



EVEREST ORGANICS LIMITED

CIN : L24230TG1993PLC015426

Corporate Office : # 1st Floor, Lakeview Plaza, Plot No.127 & 128, Amar Co-operative Society, Opp. Madhapur Police Station Road, Near Durgam Cheruvu, Madhapur, Hyderabad - 500 033.
Tel : 040-23115956, 40040783, Fax : 91-40-23115954
Grams : "Veerat", E-mail : srihari_everest@rediffmail.com / srihari_everest1@rediffmail.com

Ref: EOL/SEC/COMP/028 /2016-17

Dated : 31.08.2016

To,
Listing Operations
Bombay Stock Exchange
P.J. Towers
Dalal Street,
Mumbai - 400001
Maharashtra, India

Dear Sir/Madam,

Sub: 23rd Annual General Meeting ('AGM') and Voting Results

In Continuation to our letter dated August 29, 2016, 23rd Annual General Meeting ('AGM') of the company was held on 29.08.2016 and the business mentioned in the Notice dated July 30, 2016 were transacted.

In this regard, Please find enclosed the following-

1. Outcome of AGM;
2. Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations;
3. Report of Scrutinizer dated August 31, 2016, Pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4)(xii) of the Companies (Management and Administration) Rules, 2014.
4. Annual Report for the financial Year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You

Yours Faithfully,

For EVEREST ORGANICS LIMITED

Nisha Jain
Company Secretary

Encl: as above



Regd. Office & Factory : Aroor Village, Sadasivpet Mandal, Medak Dist. A.P. 502291
Tel. : 08455 - 250084, 250113/14/15, Fax : 91-08455-250114,
Website : www.everestorganicsltd.com

**23rd
Annual Report
2015-16**



EVEREST ORGANICS LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. S. K. Srihari Raju	Managing Director
Mr. K. Ramakrishnam Raju	Chairman (Ind. Director)
Mr. V. Swaminathan	Independent Director
Dr. K. Easwer Reddy	Non Executive Director
Mr. Raju S Kakarlapudi	Non Executive Director
Mr. A. Parvatisem	Technical Director
Mr. S. K. Hari Krishna	Executive Director
Mr. Sreeramakrishna Grandhi	Independent Director
Dr. S. K. Sirisha	Executive Director

CORPORATE OFFICE

Plot No.127 & 128, 1 st 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

Board Committees:

Audit Committee

Mr. Sreeramakrishna Grandhi
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

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 23rd Annual General Meeting of the members of Everest Organics Limited (CIN: L24230TG1993PLC015426) will be held at the registered office of the Company at Aroor Village, Sadasivapet Mandal, Medak District, Telangana – 502291, on Monday the 29th Day of August 2016 at 03:00 p.m. to transact the following businesses :

Ordinary Business:

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31st, 2016 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. Akella Parvatisem (DIN : 00910224) who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Dr. Sri Kakarlapudi Sirisha (Din : 06921012), who retires by rotation and is eligible for re-appointment.
4. Ratification of Appointment of Auditors:

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 and Companies (Audit & Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. P.S. N. Ravi Shankar & Associates, Chartered Accountants (Firm Registration No. 003228S), as the Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 24th Annual General Meeting (AGM) to be held in the year 2017, to examine and audit the account of the Company for the financial year 2016-2017 at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors."

Special Business:

5. **Revision in remuneration paid to Dr. Sri Kakarlapudi Srihari Raju (DIN : 01593620) the Managing Director of the Company, with effect from 01.01.2016**

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 provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company, and approval of Central Government, if required, and such other consent and permission as may be necessary, approval of the members, be and is hereby accorded for revision in remuneration of Dr. Sri Kakarlapudi Srihari Raju (DIN: 01593620), Managing Director of the Company to Rs. 30,00,000/- (Rupees Thirty Lakhs only), per annum w.e.f. 1st January, 2016."

"RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorised to alter, amend or vary the terms and conditions of appointment including remuneration structure as may be agreed to between the Board of Directors and Dr. Sri Kakarlapudi Srihari Raju, subject to the limits within such guidelines or amendments as may be made to Companies Act, 2013 or subject to approval of Central Government or such other authority, if required."

"RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to issue the certified true copy as and when required and to take all such steps and actions for the purpose of giving effect the aforesaid resolution and file the necessary eforms to the Registrar of Companies, Hyderabad."

**NOTICE****6. Revision in remuneration paid to Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260) the Whole Time Director of the Company, with effect from 01.01.2016**

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 provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company, and approval of Central Government, if required, and such other consent and permission as may be necessary, approval of the members, be and is hereby accorded for revision in remuneration of Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260) the Whole Time Director of the Company to Rs. 9,00,000/- (Rupees Nine Lakh only), per annum w.e.f. 1st January, 2016."

"RESOLVED FURTHER THAT the Board of Directors of the Company / Committee of the Board, be and is hereby authorised to alter, amend or vary the terms and conditions of appointment including remuneration structure as may be agreed to between the Board of Directors and Mr. Sri Kakarlapudi Harikrishna, subject to the limits within such guidelines or amendments as may be made to Companies Act, 2013 or subject to approval of Central Government or such other authority, if required."

"RESOLVED FURTHER THAT any one of the Director of the Company be and is hereby authorized to issue the certified true copy as and when required and to take all such steps and actions for the purpose of giving effect the aforesaid resolution and file the necessary eforms to the Registrar of Companies, Hyderabad."

7. Re-appointment of Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260), Wholetime Director of the Company:

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

"RESOLVED THAT pursuant to provisions of section 196, 197, 203 and any other applicable provisions of Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013, the consent of the shareholders of the company be and is hereby accorded to the Board, to appoint Mr. Sri Kakarlapudi Harikrishna (holding DIN 01664260) as a whole Time Director of the Company, for a period of three years w.e.f. 29.08 2016, on the terms & conditions of draft agreement, and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to the Board of Directors and Mr. Sri Kakarlapudi Harikrishna."

"RESOLVED FURTHER THAT any one of the Director of the Company or the Company Secretary be and are hereby severally authorized to issue the certified true copy as and when required and to take all such steps and actions for the purpose of giving effect the aforesaid resolution and file the necessary eforms to the Registrar of Companies, Hyderabad."

8. Approval of Related Party Transaction:

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013, Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI LODR"], approval of the Company be and is hereby accorded to the Board of Directors, for availing a loan facility upto Rs. 8 crores as cumulative amount in any financial year from Veerat Finance & Investment Limited, a 'Related Party' as defined under Section 2 (76) of the Companies Act, 2013 and the SEBI LODR and on such further period of time as may be decided by the Board of Directors from time to time based on the approval of the Audit Committee and on such other terms and conditions as may be mutually

**NOTICE**

agreed upon between the Company and Veerat Finance & Investment Limited."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company."

9. Approval of Related Party Transaction:

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof), and subject to approval of shareholders in ensuing general meeting the consent of the board, be and is hereby accorded to enter into any contract or arrangements with related parties of Virat & Co. upto Rs. 3 (Three) crores as cumulative amount in any financial year from with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties."

"RESOLVED FURTHER THAT the board of directors of the Company or the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution."

10. Availing a Loan facility from Bankers, Financial Institution and other Persons, Firms, Bodies Corporate :

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

"RESOLVED THAT in supersession of any resolution passed earlier in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 40 crores (Rupees Forty Crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

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“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

11. Creation of security on the properties of the Company, both present and future, in favour of lenders:

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

“RESOLVED THAT in supersession of any resolution passed earlier in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non convertible debentures with or without detachable or non detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

“RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid.”

12. Conversion of Unsecured Loan to Equity Share Capital of the Company:

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

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"RESOLVED THAT as per the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under, if any, the consent of the members be and is hereby accorded for conversion of the loans not exceeding Rs. 9,50,00,000/- (Rs. Nine Crores Fifty Lakhs Only), whether secured or unsecured into the equity capital of the Company, granted or to be granted to the Company by the persons/entities belonging to the Promoters and Promoters' Group or any other persons/ entities as the case may be, in such manner and on such terms and conditions as may be agreed upon between the Board of Directors and such person(s)/entity(ies)."

"RESOLVED FURTHER THAT the equity shares of the Company to be allotted upon conversion of the Loan as stated above, shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of the Company."

"RESOLVED FURTHER THAT the Directors of the company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

13. 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, Sadasivapet, Medak District, Telangana – 502 291, be paid a remuneration for the financial year ending March 31, 2017, amounting to Rs 40,000/- (Rupees Forty Thousand Only) plus service tax as applicable and re-imbursement of out of pocket expenses incurred by him in connection with the aforesaid audit."

"RESOLVED FURTHER THAT Dr. Sri Kakarlapudi 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."

14. Ratification of appointment of Mr. Peruri Ramakrishna as Chief Financial Officer of the Company:

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

"RESOLVED THAT pursuant to the provision of section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013, approval of shareholders of the Company, be and is hereby accorded to the appointment of Mr. P. Ramakrishna as the Chief Financial Officer (as KMP), who was appointed by the Board for a period of 3 (Three) years with effect from 28.09.2015, subject to approval of members in the forth coming Annual General Meeting on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors hereinafter referred to as "the Board" to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. P. Ramakrishna, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof"

"RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary of the Company be and are hereby authorized to file necessary forms with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution."

"RESOLVED FURTHER THAT any one of the Director of the Company or Company Secretary be and are hereby authorized to issue the certified true copy of the above resolution as and when required."

**NOTICE****15. Allotment of Equity Shares and Convertible Warrants on Preferential Basis:**

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

“RESOLVED THAT pursuant to Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), enabling the provisions of the Memorandum and Articles of Association of the Company and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (“SEBI”), including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR Regulations)”) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“SEBI (SAST) Regulations”) as amended from time to time and the listing agreements entered into by the Company with the BSE Limited (BSE) and subject to Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 and the rules / regulations / guidelines, notifications, circulars, press notes and clarifications issued from time to time by Government of India, the Reserve Bank of India, and subject to the approvals, consents, permissions and/ or sanctions, as may be required from the Government of India, the Reserve Bank of India, SEBI, Stock Exchange(s) and any other relevant statutory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions for the conversion of Unsecured Loan to the Capital and which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), the consent of the members be and hereby authorized to issue, offer and allot on preferential allotment basis, upto 3,950,000 (Thirty Nine Lacs and Fifty Thousand) Equity Shares of face value of Rs. 10 (Rupees Ten) each at an issue price of Rs. 18 (Rupees Eighteen Only) per share aggregating to Rs. 71,100,000/- (Rupees Seven Crores Eleven Lacs Only) and upto 711,720 (Seven Lacs Eleven Thousand Seven Hundred and Twenty Only) convertible warrants of Rs.10 (Rupees Ten) each to be convertible at the option of Warrant holders in one or more tranches, within 18 (Eighteen) months from its allotment date (“Warrant Exercise Period”) into equal number of fully paid up Equity Shares of face value of Rs. 10/- (Rupee Ten only) each for cash at an issue price of Rs. 18 (Rupees Eighteen Only) each aggregating to Rs. 12,810,960/- (Rupees One Crore Twenty Eight Lacs Ten Thousand Nine Hundred and Sixty Only) on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment to the persons belonging to the Promoter Group.

Sl.No.	Name of the Proposed Allottees	No. of Equity Shares	No. of Convertible Warrants
1	Veerat Finance & Investment Limited	27,11,110	7,11,720
2	Dr. Sri Kakarlapudi Srihari Raju	12,38,890	-
Total		39,50,000	7,11,720

“RESOLVED FURTHER THAT the Relevant Date, as per the SEBI (ICDR) Regulations, as amended upto date, for the determination of issue price of the Equity Shares and Warrants is 29 July, 2016, being the date which falls on a working day and is 30 days prior to the date of Annual General Meeting (i.e. 29th August, 2016).”

“RESOLVED FURTHER THAT aforesaid issue of Equity Shares and Warrants shall be subject to the following terms and conditions:

- i) The outstanding unsecured loan in the name of allottees shall be convertible into certain numbers of Equity Shares and convertible warrants and an amount required for the payment of equity shares allotted and an amount equivalent to 25 per cent of the issue price of the Warrants shall be set off from the



NOTICE

outstanding unsecured loan at the time of subscription of Equity Shares and/or Warrants.

- ii) Upon exercise of the right to subscribe for Equity Shares, the warrant holders shall be liable to make the payment of balance sum, being 75 per cent of the issue price, towards subscription to each Equity Share, as may be applied. Against the conversion of warrants, the amount shall be adjusted / set off from the outstanding loan standing in the name of allottees in the Company and rest amount will be infused by the allottees at the time of subscription of warrants.
- iii) The holder of warrants will be entitled to apply for and be allotted, in one or more tranches, 1 (one) Equity Share of Rs. 10 each of the Company per warrant at any time before eighteen months from the date of allotment.
- iv) In the event of entitlement attached to Warrants to subscribe for Equity Shares is not exercised within the period as mentioned above, the same shall lapse and 25% subscription amount paid on the Warrants shall stand forfeited.
- v) The Equity Shares and Warrants to be allotted to the Proposed Allottees shall be under lock-in for such period as may be prescribed by the SEBI ICDR Regulations.
- vi) The Equity Shares and Warrants so allotted to the Proposed Allottees under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under.
- vii) Allotment shall only be made in dematerialized form.
- viii) The Equity Shares to be issued and allotted by the Company on exercise of the entitlement attached to Warrants in the manner aforesaid shall be in dematerialised form and subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the then existing Equity Shares of the Company.

