814	(c) Raw Materials (Molasses) at cost		49,70,346		
22,860	(d) Denatured Spirit at Market Rate		1,340		
15,03,099	(e) Acetal Dehyde at Market Rate		7,42,200		
1,04,908	(f) Dilute Acid at Market Rate		1,26,748		
4,45,362	(g) Others at Market Rate		5,96,465		
3,76,254	(h) Stock in process		3,30,159		
88,21,575				1,64,69,559	
1,75,22,972					
8,61,85,508		Carried Over		2,48,84,256	8,91,11,711

SOMAIYA ORGANO- BALANCE SHEET

As at 31st March, 1989		LIABILITIES (Contd.)		
Rupees		Rupees	Rupees	Rupees
4,02,41,711				
81,75,795				
	Brought Forward		1,64,20,514	4,25,40,234
1,18,69,183	(c) Due for Purchase of Machineries on deferred payments for which Usance Bills are Guaranteed by Bank of Baroda which guarantee is secured against equitable mortgage by way of deposit of title deeds of the Company's fixed assets at Sakarwadi and Hypothecation of all tangible movable machinery and plant both present and future (including machinery Purchased under this facility)		1,09,43,763	
49,00,000	(d) (i) Term loan from Bank of Baroda secured by Hypothecation of movable Machinery both present and future at Sakarwadi including Machinery/Equipments to be Purchased & extension of equitable mortgage of Fixed Assets at Sakarwadi	35,00,000		
1,01,71,380	(ii) Demand Loan from Bank of Baroda Secured by Hypothecation of movable Machinery present and future at Sakarwadi including machinery purchased/to be purchased and extension of equitable mortgage of Fixed Assets at Sakarwadi	90,00,000		
1,50,71,380			1,25,00,000	
3,89,37,967	(e) Instalments Due for Purchase of Assets Under Hire Purchase Finance		4,99,84,082	
7,40,54,325				8,98,48,359
	IV. UNSECURED LOANS :			
3,29,000	(1) Public Deposits		17,44,900	
5,000	(2) Public Loans (Guaranteed by a Director)		5,000	
14,71,460	(3) From Ex-Selling Agents & Others		15,51,250	
7,34,985	(4) Interest Accrued		78,822	
11,14,751	(5) Interest free Sales Tax Loan from SICOM		11,14,751	
36,55,196				44,94,723
11,79,51,232		Carried Over		13,68,83,316

CHEMICALS LIMITED

AS AT 31ST MARCH, 1990

As at 31st March, 1989	ASSETS (Contd.)			
Rupees		Rupees	Rupees	Rupees
8,61,85,508	Brought Forward ..		2,48,84,256	8,91,11,711
1,75,22,972	(v) Sundry Debtors (Unsecured and Considered good except otherwise stated)			
	(a) Debts outstanding for more than six months (Including Doubtful Debts of Rs. 2,12,637/- Previous Period NIL)	18,75,486		
31,57,263				
31,28,868	(b) Other Debts	44,18,900		
62,86,131			62,94,386	
	(vi) Cash and Bank Balances :			
1,81,178	Cash on Hand	1,28,747		
1,74,615	In Current Account with Scheduled Banks	5,56,793		
—	In Current Account with Non-Scheduled Banks ..	13,250		
2,30,000	In Fixed Deposit with a Scheduled Bank (Including Rs. 2,00,000/- as lien for Guarantee)	2,30,000		
5,85,793			9,28,790	
2,43,94,896				
8,61,85,508	Carried Over ..		3,21,07,432	8,91,11,711

