

Board of Directors

Mr. V.N. Sunanda Reddy
Dr. D. Sadasiva Reddy
Mr. P. Ramachandra Gupta
Mr. N. Gangi Reddy
Mr. Y.V. Ratna Kumar

Managing Director
Director
Director
Director
Director

Statutory Auditors

VDNR & ASSOCIATES
201, Dwaraka Avenue,
Dwaraka Puri Colony,
Panjagutta, Hyderabad – 34.

Internal Auditors

Amarnadha Reddy & Co,
6-1-229/40,
Old CIB Quarters,
Khairatabad,
Hyderabad – 500 004.

Regd. Office & Factory

Survey No. 252/1,
Aroor Village,
Sadasivapet Mandal,
Medak Dist.
Andhra Pradesh.

Corporate Office

170/C, Sree Srinivasa Nilayam,
Vengalrao Nagar, Hyderabad – 500 038
Andhra Pradesh, India.
Ph : 040-20004157/23713690
Fax No. 08455-250080
e-mail: md@ssorganics.co.in

Demat Registrars

M/s. Venture Capital & Corporate Investments Limited
12-10-167, Bharat Nagar,
Hyderabad – 500 018.
Phone No. 040-23818475/476
Fax No. 040-23868024
e.mail: info@vccilindia.com

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of S S ORGANICS LIMITED will be held on 04-05-2013 at 2:45 PM at its Registered Office at Survey No. 252/1, Aroor Village, Sadasivapet Mandal, Medak District, A.P., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Audited Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri. N. Gangi Reddy who is liable to retire by rotation being eligible, offers himself for reappointment.
3. To appoint a director in place of Sri Y.V. Ratna Kumar who is liable to retire by rotation being eligible, offers himself for reappointment.
4. To appoint M/s. VDNR & Associates., Chartered Accountants, Hyderabad as Statutory Auditors of the Company to conduct audit of the accounts of the Company from financial year 2006-07 to 2011-12 and to hold such office until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Hyderabad

Sd/-

V.N.SUNANDA REDDY
MANAGING DIRECTOR

Date : 28-03-2013

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/HERSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Corporate Office of the Company not less than Forty-eight hours before the meeting.

2. The register of members and Share Transfer Books of the Company will remain closed during the period from 25-04-2013 to 04-05-2013 (both days inclusive).
3. Members are requested to send all communications relating to shares and any change in address to the Registrar and Share Transfer Agent, M/s Venture Capital And Corporate Investments Private Limited. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holding into one folio.
4. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Additional copy of Annual Report and duplicate attendance slip will not be issued at the place of the meeting.
5. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is **INE102E01018**.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
7. **Details of Director's seeking and appointment at the up-coming 18th Annual General Meeting (pursuant to Clause 49 of the Listing Agreement) :**
As required under the Listing Agreement, the particulars of Director's **Mr. Gangi Reddy, & Mr. Y.V. Ratna Kumar** who are proposed to be regularized as Director's are given below:

A	Name	Mr. N. Gangi Reddy
B	Brief Resume	
	i) Age	58 Years
	ii) Qualification	M.S.C.
	iii) Experience in specific functional area	21 years Experience in Pharma Industry
	iv) Date of appointment on the Board of the Company (S S Organics Limited)	26 th June 2011
C	Nature of expertise in specific functional Areas	3 years experience in Manufacturing of Pharma pellets
D	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL
E	Name(s) of companies in which committee Membership(s) held	NIL
F	No. of shares of Rs.10/- each held by the Director	NIL
G	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	No relation with other directors

A	Name	Mr. Y.V. Ratna Kumar
B	Brief Resume	
	i) Age	38 Years
	ii) Qualification	B.Tech
	iii) Experience in specific functional area	9 years Experience in Industrial Consultant
	iv) Date of appointment on the Board of the Company (S S Organics Limited)	26 th June 2011
C	Nature of expertise in specific functional Areas	NIL
D	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL
E	Name(s) of companies in which committee Membership(s) held	NIL
F	No. of shares of Rs.10/- each held by the Director	NIL
G	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	No relation with other directors

