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**SOMAIYA
ORGANO-
CHEMICALS
LIMITED**

**ANNUAL REPORT & ACCOUNTS
1995-96**

SOMAIYA ORGANO-CHEMICALS LIMITED

(Incorporated under Companies Act, 1956)

BOARD OF DIRECTORS :

DR. S. K. SOMAIYA - *Chairman*

DR. T. P. S. RAJAN

SHRI B. N. NARULA

DR.(MISS) U. H. MEHTA

SHRI R. S. MHATRE

SHRI Y. S. MUZUMDAR

SHRI S. R. KHATOD

SHRI S. S. SOMAIYA

SHRI P. K. R. NAIR - *Director (Works)*

SECRETARY :

SHRI P. K. JAIN

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, MUMBAI - 400 001.

SOMAIYA ORGANO-CHEMICALS LIMITED

NOTICE

Notice is hereby given that Thirty-fifth Annual General Meeting of Somaiya Organo-Chemicals Limited, will be held on Monday, the 30th September, 1996 at 3.00 p.m. at the Registered Office of the Company at Fazalbhoj Building, 45-47, Mahatma Gandhi Road, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1996 and the Profit and Loss Account for the year ended on that date, and the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity and Preference Shares.
3. To appoint a Director in place of Dr.T.P.S. Rajan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. S. K. Somaiya, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Samir S. Somaiya, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :
 - a) "RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs.10,00,00,000/- divided into 97,50,000 Equity Shares of Rs.10/- each and 25,000, 7% Free of Income-Tax Cumulative Preference Shares of Rs.100/- each to Rs.15,00,00,000/- divided into 1,47,50,000 Equity Shares of Rs.10/- each and 25,000, 7% Free of Income-tax Cumulative Preference Shares of Rs.100/- each."
 - b) "RESOLVED THAT clause V of the Memorandum of Association of the Company be altered by substituting the words and figures "Rs.10,00,00,000/- divided into 97,50,000 Equity Shares of Rs.10/- each" by the words and figures "Rs.15,00,00,000/- divided into 1,47,50,000 Equity Shares of Rs.10/- each."

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

"RESOLVED THAT Article 7 of the Articles of Association of the Company be altered by substituting the words and figures "Rs.10,00,00,000/- divided into 97,50,000 Equity Shares of Rs.10/- each" by the words and figures "Rs.15,00,00,000/- divided into 1,47,50,000 Equity Shares of Rs.10/- each."

By Order of the Board of Directors,

S.K.SOMAIYA
Chairman

MUMBAI : Dated 29th August 1996.

- NOTES : 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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.

ANNEXURE TO NOTICE

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

ITEMS NOS: 7 & 8

To enable the Company to provide for any further issue of Capital for expansion/diversification or issue of Bonus Shares, it is necessary to increase the Authorised Capital of the Company from Rs.10,00,00,000/- to Rs.15,00,00,000/- Resolution No. 7(a) authorises for increasing Share Capital.

Alterations to Memorandum and Articles of Association are proposed to be made to reflect the increased Authorised Capital. Resolution No. 7(b) and 8 provide for these alterations.

None of the Directors of the Company is concerned or interested in these Resolutions.

By order of the Board of Directors,

S.K. SOMAIYA
Chairman

MUMBAI : Dated 29th August 1996.

SOMAIYA ORGANO-CHEMICALS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirty-fifth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1996.

(A) FINANCIAL RESULTS :

	(Rs. in lacs)
Gross Operating Profit	903.14
Less : Interest	222.14
Depreciation	108.64
Provision for Taxation	120.00
	<u>450.78</u>
Net Profit for the year	452.36

Add: Brought forward balance	1.23
Excess Provision for Taxation written back	14.24
Amount available for appropriation	<u>467.83</u>

APPROPRIATIONS :

Transfer to Debenture Redemption Reserve	25.00
Transfer to General Reserve	355.00
Proposed Dividend :	
On Preference Shares @9.1%	0.91
On Equity Shares @20%	86.55
Balance carried to Balance Sheet	0.37
	<u>467.83</u>

(B) OPERATIONS :

(i) CHEMICAL PLANT AT SAKARWADI :

The Comparative figures of production at Sakarwadi were as under :

	1995-96	1994-95
Rectified Spirit (H.L.)	1,78,909	1,61,366
Acetic Acid (M.T.)	14,053	11,314
Ethyl Acetate (M.T.)	3,158	2,584

The Distillery & the Chemical Plant worked satisfactorily. Decontrol policy of Government of India for Molasses and Alcohol continued during the year. The market prices of Molasses and Alcohol - which had reached dizzy heights during 1993 & 1994 immediately after decontrol - ruled at reasonable levels during the year under report due to their better availability in the wake of record production of sugar.

(ii) SAMEERWADI DISTILLERY :

The Distillery at Sameerwadi in Karnataka continued to be leased to M/s.Sapthagiri Enterprises.

(iii) FINE CHEMICAL DIVISION IN GUJARAT :

M/s.Alex. & Rogers, Company's bulk drug unit at Kalol in Gujarat put through a number of measures for steamlining production. However, it did not fare well due to stiff competition. Efforts are being made to manufacture other value added products to make operations viable.

(iv) EXPORTS :

During the year under report, the Company exported 200 Kgs. of Dicyclomine Hydrochloride valued at Rs.4.46 lacs and 580 M.T. of Acetic Acid valued at Rs.163.25 lacs.

(C) EFFLUENT TREATMENT PLANTS AT SAKARWADI AND SAMEERWADI DISTILLERIES :

Biogas-cum-Effluent Treatment Plants have been put up at both the distilleries and they worked satisfactorily. As per requirement of Government of India and the State Pollution Control Boards, the plants for secondary treatment of Effluent have been installed at both the Distilleries with the Financial Assistance from SICOM, Mumbai in respect of Sakarwadi Plant and from KSIIDC, Bangalore for Sameerwadi Plant.

