

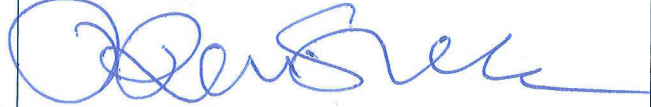
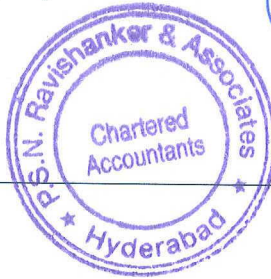


FORM A (Clause 31(a) of the Listing Agreement)		
Format of covering letter of the annual audit report to be filed with the stock exchanges		
1	Name of the Company:	EVEREST ORGANICS LIMITED CIN : L24230TG1993PLC015426
2	Annual financial statements for the year ended	31st March, 2015
3	Type of Report	Unqualified
4	Type of Audit observation	<p><u>Matter of emphasis – Observations in CARO Report (with same Sl.No.)(abstract):</u></p> <p>1. The Fixed Assets Register is to be updated. (pg. no. 65 of Annual Report)</p> <p>4.The Company does not have Internal Audit System as per the provisions of section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Role, 2014. (pg. no. 65 of Annual Report)</p> <p>5. The Company has taken / accepted the unsecured loans, outstanding at 31.03.2015 at Rs.886.15 lakhs (PY Rs.884.20 lakhs) brought into the company to meet the financial obligations of the company to the Financial Institutions / Banks.(pg. no. 66 of Annual Report)</p> <p>7. FBT to the tune of Rs.8.55 Lakhs, Income-Tax to the tune of Rs.3.58 Lakhs were outstanding as at 31st March, 2015 for a period of more than 6 months from the date they became payable.(pg. No. 66 of Annual Report)</p> <p><u>Reply in the Directors Report on observations in Auditors' Report:</u></p> <p>The Notes on account, referred to in the Auditors' Report, are self –explanatory. Further for Management response on some specific observation, please refer pg. no. 25 of Annual Report 2015.</p>
5	Frequency of observation	All the above observations are, more or less, repetitive for more than 5 years.

Continued page -2---

6	To be Signed by	
	■ Managing Director	For Everest Organics Limited  (Dr. S. K. Srihari Raju) Managing Director DIN : 01593620
	■ CFO	The company does not have CFO
	■ Audit Committee Chairman	For Everest Organics Limited  Sri. K. Ramakrishnam Raju Chairman-Audit Committee DIN : 01735481
	■ Auditor of the Company	For P. S. N. Ravi Shanker & Associates Chartered Accountants (Registration No.003228S)  (P. Ravi Shanker) Partner Membership No.025288



Place : Hyderabad
Date : 31.08.2015

22nd
Annual Report
2014 - 2015



EVEREST ORGANICS LIMITED



EVEREST ORGANICS LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. S. K. Srihari Raju
Mr. K. Ramakrishnam Raju
Mr. V. Swaminathan
Dr. K. Easwer Reddy
Mr. Raju S. Kakarlapudi
Mr. A. Parvatisem
Mr. S. K. Hari Krishna
Mr. Sreeramakrishna Grandhi
Dr. S. K. Sirisha

Board Committees:

Audit Committee

Mr. K. Ramakrishnam Raju
Mr. V. Swaminathan
Mr. A. Parvatisem

Nomination & Remuneration Committee

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

Stakeholders Relationship Committee

Mr. S. K. Hari Krishna
Mr. V. Swaminathan
Mr. A. Parvatisem

BANKERS

Kotak Mahindra Bank

CORPORATE OFFICE

Plot No.127 & 128, 1st Floor,
Amar Co-OP. Society.
Opp.Madhapur Police Station Road,
Near Durgam Cheruvu, Madhapur,
Hyderabad - 500 033.
Telephone: 040-23115956,
Facsimile: 040-23115954
Email id : drsksraju@yahoo.co.in
Website: www.everestorganicsltd.com

Factory Address & Registered Office

Aroor Village, Sadasivpet Mandal
Medak District, Telangana – 502 291
Telephone: 08455 -250113
Facsimile: 08455 -250114
Email Id : drsksraju@yahoo.co.in
Website: www.everestorganicsltd.com

Statutory Auditors

M/s. P.S.N Ravi Shanker & Associates
Chartered Accountants, Hyderabad

Registrar & Share Transfer Agent

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

**Stock Exchange, where Company's
Shares Listed**

Bombay Stock Exchange



NOTICE

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of Everest Organics Limited will be held at the registered office of the Company at Aroor Village, Sadasivapet Mandal, Medak District, Telangana – 502291, on Monday the 28th Day of September 2015 at 03:00 p.m. to transact the following

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at March 31st, 2015 and the Audited Profit & Loss Account of the Company for the Financial Year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kakarlapudi Sitaram Raju (DIN : 02955723) who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Sri Kakarlapudi Hari Krishna (DIN : 01664260) who retires by rotation and is eligible for re-appointment.
4. To consider 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 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and any other provisions of Companies Act, 2013 as may be applicable, M/s. P.S. N. Ravi Shankar & Associates, Chartered Accountants, the Statutory Auditors of the Company be appointed for a term of two years i.e. from the financial year 2015-2016 to 2016-2017 at a remuneration decided by the Audit Committee of the Board of Directors and reimbursement of travelling and out of pocket expenses incurred by the Auditors for the purpose of audit.

Special Business:

5. **Ratification of remuneration paid to Dr. S. K. Srihari Raju (DIN : 01593620), and Re-appointment of Dr. S. K. Srihari Raju (DIN : 01593620) as MD with effect from 28th September 2015.**

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

RESOLVED THAT pursuant to section 197 read with schedule V of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and section II of Schedule V of Companies Act 2013 and any other applicable rules, if any, approval of the members, be and is hereby accorded for revision in remuneration to Dr. S. K. Srihari Raju, Managing Director, w.e.f. 1st October 2014, as per the terms mentioned in the explanatory statement forming part of the Notice convening the Meeting.

RESOLVED FURTHER THAT pursuant to provisions of sections 196, 203 and section II of Schedule V of Companies Act 2013, any other applicable provisions of the Companies Act,



NOTICE

2013, and rules made thereunder, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the approval of the members, be and is hereby accorded for re-appointment of Dr. S. K. Srihari Raju, as Managing Director, w.e.f. 28th September, 2015 for the period of 3 years, he will be the Managing Director of the Company for the period starting from 28.09.2015 to 27.09.2018.

RESOLVED FURTHER THAT pursuant to section 197 read with Schedule V of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, and approval of members be and is hereby given to authorize the Nomination & Remuneration Committee of the Board to recommend and the Board of Directors of the Company to decide on the increase in remuneration payable to Dr. S. K. Srihari Raju, Managing Director of the Company during his tenure from 28.09.2015 to 27.09.2018.

RESOLVED FURTHER THAT the Board (including any duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writing as may be required with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment, if any, in its sole discretion, deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Company to give effect to these Resolutions.”

6. Regularisation of Dr. Sri Kakarlapudi Sirisha (Din : 06921012) as a Director

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

RESOLVED THAT Dr. Sri Kakarlapudi Sirisha (Din : 06921012) who was appointed as an Additional Director with effect from 30.07.2014, on the Board of the Company in terms of section 161 of the Companies Act, 2013 and as per the Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act 2013, along with requisite deposit, proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company.

7. Regularisation of Mr. Sreeramakrishna Grandhi (Din : 06921031) as a Director

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



NOTICE

RESOLVED THAT Mr. Sreeramakrishna Grandhi (Din : 06921031) who was appointed as an Additional Director with effect from 30.07.2014, on the Board of the Company in terms of section 161 of the Companies Act, 2013 and as per the Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act 2013, along with requisite deposit, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company.

8. Regularisation of Mr. Reddy Eashwer Kanthala (Din : 02327979) as a Director

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

RESOLVED THAT Mr. Reddy Eashwer Kanthala (Din : 02327979) who was appointed as an Additional Director with effect from 31.08.2015, on the Board of the Company in terms of section 161 of the Companies Act, 2013 and as per the Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act 2013, along with requisite deposit, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company.

9. Appointment of Mr. Sreeramakrishna Grandhi (Din: 06921031) as an Independent Director

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

RESOLVED THAT pursuant to sections 149, 152 read with schedule IV and other applicable provisions, if any of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) and re-enactment(s) thereof, for the time being in force) Mr. Sreeramakrishna Grandhi (Din: 06921031), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company to hold office as such for a period of 4 (four) consecutive years with effect from the date of this meeting and that he shall be not liable to retire by rotation."



NOTICE

10. Appointment of Mr. Ramakrishnam Raju Kounparaju (Din : 01735481), as an Independent Director

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

RESOLVED THAT pursuant to sections 149, 152 read with schedule IV and other applicable provisions, if any of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) and re-enactment(s) thereof, for the time being in force) Mr. Ramakrishnam Raju Kounparaju (Din : 01735481), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company to hold office as such for a period of 4 (four) consecutive years with effect from the date of this meeting and that he shall be not liable to retire by rotation."

11. Appointment of Mr. Swaminathan Venkatesan (Din: 02810646), as an Independent Director

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

RESOLVED THAT pursuant to sections 149, 152 read with schedule IV and other applicable provisions, if any of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) and re-enactment(s) thereof, for the time being in force) Mr. Swaminathan Venkatesan (Din: 02810646), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company to hold office as such for a period of 4 (four) consecutive years with effect from the date of this meeting and that he shall be not liable to retire by rotation."

12. Approval of Cost Auditor's Remuneration

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

RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sativada Venkat Rao, Cost Accountant of Sanjeeva Reddy Nagar, Hyderabad – 500 038, Telangana, India, re-appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company's pharma manufacturing units at Aroor Village,



NOTICE

Sadasivapet, Medak District, Telangana – 502 291, be paid a remuneration for the financial year ending March 31, 2016, amounting to Rs 40,000/- (Rupees Forty Thousand Only) plus service tax as applicable and re-imburement of out of pocket expenses incurred by him in connection with the aforesaid audit.”

“RESOLVED FURTHER THAT Dr. S. K. Srihari Raju (DIN : 01593620), Managing Director of the Company and Ms. Nisha Jain, Company Secretary, be and are hereby severally authorized to do all the acts, deeds and things which are necessary to the appointment and file the necessary eforms with the Registrar of Companies (ROC), Hyderabad.”

13. Adoption of New set of Article of Association as per Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following as a special resolution:

“RSOLVED that pursuant to the provisions of sections 5, 14 and other applicable provisions, if any of the Companies Act 2013, read with the Companies (Incorporation) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulation made thereunder, the enabling provisions of the articles of association, and subject to the requisite approvals, consents, permissions, and /or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting, and duly initialed, be and is hereby approved, and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company; RESOLVED FURTHER THAT, the Board of Directors of the Company or Ms. Nisha Jain, the Company Secretary of the Company be and hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Date : 31.08.2015

**BY ORDER OF THE BOARD
For Everest Organics Limited**

**Place : Aroor Village
Sadasivapet Mandal
Medak District – 502 291
Telangana, India**

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



NOTICE

Notes :

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be the member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. Corporate members intending to send their authorised representatives 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.
3. Brief profile of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
8. The Shares Transfer Register and the Register of Members of the Company will remain closed from 22nd September, 2015 to 28th September, 2015 (both days inclusive) in connection with the Annual General Meeting.
9. Members who hold their shares in dematerialized form are requested to bring their Client ID and DP numbers for easy identification of attendance at the meeting.
10. Shareholders are requested to intimate immediately any change in their address and bank account details registered with the Company in case of physical holders and in case of demat holders to their DP holders directly.



NOTICE

11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

12. Retirement of Directors by rotation:

Mr. Kakarlapudi Sitarama Raju, Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

Mr. Sri Kakarlapudi Hari Krishna, Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

None of the Directors of the Company is in any way concerned or interested in the resolution except Mr. Sri Kakarlapudi Hari Krishna and Mr. Kakarlapudi Sitarama Raju, and Dr. S. K. Srihari Raju and Dr. Sri Kakarlapudi Sirisha, being the relative of the Directors retire by rotation.

13. Voting through electronic means;

- a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- b. The instructions for e-voting are as under:
The instructions for members for voting electronically are as under:-
In case of members receiving e-mail:
 - (i) Log on to the e-voting website www.evotingindia.com during the voting period.
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - (vi) Now, fill up the following details in the appropriate boxes:



NOTICE		
	For Members holding shares in Demat Form	For Members holding shares in 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)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*A Member who has not updated his PAN with the Company/Depository Participant is requested to use the first two letters of his name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on <Company Name> on which you choose to vote.

(xi) 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.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) 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.



NOTICE

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 25.09.2015 from 9.00 am and ends on 27.09.2015 till 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

The e-voting period commences on 25th September 2015 (9:00 am) and ends on 27th September, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21.09.2015.

Mrs. Renuka P. Practicing Company Secretary (Membership No. 11963) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



NOTICE

The Scrutinizer shall immediately after the conclusion of the voting at the general meeting first count the votes cast in the meeting, thereafter unblock the votes cast through remote e voting in the presence of at least two(2) witnesses not in the employment of the Company and make not later than 3 days of the conclusion of the meeting a consolidated Scrutinizer's Report of the votes cast in favor or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same provided that the chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

The Results shall be declared in the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.everestorganicsltd.com in and on the website of CDSL within three(3) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours 10.00am to 5.00 pm on all working days, up to and including the date of the Annual General Meeting of the Company.

