



EVEREST ORGANICS LIMITED

CIN : L24230TG1993PLC015426

Corporate Office : # 1st Floor, Lakeview Plaza, Plot No.127 & 128, Amar Co-operative Society,
Opp. Madhapur Police Station Road, Near Durgam Cheruvu, Madhapur, Hyderabad - 500 033.

Tel : 040-23115956, 40040783, Fax : 91-40-23115954

Grams : "Veerat", E-mail : srihari_everest@rediffmail.com / srihari_everest1@rediffmail.com

Ref: EOL/SEC/COMP/033/2020-21

To
Department of Corporate Services
Bombay Stock Exchange Limited
P. J. Towers, Dalal Street,
Mumbai – 400001
Maharashtra, India

Date: 14.08.2020

Dear Sir,

Sub: Submission of Notice of 27th Annual General Meeting (AGM) and Annual Report for the Financial Year 2019-20.

Scrip Code: 524790

In compliance with Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of Annual Report of the Company for the financial year 2019-20, together with Notice convening the 27th Annual General Meeting to be held on Tuesday, September 8, 2020, at 03:00 PM (IST) through Video Conferencing (VC) /Other Audio Visual Means (OAVM).

The same will also be hosted on the website of the Company at
[http://everestorganicsltd.com/Everest Organics Annual Report 19-20 All Pages.pdf](http://everestorganicsltd.com/Everest%20Organics%20Annual%20Report%2019-20%20All%20Pages.pdf)

Kindly take the above information on record and acknowledge the receipt.

Thanking You.

Yours sincerely,
For Everest Organics Limited

Rakha Singh
Company Secretary

CC: Central Depository Services (India Limited)
Venture Capital and Corporate Investments Pvt. Ltd.

Encl: As above.



Regd. Office & Factory : Aroor Village, Sadasivpet Mandal, Sangareddy Dist.- 502291. (T.S.)

Tel. : 08455 - 250084, 250113/14/15, Fax : 91-08455-250114,

Website : www.everestorganicsltd.com



EVEREST ORGANICS LIMITED



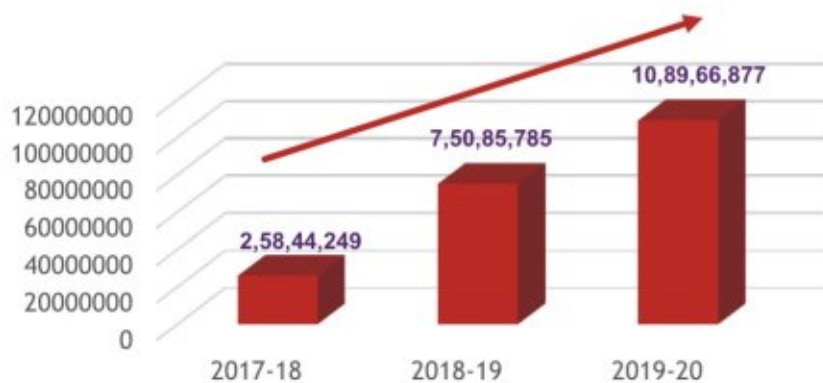
27th ANNUAL REPORT
2019-20



Annual Income Growth



Annual PAT Growth





Letter from the Managing Director

Dear Shareholders,

I am pleased to present to you Everest's FY 2020 Annual Report.

It was a landmark year for Everest with exciting achievement. The company was able to achieve all time high turnover and profitability. We made significant all round progress during the year. In spite of the odds, we have demonstrated that the right strategy, focus and geographical footprint will deliver consistent and sustainable growth. We closed the year with strong growth across all our key products and markets thereby significantly strengthening our profitability and balance sheet. We have had strong momentum in our product category and geographies. Importantly, in the current times, we have been able to ensure business continuity while safeguarding the health and safety of our employees.



On the revenue side, your Company continue on its growth path and I am happy to share that we closed the year on a very positive note. We have developed and commercialised the much needed products to market - Oseltamivir and it is now ramping up to a meaningful share and we continue to have enhanced focus on viral segment during this testing time.

It was a remarkable journey to develop Remdisivir API at Lab's scale with an in-house R&D technology for a growing company like Everest. It further strengthens our commitment towards R&C challenges and develops new products such as Valaganciclovir, Posaconazole, Bosentan, in future. The Company shall have enhanced focus to develop and commercialise new product such as Valaganciclovir, Posaconazole, Bosentan and to name a few in the coming financial year.

On the manufacturing front, apart from existing production, we further continue to build our capabilities and strengthen our processes by developing waste to value added products derived from primary waste, using in-house developed technology, green initiative, zero waste discharge policy etc. The Company has enhanced investment for better pollution control and energy efficiency during the year.

It was a remarkable year from the financial front with a significant growth in the revenue and profit margin of the Company. There was a significant enhancement in export turnover of the Company with revised and upgraded credit rating from Brickwork Rating Agency and growth in the current ratio of the Company. This is the second year in the row Company is sharing the wealth by declaring 10% dividend to the shareholders

From marketing front, the company is exporting its products to the regulated, semi-regulated and unregulated markets and is in the process of registering its product in certain middle-east countries. Other than improving the base business across these markets, we launched several new products like Rivaroxaban and its intermediates and Oseltamivir and its intermediates. The various products of the Company are exported to geographical footprints like US, Western Europe, Eastern Europe, South America, Egypt, Australia, Germany, Saudi Arabia, Dubai and other neighbouring countries like China, Vietnam, Iran, Singapore, Indonesia, Bangladesh, Pakistan, Sri Lanka and other Middle East countries. Company has scaled up in new geographies like Saudi Arabia, Syria and Mexico and registered growth in volume in countries like Bangladesh, Turkey, China and Iran during FY 2020.



The global COVID-19 pandemic that we have all been facing together since the last quarter of FY20 has strengthened our resilience as a company and our commitment to human kind. Even during the lockdown, despite debilitating challenges, we delivered on our commitment and ensured the supply of essential goods and services. We provide safe and secured environment with **zero lay-offs and zero salaries cut** to all our employees during Covid-19 pandemic and global lockdown. We have further engaged in the activities that complement government relief efforts - distributing medicines, meals and groceries etc.

I would like to express my heartfelt appreciation to the entire team at Everest for their untiring efforts and constant commitments to achieve the set goals, Directors for their guidance and partners, bankers and wider stakeholder community for their continued faith and support. I am confident that Everest Organics will create the necessary levers to deal with this uncertain business environment and we look forward to a successful FY 2021.

Stay safe. Stay healthy.

With best regards,

Dr. Srikakarlapudi Srihari Raju

Managing Director

Message from Director

Dr. Srikakarlapudi Sirisha, Director

As we close FY20 on a high note and move into FY21 with enhanced export market portfolio. We are building a strategy for sustainable and growing revenues from new product development which involves complex generic & speciality API's. We have successfully developed Oseltamivir, Remdesivir (Lab scale development) etc., as part of Covid 19 treatment options. Several other niche Product like Valaganciclovir, Posaconazole, Bosentan etc., are in pipeline of development at various stages with the focus to increase our market portfolio. The Company is further exploring partnerships with global generic players at various levels for marketing the Company's products portfolio.



We are also contemplating for contract and research partnership for development of niche products with intension to further enhance the Company's presence in regulated market. We are exploring forward integration of our existing API business, with a new pellet manufacturing unit along with a separate state of art pellets R&D Center.

As we move into FY21, it will be important to sustain growth momentum and surge ahead. We are wellpoised to take on a robust trajectory and enter new realms of enterprise growth and profitability.

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Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by Companies through electronic mode. In accordance with circulars issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of physical holdings with the Company.

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. K. Ramakrishnam Raju	Chairman -Ind. Director
Dr. Srikakarlalapati Srihari Raju	Managing Director
Mr. Srikakarlalapati Hari Krishna	Whole-time Director
Mr. Akella Parvathisem	Technical Director
Mr. Venkatesan Swaminathan	Independent Director
Mr. Sreeramakrishna Grandhi	Independent Director
Mr. Kakarlalapati Sitarama Raju	Non-Executive Director
Dr. Srikakarlalapati Sirisha	Non-Executive Director

BOARD COMMITTEES:**Audit Committee**

Mr. Sreeramakrishna Grandhi
Mr. K. Ramakrishnam Raju
Mr. Venkatesan Swaminathan
Mr. Akella Parvathisem

Nomination & Remuneration Committee

Mr. K. Ramakrishnam Raju
Mr. Venkatesan Swaminathan
Mr. Sreeramakrishna Grandhi

Stakeholders Relationship Committee

Mr. Venkatesan Swaminathan
Mr. Srikakarlalapati Hari Krishna
Mr. Akella Parvathisem

Corporate Social Responsibility Committee

Mr. K. Ramakrishnam Raju
Mr. Kakarlalapati Sitarama Raju
Mr. Akella Parvathisem

Company Secretary & Compliance Officer

Ms. Rekha Singh

Chief Financial Officer

Mr. Ramakrishna Peruri

Secretarial Auditor

D. Hanumanta Raju & Co.
Company Secretaries,
B-13, F-1, P.S. Nagar, Vijayanagar Colony,
Hyderabad - 500057

Listing

Bombay Stock Exchange Limited (BSE), Mumbai

CIN: L24230TG1993PLC015426

CORPORATE OFFICE

Plot No.127 & 128, 1st Floor,
Amar Co-Op. Society.
Opp. Madhapur Police Station Road,
Near Durgam Cheruvu, Madhapur,
Hyderabad - 500 033, Telangana
Telephone: 040-40040783,
Facsimile: 040-23115954
Email id : drsksraju@gmail.com
Website: www.everestorganicsltd.com

Registered Office & Factory Address

Aroor Village, Sadasivpet Mandal
Sanga Reddy (Medak) District,
Telangana 502 291
Telephone: 08455 -250113
Facsimile: 08455 -250114
Email Id : drsksraju@gmail.com
Website: www.everestorganicsltd.com

Statutory Auditors

M/s. Suryam & Co.
Chartered Accountants, Hyderabad
Plot 350, Phase 1, Saket, ECIL Post,
Kapra, Hyderabad - 500062

Internal Auditor

M/s. Hari Krishna & Associates
Chartered Accountant, Hyderabad
Flat No. 509, H.No. 7-1-618/EB,
Everest Block, Aditya Enclave,
Ameerpet, Hyderabad - 500038.

Cost Auditor

M/s. PKR & Associates LLP
Cost Accountants, Hyderabad
Plot No. 404, HMT Hills, Near Ramalayam
Temple, Kukatpally, Hyderabad - 500085

Registrar & Share Transfer Agent

M/s. Venture Capital and Corporate
Investments Private Limited.
12-10-167, Bharat Nagar,
Hyderabad 500 018.
Telephone : 040-23818475, 476
Facsimile: 040-23868024
Email id : info@vcclindia.com

BANKERS

Kotak Mahindra Bank;
State Bank of India;
UCO Bank
Standard Chartered Bank

**NOTICE****NOTICE**

Notice is hereby given that the 27th Annual General Meeting (AGM) of the members of **Everest Organics Limited** (CIN: L24230TG1993PLC015426) will be held on Tuesday, September 08, 2020 at 03:00 PM through Video Conferencing (VC) /Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company including Balance Sheet as at March 31, 2020, Statement of Profit and Loss for the year ended on that date along with Cash Flow Statement and notes forming part of accounts, together with the Reports of the Board of Directors and Auditors' thereon.
2. To declare dividend of 10% i.e. Rs.1.00 per share on the equity shares for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr. Sri Kakarlapudi Harikrishna (DIN: 01664260), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Akella Parvathisem (DIN: 00910224), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To make investments, give loans, provide guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013.**

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 provisions of section 186 (3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force, subject to the terms of Memorandum and Article of Association of the Company and subject to such other approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any Committee of the Board) for making loans and investments in one or more trenches by subscription, purchase or otherwise in excess of limits specified under section 186 of the Companies Act, 2013 from time to time in acquisition of securities or fixed asset of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs. 25 Crores (Rupees Twenty Five Crores only), notwithstanding that such investment and acquisition together with existing investments of the Company in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalise the terms and conditions of the said investments, loans, guarantees and provision of security on behalf of the Company as it may deem fit in the interest of the Company, to take all such actions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and such investments, loans, guarantees and provisions of security and generally to do

**NOTICE**

all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

6. **To Ratify the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021:**

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 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any modifications or re-enactment thereof for the time being in force), pursuant to the recommendation of the Audit Committee M/s. PKR & Associates, LLP, Cost Accountants (Firm Registration Number AAB7156), Hyderabad, was appointed as the Cost Auditor by the Board of Directors, to conduct the audit of Cost Records maintained by the Company, pertaining to the Pharma Manufacturing Unit, located at Sanga Reddy (Medak) District, Telangana for the year ending March 31, 2021, and be paid a remuneration of Rs. 2,40,000/- (Rupees Two Lakhs Forty Thousand only) per annum plus out of pocket expenses and applicable taxes thereon, be and is hereby approved and ratified.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

Date: 31.07.2020
Place: Hyderabad

BY ORDER OF THE BOARD
For Everest Organics Limited

Sd/-
Rekha Singh
Company Secretary

NOTES FOR MEMBERS:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio- Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and MCA Circulars, the AGM of the Company is being conducted through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.
3. Corporate members whose authorized representatives are intending to attend the meeting are requested to send to the company, a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of items of Special Business

**NOTICE**

to be transacted at the AGM is annexed hereto.

5. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed from September 3, 2020 to September 8, 2020 (both days inclusive) for annual closing and determining the entitlement of the shareholders for the final dividend for 2019-20.
6. The Board of Directors of the Company at their meeting held on June 25, 2020 have recommended a dividend of Rs. 1/- per equity shares of Rs. 10/- each as final dividend for the financial year 2019-20. Dividend, if declared, at the 27th Annual General Meeting will be paid within 30 days from the date of Annual General Meeting, to those members whose names appear on the register of members of the Company as on September 2, 2020.
7. Members wishing to claim dividends, which remain unclaimed for the financial year ended March 31, 2019, are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. We further request to opt for Electronic Clearing Service for future reference, so that dividends paid by the Company are credited to the Members' account on time.
8. In terms of Schedule I of the Listing Regulations, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as electronic clearance service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), direct credit, real time gross settlement (RTGS), national electronic fund transfer (NEFT), etc. for making payments like dividend etc. to the members.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form should send a request updating their bank details, to the Company's RTA.

In compliance with the aforesaid Circulars and upon normalization of the postal services, the company shall dispatch by post the dividend warrants to those members who have not registered their bank mandate with company.

9. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA M/s. Venture Capital & Corporate Investments Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode)
 - a. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investor.relations@vccipl.com latest by September 02, 2020 5:00 p.m. IST. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
 - b. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investor.relations@vccipl.com. The aforesaid declarations and documents need to be submitted by the shareholders latest by September 02, 2020 5:00 p.m. IST.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Venture Capital and

**NOTICE**

Corporate Investments Private Limited for assistance in this regard.

Dispatch of Annual Report through electronic mode

11. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 will be sent only through electronic mode to those Members who have registered their e-mail addresses with the Company/ Depositories. Members may note that the Notice of AGM and Annual Report 2019-20 will also be available on the Company's website www.everestorganicsltd.com, on the website of CDSL (www.evotingindia.com) and on the websites of the Stock Exchanges, i.e., BSE Limited (www.bseindia.com).
12. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card to the Company's Registrar and Share Transfer Agent (RTA), M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana, India Tel: 040-23818475, 8476, Fax: 040-23868024, E-mail ID: info@vccilindia.com and/or investor.relations@vccipl.com.
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
13. If the shares are held in dematerialized form, members are requested to update their bank details, nominations, power of attorney and notify any changes with respect to their address, e-mail id, contact numbers, ECS mandates etc. to their depository participants with whom they are maintaining their demat accounts. If the shares are held in physical form, members are requested to intimate such details, to the Company's Registrar and Share Transfer Agent (RTA), M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana, India Tel: 040-23818475, 8476, Fax: 040-23868024, E-mail ID: info@vccilindia.com.

All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.
14. SEBI has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company or its RTA.
15. Members who have not yet registered their nomination are requested to submit Nomination Form No. SH-13 to the company/RTA. Members who hold share in single name or advised, in their own interest to avail the nomination facility. Members holding share in dematerialise form may contact their respective depository participant for availing nomination facility as provided under Section 72 of the Act.
16. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing their share certificates to enable the Company to consolidate their holdings in one folio to facilitate better service.
17. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
18. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
19. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Agreements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the Annual General Meeting.

**NOTICE**

20. Retirement of Directors by rotation: Mr. Srikakarlapudi Harikrishna, Executive Director & Mr. Akella Parvathisem, Technical Director of the Company, retires by rotation at the ensuing AGM and, being eligible, offer themselves for re-appointment. The Board of Directors recommends the re-appointment of Mr. Srikakarlapudi Harikrishna and Mr. Akella Parvathisem, Directors, whose office is liable to retire by rotation. Brief profiles of Directors are provided as an "Annexure" to this Notice.
21. Members may also note that the Notice of the 27th Annual General Meeting is available on the website of the Company www.everestorganicsltd.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at eolcs0405@gmail.com.
22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
23. Members seeking any information or clarification with regard to the accounts and operations of the Company are requested to send their queries to the Company, in writing, at least one week before the date of the meeting through email at eolcs0405@gmail.com. The same will be replied by the Company suitably.

24. Voting through electronic means:**CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is pleased to provide facility of remote e-voting to its Members in respect of the business to be transacted at the 27th Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

**NOTICE**

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.everestorganicsltd.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also hosted on the website of CDSL (agency for providing the e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

- (i) The voting period begins on Saturday, September 5, 2020 at 09.00 hrs and ends on Monday, September 7, 2020 at 17.00 hrs. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 2, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Board of Directors has appointed Ms. D. Renuka, Practicing Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iv) The shareholders should log on to the e-voting website www.evotingindia.com.
- (v) Click on "Shareholders" module.
- (vi) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (iv).
(x) After entering these details appropriately, click on "SUBMIT" tab.	

**NOTICE**

- (xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolutions details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the login password then Enter the User ID and Captcha Code/ image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING ON THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to the Company Secretary at eolcs0405@gmail.com.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to the Company Secretary at eolcs0405@gmail.com.
3. The Company Secretary shall co-ordinate with CDSL and provides the login credentials to the above mentioned shareholders.

**NOTICE****INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:**

1. Shareholder will be provided facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are advised to join the Meeting through Laptops / IPads for better experience.
3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance to the company on or before September 2, 2020 mentioning their name, demat account number/folio number, email id, mobile number at eolcs0405@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance to the company on or before September 2, 2020 mentioning their name, demat account number/folio number, email id, mobile number at eolcs0405@gmail.com. These queries will be replied suitable by the company through email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

**NOTICE**

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; eoics0405@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738

General Instructions:

- i. The Members whose names appear in the Register of Members / List of Beneficial Owners of the Company as on September 02, 2020 (cut-off date) are entitled to vote on the resolutions set forth in this Notice. The voting rights of shareholders shall be in proportion to the shares held by them of the paid-up equity share capital of the Company as on the cut-off date (record date).
- ii. The Scrutinizer, after scrutinizing the votes cast at the meeting through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.everestorganicsltd.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

Date: 31.07.2020
Place: Hyderabad

BY ORDER OF THE BOARDS
For Everest Organics Limited

Sd/-
Rekha Singh
Company Secretary

**EXPLANATORY STATEMENT****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013****Item No. 5:**

As per sub section (2) & (3) of section 186 of the Companies Act, 2013, a company is required to obtain the prior approval of the members through a special resolution, in case the company wants to

- a. Give any loan to any person or other body corporate;
- b. Give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- c. Acquire by way of subscriptions, purchase or otherwise, the securities of any other body corporate, Exceeding 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

Your company is growing and therefore in order capitulate the various opportunities of the prevailing industries, the Board of Director is seeking approval of the members pursuant to section 186 provisions over and above the limit as specified in the resolution at item no. 5.

The Board recommends the resolution set forth in item no. 5 of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise in the said special resolution as set out at item no. 5 of the accompanying Notice.

Item No. 6:

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of "PKR & Associates, LLP", Cost Accountants (FRN: AAB7156), as Cost Auditors at a remuneration of Rs. 2,40,000/- (Rupees Two Lakhs Forty Thousand only) per annum plus out of pocket expenses and applicable taxes, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

In accordance with the provisions of the Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item no. 6 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

The Board recommends the resolution set forth in item no. 6 of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise in the said resolution.