(D) DIVERSIFICATION PLANS :

The Company is endeavouring to explore new areas of activities having growth potential in spheres other than Alcohol based industries. Two such items which have been identified on which preliminary work has started. These are : "SORBIC ACID" and "BIO FERTILIZER".

(A) SORBIC ACID PROJECT : Work has started for installation of PILOT PLANT to manufacture SORBIC ACID at Sakarwadi in technical consultation and co-ordination with National Chemical Laboratory, Pune under Agreement with them. The project is expected to be completed by March, 1997. The product has fair export potential.

(B) ORGANIC MANURE from Effluent : It has been decided to undertake a Bio-fertilizer project based on Secondary Treatment of Distillery spent wash at Sameerwadi, by composting Press mud. Bio-earth composting has been approved by Karnataka State Pollution Control Board. It is planned to start marketing this Organic Manure of about 30,000 M.T. per year, by Diwali of this year in Nov/Dec'96 before the new sugar cane planting season commences.

(E) DIVIDEND :

The Directors recommend for consideration of shareholders at the Annual General Meeting, payment of Preference dividend @9.1% per share and Equity Dividend @20% per share totaling to Rs.87.46 lacs (including proportionate on Bonus Shares) for the year ended 31st March, 1996 subject to deduction of tax.

(F) CURRENT YEAR'S WORKING :

With the increase in petroleum prices including that of Diesel from 3rd July, 1996 as well as increase in Power tariff by Maharashtra Government from June, 1996 and its spiraling effect on other costs, the cost of production has increased substantially. The Acetic Acid market has not been able to absorb these higher costs due to gap having widened between Demand and Supply and due to larger production and the expected increase in the demand having not yet materialised. However, with new P.T.A. plants expected to come in operation in near future, the position is expected to improve.

(G) FIXED DEPOSITS :

Deposits of Rs.2.25 lacs which became due for payment on or before 31st March, 1996 were not claimed by the depositors.

(H) OTHER MATTERS :

(i) PARTICULARS OF EMPLOYEES :

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

(ii) 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 annexure 'B' which is forming part of this Report.

(I) DIRECTORS :

Three of your Directors viz. Dr. T. P. S. Rajan, Dr. S. K. Somaiya and Shri. Samir S. Somaiya retire from the Board by rotation and, being eligible, offer themselves for re-appointment.

(J) 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 this Annual General Meeting till the conclusion of the next Annual General Meeting.

(K) GENERAL :

Relations between Management and Staff and workers continued to be 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 - Bank of Baroda, Can Bank Mutual Fund, Unit Trust of India, IREDA, New Delhi, SICOM and KSIIDC, Bangalore for the financial support given to the Company.

By Order of the Board of Directors,

S. K. SOMAIYA
Chairman

MUMBAI : Dated 29th August, 1996.

SOMAIYA ORGANO-CHEMICALS LIMITED

ANNEXURE 'A' TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 1996

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

(A) EMPLOYED THROUGHOUT THE YEAR UNDER REVIEW

Sr. No.	Name of the Employee	Designation	Remuneration Rs.	Qualification and Experience (years)	Date of Commencement of Employment	Age of Employee	Last Employment Held
1.	Shri Nair P. K. R.	Director (Works)	3,32,680/-	Inter Science. 2 years Technical Training in General Engineering & Air Craft Instrumentation. 43 years.	25th May, 1961	62	Erection Engineer, Air Conditioning Corporation.

(B) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW

*** NIL ***

- NOTES : 1. Gross Remuneration includes Salary, Bonus, Allowances, Commission (if any), Leave encashment, L.T.A., Medical, Contribution to Provident Fund and Value of Perquisites as applicable.
2. Nature of employment : The above employee is on a contractual basis and subject to termination of service on three months' notice on either side.
3. Other terms and conditions : As per rules and regulations of the Company.
4. None of the employees mentioned above is a relative of any Director of the Company.

By Order of the Board of Directors,

S.K.SOMAIYA
Chairman

MUMBAI : Dated 29th August, 1996

SOMAIYA ORGANO-CHEMICALS LIMITED

ANNEXURE 'B' 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, 1996.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNINGS AND OUTGO AT SAKARWADI.

(A) CONSERVATION OF ENERGY :

- (a) Energy Conservation measures taken :
Methane gas recovery plant from spent wash of Distillery - working satisfactory.
- (b) Additional investment proposals, if any, being implemented for reduction in consumption of energy :
We propose to install - Economiser and Fluidised Bed System in B & W Boiler & also install Plate Heat Exchangers.
- (c) Impact of the measures at (a) and (b) above : Improve generation of steam per tonne of coal, smoother operation of the Plant with reduced steam consumption, alternate fuel and captive power generation with lower cost.
- (d) Total energy consumption and energy consumption per unit of production as per Form 'A' given hereunder.

(B) TECHNOLOGY ABSORPTION :

Efforts made in technology absorption are as per Form 'B' given hereunder :

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export market for products and services and export plans;
- (b) Total foreign exchange used Rs.11,55,707/-.
- (c) Total foreign exchange earned Rs.1,67,70,703/-.

FORM 'A'

Disclosure of Particulars with respect to Conservation of Energy.

		Current Year 1995-96	Previous Year 1994-95
(A) POWER & FUEL CONSUMPTION :			
1. ELECTRICITY :			
(A) PURCHASED			
Unit	KWH	79,21,550	72,40,489
Total Amount	Rs.	2,21,30,000	1,96,17,749
Rate	Rs./KWH	2.79	2.71
(B) OWN GENERATION :			
i) Through Diesel Generator (Skoda & Kirloskar D.G. Set)	KWH	9,85,530	4,78,800
Unit	KWH	2.34	2.53
Unit per litre of diesel oil	Rs./KWH	3.44	3.29
Cost per Unit			
ii) Through Steam Engine (BM Engine and Turbine)	KWH	17,70,380	16,11,350
Unit	Rs./KWH	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 by-product with nominal / low cost per unit.	
Unit per k.g.			