Date : 31.08.2015

**Place : Aroor Village
Sadasivapet Mandal
Medak District – 502 291**

**BY ORDER OF THE BOARD
For Everest Organics Limited**

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



NOTICE

Details of Directors Seeking Appointment in Annual General Meeting scheduled on Monday the 28th September 2015 (Pursuant to Clause 49 (VIII) (E) of the Listing Agreement are as under:

Name of The Director	Dr. S. K. Srihari Raju	Dr. Sri Kakralapudi Sirisha	Mr. Sreeramakrishna Grandhi	Mr. Reddy Eashwer Kanthala	Mr. Ramakrishnam Raju Kounparaju	Mr. Swaminathan Venkatesan	Mr. Kakralapudi Sitaram Raju	Mr. Sri Kakralapudi Hari Krishna
Date of Birth	09/04/1952	07/12/1977	26/07/1952	10/05/1944	09/06/1949	01/01/1952	04/07/1946	20/01/1979
Date of Appointment /Reappointment	28.09.2015 (Original Appointment Date 19/02/1993)	28.09.2015 (Original Appointment Date 30/07/2014)	28.09.2015 (Original Appointment Date 30/07/2014)	28.09.2015 (Original Appointment Date 31/08/2015)	28.09.2015 (Original Appointment Date 05/09/2009)	28.09.2015 (Original Appointment Date 05/09/2009)	28.09.2015 (Original Appointment Date 19/04/1995)	28.09.2015 (Original Appointment Date 29/09/2007)
Expertise in specific Functional Area	Corporate Management	Regulatory Affairs, Business Development	Finance	Radiation Oncology, Doctor of Medicine	Projects, Manufacturing Operation, GM	Business Development & Marketing	Environmental Management, General Management	Projects, Administration
Qualification	MBBS, MD, DA	MBBS, MD	MSc. Chemistry, CAIIB	MD, FACR	BSc.	B Pharma (H) MBA	B Tech, M Tech in Chemical Engineering	(BE) MPIE
Board Membership of other Public Limited Companies, as on March 31, 2015	None	None	Board of Directors 1. Alufuoride Ltd.	None	None	None	None	None
Chairman /Member of the Committee as on 31.03.2015	None	None	None	None	Chairman 1.Audit Committee 2.Nomination & Remuneration Committee	Chairman: NIL Member 1.Audit Committee 2.Share Transfer Committee 3.Investors Grievance Committee 4.Nomination & remuneration Committee	None	Chairman : 1.Share Transfer Committee Member: 1.Investor Grievance Committee 2. CSR Committee 3. Nomination & Remuneration Committee
Chairman / Member of the Committee of Directors of the Other Companies in he/she is a Director as on March, 31.2015								
a) Audit Committee	None	None	None	None	None	None	None	None
b) Stakeholders' Relationship Committee	None	None	None	None	None	None	None	None
c) Other Committees	None	None	None	None	None	None	None	None
No. of Shares held	722000	198400	None	187500	2000	NIL	315300	3500

**NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF
THE COMPANIES ACT 2013****ITEM NO. 5**

The Board of Directors at their meeting held on 21.09.2014, has approved the revision in remuneration of Dr. S. K. Srihari Raju (DIN : 01593620), Managing Director of the Company after evaluation of growing responsibility on his shoulders. The Company, after meeting all the criteria as per relevant sections of Companies Act, 2013 and Section II of schedule V of the Companies Act, 2013, ratified his salary amounting to Rs. 2,00,000/- (Rupees Two Lakhs Only) per month and consolidated (Rs. 24,00,000/- (Rupees Twenty Four Lakhs Only) per annum. The revision in remuneration effective from 1st October, 2014 is as under:)

Sl. No.	Particulars		Amount in Rs. Annual
1	Salary (Basic)		12,00,000/-
2	City Allowances		3,60,000/-
3	Conveyance		2,40,000/-
4	House Rent Allowances		6,00,000/-
		Total	24,00,000/-

The Board of Directors at its meeting held on 31.08.2015, has approved the re-appointment of Dr. S. K. Srihari Raju as the Managing Director of the Company for a period of 3 (three) years. The Board of Directors recommended to the shareholders to take on record the re-appointment of Dr. S. K. Srihari Raju w.e.f 28.09.2015, and the revision in his remuneration w.e.f 1st October 2014, and authorize the Nomination & Remuneration Committee of the Board and the Board of Directors to decide on his annual increment.

Information for shareholders

General

The Company is in Pharmaceutical Industry from last 22 years and during the financial year under review, the turnover of your Company increased by 9,75,68,144/- (Rupees Nine Crore Seventy Five Lakhs Sixty Eight Thousands One Hundred Forty Four only) registering a growth of 10.08% over the previous Year.

The PAT (Profit After Tax) of your company increased by 90.58% in the year under review at Rs 1,65,33,393/- (Rupees One Crore Sixty Five Lakhs Thirty Three Thousand Three Hundred Ninety Three Only) against Rs 86,75,232 (Eighty Six Lakhs Seventy Five Thousand Two Hundred Thirty Two Only) during the previous year, recording an improvement of Rs 78,58,161/- (Rupees Seventy Eight Lakhs Fifty Eight Thousand One Hundred Sixty One Only).



NOTICE

Dr. S. K. Srihari Raju is a highly qualified professional with academic accomplishments like MBBS, MD and DA and possesses a vast experience of 38 years — 17 years in Medical and 21 years in Pharmaceutical fields. Earlier he was appointed in the Company with a remuneration of Rs 12 lakhs per annum. His experience, devotion and commitment make him a best fit in such designation.

The Company is profit making company but it has accumulated losses of from last few years. Due to that Reserves has negative balance. The Company has inadequate profit.

None of the Directors except Mr. Kakarlapudi Sitaram Raju, Mr. Sri Kakarlapudi Hari Krishna and Dr. Sri Kakarlapudi Sirisha, being the relatives of Dr. Srihari Raju are interested in the said resolution.

ITEM NO. 6

Dr. Sri kakarlapudi Sirisha was appointed as the Additional Director of the Company with effect from July, 30 2014, in accordance with the provisions of sections 161 of Companies Act 2013, and as per the article of Association of Company.

Pursuant to 161 of the Companies Act, 2013, the above Directors hold office up to the date of ensuing Annual General Meeting. In this regard the Company has received a request in writing from a member of the Company proposing Dr. Sri kakarlapudi Sirisha candidature for appointment as a Director of the Company in accordance with the provisions of section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that the presence of Dr. Srikakarlapudi Sirisha on the Board of the Company and hence recommend Resolution No. 6 for adoption.

None of the Directors except Dr. Srikakarlapudi Sirisha, Dr. Srikakarlapudi Srihari Raju (Din 01593620) and Mr. Sri Kakarlapudi Hari Krishna (Din : 01664260) being the relatives of Dr. Srikakarlapudi Sirisha are concerned in the said resolution.

ITEM NO. 7

Mr. Sreeramakrishna Grandhi, was appointed as an Additional Director of the Company with effect from July, 30 2014, in accordance with the provisions of sections 161 of Companies Act 2013 and as per the Articles of Association of the Company.

Pursuant to 161 of the Companies Act, 2013, the above Directors hold office up to the date of ensuing Annual General Meeting. In this regard the Company has received a request in writing



NOTICE

from a member of the Company proposing, Mr. Sreeramakrishna Grandhi's candidature for appointment as a Director of the Company is in accordance with the provisions of section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that the presence of Mr. Sreeramakrishna Grandhi on the Board of the Company would be valuable and hence recommend Resolution No. 7 for adoption.

None of the Directors except Mr. Sreeramakrishna Grandhi is concerned or interested in the said resolution.

ITEM NO. 8

Mr. Reddy Eashwer Kanthala was appointed as an Additional Director of the Company with effect from 31st August 2015, in accordance with the provisions of sections 161 of Companies Act 2013, and as per the Articles of Association of the Company.

Pursuant to 161 of the Companies Act, 2013, the above Directors hold office up to the date of ensuing Annual General Meeting. In this regard the Company has received a request in writing from a member of the Company proposing Mr. Reddy Eashwer Kanthala's candidature for appointment as a Director of the Company in accordance with the provisions of section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that the presence of Mr. Reddy Eashwer Kanthala on the Board of the Company would be valuable and hence recommend Resolution No. 8 for adoption.

None of the Directors except Mr. Reddy Eashwer Kanthala is concerned or interested in the said resolution.

ITEM NO. 9, 10 & 11

As per the provisions of section 149(4) of Companies Act, 2013, every Listed Company shall have at least 1/3rd of its total number of directors as independent directors. Section 149(6) of the said Act, lays down the criteria for independence. Mr. Ramakrishnam Raju Kounparaju, Mr. Sree ramakrishna Grandhi and Mr. Swaminathan Venkatesan, the non executive Directors of the Companies have furnished declaration to the Company under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria prescribed for the Independent Directors under section 149(6) of the said Act.

In the opinion of the Board these individuals are persons of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the said Act and the rules made there under and are independent of the management of the Company. In terms of section 149 of Companies Act, 2013, an independent director should hold office for two terms of up to 5



NOTICE

consecutive years each on the board of a Company, but shall be eligible for re-appointment, on passing of the Special Resolution by the Company and disclosure of the same in the Directors' Report. Further in terms of section 149(13) of the said Act, Independent Directors are not liable to retire by Rotation(.)

However, Clause 49 B II 3 of the Listing Agreements relating to corporate governance provides that person who has already served as an Independent director for five years or more in a company as on October 1, 2014, shall be eligible for appointment, on completion of present term, for one term of five consecutive years only.

Accordingly the Board Proposes to appoint Mr. Ramakrishnam Raju Kounparaju, Mr. Sreeramakrishna Grandhi and Mr. Swaminathan Venkatesan, as Independent Directors of the Company for a period of 4 (Four) Years with effect from the date of this Meeting, as set out as item No. 9 to 11 of this Notice. Notices as required under section 160 of Companies Act, 2013, have been received from some members proposing the candidature of Independent Directors of the Company. Upon the confirmation of the appointment of these individuals as the Independent Directors by the Members of the Company, the appointment shall be form

alized by issue of a letter of appointment by the Company to the said Independent Directors. Brief profile of the said Independent Directors, in terms of Clause 49 of the Listing Agreements, is provided after this Notice.

The Board accordingly recommends the resolution at item nos. 9, 10 and 11 of this Notice for the approval of the Members as ordinary resolutions. None of the said Directors is related to each other.

None of the Directors or key Managerial Personnel of the Company and their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions at item Nos. 9, 10 and 11 of this Notice.

ITEM NO. 12

The Board of Directors of the Company has appointed Mr. Sativada Venkat Rao, Cost Accountant of Sanjeeva Reddy Nagar, Hyderabad – 500 038, Telangana, India, as the Cost Auditors of the Company, to conduct the audit of the Cost Records of the Company's pharma manufacturing units at Aroor Village, Sadasivapet, Medak District, Telangana – 502 291, India, for the financial year ending 31.03.2016.



NOTICE

Remuneration Payable to Mr. Sativada Venkat Rao, Cost Auditor of the Company for the financial year ending 31.03.2016, was recommended by the Audit Committee to the Board of Directors, which was considered and approved by the Board of Directors at its meeting held on 30.07.2015. In accordance of the section 148 of the Act read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

None of the Directors or KMP of the Company or their relatives is concerned or interested, financially or otherwise in this resolution.

ITEM No. 13

The existing Articles of Association ("Articles") of the Company are based on the Companies Act, 1956 and several regulations of the Articles contain reference to the Sections of the Companies Act, 1956. Some Regulations in the existing Articles are no longer in conformity with the provisions of Companies Act, 2013 ("Act").

With the enactment of Companies Act, 2013, several Regulations in the Articles require alteration and / or deletion. Given this position, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The draft Articles shall be open for inspection by the members at the registered of the Company, on all working days (except Sunday & Public Holidays) between 11.00 a.m. to 2.00 p.m. up to the date of this Annual General Meeting.

None of the Directors & Key Managerial personnel of the Company and their relatives is concerned or interested financial or otherwise in the said Resolution.

**DIRECTORS' REPORT****DIRECTORS' REPORT**

To

The Members,

Everest Organics Limited

CIN : L24230TG1993015426

Your Directors have pleasure in presenting the 22nd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2015.

1. FINANCIAL STATEMENTS & RESULTS:**a. Financial Results**

The Company's performance during the year ended 31st March, 2015 as compared to the previous financial year, is summarized below:

Amount in Rs.

Particulars	For the Financial Year Ended 31.03.2015	For the Financial Year Ended 31.03.2014
Total Revenue	1,065,074,377	967,506,233
Profit Before Financial Cost,		
Depreciation, Extraordinary	83,082,897	59,945,512
Item and Tax		
Less : Financial Cost	27,007,660	26,209,272
Profit Before Depreciation,	56,075,237	33,736,240
Extraordinary Item and Tax		
Less : Depreciation	26,716,787	22,761,008
Profit Before Extraordinary	29,358,450	10,975,232
Item and Tax		
Less : Extraordinary Item	8,725,057	-
Profit Before Tax	20,633,393	10,975,232
Less : Tax	4,100,000	2,300,000
Profit After Tax	16,533,393	8,675,232
Add : Brought Forward	(51,180,871)	(59,856,103)
from Previous Year		
Closing Balance of	(34,647,478)	(51,180,871)
Reserve & Surplus		



DIRECTORS' REPORT

b. OPERATIONS:

During the financial year under review, the turnover of your Company increased by

Rs 9,75,68,144/- (Rupees Nine Crore Seventy Five Lakh Sixty Eight Thousand One Hundred Forty Four only) registering a growth of 10.08% over the previous Year.

The PAT (Profit After Tax) of your company at Rs 1,65,33,393/- (One Crore Sixty five Lakh Thirtythree Thousand Three Hundred Ninetythree only) recorded an increase of 90.58% in the year under review, having risen by Rs. 78,58,161/- (Rupees Seventyeight Lakh Fifty eight Thousand One Hundred Sixty one only) over the previous year.

There was no change in nature of the business of the Company, during the year under review.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

d. DIVIDEND:

With a view to conserve resources, your Directors have thought it prudent to plough back the entire profits and regret for not being able to recommend any dividend for the financial year under review.

e. TRANSFER TO RESERVES:

The Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to the Profit and Loss Account.

f. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review.

g. DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

h. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

No material changes and commitments which could affect the Company's financial position have occurred between the ends of the financial year of the Company.



DIRECTORS' REPORT

i. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

j. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

k. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The details of transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in Annexure I and forms part of this Report.

l. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

No, loans, guarantees, investments and securities provided during the financial year under review.

m. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

n. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

o. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.



DIRECTORS' REPORT

p. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

q. CAPITAL REDUCTION SCHEME

the scheme for Capital Reduction was approved by the shareholders in the Annual General Meeting dated 30.07.2014, and the same scheme has been approved by the High Court of judicature at Hyderabad, on 22.06.2015. Now the Company has allotted the new shares as per the scheme in the ratio 36:100, dated 17.08.2015, and seeking for listing of these new shares at BSE.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Sreeramakrishna Grandhi (DIN: 06921031) and Dr. Srikakarlapudi Sirisha (DIN: 06921012) on 30th July 2014 and Mr. Reddy Eashwer Kanthala (DIN : 02327979) on 31st August, 2015 were appointed as Additional Directors of the Company to hold office up to the date of ensuing Annual General Meeting. The Company has received notices from shareholder along with requisite deposits proposing the candidature of Mr. Sreeramakrishna Grandhi (DIN: 06921031), Dr. Srikakarlapudi Sirisha (DIN: 06921012) and Mr. Reddy Eashwer Kanthala (DIN 02327979) for appointment as Directors at the ensuing Annual General Meeting.

Mr. G. Raghunandan (DIN : 00105412) resigned as Director of the Company with effect from 27th June 2014, due to the nomination withdrawn by reporting authority (APIDC).

