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**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\*  
Dr. Sai Sudhakar Vankineni #

Managing Director  
Director  
Director  
Director  
Director  
Additional Director

\* Ceased to be the director of the Company w.e.f. 04-05-2013

# Co-opted as an Additional Director w.e.f. 13-02-2013

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**Statutory Auditors**

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

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**Internal Auditors**

AMARNADHA REDDY & CO,  
6-1-229/40,  
Old CIB Quarters,  
Khairtabad,  
Hyderabad- 500 004

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**Regd. Office & Factory**

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

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**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

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**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 20<sup>th</sup> Annual General Meeting of the Members of S.S. ORGANICS LIMITED will be held at 4.30 P.M. on Monday the 29<sup>th</sup> day of July, 2013, 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 31<sup>st</sup> March, 2013 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 Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. VDNR & Associates, Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.”

**SPECIAL BUSINESS :**

4. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Dr. Sai Sudhakar Vankineni, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall not be determinable by retirement of Directors by rotation.”

5. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sri Vidya Sagar Devabhaktuni, be and is hereby appointed as a Director of the Company liable to retire by rotation, in pursuance of a notice received in writing proposing his candidature for the office of Director of the Company under Section 257 read with Section 190 of the Companies Act, 1956 along with a deposit of Rs. 500/-.”

6. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sri Appasani Ravi Kumar, be and is hereby appointed as a Director of the Company liable to retire by rotation, in pursuance of a notice received in writing proposing his candidature for the office of Director of the Company under Section 257 read with Section 190 of the Companies Act, 1956 along with a deposit of Rs. 500/-.”

7. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sri Gowtham Reddy Vongumalli, be and is hereby appointed as a Director of the Company liable to retire by rotation, in pursuance of a notice received in writing proposing his candidature for the office of Director of the Company under Section 257 read with Section 190 of the Companies Act, 1956 along with a deposit of Rs. 500/-.”

8. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. Sumanth Simha Vankineni, be and is hereby appointed as a Director of the Company liable to retire by rotation,



in pursuance of a notice received in writing proposing his candidature for the office of Director of the Company under Section 257 read with Section 190 of the Companies Act, 1956 along with a deposit of Rs. 500/-.”

9. To Consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provision of section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956, Dr. Sai Sudhakar Vankineni, be and is hereby appointed as an Executive Director of the Company for a period of 3 years w.e.f. 01-08-2013 on the remuneration of Rs.1,80,000/- per month and on the other terms and conditions as mentioned in the explanatory statement and on the terms, if not specified herein, which are agreeable to the Board of Directors from time to time .”

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

Place : Hyderabad  
Date : 29.05.2013

V.N.SUNANDA REDDY  
MANAGING DIRECTOR

#### 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 26-07-2013 to 29-07-2013 (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 seeking and appointment at the up-coming 20<sup>th</sup> Annual General Meeting ( pursuant to Clause 49 of the Listing Agreement ) :**  
As required under the Listing Agreement, the particulars of Directors **Sri.N. Gangi Reddy** who is being re-appointed **Dr. Sai Sudhakar Vankineni** who is being regularized as Director and **Sri. Vidya Sagar Devabhaktuni, Sri. Appasani Ravi Kumar, Sri. Gowtham Reddy Vongumalli** and **Dr. Sumanth Simha Vankineni** who are being appointed as Directors of the company are given below:



(i)

A	<b>Name</b>	<b>Sri N. Gangi Reddy</b>
B	Brief Resume	
	i) Age	60 Years
	ii) Qualification	M.Sc.
	iii) Experience in specific functional area	23 years Experience in Pharma Industry
	iv) Date of appointment on the Board of the Company (S S Organics Limited)	20/10/2006
C	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL
D	Name(s) of companies in which committee Membership(s) held	NIL
E	No. of Shares of Rs. 10/- each held by the Director	NIL
F	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	No relationship with other Directors

(ii)

A	<b>Name</b>	<b>Dr. Sai Sudhakar Vankineni</b>
B	Brief Resume	
	i) Age	62 Years
	ii) Qualification & Profession	MBBS and Practicing Doctor
	iii) Experience in specific functional area	He has good exposure in the functional areas of administration and finance as he already worked as Director Finance earlier.
	iv) Date of appointment on the Board of the Company (S S Organics Limited)	13/02/2013
C	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL
D	Name(s) of companies in which committee Membership(s) held	NIL
E	No. of Shares of Rs. 10/- each held by the Director	2,29,900 Equity Shares
F	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	No relationship with other Existing Directors. However, he is related to Dr. Sumanth Simha Vankineni who is proposed to be appointed as a director at the AGM



(iii)

A	<b>Name</b>	<b>Sri. Vidya Sagar Devabhaktuni</b>
B	Brief Resume	
	i) Age	56 Years
	ii) Qualification	B.Com
	iii) DIN No.	05317783
	iv) Experience in specific functional area	Expert in sustainable energy, sustainable agriculture, waste management and climate change
	v) Date of appointment on the Board of the Company (S S Organics Limited)	Proposed to be appointed at the AGM
C	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL
D	Name(s) of companies in which committee Membership(s) held	NIL
E	No. of Shares of Rs. 10/- each held by the Director	1,68,000 Equity Shares
F	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	No relationship with other Directors

(iv)

A	<b>Name</b>	<b>Sri. Appasani Ravi Kumar</b>
B	Brief Resume	
	i) Age	54 Years
	ii) Qualification	B.Com
	iii) DIN No.	01274427
	iv) Experience in specific functional area	He has vast experience in the field of Management and Administration as he involved in the management of other companies at senior level.
	v) Date of appointment on the Board of the Company (S S Organics Limited)	Proposed to be appointed at the AGM
C	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	Managing Director in Tracks & Towers Infratech Private Limited
D	Name(s) of companies in which committee Membership(s) held	NIL
E	No. of Shares of Rs. 10/- each held by the Director	NIL
F	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	No relationship with other Directors



(v)

A	<b>Name</b>	<b>Sri. Gowtham Reddy Vongumalli</b>
B	Brief Resume	
	i) Age	29 Years
	ii) Qualification	B.E, MS
	iii) Experience in specific functional area	7 years experience in software industry. He got work exposure in the field of Electronic Content Management, Business Intelligence.
	iv) Date of appointment on the Board of the Company (S S Organics Limited)	Proposed to be appointed at the AGM
C	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL
D	Name(s) of companies in which committee Membership(s) held	NIL
E	No. of Shares of Rs. 10/- each held by the Director	1,50,000 Equity Shares
F	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	He is son of Sri V.N. Sunanda Reddy

(vi)

A	<b>Name</b>	<b>Dr. Sumanth Simha Vankineni</b>
B	Brief Resume	
	i) Age	35 Years
	ii) Qualification	MBBS, (MD- General Medicine)
	iii) Experience in specific functional area	Six years experience in the field of Medicine and also exposure to the pharmaceuticals.
	iv) Date of appointment on the Board of the Company (S S Organics Limited)	Proposed to be appointed at the AGM
C	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL
D	Name(s) of companies in which committee Membership(s) held	NIL
E	No. of Shares of Rs. 10/- each held by the Director	68,000 Equity Shares
F	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	He is son of Dr. Sai Sudhakar Vankineni



**EXPLANATORY STATEMENT**  
**(Pursuant to Section 173(2) of the Companies Act, 1956)**

**Item No. 4**

Dr. Sai Sudhakar Vankineni, is a prominent practicing doctor having good exposure on the medical diagnosis. The Board is of the opinion that inducting Dr. Sai Sudhakar Vankineni, on the board would immensely help the Company in the areas where he has good knowledge and experience. Further, he also exposed to the functional areas of administration and finance as earlier he has looked after those functional areas of the Company.

As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting. Hence the resolution is commended for your approval.

None of the Directors except Dr. Sai Sudhakar Vankineni is interested in the above said resolution. However Dr. Sumanth Simha Vankineni, who is proposed to be appointed as a director of the Company.