SOMAIYA ORGANO- BALANCE SHEET

As at 31st March, 1989	LIABILITIES (Contd.)					Rupees	Rupees	Rupees
Rupees								
11,79,51,232	Brought Forward							13,68,83,316
V. CURRENT LIABILITIES AND PROVISIONS :								
(A) CURRENT LIABILITIES :								
3,12,52,597	(1) Sundry Creditors					2,80,80,894		
14,62,983	(2) Deposits and Advances from Customers					39,34,644		
36,42,009	(3) Liability for Income-Tax					—		
30,000	(4) Advance Against Sale of Immovable Property					30,000		
41,164	(5) Temporary Overdraft with Bank					22,466		
3,64,28,753						3,20,68,004		
(B) PROVISIONS :								
17,00,000	(1) Provision for Taxation					3,20,000		
11,50,000	(2) Provision for Bonus					13,00,000		
3,28,917	(3) Proposed Dividend					3,07,667		
31,78,917						19,27,667		
3,96,07,670								3,39,95,671
CONTINGENT LIABILITIES (Not provided for)								
4,00,000	(1) In respect of counter guarantee in favour of Bank of Baroda in lieu of Guarantee given by Bank in favour of Central Railway					4,00,000		
44,73,053	(2) In respect of Bills Discounted with Bank					62,37,793		
15,75,58,902	TOTAL RUPEES							17,08,78,987

Accompanying to our Report of even date

For **AMBALAL THAKKAR & CO.**
CHARTERED ACCOUNTANTS.

G. P. BHATT
Partner

Bombay : Dated 31st August, 1990

CHEMICALS LIMITED

AS AT 31ST MARCH, 1990

[illegible]

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.

BOMBAY : Dated 31st August, 1990

V. B. SAXENA
Secretary

U. H. MEHTA
R. S. MHATRE
BANARSILAL NARULA
Y. S. MUZUMDAR

Directors

SOMAIYA ORGANO-

PROFIT & LOSS ACCOUNT FOR

For the period ended 31st March, 1989	PARTICULARS	Rupees	Rupees
	To Opening Stock		
		20,96,095	
19,82,366	Rectified Spirit	22,70,183	
5,90,751	Acetic Acid	22,860	
93,480	Ordinary Denatured Spirit	15,03,099	
23,975	Acetal Dehyde	1,04,908	
20,352	Dilute Acid	—	
86,756	Timber	4,45,362	
1,66,950	Others	3,76,254	
2,90,581	Stock in Process		68,18,761
32,55,211			1,90,85,901
1,68,03,770	.. Molasses Consumed		—
3,40,900	.. Purchase of Spirit		2,40,81,176
2,74,13,003	.. Power & Fuel		49,75,206
79,03,113	.. Stores and Chemicals Consumed	1,17,00,898	
1,42,34,694	.. Salaries & Wages	12,81,476	
16,18,838	.. Bonus of Previous Years	13,00,000	
11,50,000	.. Provision for Bonus	236	
44,048	.. Workmen's Compensation	1,21,792	
2,57,893	.. Gratuity		
5,55,506	.. Company's Contribution to Government Provident Fund & Family Pension Scheme and Administrative Charges ..	5,55,572	
2,55,548	.. Company's Contribution to The Godavari Sugar Mills Ltd. Employees Provident Fund and Employees Family Pension Fund Scheme	1,34,909	
38,475	.. Company's Contribution to Employees Deposit Linked Insurance Scheme and Administrative Charges ..	30,737	
6,37,165	.. Workmen & Staff welfare expenses	5,85,190	
1,87,92,167			1,57,10,810
	.. Repairs to :		
13,40,436	Plant and Machinery	10,46,950	
5,76,114	Buildings	5,86,662	
10,96,320	Other Repairs	9,57,798	
30,12,870			25,91,410
3,38,785	.. Expenses for Rehabilitation/Restarting of Sakarwadi factory		—
10,47,279	.. Rent		6,71,462
7,89,07,098			7,39,34,726
	Carried Over		