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. SriKakarlapudi Sitarama Raju (DIN : 02955723) and Mr. Srikakarlapudi Harikrishna, (DIN : 01664260) will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend their candidature for approval.

b. DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

**DIRECTORS' REPORTS****3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES****a. BOARD MEETINGS:**

The Board of Directors met 6 times during the financial year ended 31st March 2015 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The dates on which the Board of Directors met during the financial year under review are as under:

Sl. No.	Day	Date
1	Saturday	31.05.2014
2	Friday	27.06.2014
3	Wednesday	31.07.2014
4	Sunday	21.09.2014
5	Saturday	15.11.2014
6	Monday	09.02.2015

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2015, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit/loss of the Company for that year;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act. The composition of the committee is as under:



DIRECTORS' REPORTS

1. Mr. Ramakrishnam Raju Kounparaju (DIN : 01735481), Director
2. Mr. Swaminathan Venkatesan (DIN : 02810646), Director and
3. Mr. Sreeramakrishna Grandhi (DIN: 06921031), Chairman

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

d. AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

1. Mr. Ramakrishnam Raju Kounparaju (DIN : 01735481), Chairman,
2. Mr. Swaminathan Venkatesan (DIN : 02810646), Independent Director and
3. Mr. Akella Parvatisem (DIN: 00910224), Director.

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

e. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising Mr. Srikakarlapudi Harikrishna, Mr. V. Swaminathan and Mr. A. Parvatisem, Directors of the Company.

Mr. Swaminathan Venkatesan, is the Chairman of the Committee. The Company Secretary will act as the Secretary of the Committee.

f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc.



DIRECTORS' REPORT

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

g. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

h. CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under:

1. Mr. A. Parvatisem, Chairman,
2. Mr. S. K. Harikrishna
3. Mr. G.S.S.R Sarma,
4. Mr. P. S. Manyam and
5. Mr. CH. Ramesh

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The Company has initiated activities in accordance with the said Policy, but your Company does not fall in the applicable criteria incorporated under the provisions of Companies Act 2013.

i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

A formal evaluation mechanism has been adopted for evaluating the performance of the Board as well as performance of Committees and individual Directors. Performance of all Directors and the Company has been carried out by way of structured evaluation process. Criteria for evaluation includes attendance and contribution at the meetings, preparedness for the meetings, effective decision making ability etc.



DIRECTORS' REPORT

j. INTERNAL CONTROL SYSTEMS:

Adequate internal control systems commensurate with the nature of the Company's business, size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

k. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review has been marked as Annexure II.

l. PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:

Not Applicable, as the Company has no holding or Subsidiary entity.

4. AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2015 read with the 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.

1. The auditor stated in their report that the Company has maintained proper quantitative details and situation of Fixed Assets but the Fixed Assets Register to be updated.

Directors' Comment: The Company is in the process of restructuring and updating the Fixed Assets Register.

2. The Auditor stated that the Company has an adequate Internal Control System, which is prima facie commensurate with its size and nature of its business but the Company



DIRECTORS' REPORT

does not have internal audit system as per the provisions of section 138 of the Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014.

Directors' Comment: The Company has already an adequate Internal Control System. But in compliance with the provisions of section 138 of the Companies Act 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, an internal auditor has since been appointed.

b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2015:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. D. Hanumanta Raju & Co., Company Secretaries of B-13, F-1, P.S. Nagar, Vijayanagar Colony, Hyderabad – 500 057, India had been appointed to issue Secretarial Audit Report for the financial year 2014-15.

Secretarial Audit Report issued by D. Hanumanta Raju & Co., Company Secretaries of B-13, F-1, P.S. Nagar, Vijayanagar Colony, Hyderabad – 500 057, India, Company Secretaries in Form MR-3 for the financial year 2014-15 forms part of this report as Annexure III. The said report contains the observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

1. The Company has not given any publications as required relating to Board Meetings, Annual General Meetings.

Directors' Comment: The Company has since appointed a Company Secretary to look after compliance with all the regulatory provisions.

2. There are no Limited review Reports submitted to Stock Exchange.

Directors' Comment: Due to suspension in trading of the company's shares, the company thought this was not required. Now the Company has appointed a Company Secretary to look after all the regulatory provisions and will submit all required documents accordingly.

3. Section 203 of Companies Act, 2013, is not complied with.

Directors' Comment: The Company will meet all the related provisions of section 203 of the Companies Act, 2013 by the ensuing Annual General Meeting. The Company has already appointed the Company Secretary as per the said provisions.



DIRECTORS' REPORT

4. The Website of the Company is not updated.

Directors' Comment: The website will be updated as per the various requirements of listing Agreement and Companies Act, 2013 by the ensuing Annual General Meeting. The basic information regarding the Management, RTA, Compliance Officer, Email id, Unaudited Financial Results, Quarterly Shareholding Patterns, Corporate Governance Report and some of the policies and documents related to Corporate Action, Scheme of Capital Reduction have already been updated in the website as and when any event occurred and as per the requirement.

5. There was no appointment of Internal Auditor.

Directors' Comment: The Company has an adequate Internal Control System. However, in compliance with the requirements under the Companies Act, 2013, the Company has since appointed an Internal Auditor.

c. APPOINTMENT OF STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s P.S. N. Ravi Shankar & Associates, Chartered Accountants, the Statutory Auditors of the Company, will be appointed for a term of two financial years 2015 - 2016 and 2016 – 2017. They will hold office till the Annual General Meeting of 2017. The consent of the Auditors along with the certificate under Section 139 of the Act has been obtained to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company. The Board recommends the appointment of M/s. P.S. N. Ravi Shankar & Associates, Chartered Accountants as the Statutory Auditors of the Company. Necessary resolution for reappointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

d. COST AUDITORS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/ Circulars issued by the Ministry of Corporate Affairs from time to time, as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 31.05.2014, appointed M/s Sativada Venkat Rao, Cost Accountants as the Cost Auditors of the Company for the financial year 2014-15 in respect of the Company's pharma manufacturing units at Aroor Village, Sadasivapet, Medak District, Telangana – 502 291. The Cost Audit Report will be filed within the stipulated period of 180 days from the closure of the financial year subject to the availability of respective e-forms at MCA Sites.

**DIRECTORS' REPORT****2. OTHER DISCLOSURES**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2015 made under the provisions of Section 92(3) of the Act is attached as Annexure IV which forms part of this Report.

b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption, foreign exchange earnings and outgo etc. are furnished in as per in Annexure V considering the nature of activities undertaken by the Company during the year under review which forms part of this report.

c. CORPORATE GOVERNANCE: (Applicable to Companies giving remuneration as per Section II of Schedule V):

Amonut in Rs.

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Salary 18,00,000/-
Details of fixed component and performance linked incentives along with the performance criteria	Fixed Component Salary – 18,00,000/-
Profit in lieu of Salary	6,00,000/-
Service contracts, notice period, severance fees Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	No Such terms are there. As may be decided



DIRECTORS' REPORT

6. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

**For and on behalf of the Board
Everest Organics Limited**

Sd/-

**Ramakrishnam Raju Kounparaju
Chairman
DIN: 01735481**

Sd/-

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

Registered Office

Aroor Village,
Sadasivapet Mandal,
Medak District – 502 291
Telangana, India

CIN L24230TG1993PLC015426

TEL No. 040-23115956 Fax No. 040-23115954

Mail eolcs0405@gmail.com website: www.everestorganicsltd.com

**DIRECTORS' REPORT****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				



DIRECTORS' REPORT

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

Name(s) of the related party and nature of relationship	Dr.S.K.Sri Hari Raju- Managing Director	Dr.S.K. Krishna Veni - Wife of Managing Director	Mr.S.K Hari Krishna- Executive Director	Mr.S.K.S. Raju- Brother of Managing Director	Mrs.S.K Gowri Parvathi - Mother of Executive Director	Mrs. S.K Sahitya - Wife of Executive Director	Dr. S. K. Srisha - Director	Mr. A. Parvatism - Technical Director	Virat & Co-One of the Partners of the Firm is the wife of Executive Director	Veerat Finance and Investment Limited- Two of the Directors of the this company are relatives of the Managing Director of the Everest Organics Limited.
Nature of contracts/ arrangements/ transactions	Unsecured loan Received	Interest on Unsecured Loan	1. Interest on Unsecured Loan 2. Unsecured loan Received	Interest on Unsecured Loan	Interest on Unsecured Loan	Interest on Unsecured Loan	Unsecured loan Received	Unsecured loan Received	Purchases / Sales	Unsecured loan Received
Duration of the contracts / arrangements/ transactions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Salient terms of the contracts or arrangements or transactions including the value, if any	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Date(s) of approval by the Board, if any	31.05.2014	31.05.2014	31.05.2014	31.05.2014	31.05.2014	31.05.2014	09-02-2015	09-02-2015	31.05.2014	31.05.2014
Amount paid as advances, if any	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



DIRECTORS' REPORT

Party Name	Relationship with Key Managerial Person	Nature of Transaction
Dr. S. K. Srihari Raju	Managing Director	Unsecured loan Received
Dr. S. K. Krishnaveni	Wife of Managing Director	Interest on Unsecured Loan
Mr. S. K. Hari krishna	Executive Director	Interest on Unsecured Loan
Mr. S. K. Hari krishna	Executive Director	Unsecured loan Received
Mr. S. K. Suryanarayana Raju	Brother of Managing Director	Interest on Unsecured Loan
Mrs. S. K. Gowri Parvathi	Mother of Executive Director	Interest on Unsecured Loan
Mrs. S. K. Sahitya	Wife of Executive Director	Interest on Unsecured Loan
Dr. S. K. Sirisha	Director	Unsecured loan Received
Mr. A. Parvathisem	Technical Director	Unsecured loan Received
Virat & Co	One of the Partners of the Firm is the wife of Executive Director	Gross Sales
Virat & Co --	do--	Gross Purchases
Veerat Finance and Investment Limited	Two of the Directors of the other company are relatives of the Managing Director of the Company	Unsecured loan Received

**DIRECTORS' REPORT****ANNEXURE II****DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

Median Remuneration:		: Rs. <u>1,50,000</u>
Dr. S. K. Srihari Raju:	Remuneration Ratio	: Rs. 18,00,000/- : 12
A Parvatisem:	Remuneration Ratio	: Rs. 12,00,000/- : 8
S. K. Harikrishna:	Remuneration Ratio	: Rs. 6,00,000/- : 4

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014 - 2015:

Name of Director	Percentage increase in remuneration
Dr. S. K. Srihari Raju	50
Shri A. Parvatisem	N.A.
Shri S. K. Hari Krishna	13.21

Note :

- a) The Non-Executive Directors of the Company are entitled for sitting fee only. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
- 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 2014- 15.
- c) i) Employees for the purpose above includes all employees excluding employees governed under collective bargaining.
ii. The percentage increase in the median remuneration of Employees for the financial year was 4.34%.
iii. The Company has 226 permanent Employees on the rolls of Company as on 31st March, 2015.
iv. 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

**DIRECTORS' REPORT**

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.

v. 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 increased by Rs 9,75,68,144/- (Rupees Nine Crore Seventy Five Lakh Sixty Eight Thousand One Hundred Forty Four only) registering a growth of 10.08% over the previous Year. The PAT (Profit After Tax) of company is reached at Rs 1,65,33,393/- (Rupees One Crore Sixty five Lakh Thirty Three Thousand Three Hundred Ninety Three only) recorded an increase of 90.58% in the year under review, having risen by Rs. 78,58,161/- (Rupees Seventy Eight Lakh Fifty Eight Thousand One Hundred Sixty One only) over the previous year.

vi. The trading in shares is suspended on BSE and last traded price was available for 04.01.2002.

vii. Average percentage increase made in the salaries of Employees other than managerial personnel in the financial year was 21.10% whereas the increase in the managerial remuneration was 27.27%. 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 result, the increases this year reflect the market practice.

viii. 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.

ix. 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

x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board

Sd/-
Ramakrishnamraju Kounparaju
Chairman
DIN : 01735481

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



DIRECTORS' REPORT

Office :
B-13, F-1, P.S. Nagar,
Vijayanagar Colony, Hyderabad - 500 057.
Phone : (0) 91-40-23340985, 23347946, 23341213
e-mail : dhr300@gmail.com, dhr300@yahoo.com
website : www.dhanumantarajuandco.com



CS SHAIK RAZIA
M.COM., LLB, FCS
PARTNER

D. HANUMANTA RAJU & CO.
COMPANY SECRETARIES

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015**

*[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 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, 2015, 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, 2015, 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;



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DIRECTORS' REPORT

D. Hanumanta Raju & Co,
Company Secretaries

EVEREST ORGANICS LIMITED

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period of audit);
 - e) The 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) The 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) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;(Not applicable to the Company during the period of audit); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the period of audit)
- (vi) Other laws **specifically** applicable to the company as per the representations made by the management.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.(Not notified by the Central Government hence not applicable to the Company during the period of audit)
- (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 as under:





DIRECTORS' REPORT

D. Hanumanta Raju & Co,
Company Secretaries

EVEREST ORGANICS LIMITED

1. The company has not given any publications as required relating to Board Meetings, Annual General Meetings and unaudited financial results.
2. There are no Limited Review Reports submitted to Stock Exchanges.
3. Section 203 of the Companies Act, 2013 is not complied with.
4. The website of the company is not updated as per the requirements.
5. There was no appointment of Internal Auditor.

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Decisions at the Board Meetings are carried out unanimously as recorded in 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 the shares of the company with BSE Limited are under suspension and the company is in the process of reduction of its share capital.

Place: Hyderabad
Date: 28.08.2015



For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Dr. P. Ravi

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

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.

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DIRECTORS' REPORT

D. Hanumanta Raju & Co,
Company Secretaries

EVEREST ORGANICS LIMITED

'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
Date: 28.08.2015



For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS ShaiK Razia

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824



DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015
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:

i	CIN	L24230TG1993PLC015426
ii	Registration Date	2/19/1993
iii	Name of the Company	Everest Organics Limited
iv	Category/Sub-category of the Company	Indian Non Government Company
v	Address of the Registered office & contact details	Aroor Village, Sadasivapet Mandal, Medak District - 502 291, Telangana, India
vi	Whether listed company	Yes
vii	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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
	Manufacturer of Drugs, Medicines & Allied Products	3040	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N. A.	N. A.	N. A.	N. A.	N. A.