2. COAL (B/C/D GRADE) :

Coal consumed

Quantity	MT	19,376	19,376
Total Cost	Rs.	2,53,14,923	2,35,78,562
Average Rate	Rs./ MT	1,307	1,217

3. FURNACE OIL

Furnace oil not used since boilers are coal fired.

4. OTHER / INTERNAL GENERATIONS :

Bio-gas consumed

	M ³	91,27,384	84,21,346
Total Steam generation	MT	1,14,299	1,08,197
Steam generation per MT of coal	MT	3.58	3.50

(B) CONSUMPTION PER UNIT OF PRODUCTION :

(a) ALCOHOL :

Production	KL	17,891	16,137
Electricity	KWH	16,01,619	13,99,596
Rate	KWH / KL	89.42	86.61
Coal	MT	981	2,461
Bio-gas	M ³	91,27,384	84,21,346
Rate Coal	MT / KL	0.76	0.87
Rate Steam	MT / KL	2.70	2.91

(b) ACETALDEHYDE :

Production	MT	12,135	11,139
Electricity	KWH	42,70,984	37,32,256
Rate	KWH / MT	351.96	335.06
Coal	MT	7,060	6,766
Rate Coal	MT / MT	0.58	0.61
Rate Steam	MT / MT	2.08	2.20

(c) ACETIC ACID :

Production	MT	14,053	11,314
Electricity	KWH	42,70,984	37,32,256
Rate	KWH / MT	304.03	329.88
Coal	MT	7,470	6,639
Rate Coal	MT / MT	0.53	0.59
Rate Steam	MT / MT	1.90	2.13

(d) ETHYL ACETATE :

Production	MT	3,158	2,584
Electricity	KWH	5,33,873	4,66,531
Rate	KWH / MT	169.05	180.55
Coal	MT	3,865	3,510
Rate Coal	MT / MT	1.22	1.36
Rate Steam	MT / MT	4.40	4.85

FORM 'B'

Disclosure of Particulars with respect to Technology Absorption

Research & Development (R & D)

1. Specific areas in which R & D carried out by the Company :

- New products development.
- Existing product quality improvement.
- Process development.
- Waste water treatment & disposal.

2. Benefits derived as a result of the above R & D. :

- Improvement in existing product quality attained.
- Experiments on new products like Crotonic Acid, Amyl Alcohol, Acetamide, 2.4 Di-chloro toluene, 1.3 Butanediol, Free flowing iodised table Salt are continuing and at an advanced stage.
- Glibenclamide, a bulk drug, put on commercial scale & is being successfully marketed nationally and internationally.

3. Future plan of action :

- Development of products based on Alcohol & Crotonaldehyde will be taken up.
- Development of new bulk drug products is also planned to be taken up.
- Sorbic Acid Project is taken up at Pilot Plant level in technical tie-up with National Chemical Laboratory, Pune.

4. Expenditure on R & D. :

(Rs. in lacs)

(a) Capital	1.00
(b) Recurring	1.21
(c) Total	<u>2.21</u>
(d) Total R & D expenditure as a percentage of total turnover.	0.05%

Technology absorption, adaptation and innovation.

- Efforts, in brief, made towards technology absorption, adaptation and innovation.
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :
 - Technology imported.
 - Year of import.
 - Has technology been fully absorbed?
 - If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

As above

As above

Not applicable

By Order of the Board of Directors,

S. K. SOMAIYA
Chairman

MUMBAI : Dated 29th August, 1996

SOMAIYA ORGANO-CHEMICALS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1996

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, 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 procedure 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 year.
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 explanations given to us, there have been no transaction of purchases of goods and materials and sale of goods, materials and services, made in 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/- of 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 58A of the Companies Act, 1956 and Companies (Acceptance to 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 became 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 and Loss 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 PROFIT for the year ended on that date.

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

G.P.BHATT
Partner

MUMBAI : Dated 29th August, 1996.

SOMAIYA ORGANO-CHEMICALS LIMITED

Balance Sheet as at 31st March, 1996

			Rs. in lacs 31.03.96	Rs. in lacs 31.03.95
SCHEDULES				
SOURCES OF FUNDS :				
SHARE HOLDERS' FUNDS :				
(a) Share Capital	1		541.00	364.00
(b) Reserve & Surplus	2		789.01	586.87
			<u>1,330.01</u>	<u>950.87</u>
LOANS :				
(a) Secured Loans	3		941.66	1,008.98
(b) Unsecured Loans	4		422.55	469.35
			<u>1,364.21</u>	<u>1,478.33</u>
TOTAL FUNDS EMPLOYED			<u>2,694.22</u>	<u>2,429.20</u>
APPLICATION OF FUNDS :				
FIXED ASSETS :				
	5			
(a) Gross Block		2,347.10		2,057.09
(b) Less : Depreciation		<u>784.75</u>		<u>676.11</u>
(c) Net Block			1,562.35	1,380.98
(d) Work in Progress			<u>76.97</u>	<u>43.73</u>
			<u>1,639.32</u>	<u>1,424.71</u>
INVESTMENTS	6		4.70	44.70
CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories	7	542.13		546.83
(b) Debtors	8	695.95		449.47
(c) Cash / Bank Balances	9	134.20		131.61
(d) Loans and Advances	10	<u>453.10</u>		<u>412.40</u>
		<u>1,825.38</u>		<u>1,540.31</u>
LESS : CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	11	591.29		475.92
(b) Provisions	12	<u>207.46</u>		<u>134.05</u>
		<u>798.75</u>		<u>609.97</u>
Net Current Assets			1,026.63	930.34
MISCELLANEOUS EXPENDITURE :				
Deferred Revenue Expenditure			<u>23.57</u>	<u>29.45</u>
TOTAL ASSETS			<u>2,694.22</u>	<u>2,429.20</u>
CONTINGENT LIABILITIES	13			