The consideration price of the specified securities, proposed shall be set off from the outstanding unsecured loan given by the "Proposed Allottees" to the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to settle any question or difficulty that may arise with regard to the issue and allotment of Equity Shares."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution."

BY ORDER OF THE BOARD

For **Everest Organics Limited**

Sd/-

Dr. Sri Kakarlapudi Srihari Raju

Managing Director

Din : 01593620

Date: 30.07.2016

Place : Aroor Village

Sadasivapet Mandal

Medak District – 502 291

Telangana, India



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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 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 Regulation 36 (3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) regulations, 2015.
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. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. **www.everestorganicsltd.com**.
8. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / Registrar Share Transfer Agent. Members are requested to provide their e-mail address through SMS alongwith DP ID/Client ID to +91 9573531616 and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
9. The route map showing directions to reach the venue of the twenty-third AGM is annexed.
10. The Shares Transfer Register and the Register of Members of the Company will remain closed from 23.08.2016 to 29.08.2016 (both days inclusive) in connection with the Annual General Meeting and for the same the record date will be 22.08.2016.
11. 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.
12. 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.
13. 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.
14. Retirement of Directors by rotation:
Mr. Akella Parvatisem (DIN : 00910224), Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

**NOTES**

Dr. Sri Kakarlapudi Sirisha (Din : 06921012), 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 Dr. Sri Kakarlapudi Srihari Raju, being the relative of the Directors retire by rotation.

15. 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:

	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 BankDetails#	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.



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- (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.
- (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 23.08.2016 from 9.00 a.m. and ends on 26.08.2016 till 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18.08.2016, 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 23.08.2016 (9:00 am) and ends on 26.08.2016 (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 of 18.08.2016, 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 of 18.08.2016.

Mrs. D. Renuka, 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.

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 2 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



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CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

16. 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: 30.07.2016
Place : Aroor Village
Sadasivapet Mandal
Medak District – 502 291
Telangana, India

BY ORDER OF THE BOARD
For **Everest Organics Limited**
Sd/-
Dr. Sri Kakarlapudi Srihari Raju
Managing Director
Din : 01593620



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Details of Directors Seeking Appointment in Annual General Meeting scheduled on Monday the 29th Day of August 2016 (Pursuant to Regulation 36 (3) of SEBI(Listing Obligations And Disclosure Requirements), Regulations, 2015 are as under:

Name of The Director	Dr. Sri Kakarlapudi Sirisha	Mr. Sri Kakarlapudi Hari Krishna	Mr. Akella Parvatisem
Date of Birth	07/12/1977	20/01/1979	25/08/1967
Date of Appointment/	29.08.2016	29.08.2016	29.08.2016
Reappointment	(Original Appointment Date 30/07/2014)	(Original Appointment Date 29/09/2007)	(Original Appointment Date 28/08/2004)
Expertise in specific Functional Area	Regulatory Affairs, Business Development	Projects, Administration	Technical
Qualification	MBBS, MD	(BE) MPIE	B. Sc.
Board Membership of other Public Limited Companies, as on March 31, 2016	None	None	None
Chairman /Member of the Committee till date	None	Chairman : None Member: 1.Stakeholders' Relationship Committee 2. CSR Committee 3. Share Transfer Committee	Chairman : None Member: 1. Audit Committee 2.Stakeholders' Relationship Committee 3. CSR Committee 4. Share Transfer Committee
Chairman / Member of the Committee of Directors of the Other Companies in which he/she is a Director as on March, 31,2016			
a) Audit Committee	None	None	None
b) Stakeholders' Relationship Committee	None	Member	
c) Other Committees	None	Member	
No. of Shares held	109656	8280	36

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

The Board of Directors at their meeting held on 22.01.2016, has approved the revision in remuneration of Dr. Sri Kakarlapudi 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.2,50,000/- (Rupees Two Lakhs Fifty Thousands Only) per month and consolidated Rs.30,00,000/- (Rupees Thirty Lakhs Only) per annum. The revision in remuneration effective from 1st January, 2016 is as under:

Sl. No.	Particulars	Amount in Rs. Annual
1	Salary (Basic)	15,00,000/-
2	City Allowances	4,50,000/-
3	Conveyance	3,00,000/-
4	House Rent Allowances	7,50,000/-
Total		30,00,000/-

The Board of Directors at its meeting held on 22.01.2016, has approved revision in remuneration of Dr. Sri Kakarlapudi Srihari Raju (DIN: 01593620) the Managing Director of the Company. The Board of Directors recommended to the shareholders to approve the revision in his remuneration w.e.f 1st January 2016, 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 23 years and during the financial year under review, the turnover of your Company for the financial year ended with 31.03.2016 is Rs. 99,84,20,212/- (Rupees Ninety Nine Crores Eighty Four Lakhs Twenty Thousand Two Hundred Twelve).

The PAT (Profit After Tax) of your company registered during the year under review at Rs 18,04,740/- (Rupees Eighteen Lakhs Four Thousand Seven Hundred Forty Only)

Dr. Sri Kakarlapudi Srihari Raju is a highly qualified professional with academic accomplishments like MBBS, MD and DA and possesses a vast experience of 39 years - 17 years in Medical and 22 years in Pharmaceutical fields. Earlier he was appointed in the Company with a remuneration of Rs 24 lakhs per annum. His experience, devotion and commitment make him a best fit in such designation.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

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

ITEM NO. 6

The Board of Directors at their meeting held on 22.01.2016, has approved the revision in remuneration of Mr. Sri Kakarlapudi Hari Krishna (DIN : 01664260), Wholtime 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. 75,000/- (Rupees Seventy Five Thousands Only) per month and consolidated Rs. 9,00,000/- (Rupees Nine Lakhs Only) per annum. The revision in remuneration effective from 1st January, 2016 is as under:

**EXPLANATORY STATEMENT**

Sl.No.	Particulars	Amount in Rs. Annual
1	Salary (Basic)	4,50,000/-
2	City Allowances	1,35,000/-
3	Conveyance	90,000/-
4	House Rent Allowances	2,25,000/-
Total		9,00,000/-

The Board of Directors at its meeting held on 22.01.2016, has approved revision in remuneration of Mr. Sri Kakarlapudi Hari Krishna (DIN : 01664260), Wholetime Director of the Company. The Board of Directors recommended to the shareholders to approve the revision in his remuneration w.e.f 1st January 2016, and authorize the Nomination & Remuneration Committee of the Board and the Board of Directors to decide on his annual increment.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

None of the Directors or KMPs are interested except Mr.Sri Kakarlapudi Hari Krishna (DIN : 01664260).

ITEM NO. 7

The Board of Directors at their meeting held on 30.07.2016, has recommend to re-appoint, Mr. Sri Kakarlapudi Hari Krishna (DIN : 01664260), as a Wholetime Director of the Company with the same remuneration as approved in the Board of Directors Meeting held on 22.01.2016 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. 75,000/- (Rupees Seventy Five Thousands Only) per month and consolidated Rs. 9,00,000/- (Rupees Nine Lakhs Only) per annum. The brief details of the same are reproduced below :

Sl. No.	Particulars	Amount in Rs. Annual
1	Salary (Basic)	4,50,000/-
2	City Allowances	1,35,000/-
3	Conveyance	90,000/-
4	House Rent Allowances	2,25,000/-
Total		9,00,000/-

Brief Profile of Mr. Sri Kakarlapudi Hari Krishna :

He completed his BE (MPIE) and has a vast experience of 14 years in handling Projects and Administration in pharmaceutical sector.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

None of the Directors or KMPs are interested except Mr.Sri Kakarlapudi Hari Krishna (DIN : 01664260).

ITEM NO. 8 & 9

Pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof), and Securities Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015, the Company seeks approval of members of the Company for entering into contract or arrangements with related parties of Veerat & Co. and M/s. Veerat Finance & Investment Limited.

For Virat & Co. with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods,

**EXPLANATORY STATEMENT**

materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties. Further the above mentioned transaction is / will be at Arms Length price only, as in ordinary course of its business.

And with Veerat Finance and Investment Limited (an NBFC Company), one of the Director of that said NBFC Company is the relative of the Managing Director of the Company. M/s. Veerat Finance & Investment Limited being an NBFC Company, mainly engaged in financing activities.

The Board recommends the Ordinary Resolution set out at Item No. 8 & 9 of the Notice for approval by the shareholders.

None of the Directors or KMPs are interested except Dr. Sri Kakarlapudi Srihari Raju, Dr. Sri kakarlapudi Sirisha and Mr. Sri Kakarlapudi Harikrishna as they are the relative of the Director of the said NBFC Company and the said partnership firm respectively.

ITEM NO. 10

Pursuant to section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to borrow money, approval of the members is to be sought by way of Special resolution, where the money to be borrowed together with the money borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in due course of business and therefore it is necessary to pass a special resolution under section 180 (1) (c) and other applicable provisions of Companies Act, 2013, and ruled made there under as set out at item no. 10 of the notice to enable the Board of Directors to borrow money in excess of the aggregate of paid share capital and free reserve of the Company.

Therefore for the day to day working requirement, expansion of its business and assets, the board of Directors in their meeting held on 30.07.2016, has decided to avail borrowing facilities from any Bankers, Financial Institution and other Persons, Firms, Bodies Corporate upto a limit of Rs. 40,00,00,000/- (Rupees Forty Crores Only).

Hence it is proposed to empower and authorize to the Board of Directors of the Company to borrow money from any Bankers, Financial Institution and other Persons, Firms, Bodies Corporate in excess of paid-up Capital and free reserve of Company by a sum not exceeding of Rs. 40,00,00,000/- (Rupees Forty Crores Only) for the purpose of Business activities.

Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No. 10 in the notice.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 11

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Shareholders is obtained by way of a Special Resolution.

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/ credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant

**EXPLANATORY STATEMENT**

Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

As per Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of an Special resolution. Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No.11 in the notice.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 12

The Company is engaged in carrying of business of Manufacturing of Active Pharmaceuticals Ingredients. Previously the Company was suffering losses since 2000, and so at that time company's net worth became negative. Therefore the Company filed its case with BIFR for registering as sick company in the year 2004 with the case no. 36/2004. The Company was declared a sick industrial company, in terms of section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide Board's order dated 09.01.2006.

Further, Board for Industrial and Financial Reconstruction (BIFR) Delhi Bench vide its order dated 24.06.2008 has abated the proceedings pending before the BIFR under the third provision to section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 as the ARCIL who was the sole creditor after taking over the debts of SBI, ICICI and SBT, having more than 75% of the outstanding dues of the Company had taken symbolic possession of the Company's assets under section 13(4) of the SARFAESI Act.

To overcome with the tough situation, promoters had to bring the funds in the Company for repayment and to sustain the business.

Further to cover up the losses and to make it profitable, it required a large amount of working capital to carry day to day business and to purchase various required plant & Machineries.

Further being a manufacturing unit of pharmaceutical Bulk Drug, again it required to comply with the provisions of Pollution Control Board of Telangana, which was again a costly affair for the Company.

For all the above mentioned reasons, the promoters of the Company have and other selected people, who are the employee of the Company, brought the fund as unsecured loan, into the company from time to time as and when it required.

Now, the Board of Directors proposed to convert the said unsecured loan into the Equity Capital of the Company.

The Board recommends the Special Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

None of the Director or KMPs are interested in the said resolution except Dr. Sri Kakarlapudi Srihari Raju, Managing Director of the Company, Mr. Sri Kakarlapudi Harikrishna, Wholetime Director, Mr. Kakarlapudi Sitarama Raju & Dr. Sri Kakarlapudi Sirisha, Directors of the Company and Mrs. Kakarlapudi Krishnaveni as a relative of Managing Director under section 2 (76) of the Companies Act, 2013 and being a Director in Veerat Finance & Investment Limited, a promoter group Company.

ITEM NO. 13

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 31.03.2017.

**EXPLANATORY STATEMENT**

Remuneration Payable to Mr. Sativada Venkat Rao, Cost Auditor of the Company for the financial year ending 31.03.2017, 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 30.05.2016.

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.

The Board recommends the Ordinary Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

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

ITEM No. 14

The Board of Directors of the Company (the 'Board'), at its meeting held on 28th September, 2015 has, subject to the approval of members, appointed Mr. Peruri Ramakrishna as Chief Financial Officer of the Company, for a period of 3 (three) years with effect from 28th September, 2015, at a remuneration approved by the Board. It is proposed to seek the members' approval for the appointment of and remuneration payable to Mr. Peruri Ramakrishna, as Chief Financial Officer in terms of the applicable provisions of the Companies Act, 2013.