DIRECTORS' REPORT

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

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										
(1) Indian										
a) Individual/HUF	814200	358400	1172600	12.65	814200	358400	1172600	12.65	0.00	
b) Central Govt.or State Govt.	1312800	0	1312800	14.16	1312800	0	1312800	14.16	0.00	
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00	
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)	2127000	358400	2485400	26.80	2127000	358400	2485400	26.80	0.00	
(2) Foreign										
a) NRI- Individuals	313300	315300	628600	6.78	313300	315300	628600	6.78	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)	313300	315300	628600	6.78	313300	315300	628600	6.78	0.00	
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)	2440300	673700	3114000	33.58	2440300	673700	3114000	33.58	0.00	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	1600	1600	0.02	0	1600	1600	0.02	0.00	
b) Banks/FI	11150	0	11150	0.12	11150	0	11150	0.12	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):	11150	1600	12750	0.14	11150	1600	12750	0.14	0.00	
(2) Non Institutions										
a) Bodies corporates	345339	42400	387739	4.18	344239	41300	385539	4.16	0.02	
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00	
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00	
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1371911	1778200	3150111	33.97	1360411	1768600	3129011	33.74	0.23	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1108300	192000	1300300	14.02	1134100	222600	1356700	14.63	0.61	
c) Others (specify)										
Clearing Members	0	400	400	0.00	300	0	300	0.00	0.00	
Trust	0	36200	36200	0.39	0	33900	33900	0.37	0.02	
Non Resident Individuals	181100	1090400	1271500	13.71	181700	1059100	1240800	13.38	0.33	
SUB TOTAL (B)(2):	3006650	3139600	6146250	66.28	3020750	3125500	6146250	66.28	0.00	
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	3017800	3141200	6159000	66.42	3031900	3127100	6159000	66.42	0.00	
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)	5458100	3814900	9273000	100	5472200	3800800	9273000	100.00	1.22	



DIRECTORS' REPORT

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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 Kakariapudi Srihari Raju	722000	7.79	0	722000	7.79	0	0.00
2	Sri Kakariapudi Krishna Veni	4000	0.04	0	4000	0.04	0	0.00
3	Nadimapalli V Raju	313300	3.38	0	313300	3.38	0	0.00
4	S. K. Harikrishna	3500	0.04	0	3500	0.04	0	0.00
5	S. K. G Parvathi	88200	0.95	0	88200	0.95	0	0.00
6	Sirisha Srikakariapudi	198400	2.14	0	198400	2.14	0	0.00
7	Raju Sitaram Kakariapudi	315300	3.40	0	315300	3.40	0	0.00
8	Veerat Finance & Investment Limited	1312800	14.16	0	1312800	14.16	0	0.00
9	Rajgopal Rangineni	156500	1.69	0	156500	1.69	0	0.00
	Total	3114000	33.58		3114000	33.58		0.00

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

There is No Change

Sl. No.	Share holding at the beginning of the Year	Cumulative Share holding during the year	
	No. of Shares	No of shares	% of total shares of the company
At the beginning of the year			
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			
At the end of the year			



DIRECTORS' REPORT

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

Sl. No		Shareholding at the end 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
	For Each of the Top 10 Shareholders				
1	Prasanna Challa	429000	4.63	429000	4.63
2	Ajay Kumar Kayan	328000	3.54	328000	3.54
3	C Mackertich Limited	252000	2.72	252000	2.72
	Eashwer Kanthala Reddy	187500	2.02	187500	2.02
4	Parwathi Kanthala Reddy				
5	Ch Hemantha Kumar	65600	0.71	65600	0.71
6	Prabhakara Reddy Kaliki	62700	0.68	62700	0.68
7	Jamuna Hindupur	62600	0.68	62600	0.68
8	K Prabhakar Reddy	62600	0.68	62600	0.68
9	Jamuna HindupurMohan R Hindupur	62400	0.67	62400	0.67
10	Jalashree Challa	60000	0.65	60000	0.65
	Total	1572400	16.98	1572400	16.98

(v) Shareholding of Directors & KMP

Sl. No		Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
1	Sri Kakarlapudi Srihari Raju				
	At the Beginning of the year	722000	7.79	722000	7.79
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	722000	7.79	722000	7.79
2	S. K. Harikrishna				
	At the Beginning of the year	3500	0.04	3500	0.04
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	3500	0.04	3500	0.04
3	Sirisha Srikakrapudi				
	At the Beginning of the year	198400	2.14	198400	2.14
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	198400	2.14	198400	2.14
4	Raju Sitaram Kakarlapudi				
	At the Beginning of the year	315300	3.40	315300	3.40
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	315300	3.40	315300	3.40



DIRECTORS' REPORT

V INDEBTEDNESS

Amount in Rs.

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,831,383			45,831,383
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	45,831,383			45,831,383
Change in Indebtedness during the financial year				
Additions	4,706,422			4,706,422
Reduction	25,013,201			25,013,201
Net Change	-20,306,779			29,719,623
Indebtedness at the end of the financial year				
i) Principal Amount	25,524,604			25,524,604
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	25,524,604			25,524,604

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in Rs.

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross salary	Dr. S. K. Srihari Raju	Akella Parvathisem	Srikakarlalapati Hari Krishna	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	18,00,000	12,00,000	6,00,000	42,00,000
	(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	6,00,000	-	-	6,00,000
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	24,00,000	12,00,000	6,00,000	42,00,000
	Ceiling as per the Act	30,00,000			

B. Remuneration to other directors:

Amount in Rs.

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Swaminathan Venkatesan	Sree Ramakrishna Grandhi	Ramakrishnam Raju Kounparaju	
	(a) Fee for attending board committee meetings	50,000	50,000	50,000	1,50,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	50,000	50,000	50,000	
2	Other Non Executive Directors	Srikakarlalapati Sirisha	Kakarlalapati Sitarama Raju		
	(a) Fee for attending board committee meetings	40,000	20,000	0	
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	40,000	20,000	0	60,000
	Total (B)=(1+2)	90,000	70,000	50,000	2,10,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.	23,00,000			



DIRECTORS' REPORT

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross Salary	CEO	Company Secretary	CFO	Total	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-	-
	(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	-	-	-	-	-

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					



DIRECTORS' REPORT

ANNEXURE V

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	The company is taking adequate measures to reduce energy consumption by adopting new technologies.
Steps taken by the company for utilizing alternate sources of energy	Company has installed High efficiency motors/Pumps in the factory to improve the energy levels. The company is looking for other alternate options to reduce the power cost.
Capital investment on energy conservation equipments	Values to be incorporated.

(B) Technology absorption:

Efforts made towards technology absorption	(a) Introducing the new products (b) Reduction of effluent and isolation of by-products from effluents (c) improvement of yields in introduced new products (d) Synthesizing of impurities in API and Intermediates of existing products
Benefits derived like product improvement, cost reduction, product development or import substitution	(a) Developed the technology for manufacturing of new products and implemented in the plant (b) Reduced the cost in introduced new products (c) Developed the technology for isolation of by-products and implemented in plant (d) Synthesized the impurities in API and intermediates of 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:

	1 st April, 2014 to 31 st March, 2015 [Current F.Y.]	1 st April, 2013 to 31 st March, 2014 [Previous F.Y.]
	Amount in Rs.(lakhs)	Amount in Rs.(Lakhs)
Actual Foreign Exchange earnings	1981.09	1481.67
Actual Foreign Exchange outgo	1328.59	1045.81



DIRECTORS' REPORT

The Capital and Revenue expenditures on R&D, as per the Audited financial statement for the financial Year 2014-2015

Capital and revenue expenditures on R&D activities:

Capital Expenditure	Amount in Rs.
Lab Equipment	5,705,826
Pilot Plant Equipment	1,395,000
Total Capital Expenditure	7,100,826
Revenue Expenditure	
Salaries	2,337,756
R & D Consumables	540,340
prefeasibility study for Nitration of 4 Methoxy Aniline-Intermediate for Omeprazole, Nitration	303,907
Total Revenue Expenditure	3,182,003
Total Expenditure	10,282,829

**CORPORATE GOVERNANCE****Corporate Governance Report**

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) the report containing the details of Corporate Governance systems and processes at Everest Organics Limited (CIN : L024230TG1993PLC015426) is as follows:

At Everest Organics Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

At EOL, we believe that as we move closer towards our aspirations of being a global corporation, our Corporate Governance standards must be globally benchmarked. Therefore, we have institutionalized the right building blocks for future growth. The building blocks will ensure that we achieve our ambition in a prudent and sustainable manner. EOL not only adheres to the prescribed Corporate Governance practices as per Clause 49 of the Listing Agreement with the Stock Exchanges in India (Listing Agreement), but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide. It is our endeavour to

**CORPORATE GOVERNANCE**

achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfillment of stated goals and objectives.

During the financial year under review, the turnover of your Company increased by Rs 9,75,68,144/- (Rupees Nine Crore Seventy Five Lakhs Sixty Eight Thousands One Hundred Forty Four only) and thus recording a growth of 10.08% over the previous Year.

And the PAT (Profit After Tax) of your company shows an improvement of 90.58% in the year under review, to Rs 1,65,33,393/- (One Crore Sixty Five Lakhs Thirty Three Thousand Three Hundred Ninety Three Only) with an increase of Rs 78,58,161/- (Rupees Seventy Eight Lakhs Fifty Eight Thousand One Hundred Sixty One Only) over the previous year,

Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established four Committees to discharge its responsibilities in an effective manner. EOL's Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 1956 / Companies Act, 2013. The Chairman and Managing Director provides overall direction and guidance to the Board. Concurrently, the MD is responsible for overall implementation. In the operations and functioning of the Company, the MD is assisted by two Executive Directors and a core group of senior level executives.

Board Leadership

At the Board, 3 out of 9 are Independent Directors. At EOL, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees. These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board reviews related party transactions, possible risks and risk mitigation measures, financial reports from the Accounts Manager and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.



CORPORATE GOVERNANCE

Ethics/Governance Policies

At EOL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

Code of Conduct

Code of Conduct for Prohibition of Insider Trading

Code of Conduct for Board & Independent Directors

Vigil Mechanism and Whistle Blower Policy

Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

Corporate Social Responsibility Policy

Policy for Selection of Directors and determining Directors Independence

Remuneration Policy for Directors, Key Managerial Personnel and other Employees

Audits and internal checks and balances

M/s. P.S.N. Ravishankar & Associates, Chartered Accountants of Hyderabad, audit the accounts of the Company. The Company appointed CS P. Renuka, Company Secretary in whole time Practice in Hyderabad, to guide the Company regarding the compliances under Companies 1956, Companies Act 2013, various Rules & Regulations of SEBI and RBI. The Company has an internal process of checking and review of internal control and operating systems and procedures besides an external firm conducting an audit.

BOARD OF DIRECTORS

Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board comprises three executive Director and six Non-Executive Directors. Three out of nine Directors are Independent Directors and the Chairman of the Company is Independent Director. The composition of the Board and category of Directors are as follows:



CORPORATE GOVERNANCE

Sl. No.	Name of the Director	Category	Designation	No. of Memberships of other committees / Committee Chairmanship
1	Akella Parvathisem	Executive Director	Technical Director	NIL
2	Sri Kakarlapudi Srihari Raju	Promoter Executive Director	Managing Director	NIL
3	Srikakarlapudi Hari Krishna	Promoter Executive Director	Executive Director	NIL
4	Ramakrishnam Raju Kounparaju	Independent Non- Executive Director	Chairman Independent Director	NIL
5	Reddy Eashwer Kanthala	Non - Executive Director	Director	NIL
6	Swaminathan Venkatesan	Independent Non- Executive Director	Independent Director	NIL
7	Kakarlapudi Sitarama Raju	Promoter Non - Executive Director	Director	NIL
8	Srikakarlapudi Sirisha	Promoter Non - Executive Director	Director	NIL
9	Sreeramakrishna Grandhi	Independent Non- Executive Director	Independent Director	NIL

Mr. Kakarlapudi Sitarama Raju and Dr. Sri Kakarlapudi Srihari Raju are brothers, Mr. Srikakarlapudi Hari Krishna is the son of Late Srikakarlapudi Chittiramabhadra Raju, and Dr Srikakarlapudi Sirisha is the daughter of Dr. Sri Kakarlapudi Srihari Raju. None of the other directors is related to any other director on the Board.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter alia*, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

**CORPORATE GOVERNANCE****Board material distributed in advance**

The agenda and notes on agenda are circulated to Directors in advance and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focussed discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

Post meeting follow-up mechanism

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees thereof. Important decisions taken at Board/Board Committee meetings are communicated promptly to the concerned departments/divisions. Action-taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Board Committee for noting.

Board Meeting Details

Sl. No.	Name of the Director	no. of Meetings held	No.of Meetings attended	Whether attended the AGM held on 30th July 2014
1	Ramakrishnam Raju Kounparaju	6	6	Yes
2	Sri Kakarlapudi Srihari Raju	6	6	Yes
3	Akella Parvathisem	6	6	Yes
4	Srikakarlapudi Hari Krishna	6	6	Yes
5	Reddy Eashwer Kanthala	6	0	No
6	Swaminathan Venkatesan	6	6	Yes
7	Kakarlapudi Sitarama Raju	6	1	No
8	Srikakarlapudi Sirisha	6	5	No
9	Sreeramakrishna Grandhi	6	5	No
10	Mr. G. Raghunandan	6	0	No



CORPORATE GOVERNANCE

Audit Committee

Our Audit Committee comprises three directors Mr. K. Rama Krishnam Raju, Mr. V. Swaminathan, Mr. A. Parvatisem. Mr. K.Rama krishnam Raju will act as Chairman of the Audit Committee.

The primary objective of the audit committee is to:

- a. Oversee of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the Statutory Auditor and the fixation of the Audit Fees.
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. Review with the management, the annual financial statements before submission to the Board for approval with particular reference to :
 - i. Matters required to be included in the Directors' Responsibility Statement included in the Board's Report under provisions of section 134(5) 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.
 - iv. Compliance with listing and other legal requirements relating to financial statements.
 - v. Disclosure of any related party transactions.
 - vi. Qualifications in the draft audit report.
- e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control system.
- g. 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.

**CORPORATE GOVERNANCE**

- h. Reviewing the findings of any 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.
- i. 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.
- j. To look into the reasons for substantial defaults in the payment to share holders (in case of non payment of declared dividends) and creditors.
- k. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- l. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

- 1. Management discussion and analysis of financial condition and results of operations.
- 2. Statement of significant related party transactions (as defined by the audit committee) submitted by management.
- 3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- 4. Internal Audit Reports relating to internal control weaknesses and
- 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Audit committee attendance:

Four Audit Committee meetings were held during the year on 31.05.2014, 30.07.2014, 15.11.2014 and 09.02.2015. The Audit Committee meetings were held at the Corporate Office and usually attended by the finance head and some time by the Statutory Auditors.

The attendance details of the audit committee meetings are as under.

Name	No of meetings held	attended
Sir. Ramakrishna Raju kounparaju	4	4
Sri.V.Swaminathan	4	4
Sri. A. Parvatisem	4	4

**CORPORATE GOVERNANCE****NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013.

The composition of the committee is as under:

Two Nomination & Remuneration Committee Meetings were held during the year on 21.09.2015 & 09.02.2015.

Name	No of meetings held	attended
Mr. Ramakrishnam Raju kounparaju	2	2
Mr. V. Swaminathan	2	2
Mr. S. K. Harikrishna	2	2

1. Mr. Ramakrishnam Raju Kounparaju (DIN : 01735481),
2. Mr. Swaminathan Venkatesan (DIN : 02810646), Director and
3. Mr. Sreeramakrishna Grandhi (DIN: 06921031), Chairman, (Mr. S. K. Hari Krishna till 29.05.2015).

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

The functioning and terms of reference of the Remuneration Committee are as prescribed under the listing agreement with the Stock Exchanges and it determines the Company's policy on all elements of the remuneration packages of the Directors.

The Remuneration Committee of the Company recommends to the Board of Directors, the compensation of terms of whole time directors and senior most management immediately below the whole time directors. This committee also has the responsibility for administering the Employee stock option scheme of the company.