DIRECTORS REPORT

To
The Members of
S S ORGANICS LIMITED

Your Directors are pleased to present the 18th Annual Report of the Company together with the Audited financial Statements for the year ending 31st March, 2011

FINANCIAL RESULTS

	(Rs. In lacs)	
For the year ending	Previous period	
31.03.2011	31.03.2010	
(12 months)	(12 months)	
Total Income	-	-
Profit/ (Loss) before Financial		
Expenses and Depreciation	(15.05)	(15.55)
Profit/ (Loss) after Financial		
Expenses and Depreciation	(15.05)	(15.55)
	(15.05)	(15.55)
Less : Prior Year Adjustments	-	-
Profit / (Loss) for the year		
Before taxation.	(15.05)	(15.55)
Less: Deferred Tax Liability	-	-
FBT	-	-
Profit / (Loss) after Tax	(15.05)	(15.55)

OPERATIONS:

The dispute raised by erstwhile Director, namely Mr.B.Subba Reddy has affected the company on various fronts viz. expansion, availability of working capital, own production and sales, tie-ups with large companies etc., Further, the AP Pollution Control Board has issued closure order of the factory of the company on 19th November, 2005, which the company successfully got revoked on 10.02.2006. Again the A.P.Pollution Control Board closed the unit on 15.04.2006 due to the instigation by Mr. B. Subba Reddy, the then Director. The A.P.Pollution Control Board has not renewed the Consent For Operations since 30.06.2006 to 22.10.2012. Mr. B. Subba Reddy has illegally and forcibly occupied the company w.e.f. 20.10.2006. From the date of Mr. B. Subba Reddy's occupation (20.10.2006), there was no drug license, no Consent For Operation from A.P.Pollution Control Board.

Mr. B. Subba Reddy committed number of statutory violations. The Company is under forcible and illegal occupation from 20.10.2006 to 15.05.2012.

All the operations of the Company came to standstill w.e.f. 20-10-2006 as the management of the Company was forcibly taken over by Mr.B.Subba Reddy. Brief description of management dispute is as follows:

Mr.B.Subba Reddy has illegally and forcibly occupied the company w.e.f. 20.10.2006 under a pretext that he has been appointed as Managing Director at the 13th Annual General Meeting which was conducted by him on his own even though, Mr.V N.Sunanda Reddy was reappointed as Managing Director at the properly held AGM on 20-10-2006. Mr.B.Subba Reddy illegally occupied the factory and other assets of the Company till 15-05-2012 misrepresenting himself as Managing Director.

An Extra Ordinary General Meeting was held under the observation of the Advocate Observer appointed by the Hon'ble High Court of Andhra Pradesh on 26.06.2011. At the said meeting all the resolutions unanimously as proposed in the notice calling the meeting issued by Mr. V.N. Sunanda Reddy were approved. It is worthwhile to note that the said Extra Ordinary General Meeting was attended by shareholders holding 53,79,770 shares representing 52.73% of the total equity capital of 1,02,01,300 shares of SSOL. The Advocate Observer filed his report with the Hon'ble High Court of Andhra Pradesh on 29.06.2011.

In a Company Petition No.14/2007 with Hon'ble Company Law Board, Additional Principle Bench, Chennai, has held all the acts of Mr.B.Subba Reddy as null and void. Therefore, the Company is no way responsible/ liable for all acts, transactions, operations and other fillings done by Mr.B.Subba Reddy during his illegal occupation. Mr.B.Subba Reddy challenged the said Order of Hon'ble Company Law Board in the Hon'ble High Court of A.P. which has been dismissed upholding the Order of Hon'ble Company Law Board.