**Item No. 5**

Considering the requirement of having Independent Directors, the Board considered the co-option of Sri Vidya Sagar Devabhaktuni, who is a Social Worker. He is an international expert in sustainable energy, sustainable agriculture, waste management and climate change. He has presence in 12 foreign countries in Africa, Central America and South America. He is a Consultant to many international organizations situated in France, Switzerland, UK, Germany, Egypt, Ghana etc.

The Company has received special notice in writing from a member as per the provisions of section 257 of the Companies Act, 1956 proposing Sri Vidya Sagar Devabhaktuni appointment as a Director of the Company along with a deposit of Rs.500/-. Considering his experience and to get the able guidance and benefit of his experienced ideas, the Board recommends his appointment.

None of the Directors except Sri Vidya Sagar Devabhaktuni is interested in the above said resolution.

**Item No. 6**

Considering the requirement of having Independent Directors, the Board considered the co-option of Sri Appasani Ravi Kumar, who has good business back-ground having exposed to all the areas of administering companies operations. The Board thought that his exposure in the business would immensely help the management which is in the process of reviving the operations of the Company.

The Company has received special notice in writing from a member as per the provisions of section 257 of the Companies Act, 1956 proposing Sri Appasani Ravi Kumar appointment as a Director of the Company along with a deposit of Rs. 500/-. Considering his experience and to get the able guidance and benefit of his experienced ideas, the Board recommends his appointment.

None of the Directors except Sri Appasani Ravi Kumar is interested in the above said resolution.

**Item No. 7**

Sri Gowtham Reddy Vongumalli is an Engineer by profession having pursued his M.S in Software Engineering, Stratford University in United States of America. He has work experience in the field of Electronic Content Management, Business Intelligence, which is an added advantage to the Company. He is son of Mr.V.N.Sunanda Reddy, Managing Director.

The Company has received special notice in writing from a member as per the provisions of section 257 of the Companies Act, 1956 proposing Sri Gowtham Reddy Vongumalli appointment as a Director of the Company along with a deposit of Rs.500/-. As the appointment requires approval of members in the general meeting, this resolution is proposed for your Consideration.

Except Sri Gowtham Reddy Vongumalli and Sri V.N. Sunanda Reddy, none of the other Directors are interested in the above said resolution.

**Item No. 8**

Dr. Sumanth Simha Vankineni has completed his M.B.B.S from Andhra University and pursuing M.D. in General Medicine from Ramachandra University, Chennai. His knowledge in the field of medicine and pharmaceuticals would help the Company. He is son of Dr. Sai Sudhakar Vankineni, who was one of the promoter of the Company and being proposed to be appointed as a director as well as an Executive Director.

The Company has received special notice in writing from a member as per the provisions of section 257 of the Companies Act, 1956 proposing Dr. Sumanth Simha Vankineni appointment as a Director of the Company along with a deposit of Rs.500/-. As the appointment requires approval of members in the general meeting, this resolution is proposed for your consideration.

Except Dr. Sumanth Simha Vankineni and Dr. Sai Sudhakar Vankineni, none of the other Directors are interested in the above said resolution.

**Item No. 9**

The Remuneration Committee considered the proposal to appoint Dr. Sai Sudhakar Vankineni as an Executive Director of the Company considering his association with the Company and his experience in the field of medical diagnosis being a prominent doctor having wide range practice and recommended his appointment and remuneration. The Board also considered the necessity of the Company to take Dr. Sai Sudhakar Vankineni as an Executive Director and recommended his appointment for the approval of the shareholders.

The appointment and remuneration payable to Dr. Sai Sudhakar Vankineni as an Executive Director requires the approval of the shareholders in general meeting by way of Special Resolution in terms of provisions of Schedule XIII of the Companies Act, 1956. Hence the resolution is proposed for your approval.

None of the Directors except Dr. Sai Sudhakar Vankineni and Dr. Sumanth Simha Vankineni is interested in the above said resolution.

**STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE XIII, OF THE COMPANIES ACT, 1956:****I.GENERAL INFORMATION**

(1) Nature of Industry: Manufacturing of Bulk Drugs and its Intermediates

(2) Expected date of commencement of commercial production: **N.A.**

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **N.A.**

(4) Financial performance during the last three years: (In Rs.)

Financial Parameters	2010-11	2011-12	2012-13
Total Income	-	2,500	13,807
PAT	(15,05,310)	(23,59,496)	(1,66,96,301)

(5) Export performance and net foreign exchange earnings: **NIL**

(6) Foreign investments or collaborations, if any: **NIL**



**II. INFORMATION ABOUT THE APPOINTEE:**

## 1. Background of the Appointee:

Dr. Sai Sudhakar Vankineni, is a prominent practicing doctor having good exposure in the field of medical diagnosis and in the functional areas of finance and administration of the Company as he looked after those departments.

## 2. Past remuneration (including contribution to PF, Superannuation fund and Gratuity fund) for last 3 years: NIL

## 3. Recognition and awards: NIL

## 4. Job profile and his suitability:

## (a) Job Profile:

He will assist the Managing Director in day-to-day operations and looks after the financial and administrative functions.

## (b) Suitability:

Dr. Sai Sudhakar Vankineni being a Medicinal Practitioner having vast experience, would act as a guiding force to the Company and help the Company to reach new heights.

## 5. Remuneration proposed:

## (a) As specified in the resolution and subject to such conditions as stipulated by/in the Company policy.

## (b) He will be provided other facilities such as car, mobile and laptop as per the policy of the Company to carry-out his duties which will not be considered as perquisites.

## (c) He is also eligible for Provident Fund, Leave Encashment, Gratuity as per the policy of the Company which will not be considered as part of the remuneration.

## 6. Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.

## 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

He is one of the promoter of the Company. He is related to Dr. Sumanth Simha Vakineni. He is holding 2, 29,900 equity shares.

**III. OTHER INFORMATION:**

## (1) Reasons of Loss or Inadequate profits:

Due to illegal takeover of management by B.Subba Reddy and others, the operations of the Company came to a stand still from 20.10.2006 to 15.05.2012, as such there were no operations and the Company has suffered immensely.

## 2) Steps taken or proposed to be taken for improvement:

In pursuance of the order passed by the Hon'ble High Court of A.P in Company Petition No.22/2009, upholding the order passed by CLB in Company Petition No.14/2007, the present management lead by Sri V.N.Sunanda Reddy and others, are taking steps to make the factory fully functional and start commercial production in the month of July, 2013.

## (3) Expected increase in productivity and profits in measurable terms:

Present management has taken various measures to revive the unit and production operations are expected to stabilize by end of the current financial year.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Place : Hyderabad**

**Date : 29.05.2013**

**Sd/-  
V.N.SUNANDA REDDY  
MANAGING DIRECTOR**

**DIRECTORS REPORT**

To  
The Members of  
**S.S. ORGANICS LIMITED**

Your Directors are pleased to present the 20<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ending 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS**

	(Rs. In lacs)	
	For the year ending 31.03.2013 (12 months)	Previous period 31.03.2012 (12 months)
Total Income	-	-
Profit/ (Loss) before Financial Expenses and Depreciation	(145.15)	(23.59)
Profit/ (Loss) after Financial Expenses and Depreciation	(145.15)	(23.59)
	<hr/>	<hr/>
Less/Add :		
Prior Year Adjustments	21.81	-
Profit / (Loss) for the year Before taxation.	(166.96)	(23.59)
Less: Deferred Tax Liability	-	-
	<hr/>	<hr/>
Profit / (Loss) after Tax	(166.96)	(23.59)

**REVIEW OF OPERATIONS:**

It was already brought to the notice of the share holders in the 6 AGM's held on 04<sup>th</sup> May, 2013 that the unit suffered extensively due to the illegal and forcibly occupation by Mr.B.Subba Reddy on 20<sup>th</sup> October, 2006. In addition to the illegal occupation, Mr.B.Subba Reddy started litigations in various forums.