Remuneration Policy for Directors:

No director other than Dr. S. K. Srihari Raju, Mr. A. Parvatisem, and Mr. S. K. Harikrishna is drawing remuneration from Company. They are drawing the remuneration for the services rendered in the capacity of whole time directors. Sitting fee is being paid to non executive directors.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2014-2015.



CORPORATE GOVERNANCE

Amount in Rs.							
S.No.	Name of Director	Designation	Salary & Perks	Profit in lieu of salary	Commission	Sitting Fees	Total
1.	Ramakrishnam Raju Kounparaju	Independent Director	-	-	-	50,000/-	50,000/-
2.	Sri Kakarlapudi Srihari Raju	Managing Director	18,00,000	6,00,000	-	-	24,00,000/-
3.	Akella Parvathisem	Technical Director	12,00,000	-	-	-	12,00,000/-
4.	Srikakarlapudi Hari Krishna	Executive Director	6,00,000	-	-	-	6,00,000/-
5.	Reddy Eashwer Kanthala	Non- Executive Director	-	-	-	-	-
6.	Swaminathan Venkatesan	Independent Director	-	-	-	50,000/-	50,000/-
7.	Kakarlapudi Sitarama Raju	Non-Executive Director	-	-	-	20,000/-	20,000/-
8.	Srikakarlapudi Sirisha	Non-Executive Director	-	-	-	40,000/-	40,000/-
9.	Sreeramakrishna Grandhi	Independent Director	-	-	-	50,000/-	50,000/-
10	Mr.G. Raghunandan	Nominee Director	-	-	-	—	—

No other benefits, bonuses, stock options, pensions or performance linked incentive are paid to directors except as mentioned above.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising Mr. Sri Kakarlapudi Hari Krishna, Mr. V. Swaminathan and Mr. A. Parvathisem, Directors of the Company. And Mr. Sri Kakarlapudi Hari Krishna, acts as a Chairman of the Committee.

Mr. V. Swaminathan has been appointed the Chairman of the Stakeholders' Relationship Committee. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

four Stakeholders' relationship Committee Meetings were held during the year on 31.05.2014,30.07.2014,15.11.2014 and 09.02.2015.

**CORPORATE GOVERNANCE**

Sl.No	Name	No. Of Meeting held	Attended
1.	Mr. Srikakarlapudi Hari Krishna	4	4
2.	V.Swaminathan	4	4
3.	Mr.A. Parvatisem	4	4

SHARE TRANSFER COMMITTEE

The Share Transfer Committee is formed with Sri S.K.Harikrishna, Sri. V.Swaminathan and Mr. A. Parvatisem as Members and meets as and when required at short notice also. Mr. V. Swaminathan will act as Chairman of the Share transfer Committee. No share transfers are pending as on date. The functions of the committee(s) include:

Investor Grievances Redressal:

Sl.No	Particulars	Number
1.	Number of Complaint received Directly	Nil
2.	Number of Complaint forwarded by Stock Exchange	Nil
3.	Number of Complaint forwarded by SEBI	1
4.	Total No of Complaint received (1+2+3)	1
5.	No of Complaint Resolved	1
6.	Number of Complaints Pending	Nil

Sl.no	Name of the Complainant	Date of Complainant	Status (Resolved/Pending)
1.	M.J. Bhatt	23.01.2015	Resolved.



CORPORATE GOVERNANCE

To specifically look into redressing investors' grievances pertaining to:

- 1) Transfer of shares
- 2) Dividends
- 3) Dematerialization of shares
- 4) Replacement of lost/stolen/mutilated share certificates
- 5) Non-receipt of rights/bonus/split share certificates.
- 6) Any other related issues

The subcommittee will also focus on strengthening investor relations.

Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

REGISTRAR & SHARE TRANSFER AGENT

M/s. Venture Capital And Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar,
Hyderabad – 500 018. Telephone : 040-23818475, 476 Facsimile: 040-23868024
Email id : info@vccilindia.com

Disclosures on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large

All related party transactions are negotiated on an arms- length basis, and are intended to further the Company's interests.

Details of non-compliance by the Company, penalties, 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

Trading in the Company's securities is suspended at BSE.

Whistle Blower policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**CORPORATE GOVERNANCE**

Annual Report: The Annual Report containing, *inter alia*, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website (www.everestorganicsltd.com).

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, and media, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id: The Company has designated the following email-ids exclusively for investor servicing:

For queries on Annual Report: eolcs0405@gmail.com

For queries in respect of shares in physical mode: info@vccilindia.com

General Shareholder Information**Company Registration Details**

Registration No. 015426

Regd. Office Address

Aroor Village, Sadasivapet Mandal,
Medak District, Telangana – 502 291.

Corporate Office Address

Plot No 127 & 128, Amar Coop Society,
Near Madhapur Police Station Road,
Durghamcheruvu, Hyderabad. 500 033
Telangana, India.

Annual General Meeting: (Date, Time & Venue)

28.09.2015 at 3.00 p.m. at Aroor Village Sadasivapet Mandal, Medak District – 502 291, Telangana, India.

Location and time of last three Annual General Meeting are as under:

Sl. No.	Year	Date of meeting	Time
1	2014	30.07.2014	3.00 p.m.
2	2013	25.09.2013	3.00 p.m.
3	2012	21.09.2012	3.00 p.m.

In the year 2014, at AGM dated 30.07.2014, a special resolution was passed for approval of Capital Reduction Scheme.



CORPORATE GOVERNANCE

Date of Book Closure

22nd Day of September, 2015 to 28th Day of September, 2015 (both days inclusive).

Cur off / Record Date : 21st September 2015

Listing on Stock Exchanges

Equity Shares

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

Scrip Code 524790

Payment of Listing Fees

Annual listing fee for the year 2015-16 has been paid by the Company to BSE. Annual maintenance and listing agency fee for the calendar year 2015 has been paid by the Company to the Bombay Stock Exchange.

Share Transfer System

M/s Venture Capital and Corporate Investment (p) Ltd. is the Registrar and Share Transfer Agent of the Company and undertakes the share transfer work for both physical & electronic forms.

Share transfers are processed and share certificates duly endorsed are delivered within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Managing Director and/or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Managing Director/ Company Secretary is placed at every Board meeting / Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

Distribution of Shareholding as on March 31, 2015

Nominal Value	Holders		Amount	
	Number	% To Total	In Rs	% To Total
Up to - 5000	9253	88.73	13715720	14.79
5001 - 10000	537	5.15	4569450	4.93
10001 - 20000	240	2.3	3703890	3.99
20001 - 30000	175	1.68	4474650	4.83
30001 - 40000	40	0.38	1473000	1.59
40001 - 50000	52	0.5	2476120	2.67
50001 - 100000	62	0.59	4305170	4.64
100001 and above	69	0.66	58012000	62.56
Total	10428	100	92730000	100

COMPLIANCE CERTIFICATE OF THE STATUTORY AUDITORS

Confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

Compliance with the Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock exchanges, all Board Members & Senior Management Personnel have affirmed compliance with the Company's Code of Conduct and Ethics for the year Ended March 31, 2015. The same is attached to this Report.



CORPORATE GOVERNANCE

CERTIFICATE

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2015 and that to the best of our knowledge and belief:
- i these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii 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.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, and violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 or 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.
- d. We have indicated to the Auditors and the Audit Committee
- 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
 - iii 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/-
Managing Director

Sd/-
Executive Director

Date: 31.08.2015

Declaration on compliance with Code of Conduct

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the amended provisions of Clause 49 of the Listing Agreement.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company.

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31.03.2015.

Date: 31.08.2015

Sd/-
Managing Director.



CORPORATE GOVERNANCE



P.S.N. RAVISHANKER & ASSOCIATES
Chartered Accountants

Flat No. 205, II Floor, B-Block,
Kushal Towers, Khairatabad,
Hyderabad - 500 004. (A.P)
Phone: 23320558 & 23393381
Fax: 040-23393381
E-mail : psnra@yahoo.com

Auditors Certificate on compliance of Corporate Governance

To
The Members of EVEREST ORGANICS LIMITED
Regd. Office: Aroor Village,
Sadasivpet Mandal,
Medak District, Telangana – 502291.

We have examined the compliance of conditions regarding corporate governance by M/s EVEREST ORGANICS LIMITED for the year ended 31st March, 2015, as stipulated in clause 49 of the listing agreement of the company with stock exchanges. However, it is explained to us by the management that the scrip had been suspended from trading due to non-payment of listing fees and non-submission of financial data to the stock exchange in time for a long time since 2002 and is categorized as "suspended due to penal reasons".

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the 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, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement, which does not appear to be in vogue, as last traded price was available for 04-01-2002 only.

As per the information and explanations furnished to us by the management, we state that generally no investor grievances are pending at present for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date : 30-05-2015

For P.S.N. RAVISHANKER & ASSOCIATES
Chartered Accountants
Firm Reg No: 003228S



(P. RAVI SHANKER)
PARTNER
ICAI M.No. 25288



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report regarding the Pharma Industry and in particular EOL

As you, all, are well aware that pharmaceutical industry is and has been and would be an evergreen industry. However finished dosage pharma is progressing at a faster pace than the bulk drug industry (API Industry) which has low profit margins.

However with the new initiatives from the new governments at centre along with the state, the bulk drug (API) industry along with advanced chemical intermediate industry is likely to grow at about 12 – 15 % year on year basis, with the new adversities from the pollution aspects in china. As far as EOL is concerned, Everest will have an annual growth rate of 15% from the previous year and is expected to improve the profit margins to above 3%.

However as you are well aware that EOL plant had been given closure order to stop production since 13th May 2015, The management has been approved by the board of directors to improve the capital investment to the tune of 5 Crores in order to meet the growing stringency of TSPCB.

The Management is confident of getting the revocation order before the end of September 2015. You are also hereby informed that there was a fire accident involving Production Block – 2 extension (Pilot Plant) where in fixed assets to the tune of about 2.5Crores and current assets to the tune of 1.6 crores has been damaged on 17th July 2015. You are hereby informed that there is adequate insurance coverage for both fixed assets and current assets. Your management is confident of getting the claim settled by New India Assurance company on or before 31st September 2015.

Threats to EOL's progress are mainly, on the issue of safety and pollution treatment, Management is intensifying its efforts to improve the safety aspects both in terms of Man Power and Machines by investing further on training of the people and installing automation wherever possible.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRY RELATIONS:

Intelligence, self confidence, presence, the ability to communicate and having a vision are important. Highly intelligent person need not necessarily be having the knack of making good business judgments, know how is what separates leaders who perform who deliver results from those who don't know how improves with appetite to learn. The managers have to contend with changing scenario but the pace and abruptness of change has to be dealt with. The changes detected earlier give more time to generate and test hypotheses, mobilize resources and reposition the business to achieve the money making targets. One must have the contingent plans to deal with unforeseen circumstances.

The important things envisaged by our board are:

- Removal of the road blocks to growth.
- Improved planning for better revenue generation.
- Tapping intellectual horse power.
- Securing commitment for execution.
- Pooling observations.
- Adjusting attitudes.
- Providing prompt feedback and training.
- Anticipate and resolve conflicts.
- Solving incompatibility, not incompetence.
- Right people in right place at the right time.
- Dealing mismatches in a constructive way.
- Detecting patterns.
- Managing social system.
- Setting priorities.
- Dealing with external parties.
- Transparency.

The company understands the significance of the above for the growth and is committed to improve the Human esource Team, which is already in a good shape. We aspire and strive harder for better shape.



AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EVEREST ORGANICS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Everest Organics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 Rule 7 of the Companies (Accounts) Rules, 2014.

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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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



AUDITORS' REPORT

OPINION :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profits and its Cash Flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditors' Report) Order, 2015 ("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 Statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.

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 books.
- c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement 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 (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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, 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 – refer Note Nos.12 & 13 to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants
FRN : 003228S
Sd/-

P. RAVI SHANKER)
Partner
CAI M.No.025288

Place : Hyderabad,
Date : 30-05-2015.



AUDITORS' REPORT

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

With reference to the annexure referred to in our Independent Auditors Report to the members of the Company on the financial statements for the year ended 31-03-2015, we report that :

1. In respect of its fixed assets:

- 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 explained to us by the management, majority of the fixed assets have been physically verified in a broad manner by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies were noticed on such physical verification.

2 In respect of its inventories:

- a) The inventories have been physically verified 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.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management, appears to be generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventories in a broad manner. As per the information and explanation given to us, no material discrepancies were noticed on such verification.

3. In respect of the loans :

As per the information and explanations furnished to us by the management, the company has not granted any loans secured / unsecured to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act.

4. In respect of Internal Control Procedure :

In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system which, Prima facie, appear to be commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.

The Internal Control Procedures may be further strengthened in respect of procedures for requisitioning, placing orders, purchasing and making payments of items referred to above and for sale of goods and in obtaining the balance confirmations from respective parties. However, the company does not have internal Audit system as per the provisions of section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.



AUDITORS' REPORT

5. In respect of Deposits :

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 any other relevant provisions of the Companies Act, and the rules framed there under, wherever applicable, from the public.

However, the company has earlier taken / accepted / held unsecured loans totally amounting to Rs.886.15 lakhs (Rs.884.20 lakhs as at 31-03-2014), out of which an amount of Rs.303.58 lakhs (Previous year Rs.247.21 lakhs) is stated to be from the Directors and their relatives and an amount of Rs.510.94 lakhs (Previous Year Rs.346.97 lakhs) is from an NBFC (in which two of the directors of that company are the relatives of the Managing Director of the Company) and Rs.71.62 lakhs (Previous Year Rs.19.07 lakhs) in the form of Security Deposits from Employees, all stated to be coming under the category of promoters, their friends, relatives, employees and Associate concerns and it has been explained to us that the unsecured loans were earlier brought into the company to meet the then financial obligations of the company to the then Financial Institutions/Banks.

6. In respect of Cost Records :

The Company has maintained cost records, which, prima facie, appear to broadly meet the requirements prescribed by the Central Government U/s.148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. However, the contents of these accounts and records have not been examined by us in detail.

7. In respect of statutory dues :

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax (Except FBT of Rs.8.55 lakhs & Income Tax of Rs.3.58), Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2015 for a period of more than six months from the date they became payable.

b) We have been informed by the management that there are no pending disputes with the appropriate authorities relating to Statutory Dues and those dues outstanding for a period of more than six months.

c) According to the records of the Company, information and explanations given to us, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

8. In respect of Accumulated Losses :

The Company is registered for a period of more than 5 years, the accumulated losses of the company as at 31-03-2015 amounts to Rs.346.47 lakhs (Previous year Rs.511.80 lakhs) and the Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.



AUDITORS' REPORT

9. In respect of Bank Loans :

We are of the opinion that the Company has not defaulted in repayment of dues to the Banks. The company has not made any borrowings from the financial institutions or debenture holders.

10. In respect of Guarantees :

As per the information and explanations furnished to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

11. In respect of Term Loans :

During the year the company has not availed any term loans.