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

G.P. BHATT
Partner

P. K. JAIN
COMPANY SECRETARY

S. K. SOMAIYA
R. S. MHATRE
T.P.S. RAJAN
S.S. SOMAIYA
B.N. NARULA

Chairman

Directors

MUMBAI : Dated 29th August, 1996

MUMBAI : Dated 29th August, 1996

SOMAIYA ORGANO-CHEMICALS LIMITED

Profit and Loss Account for the year ended 31st March, 1996

		Rs.in lacs 1995-96	Rs.in lacs 1994-95
SCHEDULES			
INCOME			
Sales		4,340.84	4,221.92
Other Income	14	157.78	335.73
Depreciation of earlier years written back		—	124.49
Agricultural Income		6.44	9.19
Increase / (Decrease) in Stock	15	(79.10)	46.64
		<u>4,425.96</u>	<u>4,737.97</u>
EXPENDITURE			
Agricultural Expenses		5.23	4.79
Raw Materials Consumed	16	1,351.12	2,319.29
Manufacturing and Other Expenses	17	1,459.94	1,124.64
Excise Duty		706.53	695.08
Interest & Financial Charges	18	222.14	241.23
Depreciation	5	108.64	106.79
		<u>3,853.60</u>	<u>4,491.82</u>
PROFIT BEFORE TAX		572.36	246.15
Provision for Taxation		120.00	—
NET PROFIT FOR THE YEAR		452.36	246.15
Balance Profit brought forward from last year		1.23	1.69
Excess Provision for Taxation Written Back		14.24	—
		<u>467.83</u>	<u>247.84</u>
PROFIT AVAILABLE FOR APPROPRIATIONS			
APPROPRIATIONS :			
Proposed Dividend			
(a) On Preference Shares		0.91	0.91
(b) On Equity Shares		86.55	52.14
General Reserve		355.00	151.00
Short Provision for Taxation		—	32.56
Debenture Redemption Reserve		25.00	10.00
Balance carried to Balance Sheet		0.37	1.23
		<u>467.83</u>	<u>247.84</u>
COMPUTATION OF COMMISSION TO DIRECTOR (WORKS)	19		
NOTES ON ACCOUNTS	20		

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

G.P. BHATT
Partner

P. K. JAIN
COMPANY SECRETARY

S. K. SOMAIYA	} <i>Chairman</i>
R. S. MHATRE	
T.P.S. RAJAN	
S.S. SOMAIYA	
B.N. NARULA	

Directors

MUMBAI : Dated 29th August, 1996

MUMBAI : Dated 29th August, 1996

SOMAIYA ORGANO-CHEMICALS LIMITED

	(Rs.in lacs) 31.03.96	(Rs.in lacs) 31.03.95
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Schedules annexed to and forming part of Balance Sheet as at 31st March, 1996 and Profit and Loss Account for the year ended 31st March, 1996.

SCHEDULE 1 - SHARE CAPITAL :

AUTHORISED :

97,50,000	Equity Shares of Rs.10/- each	975.00	975.00
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	25.00
		1,000.00	1,000.00

ISSUED AND SUBSCRIBED SHARE CAPITAL :

53,10,000	Equity Shares of Rs.10/- each fully paid-up. Of the above shares 51,60,000 Equity Shares of Rs.10/- each are allotted as fully paid-up Bonus Shares by Capitalising General Reserve.	531.00	354.00
10,000	7% Free of Income Tax Cumulative Redeemable Preference Shares of Rs.100/- fully paid-up liable to be redeemed at the option of the Company.	10.00	10.00
		541.00	364.00

SOMAIYA ORGANO-CHEMICALS LIMITED

	(Rs.in lacs) 31.03.96	(Rs.in lacs) 31.03.95
SCHEDULE 2 - RESERVES AND SURPLUS :		
(A) GENERAL RESERVE :		
As per last Balance Sheet	395.17	229.44
Add : Set aside during the year	355.00	151.00
Add : Transferred from Investment Allowance Reserve Utilised Account	10.92	14.73
	<u>761.09</u>	<u>395.17</u>
Less : Utilised for Equity Bonus Issue	177.00	—
	<u>584.09</u>	<u>395.17</u>
(B) INVESTMENT ALLOWANCE RESERVE UTILISED ACCOUNT :		
As per last Balance Sheet	61.97	76.70
Less : Transferred to General Reserve	10.92	14.73
	<u>51.05</u>	<u>61.97</u>
(C) DEBENTURE REDEMPTION RESERVE :		
As per last Balance Sheet	88.50	78.50
Set aside during the year	25.00	10.00
	<u>113.50</u>	<u>88.50</u>
(D) SHARE PREMIUM ACCOUNT :		
Balance as per last Balance Sheet	40.00	—
During the year	—	40.00
	<u>40.00</u>	<u>40.00</u>
(E) PROFIT AND LOSS ACCOUNT	<u>0.37</u>	<u>1.23</u>
	<u>789.01</u>	<u>586.87</u>