According to the said Orders the acts & transactions done, bank accounts operated, various statutory returns filed misrepresenting the facts by Mr.B.Subba Reddy during his illegal occupancy of factory are null and void. Accordingly the Company is no way responsible or liable for any of those acts or transactions or any other.

Mr.B.Subba Reddy has misappropriated some of the assets & funds and brought the plant & equipment to a dilapidated condition without proper usage and maintenance. Due to lack of proper security to the plant & machinery valuable items have been removed. The Company has filed a private criminal & civil complaint against Mr.B.Subba Reddy to recover the damages caused to the Company.

In view of the above, financial statements have been prepared in all material respects and in line of the Orders of Hon'ble Company Law Board in the Company Petition No. 14/2007 by Mr.V N.Sunanda Reddy whose, position as Managing Director has been upheld by the said Order.

On 16.05.2012, Mr. V N Sunanda Reddy, the present Managing Director has taken possession of the company and immediately started the revival work. At the time of taking possession it was observed that the machinery and equipment of the company are in dilapidated condition. All the cables, transformer, CTPT, MCC & PCC panels are tampered. The Auxiliary equipment of Reactors such as digital thermometers, Censors, Push Button stands are removed / sold out. Similar is the fate of Generators, Nitrogen Plant, Air Compressors, and (3) chilling plants. At the time of taking possession it is observed that the plant is without any watch and ward staff. There is no stock of any raw materials or finished goods. The same fact is also informed to Central Excise Department vide our letter dated 16.05.2012. No statutory records pertaining to Finance, Central Excise, sales and purchases, Commercial Taxes, PF, ESI, Secretarial records etc, are available in the company's Registered Office. The Registered Office is without any watch and ward staff and without any records.

The present management infused more than Rs. 300 Lacs for revival of the company and restored all the Machinery and Equipment. The entire cables, lights, transformer, CTPT, MCC & PCC panels are totally replaced and brought back the company to working condition and started renewing all the licenses.

Now the present management is contemplating for contract manufacturing work.

The company is confident of resolving all the issues and to improve its performance.

STATUS WITH BIFR:

The Net worth of the company eroded as per the audited accounts as on 31.03.1996 and hence a reference was made to Hon'ble Board for Industrial and Financial Reconstruction (BIFR) as required under Sections 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 and registered as Case No. 91/97. IDBI was appointed as Operating Agency. The Hon'ble BIFR sanctioned a Scheme for revival of sick company (SSOL) vide its orders dt. 12.02.2002. The Board subsequently sanctioned a modified scheme vide its order dt. 27.01.2005. The company cleared the SBI and IDBI dues through One Time Settlement in 2002 and 2005 respectively.

Meanwhile on 20.10.2006, Mr. B. Subba Reddy, the then Director and share holder of the Company illegally and forcibly occupied the Company. Aggrieved by the actions of Mr. B. Subba Reddy, Mr. V. N. Sunanda Reddy approached the Hon'ble Company Law Board by filling Company Petition No: 14 of 2007. The Hon'ble Company Law Board vide its Judgment dt. 14.08.2009 allowed Company Petition and held that all the actions of Mr. B. Subba Reddy are null and void. Mr. B. Subba Reddy has challenged the Hon'ble Company Law Board order by filling a Company Application No: 22/09 before Hon'ble High Court of A.P. The Company application was dismissed upholding the orders of Hon'ble Company Law Board on 22.02.2012. Mr. V. N. Sunanda Reddy has taken re-possession of the company on 16.05.2012 and started renovation of the company. The Civil Court at Sanga Reddy, Medak Dist, on a suit filed by Mr. V. N. Sunanda Reddy in an interim order prohibited Mr. B. Subba Reddy in interfering with the management of the company. These fact were also reported to the Hon'ble BIFR.

The Hon'ble BIFR in its proceedings dt. 29.03.2012 directed IDBI which is a Monitoring Agency to submit a comprehensive status report along with its comments on the Company. The IDBI submitted its report to BIFR on 21.09.2012.