Brief details of Mr. Peruri Ramakrishna:

Education Qualification : Master in Commerce from Andhra University.

Experience : He has got more than 23 years of experience in the field of finance, strategy for growth, market position, expenditures and financial results.

Broad particulars of the terms of appointment and remuneration payable to Mr. Peruri Ramakrishna are as under :

a) Salary

Sl. No.	Particulars	Amount in Rs. Annual
1	Salary (Basic)	3,60,000/-
2	City Allowances	1,08,000/-
3	Conveyance	72,000/-
4	House Rent Allowances	1,80,000/-
Total		7,20,000/-

Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging during business trips, any medical assistance provided; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

Any increment in salary and perquisites, remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Peruri Ramakrishna or to alter and vary the terms and conditions of the said appointment as may be determined by the Board and as may be acceptable to Mr. Peruri Ramakrishna shall be subject to the same not exceeding the limits, specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

General:

(i) The Chief Financial Officer will perform his duty as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board.

**EXPLANATORY STATEMENT**

(ii) The Chief Financial Officer shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

Mr. Peruri Ramakrishna, is interested in the resolutions set out respectively at Item No. 14 of the Notice, which pertains to his appointment and remuneration payable to him. The relatives of Mr. Peruri Ramakrishna be deemed to be interested in the resolution set out respectively at Item No. 14 of the Notice, to the extent of their Directorship / shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

ITEM No. 15**Object of Issue :**

The Company is engaged in carrying of business of Manufacturing of Active Pharmaceuticals Ingredients. Previously the Company was suffering losses since 2000, and so at that time company's net worth became negative. Therefore the Company filed its case with BIFR for registering as sick company in the year 2004 with the case no. 36/2004. The Company was declared a sick industrial company, in terms of section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide Board's order dated 09.01.2006.

Further, Board for Industrial and Financial Reconstruction (BIFR) Delhi Bench vide its

order dated 24.06.2008 has abated the proceedings pending before the BIFR under the third provision to section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 as the ARCIL who was the sole creditor after taking over the debts of SBI, ICICI and SBT having more than 75% of the outstanding dues of the Company had taken symbolic possession of the Company's assets under section 13(4) of the SARFAESI Act.

To overcome with the tough situation promoters had to require bring funds in the Company for repayment and to sustain the business.

Further to cover up the losses and to make it profitable, it required a large amount of working capital to carry day to day business and to purchase various required plant & Machineries.

Further being a manufacturing unit of pharmaceutical Bulk Drug, again it required to comply with the provisions of Pollution Control Board of Telangana, which was again a costly affair for the Company.

For all the above mentioned reasons, the promoters of Company have, brought the fund as unsecured loan, into the company from time to time as and when it required.

Hence the Board has approved the conversion of Loan to equity share capital of company.

Board of Directors at its meeting held on 30th July 2016, after considering the maintaining public shareholding at 25% post issue, deemed it appropriate to create, issue, offer and allot equity shares to the following:

List of Allottees			Amount in Rs.
SI No	Allottees	No.Equity Shares	Allotment Price
			Amount including Premium
1.	Veerat Finance&Investment Limited	27,11,110	18/-
2.	Sri Kakarlapudi Srihari Raju	12,38,890	18/-
Total		39,50,000	

**EXPLANATORY STATEMENT**

Sl.No	Allottees	No. Convertible Warrants	Allotment Price	Amount including Premium
1.	Veerat Finance & Investment Limited	7,11,720	18/-	1,28,10,960
	Total	7,11,720	18/-	1,28,10,960

Note : Presently for issuing of warrants, upfront price is considering 25% of allotment price.

The Proposal of the Promoters / PAC / Directors / Key Management Persons to subscribe to the offer:

Veerat Finance & Investment Limited and Dr. Sri Kakarlapudi Srihari Raju who will be subscribe to 39,50,000 equity shares, and Veerat Finance & Investment Limited who will Subscribe to 7,11,720 convertible Warrants, the allottees belong to the Promoter Group of the company.

Mrs. Sri Kakarlapudi Krishnaveni is deemed to be concerned or interested in the above said resolution, being a Director in M/s. Veerat Finance & Investment Limited (Promoter Company) Mr. Sri Kakarlapudi Hari Krishna, and Dr. Sri Kakarlapudi Sirisha are deemed to be concerned or interested in the above said resolution, being a relative of the Director of M/s. Veerat Finance & Investment Limited (Promoter Company).

None of the other Directors of the Company, nor the Key Managerial Personnel of the Company nor their respective relatives are in any way concerned or interested.

Relevant Date:

The relevant date for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of price for the issue of the above mentioned Equity Shares shall be 29th July 2016 being the date 30 days prior to the date of Annual General Meeting (i.e. 29th August 2016)

Pricing of Preferential Issue

As per Regulation 73(3) of SEBI Chapter VII of SEBI (ICDR) Regulations, when equity shares are issued on preferential basis to Promoters, for a consideration other than cash, the valuation of the assets in consideration for which the equity shares are issued should be done by an Independent Qualified Valuer. The Company has obtained a valuation report from D. S Pungalia & Co., Chartered Accountants. A copy of the Valuation report issued by D. S Pungalia & Co., Chartered Accountants shall be available for inspection at the registered office of the Company on all working days from 11:00 A.M. and 1:00 P.M. till the conclusion of this meeting and shall also be laid before the members at the meeting.

The price per share has been determined in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations"). The shares of the company being infrequently traded, the price is determined taking into account valuation parameters including book value, comparable trading multiple etc. and a certificate from independent Chartered Accountant regarding compliance of (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations") is obtained;

The price per share has been determined as per the well established method of valuation as applied in Hindustan Lever Limited (HLL) matter by erstwhile Controller of Capital Issues (CCI) and a certificate from Independent Chartered Accountants D. S Pungalia & Co. has been obtained.

The shares of the Company being infrequently traded, the price per share of Everest Organics Limited has been determined as per the well established method of valuation as applied in the matter of Hindustan Lever Limited (HLL) by the erstwhile Controller of Capital Issues (CCI) and a certificate from independent Chartered Accountant D. S Pungalia & Co. has been obtained. According to the Valuation report, as per Net Asset Value (NAV) Method, the price per share comes to Rs. 17.94. The Equity shares/ Warrants are to be issued, allotted & converted at a price of Rs. 18 per share.



EXPLANATORY STATEMENT

Terms of Issue of Equity Shares:

Shareholding Pattern before and after the Preferential issue :

Category	No. of Share holder	PAN	Pre Allotment Shareholding	% of Holding	No. of Share holder	Upon Allotment of equity shares (Prior to conversion of Warrants)	% of Holding	After conversion of Warrants	% of Holding
Promoters & Promoter Group									
Indian									
Individual/HUF									
Dr. Sri Kakarlapudi Srihari Raju	1	ALFPS8010E	260892	7.82	1	1499782	20.58	1499782	18.75
Bodies corporate									
Veerat Finance and Investment Limited	1	AABCV9151F	472608	14.16	1	3183718	43.68	3895438	48.69
Central Government/State	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Any Others	4	-	151128	4.52	4	151128	2.07	151128	1.89
Trust									
Sub Total (A 1)	6	-	884628	26.5	6	4834628	66.33	5546348	69.33
Foreign									
Individuals(Non Resident Foreign Individuals)	3	-	282636	8.47	3	282636	3.88	282636	3.53
Government	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2)	3	-	282636	8.47	3	282636	3.88	282636	3.53
Total Shareholding of Promoter and Promoter Group A = (A)(1)+(A)(2)	9	-	1167264	34.97	9	5117264	70.21	5828984	72.86
Public Holding Institutions									
Mutual Funds/UTI	1	-	576	0.02	1	576	0.01	-	0.00
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors – Individual (FPI)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors – Corporate (FPI)	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	4	-	4014	0.12	4	4014	0.06	4014	0.05
Insurance Companies	-	-	-	-	-	-	-	-	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor-Corporate	-	-	-	-	-	-	-	-	-
Foreign Bodies Corp	-	-	-	-	-	-	-	-	-
Foreign Nation	-	-	-	-	-	-	-	-	-
Sub Total B (1)	5	-	4590	0.14	5	4590	0.06	4590	0.06
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Sub Total B (2)	0	-	0	0	-	-	0.00	-	0.00
Non Institutions									
Individual ShareHolders holding nominal share capital upto 2 Lakh	10019	-	1312075	39.3	10019	1312075	18.00	1312075	16.40
Individual ShareHolders holding nominal share capital in excess of 2 Lakh	3	-	363240	10.88	3	363240	4.98	363240	4.54
Ajay Kumar Kayan	-	AGGPK0892G	208800	6.75	-	208800	2.86	208800	2.61
PRASANNA CHALLA	-	AARPC9149D	154440	4.63	-	154440	2.12	154440	1.93
EASHWER KANTHALA REDDY	-	-	-	-	-	-	-	-	-
PARWATHI KANTHALA REDDY	-	ALIPR3255P	67500	2.02	-	67500	0.93	67500	0.84
NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Overseas Depositories (Holding DRs) (Balancing Figure)	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Bodies Corporate	98	-	55601	1.67	98	55601	0.76	55601	0.70
Clearing Member	9	-	9018	0.27	9	9018	0.12	9018	0.11
Trust 2	-	12204	0.37	2	12204	0.17	12204	0.15	-
Non Resident Individuals	114	-	414288	12.41	114	414288	5.68	414288	5.18
Sub-Total(B)(3)	10245	-	2166426	64.9	10245	2166426	29.72	2166426	27.08
Total Public Shareholding B = (B)(1)+(B)(2)+(B)(3)	10250	-	2171016	65.03	10250	2171016	29.79	2171016	27.14
Grand Total (A+B)	10259		3338280	100.00	10259	7288280	100.00	8000000	100.00

**EXPLANATORY STATEMENT****Proposed time limit within which the allotment shall be complete:**

As required under the SEBI (ICDR Regulations), the allotment of Equity Shares pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of the special resolution approving allotment.

Provided that where the allotment is pending on account of any such approval of allotment by any regulatory authority including stock exchanges or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

The percentage of the post-preferential issue capital held by the proposed allottee(s) is as under:

Sl. No.	Proposed Allottee	Category	Ultimate Beneficial Owners	Pre-Issue no. of equity Shares	Post Shares no. of equity Shares	warrants	Post Issue capital	%Share holding
1	Veerat Finance & Investment Ltd.	Promoter Group	1.Sri Kakarlapudi Krishnaveni 2. Srikakarlupudi Bangarraju 3. Datla Venkata Subba Raju 4. M. Bangara Raju	4,72,608	31,83,718	7,11,720	38,95,438	48.69
2	Sri Kakarlapudi Srihari Raju	Promoter		2,60,892	14,99,782	-	14,99,782	18.75

Undertaking(s):

This is to undertake that the price is recomputed in terms of the provision of the SEBI (ICDR Regulations). If the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the SEBI (ICDR Regulations), the specified securities shall continue to be locked in till such amount is paid by the allottees.

Lock in:

The Equity Shares shall be locked in for such period as may be specified under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Change in the Control or Composition of the Board:

There will neither be any change in the composition of the Board nor any change in the Control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment.

Auditors' Certificate:

It is proposed to obtain a certificate from P.S.N. Ravi Shanker & Associates, Statutory Auditors of the Company, certifying that the issue of Equity Shares is being made in accordance with the SEBI (ICDR Regulations).

A copy of the Memorandum and Articles of Association of the Company will be available for inspection at the registered office of the Company on any working day between 10.00 a.m. and 5.00 p.m., and will also be available for inspection at the Annual General Meeting.

The Board recommends the above mentioned resolution as incorporated in Item no. 15 in the notice to be passed as a Special Resolution.

Mrs. Sri Kakarlapudi Krishnaveni is deemed to be concerned or interested in the above said resolution, being a Director in M/s. Veerat Finance & Investment Limited (Promoter Company) Mr. Sri Kakarlapudi Hari Krishna, and Dr. Sri Kakarlapudi Sirisha are deemed to be concerned or interested in the above said resolution, being a relative of the Director of M/s. Veerat Finance & Investment Limited (Promoter Company), financially or otherwise in this Resolution.

Date: 30.07.2016
Place : Aroor Village
Sadasivapet Mandal
Medak District – 502 291
Telangana, India

BY ORDER OF THE BOARD
For Everest Organics Limited
Sd/-
Dr. Sri Kakarlapudi Srihari Raju
Managing Director
Din : 01593620

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

To
The Members,
Everest Organics Limited
CIN : L24230AP1993015426

Your Directors have pleasure in presenting the 23rd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2016.