12. In respect of Fraud :

According to the information and explanations given to us, there was no fraud on or by the company that has been noticed or reported during the year by the Management.

For P.S.N.RAVISHANKER & ASSOCIATES

Chartered Accountants

FRN : 003228S

Sd/-

(P. RAVI SHANKER)

Partner

ICAI M.No.025288

Place : Hyderabad,
Date : 30-05-2015.



EVEREST ORGANICS LIMITED

BALANCE SHEET AS AT 31-03-2015

Name of the Company: Everest Organics Limited
Balance Sheet as at 31.03.2015

				(Rupees)	
Particulars	Note No.		As at 31.03.15		As at 31.03.14
1	2	3	4	5	6
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share Capital	A		92,730,000		92,730,000
(b) Reserves and Surplus	B		(34,647,479)		(51,180,871)
(2) Non-Current Liabilities					
(a) Long-term Borrowings	C		112,853,427		101,055,616
(3) Current Liabilities					
(a) Short-term Borrowings	D		106,192,938		133,450,278
(b) Trade Payables	E		353,934,315		337,022,551
(c) Other Current Liabilities	F		25,608,600		33,907,257
(d) Short-term provisions	G		10,035,995		7,568,031
Total:			666,707,796		654,552,861
II. ASSETS					
Non-Current Assets					
1 (a) Fixed Assets	H				
(i) Tangible Assets		239,600,907		237,940,206	
(ii) Capital-work-in-progress		2,483,443	242,084,350	3,211,197	241,151,403
(b) Non-Current Investments	I		845,408		845,408
(c) Long-term Loans and Advances	J		488,743		58,095
(d) Other Non-Current Assets	K		4,253,181		3,149,279
2 Current Assets					
(a) Inventories	L		84,736,602		83,665,385
(b) Trade Receivables	M		289,327,590		278,840,247
(c) Cash and Cash Equivalents	N		10,499,405		10,867,717
(d) Short-term Loans and Advances	O		28,646,933		30,699,419
(e) Other Current Assets	P		5,825,584		5,275,907
Total:			666,707,796		654,552,861

As per our report even date
for P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants

Sd/-

P.RAVI SHANKER
Partner

Place: Hyderabad
Date : 30.05.2015

for and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-

Dr.S.K.SRIHARI RAJU DIN01593620
Managing Director

Sd/-

A.PARVATISEM DIN00910224
Technical Director

Sd/-

S.K.HARI KRISHNA DIN01664260
Executive Director



EVEREST ORGANICS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Name of the Company: Everest Organics Limited Profit and Loss for the year ended 31.03.2015				
(Rupees)				
	Particulars	Note No.	Year ended 31.03.15	Year ended 31.03.14
I.	<u>Revenue from operations</u>	Q	1,059,769,260	960,440,270
II.	<u>Other Income</u>	R	5,305,117	7,065,963
III.	Total Revenue (I + II)		1,065,074,377	967,506,233
IV.	<u>Expenses:</u>			
	Cost of Materials Consumed	S	692,895,288	665,663,136
	Changes in Inventories of finished goods	T	(7,030,029)	883,583
	Work-in-progress	U	16,510,001	1,220,616
	Employee Benefits Expense	V	65,871,501	57,247,335
	Finance Costs	W	27,007,660	26,209,272
	Depreciation	X	26,716,787	22,761,008
	Other Expenses	Y	213,744,719	182,546,051
	Total Expenses		1,035,715,927	956,531,001
V.	Profit before Exceptional and Extraordinary items and Tax		29,358,450	10,975,232
VI.	Exceptional Items - Excess/(Short) Provision for Taxation		-	-
VII.	Profit before Extraordinary items and Tax (V-VI)		29,358,450	10,975,232
VIII.	Extraordinary Items		8,725,057	-
IX.	Profit before Tax (VII-VIII)		20,633,393	10,975,232
X.	Tax Expense: (1) Current Tax		4,100,000	2,300,000
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		16,533,393	8,675,232
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		16,533,393	8,675,232
XV.	Profit/(Loss) for the period (XI + XIV)		16,533,393	8,675,232
XVI.	Earnings per equity share:			
	(1) Basic		1.78	0.94
	(2) Diluted		1.78	0.94
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants			for and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/-			Sd/-	
P.RAVI SHANKER Partner			DIN01593620 Dr.S.K.SRIHARI RAJU Managing Director	
			Sd/-	
			DIN00910224 A.PARVATISEM Technical Director	
			Sd/-	
			DIN01664260 S.K.HARI KRISHNA Executive Director	
Place: Hyderabad Date : 30.05.2015				



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
A. Share Capital	As at 31st Mar 2015		As at 31st Mar 2014
<u>Class of Shares - Equity Shares</u>			
<u>Authorised Capital</u> 1,00,00,000 Equity Shares of Rs. 10/- each	100,000,000		100,000,000
<u>Issued, Subscribed & Paid-up Capital</u> 92,73,000 Equity Shares of Rs. 10/- each fully paid up	92,730,000		92,730,000
Total	92,730,000		92,730,000
 Note:1 No. of shares held by individuals/entities each holding morethan 5% of total stake. 1. Veerat Finance & Investment Co.Ltd., 13,12,800 (14.16%) 13,12,800 (14.16%) 2. Dr.S.K.Srihari Raju 7,22,000 (7.79%) 7,22,000 (7.79%) Note: 2. There is no restriction on transferability of shares (presently the shares are delisted on the share market). Note: 3 Reconciliation of number of shares outstanding at the beginning and end of the year Shares issued & subscribed as on 01.04.2014 92,730,000 92,730,000 (92,73,000 Equity Shares of Rs. 10/- each fully paid up) Add: Issued during the year - - Less: Redemption/Buyback 92,730,000 92,730,000 Total Amount as per Balance Sheet - - (92,73,000 Equity Shares of Rs. 10/- each fully paid up) 92,730,000 92,730,000 Note: a) There are no shares issued in last five years as fully paid up pursuant to contracts without payment being received in cash. b) There are no shares issued in last five years as fully paid up by way of bonus shares. c) There are no shares bought back in last five years. d) There are no calls unpaid.			
B. Reserves and Surplus			
<u>Profit & Loss Account</u>			
Opening Balance - (Loss) (51,180,871) (59,856,103)			
Add: Profit/(Loss) for the year 16,533,393 8,675,232			
Closing Balance (34,647,479) (51,180,871)			
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the board of EVEREST ORGANICS LIMITED Sd/- Dr.S.K.Srihari Raju Managing Director Sd/- A.Parvatisem Technical Director Sd/- S.K.Hari Krishna Executive Director		
Sd/- P.Ravi Shanker Partner			
Place: Hyderabad Date : 30.05.2015			



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
C. Long-Term Borrowings	As at 31st Mar 2015		As at 31st Mar 2014
(a) Secured Loans			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - V	-	7,899,459	
2. Working Capital Term Loan - II	-	2,741,605	
3. Kotak Prime Ltd-Mahindra XUV 500 FWD Car Loan (Secured by the Hypothecation of Vehicle)	-	35,734	10,676,798
4. Term Loan from Reliance Capital Ltd	7,351,014		10,718,981
5. Sales Tax Deferment Liability (Payable as per A.P.State Government 14 years sales tax deferment scheme - repayment commenced from 2009-10 and payable before the year 2022-23)	16,887,186		18,333,856
(b) Unsecured Loans			
(i) Unsecured Loans from Directors & Near Relatives	30,358,933	24,721,391	
(ii) Inter Corporate Deposits from M/s. Veerat Finance & Investment Ltd - NBFC (Two of their directors of NBFC are relatives of the M.D of the Company)	51,094,045	34,696,995	
(iii) Security Deposit from Employees	7,162,249	88,615,227	61,325,980
Total	112,853,427		101,055,616

Note:

- All the credit facilities (Term Loans and Working Capital Facilities) from Kotak Mahindra Bank are secured by equitable mortgage by deposit of Title Deeds of the Company's immovable properties of Land & Buildings admeasuring about 33 acres in Sy.No.38, 39 & 40 situated at Aroor Village, Sadasivpet Mandal, Medak District, both present and future and Hypothecation/pledge of Company's movable properties both present and future, hypothecation of stocks, receivables and other personal immovable properties of the promoter directors.
- Credit facility from Reliance Capital Ltd is secured by the charge on the HPLC Equipment and other allied equipments acquired out of the funds availed from the loan.
- There is no default, in repayment of principal of term loan or interest thereon, to Kotak Mahindra Bank Ltd. & Reliance Capital Ltd.
- Sales Tax Deferment is defrayed as per the repayment schedule fixed by the Government.

As per our report of even date
for P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants

Sd/-

P.Ravi Shanker
Partner

Place: Hyderabad
Date : 30.05.2015

for and on behalf of the board of
EVEREST ORGANICS LIMITED
Sd/-

Dr.S.K.Srihari Raju
Managing Director

Sd/-

A.Parvatisem
Technical Director

Sd/-

S.K.Hari Krishna
Executive Director



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rupees)			
D. Short Term Borrowings	As at 31st Mar 2015		As at 31st Mar 2014
(A) Secured			
(a) Loans repayable on Demand			
- from Banks - Kotak Mahindra Bank Ltd			
Cash Credit	36,678,425	40,917,002	
Bills Discounting (Domestic)	39,985,207	39,916,621	
Bills Discounting (LC Backed)	2,625,012	5,467,269	
Buyers Credit	12,273,650	7,281,000	93,581,892
(b) LC Bills Discounting - Bank of India	14,630,645		12,773,820
Total - A	106,192,938		106,355,712
(B) Unsecured			
(a) Loans repayable on Demand			
- from Other Parties	-		27,094,566
Total - B	-		27,094,566
Total (A+B)	106,192,938		133,450,278
E. Trade Payables			
Creditors for Raw Materials	290,001,943		272,022,641
Creditors for Expenses	40,576,547		45,128,745
Creditors for Capital Goods	23,355,824		19,871,165
Total	353,934,315		337,022,551
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the board of EVEREST ORGANICS LIMITED Sd/- Dr.S.K.Srihari Raju Managing Director		
Sd/-	Sd/- A.Parvatisem Technical Director		
P.Ravi Shanker Partner	Sd/- S.K.Hari Krishna Executive Director		
Place: Hyderabad Date : 30.05.2015			



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rupees)			
	As at 31st Mar 2015		As at 31st Mar 2014
F. Other Current Liabilities			
(a) Current maturities of long-term debt			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - IV	-	3,129,932	
2. Term Loan - V	7,899,459	6,740,493	
3. Kotak Prime Ltd-Mahindra XUV 500 FWD W8	35,735	404,822	
4. Working Capital Term Loan - I	-	1,001,222	
5. Working Capital Term Loan-II	2,763,133	10,698,327	18,718,899
6. Reliance Capital Term Loan		7,475,264	5,522,694
7. Magma Finance-Verna Car Loan		-	194,011
(b) Current Maturities of Deferred Payment Liability			
- Deferred Sales Tax Liability	1,446,670		4,272,270
(c) Statutory Liabilities			
a) ESI Dues	146,965	691,278	
b) PF Dues	2,106,438	1,436,759	
c) Professional Tax Dues	11,250	11,400	
d) TDS Payable	831,443	683,681	
e) Dues to Income Tax Department	357,822	357,822	
	3,453,918		3,180,940
(d) Other Liabilities	2,534,421		2,018,444
Total	25,608,600		33,907,257
G. Short Term Provisions			
(a) Provision for employee benefits (Gratuity)			
(b) Others			
1. Income Tax - MAT	4,100,000	2,300,000	
2. FBT for earlier years	855,000	855,000	
Total	4,955,000	855,000	3,155,000
Total	10,035,995		7,568,031
<p>As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants</p> <p>Sd/- P.Ravi Shanker Partner</p> <p>Place: Hyderabad Date : 30.05.2015</p>			
<p>for and on behalf of the board of EVEREST ORGANICS LIMITED</p> <p>Sd/- Dr.S.K.Srihari Raju Managing Director</p> <p>Sd/- A.Parvatisem Technical Director</p> <p>Sd/- S.K.Hari Krishna Executive Director</p>			



SCHEDULES FORMING PART OF THE BALANCE SHEET

EVEREST ORGANICS LIMITED SCHEDULE - H FIXED ASSETS										
S.No.	Particulars	Gross Block			Depreciation			Net Block		(Rupees)
		As At 01.04.14	Additions During the year	Deletions/ transfers during the year	As At 31.03.15	As At 01.04.14	for the year	Deletions during the year	As At 31.03.15	As At 31.03.14
	Tangible Assets									
1	Land & Land Development	5,308,474	-	-	5,308,474	-	-	-	5,308,474	5,308,474
2	Factory Buildings	37,732,870	1,734,482	4,716,609	34,750,743	16,285,960	4,692,189	2,033,245	15,825,839	21,466,910
3	Plant & Machinery & Utilities	410,093,783	27,773,376	-	437,867,159	203,402,202	20,768,816	-	213,696,141	206,691,581
4	Office Equipment	1,714,589	664,625	-	2,379,214	1,600,866	121,173	-	657,175	113,723
5	Computers	1,820,500	418,218	-	2,238,718	1,415,178	416,377	-	407,163	405,322
6	Furniture & Fittings	2,072,796	470,150	-	2,542,946	1,143,291	157,112	-	1,242,543	929,505
7	Vehicles	5,737,219	-	-	5,737,219	2,712,527	561,120	-	2,463,572	3,024,692
	Total (A)	464,480,231	31,060,851	4,716,609	490,254,473	226,540,024	26,716,787	2,033,245	239,600,907	237,940,207
1	Capital Works-in-Progress									
	Plant & Machinery	3,211,197	28,780,104	29,507,858	2,483,443	-	-	-	2,483,443	3,211,197
	Total (B)	3,211,197	28,780,104	29,507,858	2,483,443	-	-	-	2,483,443	3,211,197
	Grand Total (A+B)	467,691,428	59,840,955	34,224,467	492,735,825	226,540,024	26,716,787	2,033,245	242,084,350	241,151,404

Note: The Depreciation has been worked out and charged in accordance with Schedule-II (Useful Lives to Compute Depreciation) U/s 123 of the Companies Act, 2013 w.e.f from 01.04.2014 including for the earlier years (till the end of previous year 2013-14) the company is to charge depreciation under straight line method as per the earlier schedule-XIV of the Companies Act, 1956), as disclosed in detail in the notes to the accounts.