The present management infused more than Rs. 429 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 completed renewal of all the licenses.

Now the present management is entering into contract manufacturing work with leading pharmaceutical companies and going to commence the production in the month of July, 2013.

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

**STATUS WITH BIFR:**

The Hon'ble BIFR in its proceedings Dt. 21.05.2013 has directed IDBI which is a Monitoring Agency to examine MDRS and to submit a consolidated report to the BIFR.

The next hearing of BIFR is on 27.08.2013.

**STEPS TAKEN FOR REVIVAL:**

The present management conducted 14<sup>th</sup> to 19<sup>th</sup> AGM's for the financial years 2006-07 to 2011-12 and got the approvals of the audited results and other resolutions from the share holders on 04-05-2013. After the taking over the possession of the factory, the present management has consulted various senior professionals for the revival of plant and took-up the work of replacement of old machinery with the new machinery and refurbishing of reactors and boilers as they got rust due to non-maintenance. The Company has also successfully put under trail runs of some part of machinery. For this revival, the management has taken lot of strains to revive the factory and for raising funds. Rs. 4.29 Crores has been spent towards this revival up to 31-05-2013 which was raised as loans from directors & relatives. It is further expected to be incurred Rs. 2 Crores approximately for the total revival of unit.

**DIRECTORS:**

During the year Dr. Sai Sudhakar Vankineni has been co-opted as an Additional Director w.e.f. 13<sup>th</sup> February, 2013. A notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company, whose period of office shall not be determinable by retirement of Directors by rotation.

Further the Company has received notices in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing the candidatures of Sri Vidya Sagar Devabhaktuni, Sri. Appasani Ravi Kumar, Sri Gowtham Reddy Vongumalli and Dr.Sumanth Simha Vankineni for the office of Director of the Company, whose period of office shall be determinable by retirement of Directors by rotation.

Sri N.Gangi Reddy retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.



**DIRECTORS' RESPONSES ON THE QUALIFICATION MADE BY THE STATUTORY AUDITORS IN THE AUDITORS REPORT:**

<i>Qualification With Reference To</i>	<i>Board's Reply</i>
a) <i>Depreciation on Fixed Assets</i>	<i>Mr.B.Subba Reddy and others have illegally taken over the management of the Company, and had the possession of the Company from October, 2006 to April, 2012. During that period he had not taken care of the fixed assets and left them without proper maintenance and security which has led to their corrosion. Present management is reviewing all the plant &amp; machinery by refurbishing/ replacing the old equipment. Once it is completed the Company will re state the fixed assets based on the actual ground position.</i>
b) <i>Employee Benefit Liability</i>	<i>Mr.B.Subba Reddy having possession of the Company, has not even paid salaries to the employees Hence, most of the employees left. The Company is in discussion with the respective employees to whom the company owes amount, to settle dues amicably on mutual consent which they agreed considering Company's financial position. The Company will provide for the same once the final liability is arrived.</i>
c) <i>Debtors' Balances</i>	<i>The Company is pursuing with the Debtor for the recovery of old balances and is confident of recovering the same.</i>
d) <i>Reconciliation of Current Assets and Current Liabilities</i>	<i>The Company is in the process of reviewing all the Current Assets and Current Liabilities in consultation with the respective parties as the balances are very old.</i>
e) <i>Dues relating to Small Scale Industrial Undertaking</i>	<i>The Company could not classify the same as required, as mostly the dues relating to the year 2005-2006</i>

**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 2012-2013, 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 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 Companies 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**

The Statutory Auditors of the Company, M/s VDNR & Associates, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit committee and the Board recommended the re-appointment of M/s VDNR & Associates, Chartered Accountants, as Statutory Auditors of your Company.

**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 employees of your Company for their continued dedication, significant contributions, hard work and commitment.

For and on behalf of the Board of Directors

Sd/-  
V. N. SUNANDA REDDY  
CHAIRMAN

Place : Hyderabad.  
Date : 29.05.2013

**ANNEXURE TO THE DIRECTOR'S REPORT  
Form 'A'**

Particulars under the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988

01.Conservation of Energy	2012-2013 (12 months)	2011-2012 (12 months)
<b>POWER AND FUEL</b>		
Number of Units Consumed (Nos. in Lakhs)	0.53	—
Unit Rate (Rs.)	9.54	—
Total Amount (Rs. in Lakhs)	5.04	—
<b>OWN GENERATION (Through D.G.SET)</b>		
Number of Units Consumed (Nos. in Lakhs)	0.07	—
Unit Rate (Rs.)	52	—
Total Amount (Rs. in Lakhs)	3.70	—
<b>COAL</b>		
Quantity (MT)	17	—
Total Cost (Rs. in Lakhs)	1.36	—
Average Rate (M.T.in Rs.)	8000	—

**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 optimise 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:

### INDUSTRY REVIEW

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

India is now among the top five pharmaceutical emerging markets. The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15 per cent over the last five years and has significant growth opportunities.

The industry, particularly, has been the front runner in a wide range of specialties involving complex drugs' manufacture, development, and technology. With the advantage of being a highly organized sector, the number of pharmaceutical companies is increasing their operations in India.

### 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.

### INTERNAL CONTROL SYSTEMS & ADEQUACY

The Company is in the process of implementing the requisite internal business controls and a process framework that is not only adequate for its current size of operations but can effectively support future operations. The Company also planning to have a system to have good control on the manufacturing operations.

### 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 affect on the financial performance of the Company and the Company is trying to revive the operations.

### HUMAN RESOURCES:

Due to litigation with regard to the management of the Company, the Company could not concentrate on Human Resources. But the Company is in the process of taking the required man power by implementing good HR policy to attract and retain the best talent.

## CORPORATE GOVERNANCE REPORT

In Compliance with Clause 49 of Listing Agreement with Stock Exchanges, the Company Submits the report on the matters mentioned in said clause and lists the practices followed by the company.

### 1. CORPORATE GOVERNANCE PHILOSOPHY:

The Company's philosophy on Corporate Governance is to practice fair and transparent governance to the benefit of its Shareholders, Lending Institutions, Customers, Employees and Society at large. The Company relies on the strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. 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	No of Board Meetings during the Year 2012-2013 and attendance		Last AGM	As on date		
		BM			No. of other Directorships <sup>1</sup>	Committee positions <sup>2</sup>	
		Held	Attended			Member	Chairman
V.N. Sunanda Reddy	Managing Director	6	6	Yes	Nil	1	Nil
P.Ramachandra Gupta	Non-Executive - Independent Director	6	6	Yes	1	Nil	1
N.Gangi Reddy	Non- Executive-Independent Director	6	6	Yes	Nil	1	1
Y.V.Ratna Kumar <sup>3</sup>	Non-Executive - Independent Director	6	3	No	Nil	1	Nil
Dr.D.Sadasiva Reddy	Director	6	6	Yes	Nil	1	Nil
Dr. Sai Sudhakar Vankineni <sup>4</sup>	Additional Director	2	2	Yes	Nil	1	Nil

1 Other than Directorships in Private Limited Companies, Section 25 Companies, Foreign Companies and Associations.

2 Only Audit Committee and Shareholders Grievance Committee positions.

3 Ceased to be the director of the Company w.e.f 04-05-2013.

4 Co-opted as an Additional Director w.e.f.13-02-2013.

During the year under review, Six (6) Board meetings were held on 30<sup>th</sup> May, 2012, 31<sup>st</sup> July, 2012, 10<sup>th</sup> November, 2012, 13<sup>th</sup> February, 2013, 18<sup>th</sup> February, 2013 and 28<sup>th</sup> March, 2013.

Your Company holds minimum of four board meetings in each year with maximum time gap of Four months between any two meetings. Additional Board Meetings will be convened by giving appropriate notice to address the urgent needs of the Company. The Board may also approve permitted matters by passing resolutions by circulation.

**3. COMMITTEES OF DIRECTORS:****A. Audit Committee**

The Committee also acts in terms of reference and directions of the Board from time to time. The Audit Committee has adequate powers to play effective role as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges.