CHEMICALS LIMITED

THE YEAR ENDED 31ST MARCH, 1990

For the period ending 31st March, 1989	PARTICULARS			
Rupees			Rupees	Rupees
14,50,69,222	By Sales		10,27,17,447	
5,178	Less : Transferred to Effluent Fund		4,046	
14,50,64,044				10,27,13,401
15,02,010	.. Miscellaneous Receipts			11,16,427
240	.. Dividend (Gross)			240
	.. Interest :			
15,927	On Deposits		19,978	
1,10,118	On Others		63,193	
1,26,045				83,171
3,186	.. Insurance Claims			—
11,46,899	.. Lease Rent			73,03,247
1,83,702	.. Income from Immovable property			28,652
65,09,387	.. Service Charges			44,22,160
4,50,000	.. Provision for Bonus for earlier Year Written back ..			11,50,000
65,143	.. Sundry Credit Balances written back			5,258
2,800	.. Claims & Refund			1,18,916
5,592	.. Sales Tax Refund			—
	.. Closing Stock-in-Trade (As valued and Certified by a Director)			
22,70,183	Acetic Acid at Market Rate		70,08,271	
20,96,095	Rectified Spirit at Market Rate		26,94,030	
22,860	Ordinary Denatured Spirit at Market Rate		1,340	
15,03,099	Acetal Dehyde at Market Rate		7,42,200	
1,04,908	Dilute Acid at Market Rate		1,26,748	
4,45,362	Others at Market Rate		5,96,465	
3,76,254	Stock in Process		3,30,159	
68,18,761				1,14,99,213
16,18,77,809		Carried Over		12,84,40,685

SOMAIYA ORGANO-

PROFIT & LOSS ACCOUNT FOR

For the period ended 31st March, 1989	PARTICULARS	Rupees	Rupees
7,89,07,098	Brought Forward ..		7,39,34,726
13,50,132	To Lease Rent		8,66,086
5,64,662	.. Excise Establishment charges		3,25,780
94,82,808	.. Transport/Administrative fee on Captive Consumption of Rectified Spirit		54,02,011
10,45,684	.. Insurance Premium		10,58,952
5,61,986	.. Group Gratuity Insurance		2,25,636
3,300	.. Directors' Fees		3,400
5,73,168	.. Legal Expenses & Professional Charges		5,63,479
1,52,836	.. Directors' Travelling expenses		2,40,435
—	.. Loans & Advances Written off		17,77,039
65,100	.. Director (Works) Remuneration		2,13,124
	.. INTEREST :		
91,63,347	Bank Interest & Interest on D.P.G. (Including earlier year's Rs, 8,85,615/-)	69,74,133	
4,95,417	Debentures	3,57,500	
93,082	Public Deposits	1,20,850	
23,27,747	Others & Ex-selling Agents	2,41,321	
2,70,740	Financial Institution	—	
13,19,855	Hire Purchase Finance	43,83,238	
1,36,70,188			1,20,77,042
41,29,884	.. Miscellaneous Expenses including Printing & Stationery, Postage & Telegram, Subscription Etc.		36,90,915
1,92,98,561	.. Central Excise Duty (after deducting money credit of Rs. 37,99,974/-)		1,03,54,574
2,26,798	.. Rates & Taxes		2,12,695
	.. Remuneration to Auditors :		
17,000	Audit Fees	12,000	
6,375	Tax Audit Fees	4,500	
—	Cost Audit Fees	4,500	
3,851	Others — Travelling & Certification	14,505	
27,226			35,505
49,357	.. Charity & Donation		11,333
470	.. Loose Tools written off		301
1,60,16,242	.. Depreciation		1,18,90,430
38,95,177	.. Investment Allowance Reserve		12,10,000
15,79,665	.. Motor Car Maintenance		12,02,480
13,01,922	.. Travelling Expenses (Including Rs. 73,263/- Foreign Travel Expenses)		7,70,886
6,19,881	.. Brokerage & Commission		4,86,035
6,62,046	.. Additional Tax on Sales Tax		7,81,586
15,04,807	.. Turn Over Tax		6,97,368
6,17,465	.. Sundry Debit Balances written off		4,494
4,57,292	.. Sales Tax		—
17,00,000	.. Provision for Taxation		3,20,000
34,14,054	.. Balance being Profit for the Year		84,373
16,18,77,809	TOTAL RUPEES ..		12,84,40,685

CHEMICALS LIMITED

THE YEAR ENDED 31ST MARCH, 1990

<i>For the period ended 31st March, 1989</i>	PARTICULARS	Rupees	Rupees
<i>Rupees</i> 16,18,77,809	Brought Forward		12,84,40,685
16,18,77,809	TOTAL RUPEES		12,84,40,685