**ANNEXURE**

Details of Directors Seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and as per Secretarial Standards on general meetings are as under:

Name of the Director	Akella Pervathisem	Mr. Sri Kakarlapudi Harikrishna
Brief Profile		
Date of Birth (Age)	25-08-1967 (52 Years)	20-01-1979 (41 Years)
Qualification	B.Sc.	(BE) MPIE
DIN	00910224	01664260
Date of Appointment /Reappointment on the Board of the Company	28.08.2004 (Original Appointment Date 28-08-2004)	28.08.2019 (Original Appointment Date 29-09-2007)
Nature of expertise in specific functional areas	Technical	Projects & Administration
Inter-se relationship between Directors and other Key Managerial Personnel	He is not related with any Director and Key Managerial Personnel of the Company	Mr. Harihrishna is relative of Dr. S.K. Srihari Raju, Managing Director.
Terms and Conditions along with details of remuneration sought to be paid	As mentioned in the resolution approved by the member of the company at their meeting held on September 10, 2019	As mentioned in the resolution approved by the member of the company at their meeting held on September 10, 2019
Name(s) of other Companies in which Directorships held	Nil	Nil
Chairman /Member of the Committee till date	Chairman: Nil Member: 1. Audit Committee 2. Stakeholder Relationship Committee 3. CSR Committee	Chairman: Nil Member: 1. Stakeholder Relationship Committee
Audit Committee	Nil	None
Stakeholders' Relationship Committee	Nil	Nil
Nomination & Remuneration Committee	Nil	Nil
Other Committees	Nil	Nil
No. of Shares held	36	5996
Details of remuneration last drawn	Rs. 45,00,000/- (Total Remuneration drawn in FY 2019-20)	Rs. 12,00,000/- (Total Remuneration drawn in FY 2019-20)
No. of Board Meeting attended during the year	4/4	4/4

**BOARD'S REPORT****BOARD'S REPORT**

Dear Shareholders,

Your Directors are pleased to present the 27th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS AND OPERATIONS:

i. Financial Results:

The Company's financial performance for the year ended March 31, 2020 as compared with the previous year is summarized below:

Amount in Rs.

S. No.	Particulars	2019-20	2018-19
I	Total Revenue	1,686,651,691	1,563,930,473
II	Profit before Financial Cost, Depreciation, and Tax	206,165,268	183,764,988
III	Less : Financial Cost	33,156,781	32,132,959
IV	Less : Depreciation	32,081,445	28,358,426
V	Profit Before Tax	140,927,042	123,273,603
VI	Less : Provision for Income Tax	22,700,000	27,000,000
VII	Less: Deferred Tax	9,260,165	21,187,818
VIII	Profit After Tax	108,966,877	75,085,785
IX	Other Comprehensive Income	-	-
X	Total Comprehensive Income for the period	108,966,877	75,085,785
XI	Add: Brought forward from Previous Year	179,755,769	106,821,994
XII	Closing Balance of Reserves & Surplus	262,021,544	179,755,769

ii. Operations:

During the year under review, your Company has register a total revenue of Rs. 1,686,651,691/- as against Rs. 1,563,930,473/- for the previous corresponding year showing a year-on-year growth of 7.30%.

Whereas the Net Profit of the Company was Rs. 108,966,877/- as against Net Profit of Rs. 75,085,785/- for the previous year showing a rise of 45.12% in the profit of the Company. Earnings per share for the year was Rs. 13.62.

2. COVID – 19 AND ITS IMPACT:

The impact of COVID-19 on the Company is being closely reviewed with the Management by the Directors from time to time. Your Company has temporarily suspended operations at its Plant site as per the directives given by the Central and State Government and keeping in view the safety of work force. After seeking necessary approvals from the Government authorities and maintaining social distancing norms and utmost safety of employees, operations were commenced at the Plant site. However, dispatches were affected due to restriction on movement of finished product to the ports for exports towards the end of the financial year.

**BOARD'S REPORT****3. DIVIDEND:**

Your Directors are pleased to recommend a dividend @ 10% i.e. Rs. 1.00/- (Rupees One only) per equity shares of Rs. 10/- each for the FY 2019-20, subject to the approval of the shareholders at the ensuing 27th Annual General Meeting (AGM) of the Company. Dividend will be paid to those shareholders whose names appear on the register of members of the Company as on September 02, 2020.

4. TRANSFER TO RESERVES:

The Company has not proposed to transfer any amount to the general reserves for the year ending March 31, 2020.

5. SHARE CAPITAL

There was no change in the Share Capital of the Company, during the year 2019-20. The paid up Equity Share Capital as on March 31, 2020 was Rs. 80,000,000/- (Rupees Eight Crores only).

6. DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public pursuant to the provision of section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

7. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there was no change in the nature of the business of the Company.

8. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

The Company does not have any subsidiary / joint venture / associate companies during the year under review.

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The detailed report on the Management Discussion and Analysis for the year under review as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented and forms part of this Annual Report.

10. CORPORATE GOVERNANCE:

In compliance with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 the Report on Corporate Governance as on March 31, 2020 as stipulated under the Listing Regulations forms part of this Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance and forms part of this Annual Report.

11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Relevant information on composition of the Board and number of meetings is provided in 'Board of Directors' section of Report on Corporate Governance which forms part of this Annual Report.

a) Statement of Declaration given by Independent Director:

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6) and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**BOARD'S REPORT****b) Directors Retire by Rotation:**

In accordance with the requirements of the Companies Act, 2013 and Article of Association of the Company Mr Sri Kakarlapudi Harikrishna and Mr. Akella Parvathisem, Directors retire by rotation and offer themselves for re-appointment. Your Board of Directors recommends their re-appointment. Their brief profile has been provided in the notice and forms part of this Annual Report.

c) Key Managerial Personnel:

Pursuant to the provisions of section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are – Dr. Srikakarlapudi Srihari Raju, Managing Director, Mr. Ramakrishna Peruri, Chief Financial Officer and Ms. Rekha Singh, Company Secretary.

Remuneration and other matters provided in section 178(3) of the Act have been disclosed in the Report on Corporate Governance, which forms part of this Annual Report.

d) Meetings of the Board:

During the FY 2019-20, four meetings of the Board of Directors were held. For details of meetings of the Board, please refer to the Report on Corporate Governance, forming part of this Annual Report.

e) Committee of Board and details of meetings:

There are various Board constituted Committees as stipulated under the Companies Act and Listing Regulations namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee. All the recommendations made by the Committees of Board including the Audit Committee were accepted and approved by the Board. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year has been enumerated in Report on Corporate Governance, which forms part of this Annual Report.

f) Board Evaluation:

As per provisions of the Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations, an evaluation of the performance of the Board, its committees and members was undertaken. For details, please refer to the Report on Corporate Governance, forming part of this Annual Report.

g) Appointment of Directors and Remuneration Policy:

The assessment and appointment of members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential independent Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

In accordance with Section 178(3) of the Companies Act, 2013, and on recommendations of Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management which is available on the website of the Company www.everestorganicsltd.com.

**BOARD'S REPORT****h) Compliance with Secretarial Standards:**

In terms of section 118 (10) of the Companies Act, 2013 the Company continues to comply with the various provision of all Secretarial Standards, as issued by the Institute of Company Secretaries of India.

12. ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has in place proper and adequate Internal Financial Control systems commensurate with the nature of its business, size and complexity of its operations with reference to financial statements. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources as acquired are used economically.

13. DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with clause (c) of sub-section 3 of section 134 of the Companies Act, 2013, the Directors of the Company state:

- a. That in the preparation of the accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors have prepared the accounts for the financial year ended March, 31, 2020 on a 'going concern basis';
- e. That the Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and operating effectively;
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

14. RELATED PARTY TRANSACTIONS:

All Related Party Transactions are in compliance of the Companies Act and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

**BOARD'S REPORT**

All Related Party Transactions entered into by the Company were in the Ordinary Course of Business and at an Arm's Length basis and were reviewed and approved by the Audit Committee and the Board. Omnibus approval is obtained for transactions which are foreseeable and repetitive in nature. A statement of all Related Party Transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transactions. Complete details of RPT are given in the Notes to Financial Statement forming part of this Annual Report.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transaction as approved by the Board may be accessed on the Company's website: www.everestorganicsltd.com.

Information on transactions with Related Parties pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Form AOC-2 and is attached as "**BR_Annexure I**" to this Annual Report.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company believes in upholding professional integrity and ethical behaviour in the conduct of its business. To uphold and promote these standards, the Company has a Vigil Mechanism / Whistle Blower Policy which serves as a mechanism for its Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. The policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The details of establishment of such mechanism are available on the website of the Company www.everestorganicsltd.com.

Whistle Blower Policy and affirmation that none of the personnel have been denied access to the Audit Committee. The Company has in place a Whistle Blower Policy for Vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud, violation of Company's Code of Conduct.

16. AUDITORS AND AUDIT REPORT:**a) Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Suryam & Co., Chartered Accountants, Hyderabad (FRN: 012181S), was appointed as Statutory Auditors of the Company at its 24th Annual General Meeting held on September 27, 2017 for a term of five (5) years, subject to the ratification by shareholders at every Annual General Meeting.

However, the Ministry of Corporate Affairs (MCA) vide its notification dated May 7, 2018 has omitted the requirement under the first proviso to Section 139 of the Companies Act, 2013 and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by shareholders at every subsequent AGM. Accordingly, no resolution for ratification of appointment of statutory auditor was incorporated in the Notice of 27th Annual general Meeting of the Company.

b) Board's response on Auditors' Qualifications, Reservations or Adverse Remarks:

The qualifications made by the Statutory Auditors in the Auditors' Report for the financial year ended March 31, 2020 read with explanatory notes therein are self-explanatory and therefore do not call for any further explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013, other than those mentioned below:

**BOARD'S REPORT**

- i. Gratuity provisions made for Rs. 100.18 lakhs, payment made to the Gratuity Fund is Rs. 70.31 Lakhs only.

Directors' Comments: During the year under review, the Company has made a payment of Rs. 70.31 lakhs in the Gratuity fund. However, the Company have initiated the necessary actions towards the payment of balance amount in the following financial year.

c) Internal Auditors:

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. Harikrishna & Associates, Chartered Accountants, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

d) Cost Auditors:

The Board of Director based on the recommendation of Audit Committee has appointed M/s. PKR & Associates, LLP, Cost Accountants, Hyderabad as the Cost Auditors of the Company pursuant to the provisions of section 148 of the Companies Act, 2013 for the financial year 2020-21. The provisions also require that the remuneration of the cost auditors be ratified by the shareholders and accordingly the same is put forward to the shareholders in the ensuing 27th Annual General Meeting for their ratification.

e) Cost Audit Report for the year ended March 31, 2020:

The Cost Audit Report for the financial year 2019-20 issued by M/s. PKR & Associates, LLP, Cost Accountant, are self-explanatory and therefore do not call for any further explanation or comments from the Board. The same will be filed with the Central Government within the stipulated timeline.

f) Cost Records:

The provisions of Cost Records are applicable to the Company and the company has complied with the said provisions.

g) Secretarial Auditor:

In compliance with the provisions of section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder M/s. D. Hanumantha Raju & Co., Company Secretary in practice, were re-appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit for the year ending March 31, 2021.

h) Annual Secretarial Audit Report:

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Secretarial Audit Report given by the Secretarial Auditors in form no. MR-3 is annexed as "**BR_Annexure II**" to this Annual Report.

The qualifications made by the Secretarial Auditors in the Secretarial Audit Report for the financial year ended March 31, 2020 is mentioned below:

**BOARD'S REPORT**

- i. Credit Rating Report dated 19.02.2020 received from credit rating agency on 24.02.2020 and the same was to be intimated to Stock Exchange within 24 hours pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 but it was intimated on 18.05.2020

Directors' Comments: We do admit there was delay and it was because of inter-departmental miscommunication as well as pressure of closure of the financial year ending March 31, 2020. Thereafter the Covid -19 lockdown situation resulted in shut down of the corporate office for a while. As soon as the corporate office started functioning, we intimated the report on May 18, 2020.

i) Annual Secretarial Compliance Report;

A Secretarial Compliance Report for the financial year ended March 31, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s. D. Hanumantha Raju & Co., Secretarial Auditors and submitted to the stock exchanges.

17. RISK MANAGEMENT POLICY:

The Company has instituted a proper mechanism for identifying and establishing controls to effectively manage different kinds of risks. At present the threats, risks and concerns being felt are stiff competition in the market, consolidation of manufacturers, who have branded products and fluctuations in prices as well as availability of raw materials.

18. DECLARATION ABOUT COMPLIANCE WITH CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL:

The Company has complied with the requirements about the Code of Conduct for Board members and Senior Management Personnel. A compliance certificate by the Managing Director forms part of this Annual Report.

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. An Internal Complaints Committee ("ICC") has been set up by the senior management (with women employees constituting the majority). The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2020, no complaints pertaining to sexual harassment have been received.

20. OTHER DISCLOSURES:

a) Extract of Annual Return:

An extract of Annual Report prepared in accordance with section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration)

**BOARD'S REPORT**

Rule, 2014 in Form MGT-9 is annexed as “**BR_Annexure III**” to this Annual Report and is also available on the website of the Company www.everestorganicsltd.com.

b) Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:

Particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, as amended from time to time are annexed as “**BR_Annexure IV**” to this Annual Report.

c) Loans/ Guarantees/ Investments under section 186 of the Companies Act, 2013:

During the year under review, the Company has not given any loans and Guarantees or made any Investments and securities provided pursuant to the provisions of Section 186 of the Companies Act, 2013.

d) Disclosure regarding Employees Stock Option Scheme:

Pursuant to the provision of Sections 62 (1) (b) of the Companies Act, 2013 read with Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued any equity shares under Employees Stock Option Scheme, during the year under review.

The Board of Directors at their meeting held on 09.08.2017 have proposed to approve Employee Stock Option Scheme, which was later approved by the members at the 24th Annual General Meeting of the Company held on 27.09.2017 as the ESOP Scheme 2017. The Company is planning to proceed with said approval soon.

e) Details of Nodal Officer:

The Company has designated Ms. Rekha Singh, Company Secretary and Compliance Officer as a Nodal Officer for the purpose of IEPF.

f) Disclosure regarding Unclaimed Shares:

Pursuant to the provisions of SEBI (LODR) Regulations 2015, the Company had transferred 207972 (Two Lakh Seven Thousand Nine Hundred Seventy Two) unclaimed Equity Shares to the Everest Organics Limited – Unclaimed Suspense Account. 182880 (One Lakh Eighty Two Thousand Eight Hundred and Eighty) Equity Shares were still lying under “Everest Organics Limited – Unclaimed Suspense Account” as on 31.03.2020.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

During the year, there are no significant and/or material orders, passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations in future.

22. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSE OF THE YEAR TILL THE DATE OF THIS REPORT:

The material events that have occurred after the close of the year till the date of this report are as follows:

**BOARD'S REPORT**

1. Osaltamivir API is introduced and commercialized.
2. Remdesivir API, a Covid treatment drug, is developed in the R & D.

Other than these, no other material changes and commitments have occurred which may affect the financial position of the Company after the close of the year till the date of this report.

23. CORPORATE SOCIAL RESPONSIBILITY:

During the year under review, the Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of Section 135 of the Companies Act, 2013.

The details of the CSR Policy of the Company, its development and initiatives taken by the Company on CSR during the year are annexed herewith as “**BR_Annexure V**” and forms part of this Annual Report. The said Policy is available on the website of the Company www.everestorganicsltd.com.

24. PARTICULARS OF EMPLOYEES AND REMUNERATION:

In compliance with the requirement of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the remuneration details of Directors and employees are annexed herewith as “**BR_Annexure VI**” and forms part of this Annual Report.

25. HUMAN RESOURCE:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

26. ACKNOWLEDGMENT

Your directors place on record their sincere appreciation for the significant contribution made by its employees through their dedication, hard work and commitment at all levels. The board of directors also acknowledge the support extended by the analysts, bankers, government agencies, media, customers, suppliers, shareholders and investors at large. The Board look forward to your continued support in the Future.

For and on behalf of the Board of Directors

Sd/-
K. Ramakrishnam Raju
Chairman
DIN: 01735481

Sd/-
Sri Kakarlapudi Srihari Raju
Managing Director
DIN: 01593620

Date: 31.07.2020
Place: Hyderabad



BOARD'S REPORT

BR-ANNEXURE I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship				
Nature of contracts/ arrangements/ transactions				
Duration of the contracts / arrangements/ transactions				
Salient terms of the contracts or arrangements or transactions including the value, if any				
Justification for entering into such contracts or arrangements or transactions				
Date(s) of approval by the Board				
Amount paid as advances, if any				
Date on which the special resolution was passed in general meeting as required under first proviso to section 188				

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances , if any
Virat& Co. One of the Partners of the Firm is the wife of Executive Director	Sales/ Purchases	N/A	General Terms and Conditions	29.05.2017	N/A
A. Parvathisem Technical Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
Dr.S.K.Sirisha Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A



BOARD'S REPORT

BR-ANNEXURE I

S.K.Seetharama Raju Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
S.K.Seetharama Raju Director of the Company	Office Rent & Maintenanc e paid by the Company	N/A	General Terms and Conditions	-	N/A
S.K.Hari Krishna Whole-time Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
S.K. Sahithya Wife of Whole-time Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
A. Raj Kamal Wife of Technical Director of the Company	Consultancy	N/A	General Terms and Conditions	-	N/A
Veerat Finance & Investment Ltd. One of the Director of the Company is the wife of Managing Director	Unsecured Loan Received	N/A	General Terms and Conditions	29.05.2017	N/A
Dr, S.K Srihari Raju Managing Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
Dr, S.K Srihari Raju Managing Director of the Company	Remunerati on	N/A	General Terms and Conditions	30.07.2016	N/A
A. Parvathisem Technical Director of the Company	Remunerati on	N/A	General Terms and Conditions	-	N/A
S.K. Hari Krishna Whole-time Director of the Company	Remunerati on	N/A	General Terms and Conditions	22.01.2016	N/A
Dr. S.K. Sirisha Non-Executive Director of the Company	Commission	N/A	General Terms and Conditions	30.07.2019	N/A
Non- executive Directors	Sitting Fees	N/A	General Terms and Conditions	-	N/A

For and on behalf of the Board of Directors

Sd/-
K. Ramakrishnam Raju
Chairman
DIN: 01735481

Sd/-
Sri Kakarlapudi Srihari Raju
Managing Director
DIN: 01593620

Date: 31.07.2020
Place: Hyderabad



Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,**EVEREST ORGANICS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EVEREST ORGANICS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable to the Company during the period of audit);



BOARD'S REPORT

BR-ANNEXURE II

- (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the period of audit);
 - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit);
 - (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the period of audit);
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013; - (Not applicable to the Company during the period of audit); and
 - (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other laws specifically applicable to the company are as follows:
- a. Drugs and Cosmetics Act, 1940;
 - b. Petroleum Act, 1934 read with Petroleum Rules 2002;
 - c. Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder;
 - d. Environment (Protection) Act, 1986 and rules made thereunder;
 - e. Water (Prevention and Control of Pollution) Act, 1974;
 - f. Explosives Act, 1884 read with Gas Cylinder Rules, 2004;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under the Companies Act, 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

It was observed that Listed Entity has received credit rating report dated 19.02.2020 from credit rating agency on 24.02.2020 and the same was to be intimated to Stock Exchange within 24 hours pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 but it was intimated on 18.05.2020.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



BOARD'S REPORT

BR-ANNEXURE II

Adequate notice is given to all directors in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad

Dated : 30.07.2020

For D.HANUMANTA RAJU & CO

COMPANY SECRETARIES

Sd/-

CS MOHIT KUMAR GOYAL

PARTNER

FCS: 9967, CP No. 12751

UDIN: F009967B000529321

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**Annexure A'**

**To,
The Members,
EVEREST ORGANICS LIMITED**

Our report of even Date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

Place: Hyderabad

Dated : 30.07.2020

For D.HANUMANTA RAJU & CO

COMPANY SECRETARIES

Sd/-

CS MOHIT KUMAR GOYAL

PARTNER

FCS: 9967, CP No. 12751

UDIN; F009967B000529321



BOARD'S REPORT

BR-ANNEXURE III

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24230TG1993PLC015426
2.	Registration Date	19/02/1993
3.	Name of the Company	Everest Organics Limited
4.	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Aroor Village, Sadasivapet Mandal, Sangareddy (Medak) District – 502 291, Telangana, India Email id: drsksraju@gmail.com Contact No. 08455 -250113
6.	Whether listed company	Yes (Listed in BSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mr. P. V. Srinivasa Rao M/s. Venture Capital and Corporate Investments (P) Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018, Telangana, India Ph.:040-23818475, 476

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

S. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of Active Pharmaceutical Ingredients & Intermediaries	210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section of Companies Act, 2013
1	N. A.	N. A.	N. A.	N. A.	N. A.