SOMAIYA ORGANO-CHEMICALS LIMITED

		(Rs.in lacs) 31.03.96	(Rs.in lacs) 31.03.95
SCHEDULE 3 - SECURED LOANS :			
(a) Bank of Baroda :			
(i) Cash Credit	262.16		146.20
(ii) Bill discounting	139.04		108.36
(Against hypothecation of Raw Materials, Stock-in-process, Finished goods, Chemicals, Stores, Spares (Including coal & silver catalyst etc.) & collateral security of Book Debts, extension of equitable mortgage of Fixed Assets at Sakarwadi & extension of Hypothecation charge on movable machinery both present & future)		401.20	254.56
(b) 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)		120.84	207.61
(c) Debentures :			
(i) (Secured by negative lien on Fixed Assets of the Company's Sakarwadi Factory as per Agreement)			
(1) 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		15.00
(2) 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		5.00
	20.00		20.00
(ii) 19% 1,75,000 Secured Redeemable Debentures of Rs.100/- each secured by 1st Pari Passu Equitable Mortgage on Company's Fixed Assets at Sameerwadi, redeemable in equal instalments from 5th to 9th year from the date of allotment.	100.10		175.00
(iii) 18.5% 2,00,000 Non-Convertible secured Debentures of Rs.75/- each secured by Pari Passu Equitable Mortgage on Company's movable and immovable Assets at Sakarwadi.	150.00		150.00
(iv) Interest on above	6.29		9.64
		276.39	354.64
(d) Loan from Indian Renewable Energy Development Agency :			
(i) Secured by an unconditional and irrevocable guarantee of Bank of Baroda	26.10		43.50
(ii) Secured by 1st Pari Passu charge on Company's Fixed Assets at Sameerwadi	30.00		39.00
		56.10	82.50
(e) Instalments Due for Purchase of Assets under Hire Purchase Finance		54.59	68.47
(f) Term Loan from SICOM against hypothecation of Specific Machinery at Sakarwadi		20.00	32.00
(g) Interest Accrued but not due		3.25	4.43
(h) Term Loan from CITI Bank secured by hypothecation of Flat at Mumbai.		4.69	4.77
(i) Auto Loan from Bank of America		4.60	—
		941.66	1,008.98
SCHEDULE 4 - UNSECURED LOANS :			
(1) Public Deposits		23.69	38.61
(2) Public Loans (Guaranteed by a Director)		0.05	0.05
(3) From Ex-selling Agents		6.03	5.45
(4) Interest Free Sales Tax Loan from SICOM		267.65	267.65
(5) Inter Corporate Deposits		18.58	61.21
(6) Bridge Loan from SICOM against Capital subsidy from Maharashtra Govt.		15.00	15.00
(7) Others		91.55	81.38
		422.55	469.35

SOMAIYA ORGANO-CHEMICALS LIMITED

(Rs.in lacs)

SCHEDULE 5 - FIXED ASSETS :

PARTICULARS	Gross Block as at 01-04-1995	Additions During the year	Gross Block as at 31-03-1996	Depreciation written off upto 31-03-1995	Depreciation provided During the year	Total Depreciation upto 31-03-1996	Net Depreciated Block as at 31-03-1996	Net Depreciated Block as at 31-03-1995
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SAKARWADI & H. O.								
1. Land	9.10	—	9.10	—	—	—	9.10	9.10
2. Buildings	65.51	0.33	65.84	14.20	0.91	15.11	50.73	51.31
3. Plant & Machinery	1,283.19	171.97	1,455.16	460.38	70.00	530.38	924.78	822.81
4. Furniture & Office Equipments	13.25	5.51	18.76	5.56	1.09	6.65	12.11	7.69
5. Vehicles	27.82	17.26	45.08	19.67	3.20	22.87	22.21	8.15
6. Electric Installations	4.87	—	4.87	3.09	0.28	3.37	1.50	1.78
TOTAL (A) :	1,403.74	195.07	1,598.81	502.90	75.48	578.38	1,020.43	900.84
SAMEERWADI								
1. Land	0.74	0.47	1.21	—	—	—	1.21	0.74
2. Buildings	43.17	—	43.17	10.31	1.12	11.43	31.74	32.86
3. Plant & Machinery	440.80	87.42	528.22	133.55	23.68	157.23	370.99	307.25
4. Furniture & Office Equipments	0.76	0.08	0.84	0.30	0.05	0.35	0.49	0.46
5. Electric Installations	2.70	—	2.70	1.19	0.14	1.33	1.37	1.51
TOTAL (B) :	488.17	87.97	576.14	145.35	24.99	170.34	405.80	342.82
FINE CHEMICAL DIVISION (A & R)								
1. Land	9.26	—	9.26	—	—	—	9.26	9.26
2. Buildings	21.70	2.83	24.53	3.01	0.80	3.81	20.72	18.69
3. Plant & Machinery	128.18	4.14	132.32	23.55	6.88	30.43	101.89	104.63
4. Furniture & Office Equipments	1.46	—	1.46	0.06	0.07	0.13	1.33	1.40
5. Vehicles	3.08	—	3.08	0.82	0.35	1.17	1.91	2.26
6. Electric Installations	1.50	—	1.50	0.42	0.07	0.49	1.01	1.08
TOTAL (C) :	165.18	6.97	172.15	27.86	8.17	36.03	136.12	137.32
TOTAL (A+B+C)	2,057.09	290.01	2,347.10	676.11	108.64	784.75	1,562.35	1,380.98

SOMAIYA ORGANO-CHEMICALS LIMITED

SCHEDULE 6 - INVESTMENTS (AT COST)

(Rs.in lacs)
31.03.96

(Rs.in lacs)
31.03.95

OTHER INVESTMENTS :