The Company has already submitted a draft Revival Scheme indicating that the present management is ready to induct upto Rs. 4,00,00,000/- (Rupees Four Crores Only) for the revival of the company and requested for several reliefs. The next hearing of BIFR is on 11.04.2013.

DIRECTORS

Mr. P. Ramachandra Gupta, Mr. N. Gangi Reddy, Mr. Y.V. Ratna Kumar and Dr. D. Sadasiva Reddy as directors and Mr. V.N. Sunanda Reddy as Managing Director were appointed at the Extra-Ordinary General Meeting held on 26th June, 2011 under the observation of the Advocate Observer appointed by the Hon'ble High Court of Andhra Pradesh on 26th June, 2011.

Dr. D. Sadasiva Reddy and Mr. P. Ramachandra Gupta retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

PARTICULARS REQUIRED U/S 217(2A) OF THE COMPANIES ACT, 1956, R/W THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, FOR THE YEAR UNDER REVIEW ARE AS UNDER:

No employee of the Company was in receipt of remuneration, during the financial year 2010-2011, in excess of the sum prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

FIXED DEPOSITS

The Company has not accepted any deposits which cover under the section 58A of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 Your Directors' confirm that:

- i. In preparation of annual accounts for the financial year ended 31st March, 2011 the applicable Accounting Standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Company at the end of the financial year ended 31st March, 2011 and of the profit and loss of the Company for the year.
- iii. The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Company Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv. The Directors have prepared the annual accounts on a going concern' basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information is given as Annexure to this report.

CORPORATE GOVERNANCE

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. Report on Corporate Governance including Auditor's certificate on compliance with the code of Corporate Governance under Clause 49 of the Listing Agreement is enclosed as Annexure to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis for the year under review is annexed hereto and forms part of the Annual Report.

AUDITORS

M/s. VDNR & Associates, Chartered Accountants have been appointed as Statutory Auditors of the Company to hold office until the conclusion of Annual General Meeting to be held for the financial year 2011-2012 at the extra-ordinary general meeting held on 18th March, 2013. As such M/s VDNR & Associates, Chartered Accountants will continue to hold office until the conclusion of Annual General Meeting to be held for the year 2011-12.

ACKNOWLEDGEMENTS

Your Directors wish to express their gratitude to the Central and State Governments, investors, analysts, financial institutions, banks, business associates and customers, the medical profession, distributors and suppliers for their whole-hearted support. Your Directors commend all the employee of your Company the their continued dedication, significant contributions, hard work and commitment.

For and on behalf of the Board of Directors

Sd/-
VN SUNANDA REDDY
Chairman

Place : Hyderabad.

Date : 28-03-2013

ANNEXURE TO THE DIRECTOR'S REPORT
Form 'A'

Information required under the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988

01.Conservation of Energy	2010-2011 (12 months)	2009-2010 (12 months)
POWER AND FUEL		
Number of Units Consumed (Nos. in Lakhs)	-	-
Unit Rate (Rs.)	-	-
Total Amount (Rs. in Lakhs)	-	-
OWN GENERATION (Through D.G.SET)		
Number of Units Consumed (Nos. in Lakhs)	-	-
Unit Rate (Rs.)	-	-
Total Amount (Rs. in Lakhs)	-	-
COAL		
Quantity (MT)	-	-
Total Cost (Rs. in Lakhs)	-	-
Average Rate (M.T.in Rs.)	-	-

FORM 'B'
**PARTICULARS WITH RESPECT TO TECHNOLOGY
ABSORPTION**
01. RESEARCH & DEVELOPMENT

The Company is carrying out Research and Development in Process Development to achieve required yields and to make the price competitive in the market.

02. TECHNOLOGY ABSORPTION

The Company has not acquired any specific technology for its operations. The process technologies are acquired indigenously. The Plant & Machinery are installed keeping in view the present process requirements.