BOARD'S REPORT

BR-ANNEXURE III

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS AND PROMOTER GROUP									
(1) Indian									
a) Individual/HUF	1806686	0	1806686	22.58	1813541	0	1813541	22.67	+0.09
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	3885546	0	3885546	48.57	3920314	0	3920314	49.00	+0.43
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL: (A) (1)	5692232	0	5692232	71.15	5733855	0	5733855	71.67	+0.52
(2) Foreign									-
a) NRI-Individuals	169128	0	169128	2.11	169128	0	169128	2.11	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	169128	0	169128	2.11	169128	0	169128	2.11	0.00
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	5861360	0	5861360	73.27	5902983	0	5902983	73.79	+0.52
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	2214	0	2214	0.03	2214	0	2214	0.03	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	2214	0	2214	0.03	2214	0	2214	0.03	0.00
(2) Non Institutions									
a) Bodies Corp.	227474	10836	238310	2.98	197714	7956	205670	2.57	-0.41
i) Indian	0	0	0	0.00	0	0	0	0	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00



BOARD'S REPORT

BR-ANNEXURE III

b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	746060	343118	1089178	13.61	687388	319682	1007070	12.59	-1.02
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	339047	0	339047	4.24	333467	0	333467	4.17	-0.07
c) Others(specify)									
Clearing Members	5025	0	5025	0.06	364	0	364	0.00	-0.06
Trust	0	0	0	0.00	0	0	0	0.00	0.00
Non Resident Individuals	261538	203328	464866	5.81	349476	198756	548232	6.85	+1.04
SUB TOTAL (B)(2):	1579144	557280	2136426	26.71	1568409	526394	2094803	26.19	-0.52
Total Public Shareholding (B)= (B)(1)+(B)(2)	1581358	557282	2138640	26.73	1570623	526394	2097017	26.21	-0.52
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	7442718	557282	8000000	100.00	7473606	526394	8000000	100.00	0.00

ii. Shareholding of Promoters / Promoter Group

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Sri Kakarlapudi Sri Hari Raju	1544334	19.30	0	1552989	19.41	0	+0.11
2	Sri Kakarlapudi Krishna Veni	1440	0.02	0	1440	0.02	0	0.00
3	Hari Krishna SK	5996	0.07	0	5996	0.07	0	0.00
4	SK G Parvathi	31752	0.40	0	31752	0.40	0	0.00
5	Kakarlapudi Raju Sitarama	113508	1.42	0	113508	1.42	0	0.00
6	Sri Kakarlapudi Sirisha	109656	1.37	0	107856	1.35	0	-0.02
7	Veerat Finance & Investment Limited	3885546	48.57	0	3885546	48.57	0	0.00
8	Nadimpalli V Raju	112788	1.41	0	112788	1.41	0	0.00
9	Rajgopal Rao Rangineni	56340	0.70	0	56340	0.70	0	0.00
10	BK Advance Research, LLP	0	0	0	34768	0.43	0	+0.43
	Total	5861360	73.27	0	5902983	73.79	0	+0.52



BOARD'S REPORT

BR-ANNEXURE III

iii. Change in Promoters' Shareholding (Please specify if there is *No change)

S. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sri Kakarlapudi Srihari Raju				
	At the beginning of the year	1544334	19.30	1544334	19.30
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	Dated: 24.09.2019, 26.09.2019 and 01.10.2019 Increase in shareholding through open market purchase		8655	0.11
	At the end of the year	1552989	19.41	1552989	19.41
2	BK Advance and Research, LLP				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	Increase in shareholding through open market purchase		34768	0.42
	At the end of the year	34768	0.43	34768	0.43
3.	Srikakarlapudi Sirisha				
	At the beginning of the year	109656	1.37	109656	1.37
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	Dated: 31.05.2019 Decrease in shareholding through Inter-se Transfer.		1800	0.02
	At the end of the year	107856	1.35	107856	1.35

*Note: There are no changes in the other promoters' shareholding.



BOARD'S REPORT

BR-ANNEXURE III

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ajay Kumar Kayan	185232	2.32	172431	2.16
2	Madras Parameswaran Manoj Mahadev	82511	1.03	161670	2.02
3	Prasanna Challa	129553	1.62	128953	1.61
4	Eashwar K Reddy	0	0	56990	0.71
5	Edward Dion Lobo	0	0	34417	0.43
6	Srinivas Polavarapu	24262	0.30	32083	0.40
7	Challa Jalasree	41599	0.52	32070	0.40
8	Ch Hemantha Kumar	23616	0.30	23616	0.30
9	Prabhakara Reddy Kaliki	22572	0.28	22572	0.28
10	Jamuna Hindupur	22536	0.28	22536	0.28

v. Shareholding of Directors and Key Managerial Personnel

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri Kakarlapudi Srihari Raju				
	At the beginning of the year	1544334	19.30	1544334	19.30
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	Dated: 24.09.2019, 26.09.2019 and 01.10.2019 Increase in shareholding through open market purchase		8655	0.11
	At the end of the year	1552989	19.41	1552989	19.41
2	Srikakarlapudi Hari Krishna				
	At the beginning of the year	5996	0.07	5996	0.07
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	5996	0.07	5996	0.07



BOARD'S REPORT

BR-ANNEXURE III

3	Sirisha Srikakarlapudi				
	At the Beginning of the year	109656	1.37	109656	1.37
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	Dated: 31.05.2019 Decrease in Shareholding through Inter-se Transfer	-	1800	0.02
	At the end of the year	107856	1.35	107856	1.35
4	Raju Sitaram Kakarlapudi				
	At the Beginning of the year	113508	1.42	113508	1.42
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	113508	1.42	113508	1.42
5	Ramakrshnam Raju Kounparaju				
	At the Beginning of the year	720	0.01	720	0.01
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	720	0.01	720	0.01
6	Akella Parvathisem				
	At the Beginning of the year	36	0.00	36	0.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	36	0.00	36	0.00
7	Peruri Rama Krishna				
	At the Beginning of the year	13248	0.17	13248	0.17
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	13248	0.17	13248	0.17



BOARD'S REPORT

BR-ANNEXURE III

V. INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

		(Rs.)			
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount		20,99,63,022	3,39,69,659	-	24,39,32,681
ii) Interest due but not paid		-	-	-	-
iii) Interest accrued but not due		-	-	-	-
Total (i+ii+iii)		20,99,63,022	3,39,69,659	-	24,39,32,681
Change in Indebtedness during the financial year					
Additions		-	1,00,77,976	-	1,00,77,976
Reduction		3,37,83,958	-	-	3,37,83,958
Net Change		(3,37,83,958)	1,00,77,976	-	(2,37,05,982)
Indebtedness at the end of the financial year					
i) Principal Amount		17,61,79,064	4,40,47,635	-	22,02,26,699
ii) Interest due but not paid		-	-	-	-
iii) Interest accrued but not due		-	-	-	-
Total (i+ii+iii)		17,61,79,064	4,40,47,635	-	22,02,26,699

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

S. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount in Rs.
		Dr. S. K. Srihari Raju	Akella Parvathisem	Srikakarlapudi Hari Krishna	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961.	45,00,000	45,00,000	12,00,000	102,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	45,00,000	45,00,000	12,00,000	102,00,000
	Ceiling as per the Act				



BOARD'S REPORT

BR-ANNEXURE III

B. Remuneration to other directors:

S. No	Particulars of Remuneration	Name of the Directors			Total Amount in Rs.
		Swaminathan Venkatesan	Sree Ramakrishna Grandhi	K. Ramakrishnam Raju	
1	Independent Directors				
	(a) Fee for attending board committee meetings	97,500	75,000	97,500	2,70,000
	(b) Commission				
	(c) Others, please specify				
	Total (1)	97,500	75,000	97,500	2,70,000
2	Other Non-Executive Directors	Srikakarlapudi Sirisha	Kakarlapudi Sitarama Raju		
	(a) Fee for attending board committee meetings	45,000	45,000		90,000
	(b) Commission				
	(c) Others please specify.				
	Total (2)	45,000	45,000		90,000
	Total (B)=(1+2)	1,42,500	1,20,000	97,500	3,60,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.				

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		6,30,587	11,63,561	17,94,148
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	as % of profit	-	-		-
	others, specify	-	-		-
5	Others, please specify	-	-		-
	TOTAL	-	6,30,587	11,63,561	17,94,148



BOARD'S REPORT

BR-ANNEXURE III

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	No Penalties, Punishments & Compounding of Offences				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No Penalties, Punishments & Compounding of Offences				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No Penalties, Punishments & Compounding of Offences				
Punishment					
Compounding					

Place: Hyderabad
Date: 31.07.2020

For and on behalf of the Board of Directors

Sd/-
K. Ramakrishnam Raju
Chairman
DIN: 01735481

Sd/-
Dr. S.K Srihari Raju
Managing Director
DIN: 01593620



BOARD'S REPORT

BR-ANNEXURE IV

DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH
RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014**(A) Conservation of energy:**

Steps taken or impact on conservation of energy	Old boiler is replaced with new high efficient boiler, there by conserving coal 2 tonnes /day (720 tonnes per year). As it is automatic system boiler, power saving is also addressed.
Steps taken by the company for utilizing alternate sources of energy	Already solar power generator exists. 40% of the power consumption is from solar energy only.
Capital investment on energy conservation equipments	1.5 crores is the capital investment on conservation equipments.

(B) Technology absorption:

Efforts made towards technology absorption	<ol style="list-style-type: none"> 1. New products introduced and commercialized 2. Improvement of yields and quality in introduced new products 3. Reduced the effluents in existing products 4. Introduced the new products 5. Developments in existing products.
Benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> 1. Implemented and commercialized the new products 2. Improved the quality and yields in existing products 3. Improved the quality and yields in introduced new products 4. Reduced the effluents in some existing products.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	
Year of import	
Whether the technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
Expenditure incurred on Research and Development	

(C) Foreign exchange earnings and Outgo:

Amount in Rs. Lakhs

	1 st April, 2019 to 31 st March, 2020 [Current F. Y.]	1 st April, 2018 to 31 st March, 2019 [Previous F. Y.]
Actual Foreign Exchange earnings	4,939.66	3,960.43
Actual Foreign Exchange outgo	2,271.56	1,652.19

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 31.07.2020Sd/-
K. Ramakrishnam Raju
Chairman
DIN: 01735481Sd/-
Dr. S.K Srihari Raju
Managing Director
DIN: 01593620



BOARD'S REPORT

BR-ANNEXURE V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Rule 8 of Companies [Corporate Social Responsibility Policy] Rule, 2014)

1. Brief outline of the Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to web-link to the CSR policy and projects or programs. The Board has approved the CSR Policy of the Company and the detailed CSR Policy of the Company is publicly available on the website of the Company, www.everestorganicsltd.com.

2. Composition of CSR Committee:

The CSR Committee was constituted by the Board of Directors at its meeting held on July 30, 2019. The Committee comprises of;

S. No.	Name of Members	Category
1.	Mr. K. Ramakrishnam Raju	Chairman
2.	Mr. Akella Parvatisem	Member
3.	Mr. Raju S Kakarlapudi	Member

3. Average Net Profit of the Company for last three financial years: Rs. 5,49,10,685/-

4. Prescribed CSR Expenditure (two per cent of Rs. 5,49,10,685/-): Rs. 10,98,214/-

5. Details of CSR Expenditure for the financial year ending March 31, 2020:

a. Total amount to be spent for the financial year: Rs. 9,84,315/-

b. Amount unspent, if any: Rs. 1,13,899/-

c. Details of the expenditure on CSR activities during the financial year are as under:

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Subheads: 1.Direct expenditure of projects or programs 2.Overheads	Cumulative expenditure up to reporting period*	Amount spent: Direct of through implementing agency
1.	Education Development	Education	Local Area-Konapur, Aror and Meligiripet	1,13,750	Direct Expenditure	1,13,750	Direct
2.	Construction of Roads	Ruler Development Activities	Local Area-Konapur	3,50,000	Direct Expenditure	3,50,000	Direct
3.	Providing R.O Water Plant	Ruler Development Activities	Local Area-Gopularam	2,32,464	Direct Expenditure	1,18,565	Direct
4.	Donation and construction of Building (Temple and Mosque)	Ruler Development Activities	Local Area-Konapur	4,02,000	Direct Expenditure	4,02,000	Direct
TOTAL				10,98,214		9,84,315	

**BOARD'S REPORT****BR-ANNEXURE V**

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its board report:

The Company is under process of implementation of appropriate and effective CSR plan. Thus, we are in the process of identifying suitable projects for investing the pending amount of CSR expenditure. Thus, we are well poised to spend the balance amount during the current financial year.

7. Responsibility statement of the CSR committee:

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objective and policy of the Company.

For and on behalf of the Board

Everest Organics Limited

Sd/-

K. Ramakrishnam Raju

Chairman CSR Committee

DIN: 01735481

Sd/-

Dr. Sri Kakarlapudi Srihari Raju

Managing Director

DIN: 01593620

Place: Hyderabad

Date: 31.07.2020



BOARD'S REPORT

BR-ANNEXURE VI

DISCLOSURE FOR THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES FOR THE FINANCIAL YEAR:

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) (i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year are as follows:

S.No.	Name of Director	Remuneration Per Annum	Median Remuneration Per Annum	Ratio
1.	Dr. Sri Kakarlapudi Srihari Raju	Rs. 45,00,000/-	Rs. 1,95,000/-	23.08
2.	Akella Parvatisem	Rs. 45,00,000/-	Rs. 1,95,000/-	23.08
3.	Sri Kakarlapudi Harikrishna	Rs. 12,00,000/-	Rs. 1,95,000/-	6.15

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2019-20:

Name	Designation	Percentage increase in remuneration
Dr. Sri Kakarlapudi Srihari Raju	Managing Director	50.00%
Mr. Sri Kakarlapudi Harikrishna	Whole-time Director	33.33%
Mr. Akeella Parvatisem	Technical Director	150.00%
Mr. Peruri Ramakrishna	Chief Financial Officer	22.00%
Ms. Rekha Singh	Company Secretary	11.47%

The percentage increase in the median remuneration of Employees for the financial year increased by 8.33%.

Note :

- a) The Non-Executive Directors of the Company are not entitled for remuneration and are paid only sitting fees for attending the meetings, as such provisions of the said section is not applicable to them.
- b) Percentage increase in remuneration indicates annual target, total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2019-20.
- c)
 - i. The Company has 407 permanent Employees on the rolls of Company as on March 31, 2020.
 - ii. Employees for the purpose above include all employees excluding employees governed under collective bargaining.
 - iii. Relationship between average increase in remuneration and Company's performance: Every year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of



Company's overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increases during the year were in line with Company's performance.

- iv. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: In line with Company's reward philosophy, merit increases and annual bonus pay-outs of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the Key Managerial Personnel, appropriate reward by way of merit increase have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company. During the financial year under review, the turnover of Company was Rs 167,21,23,092/- (Rupees One Hundred Sixty Seven Crores Twenty One Lakhs Twenty Three Thousand Ninety Two only). The PAT (Profit After Tax) of company is reached at Rs 10,89,66,877/- (Rupees Ten Crore Eighty Nine Lakh Sixty Six Thousand Eight Hundred Seventy Seven only).
- v. The trading in shares on BSE last traded price was Rs. 95.00/-.
- vi. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 10.00% whereas the increase in the managerial remuneration was 65.30%. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
- vii. The key parameters for any variable component of remuneration: Variable compensation is an integral part of our total reward package for all Employees including Executive Directors. Annual Bonus is directly linked to an individual performance rating and business performance. At the start of the year, every Employee (including Executive Directors), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch. Business targets are a combination of goals such as Underlying Volume Growth, Underlying Sales Growth, Core Operating Margin etc.
- viii. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable.
- ix. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.
- x. Particulars of employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:



BOARD'S REPORT

BR-ANNEXURE VI

a) Particulars of Top 10 employees in terms of remuneration drawn during the year;

S. No	Name of Employees	Designation	Remuneration for FY 2019-20	% increase in Remuneration in the FY 2019-20	Ratio of remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Dr. Srikakarlapudi Srihari Raju	Managing Director	366667	47	50.00	The marginal increase is inline with the operations of the Company for the year 2019-20
2	Akella Parvathisem	Technical Director	353665	136	150.00	
3	G.Srimathi	Marketing Manager	221170	8	Not Applicable	
4	G.V.S.S.R.S. Sarma	General Manager	196897	8	Not Applicable	
5	Nomula Sathaiah	Senior Manager	153664	NA	Not Applicable	
6	A.D.A.S.Srinivas	QA-AGM	112048	17	Not Applicable	
7	P. Ramakrishna	CFO	95109	22	Not Applicable	
8	Tanikella Srinivasa Rao	Manager	95079	NA	Not Applicable	
9	S.K.Harikrishna	Whole-time Director	95079	27	33.33	
10	G.P.V.S. Dora	Purchase Manager	82988	19	Not Applicable	

For and on behalf of the Board
Everest Organics Limited

Sd/-
K. Ramakrishnam Raju
Chairman
DIN: 01735481

Sd/-
Dr. Sri Kakarlapudi Srihari Raju
Managing Director
DIN: 01593620

Place: Hyderabad
Dated: 31.07.2020

**REPORT ON CORPORATE GOVERNANCE****REPORT ON CORPORATE GOVERNANCE**

(Pursuant to SEBI (LODR) Regulations, 2015 with the Stock Exchange)

The Corporate Governance Report for the Financial Year ("FY") 2019-20, which forms part of Boards' Report, is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company is in full compliance with all the applicable provisions of SEBI's Corporate Governance norms.

1. A brief statement on Company's philosophy on Corporate Governance

The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of affairs of the Company and help the Company to achieve goal of maximizing value for all its stake owners. Your Company's business objective is to manufacture and market the Company's product in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees & business partners. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

2. Board of Directors

- i. **Composition of Board:** The Strength of the Board as on March 31, 2020, the Company has 8 Directors headed by 1 (One) Non-Executive (Independent) Chairman. Of the other 7 (Seven) Directors there are 3 (Three) Executive Directors, (2) Two Non-Executive Directors and 2 (Two) Independent Directors. The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.
- ii. **Board and Committee Meetings:** None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as at March 31, 2020 has been made by the Directors.
- iii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of other directorships and committee memberships held by them are given below as required under Regulation 17 of the Listing Regulations, as at March 31, 2020:

Name of Directors	Category	No. of Board Meetings held during the Year 2019-20		Attendance at the last AGM held on 10 th September, 2019	No. of Directorships held in other companies	No. of Committee positions held	
		Held	Attended			Chairman	Member
Mr. K. Ramakrishnam Raju	Chairman, Non-Executive Independent Director	4	4	Yes	0	1	0
Dr. Sriakarlapudi Srihari Raju	Promoter Executive Director	4	4	Yes	0	Nil	Nil

**REPORT ON CORPORATE GOVERNANCE**

Mr. Srikakarlapudi Harikrishna	Promoter Executive Director	4	4	No	0	Nil	Nil
Mr. Akella Parvathisem	Executive Director	4	4	Yes	0	Nil	Nil
Mr. Sreeramakrishna Grandhi*	Non-Executive Independent Director	4	3	No	4	1	4
Mr. Swaminathan Venkatesan	Non-Executive Independent Director	4	4	Yes	0	1	1
Ms. Srikakarlapudi Sirisha	Non-Executive Non Independent Women Director	4	3	Yes	1	Nil	Nil
Mr. Kakarlapudi Sitarama Raju	Non-Executive Non Independent Director	4	3	No	0	Nil	Nil

a. *Mr. Sreeramakrishna Grandhi is holding membership in the Audit Committee and Nomination and Remuneration Committee of M/s. Alufluoride Limited, M/s. Ravileela Granites Limited and M/s. Gayatri Projects Limited. Further he is holding membership of Stakeholders Relationship Committee in M/s. Ravileela Granites Limited. He is not holding chairmanship in the committees of any other company.

b. Membership/Chairmanship of committees includes only Audit Committee and Stakeholder Relationship Committee.

iv. **Board Meetings held during the financial year ended March 31, 2020:** Four (4) Board Meetings were held during the year 2019-20 on May 21, 2019, July30, 2019, November 11, 2019 and February 05, 2020. The gap between two meetings did not exceed 120 days.

v. All the Executive Director and Non-Executive Directors of the Company are related to each other except Mr. Akella Parvathisem. The Independent Directors of the Company are not related to any of the Directors or promoters group of the Company.

vi. Details of Shareholding of all Executive and Non-Executive Directors as on March 31, 2020 are given below:

S.No.	Name of Directors	No. of Shares
1.	Dr. Srikakarlapudi Srihari Raju	1552989
2.	Mr. Kakarlapudi Sitarama Raju	113508
3.	Dr. Srikakarlapudi Sirisha	107856
4.	Mr. Srikakarlapudi Harikrishna	5996
5.	Mr. Akella Parvathisem	36
6.	Mr. K. Ramakrishnan Raju	720
7.	Mr. Sreeramakrishna Grandhi	NIL
8.	Mr. Venkatesan Swaminathan	NIL

**REPORT ON CORPORATE GOVERNANCE**

vii. **Familiarization Programmes:** The Company has a familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the website of the Company (www.everestorganicsltd.com).

viii. **Independent Directors:** The Independent Directors of the Company are having expertise/ experience in the field of business, education, finance, industry, research & development and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. None of the Independent Directors are promoters or related to promoters.