(1) 1,500 Equity Shares of Rs. 100/- each of Oriental Power Cables Ltd. fully paid-up	1.50	1.50
(2) 500 Equity Shares of Rs.10/- each of Kutch Salt & Allied Industries Ltd. fully paid-up	0.01	0.01
(3) 450 Equity Shares of Rs.100/- each of Somaiya Organics (India) Ltd. fully paid-up	0.45	0.45
(4) 4% 1967 Maharashtra State Loan (Face Value Rs.1000/-) Deposited with Excise Department :	0.01	0.01
(5) 210 Equity Shares of Rs. 100/- each of The Book Centre Ltd. fully paid-up	0.21	0.21
(6) 4,000 Cancigos of Rs.1000/- each of Canbank Mutual Fund, fully paid-up	—	40.00
(7) 80 Shares of Rs.25/- each of Raghuvanshi Co-operative Bank Ltd.	0.02	0.02
(8) Kisan Vikas Patra	0.10	0.10

Aggregate Quoted Investments	Cost (Rs.)	Market Value (Rs.)
	45,000	31,575.00

Aggregate Unquoted Investments

1,91,566	—
2,36,566	31,575.00

Immovable Property (including value of land Rs. 1,65,000/- for which Agreement for sale has already been executed)

2.40	2.40
4.70	44.70

SCHEDULE 7 - INVENTORIES :

(i) Stores, Chemicals and Spares (at cost as per inventories valued and certified by a Director)		
(a) On Hand		
(b) In Transit	174.87	157.21
	35.33	13.60
(ii) Loose Tools and Implements (as per Inventory valued and certified by a Director)	210.20	170.81
(iii) Raw Materials	0.01	0.01
(iv) Stock-in-trade (as valued and certified by a Director) (At Cost or Market Price whichever is less)	144.11	110.57
(v) Standing Crops	184.98	264.08
(vi) Farm Produce	1.33	—
	1.50	1.36
	542.13	546.83

SOMAIYA ORGANO-CHEMICALS LIMITED

	(Rs.in lacs) 31.03.96	(Rs.in lacs) 31.03.95
SCHEDULE 8 - SUNDRY DEBTORS		
Sundry Debtors (Unsecured and considered good except otherwise stated)		
(a) Debts Outstanding for more than six months	48.12	8.16
(b) Other Debts	647.83	441.31
	<u>695.95</u>	<u>449.47</u>
SCHEDULE 9 - CASH AND BANK BALANCES :		
Cash on Hand	1.49	2.99
In Current Account with Scheduled Banks	12.09	51.16
In Fixed Deposits with Scheduled Bank (Including Rs.45.10 lacs as lien for Guarantees)	61.39	53.62
Interest accrued on above	21.26	21.06
Demand Drafts on Hand	37.57	0.78
Remittance in Transit	0.40	2.00
	<u>134.20</u>	<u>131.61</u>
SCHEDULE 10 - LOANS AND ADVANCES :		
(Unsecured and considered good except otherwise stated)		
Loans to others	0.66	3.71
Interest accrued on above	<u>2.40</u>	16.90
	3.06	20.61
Interest on Deferred payments under D. P. G. facilities and Hire Purchase Finance	45.75	76.69
Advances recoverable in cash or kind for value to be received	217.72	184.90
Advance Income Tax (Including Income Tax Deducted at Source Rs.14.97 lacs)	101.84	60.79
Deposits	84.73	69.41
	<u>453.10</u>	<u>412.40</u>

SOMAIYA ORGANO-CHEMICALS LIMITED

	(Rs.in lacs) 31.03.96	(Rs.in lacs) 31.03.95
SCHEDULE 11 - CURRENT LIABILITIES :		
(1) Sundry Creditors	534.86	433.50
(2) Deposits and Advances from Customers	46.02	36.78
(3) Liability for Income & Wealth Tax	9.32	5.34
(4) Advance against Sale of Immovable Property	0.30	0.30
(5) Temporary Overdraft with Bank	0.79	—
	<u>591.29</u>	<u>475.92</u>
SCHEDULE 12 - PROVISIONS :		
(1) Provision for Taxation	120.00	81.00
(2) Proposed Dividend	87.46	53.05
	<u>207.46</u>	<u>134.05</u>
SCHEDULE 13 - CONTINGENT LIABILITIES (NOT PROVIDED FOR) :		
In respect of counter guarantee in favour of Bank of Baroda in lieu of Guarantee given by Bank in favour of Central Railway	15.00	10.00
	<u>15.00</u>	<u>10.00</u>
	<u>1995-96</u>	<u>1994-95</u>
SCHEDULE 14 - OTHER INCOME :		
Profit on Sale of Assets	—	149.35
Interest	27.53	21.30
Service Charges & Lease Rent	99.10	124.22
Sundry Receipts	31.15	31.04
Lease Rent of previous year written back	—	9.82
	<u>157.78</u>	<u>335.73</u>
SCHEDULE 15 - INCREASE / (DECREASE) IN STOCK :		
Closing Stock	184.98	264.08
Less : Opening Stock	264.08	217.44
	<u>(79.10)</u>	<u>46.64</u>
SCHEDULE 16 - RAW MATERIALS CONSUMED :		
Molasses	864.27	1,708.49
Chemicals	154.50	100.98
Spirit	313.25	470.19
Others	19.10	39.63
	<u>1,351.12</u>	<u>2,319.29</u>