SOMAIYA ORGANO- PROFIT AND LOSS ACCOUNT FOR

For the period ended 31st March, 1989	PARTICULARS						
Rupees						Rupees	Rupees
3,50,000	To	Transfer to General Reserve . .	..	..	..		5,00,000
35,16,160	..	Short Provision for Taxation for earlier years	..	..	..		—
	..	Proposed Dividend :					
1,28,917		On Preference Shares @ 9.1%	..	..	..	91,000	
2,00,000		On Equity Shares @ 10%	..	..	..	2,16,667	
3,28,917							3,07,667
24,903	..	Balance Carried to Balance Sheet . .	..	..	..		6,09,380
42,19,980						TOTAL RUPEES	14,17,047

Accompanying to our Report of even date

For **AMBALAL THAKKAR & CO.**
CHARTERED ACCOUNTANTS.

G. P. BHATT
Partner

BOMBAY : Dated 31st August, 1990.

CHEMICALS LIMITED

THE YEAR ENDED 31ST MARCH, 1990

For the period ended 31st March, 1989	PARTICULARS			
Rupees			Rupees	Rupees
30,926	By	Balance of Profit Brought Forward from Last year's Balance Sheet		24,903
34,14,054	„	Balance being Profit Brought Forward		84,373
7,75,000	„	Transfer from General Reserve		—
—	„	Excess Provision for Taxation Written Back		13,07,771
42,19,980		TOTAL RUPEES		14,17,047

BOMBAY : Dated 31st August, 1990

V. B. SAXENA
Secretary

U. H. MEHTA
R. S. MHATRE
BANARSILAL NARULA
Y. S. MUZUMDAR

} Directors

SOMAIYA ORGANO-CHEMICALS LIMITED

SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 1990

SCHEDULE "A"

Particulars	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Gross Block at cost except otherwise stated as at 1-4-1989	Additions during the year	Gross Block as at 31-3-1990	Depreciation written off upto 31-3-1989	Depreciation provided during the year	Total Depreciation upto 31-3-1990	Net Depreciated Block as at 31-3-1990	Net Depreciated Block as at 31-3-1989
1. Land	..	87,237	—	87,237	—	—	—	87,237	87,237
2. Distillery Building	..	50,66,196	—	50,66,196	9,82,797	1,28,572	11,11,369	39,54,827	40,83,399
3. Distillery Machinery (Book Value)	..	3,73,73,093	5,94,720	3,79,67,813	1,12,99,234	38,45,535	1,51,44,769	2,28,23,044	2,60,73,859
4. Acetic Acid Plant Building	..	4,60,322	—	4,60,322	2,16,819	9,622	2,26,441	2,33,881	2,43,503
5. Electric Machinery	..	28,75,044	—	28,75,044	7,99,161	2,21,075	10,20,236	18,54,808	20,75,883
6. Acetic Acid Plant	..	2,27,28,812	71,92,580	2,99,21,392	1,33,06,885	25,96,249	1,59,03,134	1,40,18,258	94,21,927
7. General Machinery	..	23,85,099	—	23,85,099	15,09,320	2,59,860	17,69,180	6,15,919	8,75,779
8. Laboratory Apparatus	..	40,402	—	40,402	16,072	1,545	17,617	22,785	24,330
9. Furniture & Office Equipments	..	7,41,627	1,25,146	8,66,773	2,19,522	33,901	2,53,423	6,13,350	5,22,105
10. Motor car, Lorries and Tankers	..	18,14,756	3,44,765	21,59,521	8,48,179	1,33,444	9,81,623	11,77,898	9,66,577
11. Scales and Weigh Bridges	..	3,49,148	—	3,49,148	1,59,749	11,935	1,71,684	1,77,464	1,89,399
12. Storage Vats and Tanks	..	43,91,135	8,43,464	52,34,599	11,87,763	1,94,138	13,81,901	38,52,698	32,03,372
13. Electric Installation	..	4,32,479	—	4,32,479	1,80,462	28,175	2,08,637	2,23,842	2,52,017
14. Research and Development Machinery	..	10,78,179	2,68,308	13,46,487	4,26,031	61,963	4,87,994	8,58,493	6,52,148
15. Research and Development Equipments	..	1,87,505	—	1,87,505	71,955	6,895	78,850	1,08,655	1,15,550
16. Research and Development Electric Installation	..	1,36,818	—	1,36,818	41,842	4,638	46,480	90,338	94,976
17. Research and Development Furniture & Office Equipments	..	4,800	—	4,800	1,466	162	1,628	3,172	3,334
18. Research and Development Building	..	2,04,496	—	2,04,496	31,398	3,354	34,752	1,69,744	1,73,098