Pursuant to section 150 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013, your Company's Independent Directors have registered themselves on the portal of "Indian Institute of Corporate Affairs" as Independent Director, within the prescribed timelines.

The details of skills/expertise/competence of all the directors are given below:

S. No.	Name of Directors	Qualification	Expertise
1.	Dr. Srikakarlapudi Srihari Raju	MBBS, MD, DA	Corporate Management
2.	Mr. Kakarlapudi Sitarama Raju	B. Tech, M. Tech in Chemical Engineering	Environmental and General Management
3.	Dr. Srikakarlapudi Sirisha	MBBS, MD	Regulatory Research & Development and Business Development
4.	Mr. Srikakarlapudi Harikrishna	BE, MPIE	Projects and Administration
5.	Mr. Akella Parvathisem	B. Sc.	Technical
6.	Mr. K. Ramakrishnan Raju	B. Sc.	Project Manufacturing Operation, GM
7.	Mr. Sreeramakrishna Grandhi	M.Sc. In Chemistry, CAIIB	Finance
8.	Mr. Venkatesan Swaminathan	B. Pharma(H), MBA	Business Development and Marketing

ix. In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act, 2013, including amendments thereunder and SEBI Listing Regulations, 2015 as amended from time to time and are independent of the management.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

3. Committees of the Board:

I. Audit Committee

- The Audit Committee of the Company was constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Audit Committee is entrusted with the responsibility of supervising internal controls, financial reporting process and ensure adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.
- The terms of reference and the role of the Audit Committee is to overview the accounting systems, financial reporting and internal controls of the Company. The Powers and role of Audit Committee

**REPORT ON CORPORATE GOVERNANCE**

are as set out in the SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013.

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising of three Non-Executive and Independent Directors and one Executive Director. Mr. Sreeramakrishna Grandhi, Independent Director was heading the Audit Committee as Chairman. The Chairman of the Audit Committee was not present at the previous Annual General Meeting. The terms of reference include:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed company.
- c. Approval of payment to statutory auditors for any other services rendered by statutory auditors.
- d. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- e. Reviewing with management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on
 - i. matters required to be included in the Directors Responsibility Statement to be included in the Directors Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgement by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements concerning financial statements;
 - vi. disclosure of any related party transactions; and,
 - vii. modified opinion(s) in draft audit report;
- f. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- g. Reviewing with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purpose other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- h. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.
- i. Reviewing with the management, performance of statutory and internal auditors, the adequacy and compliance of internal control systems;
- j. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

**REPORT ON CORPORATE GOVERNANCE**

- k. Discussion with internal auditors any significant findings and follow up thereon;
- l. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- m. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- n. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- o. To review the functioning of the Whistle Blower mechanism;
- p. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- q. Valuation of undertakings or assets of the Company, wherever it is necessary;
- r. Scrutiny of inter-corporate loans and investments;
- s. Evaluation of internal financial controls and risk management systems;
- t. Approval or any subsequent modification of transactions of the company with related parties;
- u. Appointment of registered valuers;
- v. Authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- w. Reviewing the reports/ certificates placed before it as mandated by the statutory authorities or as required under policies framed by the Company from time to time.
- x. Ascertaining and ensuring that the Company has an adequate and functional vigil mechanism and for ensuring that the interest of a person, who uses such a mechanism, are not prejudicially affected on account of such use, as and when applicable and reviewing the functioning of whistle blower mechanism;
- y. Any other matters/ authorities / responsibilities / powers assigned as per Companies Act 2013 and Rules made thereunder, as amended from time to time;

iii. **Composition:** As on March 31, 2020 the Company's Audit Committee comprises of three Non-Executive Independent Directors and one of Executive-Technical Director and the Chairman of the Audit Committee is an Independent Director as given below:

- | | | |
|--------------------------------|---|----------|
| 1. Mr. Sreeramakrishna Grandhi | - | Chairman |
| 2. Mr. K. Ramakrishna Raju | - | Member |
| 3. Mr. Swaminathan Venkatesan | - | Member |
| 4. Mr. Akella Parvathisem | - | Member |

All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their experience and background.

- iv. During the year 2019-20 the Audit Committee met Four (4) times on May 21, 2019, July 30, 2019, November 11, 2019 and February 05, 2020. The gap between two meetings did not exceed 120 days.

**REPORT ON CORPORATE GOVERNANCE**

The Company Secretary acts as the secretary of the Audit Committee. Statutory Auditors, Internal Auditor and Chief Financial Officer are also invited to the meetings of the Audit Committee.

The necessary quorum was present for all the meetings. The attendance of the members of the

Name	Category	No. of Meetings during the Year 2019-20	
		Held	Attended
Mr. Sreeramakrishna Grandhi – Chairman	Independent, Non-Executive	4	3
Mr. K. Ramakrishnam Raju – Member	Independent, Non-Executive	4	4
Mr. Swaminathan Venkatesan – Member	Independent, Non-Executive	4	4
Mr. Akella Parvathisem – Member	Executive, Non-Independent	4	4

II. Nomination and Remuneration Committee

- i. The Company had complied with the requirements of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015 applicable to the composition of the “Nomination and Remuneration Committee”.
- ii. **Composition:** As on March 31, 2020 the committee comprises of Mr. K.Ramakrishnam Raju, Mr. Sreeramakrishna Grandhi and Mr. Swaminathan Venkatesan, all were being Non-Executive Independent Directors. Mr. Sreeramakrishna Grandhi, Independent Director was heading the Nomination & Remuneration Committee as Chairman. The Company Secretary functions as the Secretary of the Committee.
- iii. The broad terms of reference of the Nomination and Remuneration Committee are:
 - Formulation of criteria for determining qualifications, positive attributes and Independence of Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
 - Formulation of criteria for evaluation of Independent Directors on the Board.
 - Devising a policy on diversity of Board of Directors.
 - Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and noting their cessation.
 - Recommending to the Board on extension or continuation of the terms of appointment of the independent directors.
 - Administering employee stock option schemes of the company, if any.
 - The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, Directors of the quality required to run the Company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

**REPORT ON CORPORATE GOVERNANCE**

- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

iv. Remuneration policy: The Nomination and Remuneration policy of your Company is a comprehensive policy which is competitive, in line with the industry practices and rewards good performance of the employees of the Company. The Policy is available on the website of the Company at www.everestorganicsltd.com.

The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the Company and talents of the appointee.

- v. Meeting and attendance:** During the year 2019-20 the Nomination and Remuneration Committee met One (1) time i.e. on July 30, 2019 and all the members attended the meeting.
- vi. Board Evaluation:** The Company has put in place an evaluation framework for evaluation of the Board, its Committees, Directors and Chairman in compliance with the provisions of Companies Act, 2013 and Listing Regulations. The evaluation of the Board, its Committees, Directors and Chairman were undertaken through circulation of questionnaires. The questionnaires were based on select parameters such as frequency of meetings, mix of expertise, experience relevant to the Company's requirements, quality, quantity and timeliness of flow of information and constitution and terms of reference of various Board Committees in respect of Board and its Committees. The evaluation criteria for the individual directors, including the Board Chairman and Whole Time Directors were based on parameters such as attendance, participation and contribution at the meetings and otherwise.
- vii. Performance Evaluation Criteria for Independent Directors:** The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.
- viii. Remuneration of Directors:** The details of remuneration paid to the Executive Directors for the financial year ended March 31, 2020. The Executive Directors of the Company are not entitled to sitting fees:

Name	Designation	Salary & Commission (₹)	Perquisites (Contribution to P.F) (₹)	Total(₹)
Dr. Srikakarlapudi Srihari Raju	Managing Director	45,00,000	-	45,00,000
Mr. Srikakarlapudi Harikrishna	Whole-time Director	12,00,000	-	12,00,000
Mr. Akella Parvathisem	Technical Director	45,00,000	-	45,00,000

**REPORT ON CORPORATE GOVERNANCE**

Sitting Fees and commission to Non-Executive Directors for the financial year ended March 31, 2020:

Name	Designation	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Sreeramakrishna Grandhi	Independent Director	75,000	-	75,000
Mr. K. Ramakrishnan Raju	Independent Director	97,500	-	97,500
Mr. Venkatesan Swaminathan	Independent Director	97,500	-	97,500
Mr. Kakarlapudi Sitarama Raju	Director	45,000	-	45,000
Dr. Srikakarlapudi Sirisha	Director	45,000	12,75,000	13,20,000

ix. The Company has not provided any stock options to the Directors of the Company.

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- The Company has complied with the requirements of Section 178(5) of the Act, Regulation 20 of the Listing Regulations, as applicable to the constitution of the Committee.
- Composition:** As on March 31, 2020 the committee comprises of 3 members Mr. Venkatesan Swaminathan, Mr. Srikakarlapudi Hari Krishna and Mr. Akella Parvathisem. The Chairman of the committee Mr. Venkatesan Swaminathan is a Non-Executive Independent Director. The committee looks into transfer and transmission, issue of duplicate share certificates, consolidation and sub-division of shares and investors grievances. The committee oversees the performance of the Registrars and Shares Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- The Board has designated Ms. Rekha Singh Company Secretary as the Compliance Officer.
- Details of Shareholders, complaints received and redressed: The total number of complaints received and redressed during the year are as follow:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	4	4	0

All complaints were resolved to the satisfaction of shareholders of the Company. There were no pending complaints, requests for transfers or transmissions or demat/remat as on March 31, 2020.

- Meeting and attendance: During the year 2019-20 the Stakeholders Relationship Committee met Nineteen (19) times. Details of the meeting and attendance of members held during the year are annexed as **CG_Annexure - I** to this Annual Report.

IV. Corporate Social Responsibility Committee

- The Corporate Social Responsibility Committee is constituted as per the requirement of Section 135 of the Companies Act, 2013. The CSR Committee was constituted by the Board at its meeting held on July 30, 2019. Mr. K Ramakrishnam Raju, Mr. Kakarlapudi Sitarama Raju and Mr. Akella Parvathisem were appointed as the members of the committee w.e.f. July 30, 2019.

**REPORT ON CORPORATE GOVERNANCE**

- ii. **Composition:** As on March 31, 2020, the Corporate Social Responsibility Committee comprises of 3 members Mr. K Ramakrishnam Raju, Mr. Kakarlapudi Sitarama Raju and Mr. Akella Parvathisem. The Chairman of the committee Mr. K Ramakrishnam Raju is a Non-Executive Independent Director.
- iii. The Committee oversees, inter-alia, Corporate Social Responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act which include formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company in conformity with Schedule VII of the Companies Act, 2013 and the Rules thereof; recommending the amount of expenditure to be incurred and monitoring the CSR Policy of the Company.
- iv. Meeting and attendance: During the year 2019-20, the Corporate Social Responsibility Committee met One (1) time i.e. on October 27, 2019 and all the members of the committee attended the meeting.

4. General Body Meetings

- i. The details of the last three (3) Annual General Meetings are as follows:

Year	Venue	Day	Date	Time
26 th AGM 2018-19	Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502291, Telangana	Tuesday	10-09-2019	3:00PM
25 th AGM 2017-18	Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502291, Telangana	Friday	28-09-2018	3:00PM
24 th AGM 2016-17	Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502291, Telangana	Wednesday	27-09-2017	3:00PM

- ii. The details of the Special Resolutions passed in the Annual General Meetings held in the previous three years are given below:

S.No.	Details of AGM	Day/Date	Description of Special resolution
1.	24 th AGM (2016-17)	Wednesday, September 27, 2017	<ol style="list-style-type: none"> 1. Approval of Related Party Transaction with Veerat Finance and Investment Limited. 2. Approval of Related Party Transaction with Virat & Co. 3. Approval of Cost Auditor's Remuneration. 4. Approval of Everest Employee Stock Option Plan-2017. 5. Approval of investment limits upto Rs. 3 Crores and loan upto Rs. 2 Crores.
2.	25 th AGM (2017-18)	Friday, September 28, 2018	<ol style="list-style-type: none"> 1. Re-appointment of Dr. Srikakrapudi Srihari Raju (DIN: 01593620) the Managing Director of the Company. 2. Approval of payment of commission to Dr. Srikakrapudi Sirisha (DIN: 06921012), Non-Executive Director. 3. Approval of Related Party Transaction with Veerat Finance and Investment Limited. 4. Approval of Related Party Transaction with Virat & Co. 5. Approval of Cost Auditor's Remuneration for the Financial Year 2017-18. 6. Approval of Cost Auditor's Remuneration for the Financial Year 2018-19. 7. Availing a Loan facility from Bankers, Financial Institution and other Persons, Firms, Bodies Corporate.

**REPORT ON CORPORATE GOVERNANCE**

2.	25 th AGM (2017-18)	Friday, September 28, 2018	8. Creation of security on the properties of the Company, both present and future, in favour of lenders. 9. Approval of Investment in Solar Power to reduce the cost of fuel and power. 10. Approval of the Investment upto Rs. 9 Crores in up-gradation of Technology and in Plant & Machinery for expansion of business
3.	26 th AGM (2018-19)	Tuesday, September 10, 2019	1. Re-appointment and revision of remuneration payable to Mr. Srikakarlapudi Harikrishna (DIN: 01664260) as Whole-time Director of the Company. 2. Re-appointment of Mr. Ramakrishnam Raju Kounparaju (DIN: 01735481) as an Independent Director of the Company. 3. Re-appointment of Mr. Sreeramakrishna Grandhi (DIN: 06921031) as an Independent Director of the Company. 4. Re-appointment of Mr. Swaminathan Venkatesan (DIN: 02810646) as an Independent Director of the Company. 5. Approval for continuation of Directorship of Mr. Kakarlapudi Sitarama Raju (DIN: 02955723) as a Non-Executive Director of the Company. 6. Revision of remuneration payable to Dr. Srikakarlapudi Srihari Raju (DIN: 01593620), Managing Director of the Company. 7. Revision of remuneration payable to Mr. Akella Parvathisem (DIN: 00910224), Technical Director of the Company. 8. Approval of revision of commission payable to Dr. Sri Kakarlapudi Sirisha (DIN: 06921012), Non-Executive Director. 9. Ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2020.

- iii. No special resolution was passed through postal ballot during the financial year ended March 31, 2019. However, all Resolutions were passed through E-voting and poll at the 26th Annual General Meeting of the Company held on 10th September 2019.
- iv. No special resolution is proposed to be conducted through postal ballot for the year 2019-20.
- v. No Extraordinary General Meeting of the members was held during the financial year 2019-20.

5. Means of Communication:

The quarterly/half yearly/annual results, notices of Board Meetings/ General Meetings and all other material information are normally published by the Company in Telangana Today/Business Standard, English newspapers and in Nava Telangana/ Velugu, Telugu newspapers. The Financial results and the other important information to shareholders are placed at Companies' website www.everestorganicsltd.com. Official news releases, investor presentations along with all material information pertaining to the Company are disclosed to the Bombay Stock Exchange where the shares of the Company are listed. During the year 2019-20, no specific presentations were made to institutional investors or to the analysts.

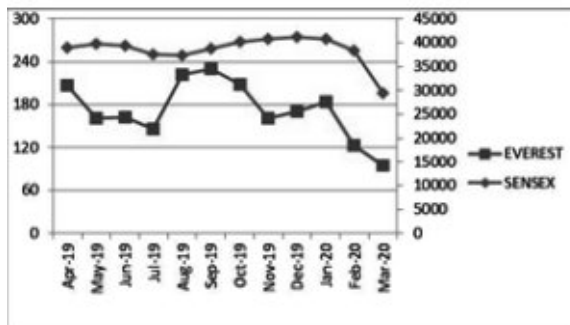
**REPORT ON CORPORATE GOVERNANCE****6. General Shareholders Information**

- a. Day and Date : Tuesday, September 08, 2020
 Time : 3:00 P.M
 Venue : The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, hence there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
- Registered Office : Aror Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502 291, Telangana
- b. Financial Year : April 01,2020 to March 31,2021
 Financial Calendar
 1st Quarterly Results : August, 2020
 2nd Quarterly Results : November, 2020
 3rd Quarterly Results : February, 2021
 4th Quarterly Results : May, 2021
- c. Dates of Book Closure : 03-09-2020 to 08-09-2020 (both days inclusive)
- d. Dividend payment date : Dividend, if declared at the 27th Annual General Meeting will be paid within 30 days from AGM
- e. Listing on Stock Exchanges : The Bombay Stock Exchange Limited, P. J. Towers, Dalal Street Mumbai -400 001, Maharashtra
 The Company has paid its annual listing fees to the stock exchange for the financial year 2019-20
- f. Stock Code : 524790
- g. Share Price movements : High/Low price in each month of the financial year 2019-20 on the Bombay Stock Exchange is given below:

Month	Stock Market Price on BSE		
	High	Low	Close
Apr-19	239.40	166.10	206.75
May-19	210.00	133.00	160.55
Jun-19	187.35	143.30	163.00
Jul-19	169.95	122.70	146.20
Aug-19	245.00	127.00	222.00
Sept-19	234.90	201.25	229.75
Oct-19	241.15	204.05	209.00
Nov-19	225.75	155.00	161.35
Dec-19	184.45	155.00	170.35
Jan-20	192.00	156.25	184.60
Feb-20	185.00	116.00	123.45
Mar-20	127.15	95.00	95.00

**REPORT ON CORPORATE GOVERNANCE**

- h. Performance in comparison to :
broad-based indices such as
BSE SENSEX, CRISIL INDEX
etc.



- i. In case the securities are : Not applicable as the Company has no securities are
suspended from trading if any suspended from trading
- j. Registrars and Transfer : M/s. Venture Capital and Corporate Investments Private
Agents (RTA) Limited
12-10-167, Bharat Nagar, Hyderabad – 500 018,
Telangana.
Tel: 040-23818475, 476
Facsimile: 040-23868024
Email.id: info@vccilindia.com
- k. Share Transfer System : The share transfers are being dealt by the Company's
Registrars and Transfer Agents (RTA), M/s Venture Capital
and Corporate Investments Private Limited. Share transfers
which are received in physical form are processed by RTA
and after necessary transfers the share certificates are
returned within a period of 15 days from the date of its
receipt, subject to the documents being valid and complete
in all respects.
- l. Outstanding ADRs/GDRs/
Warrants or any convertible : Not applicable as the Company has not issued any of the
instruments, conversion date above instruments.
and likely impact on equity
- m. Employee Stock Options : The ESOP's was proposed for approval at its Board
Meeting held on 09.08.2017, and was further approved by
the members at the 24th Annual General Meeting of the
Company held on 27.09.2017 as the ESOP Scheme 2017.
The Company is planning to proceed with said approval
soon.
- n. Demat International : INE334C01029
Securities Identification
Number (ISIN) in
NSDL & CDSL
- o. Rematerialisation of shares : The Company has not received any requests for re-
materialisation of shares during the year.

**REPORT ON CORPORATE GOVERNANCE****p. Distribution of Shareholding as on March 31, 2020:**

Category	Share Holders		Amount	
	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)
1 - 5000	6735	94.66	4543750	5.68
5001 - 10000	171	2.40	1273770	1.59
10001 - 20000	101	1.42	1519060	1.90
20001 - 30000	28	0.39	642420	0.80
30001 - 40000	19	0.27	661370	0.83
40001 - 50000	8	0.11	363550	0.45
50001 - 100000	17	0.24	1209100	1.51
100001 - Above	36	0.51	69786980	87.23
TOTAL	7115	100.00	80000000	100.00

q. Shareholding Pattern of the Company as on March 31, 2020:

S.No	Category of Shareholders	No. of Shares	% of Shareholding
1.	Promoters and Promoter Group	5902983	73.79
2.	Mutual Funds and UTI	0	00.00
3.	Banks/FI's/ Insurance Companies/Others	2214	00.03
4.	Bodies Corporate	205670	2.57
5.	Residential Individuals	1340537	16.75
6.	NRIs/OCBs/FIIs/FB	548596	06.86
	TOTAL	8000000	100.00

r. Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form on BSE. Bifurcation of the category of shares in physical and electronic mode as on March 31, 2020 is given below:

Category	No. of Shareholders	No. of Shares	Percentage (%)
Physical	3840	526394	6.58
NSDL	2189	6138252	76.73
CDSL	1086	1335354	16.69
Total	7115	8000000	100

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt.

Dematerializations of shares are done through M/s. Venture Capital and Corporate Investments Private Limited, and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents. 93.42% of the paid up capital has been dematerialized as on 31.03.2020.