03. CONSERVATION OF ENERGY

The company has already implemented energy conservation measures to conserve and optimize the use of energy through improved operation methods and other means will continue.

04. FOREIGN EXCHANGE EARNINGS AND OUT GO

Foreign exchange earnings during the year is Rs. NIL & outflow is NIL.

MANAGEMENT DISCUSSION AND ANALYSIS:
01. INDUSTRY REVIEW

The overall performance of Pharmaceutical Industry both in domestic and international market is very buoyant. Lot of opportunities for improving overall performance of Indian Pharmaceutical Industry is available presently. The Management is optimistic to grab such opportunities in coming years, provided the operations are conducted smoothly without any hindrance and litigations.

02. OPPORTUNITIES, RISKS AND THREATS

The Company is no exception to the competition from the market, new technologies and stringent patent laws. The Company has already identified such risks and trying to counter them over a period of time.

03. INTERNAL CONTROL SYSTEMS & ADEQUACY

The management has realized the importance of internal controls and systems, while improving the operations during the period under review. Accordingly strict systems have been laid down which are checked and audited periodically by the Internal Auditors and the same is being monitored by the members of the Audited Committee from time to time. The systems are well laid out as per ISO-9000-2001 Certificate for Systems implementation.

04. FINANCIAL PERFORMANCE:

As Mr.B.Subba Reddy forcibly took over the management of the Company, the Company could not carry on with the operations subsequent to 20.10.2006, which had effect on the financial performance of the Company and the Company is trying to revive the operations.

05. HUMAN RESOURCES:

Due to litigation with regard to the management of the Company, the Company could not concentrate on Human Resources. But the Company shall take steps to attract and retain the best talent.

06. CAUTIONARY STATEMENT:

Statements in the "Management Discussion and Analysis" describing the company's objectives, estimates, expectations or projections may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the listing agreement)

1. CORPORATE GOVERNANCE PHILOSOPHY:

The Company is committed to the highest standards of Corporate Governance Practices. The Company relies on the strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. Good Corporate Governance will certainly benefit the Board and Management to carry out the objectives effectively for the benefit of the company and its shareholders. The code of Corporate Governance emphasizes the transparency of systems to enhance the benefit of shareholders, customers, creditors and employees of the Company. In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standards of ethical conduct are maintained throughout the organization.

2. BOARD OF DIRECTORS:

The Board comprises of the following Directors:

Name of the Director	Category
V.N Sunanda Reddy	Managing Director
P.Ramachandra Gupta	Director
N.Gangi Reddy	Director
Y.V Ratna Kumar	Director
Dr.D.Sadasiva Reddy	Director

3. COMMITTEES OF DIRECTORS:
A. Audit Committee

The Audit Committee comprises of:

S.No	Name of the Director
1	N.Gangi Reddy
2	P.Ramachandra Gupta
3	Dr.D.Sadasiva Reddy

B. REMUNERATION COMMITTEE

The Remuneration Committee comprises of:

S.No	Name of the Director
1	N.Gangi Reddy
2	P.Ramachandra Gupta
3	Dr.D.Sadasiva Reddy

C. INVESTOR RELATIONS COMMITTEE

The present composition of the Investors relations Committee (Shareholders/ Investors grievances Committee) is as under:

S.No	Name of the Director
1	N.Gangi Reddy
2	V.N.Sunanda Reddy

4. DISCLOSURES
A. Disclosures on Materially Significant Related Party Transactions

There were no materially significant related party transactions compared to the business volume of the Company during the year conflicting with the interest of the Company.

B. As per the Internal Code of Conduct the employees have been given access to the Audit Committee.

C. Code of Conduct

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and senior Management of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the financial year ended 31st March, 2011.

D. Relationship inter-se among directors

In accordance with the provisions of Section 6 read with Schedule IA no Directors of the Company are related to each other.

5. MEANS OF COMMUNICATION

A. Management Discussion and Analysis forms part of this Annual Report.