The composition of the Audit Committee as on date and the attendance of each Member of the Committee at the meetings were as follows:

S.No	Name of the Director	Designation	No. of Meetings held during the period	No. of Meetings attended
1	P.Ramachandra Gupta	Chairman	5	5
2	N.Gangi Reddy	Member	5	5
3	Dr.D.Sadasiva Reddy	Member	5	5
4	Y.V.Ratna Kumar <sup>1</sup>	Member	5	3
5	Dr. Sai Sudhakar Vankineni <sup>2</sup>	Member	1	1

1. Ceased to be the Director of the Company w.e.f. 04-05-2013.

2. Appointed as member w.e.f.13-02-2013.

Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

Audit Committee meetings were held during the year under review on 30<sup>th</sup> May, 2012, 31<sup>st</sup> July 2012, 10<sup>th</sup> November, 2012, 13<sup>th</sup> February, 2013 and 28<sup>th</sup> March, 2013.

**B. Remuneration Committee**

Remuneration Committee was duly constituted in accordance with the requirements of Schedule XIII to the Companies Act, 1956 and Listing Agreement. The Remuneration Committee is authorized subject to the provisions of Companies Act, 1956 and the consent of members, to negotiate, finalize and approve the terms of appointment for Managing Director and other Senior Executives on behalf of the Company. As on date the composition of remuneration committee is as follows:

S.No.	Name of the Director	Designation
1	N.Gangi Reddy	Member
2	P.Ramachandra Gupta	Member
3	Dr.D.Sadasiva Reddy	Member
4	Y.V. Ratna Kumar <sup>1</sup>	Member

1. Ceased to be the Director of the Company w.e.f. 04-05-2013.

All the members of the Remuneration committee are non-executive Directors and majority are Independent. The Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendation to the Board and acts in terms of reference of the Board from time to time.

**C. Share holders / Investor's Grievance Committee :**

The present composition of the Investors Relations Committee (Shareholders/ Investors Grievances Committee) is as under:

Name of the Director	Designation	No. of Meetings held during the year	No. of Meetings attended
N.Gangi Reddy	Chairman	4	4
V.N. Sunanda Reddy	Member	4	4

The Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer, to approve share transfers/transmissions and comply with other formalities in relation thereto.

**4) i) General Body Meetings:**

Year	Place of Meeting	Date & Time	Special Resolutions
2011-12	Survey No. 252/1, Aroor Village, Sadasivapet Mandal, Medak District, A.P.	04-05-2013 03.30 P.M	NIL
2010-11	Survey No. 252/1, Aroor Village, Sadasivapet Mandal, Medak District, A.P.	04-05-2013 02.45 P.M	NIL
2009-10	Survey No. 252/1, Aroor Village, Sadasivapet Mandal, Medak District, A.P.	04-05-2013 02.00 P.M	NIL





ii) During the last three years the following Extra-Ordinary General Meetings were as follows:

Year	Date	Time	Venue of the meeting	Special Resolutions/ Ordinary Resolutions Passed
2012-2013	18 <sup>th</sup> March, 2013	11.00 A.M	Sy. No. 252/1, Aroor Village, Sadasivapet Mandal, Medak District. A.P.	Reappointment of Mr.V.N.Sunanda Reddy as Managing Director w.e.f.1 <sup>st</sup> April, 2013. Appointment of M/s. VDNR & Associates as Statutory Auditors of the Company – Ordinary Resolution. Pursuant to the provision of Section 224 and all other applicable provision of the Companies Act, 1956 for appointment of M/s VDNR & Associates, Chartered Accountants appointed as the Statutory Auditors of the Company.
2011-2012	26 <sup>th</sup> June, 2011	11.00 A.M	Hotel One Place, P.R.R Estate, 2-22-298, Behind K.P.H.B Bus Stop, Hyderabad. A.P.	1.Appointment of Mr. P. Ramachandra Gupta as Director of the company 2. Appointment of Mr. N. Gangi Reddy as Director of the company. 3.Appointment of Mr. Y.V. Ratna Kumar as Director of the company 4.Appointment of Dr. D. Sadasiva Reddy as Director of the company 5.Appointment of Mr. V.N. Sunanda Reddy as Director of the Company 6.Appointment of Mr. V.N. Sunanda Reddy as Managing Director of the company 7.Appointment of M/s. VDNR & Associates as Statutory Auditors of the company
2010-2011	No Extra-ordinary General Meeting of the members was held during the year			

## 5. 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 31<sup>st</sup> March, 2013.

### D. Whistle Blower Policy:

As per internal code of conduct the employees have been given access to the Audit Committee.

**E. CEO Certification:**

The Managing Director (CEO) has certified and submitted a certificate on the financial results and other compliance of statutory requirements, to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO certification for the financial year ended 31st March, 2013.

**F. Details of Compliances with Mandatory Requirements and Adoption of the Non-Mandatory Requirements:**

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of Non-Mandatory requirements.

**G. 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.

**6. MEANS OF COMMUNICATION:**

- A. The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement.  
B. Management Discussion and Analysis forms part of this Annual Report.

**7. GENERAL SHAREHOLDER'S INFORMATION:**

- A. Financial Year** : 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013.  
**B. Book Closure** : 26-07-2013 to 29-07-2013 (both days inclusive)  
**C. Listing on Stock Exchanges** : 1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.  
2. **Stock Code**

Name of the Stock Exchange	Stock Code	Scrip Code
Bombay Stock Exchange Limited	524636	SSORGS
Demat ISIN No. for CDSL	INE102E01018.	

The Companies Securities are listed on the Bombay Stock Exchange Limited.

All Services relating to share transfer/transmissions and information may be addressed to:

**D. Registrar and Share Transfer Agent**

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](mailto:info@vccilindia.com)

The Company periodically audits the operations of share transfer agent.



**E. Share Transfer System:**

Share Transfers in physical form shall be lodged with the Registrar at the above-said address. The share transfers are generally processed by our Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

**F. Dematerialization of shares and liquidity:**

The Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) for dematerialization facility. Shareholders can open an account with the depository participant registered with this depository.

**G. Address for Correspondence:**

S.S. Organics Limited  
170/C, Sree Srinivasa Nilayam,  
Vengalrao Nagar, Hyderabad- 500 038,  
Andhra Pradesh.  
Ph. 040-2004158/23713690  
Fax: 08455-250080

**For and on behalf of the Board of Directors  
For S.S. ORGANICS LIMITED**

**Sd/-  
Dr. Sai Sudhakar Vankineni  
Director**

**Sd/-  
V.N.Sunanda Reddy  
Managing Director**

**Place : Hyderabad  
Date : 29.05.2013**



**CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT**

I have received the financial statements, read with the cash flow statement of S.S. Organics Limited for the year ended 31<sup>st</sup> March, 2013 and that to the best of my knowledge and belief, I state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.  
  
(ii) These statements present true and fair view of the Company's affairs and are in compliance with Current Accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) I have indicated to the Auditors and audit committee:
  - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements;

**For S.S. ORGANICS LIMITED**  
**Sd/-**  
**V. N. Sunanda Reddy**  
**Managing Director**

**Place : Hyderabad**  
**Dated : 29-05-2013**

**DECLARATION PURSUANT TO CLAUSE 49 I (D) (II) OF THE LISTING AGREEMENT**

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchange, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the code of conduct as applicable to them for the year ended March 31,2013.

**For S.S. ORGANICS LIMITED**  
**Sd/-**  
**V.N. Sunanda Reddy**  
**Managing Director**

**Place : Hyderabad**  
**Date: 29-05-2013**



**AUDITOR'S REPORT ON CORPORATE GOVERNANCE**

To  
The Board of Directors,  
S.S. Organics Limited.