**REPORT ON CORPORATE GOVERNANCE**

- s. Commodity price risk or foreign exchange risk and hedging activities : Not Applicable to the Company
- t. Plant Locations : Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District, Telangana – 502 291
- u. Credit Rating obtained by the entity : Credit Rating provided by Brickwork Rating Agency for the financial year 2019-20 has been revised from BB (Positive) to BBB-/Stable for term loan and cash credit and A4+ to A3 for non-fund based and fund based instruments.

v. Address for Correspondence:

S.No.	Shareholders Correspondence for	Address to
1.	Transfer/Dematerialization/ consolidation/split of shares, issue of Duplicate share certificates, change of address of members and beneficial owners and any other query relating to the shares of the Company.	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana. Tel: 040-23818475, 476 Facsimile: 040-23868024 Email.id: info@vccilindia.com
2.	Investor Correspondence/queries on Annual Report etc.	COMPANY SECRETARY M/s. Everest Organics Limited Plot No. 127 & 128, 1 st Floor, Amar Co-Op Society, Opp: Madhapur Police Station Road, Near Durgam Cheruvu, Madhapur, Hyderabad – 500 033, Telangana Tel : 040-40040783 Email: eolcs0405@gmail.com

7. Other Disclosures**i. Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of Company at large.**

The Company complies with the disclosure requirements as prescribed in Regulation 23 of Listing Regulations pertaining to Related Party Transactions (“RPT”) and follows IND AS - 24 issued by Institute of Chartered Accountants of India (ICAI). Details of RPT's are informed to the Board on a quarterly basis along with financial results.

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transaction. The policy on the Related Party Transactions is hosted on the Company's website www.everestorganicsltd.com.

ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years: NIL

**REPORT ON CORPORATE GOVERNANCE****iii. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

Pursuant to Regulation 22 of the Listing Regulation and Section 177 (10) of the Act, the Company has formulated a Whistle Blower Policy for Vigil mechanism for stakeholders including Directors and employees to report to the management about the unethical behavior, fraud, violation of Company's Code of Conduct. The Whistle Blower Policy is available on the Company's website at www.everestorganicsltd.com. None of the personnel have been denied access to the Audit Committee.

iv. Compliance with Mandatory requirements: The Company has complied with all the mandatory requirements prescribed under Listing Regulations for the financial year ending March 31, 2020.**v. Web-link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable to the Company.**vi. Policy on dealing with Related Party Transactions:** The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transaction as approved by the Board may be accessed on the Company's website: www.everestorganicsltd.com.**vii. Details of utilization of funds were raised through preferential allotment or qualified institutions placements during the year:** Not Applicable to the Company.**viii. A Certificate from Company Secretary in practice:** None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on the date of the report. A certificate from a company secretary in practice is annexed as **CG_Annexure - II**.**ix. Disclosure of Accounting Treatment**

Your Company has not adopted any alternative accounting treatment prescribed differently from Accounting Standard. The Financial Statement of the Company have been prepared in accordance with the Indian Accounting Standard (IND AS), notified under the Companies (Indian Accounting Standard) Rules, 2015 and the relevant provisions of Companies Act, 2013. The Financial statements have been prepared on accrual basis under the historical cost convention.

x. CEO/CFO Certification: In terms of Regulation 17(8) of the Listing Regulations, the Certificate in the prescribed format duly signed by the Managing Director and CFO of the Company which has been reviewed by the Audit Committees, was placed before the Board of Directors along with the financial statements for the year ended March 31, 2020, at its meeting held on June 25, 2020 are annexed herewith as **"CG_Annexure – III"** and forms part of this Annual Report.**xi. Compliance Certificate:** Certificate from M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations are annexed herewith as **"CG-Annexure – IV"** and form part of this report.**xii. Compliance with all the Non-Mandatory requirements and discretionary requirements as specified in Part E of Schedule II of the Listing Regulations are as follows:**

1. The Board: A separate office is not maintained for the Non-Executive Chairman of the Company. The Composition of the Board of Directors, Committees of the Board are in line with the provisions of the SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and other applicable laws.
2. Shareholders' Rights: The Financial performances of the Company on quarterly basis including a summary of significant events are published in English and Local Telugu Newspaper and are also

**REPORT ON CORPORATE GOVERNANCE**

posted on the website of the Company. Hence, this information's are not sent to each household of shareholders individually.

3. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.
4. The Company's financial statement for the 2019-20 contains few audit qualification which are given in the Independent Auditors Report and forms part of this report. The Company's financial statement is accompanied with modified opinion from the Statutory Auditor of the Company.
5. Reporting of Internal Auditor: The Internal Auditor submits his report to the Audit Committee for review on quarter basis.
- xiii. **The Reconciliation of Share Capital Audit:** The Company gets the Reconciliation of Share Capital Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories, physical and the total issued and listed capital. The Reconciliation of Share Capital Audit Report placed before the Board of Directors on a quarterly basis and is also sent to the Stock Exchanges where the Company's shares are Listed.
- xiv. **Compliance with the conditions of Corporate Governance:** The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, to the extent as applicable, with regards to Corporate Governance.
- xv. **Statutory Auditor's Fees/ Compensation for FY 2019-20:** The total fees paid by the Company to the Statutory Auditors for the FY 2019-20 are Rs. 3, 00,000/- (Rupees Three Lakhs only) as set out in financial Statements and forms part of this report.
- xvi. **Details of Sexual Harassment complaints received and redressed:**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

- xvii. **Disclosures with respect to demat suspense account/ unclaimed suspense account:** In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports that 182880 equity shares comprising 2.29% are lying in the suspense account as on March 31, 2020. These shares are held in the name of 2025 (Two Thousand and Twenty Five) shareholders and their voting rights on these shares stand frozen.

Opening Balance	No. of request received for transfer of shares	No. of shares transferred	Closing Balance
187056	4176	4176	182880



REPORT ON CORPORATE GOVERNANCE

CG_Annexure-I

Details of Stakeholder Relationship Committee Meetings held during the year 2019-20

S. No.	Type of Meeting	Date of Meeting	Total Number of Members as on the date of Meeting	Attendance	
				No. of Members attended	% of Attendance
1	Stakeholder Relationship Committee	23.04.2019	3	3	100
2	Stakeholder Relationship Committee	10.05.2019	3	3	100
3	Stakeholder Relationship Committee	18.05.2019	3	3	100
4	Stakeholder Relationship Committee	29.05.2019	3	3	100
5	Stakeholder Relationship Committee	17.06.2019	3	3	100
6	Stakeholder Relationship Committee	28.06.2019	3	3	100
7	Stakeholder Relationship Committee	09.07.2019	3	3	100
8	Stakeholder Relationship Committee	07.08.2019	3	3	100
9	Stakeholder Relationship Committee	06.09.2019	3	3	100
10	Stakeholder Relationship Committee	19.10.2019	3	3	100
11	Stakeholder Relationship Committee	22.10.2019	3	3	100
12	Stakeholder Relationship Committee	29.10.2019	3	3	100
13	Stakeholder Relationship Committee	19.11.2019	3	3	100
14	Stakeholder Relationship Committee	07.12.2019	3	3	100
15	Stakeholder Relationship Committee	28.12.2019	3	3	100
16	Stakeholder Relationship Committee	31.01.2020	3	3	100
17	Stakeholder Relationship Committee	10.02.2020	3	3	100
18	Stakeholder Relationship Committee	21.02.2020	3	3	100
19	Stakeholder Relationship Committee	14.03.2020	3	3	100

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Everest Organics Limited
 Aroor Village, Sadasivapet Mandal,
 Medak, Telangana- 502291.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Everest Organics Limited having CIN: L24230TG1993PLC015426 and having registered office at Aroor Village, Sadasivapet Mandal, Medak Telangana -502291 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Akella Parvathisem	00910224	28.08.2004
2.	Mr. Hari Krishna Srikakarlappudi	01664260	29.09.2007
3.	Mr. Kakarlappudi Sitarama Raju	02955723	19.04.1995
4.	Mr. Ramakrishnam Raju Kounparaju	01735481	28.09.2015
5.	Mr. Sreeramakrishna Grandhi	06921031	30.07.2014
6.	Mr. Srihari Raju Srikakarlappudi	01593620	19.02.1993
7.	Mrs. Srikakarlappudi Sirisha	06921012	30.07.2014
8.	Mr. Swaminathan Venkatesan	02810646	28.09.2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Dated : 31.07.2020

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP No. 12751
UDIN: F009967B000529288



COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)
AND CHIEF FINANCIAL OFFICER (CFO)

(Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We, Dr. Srikakarlapudi Srihari Raju, Managing Director and Peruri Ramakrishna, Chief Financial Officer (CFO) of Everest Organics Limited, to the best of our knowledge and belief, certify that:

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2020 and to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the years which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee, wherever applicable;

- i Significant changes in internal controls over financial reporting during the year.
- ii Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
- lii Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **EVEREST ORGANICS LIMITED**

Sd/-

Dr. Sri Kakarlapudi Srihari Raju

Managing Director

DIN : 01593620

Sd/-

Mr. Peruri Ramakrishna

CFO

Place: Hyderabad

Date: 31.07.2020

**CERTIFICATE****TO****THE MEMBERS OF****EVEREST ORGANICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by EVEREST ORGANICS LIMITED ("the Company"), for the year ended on March 31, 2020, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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.

Place: Hyderabad**Dated : 31.07.2020****For D.HANUMANTA RAJU & CO****COMPANY SECRETARIES****Sd/-****CS MOHIT KUMAR GOYAL****PARTNER****FCS: 9967, CP No. 12751****UDIN: F009967B000529301**



DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to provisions as provided under Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

The Board laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct on an annual basis in respect of the financial year ended March 31, 2020.

On behalf of Board

For **Everest Organics Limited**

Place: Hyderabad

Date: 31.07.2020

Sd/-

Dr. Sri Kakarlapudi Srihari Raju

Managing Director

DIN: 01593620

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The information is required in compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming a part of the Boards' Report for the year ended March 31, 2020 and has to be read in Conjunction with the Company's financial statements, which follows this Section. The management of the company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

INDUSTRY STRUCTURE & DEVELOPMENTS:

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in the UK. India contributes the second largest share of pharmaceutical and biotech workforce in the world. India's domestic pharmaceutical market turnover reached Rs 1.4 lakh crore (US\$ 20.03 billion) in 2019, up 9.8 per cent y-o-y from Rs 1.29 lakh crore (US\$ 18.12 billion) in 2018. In May 2020, pharmaceutical sales grew 9 per cent y-o-y to Rs 10,342 crore (US\$ 1.47 billion).

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80 per cent of the retriviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms

The Company was operating in the Chemical industries, mainly engaged in the manufacturing of Active Pharmaceutical Ingredients and Intermediaries. Financial Year 2019-20 was of a significant growth in the history of the Company. The Directors from time to time has always considered the proposal for diversification into the areas which would be profitable for the Company. Going ahead your Directors are expecting better industrial development in the coming years.

MARKETING & MARKET SIZE:

Indian pharmaceutical sector is expected to grow to US\$ 100 billion, while medical device market is expected to grow US\$ 25 billion by 2025. Pharmaceuticals export from India stood at US\$ 20.70 billion in FY20. Pharmaceutical export include bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected grow at an average growth rate of around 30 per cent a y-o-y to reach US\$ 100 billion by 2025.

OUTLOOK : Global API Sector

Active pharmaceutical ingredient (API) is a global business. Medicines prescribed in the US and Europe are as likely to contain an API made in Asia as one manufactured locally. The global API supply chains extend around the world.

The Indian bulk drug industry has progressed from being perceived as an industry manufacturing simple API molecules to becoming the preferred destination for high value and complex APIs. India's API industry is ranked the third largest in the world, and the country contributes approximately 57% of APIs to pre-qualified list of the WHO its highly fragmented nature erodes its competitive positioning globally.

The backbone of Indian pharmaceutical industry is the bulk drugs/API industry, and in the past, a well-developed bulk drugs manufacturing sector ensured that India remained self-dependent for its intermediates and active pharmaceutical ingredients (APIs). However, over the past two decades, India's reliance has grown for imports of low-cost intermediates and APIs. Over-dependence on imports has increased the threat to the nation's health security as some of these APIs are crucial to mitigate India's growing disease burden categories, such as cardiovascular diseases, Diabetes and Tuberculosis. The import of APIs has risen at a CAGR of 8.3% from 2012 to 2019 and the bulk drug import reached a value of D249 billion in 2019. Currently, India imports nearly 68% of API, by value, from China. The latter is also a single supplier for many of the critical intermediaries and APIs including high-burden disease categories.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

More recently, the coronavirus related supply chain interruptions have further highlighted the vulnerabilities in the drug supply chain. Hence, there is an urgent need to improve India's self-sufficiency and boost domestic manufacturing to achieve global leadership.

INVESTMENTS AND RECENT DEVELOPMENTS:

The Union Cabinet has given its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflow worth US\$ 16.50 billion between April 2000 and March 2020 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- In May 2020, Jubilant Generics Ltd. entered into a non-exclusive licencing agreement with US-based Gilead Sciences Inc to manufacture and sell the potential COVID-19 drug Remdesivir in 127 countries, including India.
- Affordable medicines under Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) achieved record sales turnover of Rs 52 crore (US\$ 7.38 million) in the month of April 2020.
- During December 2019, on moving annual total (MAT) basis, industry growth was at 9.8 per cent, with price growth at 5.3 per cent, new product growth at 2.7 per cent, while volume growth at two per cent y-o-y.
- In October 2019, Telangana Government proposed Hyderabad Pharma City with financial assistance from the Central government of Rs 3,418 crore (US\$ 489 million).
- As on August 2019, the moving annual turnover (MAT) for biosimilar molecules sold in the domestic market stood at Rs 1,498 crore (US\$ 214.31 million).
- Healthcare sector witnessed private equity of total US\$ 1.1 billion with 27 deals in H12019.
- Indian pharmaceutical industry's export to the US will get a boost as branded drugs worth US\$ 55 billion will become off-patent during 2017-2019.

GOVERNMENT INITIATIVES:

Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- India plans to set up a nearly Rs 1 lakh crore (US\$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.
- In November 2019, the Cabinet approved extension/renewal of extant Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions while adding one additional product namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines till the final closure/strategic disinvestment of Pharma CPSUs.
- Under Budget 2020-21, Rs 65,012 crore (US\$ 9.30 billion) has been allocated to the Ministry of Health and Family Welfare. The Government has allocated Rs 34,115 crore (US\$ 4.88 billion) towards the National Health Mission under which rural and urban people will get benefited.
- Rs 6,400 crore (US\$ 915.72 million) has been allocated to health insurance scheme Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY).
- As per Economic Survey 2019-20, Government expenditure (as a percentage of GDP) increased to 1.6 per cent in FY20 from 1.2 per cent in FY15 on health.
- The National Health Protection Scheme is the largest Government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy to stop any misuse due to easy availability.
- Government of India unveiled 'Pharma Vision 2020' to make India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investment.

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise.

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

OPPORTUNITY AND THREATS:

The SWOT analysis of the industry reveals the position of the Indian pharmaceutical industry in respect to its internal and external environment.

a) Strengths

- Strong technical, finance and administrative expertise in pharma industries.
- Higher GDP growth leading to increased disposable income in the hands of general public and their positive attitude towards spending on healthcare.
- Low-cost, highly skilled set of English speaking labour force and proven track record in design of high technology manufacturing devices.
- Strong focus by the Government.
- Low cost of innovation, manufacturing and operations.
- Adherence to global standards.
- Adequate health insurance coverage.

b) Weaknesses

- Stringent pricing regulations affecting the profitability of pharma companies.
- Poor all-round infrastructure is a major challenge.
- Presence of more unorganised players versus the organized ones, resulting in an increasingly competitive environment, characterised by stiff price competition.

c) Opportunities

- Entering into Research & Development sector
- Global demand for generics rising.
- Rapid OTC and generic market growth.
- Increased penetration in the non - metro markets.
- Large demand for quality diagnostic services.
- Significant investment from MNCs.
- Public-Private Partnerships for strengthening Infrastructure.
- Opening of the health insurance sector and increase in per capita income - the growth drivers for the pharmaceutical industry.
- India, a potentially preferred global outsourcing hub for pharmaceutical products due to low cost of

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

skilled labour.

d) Threats

- Global Competition.
- Narrow margin of Profits.
- Increasing Stringency on Quality.
- Increasing CGMP regulatory requirement compliances leads to more and more investments.
- Wage inflation.
- Government expanding the umbrella of the Drugs Price Control Order (DPCO).
- Other low-cost countries such as China and Israel affecting outsourcing demand for Indian pharmaceutical products
- Entry of foreign players (well equipped technology-based products) into the Indian market.

The Company is seriously contemplating for both forward and backward integration. The Company is also actively perusing assets/stress-assets which will add immediately value to the Company's motto. The Company is determined to have a forward integration into pelletisation and lyophilisation in near future along with backward integration in intermediates through acquisition or new exposition projects.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an adequate system of internal controls comprising authorization levels, supervision, checks and balance and procedures through documented policy guidelines and manuals, which provide that all transaction are authorized, recorded and reported correctly and compliance with policies and statutes are ensured. The operational managers exercise their control over business processes through operational systems, procedural manual and financial limits of authority manual, which are reviewed and updated on an ongoing basis to improve the systems and efficiency of operations. The Company place prime importance on an effective internal audit system. The Internal Control System is supplemented by internal audit, regular review by the management and well documented policies. The Company has an independent Internal Audit System to monitor the entire operations and services. The top management and Audit Committee of the Board review the findings of the Internal Auditor and takes remedial actions accordingly.

RISKS AND CONCERN:

The pharmaceutical industry faces challenges in protecting intellectual property and brand reputation while meeting strict compliance needs. Environmental sector is another major concern as drugs are of high value and sensitive to environmental interaction. There is a need to make sure that pharmaceutical products are handled safely. Active pharmaceutical ingredients (APIs) can enter the natural environment during manufacture, use and/or disposal, and consequently public concern about their potential adverse impacts in the environment is growing. Owing to lockdown in various countries, the Company has experience impact on the logistics and thereby experienced occasional delays in both inbound and outbound shipments. After border tension with china, our business has been impacted to an extent of 10-15% because of stricter monitoring by the Indian Government authorities on imports from China and export to China.

SEGMENT-WISE PERFORMANCE:

Everest Organics Limited is engage in the business of manufacturing of Active Pharmaceutical Ingredients & Intermediaries since past 2 decades. Currently the Company is working on capacity utilization of 80-90% for the existing product. The capex done for the FY 2019-20 was Rs. 7.00 crore and big capex envisaged for the FY 20-21 is 14-15 crore and thereafter every year Rs. 10.00 crore for the next 3 years.

During the FY 2019-20, the Company exported about 25 to 30% of the total sale from all over the world. The operating margin of the Company is likely to touch 15% in the ensuing years; the increase in operating margin was because of enhanced capacity utilization and enhanced cost control measures. There was an increase in number of client during the year; presently we have about 60 customers spread over 45 countries all over the world. We would like to reach 100 clients in 60 countries in the next three years. We have already registered one product in China and two products in other regulated market.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year under review, the Company has achieved a turnover of INR 1672 million as against INR 1558 million in the previous year reflecting a significant year-on-year growth of 7.30%.

During the year the Company has earned a Net Profit of INR 108 million as against Net Profit of INR 75 million in the previous year, registering a growth in Profit-after-tax (PAT) of 45.12%. The Company has made a provision of INR 32 million for Tax Expenses. No transfers from the profits were made to the General Reserve. The entire net profit is carried over in the Statement of Profit & Loss.

During the year the total borrowings of the Company decreased to INR 105.7 million as against INR 140 million showing a reduction in the net debt by 32%. As on March 31, 2020 the Company's debt-to-equity ratio was 0.44 as against 0.72 on March 31, 2019.

The Earning per shares (EPS) of the Company as on March 31, 2020 was INR 13.62 as against INR 9.39 in the previous year.

BUSINESS UPDATES:

- Osaltamivir and Rivaroxaban are introduced and commercialized.
- In Benzimidazole odor control done by recovering NaHS and CS₂ from Tech MLs and are recycled.
- Solvent recovery systems are strengthen to minimize the loss there by reduced the costing of the products
- Long Term Loan by Financial Credit Rating (Brickwork Rating) is BWR BBB-/Stable dated February 19, 2020.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT:

The focus is on capability development, performance management and employee engagement. This is expected to improve cost competitiveness through greater levels of employee participation, commitment and involvement.

The Company recognizes human resources as its biggest strength which has resulted in getting acknowledgement that the Company is the right destination where with the growth of the organization, value addition of individual employees is assured. The company provides employee development opportunities by conducting training programs to equip the employee with upgraded skills enabling them to adapt to the contemporary technological advancements. The total number of employees as on March 31, 2020 is about 407.

CAUTIONARY STATEMENT:

Statement in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, exceptions or predictions may be forward looking statements and are based on certain assumptions and exception of future events. Actual result could however differ materially from those express or implied. Important factors that could make a difference to the Company's operations including global and domestic demand-supply condition, finished goods process, raw material cost and availability, changes in government regulations and tax structure, economic development within India and the Countries with which the Company has Business Contracts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statement herein which may undergo changes in future on the basis of subsequent developments, information and events.

