

**9th ANNUAL REPORT
2000 - 2001**



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S S ORGANICS LIMITED

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Board of Directors

Shri V. N. Sunanda Reddy

Shri B. Subba Reddy

Shri K. Srinivas Reddy

Dr. S. S. Vankineni

Dr. D. Sadasiva Reddy

Shri P. Ramachandra Gupta

Dr. G. Subramanyam

Shri P. V. Subrahmanyam

Shri Y. Ramachandra Reddy

Managing Director

Director

Alternate Director to Shri B. Subba Reddy

Director

Director

Director

Director

Director (APIDC Nominee)

Technical Director

AUDITORS

M/s. K. Nagaraju & Associates

1-8-197

Chikkadapally

Hyderabad - 500 020

BANKERS

State Bank of India

Rehabilitation & Recovery Branch

Secunderabad - 500 003.

REGD. OFF. & FACTORY

Survey No. 252/1

Aroor Village

Sadasivapet Mandal

Medak Dist.

Andhra Pradesh.

S S ORGANICS LIMITED**NOTICE**

Notice is hereby given that the 9th Annual General Meeting of the Members of the Company will be held on Friday, 28 th of December, 2001 at 11A.M. at the Registered Office of the Company: Survey No.252/1, Aroor Village, Sadasivapet Mandal, Medak District, A.P.

ORDINARY BUSINESS

01. To receive, consider and adopt audited Profit and Loss Account for the Year ended 31st March, 2001 and Balance Sheet as on that date and report of Auditors' and Directors' thereon.

02. To appoint a Director in place of Dr.G. Subramanyam who retires by rotation and being eligible offers himself for re-appointment.

03. To appoint a Director in place of Shri B. Subba Reddy who retires by rotation and being eligible offers himself for re-appointment.

04. To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to section 224 and other applicable provisions of the Companies Act, 1956 M/s Nagaraju & Associates, Chartered Accountants, Hyderabad be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board of Directors of the Company".

SPECIAL BUSINESS

05. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to section 257 of the Companies Act 1956 Mr. P. Ramachandra Gupta be and is hereby appointed as Director of the Company who shall be liable to retire by rotation.

06. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to section 257 of the Companies Act 1956 Sri Y. Ramachandra Reddy be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to Section 269, 309, 310, 314, 198 and other applicable provisions of the Companies Act, 1956 Shri Y. Ramachandra Reddy be and is hereby appointed as Technical Director of the Company for a term of 5 years with effect from 01.11.2001 at a remuneration of Rs. 25,000/- Per Month (including all Perquisites)."

"RESOLVED FURTHER THAT in pursuance of Section 198 and other applicable provisions if any, of the Companies Act 1956 Shri Y. Ramachandra Reddy be paid the afore-said remuneration as minimum remuneration even in the inadequacy of profits in any financial year during his term as Technical Director of the Company".

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. Y. Ramachandra Reddy as stated above can be altered and varied from time to time by the Board of Directors, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment made thereto."

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

"RESOLVED THAT pursuant of Section 198, 309 and Schedule XIII of the Companies Act, 1956 remuneration payable to Mr. V N Sunanda Reddy, Managing Director be increased from Rs. 15,000/- to Rs. 30,000/- Per Month including all perquisites for the remaining period of his tenure. w.e.f. 1st Oct. 2000.

By the order of the Board of Directors
for **S S ORGANICS LIMITED**

Sd/-

(V N SUNANDA REDDY)
Managing Director

Date : 30-10-2001

Place : Hyderabad

S S ORGANICS LIMITED**NOTES**

01. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
02. Members are requested to intimate any changes in their addresses registered with the Company.
03. The register of Members will be closed from 25.12.2001 to 28.12.2001 (both days inclusive)
04. Explanatory statement pursuant to Section 173(2) of the Companies Act 1956 with respect to special business is herewith annexed.

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

05. Shri P. Ramachandra Gupta has been appointed as Additional Director of the Company at the meeting of Board of Directors held on 27th July 2001. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of Annual General Meeting. As per Section 257 of the Companies Act 1956, notice has been received proposing candidature of Shri P. Ramachandra Gupta as Director of the Company along with a deposit of Rs.500/- from a share holder.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above said resolution except Shri P. Ramachandra Gupta.

06. Shri Y. Ramachandra Reddy has been appointed as Director of the Company at meeting of Board of Directors held on 27th July 2001. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of Annual General Meeting. As per Section 257 of the Companies Act, 1956, notice has been received proposing candidature of Shri Y. Ramachandra Reddy as Director of the Company along with a deposit of Rs. 500/- from a share holder.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above said resolution except Shri Y. Ramachandra Reddy.