Particulars	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Gross Block at cost Except otherwise stated as at 1-4-1989	Additions During the year	Gross Block as at 31-3-1990	Depreciation written off upto 31-3-1989	Depreciation provided during the year	Total Depreciation upto 31-3-1990	Net Depreciated Block as at 31-3-1990	Net Depreciated Block as at 31-3-1989
19. Effluent Treatment (Lagoons)	37,33,053	34,842	37,67,895	9,83,167	1,94,047	11,77,214	25,90,681	27,49,886
20. Fire Fighting Equipments	43,486	—	43,486	7,620	2,240	9,860	33,626	35,866
21. Boring and Tube Wells	13,28,602	—	13,28,602	40,293	6,963	47,256	12,81,346	12,88,309
22. Temporary Quarters	4,665	—	4,665	2,519	156	2,675	1,990	2,146
23. Roads	1,35,003	—	1,35,003	16,848	2,200	19,048	1,15,955	1,18,155
24. Residential Quarters	7,36,727	—	7,36,727	39,363	12,009	51,372	6,85,355	6,97,364
25. Water Storage Tanks	13,42,110	—	13,42,110	1,55,448	60,569	2,16,017	11,26,093	11,86,662
26. Administrative Building	5,87,754	—	5,87,754	23,294	9,639	32,933	5,54,821	5,64,460
ASSETS GIVEN ON LEASE :									
1. Computers	8,82,68,548	94,03,825	9,76,72,373	3,25,67,207	78,28,886	4,03,96,093	5,72,76,280	5,57,01,341
	2,50,55,790	—	2,50,55,790	2,67,060	40,61,544	43,28,604	2,07,27,186	2,47,88,730
		11,33,24,338	94,03,825	12,27,28,163	3,28,34,267	1,18,90,430	4,47,24,697	7,80,03,466	8,04,90,071

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.
CHARTERED ACCOUNTANTS.

G. P. BHATT
Partner

V. B. SAXENA
Secretary

U. H. MEHTA
R. S. MHATRE
BANARSILAL NARULA
Y. S. MUZUMDAR
Directors

BOMBAY : Dated 31st August, 1990.

BOMBAY : Dated 31st August, 1990.

SCHEDULE "B" FOR NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 1990

- | | Current year | Previous period |
|--|--------------|-----------------|
| 1. Total number of employees | 100 | 100 |
| 2. Total number of employees who are members of the union | 80 | 80 |
| 3. Total number of employees who are not members of the union | 20 | 20 |
| 4. Total number of employees who are members of the union and are also members of the company's pension plan | 60 | 60 |
| 5. Total number of employees who are members of the union and are not members of the company's pension plan | 20 | 20 |
| 6. Total number of employees who are not members of the union and are also members of the company's pension plan | 10 | 10 |
| 7. Total number of employees who are not members of the union and are not members of the company's pension plan | 10 | 10 |

Notes

1. Acetaldehyde is intermediary product for the Manufacture of Acetic Acid.
2. Figures shown in the brackets are of Previous Period.
3. The Sales figures in value are shown net of Central Excise Duties.