SOMAIYA ORGANO-CHEMICALS LIMITED

	(Rs.in lacs) 1995-96	(Rs.in lacs) 1994-95
SCHEDULE 17 - MANUFACTURING AND OTHER EXPENSES		
Manufacturing Expenses :		
Power and Fuel	533.10	467.74
Stores, Chemicals and Spare Parts	146.29	82.10
Lease Rent	131.70	81.61
Insurance Premium	22.35	20.79
Packing and Forwarding Charges	42.81	—
Excise Establishment Charges	4.42	7.01
Research & Development Expenses	1.21	1.00
	881.88	660.25
Repairs and Maintenance :		
Plant and Machinery	27.24	9.84
Buildings	4.85	1.81
Other Repairs	3.01	5.18
	35.10	16.83
Employees Remuneration and Benefits :		
Salaries, Wages and Bonus	248.51	198.01
Contribution to Provident Fund & Other Fund	19.88	15.90
Gratuity	0.05	0.47
Welfare Expenses	26.83	16.37
Group Gratuity Insurance Premium	6.74	3.55
	302.01	234.30
Office and Establishment Expenses :		
Rent	4.36	4.45
Rates and Taxes	10.67	9.94
Miscellaneous Expenses	104.66	68.67
Legal and Professional Charges	12.07	10.15
Brokerage & Commission	5.15	1.17
Charity and Donation	0.66	0.13
Sundry Debit Balances Written off	0.59	0.11
Motor Car Maintenance	27.24	20.10
Travelling Expenses	15.46	6.74
Foreign Travelling Expenses	2.33	1.84
Deferred Revenue Expenses Written Off	5.89	—
	189.08	123.30
Auditors' Remuneration :		
Audit Fees	0.12	0.12
Tax Audit Fees	0.05	0.05
Auditors' Travelling Expenses & Certification fees	0.05	0.05
Cost Audit Fees	0.06	0.06
	0.28	0.28
Directors' Fees and Travelling Expenses and Remuneration :		
Fees	0.06	0.04
Travelling Expenses	3.47	1.29
Remuneration	3.33	2.70
Foreign Travelling Expenses	7.92	—
	14.78	4.03
Sales Tax :		
Additional Tax on Sales Tax	7.57	23.45
Turnover Tax	29.24	62.20
	36.81	85.65
	1,459.94	1,124.64

SOMAIYA ORGANO-CHEMICALS LIMITED

	(Rs.in lacs) 1995-96	(Rs.in lacs) 1994-95
SCHEDULE 18 - INTEREST :		
Bank and Deferred Payment		
Debentures	87.03	96.15
Public Deposits	56.07	68.30
Ex-selling Agents & Others	6.11	6.62
Financial Charges	27.54	28.83
Financial Institution	24.14	22.47
	21.25	18.86
	<u>222.14</u>	<u>241.23</u>
SCHEDULE 19 - COMPUTATION OF COMMISSION TO DIRECTOR (WORKS) :		
Net Profit as per Profit and Loss Account		
Add :	452.36	246.15
i) Director's Remuneration	3.33	2.88
ii) Depreciation	<u>108.64</u>	<u>106.79</u>
	111.97	109.67
	<u>564.33</u>	<u>355.82</u>
Less :		
i) Depreciation to the extent specified in Section 350 of Companies Act, 1956	108.64	106.79
ii) Profit on Sale of Machinery	<u>—</u>	<u>149.35</u>
Net Profit for calculating Director's Commission	108.64	256.14
Commission @ 1% on the Net Profit	<u>455.69</u>	<u>99.68</u>
As per Agreement Limited to	<u>4.56</u>	<u>1.00</u>
	<u>0.55</u>	<u>0.40</u>
Total Remuneration to Director (Works) :		
Remuneration	2.53	1.80
Commission on Net Profit	0.55	0.40
Company's Contribution to Provident Fund	0.25	0.18
Perquisites	<u>—</u>	<u>0.50</u>
	<u>3.33</u>	<u>2.88</u>

SOMAIYA ORGANO-CHEMICALS LIMITED

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1996

SCHEDULE 20

1) SIGNIFICANT ACCOUNTING POLICIES

- a) System of Accounting :
 - i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis, except bonus which is debited on payment basis.
 - ii) Financial Statements are based on historical costs.
 - iii) Fixed Assets are carried at cost of acquisition.
 - iv) Investments are valued at cost of acquisition.
 - b) The Liability as on 31-3-1996 for accrued gratuity to employees under the Payment of Gratuity Act, 1972 as per Actuary's Certificate is Rs.68,35,991/-. The same is covered under Cash Accumulation Scheme of Group Gratuity Insurance with Life Insurance Corporation of India.
 - c) Depreciation on Fixed Assets of Sakarwadi Factory and Head Office, capitalised upto 1984-85 have been provided on Written Down Value Method. Depreciation on Fixed Assets capitalised after 1-11-1985 onwards has been provided on Straight Line Method. Depreciation on Fixed Assets of Sameerwadi & Fine Chemicals Division has been provided on Straight Line Method.
 - d) Provision for Leave Encashment payable on retirement has not been made as per requirement of Accounting Standard 15 mandatory from 1.4.1995, as the liability is not ascertained.
- 2) The Excise Appellate Tribunal at Mumbai has stayed demand for Excise Duty of Rs.10.75 lacs and penalty of Rs.15 lacs raised by Collector of the Central Excise, Aurangabad with a stipulation to deposit Rs.2 lacs and furnishing bank guarantee for Rs.3 lacs. These conditions have been complied with by the company. No Provision has been made for this disputed demand. Matter is pending before the Tribunal.
- 3) Expenditure on employees in receipt of Remuneration of not less than Rs.3,00,000/- per annum or Rs.25,000/- per month if employed for a part of the year.