We have examined the compliance of conditions of Corporate Governance by S.S. Organics Limited for the year ended 31<sup>st</sup> March 2013 as stipulated in Clause 49 of the listing Agreement of the said company with stock exchange.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company. In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above- mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2013, there is one Investor Grievance pending for a period exceeding one month against the Company as per the records maintained by the company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For VDNR & ASSOCIATES.  
Chartered Accountants  
(Firm Regn. No. 011251S)

Place: Hyderabad  
Date : 29<sup>th</sup> May, 2013

Sd/-  
D. Venkateswarlu  
Partner  
Membership No.028488

**INDEPENDENT AUDITOR'S REPORT****To the Members of S.S. ORGANICS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of S.S. Organics Limited ("the company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

*In the financial year 2006-07, dispute was arisen between its Board of Directors and B Subba Reddy one of the share holder regarding the management of the company. Mr B Subba Reddy has taken the possession of the company forcibly and illegally on 20-10-2006, Mr. VN Sunanda Reddy aggrieved by the actions of Mr. B Subba Reddy approached the Hon'ble Company Law Board by filing Company Petition No: 14 of 2007. The Hon'ble CLB vide its judgement dt.14.08.2009 allowed the 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 CLB order by filing 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 CLB on 22.02.2012. Mr. VN Sunanda Reddy has taken re-possession of the company on 16.05.2012 and started re-novating of the company.*

- 1. The Company's fixed assets are carried at historical cost basis. Management has not charged depreciation in its books of account amounting to Rs.96,48,790/-, which constitutes a departure from the Accounting Standards referred to in sub-section (3C) of section 211 of the Act. If depreciation would have been provided in the books of account then loss after taxes would be Rs.2,63,45,091/- as against reported loss of Rs.1,66,96,301/-.*
- 2. Management has not estimated and provided for Employee Benefit Liability which constitutes a departure from the Accounting Standards (AS-15) referred to in sub-section (3C) of section 211 of the Act.*
- 3. Non Confirmation of Debtors Balances.*
- 4. Non confirmation and reconciliation of Current Assets and Current Liabilities.*
- 5. Non Identification of small scale industrial undertakings whose outstanding is more than one lakh rupees for more than 30 days.*

**Qualified Opinion**

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- a) *in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*
- b) *in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and*
- c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

**Emphasis of Matter**

*We draw attention to our comments to the financial statements which describes the uncertainty related to the outcome of the 27 lawsuits filed against the Company by various Statutory Authorities and Non Statutory concerns. Our opinion is not qualified in respect of these matters.*

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) 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;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.;
- d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;*
- e) We have not received any written representations from the directors, as on 31<sup>st</sup> March, 2013. So we are unable to comment whether any of those directors are disqualified from being appointed as a director as on 31<sup>st</sup> March, 2013 in terms of clause(g) of sub-section(1) of section 274 of the companies act, 1956;

Place: Hyderabad  
Date: 29 May 2013

for VDNR & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 011251S

Sd/-  
(D. Venkateswarlu)  
Partner

Membership No.: 028488

**Annexure to the Auditor's Report****Re: S.S.ORGANICS LIMITED***Refer to para 1 Report on Other Legal and Regulatory Requirements of my report of even date.*

- (i)
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the assets have been physically verified by the management during the year, and there is also a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of its Fixed Assets so as to affect its going concern status.
- (ii)
- (a) According to the information and explanations given to us, the Company has no Inventories through out the Year. Hence the Clauses (b) & (c) are not applicable for the Current Financial Year.
- (iii)
- (a) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Accordingly the provisions of (iii) (b), (iii) (c), (iii) (d) of the Companies (Auditors Report) Order 2003 (as amended) are not applicable to the Company.
  - (e). As per information provided, the company has taken loans from parties covered in the register to be maintained under section 301 of the companies act, 1956. The maximum amount involved during the year was Rs.4,73,66,287/- and the year end balance taken from such persons was Rs.4,44,62,160/-.
  - (f). These amounts are interest free and other terms and conditions of loans taken by the company which are unsecured are prima facie not prejudicial to the interests of the company.
  - (g). The amounts brought in are having no specific repayment period.
- (iv)
- 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 the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v)
- (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi)
- In our opinion and according to the information and explanations given to us, The company has outstanding unsecured loans as on the balance sheet date Rs. 5,60,98,024/- which were accepted by the company during the period prior to and subsequent to the reference to the Hon'ble BIFR under SICA. Any shortfall of funds in the implementation of the scheme should be met by the company/promoters as per sanctioned scheme of the Hon'ble BIFR. In this scenario, we are not in a position to express our views with regard to applicability of provisions of Sections 58 A and 58AA of the Act and the rules framed there under as on 31<sup>st</sup> March 2013.
- (vii)
- In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii)
- According to the information and explanations given to us, there are no production activities carried out during the





financial year. Therefore Cost records to be maintainable under section 209 (1) (d) of the Companies Act 1956 are not maintained.

- (ix) (a). The Company is generally not regular in depositing Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise, Cess, Wealth Tax, Service Tax and other statutory dues with appropriate authorities. According to the information and explanation given to us, Arrears of undisputed amount outstanding as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable are as follows

<u>Nature of Dues</u>	<u>Due Amount in Rs.</u>
(i). Employees State Insurance	Rs.25,997/-
(ii). Tax deducted at source	Rs 31,51,623/-
(iii). Fringe Benefit Tax	Rs.3,31,779/-
(iv). Sales Tax	Rs. 81,18,757/-
(v) Professional Tax	Rs.1,42,450/-

- (b). The Statement of Disputed dues as required by the clause are as given under

Name of the Authority	Nature of Dues	Amount in Rs.	Financial Year to which the amount relates	Forum where disputes are pending.
Customs Duty Department	Customs Duty	Rs.62,40,052/-	FY:1996-97	Hon'ble Customs, Excise, Gold (Control) Appellate Tribunal, Bangalore
Assistant Commissioner of Provident Fund, Pattancheru, Medak District	Provident Fund	Rs.13,74,918/-	_____	Employees Provident Fund Appellate Tribunal, New Delhi.

- (x) The company is Sick Industrial Company with in the meaning of clause (o) of sub-section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The accumulated losses of the company at the end of the accounting period are more than the fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year is Rs.1,66,96,301/- covered by our audit and the immediately preceding financial year is Rs.23,59,496/-.
- (xi) As per the information received and explanations given to us, the Company has no outstanding dues to any Banks or financial institutions or debenture holders.
- (xii) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and the Company is not required to maintain any records thereof.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.



- (xvi) The company has not obtained any Term Loans during the period under review.
- (xvii) According to the information and explanations given to us, the funds raised during the period under review on short term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures.
- (xx) The Company had not raised any money by public issues during the period covered by audit.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Hyderabad  
Date: 29 May 2013

*for VDNR & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 011251S*

Sd/-  
(D. Venkateswarlu)  
*Partner*  
Membership No.: 028488



Balance Sheet As at 31-03-2013			
Particulars	Note No.	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	102,013,000	102,013,000
(b) Reserves and Surplus	3	(151,910,182)	(135,213,881)
<b>(2) Non -Current Liabilities</b>			
(a) Long-Term Borrowings	4	81,098,024	43,408,455
(b) Deferred Tax Liabilities (Net)		19,372,738	19,372,738
(c) Long Term Liabilities	5	11,570,647	11,570,647
<b>(3) Current Liabilities</b>			
(a) Trade Payables	6	86,795,606	86,053,071
(b) Other Current Liabilities	7	16,423,671	6,709,401
(c) Short-Term Provisions	8	2,373,148	2,355,710
<b>Total</b>		<b>167,736,652</b>	<b>136,269,140</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	123,605,131	123,202,653
(ii) Capital work in Progress		25,291,248	-
(b) Non-Current Investments	10	493,900	493,900
(c) Long Term Loans and Advances	11	5,423,122	5,641,073
<b>(2) Current assets</b>			
(a) Trade Receivables	12	3,748,991	3,984,246
(b) Cash and Cash Equivalents	13	5,920,121	13,795
(c) Short-Term Loans and Advances	14	3,254,139	2,933,474
<b>Total</b>		<b>167,736,652</b>	<b>136,269,140</b>

The accompanying Notes are an integral part of the Balance Sheet  
As per my report of even date

For VDNR & Associates  
Chartered Accountants

Sd/-  
(VENKATESWARLU .D)  
Partner

for and on behalf of the board

Sd/-  
(V.N. SUNANDA REDDY )  
Managing Director

Sd/-  
(Dr. V. SAI SUDHAKAR )  
Director

Date : 29-05-2013  
Place : Hyderabad.