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

The Company's performance during the year ended 31st March, 2016 as compared to the previous financial year, is summarized below:

Particulars	Amount in Rs.	
	For the Financial Year Ended 31.03.2016	For the Financial Year Ended 31.03.2015
Total Revenue	998,420,212	1,065,074,377
Profit Before Financial Cost, Depreciation, Extraordinary Item and Tax	63,443,358	83,082,897
Less : Financial Cost	25,984,201	27,007,660
Profit Before Depreciation, Extraordinary Item and Tax	37,459,157	56,075,237
Less : Depreciation	27,277,799	26,716,787
Profit Before Extraordinary Item and Tax	10,181,358	29,358,450
Less : Extraordinary Item	7,976,618	8,725,057
Profit Before Tax	2,204,740	20,633,393
Less : Tax	400,000	4,100,000
Profit After Tax	1,804,740	16,533,393
Add : Brought Forward from Previous Year	-34,647,478	-51,180,871
Closing Balance of Reserve & Surplus	26,504,461	-34,647,478

b. OPERATIONS:

During the financial year under review, the turnover of your Company decreased by Rs 6,66,54,165/- (Rupees Six Crores Sixty Six Lakh Fifty Four Thousand One Hundred Sixty Five only).

You are hereby informed that there was a fire accident in the factory situated at Aroor Village, Sadasivapet Mandal, Medak District – 502 291, Telangana, India, involving production Block – 2 extension (Pilot Plant), wherein fixed assets to the tune of about Rs. 2.2 crores and current assets to the tune of Rs.1.0 crores, have been damaged on 16.07.2015.

You are again hereby informed, that there is adequate insurance coverage for both fixed assets and current assets.

Further the Company got adhoc release of Rs. 1.74 crores as part payment, from New India Insurance Company. The remaining balance is expected to release at the end of the August, 2016.

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.

**DIRECTORS' REPORT****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.

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:

The Company got restrictive order passed by the honorable National Green Tribunal (NGT) at Delhi, regarding non – compliance in relation to zero liquidity discharge, enforced by Telangana State Pollution Control Board (TSPCB). However the full production activities restarted on 3rd December, 2015, by means of an interim order by honorable NGT. However the Company got Consent for Operation (CFO) from TSPCB valid upto February, 2017. Final hearing at NGT is scheduled on 24.08.2017. And no other 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 DR - 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.

**DIRECTORS' REPORT****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.

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. The Company has allotted the shares as per the scheme in the ratio 36:100, dated 17.08.2015, and the same has been listed with Bombay Stock Exchange.

r. CONVERSION OF LOAN INTO EQUITY CAPITAL OF THE COMPANY AND ALLOTMENT OF EQUITY SHARES AND CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS :

During the year under review the Company has Rs. 9.05 crores as unsecured loan majorly funded by the Promoters of the Company when the Company was in financial distress from the year 2000 onwards, and so at that time company's net worth became negative. Therefore the Company filed its case with BIFR for registering as sick company in the year 2004 with the case no. 36/2004. The Company was declared a sick industrial company, in terms of section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 vide Board's order dated 09.01.2006.

Further, Board for Industrial and Financial Reconstruction (BIFR) Delhi Bench vide its order dated 24.06.2008 has abated the proceedings pending before the BIFR under the third provision to section 15(1) of Sick Industrial Companies (Special Provisions) Act 1985 as the ARCIL who was the sole creditor after taking over the debts of SBI, ICICI and SBT having more than 75% of the outstanding dues of the Company had taken symbolic possession of the Company's assets under section 13(4) of the SARFAESI Act.

To overcome with the tough situation promoters had to bring the funds in the Company for repayment and to sustain the business.

Further the Company has received letter from Kotak Mahindra Bank (the bankers) of the Company vide their letter dated 07.03.2016, where they advised the Company to convert the said loan into the Equity Capital of the Company.

The Board of Directors of the Company has proposed for conversion of unsecured loan into Equity Capital of the Company and for the same, the Company seeks approval of the members.

Further to cover up the losses and to make it profitable, it required a large amount of working capital to carry day to day business and to purchase various required plant & Machineries.

Further being a manufacturing unit of pharmaceutical Bulk Drug, again it required to comply with the provisions of Pollution Control Board of Telangana, which was again a costly affair for the Company.

For all the above mentioned reasons, the promoters of Company have and other selected people, who are the employee of the Company, brought the fund as unsecured loan, into the company from time to time as and when it required.

Board of Directors at its meeting held on 30 th July 2016, after considering the maintaining public shareholding

**DIRECTORS' REPORT**

at 25% post issue, deemed it appropriate to create, issue, offer and allot equity shares to the following:

List of Allottees**Amount in Rs.**

Sl.No.	Allottees	No. of Equity Shares	Allotment Price	Amount including Premium
1.	Veerat Finance Investment Limited	27,11,110	18/-	4,87,99,980
2.	Sri Kakarlapudi Srihari Raju	12,38,890	18/-	2,23,00,020
	Total	39,50,000		

Sl.No.	Allottees	No. of Convertible Warrants	Allotment Price	Amount including Premium
1.	Veerat Finance & Investment Limited	7,11,720	18/-	1,28,10,960
	Total	7,11,720	18/-	1,28,10,960

Note : Presently for issuing of warrants, upfront price is considering 25% of allotment price.

s. Revocation of Suspension in Trading of Equity Shares of the Company :

The Company during the year under review, got revocation order from suspension in trading of Equity Shares of the Company from Bombay Stock Exchange, via Notice Dated : 03.03.2016. And the trading in Equity share has started from 11.03.2016.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr. Sreeramakrishna Grandhi (DIN: 06921031), Dr. Sriakarlupudi Sirisha (DIN: 06921012) who were appointed on 30.07.2014 and Mr. Reddy Eashwer Kanthala (DIN : 02327979), who were appointed on 31st August, 2015, as Additional Directors of the Company to hold office up to the date of ensuing Annual General Meeting, were regularized as a Director of the Company on the 22nd Annual General Meeting held on 28.09.2015.

Further the Board has recommended in their meeting held on 30.07.2016 to appoint Mr. Sri Kakarlapudi Hari Krishna as a Wholetime Director in the Company with effect from 29.08.2016.

b) APPOINTMENT OF INDEPENDENT DIRECTORS:

Mr. Sreeramakrishna Grandhi (DIN: 06921031), Mr. Ramakrishnam Raju Kounparaju (DIN: 01735481), and Mr. Swaminathan Venkatesan (DIN: 02810646) were appointed as Independent Directors of the Company for a period of 4 years, w.e.f 31.08.2015.

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

c) 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.

d) RE-APPOINTMENT OF DIRECTORS, RETIRE BY ROTATION

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Akella Parvatisem (DIN : 00910224) and Dr. Sri Kakarlapudi Sirisha (Din : 06921012), 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.

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

The Board of Directors met 11 times during the financial year ended 31st March 2016 in accordance with the

**DIRECTORS' REPORT**

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	30.05.2015
2	Wednesday	10.06.2015
3	Thursday	30.07.2015
4	Monday	17.08.2015
5	Monday	31.08.2015
6	Monday	28.09.2015
7	Monday	26.10.2015
8	Thursday	12.11.2015
9	Tuesday	15.12.2015
10	Friday	22.01.2016
11	Thursday	31.03.2016

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, 2016, 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, 2016 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:

- Mr. Ramakrishnam Raju Kounparaju (DIN : 01735481), Director
- Mr. Swaminathan Venkatesan (DIN : 02810646), Director and
- 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.

**DIRECTORS' REPORT****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. Mr. Sreeramakrishna Grandhi, Independent Director of the Company, has been appointed as a member of Audit Committee on 22.01.2016. The Audit Committee comprises of:

1. Mr. Sreeramakrishna Grandhi (DIN: 06921031), Chairman from 22.01.2016
2. Mr. Ramakrishnam Raju Kounparaju (DIN : 01735481), Chairman till 22.01.2016,
3. Mr. Swaminathan Venkatesan (DIN : 02810646), Independent Director and
4. 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.

The dates on which the members of the Audit Committee met during the financial year under review are as under:

Sl. No.	Day	Date
1	Saturday	30.05.2015
2	Thursday	30.07.2015
3	Monday	26.10.2015
4	Friday	22.01.2016

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. Srikakarlappudi Harikrishna, Mr. V. Swaminathan and Mr. A. Parvatisem, Directors of the Company.

Mr. Swaminathan Venkatesan, is the Chairman of the Committee. The Company Secretary, acts 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.

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 formulated and implemented Risk Management Policy for the Company which identifies various elements of risks which in its opinion may threaten the existence of the Company and measures to contain

**DIRECTORS' REPORT**

and mitigate risks. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedures are reviewed by the Board on quarterly basis at the time of review of performance of the Company.

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, and
4. 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.

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 DR - 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 2016:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2016 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.

**DIRECTORS' REPORT****b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2016:**

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 2015-16.

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 2015-16 forms part of this report as DR - Annexure III. The said report is self explanatory.

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, they have been re-appointed for a term of two financial years 2015 - 2016 and 2016 – 2017 on 22nd Annual General Meeting, to 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 in the Financial Year 2016-2017, in accordance with the prescribed conditions and that they were eligible to hold the office of Auditors of the Company. The Board recommends to ratify the appointment of M/s. P.S. N. Ravi Shankar & Associates, Chartered Accountants as the Statutory Auditors of the Company for the Financial Year 2016-2017.

Necessary resolution for ratification 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 30.07.2015, appointed M/s Sativada Venkat Rao, Cost Accountants as the Cost Auditors of the Company for the financial year 2015-16 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.

5. 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 2016 made under the provisions of Section 92(3) of the Act is attached as DR - 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 DR - Annexure V considering the nature of activities undertaken by the Company during the year under review which forms part of this report.

**DIRECTORS' REPORT****c. Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has constituted an Internal Compliant Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was made before the Committee.

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

Amount in Rs.

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Salary INR 50,25,000/-
Details of fixed component and performance linked incentives along with the performance criteria	Fixed Component Salary – 50,25,000/-
Service contracts, notice period, severance fees	No Such terms are there.
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	As may be decided

e. NON APPLICABILITY OF CORPORATE GOVERNANCE REPORT

During the Financial year under review, as per Regulation 15(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Regulation 27 of the said Regulation is not applicable to the Company, as the Company's Paid up capital is less than Rupees Ten Crores and the Net Worth of the Company does not exceed Rupees Twenty Five Crores as on the last day of previous financial year.

f. PERSONNEL:

The Company enjoys a harmonious and healthy relationship with personnel at all levels.

Particulars of employees in terms of the Companies Act 2013 are not applicable, as no employee is drawing salary in excess of limits prescribed by the Companies Act, 2013.

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

Rama Krishnam Raju Kounparaju
Chairman
DIN: 01735481
Dated : 30.07.2016

Dr. Sri Kakarlapudi Srihari Raju
Managing Director
DIN : 01593620

Registered Office

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

CIN L24230AP1993PLC015426

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

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

**DIRECTORS' REPORT****DR-ANNEXURE I****Form No. AOC-2**

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

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

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

Name(s) of the related party and nature of relationship

Nature of contracts/arrangements/transactions

Duration of the contracts / arrangements/ transactions

Salient terms of the contracts or arrangements or transactions including the value, if any

Justification for entering into such contracts or arrangements or transactions

Date(s) of approval by the Board

Amount paid as advances, if any

Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

Name(s) of the related party and nature of relationship

Veerat & Co.
One of the Partners
of the Firm is the
wife of Executive
Director

Veerat Finance
& Investment Ltd.
One of the Director
of the company
is the wife of
Managing Director

Nature of contracts/ arrangements/ transactions

Sales /
Purchases

Unsecured
Loan Received

Duration of the contracts / arrangements/ transactions

N/A

N/A

Salient terms of the contracts or arrangements or transactions

including the value, if any

N/A

N/A

Date(s) of approval by the Board,
if any Amount paid as advances,
if any

N/A

N/A

**DIRECTORS' REPORT****DR - 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. 1,26,000
Dr. Sri Kakarlapudi Srihari Raju	Remuneration	: Rs. 25,50,000/-
	Ratio	: 20.23
Akella Parvatisem	Remuneration	: Rs. 18,00,000/-
	Ratio	: 14.28
Sri Kakarlapudi Harikrishna	Remuneration	: Rs. 6,75,000/-
	Ratio	: 5.36

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015 - 2016:

Name of Director	Percentage increase in remuneration
Dr. Sri Kakarlapudi Srihari Raju	6.25
Mr. Akella Parvatisem	50
Mr. Sri Kakarlapudi Harikrishna	12.5

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 2015- 16.
- 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 20.00%.
iii. The Company has 345 employees on the rolls of Company as on 31st March, 2016.
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 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 was Rs 99,84,20,212/- (Rupees Ninety Nine Crore Eighty Four Lakhs Twenty Thousand Two Hundred Twelve only) The PAT (Profit After Tax) of company is reached at Rs 18,04,740/- (Rupees Eighteen Lakh Four Thousand Seven Hundred Forty only).