07. The Board of Directors of the Company appointed Shri Y. Ramachandra Reddy, as Technical Director of the Company in the Board

meeting held on 30-10-2001 for a period of 5 years. The above said appointment requires the approval of Members in the General Meeting.

Hence Board recommends the resolution for your approval.

None of the Directors is interested in the above resolution except Shri Y. Ramachandra Reddy as member of the Company.

0.8 As operations of the Company have been increased, the Board of Directors felt it required to increase the remuneration of Shri V N Sunanda Reddy, Managing Director as mentioned in the resolution w.e.f 01st October 2000. Members approval is required for change in terms and conditions of remuneration payable to the Managing Director as per Provisions of Companies Act 1956, hence resolution is placed before you for approval.

None of the Directors is interested in the above resolution except Shri V N Sunanda Reddy and Shri B. Subba Reddy.

By the order of the Board of Directors
for **S S ORGANICS LIMITED**

Sd/-

(V N SUNANDA REDDY)
Managing Director

Date : 30-10-2001

Place : Hyderabad

DIRECTORS' REPORT:

Dear Members,

Your Directors takes great pleasure in bringing you this report for the Financial Year ended 2000-2001.

FINANCIAL PERFORMANCE

	Rs. in Lakhs	
	For the year ending 31-03-2001	Previous year 31-03-2000
Gross Income	755.09	261.12
Profit/Loss before Financial Expenses and Depreciation	168.41	17.46
Profit/ (Loss) after Financial Expenses and Depreciation	(121.59)	(200.37)
Net Profit/ (Net Loss) C/F to Balance Sheet	(121.59)	(200.37)

S S ORGANICS LIMITED**OPERATIONS**

The Company has registered a turn over of Rs. 755 Lakhs during the year under review and net loss of Rs.121.59 Lakhs. During the year under review the company has under taken job work for major bulk drug Manufacturing units apart from under taking own production of Omeprazole in small quantities. BIFR has considered Rehabilitation Package submitted by IDBI, operating agency which is under circulation for final approval. As per the Rehabilitation Package Rs.246 Lakhs of Interest has been waived off by Financial Institutions and working capital loan has been rescheduled. Your Management is confident of implementing of Rehabilitation Package in due course of time whereby optimum utilization of capacities would be possible.

AUDITORS :

M/s K. Nagaraju & Associates, Chartered Accountants, Statutory Auditors of the Company who retire at this Annual General Meeting, are eligible for re-appointment. They have signified their willingness for re-appointment and have confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

REPLIES TO AUDITORS REPORT :

01. Interest on Inter Corporate Deposits has not accounted for, since already an understanding has been arrived with the party under rehabilitation package submitted to BIFR.

02. Fixed Assets Register has already been updated showing all particulars.

03. As per the technical report received from the quality department raw materials, finished goods and work-in-process do not have any commercial value since some are deteriorated by laps of time. And hence written off accordingly.

04. As advised internal audit system is being introduced by appointing Internal Auditor.

05. ESI, PF, IT and Sales Tax are being remitted in instalments as per the rehabilitation package to be approved by BIFR.

06. With reference to the observations made in the Annual Report, Notes on Accounts are self explanatory and do not call for any further comments under Section 217(3) of the Companies Act 1956.

FIXED DEPOSITS :

The Company has not raised any fixed deposits as on 31st March 2001 so as to attract the provisions of Section 58A of the Companies Act, 1956, read

with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time. There is no amount outstanding or due to any deposit holder.

PARTICULARS OF EMPLOYEES :

In Pursuance of Section 215 (2A) of the Companies Act, 1956 none of the employees of the company was drawing remuneration exceeding Rs.12,00,000/- per Annum Rs. 1,00,000/- per month or part thereof.

PERSONNEL :

Your Directors place on record their appreciation of the services rendered by the employees. The relation between the management and the workers has been cordial through out the Year.

DIRECTORS :

Shri P. Ramachandra Gupta and Shri Y. Ramachandra Reddy who retire at this Annual General Meeting have expressed their willingness to act as Director of the Company if approved. Shri Y. Ramachandra Reddy has been appointed as Technical Directors in the Board Meeting held on 30-10-2001 for the period of 5 years.

The Board recommends their appointment.

DIRECTORS' RESPONSIBILITY**STATEMENT :**

Persuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility statement, your Directors wish to confirm that :

- * In the Preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- * Such Accounting Policies have been selected and applied consistently and judgements and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the Profit and Loss of the Company for that period.
- * Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities has been taken.
- * Accounts for the Financial Year ended on 31st March, 2001 are prepared on a going concern basis.