Statement of Profit and Loss for the year ended 31st March, 2013			
Particulars	Note No.	For the year ended 31-03-2013 Rs.	For the year ended 31-03-2012 Rs.
I. Revenue from operations		-	-
II. Other Income	15	13,807	2,500
III. <b>Total Revenue (I+II)</b>		<b>13,807</b>	<b>2,500</b>
IV. <b>Expenses :</b>			
Employee Benefit Expense	16	7,662,800	1,215,358
Financial Expenses	17	24,777	1,277
Other Expenses	18	6,841,592	1,145,361
<b>Total Expenses</b>		<b>14,529,169</b>	<b>2,361,996</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(14,515,362)	(2,359,496)
VI. Exceptional Items		-	-
VII. Profit before Prior Period Items (V-VI)		(14,515,362)	-
VIII. Prior Period Items		2,180,939	-
IX. Profit before extraordinary Items and Tax (VII-VIII)		(16,696,301)	(2,359,496)
X. Extraordinary Items		-	-
XI. Profit before tax (IX-X)		<b>(16,696,301)</b>	<b>(2,359,496)</b>
XII. Tax Expense :			
(1) Current tax		-	-
(2) Deferred tax		-	-
XIII. Profit/(Loss) from the period from continuing operations (XI-XII)		(16,696,301)	(2,359,496)
XIV. Profit/(Loss) from discontinuing operations		-	-
XV. Tax expense of discontinuing operations		-	-
XVI. Profit/(Loss) from Discontinuing operations (XIV-XV)		-	-
XVII. Profit/(Loss) for the period (XVI+XIII)		<b>(16,696,301)</b>	<b>(2,359,496)</b>
XVIII. Earning per equity share :			
(1) Basic		-	-
(2) Diluted		-	-

The accompanying Notes are an integral part of the Profit & Loss Account

As per my report of even date

**For VDNR & Associates**  
**Chartered Accountants**

**Sd/-**  
**(VENKATESWARLU .D)**  
**Partner**

**for and on behalf of the board**

**Sd/-**  
**(V.N. SUNANDA REDDY )**  
**Managing Director**

**Sd/-**  
**(Dr. V. SAI SUDHAKAR )**  
**Director**

**Date : 29-05-2013**  
**Place : Hyderabad.**

**Note No. 2. Share Capital**

Particulars	31st March 2013 Amount in Rs.		31st March 2012 Amount in Rs.
<b>AUTHORIZED SHARES</b>			
10,500,000 Equity Shares of Rs. 10/- each	<b>105,000,000</b>		105,000,000
<b>ISSUED, SUBSCRIBED AND FULLY PAID SHARES</b>			
1,02,01,300 equity Shares of Rs. 10/- each (Prv. Year 1,02,01,300 equity shares of Rs. 10/- each)	<b>102,013,000</b>		102,013,000
<b>Total Issued, Subscribed and fully paid Shares</b>	<b>102,013,000</b>		<b>102,013,000</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	31st March 2013		31st March 2012	
	Nos	Amount in Rs	Nos	Amount in Rs
<b>Issued, Subscribed &amp; Fully Paid Equity Shares</b>				
At the Beginning of the period	10,201,300	102,013,000	10,201,300	102,013,000
Add : Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>10,201,300</b>	<b>102,013,000</b>	<b>10,201,300</b>	<b>102,013,000</b>

**b. Terms / rights attached to Equity shares**

- (i). The Company has only one class of equity shares having at par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share.
- (ii). In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% Shares in the company**

Particulars	31st March 2013		31st March 2012	
	No. of shares held	% of share holding	No. of shares held	% of share holding
VN Sunanda Reddy	26,52,600	26.00%	26,52,600	26.00%
B. Subba Reddy	13,02,200	12.76%	13,02,200	12.76%

<b>Note No</b>		<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
<b>3</b>	<b>Reserves and Surplus</b>		
	Profit and Loss Statement		
	Opening Balance	(135,213,881)	(132,854,385)
	Add : Profit for the Year	(16,696,301)	(2,359,496)
	<b>Total</b>	<b>(151,910,182)</b>	<b>(135,213,881)</b>

<b>4</b>	<b>Long-Term Borrowings</b>	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
	Secured		
	Deposits-ICD (Refer Note No. 4.1)	25,000,000	25,000,000
	Unsecured		
	From Directors & Their Relatives (Refer Note No. 4.2)	56,098,024	18,408,455
	<b>Total</b>	<b>81,098,024</b>	<b>43,408,455</b>

4.1 The Deposits - ICD from Aurobindo Phrama Limited are Secured by Hypothecation of Movable Fixed assets of the company.

4.2 The Company has taken interest free unsecured loans from directors aggregating Rs. 4,44,62,160/- & Rs. 1,16,35,864/- from relatives of the directors. Since the company was sick industry and registered with Hon'ble Board for Industrial Financial Reconstruction as case No. 91/97.

<b>5</b>	<b>Long-Term Liabilities</b>	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
	Sales Tax Deferement (Refer Note No. 5.1)	11,570,647	11,570,647
	<b>Total</b>	<b>11,570,647</b>	<b>11,570,647</b>

5.1 The SalesTax Department sanctioned an amount of Rs. 2,43,52,164/- towards deferment for a period of ten years starting from 17-03-1995 to 16-03-2005.

<b>6</b>	<b>Trade Payables</b>	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
	Trade payables (Refer Note No. 6.1)	86,777,862	86,035,327
	Advance from customers	17,744	17,744
	<b>Total</b>	<b>86,795,606</b>	<b>86,053,071</b>

6.1 In the absence of the information about the "Small scale industrial undertakings" status of its Sundry Creditors, at present the Management is unable to quantify the amounts due to Small scale industrial undertakings exceeding rupees one lakh which is outstanding for more than 30 days.



7	<b>Other Current Liabilities</b>	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
	Other Payables (Refer Note No. 7.1)	16,423,671	6,709,401
	<b>Total</b>	<b>16,423,671</b>	<b>6,709,401</b>

7.1 Other Payables consists of Amounts payable towards Tds, Sales tax, Excise duty, Professional Tax, ESI, Salaries & Wages etc.,

8	<b>Short-Term Provisions</b>	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
	Provision for employee benefits (Refer Note No. 8.1)	2,023,911	2,023,911
	Others (Refer Note No. 8.2)	349,237	331,799
	<b>Total</b>	<b>2,373,148</b>	<b>2,355,710</b>

8.1 The Management has not provided for Gratuity and Leave encashment, as per Actuarial valuation as per Accounting Standard - 15.