**DIRECTORS' REPORT**

vi. The trading in shares on BSE has started from 11.03.2016 and last traded price was Rs. 35.35 as on 30.07.2016

vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 13.42% whereas the increase in the managerial remuneration was 19.64 %. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.

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

Everest Organics Limited

Ramakrishnamraju Kounparaju

Chairman

DIN : 01735481

Dr. Sri Kakarlapui Srihari Raju

Managing Director

DIN : 01593620

**DIRECTORS' REPORT****DR- Annexure III****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016**

[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, 2016, 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, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) 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)



DIRECTORS' REPORT

- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other laws specifically applicable to the company are as follows:
 - a. Drugs and Cosmetics Act, 1940;
 - b. Petroleum Act, 1934 read with Petroleum Rules 2002;
 - c. Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder;
 - d. Environment (Protection) Act, 1986 and rules made thereunder;
 - e. Water (Prevention and Control of Pollution) Act, 1974;
 - f. Explosives Act, 1884 read with Gas Cylinder Rules, 2004;

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

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

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

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 company pursuant to the order given by the Hon'ble High Court for the State of Telangana and Andhra Pradesh at Hyderabad on 22.06.2015 has reduced its total paid up capital from Rs.9,27,30,000 divided into 92,73,000 equity shares of Rs.10/- each to Rs. 3,33,82,800 divided into 33,38,280 equity shares of Rs.10/- each and the new paid up capital was listed on BSE Limited w.e.f 4th November, 2015.

Place: Hyderabad

Date: 18.07.2016

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

Sd/-

CS MOHIT KUMAR GOYAL
PARTNER

ACS: 32655, CP NO: 12751

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.



DIRECTORS' REPORT

'Annexure A'

To,
The Members,
EVEREST ORGANICS LIMITED

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

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

Place: Hyderabad
Date: 18.07.2016

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
ACS: 32655, CP NO: 12751

**DIRECTORS' REPORT****DR-Annexure IV**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016
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 Active Pharmaceutical Ingridients & Intermediaries	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

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	381672	86688	468360.00	14.03	1.38	
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporates	1312800	0	1312800	14.16	472608	0	472608	14.16	0.00	
d) Bank/Fl	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	854280	86688	940968	28.19	1.38	
(2) Foreign										
a) NRI- Individuals	313300	315300	628600	6.78	112788	0	226296	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/Fl	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	0	0.00	226296	6.78	0	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2440300	673700	3114000	33.58	854280	86688	1167264	34.97	1.38	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	1600	1600	0.02	0	0	0	0.00	0.00	
b) Banks/Fl	11150	0	11150	0.12	4014	0	4014	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	4014	0	4014	0.12	0.02	
(2) Non Institutions										
a) Bodies corporates	344239	41300	385539	4.16	124708	0	124708	3.74	0.42	
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	900476	1075574	1976050	59.19	0.00	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1360411	1768600	3129011	33.74	582452	810182	1392634	41.72	7.97	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1134100	222600	1356700	14.63	318024	265392	583416	17.48	2.85	
c) Others (specify)										
Clearing Members	300	0	300	0.00	760	0	760	0.00	0.00	
Trust	0	33900	33900	0.37	0	0	0	0.00	0.00	
Non Resident Individuals	181700	1059100	1240800	13.38	65484	0	65484	1.96	11.42	
SUB TOTAL (B)(2):	3020750	3125500	6146250	66.28	1091428	1075574	2167002	64.89	0.00	
Total Public Shareholding (B)= (B)(1)+(B)(2)	3031900	3127100	6159000	66.42	1095442	1075574	2171016	65.03	1.39	
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)	5472200	3800800	9273000	100.00	1949722	1162262	3338280	100.00		



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	
1	Sri Kakarlapudi Srihari Raju	722000	7.79	0	260892	0.03
2	Sri Kakarlapudi Krishna Veni	4000	0.04	0	1440	0.00
3	Nadimipalli V Raju	313300	3.38	0	112788	0.00
4	S. K. Harikrishna	3500	0.04	0	8280	0.21
5	S. K. G Parvathi	88200	0.95	0	31752	0.00
6	Sirisha Srikakrapudi	198400	2.14	0	109656	1.15
7	Raju Sitaram Kakarlapudi	315300	3.40	0	113508	0.00
8	Veerat Finance & Investment Limited	1312800	14.16	0	472608	0.00
9	Rajgopal Rangineni	156500	1.69	0	56340	0.00
	Total	3114000			1167264	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF 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
Sirisha Srikakrapudi			
At the beginning of the year	211000	211000	2.28
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.)			
Date			
17.04.2015	15500	226500	2.44
18.06.2015	78100	304600	3.28
At the end of the year	109656	109656	3.28



DIRECTORS' REPORT

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

Sl. No	For Each of the Top 10 Shareholders	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
1	Prasanna Challa	154440	4.63	154440	4.63
2	Ajay Kumar Kayan	118080	3.54	118080	3.54
3	C Mackertich Limited	90720	2.72	90720	2.72
4	Eashwer Kanthala Reddy Parwathi Kanthala Reddy	67500	2.02	67500	2.02
5	Jalashree Challa	43200	1.29	43200	1.29
6	Ch Hemantha Kumar	23616	0.71	23616	0.71
7	Prabhakara Reddy Kaliki	22572	0.68	22572	0.68
8	Jamuna Hindupur	22536	0.68	22536	0.68
9	K Prabhakar Reddy	22536	0.68	22536	0.68
10	Jamuna Hindupur Mohan R Hindupur	22464	0.67	22464	0.67
	Total	587664	17.60	587664	17.60

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sri Kakarlapudi Srihari Raju				
	At the Beginning of the year	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)	There is no such transfer, its due to consolidation of folio and pursuant to capital Reduction Scheme		There is no such transfer, its due to consolidation of folio and pursuant to capital Reduction Scheme	
	At the end of the year	260892	7.82	260892	7.82
2	S. K. Harikrishna				
	At the Beginning of the year	3500	0.04	3500	0.10
	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)	There is no such transfer, its due to consolidation of folio and pursuant to capital Reduction Scheme		There is no such transfer, its due to consolidation of folio and pursuant to capital Reduction Scheme	
	At the end of the year	8280	0.25	8280	0.25
3	Sirisha Sriakarlupudi				
	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)	Some transfer took place as mentioned above in point no. III and other pursuant to Capital Reduction Scheme.		Some transfer took place as mentioned above in point no. III and other pursuant to Capital Reduction Scheme.	
	At the end of the year	109656	3.28	109656	3.28
4	Raju Sitaram Kakarlapudi				
	At the Beginning of the year	315300	3.40	315300	3.40



DIRECTORS' REPORT

	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)	There is no such transfer, its due to capital Reduction Scheme		There is no such transfer, its due to capital Reduction Scheme	
	At the end of the year	113508	3.40	113508	3.40
5	Ramakshnam Raju Kounparaju				
	At the Beginning of the year	2000	0.02	2000	0.02
	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)	There is no such transfer, its due to capital Reduction Scheme		There is no such transfer, its due to capital Reduction Scheme	
	At the end of the year	720	0.02	720	0.02
6	Akella Parvatisem				
	At the Beginning of the year	100	0.00	100	0.00
	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)	There is no such transfer, its due to capital Reduction Scheme		There is no such transfer, its due to capital Reduction Scheme	
	At the end of the year	36	0.00	36	0.00
7	P. Ramakrishna				
	At the Beginning of the year	5500	0.06	5500	0.06
	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	13248	0.06	13248	0.40

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1317.18	-	-	1317.18
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	1317.18	-	-	1317.18
Change in Indebtedness during the financial year				
Additions	609.36	-	-	609.36
Reduction	234.43	-	-	234.43
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	1692.11	-	-	1692.11
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	
Total (i+ii+iii)	1692.11	-	-	1692.11



DIRECTORS' REPORT

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross salary	Dr. Sri Kakarlapudi Srihari Raju	Akella Parvatisem	Srikakarlapudi Harikrishna	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	25,50,000	18,00,000	6,75,000	50,25,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	25,50,000	18,00,000	6,75,000	50,25,000
	Ceiling as per the Act				90,00,000

B. Remuneration to other directors:

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	60,000	60,000	60,000	1,80,000
	(b) Commission				
	(c) Others, please specify				
	Total (1)	60,000	60,000	60,000	1,80,000
2	Other Non Executive Directors	Kakarlapudi Sitarama Raju	Sri Kakarlapudi Sirisha	Eashwer Reddy Kanthala	
	(a) Fee for attending board committee meetings	50,000	10,000	10,000	70,000
	(b) Commission				
	(c) Others, please specify.				
	Total (2)	50,000	10,000	10,000	70,000
	Total (B)=(1+2)				2,50,000
	Total Managerial Remuneration				32,25,000
	Overall Cieling as per the Act.				66,00,000



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			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		6,34,139	3,50,750			9,84,889
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	as % of profit	-	-	-	-	-	-
	others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
		-	-	-	-	-	-
	Total		6,34,139	3,50,750			9,84,889

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

DR- 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	Vapour absorption system installing for chilled water circulation in place of ammonia compressor thereby saving electric power consumption.
Steps taken by the company for utilizing alternate sources of energy	40% of the power consumption is from solar energy.
Capital investment on energy conservation equipments	High efficiency motors installed by replacing low efficiency motor i.e. 85% efficient motors to 93.5% efficient motors All the cooling towers installed on the 20 Mts level thereby saving the pump head to reduce the power consumption

(B) Technology absorption :

Efforts made towards technology absorption	1. Improvements of yields and quality in introduced new products 2. Reduced the effluents in existing products 3. Introduced the new products 4. Developments in existing products
Benefits derived like product improvement, cost reduction, product development or import substitution	1. Implemented and commercialized the new products 2. Improved the quality and yields in existing products 3. Improved the quality and yields in introduced new products 4. Reduced the effluents in some existing products
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	
Year of import	
Whether the technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
Expenditure incurred on Research and Development	

(C) Foreign exchange earnings and Outgo:

	1st April, 2015 to 31st March, 2016 [Current F.Y.]	1st April, 2014 to 31st March, 2015 [Previous F.Y.]
	Rs. Lakhs	Rs. In Lakhs.
Actual Foreign Exchange earnings	1823.92	1981.09
Actual Foreign Exchange outgo	1433.08	1360.55

**DIRECTORS' REPORT**

The Capital and Revenue Expenditures on R&D, as per the Audited Financial Statement for the Financial Year 2015 - 2016

Particulars	Amount in Rs.
Capital Expenditures	NIL
R & D Consumables	5,15,290
R & D Material Issues	3,08,108
R & D Salaries	30,69,633
Total	38,93,031

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	Nil
4	Total No of Complaint received(1+2+3)	Nil
5	No of Complaint Resolved	Nil
6	No of Complaints Pending	Nil



CERTIFICATE FOR COMPLAINE WITH ACCOUNTING STANDARDS AND CODE OF CONDUCT

CERTIFICATE

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 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, 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/-
Dr. Sri Kakarlapudi Srihari Raju
Managing Director

Sd/-
Mr. P Ramakrishna
CFO

Date: 30.07.2016

Declaration on compliance with Code of Conduct

Compliance of Code of Conduct for Directors and Senior Management Personnel:

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: 30.07.2016

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



AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

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, 2016, as stipulated in clause 49 of the listing agreement of the company with stock exchanges.

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.

As per the information and explanation 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 : 30-05-2016.

For **P.S.N.RAVISHANKER & ASSOCIATES**

Chartered Accountants
Firm Reg.No.003228S

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

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRY STRUCTURE & DEVELOPMENTS:**

The Indian pharmaceutical industry is one of the most attractive investment destinations in the world. With ever increasing returns, lowering risks and anticipated multifold growth, investors are more interested in this industry than ever before. Since 2000, the drugs and pharma sector has attracted one of the highest foreign direct investment (FDI) inflows of approximately \$12,689 million (April 2000 to September 2014).

From its nascent stages in the 1970s, the Indian pharma industry has become a mature industry. While, the industry was previously known for manufacturing generic drugs, the industry dynamics have now undergone a sea of change. Presently, the Indian pharma industry stands diversified into various spheres of activities including research and development (R&D), manufacturing of branded, generic and branded generic drugs, manufacturing APIs, laboratory testing and clinical research. The Indian pharma industry ranks fourth in terms of volume and 13th in terms of value globally.

India has become a prime destination for manufacture of branded, generic and branded generic medicines with a strong export element. It is estimated that around 40 per cent of the generic drugs in the US come from India and with Obamacare being introduced this figure is set to rise further.

The spending pattern of an erstwhile manufacturing-oriented industry has also changed with the industry spending around 18 per cent of revenue on R&D activities.