SOMAIYA ORGANO-CHEMICALS LIMITED

SCHEDULE "B" FOR NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 1990

	Unit	Current Year		Previous Period	
		Quantity	Amount Rs.	Quantity	Amount Rs.
(b) Consumption of Raw Materials :					
Molasses	M.T.	61,638.854	1,90,85,901	80,207.779	1,68,03,770
Rectified Spirit (Own Manufactured)	H.L.	127,077.160	—	1,72,039.243	—
Rectified Spirit (Purchased)	H.L.	—	—	980.000	3,40,900
Acetal Dehyde (Own Manufactured)	M.T.	7,742.347	—	10,665.918	—
Acetic Acid (Own Manufactured)	M.T.	10.000	—	424.114	—
(c) C.I.F. Value of Imports :		NIL		NIL	
(d) Value of Raw-Materials Consumed :					
(i) Indigenous		1,90,85,901	100	1,68,03,770	100
(ii) Imported		NIL	NIL	NIL	NIL
(e) Value of Stores and Spare Parts Consumed :					
(i) Indigenous		49,51,121	99.52	77,89,542	98.56
(ii) Imported		24,085	0.48	1,13,571	1.44
(f) Expenditure in foreign currency		—	42,658	—	2,38,259

Figures for Current Year are for 12 Months against 17 Months of Previous Period. Hence the same are not comparable. Figures of previous period have been recasted wherever necessary.

Accompanying to our Report of even date

For **AMBALAL THAKKAR & CO.**
CHARTERED ACCOUNTANTS.

G. P. BHATT
Partner

Bombay : Dated 31st August, 1990

V. B. SAXENA
Secretary

U. H. MEHTA
R. S. MHATRE
BANARSILAL NARULA
Y. S. MUZUMDAR

Directors

BOMBAY : Dated 31st August, 1990

SOMAIYA ORGANO-CHEMICALS LIMITED

ATTACHMENT TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1990

SCHEDULE 'C'

Statement under Section 217(2-A) of the Companies Act, 1956 read with Rules of the 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. 72,000/-.
- (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. 6,000/- per month.

(a) EMPLOYED THROUGHOUT THE YEAR UNDER REVIEW

Sr. No.	Name of Employee	Designation	Remuneration Rs.	Qualification and Experience (Years)	Date of Commencement of Employment	Age of Employee	Last Employment held
1.	Shri Deshpande R. N.	Factory Manager	87,784/-	B.Sc. (Hons) 29 Years	21st October, 1961	52	Lab. Chemist Godavari Sugar Mills Ltd.
2.	Shri Kalaria G. M.	Commercial Manager	74,917/-	B.Sc. M.B.A. 19 Years	10th January, 1980	41	Executive Godavari Sugar Mills Ltd.
3.	Shri Mehta D. D.	Senior Accountant	91,050/-	I.C.W.A. 31 Years	1st April, 1978	60	Accountant, Godavari Sugar Mills Ltd.
4.	Shri Nair P. K. R.	Director (Works)	2,13,124/-	Inter Science, 2 Years Technical Training in General Engineering & Air Craft Instrumentation. 27 Years	25th May, 1961	56	Erection Engineer Air Conditioning Corporation.
5.	Shri Nair A. T.	P.A. to Director	77,705/-	S.S.L.C. Diploma in Secretarial Practice	1st January, 1986	49	P.S. to General Manager, Godavari Sugar Mills Ltd.
6.	Shri Shah V. M.	Chief Accountant	92,528/-	B.Com.A.C.A. 20 Years	10th January, 1973	48	Accountant, B. M. Mehta & Co.
7.	Shri Shriniwas P.	Manager, Technicals Services	86,974/-	B. Tech. Electrical Engineering 12 Years	1st February, 1988	35	Manager, Mekaster
8.	Shri Shukla J. R.	Assistant Legal Officer	72,830/-	B.Sc. LL.B. 20 Years	15th March, 1971	42	Nil
9.	Dr. Vyas R. G.	Works Manager	88,760/-	M.Sc. Ph.D. 16 Years	1st June, 1988	40	Works Manager, Capran Chemical Co. Ltd.

(b) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

NIL

- Notes :**
1. Remuneration received as shown in the statement includes Salary, allowance, Leave encashment, L.T.A., Medical, Contribution to Provident Fund and Value of Perquisites as applicable.
 2. None of the employees is a relative of any Director of the Company.
 3. Nature of employment : All the above employees are on a contractual basis and subject to termination of service on one month's notice.
 4. Other terms and conditions as per rules and regulations of the Company.

By Order of the Board of Directors,

U. H. MEHTA

R. S. MHATRE

} Directors

BOMBAY : Dated 31st August, 1990.