8.2 Others includes Provision for Fringe Benefit Tax.



As per Companies Act ;										
Notes No. 9 Tangible Assets										
Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
Particulars	As at 01-04-2012	Additions	Deletions	As at 31-03-2013	As at 01-04-2012	For the year	Deletions	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
Land	1,887,730	-	-	<b>1,887,730</b>	-	-	-	-	<b>1,887,730</b>	1,887,730
Plant and Machinery	143,906,803	-	-	<b>143,906,803</b>	58,906,230	-	-	<b>58,906,230</b>	<b>85,000,573</b>	85,000,573
Building	40,733,007	-	-	<b>40,733,007</b>	10,440,516	-	-	<b>10,440,516</b>	<b>30,292,491</b>	30,292,491
Furniture & Fixtures	996,606	234,663	-	<b>1,231,269</b>	589,757	-	-	<b>589,757</b>	<b>641,512</b>	406,849
Office Equipments	1,519,422	13,750	-	<b>1,533,172</b>	606,228	-	-	<b>606,228</b>	<b>926,944</b>	913,194
Data Processing Equipment	962,695	75,341	-	<b>1,038,036</b>	582,024	-	-	<b>582,024</b>	<b>456,012</b>	380,671
Misc Fixed Assets	3,108,171	78,724	-	<b>3,186,895</b>	1,629,662	-	-	<b>1,629,662</b>	<b>1,557,233</b>	1,478,509
Vehicles	589,052	-	-	<b>589,052</b>	97,831	-	-	<b>97,831</b>	<b>491,221</b>	491,221
QC Lab Equipments	3,893,967	-	-	<b>3,893,967</b>	1,542,552	-	-	<b>1,542,552</b>	<b>2,351,415</b>	2,351,415
<b>TOTAL</b>	<b>197,597,453</b>	<b>402,478</b>	<b>-</b>	<b>197,999,931</b>	<b>74,394,800</b>	<b>-</b>	<b>-</b>	<b>74,394,800</b>	<b>123,605,131</b>	<b>123,202,653</b>
<b>Capital Work In Progress</b>										
Previous Year - Civil Plant & Mechinery	-									
Current Year - Civil Plant & Mechinery		4,701,274 20,589,974		<b>4,701,274</b> <b>20,589,974</b>	-	-	-	-	<b>4,701,274</b> <b>20,589,974</b>	-





10	Non-Current Investments	As at 31st March 2013	As at 31st March 2012
	Investments in Equity Instruments (Refer Note No. 10.1)	493,900	493,900
	<b>Total</b>	<b>493,900</b>	<b>493,900</b>

10.1 Investments consists of 49,390 Equity shares in M/s Pattancheru Enviro-Tech Ltd of Rs.10/- each

11	Long Term Loans and Advances	As at 31st March 2013	As at 31st March 2012
	Deposits	2,064,278	2,282,225
	Balances with Revenue Authorities (Refer Note No. 11.1)	3,358,844	3,358,848
	<b>Total</b>	<b>5,423,122</b>	<b>5,641,073</b>

11.1 Amount paid to the Central Excise Department, consequent to Search Proceedings carried out by the said department. The said payment is to meet the liability, if any, to the department. Pending outcome of the said proceedings, the payment is reflected as loans and advances in these accounts.

12	Trade Receivables	As at 31st March 2013	As at 31st March 2012
	Outstanding for a period exceeding six months Unsecured, Considered Good (Refer Note No. 12.1)	3,748,991	3,984,246
	<b>Total</b>	<b>3,748,991</b>	<b>3,984,246</b>

12.1 The Management is in the process of Confirmation and reconciliation of balances of sundry debtors at the end of the year. Pending confirmation of balances and reconciliation of the debtors and the consequent impact on the profits/Losses is not ascertained.

13	Cash and Cash Equivalents	As at 31st March 2013	As at 31st March 2012
	(a). Cash on Hand	812,388	1,706
	(b). Balances with Bank		
	(i). In current Accounts	5,107,733	12,090
	<b>Total</b>	<b>5,920,121</b>	<b>13,796</b>

14	Short Term Loans and Advances	As at 31st March 2013	As at 31st March 2012
	(Unsecured Considered good, recoverable in cash or in kind for value to be received)		
	Advances for Materials	123,000	10,190
	Advances for Services (Staff Advances & Exp)	375,489	2,923,284
	Advance to Recoverable in Cash	59,635	-
	Vat Input Credit	1,205,421	-
	Tds Receivable	2,661	-
	Cenvat Credit Receivable on Capital Goods	1,367,623	-
	Other Current Assets	120,310	-
	<b>Total</b>	<b>3,254,139</b>	<b>2,933,474</b>



15	<b>Income</b>	<b>For the Year Ended 31st March 2013</b>	<b>For the Year Ended 31st March 2012</b>
	Nomination Fees	500	2,500
	Interest Received	13,307	-
	<b>Total</b>	<b>13,807</b>	<b>2,500</b>
16	<b>Employee Benefits Expense</b>	<b>For the Year Ended 31st March 2013</b>	<b>For the Year Ended 31st March 2012</b>
	Salaries and Wages	7,313,707	1,215,358
	Staff Welfare Expenses	349,093	-
	<b>Total</b>	<b>7,662,800</b>	<b>1,215,358</b>
17	<b>Financial Expenses</b>	<b>For the Year Ended 31st March 2013</b>	<b>For the Year Ended 31st March 2012</b>
	Bank Charges	24,777	1,277
	<b>Total</b>	<b>24,777</b>	<b>1,277</b>
18	<b>Other Expenses</b>	<b>For the Year Ended 31st March 2013</b>	<b>For the Year Ended 31st March 2012</b>
	Rents	220,299	86,400
	Rates and Taxes	44,960	40,610
	Legal Expenses	215,900	116,590
	Legal Fee	216,758	-
	Professional & Consultancy Charges	273,073	426,180
	Insurance	46,085	-
	Printing & Stationary	92,413	21,747
	Audit Fee	100,000	60,000
	Postage and Telephone Charges	123,511	49,562
	Travelling Expenses	263,870	36,006
	Conveyance Expenses	140,961	1,200
	Vehicle Maintenance	559,280	-
	Listing Fees	100,405	-
	Registration & Renewal Fees	376,245	-
	License & Renewals	79,200	-
	Bad Debits	235,255	-
	Other Expenses	433,104	307,066
	Carriage Inward	218,619	-
	Stores, Spares and Consumables	593,013	-
	Power and Fuel	1,009,967	-
	Repair & Maintenance - P&M	527,397	-
	Repair & Maintenance - Building	192,775	-
	Repair & Maintenance - Others	181,763	-
	Effluent and Other Manufacturing Expenses	596,739	-
		<b>Total</b>	<b>6,841,592</b>



Cash flow statement for the year ended 31-03-2013 (As required Under Clause 32 of Listing Agreement with Stock Exchanges)				
	For the Year Ended 31-03-2013		For the Year Ended 31-03-2012	
	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax and extraordinary items	(16,696,301)		(2,359,496)	
Adjustment for :				
Add :- Interest income	13,307		-	
<b>Operating Profit/(Loss) before working capital charges</b>		<b>(16,709,608)</b>		<b>(2,359,496)</b>
(Increase)/Decrease in Sundry Debtors	235,255		169,362	
(Increase)/Decrease in Loans and Advances	(102,715)		60,676	
Increase/(Decrease) in Current Liabilities	10,456,806	-	180,208	
Increase/(Decrease) in Provisions	17,438	10,606,784	-	410,246
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(6,102,824)</b>		<b>(1,949,250)</b>
Cash flow before Extraordinary Items		<b>(6,102,824)</b>		<b>(1,949,250)</b>
<b>Net cash from operating activities (A)</b>		<b>(6,102,824)</b>		<b>(1,949,250)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(25,693,726)		-
Interest Received		13,307		-
<b>Net cash used in investing activities (B)</b>		<b>(25,680,419)</b>		<b>-</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term & Other borrowings		37,689,569		1,946,939
<b>Net cash used in Financing activities (C)</b>		<b>37,689,569</b>		<b>1,946,939</b>
Net increase in cash and cash equivalents		5,906,326		(2,311)
Cash and cash equivalents at the beginning of the year		13,795		16,106
Cash and cash equivalents at the end of the year		5,920,121		13,795

The Schedules referred to herein form an integral part of the Balance Sheet  
As per my report of even date

For VDNR & Associates  
Chartered Accountants

Sd/-  
(VENKATESWARLU .D)  
Partner

Date : 29-05-2013  
Place : Hyderabad

for and on behalf of the board

Sd/-  
(V.N. SUNANDA REDDY )  
Managing Director

Sd/-  
(Dr.V. SAI SUDHAKAR)  
Director

**Notes No. 1****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:****1. Accounting Convention:**

The Financial statements are prepared as a going concern under the historical cost convention on accrual basis and in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India.