As per our report even date
for P.S.N. RAVISHANKER & ASSOCIATES
Chartered Accountants

Sd/-

P RAVISHANKER
Partner

for and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-

Dr.S.K.SRIHARI RAJU
Managing Director

Sd/-

A PARVATISEM
Technical Director

Sd/-

S.K.HARI KRISHNA
Executive Director

Place: Hyderabad
Date : 30.05.2015



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rupees)			
I. Non-Current Investments	As at 31st Mar 2015		As at 31st Mar 2014
Investment in Equity Instruments			
Equity Shares in Pattancheru Envirotech Ltd (PETL) - at cost (Unquoted 81540 No. of equity shares of Rs.10/- each in PETL, Market Value as on 31.03.2015 & 31.03.2014 not available).	815,408		815,408
Equity Shares in State Bank of Travancore (SBT) (Quoted 50 No. of equity shares of Rs.10/- each in SBT, Market Value of Rs.436 & 421 as on 31.03.2015 & 31.03.2014).	30,000		30,000
Total	845,408		845,408
J. Long-term Loans and Advances			
<u>Unsecured & considered good.</u>			
Security Deposits with Others - for Rent	488,743		58,095
Total	488,743		58,095
K. Other Non-Current Assets			
Security Deposits with Others	78,095		63,743
Security Deposits with Government Company-TSCPDCL	4,072,246		3,006,696
Security Deposits for Mobile, Internet	102,840		78,840
Total	4,253,181		3,149,279
L. Inventories			
(a) Raw materials	41,687,219		34,349,926
(b) Work-in-progress	17,770,955		34,280,956
(c) Finished Goods	18,995,429		11,965,400
(d) Stores and Spares	2,076,012		2,080,012
(e) Others			
- Coal	3,484,635		781,970
- Packing Material	722,352		207,121
Total	84,736,602		83,665,385
As per our report even date for P. S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the board of EVEREST ORGANICS LIMITED		
Sd/-	Sd/- Dr.S.K.Srihari Raju Managing Director		
P.Ravi Shanker Partner	Sd/- A.Parvatisem Technical Director		
Place: Hyderabad Date : 30.05.2015	Sd/- S.K.Hari Krishna Executive Director		



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	(Rupees)		
	As at 31st Mar 2015		As at 31st Mar 2014
M. Trade Receivables			
Trade Receivables			
(a) Unsecured, considered good; - more than 6 months	5,725,111		6,274,676
(b) Others	283,602,479		272,565,571
Total	289,327,590		278,840,247
N. Cash and cash equivalents			
Cash and Cash Equivalents			
(a) Balances with Banks;	2,184,639		2,316,624
(b) Cash on Hand;	25,286		51,094
(c) Others - Fixed Deposits under lien with Bank	8,289,480		8,500,000
Total	10,499,405		10,867,717
O. Short-term loans and advances			
(i) Advances - Unsecured, considered good			
Advances - Capital Goods	2,218,427	2,519,086	
Advances - Raw Materials	2,183,184	3,632,325	
Advance - Consumables-Coal	5,686,157	6,247,427	
Advances - Staff	4,289,039	3,773,312	
Advances - Others	7,640,286	7,086,088	23,258,238
(ii) Other Loans and Advances-Unsecured, considered good			
Excess Remuneration to Directors	5,561,426		4,990,000
Other Receivables	1,068,414		2,451,181
Total	28,646,933		30,699,419
P. Other Current Assets			
Cenvat Credit	5,086,684		3,741,668
TDS Receivable	329,434		547,489
Excise Duty Rebate Receivable	409,466		-
Excise Duty under protest (pertaining to earlier years)	-		986,751
Total	5,825,584		5,275,907
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the board of EVEREST ORGANICS LIMITED Sd/- Dr.S.K.Srihari Raju Managing Director Sd/- A.Parvatisem Technical Director Sd/- S.K.Hari Krishna Executive Director		
Sd/- P.Ravi Shanker Partner Place: Hyderabad Date : 30.05.2015			



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
Q. Revenue from Operations		for the year ended 31st March 2015	for the year ended 31st Mar 2014
Sale of products			
- Domestic Sales	848,326,343		810,709,417
Less: Excise Duty	94,317,968		91,012,408
	754,008,375		719,697,009
- Export Sales	304,079,817	1,058,088,192	239,995,526
Sale of services			
Other operating revenues (Job Work Charges)		1,681,068	747,735
Net Turnover		1,059,769,260	960,440,270
R. Other Income			
Interest Income		1,103,386	1,308,434
Net gain/(loss) on transfer/sale of Fixed Asset		-	2,338,930
Export Incentives		1,935,000	4,713,919
<u>Net Foreign Exchange Gain/(Loss)</u>			
Foreign Exchange Gain	3,344,657		2,610,824
Less: Foreign Exchange (Loss)	(1,077,926)	2,266,731	(3,906,144)
Total		5,305,117	7,065,963
S. Cost of Raw materials Consumed			
Opening Stock of Raw Materials		34,349,926	33,548,606
Add: Purchase of Raw Materials		700,232,581	666,464,457
Total		734,582,507	700,013,063
Less: Closing Stock of Raw Materials		41,687,219	34,349,926
Net Amount = As per Statement of P&L		692,895,288	665,663,136
T. Changes in Inventory of FG			
Opening Stock of Finished Goods	11,965,400		12,848,983
Less: Closing Stock	18,995,429		11,965,400
Net Amount		(7,030,029)	883,583
U. Changes in Inventory of WIP			
Opening Stock of Work in progress	34,280,956		35,501,572
Less: Closing Stock	17,770,955		34,280,956
		16,510,001	1,220,616
Net Amount		16,510,001	1,220,616
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the board of EVEREST ORGANICS LIMITED Sd/- Dr.S.K.Srihari Raju Managing Director Sd/- A.Parvatisem Technical Director Sd/- S.K.Hari Krishna Executive Director	
Sd/- P.Ravi Shanker Partner Place: Hyderabad Date : 30.05.2015			



EVEREST ORGANICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rupees)			
V. Employee Benefit Expenses	for the year ended 31st March 2015		for the year ended 31st Mar 2014
Salaries and Wages	56,505,713		45,557,687
Contribution to provident and other funds	2,846,684		2,050,223
Staff welfare expenses	2,637,799		3,023,224
Statutory and Other Benefits	3,881,304		6,616,201
Total	65,871,501		57,247,335
W. Finance Cost			
Interest	15,371,448		17,429,550
Bills Discounting Charges	10,146,633		7,758,754
Processing, Documentation and other bank charges	1,489,579		1,020,968
Total	27,007,660		26,209,272
X. Depreciation and amortization expense			
- Depreciation on Tangible Fixed Assets	26,716,787		22,761,008
Total	26,716,787		22,761,008
Y. Other Expenses			
Payments to the auditor as			
a. auditor	150,000	150,000	
b. for taxation matters	50,000	50,000	
c. for other services	50,000	50,000	
	250,000		250,000
Manufacturing Expenses:			
(a) Material Conversion Charges	13,208,120	2,774,695	
(b) Stores Consumables	1,152,149	511,798	
(c) Lab Expenses	6,555,713	4,242,330	
(d) Effluent Charges	8,850,577	6,220,423	
(e) Power and Fuel	82,687,463	96,578,464	
(f) Plant Repairs & Maintenance Charges	32,260,348	21,101,756	
(g) Production Contract Charges	19,199,146	14,412,465	
	163,913,516		145,841,931
Administrative Expenses:			
(a) Conveyance	219,781	231,375	
(b) Postage, Telephone Charges	901,426	682,624	
(c) Rent, Rates & Taxes	1,662,295	1,402,815	
(d) Insurance	2,900,949	1,888,688	
(e) Security Charges	1,344,802	1,386,989	
(f) Consultancy Charges	1,179,383	744,010	
(g) Office Maintenance	305,548	563,238	
(h) Vehicle Maintenance	1,203,857	1,103,918	
(i) Other Administrative Expenses	9,877,870	5,714,226	
	19,595,911		13,717,884
Selling & Distribution Expenses:			
(a) Business Promotion	5,402,664	4,035,627	
(b) Travelling Expenses (Domestic)	3,762,206	3,118,455	
(c) Postage, Telephone Charges	143,161	270,090	
(d) Conveyance-Marketing	243,133	173,637	
(e) Commission on Sales	4,143,823	3,685,801	
(f) Freight Outward	1,379,194	1,133,439	
(g) Freight Outward on Exports	3,309,792	3,145,871	
(h) Packing Material	7,196,732	6,752,284	
(i) Other Expenses	446,902	421,031	
(j) Bad Debts written off	3,957,685	-	
	29,985,292		22,736,235
Total:	213,744,719		182,546,051
As per our report even date for P. S. N. RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED		
Sd/-	Sd/-		
P. RAVI SHANKER Partner	Dr. S. K. SRIHARI RAJU Managing Director		
	Sd/-		
	A. PARVATISEM Technical Director		
	Sd/-		
	S. K. HARI KRISHNA Executive Director		
Place: Hyderabad Date : 30.05.2015			

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015****EVEREST ORGANICS LIMITED****ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS SCHEDULE****1. ACCOUNTING POLICIES****a) Basis of preparation:**

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. These financial statements of Everest Organics Limited have been prepared and presented in accordance with Accounting Principles (IGAAP) generally accepted in India. IGAAP comprises of accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, other pronouncements of 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 financial statements are presented in Indian rupees rounded off to the nearest rupee

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

b) Use of estimates

The preparation of the financial statements in conformity with IGAAP requires management to make estimates of useful life of tangible and intangible assets, assessment of recoverable amounts of deferred tax assets, provision for obligations relating to employees, provisions against litigations and impairment of assets. 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.

c) Revenue recognition

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 bill of lading or airway bill) which coincides with transfer of significant risks and rewards 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 entitlements are recognised and shown under the head "other income" when the same is received / right to receive, as per the terms and conditions 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.

d) Current and non-current classification

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



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

i) Assets:

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

- a) it is expected to be realised 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 realised 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.

ii) 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.

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively.

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

e) Fixed Assets :

Tangible fixed assets are carried at the historical cost of acquisition or construction less accumulated depreciation arrived at taking into Schedule II of the Companies Act, 2013. The cost of tangible fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds.

Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

However, during the year there is no such interest expenditure which is capitalized.

Advances paid towards acquisition of tangible fixed assets 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 tangible fixed assets are recognised in the statement of profit and loss.

f) 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 "continuous processing machinery", as against the straight line method rates applied till 31-03-2014 under the Companies Act, 1956.

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015****g) 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 Realisable 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.

h) 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.

i) Employee Benefits :

Contributions to defined contribution retirement benefit schemes are generally recognized as an expense when employees have rendered services entitling them to contributions. Accordingly company provided for payment of Gratuity. However, the company has not provided for leave encashment of about Rs.30.70 lakhs as at 31-03-2015 (previous year Rs. 22.81 lakhs). The company has not made any contribution/deposited the money to the employees towards gratuity liability and has made only a provision in this regard. The provision made or calculated is as per the assessment of the management, but not as per the actuarial valuation as required under AS-15 on Employee Benefits.

j) Income Tax Expense:

Income tax expense comprises of current tax and deferred tax charge or credit.

A) Current Tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. As the company has accumulated losses as on 31-03-2015, under the Income Tax Act, the tax calculation under the Minimum Alternative Tax is made and provided for.

B) Deferred Tax:

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. However the company is having brought forward losses. Hence there would arise a deferred tax asset, and on conservative principle, the same is not recognized.

k) 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, based on engineer's valuation report, there has been no impairment loss during the year.

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	2014-15	2013-14
2(A) Earnings in Foreign Exchange :		
Export of goods calculated on FOB Basis	1981.09	1481.67
2(B) Foreign Exchange Outgo		
i) Value of Imports Calculated on CIF Basis in respect of		
— Raw Material	1297.48	995.98
— Capital Goods	31.11	10.31
ii) Travelling Expenses	11.27	11.30
iii) Sales Commission incurred abroad	20.69	28.22

4. (i) The Secured Loans from Kotak Mahindra Bank (Schedules-D & F) with total credit limits of Rs.2147 lakhs (Fund Based: Rs.1587 lakhs & Non-Fund Based : Rs.560 lakhs) 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 32 Acres with Buildings thereon in Sy.Nos.38, 39 & 40 situated at Aroor Village, Sadasivper Mandal, Medak District, 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 promoter directors.

(ii) Secured Loans of Rs.148.26 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 guarantee of two of the promoter directors.

5. The total CENVAT available on Raw Materials for the year amounting to Rs.928.13 lakhs (previous year Rs. 858.06 lakhs) has been adjusted in the cost of raw materials and the unavailed CENVAT credit on account of Service Tax, CENVAT on Capital goods, PLA Balances amounting Rs.50.87 lakhs (previous year Rs. 37.42 lakhs) has been shown under the "Current Assets" in the Balance Sheet. Out of the CENVAT balance of Rs.50.87 Lakhs an amount of Rs.5.97 lakhs is payable on reverse charge basis for necessary utilization of the same.

6. 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.Patancheru Envirotech Limited made as contribution for utilizing their services of common Effluent Treatment Plant set up by the M/s. Patancheru Envirotech Ltd to the tune of Rs.8.15 lakhs (Unquoted 81540 No.of equity shares of Rs.10/- each fully paid up- Market value as on 31.03.2015 & 31.03.2014 are not available and part of the investment is represented by shares of State Bank of Travancore amounting to Rs.0.30 lakhs (50 Shares of Rs.10 each fully paid up and the same are valued at cost. (Market Value as on 31-03-2015 & 31-03-2014 being Rs.436 per share and Rs.421 per share respectively).

These investments are intended to be held for more than one year and are accordingly classified as non-current investments.



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

7. Trade Receivables :

	As on 31-03-2015	As on 31-03-2014
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment :		
Unsecured, considered good	57.25	62.75
Aggregate amount of Trade Receivables outstanding for a period not exceeding six months from the date they are due for payment :		
Unsecured, considered good *	2836.02	2725.66
Total :	2893.27	2788.40

*includes an amount of Rs.4.79 lakhs from a Firm in which the relatives of the Directors are interested.

8. Other Cash and Cash Equivalents comprising of Fixed Deposits held under lien with the banks consist of Fixed Deposits of Rs 82.89 lakhs with maturity of more than 12 months as on 31-03-2015.