For and on behalf of the Board of Directors

Place: Hyderabad

Date: 31.07.2020

**Sd/-
K. Ramakrishnam Raju
Chairman
DIN: 01735481**

**Sd/-
Dr. S.K Srihari Raju
Managing Director
DIN: 01593620**

**AUDITORS' REPORT****INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF****EVEREST ORGANICS LIMITED.****QUALIFIED OPINION**

We have audited the accompanying financial statements of Everest Organics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2020 and its profit (financial performance including other comprehensive income) its cash flows and the changes in equity for the year ended on that date.

BASIS FOR QUALIFIED OPINION:

As stated in Note 27 (C)(xvi)(a) to the financial statements of the Company as at March 31, 2020 under report, the outstanding amount in connection with liability for payment of Gratuity stands at Rs.100.18 Lakhs. As against the said liability of Rs.100.18 Lakhs the company has deposited only part of the liability with the LIC Gratuity Fund, that is Rs.70.31 Lakhs and for the remaining liability of Rs.29.87 Lakhs payment is yet to be made as on that date. Further, the provision for the year is made as per the assessment of the management, but not as per the actuarial valuation as required under the Indian Accounting Standards.

As per the requirement of the Indian Accounting Standard-19 on Employee Benefits, such liability should have been deposited in total in a fund as against a partial sum. Our audit opinion on the financial statements for the year ended March 31, 2020 is qualified in respect of this matter.

The management is of the opinion, the entire liability in this regard has been provided and hence does not have any impact on the profit and loss account of the company for the year and the Balance Sheet of the Company as on March 31, 2020.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

EMPHASIS MATTER :

We draw attention to the matter stated against note No 27(C)(xii) under Notes to financial statements wherein it states that the company has applied to enhance the production capacity from its existing

**AUDITORS' REPORT**

capacity with the Pollution control authorities and the matter is under review. The management has initiated the processes and is confident to receive the necessary approvals in this regard.

Opinion is not modified in respect of this matter.

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

We draw attention to following matter of the Company.

A) Revenue recognition:

Revenue is recognized when the control over the underlying products has been transferred to the customer. Due to the Company's sales under various contractual terms and across the country, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider a risk of misstatement of the Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off). Our tests of detail focused on cut-off samples to verify that only revenue pertaining to current year is recognized based on terms and conditions set out in sales contracts and delivery documents. Performing testing on selected statistical samples of revenue transactions recorded during the year.

B) Impairment in evaluation of Investments:

The carrying amount of the investments in unlisted company held at cost and classified under Non-Current Investments. The Company's investments in unlisted companies are generally carried at cost less any impairment. The investments are assessed for impairment when an indicator of impairment exists. With the spread of COVID-19 in India and globally said assessment could not be ascertained. It involves significant estimates and judgment, due to the inherent uncertainty involved in forecasting and discounting future cash flows. Management is of the view that, there is no impairment in this regard and the same is relied upon, by the auditors.

C) Raw material Consumption:

Raw material Consumption for the year is recognized based on the product composition at various stages and the customers requirement for all the products. The estimates relating to the charge are important given the significance process knowhow and the distinctive terms of arrangement with customers. These compositions consumption norms are complex and requires significant judgement and estimation by the Company for establishing the matching concept. An appropriate charge of raw material consumption and accuracy thereof may deviate due to change in judgements and estimates. Accordingly, the same has been considered as a key audit matter.

We obtained Management's calculations for raw material consumption specifications and relied upon the same.

D) IT Systems and Controls:

We have identified IT Systems and controls over financial reporting as a key audit matter for the company because it's financial and reporting system should be integrated and must be fundamentally reliant on IT systems and controls to process the voluminous data specifically with respect to revenue, debtors, inventory management and raw material consumption. Automated

**AUDITORS' REPORT**

accounting procedures and IT environment controls are required to be modified and implemented to operate effectively to ensure accurate financial reporting to comply with all the reporting requirements under various statutes. We have assessed the management's position through discussion with the in-house and external experts. Management has initiated steps to integrate all activities in this regard.

E) Fixed Assets and Capital Work in Progress:

During the year under report, the company has capitalized and made additions to fixed assets to the extent of Rs.515.16 Lakhs and has made a further addition of Rs.112.67 lakhs to the Capital Work in Progress being various projects under development. The company has made a decommissioning / deletion of assets to the extent of Rs.537.68 lakhs, which has resulted in a charge to Profit and Loss account to the extent of Rs.252.89 lakhs. The definition of asset and recognition thereof, measurement of decommissioning provision, the entire process involves use of estimates and assumptions relating to timing of such deletion / decommissioning of related assets.

The management has initiated the process with the help of technical experts to arrive at a conclusion. due to COVID 19 pandemic, the said process is still in the process of completion, as regards the asset recognition and re-alignment of Fixed Assets Register, as at the close of the financial year. The management is confident to close the process shortly.

Accordingly, the same is considered as a key Audit matter.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to modify/cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITY :

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**AUDITORS' REPORT**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the company to cease to continue, as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

- 1) As required by the Companies (Auditors' Report) Order, 2016 ("The Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the Annexure-A to this report, a Statement on the matter specified in Paragraph 3 and 4 of the Order, to the extent applicable.

**AUDITORS' REPORT**

2) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book;
- c. The Balance Sheet, the Profit and Loss Statement, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015;
- e. According to the information and explanations given to us, On the basis of the written representations received by the company, from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B" to this report;
- g. with respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to Para 12 of Note No.27 to the Financial Statements.
 - (ii) The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company..

For SURYAM & CO
Chartered Accountants
FRN : 012181S

Sd/-
(SRINIVAS OLETI)
Partner
ICAI M.No.206457
UDIN:20206457AAAAAE4505

Place : Hyderabad,
Date : 25-06-2020.

**AUDITORS' REPORT****ANNEXURE - A****Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date issued to the members of Everest Organics Limited**

We report on the matter specified in Paragraphs 3 & 4 of the Companies (Auditors Report) Order, 2016, as under :

- i) a) The Company has maintained proper records showing broad particulars including quantitative details and situation of fixed assets, on the basis of available information. However, the fixed assets register is to be updated. We are informed by the management that the company is in the process of compiling and reconstructing the Fixed Assets Register to show full particulars including quantitative details and situation of Fixed Assets.
- b) As per the information and explanations furnished to us by the management, majority of the fixed assets have been physically verified by the management during the period under report. In our opinion, the frequency of such physical verification is reasonable, having regard to the size of the Company and nature of its assets. The discrepancies noticed on such verification, were identified and charged off to the Profit and loss account under report.
- c) As per the information and explanations furnished to us by the management, the title deeds of immovable properties are held in the name of the company.
- (ii) The physical verification of inventories has been conducted during the year by the management, in respect of majority of the high value items at reasonable intervals. In our opinion, the frequency of such verification is reasonable.

The discrepancies, that were noticed have been properly dealt with in the books of account.

- (iii) As per the information and explanations furnished to us by the management and as per the books of account and other documents examined by us, the company has not granted any loans secured or unsecured to companies, firms, limited partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) As per the information and explanations furnished to us by the management and as per the books of accounts and other documents examined by us, the company has not given any loans, made investments, given guarantees, securities to the parties to which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable.
- (v) According to the information and explanations given to us the Company has not accepted deposits, to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or the other relevant provisions of the Companies Act, and the rules framed there under, wherever applicable, from the public.

However, there are certain unsecured loans, accepted from Directors and their relatives and also in the form of employee security deposits, amounting to Rs.440.47 lakhs as at 31-03-2020(Rs.339.69 lakhs as at 31-03-2019).

- (vi) As per the information and explanations furnished to us, prima facie, it appears that the company broadly meets the requirement prescribed by the Central Government under section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. We have however, not made a detailed examination of such cost records maintained by the company.
- (vii) a) As per the information and explanations furnished to us by the management, according to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State

**AUDITORS' REPORT**

Insurance, Income Tax(Except FBT of Rs.2.20 lakhs), Goods and Service Tax, duty of Customs, and other statutory dues have been generally deposited with the appropriate authorities. However, according to the information and explanations given to us, no other undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2020 for a period of more than six months from the date they became payable.

(b) As per the information and explanations furnished to us by the management, there are no dues of income tax, sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.

(Viii) As per the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to the Banks or Government. The company has not made any borrowings from the financial institutions or debenture holders.

(ix) During the year the company has not raised money by way of initial public offer or further public offer (including debt instruments). As per the information and explanations given to us, the term loans raised during the year were applied for the purposes for which the same were raised.

(x) During the year under review, no fraud by the company or on the company by its officers or employees has been noticed or reported.

(xi) As per the information and explanations given to us by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Companies Act.

(xii) The Company is not a Nidhi company. Hence Clause (xii) is not applicable to the company.

(xiii) As per the information and explanations given to us and based on our audit, in our opinion, the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable accounting standards.

(Xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) As per the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SURYAM & CO
Chartered Accountants
FRN : 012181S

Sd/-
(SRINIVAS OLETI)
Partner
ICAI M.No.206457
UDIN:20206457AAAAAE4505

Place : Hyderabad,
Date : 25-06-2020.

**AUDITORS' REPORT****Annexure-B**

Referred to in paragraph 2(f), under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date issued to the members of Everest Organics Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") :

We have audited the internal financial controls over financial reporting of Everest Organics Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

**AUDITORS' REPORT**

1. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
2. Provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion :

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the following internal financial controls are essential and desirable.

- a) The system of physical verification of fixed assets, tagging of fixed assets, and computerization of records needs to be implemented to be commensurate with the size of the company & level of operations.
- b) The system of physical verification of inventories, tagging of inventories, recognition & valuation of inventories needs to be further improved to be commensurate with the size of company & level of operations.
- c) The system of obtaining periodical confirmation of balances from Debtors, Creditors, Advances, Deposits, etc. and the consequential reconciliations and adjustments thereof, needs to be improved to be commensurate with the size of company.
- d) The system of obtaining comparative quotations from different independent parties and keeping them on record needs to be further strengthened to be commensurate with the size of the company and nature of operations of the Company.
- e) The method of customer evaluation needs to be further improved for extending credit to the customers..

For SURYAM & CO
Chartered Accountants
FRN : 012181S

Sd/-
(SRINIVAS OLETI)
Partner
ICAI M.No.206457
UDIN:20206457AAAAAE4505

Place : Hyderabad,
Date : 25-06-2020.

**BALANCE SHEET****PART 1 - BALANCE SHEET (CIN : L24230TG1993PLC015426)****EVEREST ORGANICS LIMITED
BALANCE SHEET AS AT 31-03-2020**

(Rupees)

	Particulars	Note No.	As at 31-Mar-2020	As at 31-Mar-2019
1	ASSETS			
	Non-current assets			
	(a) Property, Plant and Equipment	1	390,402,390	384,966,079
	(b) Capital Work-in-Progress	2	11,266,878	2,126,408
	(c) Financial Assets			
	(i) Investments	3	845,408	845,408
	[d] Other Non-Current Assets	4	9,051,761	16,336,682
	Total Non Current Assets (A)		411,566,437	404,274,577
2	Current assets			
	(a) Inventories	5	273,995,963	184,540,843
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	6	442,960,894	407,093,238
	(iii) Cash and cash equivalents	7	20,012,283	19,615,884
	(c) Other Current Assets	8	54,381,431	57,253,231
	Total Current Assets (B)		791,350,571	668,503,197
	TOTAL ASSETS [(C) = (A) +(B)]		1,202,917,008	1,072,777,774
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	9	80,000,000	80,000,000
	(b) Other Equity	10	262,021,544	179,755,769
	Total Equity (D)		342,021,544	259,755,769
	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	46,125,253	46,615,315
	(b) Deferred Tax Liabilities (Net)		30,447,983	21,187,818
	(b) Other Non-Current Liabilities	12	44,268,605	34,190,629
	Total Non Current Liabilities (E)		120,841,841	101,993,762
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	105,732,518	140,008,808
	(ii) Trade Payables	14	564,966,563	494,496,430
	(iii) Other Financial Liabilities	15	24,321,293	23,338,899
	(b) Other current liabilities	16	18,450,060	17,980,786
	(c) Provisions	17	3,883,189	8,203,319
	(d) Current tax liabilities (net)	18	22,700,000	27,000,000
	Total Current Liabilities (F)		740,053,623	711,028,243
	TOTAL EQUITY AND LIABILITIES [G] = (D)+(E)+(F)]		1,202,917,008	1,072,777,774

Significant Accounting Policies and Note to Financial Statement forms an integral part of accounts.

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As per our report even date
for SURYAM & Co.
Chartered Accountants
FRN - 12181S

Sd/-
SRINIVAS OLETI
Partner
ICAI M.No.206457

Place: Hyderabad
Date: 25-06-2020

Sd/-
P.RAMA KRISHNA
Chief Financial Officer

Sd/-
REKHA SINGH
Company Secretary

For and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-
Dr.S.K.SRIHARI RAJU
Managing Director
DIN: 01593620

Sd/-
A.PARVATISEM
Technical Director
DIN: 00910224



STATEMENT OF PROFIT AND LOSS

PART II - STATEMENT OF PROFIT AND LOSS ACCOUNT

EVEREST ORGANICS LIMITED

Statement of Profit and Loss for the year ended 31.03.2020

(Rupees)

	Particulars	Note No.	For the Year ended 31-Mar-2020	For the Year Ended 31-Mar-2019
I	Revenue From Operation	19	1,672,123,092	1,558,495,191
II	Other Income	20	14,528,600	5,435,281
III	Total Income (I+II)		1,686,651,691	1,563,930,472
IV	EXPENSES			
	Cost of materials consumed	21	1,022,642,447	957,173,957
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	22	(57,793,301)	(21,526,196)
	Employee benefits Expenditure	23	133,035,938	116,416,426
	Finance Cost	24	33,156,781	32,132,959
	Depreciation and amortisation expenses	25	32,081,445	28,358,426
	Other expenses	26	382,601,339	328,101,297
	Total Expenses (IV)		1,545,724,649	1,440,656,870
V	Profit/(loss) before exceptional items and tax(III-IV)		140,927,042	123,273,602
VI	Exceptional Item		-	-
VII	Profit/(loss) before tax (V-VI)		140,927,042	123,273,602
VIII	Tax Expenses			
	(1) Current tax		22,700,000	27,000,000
	(2) Deferred tax		9,260,165	21,187,818
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		108,966,877	75,085,784
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of Discontinued operations		-	-
XII	Profit/(Loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		108,966,877	75,085,784
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss (Insurance Claims of earlier period)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Item that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		108,966,877	75,085,784
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		13.62	9.39
	(2) Diluted		13.62	9.39
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		13.62	9.39
	(2) Diluted		13.62	9.39

Significant Accounting Policies and Note to Financial Statement forms an integral part of accounts.

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As per our report even date for SURYAM & Co.

Chartered Accountants
FRN - 12181SSd/-
SRINIVAS OLETI
Partner
ICAI M.No.206457Place: Hyderabad
Date: 25-06-2020Sd/-
P.RAMA KRISHNA
Chief Financial OfficerSd/-
REKHA SINGH
Company SecretaryFor and on behalf of the Board
EVEREST ORGANICS LIMITEDSd/-
Dr.S.K.SRIHARI RAJU
Managing Director
DIN: 01593620Sd/-
A.PARVATISEM
Technical Director
DIN: 00910224

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

SCHEDULE - 1									
Property, Plant and Equipment									
S.No.	Particulars	Gross Block			Depreciation			(Amount in Rupees) Net Block	
		As At 01.04.19	Additions During the year	Deletions / transfer during the year	As At 31.03.20	for the year	Deletions during the year	As At 31.03.20	As At 31.03.19
1	Land & Land Development	5,308,474	-	-	5,308,474	-	-	5,308,474	5,308,474
2	Factory Buildings	74,307,384	-	-	74,307,384	3,062,056	-	36,147,051	41,222,389
3	Plant & Machinery & Utilities	627,198,395	51,515,525	53,768,090	624,945,830	26,079,616	28,478,850	298,818,728	325,980,433
4	R&D Cap	7,521,085	7,506,821	-	15,027,906	659,835	1,069,170	1,729,005	6,861,250
5	Office Equipment	3,469,162	123,000	-	3,592,162	2,828,373	270,290	3,098,663	640,789
6	Computers	3,601,372	425,775	-	4,027,147	3,149,711	281,047	3,430,758	596,389
7	Furniture & Fittings	4,796,495	374,684	-	5,171,179	2,761,850	478,924	3,240,774	1,930,405
8	Vehicles	7,836,745	2,861,191	-	10,697,936	5,370,307	840,342	6,210,649	2,466,438
	Total (A)	734,039,112	62,806,996	53,768,090	743,078,018	349,073,033	32,081,445	352,675,628	384,966,079
SCHEDULE - 2									
Capital Work-in-Progress									
1	Buildings	-	9,591,909	-	9,591,909			9,591,909	-
2	Plant & Machinery & Others	2,126,408	51,064,087	51,515,525	1,674,970			1,674,970	2,126,408
	Total (B)	2,126,408	60,655,995	51,515,525	11,266,878	-	-	11,266,878	2,126,408
<div>1. Fixed Assets are stated at historical cost of acquisition net of GST and other applicable taxes, and is inclusive of incidental expenses and the proportionate expenditure to bring such assets to its present location.</div> <div>2. Depreciation on fixed assets is provided on the basis of straight line method on the basis of useful life of the assets at the rates provided for in the Schedule - II of the Companies Act, 2013 for the actual period of the usage of the assets.</div> <div>3. The Management is in the process of evaluating the fixed assets of the Company to ascertain and check on impairment. The impact of such impairment if any shall be dealtwith on completion of such exercise. However, the management states that there has been no impairment loss during the year, and the amount of assets represents the fair values as at the end of each of the years on conservative basis.</div>									
<div>As per our report even date for SURYAM & Co.</div> <div>Chartered Accountants</div> <div>FRN - 12181S</div> <div>Srinivas Oleti</div> <div>Partner</div> <div>ICAI M.No.206457</div> <div>For and on behalf of the Board</div> <div>EVEREST ORGANICS LIMITED</div> <div>P.RAMA KRISHNA</div> <div>Chief Financial Officer</div> <div>REKHA SINGH</div> <div>Company Secretary</div> <div>Dr.S.K.SRIHARI RAJU</div> <div>Managing Director</div> <div>DIN: 01593620</div> <div>A.PARVATISEM</div> <div>Technical Director</div> <div>DIN: 00910224</div>									
<div>Place: Hyderabad</div> <div>Date: 25-06-2020</div>									



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)				
3. Financial Assets- Investments		As at 31-Mar-2020		As at 31-Mar-2019
Investment in Equity Investment				
Equity Shares in PETL		815,408		815,408
Equity Shares in SBI		30,000		30,000
Total		845,408		845,408
4. Other Non-Current Assets		As at 31-Mar-2020		As at 31-Mar-2019
Security Deposits with Others		745,543		538,743
Security Deposits with Government Company-TSCPDCL		7,874,021		6,389,989
Security Deposits for Mobile, Internet		92,692		82,192
Gratuity Fund Deposit		-		3,500,000
Loans and Advances to Employees		339,505		5,825,758
Total		9,051,761		16,336,682
5. Inventories		As at 31-Mar-2020		As at 31-Mar-2019
(a) Raw materials		95,054,337		62,776,028
(b) Work-in-progress		68,893,062		63,168,601
(c) Finished Goods		100,971,311		48,902,471
(d) Others				
- Stores and Spares		5,265,801		4,940,495
- Coal		3,599,063		4,460,288
- Packing Material		212,389		292,961
Total		273,995,963		184,540,843
6. Trade Receivables		As at 31-Mar-2020		As at 31-Mar-2019
Trade Receivables considered good-unsecured				
- morethan 6 months	36,138,790		44,997,868	
Less: Allowance for doubtful receivables	14,134,798	22,003,992	15,918,951	29,078,917
- lessthan 6 months		420,956,902		378,014,321
Total		442,960,894		407,093,238
7. Cash and cash equivalents		As at 31-Mar-2020		As at 31-Mar-2019
(a) Balances with Banks;		9,141,866		10,493,987
(b) Cash on Hand;		215,289		129,306
(c) Deposits with Kotak Mahindra Bank for LC Margin Money		10,655,128		8,992,591
Total		20,012,283		19,615,884
8. Other Current Assets		As at 31-Mar-2020		As at 31-Mar-2019
(i) Advances - Unsecured, considered good				
Advances - Capital Goods		3,254,890		2,524,237
Advances - Raw Materials		3,102,432		933,668
Advance - Consumables-Coal		17,145,988		9,935,836
Advances - Others		7,831,028		6,878,140
Other Receivables		5,110,935		3,840,708
Advance Tax		12,300,000		11,500,000
TDS Receivable		442,373		343,879
GST Refund Receivable		909,809		20,546,170
GST- Input Tax Credit		4,283,976		750,595
Total		54,381,431		57,253,231



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)				
9. Equity		As at 31-Mar-2020		As at 31-Mar-2019
Class of Shares - Equity Shares				
Authorised Capital				
1,00,00,000 Equity Shares of Rs.10/- each		100,000,000		100,000,000
Issued, Subscribed & Paid-up Capital		80,000,000		80,000,000
Shares issued, subscribed and paid up (80,00,000 Equity Shares of Rs.10/- each fully paid up)				
Total		80,000,000		80,000,000

Note:1

No. of shares held by individuals/entities each holding more than 5% of total stake.