**2. Fixed Assets:**

- a) Fixed Assets are stated at their cost of acquisition comprising of the purchase price and any attributable cost of bringing the asset to working condition for the intended use.
- b) Depreciation is provided on Straight line method on pro-rata basis in accordance rates prescribed under Schedule XIV of the Companies Act, 1956.
- c) The Carrying amount of assets are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount.

**3. Inventories:**

- a) Raw Materials, Packing Materials, Stores, Spares and Consumables are valued at cost, calculated on "First-in-First-Out (FIFO)" basis, which either equal to or Less than the realizable value. Items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- b) Finished goods and Work-in-process are valued at lower of the cost and net realizable value. In respect of finished goods, cost includes material, labour and proportion of appropriate overheads and excise duty.

**4. Revenue Recognition:**

Revenues are recognized on accrual basis. Sales are recognized exclusive of Excise Duty and Sales Tax.

**5. Retirement Benefits:**

- a) The Company's contribution to Provident Fund is recognized on accrual basis.
- b) Gratuity and Leave Encashment Liability is provided on the basis of actuarial valuation at the end of each financial year.

**6. Deferred Taxation:**

Deferred Tax resulting from timing differences between book and tax profit is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

**7. Contingencies:**

Loss arising from claims, litigation, assessments, fines, penalties etc., are provided for when it is probable that a liability may be incurred and the amount can be reasonably estimated.

**Note No. 19. Additional Information to the Financial Statements:**

- a). Due to Deadlock in the Management of the company during the F.Y. 2006-07, at present No statutory records pertaining to PF, ESI, Secretarial records etc, are available in the company for the F.Y:2012-13.
- b). Deposits, Loans and advances, inoperative bank accounts, unsecured loans and sundry creditors are subject to confirmation and reconciliation. However necessary action in this regard is already initiated. Pending confirmation/ reconciliation and review by the Company, consequential adjustments arising thereon, if any are presently are not ascertainable.

**c). Remuneration to Directors**

During the Current Financial Year, The Company provides the following remuneration.

Particulars	01-04-12 to 31-03-13 (12 Months)	01-04-11 to 31-03-12 (12 Months)
Managing Director – Salary & Allow	14,40,000	5,76,000
Perquisites	3,60,000	3,24,000
<b>Total</b>	<b>18,00,000</b>	<b>9,00,000</b>

**d). Annual Capacities**

(As Certified by the Management)

DETAILS	2012-13	2011-12
Registered / Installed Capacity	320 TPA	320 TPA

**e). CONTINGENT LIABILITIES:**

Particulars	As at 31st March, 13	As at 31st March, 12
(i) Estimated Amount of Contracts Remaining to be executed on Capital account and not provided for	Rs. 0.00	Rs. 0.00
(ii) Exported obligation	70,00,000	70,00,000
(iii) Claims not acknowledged as debts	76,14,970	76,14,970

**f). FOREIGN EXCHANGE TRANSACTIONS:**

Inflow - Nil  
Outflow- Nil

**g). Earnings per Share:**

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
Net Profit/(Loss) for the Year	(1,66,96,301)	(23,59,496)
No. of Equity Shares (Face Value of Rs.10/- each)	1,02,01,300	1,02,01,300
EPS	—	—

**h). As per accounting standards 18, the disclosure of transactions with the related parties are given below:**
**(i). List of related parties where control exists and related parties with whom transactions have taken place**

Sl. No	Name of the Related Party	Nature of Relationship
1	V N Sunanda Reddy	Key Management Personnel
2	V Gowtham Reddy	Son of VN Sunanda Reddy
3	Dr V Sai Sudhakar	Key Management Personnel
4	V Sumanth Simha	Son of Dr V Sai Sudhakar
5	V Snigdha	Daughter of Dr V Sai Sudhakar

**ii) Transactions during the year with the related parties**

Name of the Related Party / Nature of Transactions	Nature of Relationship	Amount (In Rs)
A). V N Sunanda Reddy 1. Salary & Allowances 2. Perquisites 3. Unsecured Loans received during the year net.	Key Management Personnel	14,40,000 3,60,000 1,02,01,569
	<b>Total</b>	<b>1,20,01,569</b>
B). V Gowtham Reddy 1. Unsecured Loan received	Son of K M P	1,50,000
	<b>Total</b>	<b>1,50,000</b>
C). Dr V Sai Sudhakar 1. Unsecured Loan received	Key Management Personnel	1,75,00,000
	<b>Total</b>	<b>1,75,00,000</b>
D). V Sumanth Simha 1. Unsecured Loan received	Son of K M P	47,00,000
	<b>Total</b>	<b>47,00,000</b>
E). V Snigdha 1. Unsecured Loan received	Daughter of K M P	25,00,000
	<b>Total</b>	<b>25,00,000</b>



iii) Amounts due from/to related parties as at the year end:

SI. No	Name of the Related Party	Due to	Due from
1	V N Sunanda Reddy	214.08	-
2	V Gowtham Reddy	1.50	-
3	Dr V Sai Sudhakar	175.00	-
4	V Sumanth Simha	47.00	-
5	V Snigdha	25.00	-

i). During the Current Financial Year, The company has not provided for Depreciation on its fixed assets and not made any Revenue from its Operations and declared any dividend, since the company is sick company under the preview of BIFR. Therefore if the depreciation would have been provided then the Loss after depreciation and tax would be increased to Rs. 2,63,45,091/-

As per our report of even date attached

**For VDNR & Associates**  
**Chartered Accountants**  
Firm Reg. No. 011251S

For and on behalf of the Board

Sd/-  
**(VENKATESWARLU D)**  
Partner  
Membership No. : 028488

Sd/-  
**(V.N. SUNANDA REDDY)**  
Managing Director

Sd/-  
**(Dr.V SAI SUDHAKAR)**  
Director

**Date : 29-05-2013**

**Place: Hyderabad**



### S.S. ORGANICS LIMITED

Registered Office : 252/1, Aroor Village, Sadasivapet Mandal, Medak Dist. A.P.  
Corporate Office : 170/C, Sree Srinivasa Nilayam, Vengarao Nagar, Hyderabad - 500 038.

#### PROXY FORM

Folio No. / D.P. ID & Client ID No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member/Members

of the Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to

attend and vote for me / us / our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on 29-07-2013 at the Regd. Office at 4:30 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix 1 Rupee  
Revenue  
Stamp

Signature \_\_\_\_\_

Note: proxy form should reach the Company's Corporate Office not less than 48 hours before the meeting.

### S.S. ORGANICS LIMITED

Registered Office : 252/1, Aroor Village, Sadasivapet Mandal, Medak Dist. A.P.  
Corporate Office : 170/C, Sree Srinivasa Nilayam, Vengarao Nagar, Hyderabad - 500 038.

#### ATTENDANCE SLIP

I hereby record my presence at the 20<sup>th</sup> Annual General Meeting of the Company at the Regd. Office at 4:30 p.m. on 29-07-2013.

Name of the Shareholder \_\_\_\_\_ Signature \_\_\_\_\_

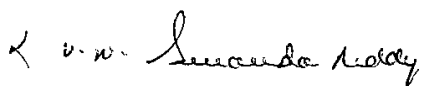
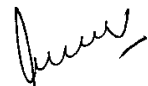

Name of the Proxy \_\_\_\_\_ Signature \_\_\_\_\_

Folio No. / D.P. ID & Client ID No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_



## Form B

Format of Covering letter of Annual Audit Report to be submitted to the BSE:

1	Name of the Company	S.S. Organics Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit observation	Qualified
4	Frequency of observation	Applicable
5	Directors Responses on the Qualification Made by the Statutory Auditors in the Auditors Report	Attached herewith as Annexure I
5	To be signed by-	
	Chairman & Managing Director	 (V N Sunanda Reddy)
	Auditor of the Company	 (D Venkateswarlu)
	Audit Committee Chairman	 (P. Ramachandra Gupta)