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	Current Year		Previous Year	
	Employed for Full year	Employed for Part of the year	Employed for Full year	Employed for Part of the year
	Rs.	Rs.	Rs.	Rs.
i) Salaries, Allowances and Perquisites	3,07,480	—	—	—
ii) Contribution to Provident Fund	25,200	—	—	—
iii) Number of Employee Covered	1	—	—	—
4) a) Quantitative Information in respect of Goods Manufactured :				
Class of Goods Manufactured	Unit	Licensed Capacity (Annual)	Installed Capacity (Annual) (As Certified by Director, (Works))	
At SAKARWADI :				
Rectified Spirit	H.L.	1,85,000	2,40,000	
Acetaldehyde / Acetic Acid	M.T.	15,000	15,000	
Ethyl Acetate	M.T.	3,000	3,000	
Other Acetate	M.T.	1,800	1,800	
AT SAMEERWADI :				
Rectified Spirit	H.L.	1,20,450	1,20,450	
AT ALEX & ROGERS : At Karannagar				
Bulk Drugs	M.T.	192	96	

SOMAIYA ORGANO-CHEMICALS LIMITED

Class of Goods Manufactured	Unit	Actual Production (Excluding Normal Loss)	Opening Stock		Closing Stock		Sales	
			Quantity	Value (Rs. in lacs)	Quantity	Value (Rs. in lacs)	Quantity	Value (Rs. in lacs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(i) AT SAKARWADI :								
Rectified Spirit	H.L.	1,78,908.72 (1,61,366.29)	3,511,500 (92,060)	39.89 (1.10)	5,613,560 (3,511,500)	28.24 (39.89)	— (—)	— (—)
Acetaldehyde / Acetic Acid	M.T.	12,135.442/14,052.995 (11,139.451/11,313.900)	34,990/447,300 (— /541,105)	7.96/98.41 (— /112.55)	75,045/211,150 (34,990/447,300)	8.53/26.71 (7.96/98.41)	116,900/11,979,635 (1,484,975/9,524,840)	22.82/2,297.27 (363.19/2,121.50)
Ethyl Acetate	M.T.	3,158.00 (2,583.800)	85,173 (151,503)	26.82 (42.42)	111,703 (85,173)	20.81 (26.82)	3,131,470 (2,650,130)	838.11 (808.25)
Other Acetates	M.T.	R & D Work in Hand	—	—	—	—	—	—
(ii) AT SAMEERWADI :								
Rectified Spirit	H.L.	Distillery given on Lease	—	—	—	—	—	—
(iii) AT ALEX & ROGERS :- At Karannagar :								
a) Bulk Drugs	M.T.	6,979 (7,445)	1,662 (0,282)	29.14 (5.82)	2,802 (1,662)	50.60 (29.14)	5,839 (6,065)	128.53 (110.20)
b) Chemicals	M.T.	118.83 (30,775)	29,725 (—)	13.20 (—)	8,150 (29,725)	2.98 (13.20)	140,405 (1,050)	79.79 (0.37)

- Notes : 1. Acetaldehyde is intermediary product for the manufacture of Acetic Acid.
2. Figures shown in the brackets are of Previous Year.
3. The Sales figures in value are shown net of Central Excise Duties.

SOMAIYA ORGANO-CHEMICALS LIMITED

b) Consumption of Raw Materials	Unit	Current Year		Previous Year	
		Quantity	Amount (Rs.in lacs)	Quantity	Amount (Rs.in lacs)
Molasses	M.T.	76,823.560	864.27	74,873.200	1,708.48
Rectified Spirit (Own Manufactured)	H.L.	1,76,806.660	—	1,57,946.850	—
Rectified Spirit Purchased	H.L.	37,061.77	313.25	37,675.78	470.19
Acetaldehyde (Own Manufactured)	M.T.	11,978.487	—	9,619.486	—
Acetic Acid (Own Manufactured)	M.T.	2,309.510	—	1,882.865	—
Others		—	162.28	—	100.98
			<u>1,339.80</u>		<u>2,279.65</u>
c) C.I.F. Value of Imports (Alcohol) :	M.T.	NIL	NIL	1,000	1,212.96
d) Value of Raw Materials Consumed :		Amount (Rs.in lacs)	%	Amount (Rs.in lacs)	%
i) Indigenous		1,339.80	99.97	2,279.65	93.10
ii) Imported (Rectified Spirit)		0.43	0.03	157.36	6.90
e) Value of Stores and Spare Parts Consumed :					
i) Indigenous		146.29	100.00	82.10	100.00
ii) Imported		—	—	—	—
f) Earning in foreign currency		167.71	—	41.62	—
g) Expenditure in foreign currency					
i) For Travelling		10.25	—	1.84	—
ii) For purchase of Computer		1.30	—	—	—
iii) C.I.F. Value of raw material (Alcohol)		—	—	121.30	—

Note : Figures of previous year have been regrouped and recasted wherever necessary.

SOMAIYA ORGANO-CHEMICALS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional information pursuant to Part IV to the Company's Act, 1956

I. Registration Details

Registration No. 011897
 Balance Sheet 31 03 96
 Date Date Month Year

State Code

11

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

17,700

Private Placement

NIL

III. Position of mobilisation and deployment of funds

(Amount in Rs. Thousands)

Total Liabilities

2,69,422

Total Assets

2,69,422

Sources of Funds

Paid-up Capital

54,100

Reserves and surplus

78,902

Secured Loans

94,166

Unsecured Loans

42,255

Application of Funds

Net Fixed Assets

1,63,932

Investments

470

Net Current Assets

1,02,663

Miscellaneous

2,357

IV. Performance of Company (Amount in Rs. Thousands)

Turnover & Other Income

4,42,596

Total Expenditure

3,85,360

Profit / Loss Before Tax

+

57,236

Profit / Loss After Tax

+

45,236

Earning per Share in Rs.

8.50

Dividend Rate %

20

V. Generic Names of four Principal Products / Services of the Company (as per monetary terms)

1. Item Code No. 2915.10
 Product Description ACETIC ACID
 2. Item Code No. 2915.90
 Product Description ETHYL ACETATE
 3. Item Code No. 2942.00
 Product Description BULK DRUGS

Accompanying to our Report of even date

For AMBALAL THAKKAR & CO.
 CHARTERED ACCOUNTANTS

G.P. BHATT
 Partner

P. K. JAIN
 COMPANY SECRETARY

S. K. SOMAIYA
 R. S. MHATRE
 T.P.S. RAJAN
 S.S. SOMAIYA
 B.N. NARULA

Chairman

Directors

MUMBAI : Dated 29th August, 1996

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