1. Veerat Finance & Investment Co.Ltd.,(38,85,546 Equity Shares of Rs.10/- fully paid up)38,85,546 (48.57%) 38,85,546 (48.57%)
(CIN: U65921TG1994PLC018639) (38,85,546 Equity Shares of Rs.10/- fully paid up)

2. Dr.S.K.Srihari Raju (15,52,989 Equity Shares of Rs.10/- fully paid up) 15,52,989 (19.41%) 15,44,394 (19.30%)
(15,44,394 Equity Shares of Rs.10/- fully paid up)

Note: 2. The Share holding of this two shareholders above are under different lock in dates in accordance with regulation 78 of SEBI(ICDR) 2009 as follows:
(i) Veerat Finance & Investment Ltd., holding 351720 shares are locked.

Note: 3

Reconciliation of number of shares outstanding at the beginning and end of the year :			
Equity Shares of Rs.10/- each Fully paid up issued & subscribed as at the beginning of the year.	8,000,000		8,000,000
	-		-
Total:	8,000,000		8,000,000

Note:

- There are no shares issued in last five years as fully paid up pursuant to contracts without payment being received in cash.
- There are no shares issued in last five years as fully paid up by way of bonus shares.
- There are no shares bought back in last five years.
- There are no calls unpaid.
- The Company had reduced the equity shares capital under the Capital Reduction Scheme in the year 2015 (Ratio 100:36).

10. Other Equity	Amount in Rupees			
	Reserves and Surplus			
	Securities Premium	Retained Earnings	Money received against share warrants	Total
Balance as on 31-03-2019	37,293,760	142,462,009	-	179,755,769
Changes in accounting policy or prior period error	-	10,990,552	-	10,990,552
Restated Balance at the beginning of the reporting period	37,293,760	131,471,457	-	168,765,217
Total comprehensive income for the year	-	108,966,877		108,966,877
Any other change (prior period taxes)	-	(6,066,120)	-	(6,066,120)
Dividend		(9,644,430)		(9,644,430)
Balance as on 31-03-2020	37,293,760	224,727,784	-	262,021,544



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)

11. Non Current - Financial Liabilities / Borrowings		As at 31-Mar-2020		As at 31-Mar-2019
a. Secured Loans				
- from banks & NBFC's				
1. Term Loan from Kotak Mahindra Bank-VI		-		3,242,408
2. Term Loan from Reliance Commercial Ltd		-		1,745,406
3. Term Loan from Kotak Mahindra Bank-VII		24,038,099		33,750,271
4. Cholamandalam Investment and Finance Co.ltd		620,013		877,505
5. Term Loan from Kotak Mahindra Bank-VIII		12,666,667		-
6. Loan from Clix Capital Services Pvt.Ltd		1,487,531		-
7. Loan from Axis Bank Skoda Car		1,976,986		-
8. Sales Tax Deferment Liability		5,335,958		6,999,725
(Payable as per A.P / TS State Government 14 years sales tax deferment scheme repayment commenced from 2009-10 and payable before the year 2022-23)				
Total		46,125,253		46,615,315
12. Other Non-Current Liabilities		As at 31-Mar-2020		As at 31-Mar-2019
Unsecured Loans				
(i) Unsecured Loans from Directors & Near Relatives		40,852,354		27,258,913
(ii) Security Deposit from Employees		3,195,282		6,710,746
(iii) Fringe Benefit Taxes for earlier years		220,970		220,970
Total		44,268,605		34,190,629
13. Current Financial Liabilities / Borrowings		As at 31-Mar-2020		As at 31-Mar-2019
Secured				
(a) Loans repayable on Demand				
- from Banks - Kotak Mahindra Bank Ltd				
Cash Credit	38,276,243		53,236,945	
Invoice Discounting (Domestic)	46,912,716		48,545,937	
Export Packing Credit	14,810,000	99,998,959	15,084,818	116,867,700
(b) LC Bills Discounting - Catholic Syrian Bank		5,733,559		23,141,108
Total		105,732,518		140,008,808
14. Trade Payables		As at 31-Mar-2020		As at 31-Mar-2019
MSME Creditors for Raw Materials		79,996,435		116,750,076
Other Creditors for Raw Materials		364,339,452		265,757,689
Creditors for Expenses		60,375,426		54,428,967
MSME Creditors for Capital Goods		2,892,664		1,276,306
Other Creditors for Capital Goods		43,869,142		40,309,398
Creditors for Utilities		13,493,445		15,973,994
Total		564,966,563		494,496,430



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)				
15. Other Current Financial		As at 31-Mar-2020		As at 31-Mar-2019
(a) Current maturities of long-term debt - from banks & NBFC'S				
1. Term Loan from Reliance Capital Ltd - V		-		1,566,872
2. Term Loan from Reliance Capital Ltd-VI		-		3,448,930
3. Term Loan from Kotak Mahindra Bank Ltd - VI		3,390,096		6,805,104
4. Term Loan from Reliance Commercial Ltd		1,745,405		2,636,475
5. Term Loan from Kotak Mahindra Bank Ltd-VII		9,856,257		8,660,913
6. Cholamandalam Investment and Finance Co.Ltd		257,492		220,605
7. Term Loan from Kotak Mahindra Bank Ltd-VIII		4,000,000		-
8. Loan from Bajaj Finance Ltd		2,731,353		-
9. Loan from Clix Capital Services Pvt.Ltd		1,947,676		-
10.Axis Bank Ltd		393,014		-
Total		24,321,293		23,338,899
16. Other current liabilities		As at 31-Mar-2020		As at 31-Mar-2019
Current Maturities of Deferred Payment Liability- Sales Tax		3,199,689		4,247,833
Statutory Liabilities				
a) ESI Dues	157,524		238,589	
b) PF Dues	1,289,218		1,011,497	
c) Professional Tax Dues	32,500		67,950	
d) TDS Payable	4,773,564		2,843,392	
e) GST Payable	-		3,458,566	
Total Statutory Liabilities		6,252,806		7,619,994
Other Current Liabilities		8,997,565		6,112,959
Total		18,450,060		17,980,786
17. Provisions for Current Liabilities		As at 31-Mar-2020		As at 31-Mar-2019
Provision for Employee benefits (Gratuity)		2,986,870		8,203,319
Provision for Leave Encashment		896,319		-
Total		3,883,189		8,203,319
18. Current tax liabilities (net)		As at 31-Mar-2020		As at 31-Mar-2019
1. Income Tax		22,700,000		27,000,000
Total		22,700,000		27,000,000
19. Revenue From Operation		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Sale of products :				
- Domestic Sales	1,401,713,835		1,381,016,099	
Less: Duties	223,976,029		219,158,499	
	1,177,737,806		1,161,857,600	
- Export Sales	493,966,313	1,671,704,119	396,042,514	1,557,900,114
Sale of Services :		418,973		595,077
Total		1,672,123,092		1,558,495,191



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)				
20. Other Income		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Interest Income		1,146,530		1,020,842
Export Incentives		6,992,307		4,101,977
Creditors Written Back		8,949		112,464
Net Foreign Exchange Gain		2,944,553		199,998
Bad Debts Provision Written back		3,436,260		-
Total		14,528,600		5,435,281
21. Cost of materials consumed		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Opening Stock of Raw Materials		62,776,028		38,499,658
Add: Purchase of Raw Materials		1,054,920,756		981,450,327
		1,117,696,784		1,019,949,985
Less: Closing Stock of Raw Materials		95,054,337		62,776,028
Total		1,022,642,447		957,173,957
22. Changes in Inventories		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Opening Stock of Finished Goods	48,902,471	(52,068,840)	44,411,394	(4,491,077)
Closing Stock of Finished Goods	100,971,311		48,902,471	
Net Increase/(Decrease) in Finished Goods				
Opening Stock of Work In Progress	63,168,601	(5,724,461)	46,133,482	(17,035,119)
Closing Stock of Work In Progress	68,893,062		63,168,601	
Net Increase/(Decrease) in Work In Progress				
Total		(57,793,301)		(21,526,196)
23. Employee benefits Expenditure		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Salaries and Wages		104,668,314		91,548,261
R & D Salaries		8,251,950		7,544,752
Contribution to provident and other funds		6,053,243		5,356,759
Staff welfare expenses		8,654,887		5,698,521
Statutory and Other Benefits		5,407,545		6,268,133
Total		133,035,938		116,416,426
24. Finance Cost		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Interest		18,843,883		21,025,054
Bills Discounting Charges		9,977,878		9,308,906
Processing, Documentation and other bank charges		4,335,020		1,799,000
Total		33,156,781		32,132,959
25. Depreciation and amortisation expenses		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Depreciation on Tangible Fixed Assets		32,081,445		28,358,426
Total		32,081,445		28,358,426

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

(Rupees)

26. Other expenses		For the Year Ended 31-Mar-2020		For the Year Ended 31-Mar-2019
Payments to the Professionals as Statutory Auditor		300,000		300,000
Manufacturing Expenses:				
(a) Material Conversion Charges	19,345,511		19,579,420	
(b) Stores Consumables	4,848,182		2,821,627	
(c) Lab Expenses	8,552,181		7,756,000	
(d) R&D Expenses	1,813,143		2,446,831	
(e) Effluent Charges	26,060,742		22,894,978	
(f) Power and Fuel	118,467,752		108,139,793	
(g) Plant Repairs & Maintenance Charges	52,547,502		41,720,135	
(h) Production Contract Charges	32,037,930	263,672,942	28,515,332	233,874,116
Administrative Expenses:				
(a) Conveyance	3,294,458		1,838,816	
(b) Postage, Telephone Charges	649,517		794,796	
(c) Rent, Rates & Taxes	2,193,270		1,815,444	
(d) Insurance	8,231,566		7,343,191	
(e) Security Charges	1,233,201		1,180,801	
(f) Consultancy Charges	6,464,865		6,426,212	
(g) Office Maintenance	829,711		640,311	
(h) Vehicle Maintenance	2,176,050		1,849,564	
(i) Other Administrative Expenses	16,578,515	41,651,152	10,628,281	32,517,416
Selling & Distribution Expenses:				
(a) Business Promotion	11,223,695		12,535,756	
(b) Travelling Expenses	1,166,503		1,859,391	
(c) Postage, Telephone Charges	641,506		368,793	
(d) Conveyance-Marketing	154,118		165,912	
(e) Commission on Sales	9,709,192		8,172,193	
(f) Freight Outward	4,256,450		5,431,703	
(g) Freight Outward on Exports	6,292,981		2,548,031	
(h) Packing Material	12,525,991		12,796,035	
(i) Other Expenses	4,065,461		1,613,000	
(j) Provision for Doubtful Receivables	1,652,107		15,918,951	
(k) Plant & Machinery Scrap written off	25,289,240	76,977,245	-	61,409,765
Total		382,601,339		328,101,297

As per our report even date
for SURYAM & Co.
Chartered Accountants
FRN - 12181S

Sd/-
SRINIVAS OLETI
ICAI M.No.206457

Place: Hyderabad
Date: 25-06-2020

Sd/-
P.RAMA KRISHNA
Chief Financial Officer

Sd/-
REKHA SINGH
Company Secretary

For and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-
Dr.S.K.SRIHARI RAJU
Managing Director
DIN: 01593620

Sd/-
A.PARVATISEM
Technical Director
DIN: 00910224

**CASH FLOW STATEMENT****Everest Organics Limited**

Cash Flow Statement for the year ended 31-03-2020

(Rs.in Lakhs)

Particulars	Year Ended 31.03.20	Year Ended 31.03.19
Cash Flow from Operating Activities		
Profit After Tax and Extraordinary Items	1,089.67	750.86
Adjustments	-	-
Depreciation and Amortisation expenses	320.81	283.58
Provision for Gratuity	(52.16)	11.72
Interest and Financial Charges paid	331.57	321.33
Write off of Property, Plant and Equipment	252.89	-
Excess/(Short) provision for Taxation	(60.66)	-
Prior period Adjustments	(109.91)	-
Interest Earned	(11.47)	(10.21)
Operating Profit/(Loss) before working capital charges	1,760.75	1,357.28
Adjustments for:		
(Increase)/Decrease in Trade receivables	(358.68)	(246.48)
(Increase)/Decrease in Inventories	(894.55)	(457.95)
Increase/(Decrease) in Current Financial Liabilities-Borrowings & Others	(332.94)	94.15
Increase/(Decrease) in Trade Payables	704.70	87.66
Increase/(Decrease) in Other Current Liabilities	13.66	(47.42)
Increase/(Decrease) in Current Tax Liabilities	49.60	205.00
(Increase)/Decrease in Financial Assets Loans/Other Current Assets	28.72	(94.58)
Cash Generated from Operations	971.26	897.67
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment including CWIP	(719.47)	(720.22)
Change in Other Non Current Assets	72.85	5.80
Change in Other Non Current Liabilities	100.78	168.66
Profit on sale of Property, Plant and Equipment	-	-
Dividend and Dividend Distribution Tax paid	(96.44)	-
Interest earned	11.47	10.21
Cash used in Investing Activities	(630.82)	(535.56)
Cash Flow from Financing Activities		
Increase/(Decrease) Non Current Financial Liabilities- Borrowings	(4.90)	(161.96)
Increase/(Decrease) Share Capital, Share Premium & Share Warrants	-	211.88
Securities premium received on issue of equity shares	-	-
Money Received against Share Warrants	-	-
Interest and Financial Charges paid	(331.57)	(321.33)
	(336.47)	(271.41)
Net Increase/(Decrease) in Cash & Cash Equivalents	3.97	90.70
Opening Cash & Cash Equivalents	196.16	105.46
Closing Cash & Cash Equivalents	200.12	196.16

AUDITORS CERTIFICATE

We have examined the cash flow statement of M/s.Everest Organics Limited for the year ending 31st March, 2020. The statement has been prepared by the Company in accordance with the requirement of Regulation 34 of SEBI (LODR) Regulations, 2015 of the Listing Agreement with Mumbai Stock Exchange and is based on and is an agreement with the Corresponding Profit & Loss Account and Balance Sheet of the Company as per our report dated 25th June, 2020, to the Members of the Company.

As per our report even date
for SURYAM & Co.
Chartered Accountants
FRN - 12181S

Sd/-
SRINIVAS OLETI
ICAI M.No.206457

Place: Hyderabad
Date : 25-06-2020

Sd/-
P.RAMA KRISHNA
Chief Financial Officer

Sd/-
REKHA SINGH
Company Secretary

For and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-
Dr.S.K.SRIHARI RAJU
Managing Director
DIN: 01593620

Sd/-
A.PARVATISEM
Technical Director
DIN: 00910224

**NOTES FORMING PART OF THE ACCOUNTS****NOTES TO FINANCIAL STATEMENTS**

Note No.27:

ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS**A) Basis of preparation:****i) Statement of compliance**

The financial statements of Everest Organics Limited have been prepared and presented in accordance with Indian Accounting Standards ("Ind As") notified under section 133 of accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India (SEBI).

The company's Internal Financial Control (IFC) over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, which is being implemented by the company as a continuous process exercise required for providing reasonable assurance regarding the reliability of the financial reporting.

Accounting policies not referred to herein otherwise are consistent with Generally Accepted Accounting Principles in India.

ii) Basis of measurement

The company follows the mercantile system of accounting and recognizes incomes and expenses on accrual basis. The accounts are prepared on historical cost basis and as a going concern.

iii) Functional & presentation currency

The financial statements are presented in Indian rupees rounded off to the nearest rupee.

iv) Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year.

v) Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company normal operating cycle and other criteria set out in the Schedule-III to the Companies Act, 2013, read with Indian Accounting Standards.

**NOTES FORMING PART OF THE ACCOUNTS****vi) Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

vii) Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets / liabilities are classified as non-current.

B) Significant accounting policies:**i) Revenue Recognition:**

Effective from 1st April, 2018 the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognized on dispatch (in respect of exports on the date of the shipping bill or airway bill) which coincides with transfer of significant risks and rewards and control to customer and is net of trade discounts, sales returns and sales tax, where applicable. Excise duty deducted from revenue (gross) is the amount that is included in revenue (gross).

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export incentives comprise of Duty draw back shown in "other income". Duty drawback is recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**NOTES FORMING PART OF THE ACCOUNTS****ii) Provisions and contingent liabilities:**

A provision is recognized if as a result of a past event the company has a present Legal or constructive hat is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where no reliable estimates can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation that may, but probably will not require an outflow of resources.

iii) Property, Plant and Equipment:

Items of property, plant and equipment are carried at the historical cost of acquisition or construction or at the consideration paid less accumulated depreciation arrived at taking into Schedule II of the Companies Act, 2013. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Borrowing costs directly attributable to acquisition or construction of item of property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. However, during the year there is no such interest expenditure which is capitalized.

Subsequent expenditure related to an item of property, plant and equipment is capitalized only if it enhances the future economic benefits arising from the existing assets beyond its previously assessed standards of performance.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are shown under short-term loans and advances. Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Gains or losses from disposal of an item of property, plant and equipment are recognized in the statement of profit and loss.

iv) Depreciation:

Depreciation on fixed assets is provided as per useful lives specified in the Schedule II of the Companies Act, 2013 for the actual period of the usage of the assets on prorated basis, with Plant & Machinery considered to be coming under the category of "manufacture of pharmaceuticals and chemicals" in accordance with clauses 1 & 2 of Section 123 of the Companies Act, 2013.

v) Inventories:

Raw materials, packing materials, stores, spares, consumables are valued at cost, after providing for obsolescence. Work-in-process is valued at cost of raw materials and proportionate overheads. Finished goods are valued at lower of the cost or market value/net realizable value. Cost includes all charges incurred in relation to the goods.

Net Realizable Value (NRV) is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of all categories of inventory is determined using weighted average cost method.

**NOTES FORMING PART OF THE ACCOUNTS****vi) Cash Flow Statement:**

Cash Flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the company are segregated.

vii) Research & Development Expenditure:

It is the policy of the company to transfer the Research & Development Expenditure on capital items to assets and depreciation is charged thereon accordingly at the applicable rates and Revenue expenditure on Research and development is charged off to Profit & Loss in the year in which it is incurred.

viii) Foreign Currency Transactions:

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss account. Non-monetary assets and non-monetary liabilities to be denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities to be denominated in foreign currency are measured at historical cost and are translated at the exchange rate prevalent at the date of transaction.

Revenue, expense and cash flow items denominated in foreign currencies are translated using exchange rate in effect on the date of transaction. Transaction gain or loss realized upon settlements of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

ix) Employee Benefits:

Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plans:

Contributions to defined contribution retirement benefit schemes are generally recognized as an expense when employees have rendered services entitling them to contributions.

Compensated Absences:

The Company's current policies permit its employees to accumulate and carry forward their unutilized compensated leaves and utilize them in future periods or receive cash in lieu thereof. The balance of such earned leaves in excess of 30 days can be encashed by such individual employee at the year end. The compensation against such encashment is arrived and disbursed based on the gross salary drawn by such individual employee as at the year end.

**NOTES FORMING PART OF THE ACCOUNTS**

Provident Fund :

Contribution to Provident fund (a defined contribution plan) administered through Regional Provident Fund Commissioner are recognized is charged to profit and loss account in the same period, as expense.

x) Earnings per Share:

Basic earnings per share are computed by dividing the net profit after tax available to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

xi) Income Tax Expense:

Income tax expense comprises of current tax and Deferred Tax.

(a) Current Tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

(b) Deferred Tax:

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Accordingly, the company provided for Deferred Tax on 31-03-2020.

xii) Impairment of Assets:

The Company assesses, from year to year, as to whether there is any indication that an asset is impaired. However, in the opinion of the management, there has been no impairment loss during the year.

xiii) Segment Accounting Policy:

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

xiv) FINANCIAL INSTRUMENTS:

a. Financial Assets:

1. Initial Recognition and Measurement:

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognized using trade date accounting.

2. Subsequent Measurement:

-Financial Assets measured at Amortized Cost (AC):

A Financial Asset is measured at Amortized Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

**NOTES FORMING PART OF THE ACCOUNTS****-Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

-Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109

Investment in Subsidiaries, Associates and Joint Ventures:

The Company has accounted for its investments in Subsidiaries, associates, and joint venture at cost less impairment loss (if any). The investments in preference shares with the right of surplus assets which are in nature equity in accordance with Ind AS 32 are treated as separate category of investment and measured as at FVTOCI.

-Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Statement of Profit and loss when the Company's right to receive payment is established.

-Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analyzed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**NOTES FORMING PART OF THE ACCOUNTS****b. Financial Liabilities:****1. Initial Recognition and Measurement:**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

2. Subsequent Measurement:

Financial Liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

xv) FINANCIAL RISK MANAGEMENT:

The Company's activities expose it to variety of financial risks: foreign currency risk, interest rate risk, credit risk, Commodity price risk and liquidity risk. Within the boundaries of approved Risk Management Policy framework, the Company manages the volatility and minimize the adverse impact on its financial performance.

a) Foreign Currency Risk:

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

b) Interest Rate Risk:

The Company is not exposed to any interest rate risk as the interest rates implicit in all the borrowings are fixed in nature.

c) Credit Risk:

Credit risk is the risk that a customer fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from dealing in derivatives, receivables from customers and other financial instruments. The Company maintains that, Credit risk is actively managed through continuous follow-up with the parties and Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify, respond and recognize cases of credit deterioration.

d) Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of the major imported raw materials and other products. The company has a risk management framework headed by the managing director, aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

e) Liquidity Risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company's liquidity is managed centrally with all the departments forecasting their cash and liquidity requirements. Management monitors rolling forecasts of the Company's cash flow position to ensure that the Company is able to meet its financial obligation.

**NOTES FORMING PART OF THE ACCOUNTS****C. Other Disclosures:****(i) SECURED LOANS:**

- (a) The Secured Loans from Kotak Mahindra Bank with total outstanding credit limits as on 31-03-2020 of Rs.2237 lakhs (Fund Based: Rs.1677 lakhs & Non-Fund Based : Rs.560 lakhs), whereas Sanctioned Limits for the year amounting to Rs. Rs.2459 lakhs (Fund Based: Rs.1899 lakhs & Non-Fund Based : Rs.560 lakhs) (Page no. 1 of 8 as per sanction letter) are secured by the first and exclusive charge by way of equitable mortgage by deposit of Titles Deeds of the Company's immovable properties of Land admeasuring Ac. 35-20 Guntas Sy.Nos.38, 39, 40 and 45, with Buildings thereon and situated at Aroor Village, Sadasivpet Mandal, Sangareddy District, Telangana State, hypothecation of stocks, receivables and other current assets, and also by the personal guarantees of promoter directors and mortgage of the personal immovable properties of the promoters, directors.
- (b) Secured Loans of Rs.17.45 lakhs from Reliance Capital are secured by the hypothecation of the equipment acquired out of the term loan given by them and also the personal guarantees of two of the promoter directors.

(ii) FIXED ASSETS:

During the year the company has written off Plant & Machinery having Gross Block amounting to Rs.5.37 Crs. with Accumulated Depreciation of Rs.2.85 Crs., for which the useful lives have exhausted, to Profit & Loss Account.

(iii). INDIRECT TAXES:

During the year, total eligible GST Input available for the company amounting to Rs.2,370.17 lakhs (previous Year Rs.2,115.15 lakhs). Out of which Rs.51.93 lakhs (previous Year Rs. 212.97 lakhs) remained unavailed and the same has been classified under "Other Current Assets" in the Balance Sheet.

(iv). INVESTMENT:

Of the total investments of Rs.8.45 lakhs part of the same is represented by the fully paid Equity Shares of M/s. Pattancheru Envirotech Limited made as contribution for utilizing their services of common Effluent Treatment Plant set up by the M/s.Pattancheru Envirotech Ltd. to the tune of Rs.8.15 lakhs (Unquoted 81540 No. of equity shares of Rs.10/- each fully paid up.

Part of the investment is represented by shares of State Bank of Travancore (SBT) amounting to Rs.0.30 lakhs which are subsequently converted into the equity shares of State Bank of India, for which the equivalent Equity Shares of State Bank of India are yet to be received by surrendering the Share Certificates of the SBT).

These investments are intended to be held for more than one year and are accordingly classified as non-current investments. Management is in the process of arriving at the impairment if any in this regard. The impact of such impairment shall be dealt with upon completion of such assessment by the management.

(v). CASH AND CASH EQUIVALENTS:

Other Cash and Cash Equivalents totally amounting to Rs.200.12 Lakhs comprises of cash in hand of Rs.2.15 lakhs, Cash at Bank in Current Accounts of Rs.91.42 lakhs, Fixed Deposits (held under lien with the banks in the form of Fixed Deposits) amounting to Rs 106.55 lakhs.

**NOTES FORMING PART OF THE ACCOUNTS****(vi). FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Rs. In Lakhs)

Particulars	2019-20	2018-19
(A) Earnings in Foreign Exchange :		
Export of goods calculated on FOB Basis(Direct Exports)	4939.66	3,960.43
(B) Foreign Exchange Outgo		
i) Value of Imports Calculated on CIF Basis in respect of		
-- Raw Material (Actual Imports)	2271.56	1,652.19
ii) Foreign Travelling Expenses	12.26	52.69
iii) Sales Commission incurred abroad	33.14	22.53

(vii). PARTICULARS OF MANAGERIAL REMUNERATION (SALARY, ALLOWANCES, ETC.):

(Rupees in lakhs)

Particulars	2019-20	2018-19
Dr.S.K.Srihari Raju (Managing Director)	45.00	30.00
A. Parvatisem (Technical Director)	45.00	18.00
S.K.Hari Krishna (Whole Time Director)	12.00	9.00
TOTAL :	102.00	57.00

(viii). Details of production, Turnover (As certified by the management)a) **Annual Capacities: (as Certified by the management):** (Capacity in Tonnes)

Year	2019-20			2018-19		
Name of the Product	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
OMEPRAZOLE	180	169.89	94.38	180	139.9	77.7
CHLORO COMPOUND	300	246.91	82.30	300	247.8	82.6
BENZIMIDAZOLE	180	186.34	103.52	180	175.1	97.3
ESOMEPRAZOLE	100	90.76	90.76	48	62.7	130
PANTAPRAZOLE	60	27.89	46.80	60	30.3	50.5

**NOTES FORMING PART OF THE ACCOUNTS****b) Details of Production, Turnover (As certified by the management)**

Description	Production (Qty/MTs)		Sales (Qty/MTs)		Sales Value (Rs.in Lakhs)	
Name of the Product	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Omeprazole Powder	169.89	139.95	125.42	133.81	4139.16	4575.94
Benzimidazole	186.34	175.17	67.64	67.14	859.52	797.23
Chloro Compound	76.20	73.91	90.66	76.22	1849.30	1749.46
Op. Sulphide	23.63	243.80	3.00	10.00	88.49	289.07
Esomeprazole Magnesium	90.76	62.72	84.77	60.88	4740.01	3300.92
Pantaprazole Sodium	27.89	30.36	24.19	29.29	1622.08	2357.70
Ammonium Sulphate	1032.59	854.01	640.36	751.91	141.55	168.53
Tetralone		--		10.00	--	70.00
Others					3272.03	2283.73
Total					16712.15	15,584.95

(c) Details of Major Raw-material consumed (As certified by the management)

Description	2019-20		2018-19	
	(Qty/MTs)	Value (Rs.lakhs)	(Qty/MTs)	Value (Rs.lakhs)
3, 5 Lutidine	299.50	822.57	305.26	867.61
MDC 786.60	420.50	596.38	392.25	
Acetone	591.95	307.66	527.99	317.46
Acetic Acid	365.03	149.44	323.82	194.54
Toluene	833.44	524.40	445.64	305.51
Para Anisidine	311.34	610.83	181.89	649.79
DMS 299.44	100.54	294.21	154.12	
APS 206.88	146.24	100.34	77.70	
Others		6,566.31		6,397.66
Total		9,648.49		9,356.48

d) Value of Imported and indigenous Raw material consumed (As certified by the Management)

Description	2019-20		2018-19	
	Value(Rs. Lakhs)	%	Value (Rs. Lakhs)	%
Imported	2,850.28	29.54	1,652.19	17.66
Indigenous	6,798.21	70.46	7,704.29	82.34
Total	9,648.49	100.00	9,356.48	100.00

**NOTES FORMING PART OF THE ACCOUNTS****(ix). Related Party Transactions made during the year:****(Rs. In lakhs)**

Party Name	Nature of Transaction	Transaction Amount	Closing Bal.	Dr/ Cr	Relationship with the Related Party
Virat & Co.	Gross Sales made by the company	90.27 {123.07}	-- {--}	Dr.	One of the Partners of the Firm is the wife of Executive Director of the Company
Virat & Co	Gross Purchases made by the company	485.77 {473.98}	432.83 {162.49}	Cr.	--do--
Dr.S.K.Srihari Raju	Remuneration	45.00 {30.00}	--		Managing Director
A.Parvatisem	--do--	45.00 {18.00}	--		Technical Director
S.K.Hari Krishna	--do--	12.00 {9.00}	--		Whole time Director
Dr.S.K.Srihari Raju	Unsecured Loan taken by the Company	111.89 {50.00}	111.89 {50.00}	Cr.	Managing Director
Directors	Sitting Fees	3.60 {2.30}	--{NIL}		Non-Executive Directors
S.K Seetharama Raju	Office Rent & Maintenance paid by the company	17.75 {17.18}	0.90{--}		Director of the Company
S.K.Hari Krishna	Unsecured Loan taken by the company	38.20 {115.00}	41.95 {145.24}	Cr.	Executive Director of the Company
Veerat Finance and Investment Limited	Unsecured loan taken by the company	193.48 {129.73}	144.34 {NIL}	Cr.	Two of the Directors of the other Company are relatives of the Managing Director of the Company
A. Raj Kamala	Consultancy	5.45 {11.00}	0.45 {0.90}	Cr.	Spouse of Technical Director of the Company
Dr.S.K. Sirisha	Commission	12.75 {9.00}	0.55 {0.61}	Cr	Director of the Company
Dr.S.K. Sirisha	Unsecured loan taken by the company	30.00 {0.00}	49.21 {19.21}	Cr	Director of the Company
Sahithya S.K	Unsecured loan taken by the company	18.00 {0.00}	13.00 {0.00}	Cr	Spouse of Executive Director of the Company

The comparative previous figures have been indicated in the flower brackets.

**NOTES FORMING PART OF THE ACCOUNTS****(x). CONTINGENT LIABILITIES NOT PROVIDED FOR:**

- 1) Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company-Rs.533.89 lakhs (Previous year Rs. 423.92 lakhs).
- 2) Bank Guarantees issued by the Kotak Mahindra Bank on behalf of the company-Rs.11.50 lakhs. (Previous year- Rs.6.50 lakhs).
- 3) Telangana State Pollution Control Board issued a notice on the company for payment to them of an amount calculated at 0.5% of annual turnover for the financial years 2016-17 onwards, effective from 24.10.2017 for environmental restoration of affected area. Matter is under appeal and the amount is yet to be crystallized..

(xi). SUMMARY OF R&D EXPENDITURE:

R&D Expenditure	2019-20	2018-19
Particulars	Amount in Rs	Amount in Rs
R & D Raw Material	1,622,787	1,191,479
R & D Consumable Issues	2,237,325	1,255,352
R & D Salaries	8,251,950	7,544,752
R & D Capital Expenditure	7,506,821	5,886,885
Utilities	1,131,780	616,105
Total :	20,750,662	16,494,573

(xii). LITIGATIONS:

The company earlier applied to the Environmental Engineer, TS Pollution Control Board (TSPCB) for the renewal of Consent for Operations (CFO) for a period from FY 2017-18 to FY 2021-22 to operate at 145.50TPA and paid the necessary fees for the same. Consequently, grant of approval of CFO in this regard is approved till 31-03-2022.

Further, the Company has submitted all the data in connection with the enhancement of plant production capacity from the existing level, and the same is under consideration by the concerned authorities.

(xiii). AMOUNTS DUE TO MICRO AND SMALL SCALE ENTERPRISES:

Particulars	As on 31-03-2020	As on 30-09-2019
Outstanding Balances	Rs. 8,28,89,099	Rs. 5,14,68,847

The above balances include outstanding for more than 45 days in respect of the parties who have reported that they come under the category of Micro and Small Enterprises. Management has confirmed that no specific interest has been paid or provided for the supplies outstanding beyond 45 days as the credit period negotiated itself was falling beyond 45 days and the price agreed also accommodates the time value of money for the agreed credit period.

The auditors have relied upon the same.

**NOTES FORMING PART OF THE ACCOUNTS****(xiv). SEGMENT INFORMATION:****i) Primary Segment :**

The company operates in only one reportable primary business segment, i.e. Active Pharmaceutical Ingredients (API) and their intermediaries. This Segment has been identified and reported considering the nature of products, risk and returns and the internal financial reporting system of the Company.

ii) Secondary Segment :

Based on the revenue attributable to the individual customers located in various parts of the world, the company's business is organized into two key geographical segments Viz., Domestic and Exports.

Based on the revenue attributable to the individual customers located in various parts of the world, the company's business is organized into two key geographical segments Viz., Domestic and Exports.

Segment Revenue and Results, Assets and Liabilities are as under:

(Rs.in Lakhs)

SEGMENTAL REPORT	Year Ended 31.03.2020			Year Ended 31.03.2019		
Particulars	Export	Domestic	Total	Export	Domestic	Total
	Segment	Segment		Segment	Segment	
Sales	4,939.66	11,781.57	16,721.23	3,960.43	11,624.53	15,584.95
Other Incomes	-	145.29	145.29	-	54.35	54.35
Total: A	4,939.66	11,926.86	16,866.52	3,960.43	11,678.88	15,639.30
EXPENSES						
Raw Materials Consumed	3,021.01	7,205.41	10,226.42	2,432.49	7,139.25	9,571.74
Changes in Inventories (FG and WIP)	(170.73)	(407.20)	(577.93)	(54.70)	(160.56)	(215.26)
Manufacturing Expenses	778.92	1,857.81	2,636.73	594.32	1,744.42	2,338.74
Total: B	3,629.21	8,656.01	12,285.22	2,972.11	8,723.11	11,695.22
Operating Profit Before Tax C = (A-B)	1,310.45	3,270.85	4,581.30	988.32	2,955.77	3,944.09
Un-allocable Expenditure						
Employee benefits Expenses			1,330.36			1,164.16
Finance Cost			331.57			321.33
Administrative Expenses			419.51			328.17
Selling & Distribution Expenses			769.77			614.10
Depreciation and amortisation expenses			320.81			283.58
Total: D			3,172.03			2,711.35
Profit for the Year E (C-D)			1,409.27			1,232.74
ASSETS						
Receivables	613.43	3,818.81	4,429.61	338.98	3,731.95	4,070.93

**NOTES FORMING PART OF THE ACCOUNTS****(xv). IMPACT OF COVID-19:**

The risks posed by the coronavirus pandemic appears to be multivarious. In many countries, businesses are being forced to cease or restrict their operations for long or indefinite period of time. Even in India the outbreak has been declared an epidemic or pandemic and on 24 March 2020, the Government of India imposed a nationwide lockdown, limiting movement of population of India as a preventive measure against the COVID-19 pandemic. As a result most of the businesses are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

However, as the Company operates in the industry that is considered essential, the operations were continuing during lockdown by taking appropriate measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, investments, inventories and other financial assets. For this purpose, the Company considered internal and external sources of information up to the reporting date of these financial statements. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company is of the opinion to fully recover the carrying amount of receivables, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions. The eventual outcome of the impact of the global health pandemic on the operations of the company may be different in future, from those estimated as on the date of approval of these Financial Statements.

(xvi). EMPLOYEE BENEFITS:

- a. Company provided for payment of Gratuity. However, the company has deposited Rs.70.31 lakhs against the outstanding amount of Rs.100.18 lakhs as a part of the contribution towards gratuity liability. The payment for the remaining amount of Rs.29.87 lakhs is yet to be made. The provision in this regard, is as per the assessment of the management, but not as per the actuarial valuation as required under the Indian Accounting Standard on Employee Benefits. The accounting for gratuity is done by management considering it as "defined contribution plan".
- b. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs and made provision for the same. Leave encashment amounting to Rs.1,09,90,552 relating to prior periods is adjusted to opening balance of retained earnings in the current year to comply with IND AS, as the provision for the same has not been made in the past years. No restatement has been made in respect of the comparative figures of the previous year.

(xvii). CORPORATE SOCIAL RESPONSIBILITY (CSR):

- a. The minimum CSR amount required to be spent by the Company, as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is Rs. 10.98 Lakhs. Section 135 of the Companies Act, 2013 relating to CSR Activity is applicable to the company from the Financial Year 2019-20.

**NOTES FORMING PART OF THE ACCOUNTS**

b. The corresponding expenditure incurred by the company during the financial year 2019-20 is Rs. 9.84 Lakhs. Allocation of CSR Funds in various Projects by the company for the FY 2019-20 is as under :

S. No.	Head of Schedule VII	FY 2019-20
1.	Education	1,13,750
2.	Arts, Culture, Heritage	8,70,565
	Total	9,84,315

The management is of the view that, the deficit of Rs.1,13,899 in this regards shall be spent in the immediately following financial year 2020-21.

(xviii). FOREIGN CURRENCY EXPOSURE

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables	(6,62,75,948)	(3,68,80,674)
Trade Receivables	6,13,43,020	3,38,97,801
Net Exposure	(49,32,928)	(29,82,873)

Foreign Currency Sensitivity:

1. 1% Depreciation in INR:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Impact on Equity	(6,62,759)	(3,68,807)
	6,13,430	3,38,978
Net Impact	(49,329)	(29,829)
Impact on P&L	(6,62,759)	(3,68,807)
	6,13,430	3,38,978
Net Impact	(49,329)	(29,829)

2. 1% Appreciation in INR:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Impact on Equity	6,62,759	3,68,807
	(6,13,430)	(3,38,978)
Total Impact	49,329	29,829
Impact on P&L	6,62,759	3,68,807
	(6,13,430)	(3,38,978)
Total Impact	49,329	29,829

**NOTES FORMING PART OF THE ACCOUNTS****(xix). INVENTORIES:**

The company incurred a net loss of Rs. 5.00 lakhs on account of fire accident during the year.

(xx). TRADE RECEIVABLES:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. The management is confident to recover all the receivables including the time value for any delays thereof.

The company has not dealt in any financial instruments other than trade receivables and payables during the period under report.

(xxi). EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors have recommended dividend of Rs. 1 per fully paid up equity share of Rs.10/- each for the financial year 2019-20.

(xxii). UNPAID DIVIDENDS:

The balance in Unpaid Dividend Payable account relating to the financial year 2018-19 as on 31/03/2020 is Rs. 5.23 Lakhs.

(xxiii). TAX ASSESSMENTS:

The Income Tax Assessments of the Company have been completed up to Assessment Year 2017-18. The total outstanding demand upto AY 2017- 18. is Rs. NIL as on date.

The Service Tax Assessments of the Company have been completed up till 30th June 2017. There are no outstanding demands in this regard.

(xxiv). APPROVAL OF FINANCIAL STATEMENTS:

The financial statements were approved for issue by the Board of Directors on June 25, 2020.

(xxv). Paise have been rounded off to the nearest rupee.

(xxvi). Figures have been re-grouped/re-arranged /re-cast wherever necessary, to confirm to the current year classifications.

(xxvii). The balances outstanding on account of sundry debtors/sundry creditors/advances are subject to confirmation and reconciliation from the respective parties.

As per our Report of even date
for SURYAM & Co.
Chartered Accountants
FRN - 12181S

For and on behalf of the Board of Directors of
EVEREST ORGANICS LIMITED

Sd/-
(SRINIVAS OLETI)
Partner
ICAI M. No. 206457

Sd/-
(P.RAMA KRISHNA)
Chief Financial Officer

Sd/-
(Dr.SK SRIHARI RAJU)
Managing Director
DIN: 01593620

Place: Hyderabad,
Date: 25-06-2020.

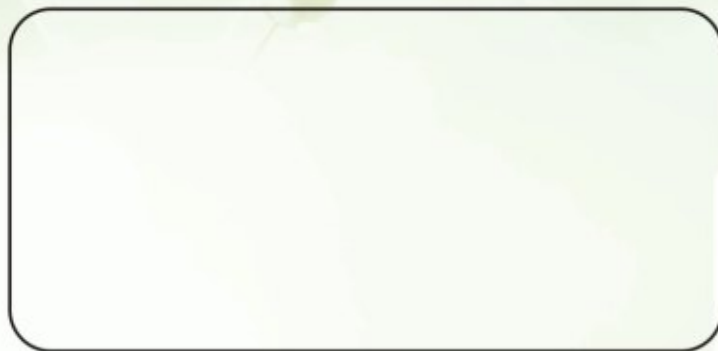
REKHA SINGH
Company Secretary

(A. PARVATISEM)
Technical Director
DIN: 00910224

Glimpse of USFDA approved - Everest Facility



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Corporate Office :

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Amar Co-op. Society,

Near Durgam Cheruvu, Madhapur,

Hyderabad - 500 033.