9. Particulars of Managerial Remuneration (Salary, Allowances, etc.):
(Rupees in lakhs)

Particulars	2014-15	2013-14
Dr.S.K.Srihari Raju (Managing Director)	24.00	9.70
A.Parvatisem(Technical Director)	12.00	18.00
S.K.Hari Krishna (Whole Time Director)	6.00	5.30
TOTAL:	42.00	33.00

10. Details of production, Turnover (As certified by the management)

a) Annual Capacities : (as Certified by the management)

Year	2014-15			2013-14		
Name of the Product	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
OMEPRAZOLE	180	142	79	180	140	78
CHLORO COMPOUND	300	247	82	240	228	95
BENZIMIDAZOLE	180	160	89	180	158	88
ESOMEPRAZOLE	48	47	98	48	42	88
PANTAPRAZOLE	60	45	74	50	27	54



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

b) Details of Production, Turnover (As certified by the management)

Description Name of the Product	Production (Qty/MTs)		Sales (Qty/MTs)		Sales Value (Rs.in Lacs)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Omeprazole Powder	141.89	126.40	149.11	126.34	3,572.16	3032.58
Benzimidazole	159.77	72.10	68.80	55.66	491.13	354.79
Chloro Compound	246.79	88.82	77.77	73.63	1,491.04	1432.49
Op. Sulphide	230.08	-	2.13	0.25	42.91	5.65
Esomeprazole Magnesium	46.91	41.60	44.21	41.88	1,906.85	1918.66
Pantaprazole Sodium	44.59	25.10	46.74	25.32	2,215.24	997.22
Ammonium Sulphate	939.43	685.72	511.45	686.85	85.83	126.57
Tetralone	33.25	60.00	33.25	60.00	236.24	426.54
Others					539.48	1303.24
Total					10580.88	9597.74

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

Description	2014-15		2013-14	
	(Qty/MTs)	Value (Rs.lacs)	(Qty/MTs)	Value (Rs.lacs)
3, 5 Lutidine	271.17	765.09	270.62	806.91
MDC	467.67	278.93	399.92	181.73
Acetone	365.52	317.69	295.15	272.47
Acetic Acid	290.22	144.87	306.51	133.54
Toluene	394.84	325.65	409.88	361.56
Para Ansidine	164.45	312.84	168.71	334.97
Methanol	742.50	218.87	709.25	268.37
DMS	293.11	100.21	248.98	81.49
APS	409.44	237.22	390.62	217.78
Others		4,227.57		3997.81
Total		6,928.95		6656.63

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

Description	2014-15		2013-14	
	Value(Rs. Lacs)	%	Value(Rs. Lacs)	%
Imported	1,333.97	19.25%	1177.04	17.68
Indigenous	5,594.98	80.75%	5479.59	82.32
Total	6,928.95	100.00%	6656.63	100.00



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

11. Related Party Transactions:

Party Name	Nature of Transaction	Amount(Rs)	Closing Bal.(Rs)	Relationship with Key Managerial Person
Dr.S.K.SriHari Raju	Unsecured loan Received	6,830,965	22,300,033	Managing Director
Dr.S.K.Krishnaveni	Interest on Unsecured Loan	216,000	--	Wife of Managing Director
Mr.S K Harikrishna	Interest on Unsecured Loan	42,176	75,000	Executive Director
Mr.S K Harikrishna	Unsecured loan Received	1,859,000	3,024,000	Executive Director
Mr.S.K.Suryanarayana Raju	Interest on Unsecured Loan	72,000	--	Brother of Managing Director
Mrs.S K Gowri Parvathi	Interest on Unsecured Loan	7,947	--	Mother of Executive Director
Mrs.S K Sahitya	Interest on Unsecured Loan	35,057	--	Wife of Executive Director
Dr.S.K.Sirisha	Unsecured loan Received	1,880,000	1,921,000	Director
Mr. A.Parvatisem	Unsecured loan Received	1,593,000	1,593,000	Technical Director
Virat & Co	Gross Sales	7,452,462	478,759	One of the Partners of the Firm is the wife of Executive Director
Virat & Co	Gross Purchases	30,136,657	11,864,320	--do--
Veerat Finance and Investment Limited	Unsecured loan Received	16,475,000	510,094,045	Two of the Directors of the other company are relatives of the Managing Director of the Company

12. Contingent Liabilities not provided for:

1) Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company Rs.421.36 lakhs (Previous year – Rs. 341.40 lakhs).

2) Bank Guarantees issued by the Kotak Mahindra Bank on behalf of the company Rs.10 lakhs. (Previous year- Rs.10 lakhs)

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015****13. Litigations :**

The State Pollution Control Board (PCB) issued a notice to the company regarding non-compliance of certain aspects of the pollution control and treatment of effluents released from the operations of the plant at Aroor (V), Sadasivapet (M), Medak District. The company has filed an appeal / representation with the concerned authorities and also preferred a writ petition in the High Court and the company is contesting the alleged violations pointed out by the PCB and the management including its advisers believes that its position will likely be upheld in the appellate / writ process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations. In addition to the above, the company is subject to legal proceedings and claims which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

14. Amount due to small scale industrial undertaking during the year ended 31.03.2015 could not be identified as specific information regarding SSI status is not forthcoming from parties.

15. The company deals in Bulk Drugs, APIs, and thus is treated as dealing in only one segment and hence the information pertaining to the Segmental Reporting is not applicable to the Company.

16. Paise have been rounded off to the nearest rupee.

17. Figures have been re-grouped/re-arranged wherever necessary.

18. The balances outstanding on account of sundry debtors/sundry creditors/advances are subject to confirmation from the respective parties.

As per our Report of even date
For P.S.N. RAVISHANKER & ASSOCIATES
Chartered Accountants

Sd/-

(P. RAVISHANKER)
Partner

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

Sd/-

(Dr. SK SRIHARI RAJU)
Managing Director

Sd/-

(A. PARVATISEM)
Technical Director

Sd/-

(S.K. HARI KRISHNA)
Executive Director



EVEREST ORGANICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Everest Organics Limited		
Cash Flow Statement as on 31.03.2015		
	(Rs.in Lakhs)	
Particulars	Year Ended 31.03.15	Year Ended 31.03.14
Cash Flow from Operating Activities		
Profit/(Loss) as per Profit & Loss Account	293.58	109.75
Adjustment for Depreciation	267.17	227.61
Provision for Gratuity	6.68	5.59
Interest and Financial Charges paid	270.08	262.09
(Profit)/Loss on sale of fixed asset	-	(23.39)
Extraordinary Items	(87.25)	-
Taxes paid	(41.00)	(23.00)
Interest Earned	(11.03)	(13.08)
Operating Profit/(Loss) before working capital charges	698.22	545.57
Adjustments for:		
(Increase)/Decrease in Trade receivables	(104.87)	(803.58)
(Increase)/Decrease in Inventories	(10.71)	12.47
Increase/(Decrease) in Short Term Borrowings	(272.57)	214.48
Increase/(Decrease) in Trade Payables	169.12	846.41
Increase/(Decrease) in Other Current Liabilities	(82.99)	(700.25)
Increase/(Decrease) in Short Term Provisions	18.00	(11.46)
(Increase)/Decrease in Loans & Advances & Other Current Assets	(0.32)	7.45
Cash Generated from Operations	413.88	111.09
Cash Flow from Investing Activities		
Purchase of Fixed Assets including CWIP	(276.50)	(350.13)
Profit on sale of Fixed Asset	-	23.39
Interest earned	11.03	13.08
Cash used in Investing Activities	(265.46)	(313.65)
Cash Flow from Financing Activities		
Increase/(Decrease) secured Loans from Banks/Financial Institutions	117.98	468.97
Interest and Financial Charges paid	(270.08)	(262.09)
	(152.10)	206.87
Net Increase/(Decrease) in Cash & Cash Equivalents	(3.68)	4.32
Opening Cash & Cash Equivalents	108.67	104.36
Closing Cash & Cash Equivalents	104.99	108.67

AUDITORS CERTIFICATE

We have examined the cash flow statement of M/s.Everest Organics Limited for the year ending 31st March, 2015. The statement has been prepared by the Company in accordance with the requirement of Clause 32 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 30th May, 2015, to the Members of the Company.

As per our report even date
for P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants

Sd/-

P.RAVISHANKER
Partner

Place: Hyderabad
Date: 30-05-2015

for and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-

Dr.S.K.SRIHARI RAJU
Managing Director

Sd/-

A.Parvatisem
Technical Director

Sd/-

S.K.HARI KRISHNA
Executive Director



EVEREST ORGANICS LIMITED



EVEREST ORGANIC LIMITED
ARROOR VILLAGE, SADASIVAPET MANDAL
MEDAK DISTRICT, TELANGANA - 502 291
CIN NO : L24230TG1993PLC015426

ATTENDANCE SLIP

(To be present at the entrance)

Regd. Folio/ : _____ Shares held: _____

Client ID/ DPID: _____

I hereby certify that I am registered shareholder/proxy/representatives of the registered shareholder (s) of Everest Organic Limited.

I hereby record my presence at the 22nd Annual General Meeting to be held on Monday, the September 28th, 2015 at 3.00 p.m. at Aroor Village, Sadasivapet Mandal Medak district, Telangana - 502 291

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

Note: 1) To be signed at the time of handing over this slip.

2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.



EVEREST ORGANICS LIMITED



EVEREST ORGANICS LIMITED
AROR VILLAGE, SADASIVAPET MANDAL, MEDAK DISTRICT - 502 291,
TELANGANA, INDIA.
Tel no. : 040-2311 5956 Fax : 040-2311 5954
email id : everestorganics@gmail.com, Website: www.everestorganicsltd.com
CIN : L24230TG1993PLC015426
FORM No. MGT-11

Proxy Form

Pursuant to section 105(6) of the Companies Act, 2013, and Rule 19 (3) of the Companies (Management & Administration) Rules, 2014.

Name of the Member(s)	
Registered Address	
Email id	
Folio No./ Client id	
DIP id	

I/We being the member(s) of _____ shares of the above named company, hereby appoint _____

1	Name			
	Address			
	Email id			
	or failing him		Signature	
2	Name			
	Address			
	Email id			
	or failing him		Signature	
3	Name			
	Address			
	Email id			
	or failing him		Signature	

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 22nd Annual General Meeting of the members of the Company will be held on Monday, the 28th day of September, 2015 at Aror Village, Sadasivapet Mandal, Medak District - 502291, Telangana, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Item	No. of Shares held by me	I Assent to the Resolution	I dissent to the Resolution
1	To consider and adopt the Balance Sheet as at March 31 st , 2015 and the Audited Profit & Loss Account of the Company for the Financial Year ended on that date and the reports of the Directors and Auditors thereon.			
2	Re-appointment of Mr. Kakkarapudi Srinani Raju (CIN : 02955723) who retires by rotation			
3	Re-appointment of Mr. Srikanthapudi Hari Krishna (CIN : 01664260) who retires by rotation			
4	Re-appointment to Auditor & Fixing of their remuneration.			
5	Resignation of remuneration paid to Dr. S. K. Srinani Raju (DIN : 01593620), and Re-appointment of Dr. S. K. Srinani Raju (DIN : 01593620) as MD with effect from 28.09.2015.			
6	Regularisation of Dr. Sri Kakkarapudi Srinani (Din : 06921012) as a Director			
7	Regularisation of Mr. Sreeramakrishna Grandhi (Din : 06921031) as a Director.			
8	Regularisation of Mr. Reddy Eashwer Kanthala (Din : 02327979) as a Director			
9	Appointment of Mr. Sreeramakrishna Grandhi (Din : 06921031) as an Independent Director.			
10	Appointment of Mr. Ramakrishnam Raju Kounpura (Din : 01735481), as an Independent Director.			
11	Appointment of Mr. Swaminathan Venkatesan (Din : 02810646), as an Independent Director			
12	Approval of Cost Auditor's Remuneration.			
13	Adoption of New set of Article of Association as per Companies Act, 2013.			

Signed this _____ day of _____ 2015.

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix a 1
Rupee
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



EVEREST ORGANICS LIMITED



EVEREST ORGANIC LIMITED
ARROOR VILLAGE, SADASIVAPET MANDAL
MEDAK DISTRICT, TELANGANA - 502 291
CIN NO : L24230TG1993PLC015426

FORM-No-MGT-12
Polling Paper

(Pursuant to Section 109 (5) of the Companies Act 2013 and Rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014).

Name of the Company: Everest Organic Limited.

Registered Address: Aroor Village, Sadasivapet Mandal
Medak district, Telangana - 502 291

BALLOT PAPER

Name of the First named
Shareholder :

Postal Address:

Folio No/Client Id & DP Id:

Class of Share

I hereby exercise my vote in respect of Ordinary Resolution/Special Resolution enumerated to be considered in Twenty Second Annual General Meeting of the Company to be held on Monday, September 28th, 2015 at 3.00 p.m. Aroor Village, Sadasivapet Mandal Medak district, Telangana - 502 291 by recording my assent or dissent to the said resolutions in the following manner.



EVEREST ORGANICS LIMITED

Item No.	Item	No. of Shares held by me	I Assent to the Resolution	I dissent to the Resolution
1	To consider and adopt the Balance Sheet as at March 31 st , 2015 and the Audited Profit & Loss Account of the Company for the Financial Year ended on that date and the reports of the Directors and Auditors thereon.			
2	Re-appointment of Mr. Kakarlapudi Sitaram Raju (DIN : 02955723) who retires by rotation.			
3	Re-appoint of Mr. Srikakarlapudi Hari Krishna (DIN : 01664260) who retires by rotation.			
4	Re-appointment fo Auditor & Fixing of their remuneration.			
5	Ratification of remuneration paid to Dr. S. K. Srihari Raju (DIN : 01593620), and Re-appointment of Dr. S. K. Srihari Raju (DIN : 01593620) as MD with effect from 28.09.2015.			
6	Regularisation of Dr. Sri Kakarlapudi Sirisha (Din : 06921012) as a Director.			
7	Regularisation of Mr. Sreeramakrishna Grandhi (Din : 06921031) as a Director.			
8	Regularisation of Mr. Reddy Eashwer Kanthala (Din : 02327979) as a Director			
9	Appointment of Mr. Sreeramakrishna Grandhi (Din: 06921031) as an Independent Director.			
10	Appointment of Mr. Ramakrishnam Raju Kounparaju (Din : 01735481), as an Independent Director.			
11	Appointment of Mr. Swaminathan Venkatesan (Din: 02810646), as an Independent Director.			
12	Approval of Cost Auditor's Remuneration.			
13	Adoption of New set of Article of Association as per Companies Act, 2013.(Special Resolution).			

Place :

Date :

(Signature of the shareholder)



REQUEST LETTER TO SHEREHOLDERS

Everest Organics limited
CIN: L24230TG1993PLC015426

Regd. Office Aroor Village, SadasivapetMandal, Medak District – 502 291, Telangana, India
Tel No. 040-23115956, 40040783 Fax : 91-40-23115954, website: www.everestorganicsltd.com
Email id : eolcs0405@gmail.com

To

Dated : 31.08.2015

The Shareholder
Everest Organics Limited

Dear Sir / Ma'am

Sub : Requesting for dematerialization of shares and update your email id and address

With reference of the subject, we inform you that our shares are available for dematerialization with both NSDL/CDSL and our ISIN No. is INE334C01011. We request you to demat your shares and update us your email id and address for communication / corresponding, at the below mentioned email ids:

Particulars	Details
Email id (RTA)	info@vccilindia.com
Email id & Name of Contact person (Company)	eolcs0405@gmail.com , Nisha Jain (Compliance Officer)
Registrar & Share Transfer Agent	Venture Capital & Corporate Investments (P) Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana, India

Your earliest response will be highly appreciable.

Thanking You,
Yours' Faithfully
For Everest Organics Limited
Sd/-
Nisha Jain
Company Secretary

**PRINTED MATTER
BOOK - POST**



If Undelivered, please return to:

EVEREST ORGANICS LIMITED

Corporate Office:

Plot No.127 & 128, 1st Floor,

Amar Co-Op. Society,

Opp. Madhapur Police Station Road,

Near Durgam Cheruvu, Madhapur,

Hyderabad – 500 033.