Unlike many other countries, the involvement of the Indian government in the pharma industry has been deep and often controversial. The government has made numerous efforts to stimulate organised growth of the industry. In the pursuit of achieving global leadership in the manufacture of end-to-end drugs, the government unveiled its Pharma Vision 2020, which inter alia, provides for reduction in approval time for new facilities to boost investments. Further, robust mechanisms such as the Drug (Prices Control) Orders and the National Pharmaceutical Pricing Authority (NPPA) have been implemented to address the issue of affordability and availability of medicines.

The growth story of the Indian pharma industry into a mammoth industry is an impressive one marked with numerous important turning points. These turning points have typically stemmed from the issues faced by the industry and have changed the nature and mechanisms of the industry, and to a large extent have sculpted the trends in the industry. In this article we aim to explore a few issues that have affected the Indian pharma industry and how the scenario is changing.

MARKETING :**Pharma Sector In- API**

Globally there are 7000 APIs are active in 2013, Altogether APIs created USD 120 billion world market, which is 12% of world pharmaceutical Market, that is around USD 1000 billion. World market of APIs is growing at the rate of 8%.

INDIAN APIs Industry

The Study of export data shows, USD 5 billion worth APIs goes for export. Out of 1500 APIs produced in India around 1000 goes for export. Top 50 APIs contributes 50% of the industry. Top 100 APIs accounts for 70% of the industry. Top 200 APIs contributes 85% of the industry. Top 500 APIs represents 95% of the industry.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Overall growth outlook for the Indian drugs and pharmaceutical industry appears positive. Pharma manufacturers are likely to benefit from rise in demand for generic products. Some of the factors that would drive growth in the domestic pharma industry are: 1) low cost operations 2) research-based processes 3) improvements in API and 4) availability of skilled manpower. The domestic formulations and bulk drugs markets are currently facing price pressure as benefits of cheaper drugs have been shifted to end-users and trade channels. Hence, consolidation, partnership and alliances are expected to gather momentum in the near future. Off patenting of branded drugs would increase demand for generic drugs. This provides immense opportunities to the Indian pharmaceutical companies especially given their prior experience in generic drug development. Some other factors such as high penetration in the global markets and increase of share in Abbreviated New Drug Application (ANDA) filings are likely to power growth of the formulations market. Major growth drivers for the Indian bulk drug industry include rise in demand for contract manufacturing, increase of share in Drug Master Files (DMF) filings and process innovation.

GOVERNMENT INITIATIVES:

The Addendum 2015 of the Indian Pharmacopoeia (IP) 2014, published by the Indian Pharmacopoeia Commission (IPC) on behalf of the Ministry of Health & Family Welfare, is expected to play a significant role in enhancing the quality of medicines that would in turn promote public health and accelerate the growth and development of pharmaceutical sector.

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Telangana has proposed to set up India's largest integrated pharmaceutical city spread over 11,000 acres, near Hyderabad, complete with effluent treatment plants and a township for employees, in a bid to attract investment of Rs. 30,000 Crores in phase. Hyderabad, which is known as bulk drug capital of India, accounts for nearly a fifth of India's export of drugs, which stood at Rs. 95,000 Crores in 2014-2015.

Furthermore, initiatives of the Government will act as a backbone for growth. Some such initiatives include: 1) allowing 100% FDI under the automatic route in drugs and pharmaceuticals including those involving use of recombinant gene technology 2) increasing weighted tax deduction on expenditure in in-house R&D activities upto 200%.

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

a) Strengths

- * Higher GDP growth leading to increased disposable income in the hands of general public and their positive attitude towards spending on healthcare.
- * Low-cost, highly skilled set of English speaking labour force and proven track record in design of high technology manufacturing devices.
- * Growing treatment naive patient population.
- * Low cost of innovation, manufacturing and operations.

b) Weaknesses

- * Stringent pricing regulations affecting the profitability of pharma companies.
- * Poor all-round infrastructure is a major challenge.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

- * Presence of more unorganised players versus the organized ones, resulting in an increasingly competitive environment, characterised by stiff price competition.
- * Poor health insurance coverage.

c) Opportunities

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

d) Threats

- * Wage inflation.
- * Government expanding the umbrella of the Drugs Price Control Order (DPCO).
- * Other low-cost countries such as China and Israel affecting outsourcing demand for Indian pharmaceutical products
- * Entry of foreign players (well equipped technology-based products) into the Indian market.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :

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.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATION :

During the financial year under review, the turnover of your Company decreased by Rs 6,66,54,165/- (Rupees Six Crores Sixty Six Lakh Fifty Four Thousand One Hundred Sixty Five only).

The performance of the Company effected during the year under review mainly due to below mentioned reason :

1. That there was a fire accident in the factory situated at Aroor Village, Sadasivapet Mandal, Medak District – 502 291, Telangana, India, involving production Block – 2 extension (Pilot Plant), wherein fixed assets to the tune of about Rs. 2.2 crores and current assets to the tune of Rs. 1.0 crores, have been damaged on 16.07.2015.
2. Again, the Company got restrictive order passed by the honorable National Green Tribunal (NGT) at Delhi, regarding non – compliance in relation to zero liquidity discharge, enforced by Telangana State Pollution Control Board (TSPCB). However the full production activities restarted on 3rd December, 2015, by means of an interim order by honorable NGT. However the Company got Consent for Operation (CFO) from TSPCB valid upto February, 2017. Final hearing at NGT is scheduled on 24.08.2017.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Further the Company got adhoc release of Rs. 1.74 crores as part payment, from New India Insurance Company. The remaining balance is expected to be released at the end of the August, 2016.

HUMAN RESOURCE DEVELOPMENT :

The Company's Corporate HRD policy emphasizes on continuous, increased quality and commitment of its employees in order to succeed in the achievement of the corporate goals. The company provides employee development opportunities by conducting training programs to equip the employee with upgraded skills enabling them to adapt to the contemporary technological advancements.

The HRD Team strives for the enhancement of Human Resource Organization, System, Processes and Procedures, using the principles of continuous quality improvement that incorporate quality service and excellent performance standards, increased accountability and maximizes cost effectiveness.

CAUTIONARY STATEMENT :

Statements in the Management Discussion and Analysis describing the Company's Objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results would differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic / overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

**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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the 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. 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.

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, 2016, and its profits and its Cash Flows for the year ended on that date.



AUDITORS' REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditors' Report) Order, 2016 ("The Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the Annexure-A 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B"
- g) 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 as referred to Note No.15 to the Financial Statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Hyderabad,
Date : 30-05-2016.

(P. RAVI SHANKER)
Partner
ICAI M.No.025288

**AUDITORS' REPORT****ANNEXURE – A to the Independent Auditors' Report dt.30-05-2016
issued to the members of Everest Organics Limited****Statement on the matters specified in Paragraphs 3 & 4 of the Companies (Auditors Report) Order, 2016**

(i) a) The Company has maintained proper records showing broad particulars including quantitative details and situation of fixed assets, on the basis of available information. However, the fixed assets register is to be updated. We are informed by the management that the company is in the process of compiling and reconstructing the Fixed Assets Register to show full particulars including quantitative details and situation of Fixed Assets.

b) As 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, pending adjustment.

c) The title deeds of immovable properties are held in the name of the company.

(ii) 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. The discrepancies, if any, have been properly dealt with in the books of account.

(iii) As per the information and explanations furnished to us by the management and as per the books of accounts and other documents examined by us, the company has not granted any loans secured or unsecured to companies, firms, limited partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) As per the information and explanations furnished to us by the management and as per the books of accounts and other documents examined by us, the company has not given any loans, made investments, given guarantees, securities to the parties to which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, and the rules framed there under, wherever applicable, from the public.

However, the company had earlier taken / accepted / held unsecured loans totally amounting to Rs.905.61 lakhs (Rs. 886.15 lakhs as at 31-03-2015), out of which an amount of Rs.313.59 lakhs (Previous year Rs.303.58 lakhs) is from the Directors and their relatives and an amount of Rs.524.91 lakhs (Previous Year Rs.510.95 lakhs) is from an NBFC and Rs.67.10 lakhs (Previous Year Rs.71.62 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 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.

(vi) 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.

(vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax(FBT of Rs.8.55 lakhs), Sales Tax, Wealth Tax, Service Tax, duty of

**AUDITORS' REPORT**

Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally deposited with the appropriate authorities, with occasional delays. However, according to the information and explanations given to us, no other undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2016 for a period of more than six months from the date they became payable.

(b) There are no disputes in respect of dues of income tax. There are no dues to sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.

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

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

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

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

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

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

(xiv) The company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year under review;

(xv) As per the information and explanations and based on examination, the company has not entered into any non-cash transactions with directors or persons connected with them;

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

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

(P. RAVI SHANKER)
Partner
ICAI M.No.025288

Place : Hyderabad,
Date : 30-05-2016.

**AUDITORS' REPORT****Annexure-B to the Independent Auditors' Report of even date on the Financial Statements of Everest Organics Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Everest Organics Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

**AUDITORS' REPORT**

company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion :

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(P. RAVI SHANKER)
Partner
ICAI M.No.025288.

Place : Hyderabad,
Date : 30-05-2016.

**BALANCE SHEET**

Name of the Company: Everest Organics Limited Balance Sheet as on 31.03.2016			(CIN : L24230TG1993PLC015426)		
			(Amt. In Rupees)		
Particulars	Note No.		As at 31.03.16		As at 31.03.15
1	2	3	4	5	6
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share Capital	A		33,382,800		92,730,000
(b) Reserves and Surplus	B		26,504,461		(34,647,479)
(2) Non-Current Liabilities					
(a) Long-term Borrowings	C		138,310,934		112,853,427
(3) Current Liabilities					
(a) Short-term Borrowings	D		120,985,217		106,192,938
(b) Trade Payables	E		402,933,810		353,934,315
(c) Other Current Liabilities	F		29,516,031		25,608,599
(d) Short-term provisions	G		7,063,321		10,035,996
Total:			758,696,574		666,707,796
II ASSETS					
Non-Current Assets					
1 (a) Fixed Assets	H				
(i) Tangible Assets		274,484,779		239,600,907	
(ii) Capital-work-in-progress		9,948,001	284,432,780	2,483,443	242,084,350
(b) Non-Current Investments	I		845,408		845,408
(c) Long-term Loans and Advances			-		-
(d) Other Non-Current Assets	J		6,927,224		4,741,924
2 Current Assets					
(a) Inventories	K		94,151,371		84,736,602
(b) Trade Receivables	L		319,641,300		289,327,590
(c) Cash and Cash Equivalents	M		10,610,535		10,499,404
(d) Short-term Loans and Advances	N		28,406,705		28,646,933
(e) Other Current Assets	O		13,681,251		5,825,583
Total:			758,696,574		666,707,796
Significant Accounting Policies, Notes to accounts form integral part of the Financial Statements	Y				
for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants			for and on behalf of the Board EVEREST ORGANICS LIMITED		
P.RAVI SHANKER Partner			SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031		
			Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620		
			P.RAMA KRISHNA Chief Financial Officer		
			A.PARVATISEM Technical Director DIN: 00910224		
Place: Hyderabad Date : 30.05.2016			NISHA JAIN Company Secretary		
			S.K.HARI KRISHNA Executive Director DIN: 01664260		



STATEMENT OF PROFIT AND LOSS ACCOUNT

Name of the Company: Everest Organics Limited				
Profit and Loss Account for the Year ended 31.03.2016				
		(Rupees)		
	Particulars	Note No.	Year ended 31.03.16	Year ended 31.03.15
I.	Income from operations	P	994,764,707	1,059,769,260
II.	Other Income	Q	3,655,505	5,305,117
III.	Total Income (I + II)		998,420,212	1,065,074,377
IV.	Expenses:			
	Cost of Materials Consumed	R	617,238,753	692,895,288
	Changes in Inventories of finished goods	S	6,836,592	(7,030,029)
	Work-in-progress	T	1,092,652	16,510,001
	Employee Benefits Expense	U	72,236,904	65,871,501
	Finance Costs	V	25,984,201	27,007,660
	Depreciation	W	27,277,799	26,716,787
	Other Expenses	X	237,546,953	213,744,719
	Total Expenses		988,213,853	1,035,715,927
V.	Profit before Exceptional and Extraordinary items and Tax		10,206,359	29,358,450
VI.	Exceptional Items - Excess/(Short) Provision for Taxation		25,002	-
VII.	Profit before Extraordinary items and Tax (V-VI)		10,181,357	29,358,450
VIII.	Extraordinary Items		7,976,618	8,725,057
IX.	Profit before Tax (VII-VIII)		2,204,740	20,633,393
X.	Tax Expense: (1) Current Tax		400,000	4,100,000
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		1,804,740	16,533,393
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		1,804,740	16,533,393
XV.	Profit/(Loss) for the period (XI + XIV)		1,804,740	16,533,393
XVI.	Earnings per equity share:			
	(1) Basic		0.54	1.78
	(2) Diluted		0.54	1.78
	Number of shares used in computing earnings per share		3,338,280	9,273,000
for P.S.N.RAVISHANKER & ASSOCIATES		for and on behalf of the Board		
Chartered Accountants		EVEREST ORGANICS LIMITED		
P.RAVI SHANKER		SREERAMAKRISHNA GRANDHI		
Partner		Audit Committee Chairman		
		DIN: 06921031		
		Dr.S.K.SRIHARI RAJU		
		Managing Director		
		DIN: 01593620		
		P.RAMA KRISHNA		
		Chief Financial Officer		
		A.PARVATISEM		
		Technical Director		
		DIN: 00910224		
Place: Hyderabad		NISHA JAIN		
Date : 30.05.2016		Company Secretary		
		S.K.HARI KRISHNA		
		Executive Director		
		DIN: 01664260		



SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
		As at 31st Mar 2016	As at 31st Mar 2015
A. Share Capital			
<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>		33,382,800	92,730,000
Shares issued, subscribed and paid as on 01.04.2015 (9,273,000 Equity Shares of Rs. 10/- each fully paid up) Add: Issued during the year		92,730,000	92,730,000
Less: Reduction of Eq. Share Capital (9273000 Nos. @Rs. 6.40 per share)		92,730,000 59,347,200	92,730,000
Total Amount as per Balance Sheet		33,382,800	92,730,000
33,38,280 Equity Shares of Rs. 10/- each fully paid up			
(9,273,000 Equity Shares of Rs. 10/- each fully paid up)		33,382,800	92,730,000
Total		33,382,800	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.,		4,72,608 (14.16%)	13,12,800 (14.16%)
2. Dr.S.K.Srihari Raju		2,60,892 (7.82%)	7,22,000 (7.79%)
Note: 2. There is no restriction on transferability of shares.			
Note: 3			
Reconciliation of number of shares outstanding at the beginning and end of the year			
Shares issued & subscribed as on 01.04.2015 (92,73,000 Equity Shares of Rs. 10/- each fully paid up) Add: Issued during the year		9,273,000 -	9,273,000 -
Less: Redemption/Buyback		9,273,000 5,934,720	9,273,000 -
Total Amount as per Balance Sheet		3,338,280	9,273,000
33,38,280 Equity Shares of Rs. 10/- each fully paid up (92,73,000 Equity Shares of Rs. 10/- each fully paid up)			
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			
Capital Reserves			
Opening Balance		-	
Add: Capital reduction during the year		59,347,200	
Total		59,347,200	
Less: Adjustment made during the year-Set off of		59,347,200	
Accumulated losses (Ref to Note given below)			
Closing Balance		-	
Profit & Loss Account			
Opening Balance - (Loss)		(34,647,479)	(51,180,871)
Less: Acc.Losses adjusted to Capital Reduction amount included in the op. bal		59,347,200	-
Brought forward balance of Profit & Loss A/c.after adjustment of capital reduction		24,699,721	(51,180,871)
Add: Profit for the year		1,804,740	16,533,393
Closing Balance		26,504,461	(34,647,479)
Net Reserves and Surplus		26,504,461	(34,647,479)
Note : The Capital reduction has been made as per the Order of the High Court of Judicature, Hyderabad dt 22.06.2015 against the Petition filed by the company, which resulted in a capital reduction balance of Rs.593,47,200..			
The Order of the High Court permits to set off of accumulated loss of Rs.5,93,47,200 as on 31-03-2013 with the above Capital Reduction Balance of Rs.593.47.200. The same effect has been disclosed in the financial statements.			
for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031		Dr. S. K. SRIHARI RAJU Managing Director DIN: 01593620	
P.RAVI SHANKER Partner		A.PARVATISEM Technical Director DIN: 00910224	
NISHA JAIN Company Secretary		S.K.HARI KRISHNA Executive Director DIN: 01664260	
Place: Hyderabad Date : 30.05.2016			



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st Mar 2016		(Rupees) As at 31st Mar 2015
C. Long-Term Borrowings			
(a) Secured Loans			
- from banks			
1. Term Loan from Reliance Capital Ltd - I & II	1,556,327		7,351,014
2. Term Loan from Reliance Capital Ltd - III	3,330,682		-
3. Term Loan from Reliance Capital Ltd-IV	5,380,045		
4. Term Loan from Kotak Mahindra Bank-VI	21,350,805		-
5. Kotak Mahindra Prime Ltd-Hyundai Creta	753,867		
6. 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)	15,378,183		16,887,186
(b) Unsecured Loans			
(i) Unsecured Loans from Directors & Near Relatives	31,358,933	30,358,933	
(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)	52,491,345	51,094,045	
(iii) Security Deposit from Employees	6,710,746	90,561,024	7,162,249
Total	138,310,934		112,853,428
D. Short Term Borrowings			
(A) Secured	As at 31st Mar 2016		As at 31st Mar 2015
(a) Loans repayable on Demand			
- from Banks - Kotak Mahindra Bank Ltd			
Cash Credit	45,818,424	36,678,425	
Bills Discounting (Domestic)	39,840,466	39,985,207	
Bills Discounting (LC Backed)	6,626,825	2,625,012	
Buyers Credit	9,018,700	12,273,650	
EPC	14,097,788	-	91,562,294
(b) LC Bills Discounting - Bank of India	5,583,014		14,630,645
Total - A	120,985,217		106,192,938
(B) Unsecured			
(a) Loans repayable on Demand			
- from Other Parties	-		-
Total - B	-		-
Total (A+B)	120,985,217		106,192,938
E. Trade Payables			
Creditors for Raw Materials	313,532,775		290,001,943
Creditors for Expenses	45,660,241		40,576,547
Creditors for Capital Goods	43,740,795		23,355,824
Total	402,933,810		353,934,315
for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
	SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031	Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620	
P.RAVI SHANKER Partner	P.RAMA KRISHNA Chief Financial Officer	A.PARVATISEM Technical Director DIN: 00910224	
	NISHA JAIN Company Secretary	S.K.HARI KRISHNA Executive Director DIN: 01664260	
Place: Hyderabad Date : 30.05.2016			



SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
F. Other Current Liabilities		As at 31st Mar 2016	As at 31st Mar 2015
(a) Current maturities of long-term debt			
- from banks			
1. Term Loan from Reliance Capital Ltd - I & II	5,450,610		7,475,264
2. Term Loan from Reliance Capital Ltd - III	2,239,428		-
3. Term Loan from Reliance Capital Ltd - IV	3,256,660		-
4. Term Loan from Kotak Mahindra Bank Ltd - V	-		7,899,459
5. Term Loan from Kotak Mahindra Bank Ltd - VI	4,556,433		-
6. Kotak Prime Ltd-Mahindra XUV 500 FWD W8	-		35,735
7. Working Capital Term Loan from Kotak Mahindra Bank - II	-		2,763,133
8. Kotak Mahindra Prime Ltd-Hyundai Creta	351,222	15,854,352	-
			18,173,591
(b) Current Maturities of Deferred Payment Liability			
- Deferred Sales Tax Liability		1,509,003	1,446,670
(c) Statutory Liabilities			
a) ESI Dues	844,966		146,965
b) PF Dues	2,751,969		2,106,438
c) Professional Tax Dues	41,600		11,250
d) TDS Payable	3,785,349		831,443
e) Dues to Income Tax Department	208,979		357,822
		7,632,863	3,453,918
(d) Other Liabilities		4,519,813	2,534,421
Total		29,516,031	25,608,599
G. Short Term Provisions		As at 31st Mar 2016	As at 31st Mar 2015
(a) Provision for employee benefits (Gratuity)		5,808,321	5,080,995
(b) Others			
1. Income Tax - MAT	400,000		4,100,000
2. FBT for earlier years	855,000	1,255,000	855,000
			4,955,000
Total		7,063,321	10,035,995
for P.S.N.RAVISHANKER & ASSOCIATES		for and on behalf of the Board	
Chartered Accountants		EVEREST ORGANICS LIMITED	
P.RAVI SHANKER		SREERAMAKRISHNA GRANDHI	Dr. S. K. SRIHARI RAJU
Partner		Audit Committee Chairman	Managing Director
		DIN: 06921031	DIN: 01593620
		P.RAMA KRISHNA	A.PARVATISEM
		Chief Financial Officer	Technical Director
			DIN: 00910224
		NISHA JAIN	S.K.HARI KRISHNA
		Company Secretary	Executive Director
			DIN: 01664260
Place: Hyderabad			
Date : 30.05.2016			



SCHEDULES FORMING PART OF THE BALANCE SHEET

EVEREST ORGANICS LIMITED SCHEDULE - H FIXED ASSETS									
S No.	Particulars	Gross Block			Depreciation			Net Block	
		As At 01.04.15	Additions During the year	Deletions/ transfers during the year	As At 31.03.16	As At 01.04.15	for the year	As At 31.03.16	As At 31.03.15
	Tangible Assets								
1	Land & Land Development	5,308,474	-	-	5,308,474	-	-	5,308,474	5,308,474
2	Factory Buildings	34,750,743	14,767,792	4,500,000	45,018,535	18,924,904	5,126,776	23,379,219	15,825,839
3	Plant & Machinery & Utilities	437,867,159	59,318,882	19,308,920	477,877,121	224,171,018	20,781,793	238,837,884	213,696,141
4	Office Equipment	2,379,214	355,480	-	2,734,694	1,722,039	190,450	822,205	657,175
5	Computers	2,238,718	565,821	-	2,804,539	1,831,555	324,209	648,775	407,163
6	Furniture & Fittings	2,542,946	1,048,829	-	3,591,775	1,300,403	262,540	2,028,832	1,242,543
7	Vehicles	5,737,219	1,587,849	-	7,325,068	3,273,647	592,031	3,865,678	2,463,572
	Total (A)	490,824,473	77,644,652	23,808,920	544,660,205	251,223,566	27,277,799	270,175,427	239,600,907
1	Capital Works-in-Progress								
	Buildings	-	19,428,186	14,767,792	4,660,395	-	-	4,660,395	0
	Plant & Machinery & Others	2,483,443	65,681,024	62,876,861	5,287,606	-	-	5,287,606	2,483,443
	Total (B)	2,483,443	85,109,210	77,644,652	9,948,001	-	-	9,948,001	2,483,443
	Grand Total (A+B)	493,307,916	162,753,862	101,453,572	554,608,206	251,223,566	27,277,799	270,175,427	242,084,350

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.

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

for and on behalf of the Board
EVEREST ORGANICS LIMITED

P RAVISHANKER
Partner

SREERAMAKRISHNA GRANDHI
Audit Committee Chairman
DIN: 06921031

Dr. S.K. SRIHARI RAJU
Managing Director
DIN: 01593620

P RAMA KRISHNA
Chief Financial Officer

A. PARVATISEM
Technical Director
DIN: 00910224

Place: Hyderabad
Date: 30.05.2016

S K HARI KRISHNA
Executive Director
DIN: 01664260



SCHEDULES FORMING PART OF THE BALANCE SHEET

	(Rupees)	
	As at 31st Mar 2016	As at 31st Mar 2015
I. Non-Current Investments		
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)	815,408	815,408
Equity Shares in State Bank of Travancore (SBT) (Quoted 50 No. of equity shares of Rs. 10/- each in SBT)	30,000	30,000
Total	845,408	845,408
J. Other Non-Current Assets		
Security Deposits with Others	738,743	566,838
Security Deposits with Government Company-TSCPDCL	6,089,989	4,072,246
Security Deposits for Mobile, Internet	98,492	102,840
Total	6,927,224	4,741,924
K. Inventories		
(a) Raw materials	60,761,267	41,687,219
(b) Work-in-progress	16,678,303	17,770,955
(c) Finished Goods	12,158,837	18,995,429
(d) Stores and Spares	2,880,536	2,076,012
(e) Others		
- Coal	1,070,405	3,484,635
- Packing Material	602,023	722,352
Total	94,151,371	84,736,602
L. Trade Receivables		
Trade Receivables		
(a) Unsecured, considered good; - more than 6 months	4,785,572	5,725,111
(b) Others	314,855,728	283,602,479
Total	319,641,300	289,327,590
M. Cash and cash equivalents		
Cash and Cash Equivalents		
(a) Balances with Banks;	1,276,339	2,184,639
(b) Cash on Hand;	341,605	25,286
(c) Others - Fixed Deposits under lien with Bank	8,992,591	8,289,480
Total	10,610,535	10,499,404
N. Short-term loans and advances		
(i) Advances - Unsecured, considered good		
Advances - Capital Goods	2,928,254	2,218,427
Advances - Raw Materials	1,795,120	2,183,184
Advance - Consumables-Coal	6,481,343	5,686,157
Advances - Staff	6,189,710	4,289,039
Advances - Others	6,545,933	7,640,286
(ii) Other Loans and Advances-Unsecured, considered good		
Excess Remuneration to Directors	3,329,002	5,561,426
Other Receivables	1,137,343	1,068,414
Total	28,406,705	28,646,933
O. Other Current Assets		
Cenvat Credit	5,423,740	5,086,684
TDS Receivable	333,339	329,434
Excise Duty Rebate Receivable	7,924,173	409,466
Total	13,681,251	5,825,583
for P. S. N. RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED	
P. RAVI SHANKER Partner	SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031	Dr. S. K. SRIHARI RAJU Managing Director DIN: 01593620
	P. RAMA KRISHNA Chief Financial Officer	A. PARVATISEM Technical Director DIN: 00910224
	NISHA JAIN Company Secretary	S. K. HARI KRISHNA Executive Director DIN: 01664260
Place: Hyderabad Date : 30.05.2016		



SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
P. Revenue from Operations		for the year ended 31st Mar 2016	for the year ended 31st Mar 2015
Sale of products			
- Domestic Sales	821,220,550		848,326,343
Less: Excise Duty	90,426,222		94,317,968
	730,794,328		754,008,375
- Export Sales	261,644,670	992,438,997	304,079,817
Sale of services			
Other operating revenues (Job Work Charges)		2,325,710	1,681,068
Net Turnover		994,764,707	1,059,769,260
Q. Other Income			
Interest Income		1,108,214	1,103,386
Export Incentives		2,311,797	1,935,000
Net Foreign Exchange Gain/(Loss)			
Foreign Exchange Gain	3,088,619		(1,077,926)
Less: Foreign Exchange (Loss)	(2,853,125)	235,494	3,344,657
Total		3,655,505	5,305,117
R. Cost of Raw materials Consumed			
Opening Stock of Raw Materials		41,687,219	34,349,926
Add: Purchase of Raw Materials		636,312,801	700,232,581
Total		678,000,020	734,582,507
Less: Closing Stock of Raw Materials		60,761,267	41,687,219
Net Amount		617,238,753	692,895,288
S. Changes in Inventory of FG			
Opening Stock of Finished Goods	18,995,429		11,965,400
Less: Closing Stock	12,158,837		18,995,429
Net Amount		6,836,592	(7,030,029)
T. Changes in Inventory of WIP			
Opening Stock of Work in progress	17,770,955		34,280,956
Less: Closing Stock	16,678,303		17,770,955
		1,092,652	16,510,001
Net Amount		1,092,652	16,510,001
for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
P.RAVI SHANKER Partner		SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031	Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620
		P.RAMA KRISHNA Chief Financial Officer	A.PARVATISEM Technical Director DIN: 00910224
Place: Hyderabad Date : 30-05-2016		NISHA JAIN Company Secretary	S.K.HARI KRISHNA Executive Director DIN: 01664260

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)	
U. Employee Benefit Expenses	for the year ended 31st Mar 2016		for the year ended 31st Mar 2015
Salaries and Wages	61,864,302		56,505,713
Contribution to provident and other funds	3,414,337		2,846,684
Staff welfare expenses	3,519,647		2,637,799
Statutory and Other Benefits	3,438,618		3,881,304
Total	72,236,904		65,871,501
V. Finance Cost			
Interest	15,609,106		15,371,448
Bills Discounting Charges	8,011,686		10,146,633
Processing, Documentation and other bank charges	2,363,409		1,489,579
Total	25,984,201		27,007,660
W. Depreciation and amortization expense			
- Depreciation on Tangible Fixed Assets	27,277,799		26,716,787
Total	27,277,799		26,716,787
X. Other Expenses			
Payments to the auditor as			
a. auditor	250,000		150,000
b. for taxation matters	50,000		50,000
c. for other services	50,000	350,000	50,000
Total			250,000
Manufacturing Expenses:			
(a) Material Conversion Charges	20,273,770		13,208,120
(b) Stores Consumables	3,150,749		1,152,149
(c) Lab Expenses	7,584,865		6,555,713
(d) Effluent Charges	21,213,368		8,850,577
(e) Power and Fuel	74,154,458		82,687,463
(f) Plant Repairs & Maintenance Charges	39,256,380		32,260,348
(g) Production Contract Charges	19,674,997	185,308,587	19,199,146
Total			163,913,516
Administrative Expenses:			
(a) Conveyance	269,954		219,781
(b) Postage, Telephone Charges	1,018,989		901,426
(c) Rent, Rates & Taxes	1,294,009		1,662,295
(d) Insurance	3,035,263		2,900,949
(e) Security Charges	1,673,668		1,344,802
(f) Consultancy Charges	4,879,568		1,179,383
(g) Office Maintenance	315,969		305,548
(h) Vehicle Maintenance	1,435,593		1,203,857
(i) Other Administrative Expenses	10,443,949	24,366,962	9,877,870
Total			19,595,912
Selling & Distribution Expenses:			
(a) Business Promotion	5,139,630		5,402,664
(b) Travelling Expenses	4,538,363		3,762,206
(c) Postage, Telephone Charges	208,656		143,161
(d) Conveyance-Marketing	257,714		243,133
(e) Commission on Sales	3,955,983		4,143,823
(f) Freight Outward	920,462		1,379,194
(g) Freight Outward on Exports	3,282,327		3,309,792
(h) Packing Material	7,486,606		7,196,732
(i) Other Expenses	731,662		446,902
(j) Bad Debts written off	1,000,000	27,521,403	3,957,685
Total		237,546,953	213,744,721

for P. S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants

P.RAVI SHANKER
Partner

Place: Hyderabad
Date : 30-05-2016

SREERAMAKRISHNA GRANDHI
Audit Committee Chairman
DIN: 06921031

P.RAMA KRISHNA
Chief Financial Officer

NISHA JAIN
Company Secretary

for and on behalf of the Board
EVEREST ORGANICS LIMITED

Dr.S.K.SRIHARI RAJU
Managing Director
DIN: 01593620

A.PARVATISEM
Technical Director
DIN: 00910224

S.K.HARI KRISHNA
Executive Director
DIN: 01664260



NOTES FORMING PART OF THE ACCOUNTS

**NOTES TO ACCOUNTS
EVEREST ORGANICS LIMITED****Note No.Y :****ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS****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 the Institute of Chartered Accountants of India, the relevant provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India (SEBI). The financial statements are presented in Indian rupees rounded off to the nearest rupee.

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

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

b) Use of estimates :

The preparation of the financial statements in conformity with IGAAP requires the 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 recognized 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) Provisions and contingent liabilities :

A provision is recognized if as a result of a past event the company has a present legal obligation that is

**NOTES FORMING PART OF THE ACCOUNTS**

reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Where no reliable estimates can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation that may, but probably will not require an outflow of resources.

e) Current and non-current classification

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

i) Assets:

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

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

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 or at the consideration paid 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 capitalized.

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 capitalized 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 recognized in the statement of profit and loss.

**NOTES FORMING PART OF THE ACCOUNTS****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 prorata basis, with Plant & Machinery considered to be coming under the category of "manufacture of pharmaceuticals and chemicals" accordance with clauses 1 & 2 of Section 123 of the Companies Act, 2013.

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

h) Cash Flow Statement :

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

i) 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.

j) Foreign Currency Transactions :

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

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

k) 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 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.

Further, the company has not provided for leave encashment of about Rs.35.93 lakhs as at 31-03-2016 (previous year Rs. 30.70 lakhs).

**NOTES FORMING PART OF THE ACCOUNTS****l) Earnings per Share :**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. During the year ended 31-03-2016 diluted earnings per share is same as that of the basic earnings per share as the company does not have any dilutive potential equity shares as on that date.

m) 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 31-03-2016 under the Income Tax Act, 1961 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 under income tax Act, 1961. Hence there would arise a deferred tax asset, and on conservative principle, the same is not recognized.

n) Impairment of Assets :

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

4. (i) The Secured Loans from Kotak Mahindra Bank (Note Nos.-C, D & F) with total credit limits of Rs.2314 lakhs (Fund Based: Rs.1754 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 Ac. 35-20 Guntas Sy.Nos.38, 39, 40 and 45, with Buildings thereon in situated at Aroor Village, Sadasivpet Mandal, Medak District, Telangana State, hypothecation of stocks, receivables and other current assets, and also by the personal guarantees of promoter directors and mortgage of the personal immovable properties of the promoters, directors.

(ii) Secured Loans of Rs.212.14 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.878.08 lakhs (previous year Rs. 928.13 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.54.23 lakhs (previous year Rs. 50.87 lakhs) has been shown under the "Current Assets" in the Balance Sheet.

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 31.03.2016 & 31.03.2015 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 31-03-2016 & 31-03-2015 being Rs.386 per share and Rs.436 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

7. Trade Receivables :

(Rs. In lacs)

	As on 31-03-2016	As on 31-03-2015
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment :		
--Unsecured, considered good	47.86	57.25
Aggregate amount of Trade Receivables outstanding for a period not exceeding six months from the date they are due for payment :		
--Unsecured, considered good	3148.55	2836.02
Total :	3196.41	2893.27

8. Other Cash and Cash Equivalents comprising of cash in hand of Rs.3.42 lakhs, Cash at Bank in Current Accounts of Rs.12.76 lakhs, Fixed Deposits (held under lien with the banks in the form of Fixed Deposits) amounting to Rs 89.93 lakhs with maturity of more than 12 months as on 31-03-2016.

9. Foreign Exchange Earnings and Outgo :

(Rs. In Lakhs)

Particulars	2015-16	2014-15
2(A) Earnings in Foreign Exchange :		
Export of goods calculated on FOB Basis	1823.92	1981.09
2(B) Foreign Exchange Outgo		
i) Value of Imports Calculated on CIF Basis in respect of		
-- Raw Material	1379.27	1297.48
-- Capital Goods	--	31.11
ii) Travelling Expenses	27.60	11.27
iii) Sales Commission incurred abroad	26.21	20.69

10. Particulars of Managerial Remuneration (Salary, Allowances, etc.):

(Rupees in lakhs)

Particulars	2015-16	2014-15
Dr.S.K.Srihari Raju (Managing Director)	25.50	24.00
A.Parvatisem(Technical Director)	18.00	12.00
S.K.Hari Krishna (Whole Time Director)	6.75	6.00
TOTAL :	50.25	42.00

During the year the Board of Directors of the Company have enhanced the remuneration to the Managing Director and to two Wholetime Directors of the company w.e.f. 01-01-2016 as under :

- Dr.S.K. Srihari Raju, Managing Director : from Rs.2.00 lakhs p.m. to Rs.2.50 lakhs p.m.
- S.K.Hari Krishna, Wholetime Director : from Rs.0.50 lakhs p.m. to Rs.0.75 lakhs p.m.
- A. Parvatisem has been paid the full remuneration of Rs.1.50 lakhs p.m. as per the prior year's appointment terms.



NOTES FORMING PART OF THE ACCOUNTS

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

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

Year	2015-16			2014-15		
Name of the Product	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
OMEPRAZOLE	180	124	69	180	142	79
CHLORO COMPOUND	300	194	65	300	247	82
BENZIMIDAZOLE	180	158	88	180	160	89
ESOMEPRAZOLE	48	44	92	48	47	98
PANTAPRAZOLE	60	43	72	60	45	74

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

Description	Production (Qty/MTs)		Sales (Qty/MTs)		Sales Value (Rs.in Lacs)	
Name of the Product	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Omeprazole Powder	124.43	141.89	119.36	149.11	2791.74	3,572.16
Benzimidazole	157.49	159.77	79.85	68.80	636.95	491.13
Chloro Compound	193.82	246.79	67.24	77.77	1315.01	1,491.04
Op. Sulphide	198.17	230.08	0.553	2.13	11.89	42.91
Esomeprazole Magnesium	91.44	46.91	46.83	44.21	1908.11	1,906.85
Pantaprazole Sodium	43.41	44.59	43.18	46.74	1869.17	2,215.24
Ammonium Sulphate	551.93	939.43	556.85	511.45	110.705	85.83
Tetralone	34.00	233.55	34.00	233.55	269.59	236.24
Others					1011.22	539.48
Total					9924.39	10580.88

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

	2015-16		2014-15	
Description	(Qty/MTs)	Value (Rs.lacs)	(Qty/MTs)	Value (Rs.lacs)
3, 5 Lutidine	236.73	690.79	271.17	765.09
MDC	447.51	225.59	467.67	278.93
Acetone	388.26	233.22	365.52	317.69
Acetic Acid	174.46	67.59	290.22	144.87
Toluene	354.14	221.63	394.84	325.65
Para Anisidine	67.2	134.04	164.45	312.84
Methanol	626.63	160.21	742.50	218.87
DMS	233.56	64.44	293.11	100.21
APS	7.33	8.83	409.44	237.22
Others		4366.05		4,227.57
Total		6172.39		6,928.95



NOTES FORMING PART OF THE ACCOUNTS

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

Description	2015-16		2014-15	
	Value(Rs. Lacs)	%	Value (Rs. Lacs)	%
Imported	1445.82	23.42%	1,333.97	19.25%
Indigenous	4,726.57	76.58%	5,594.98	80.75%
Total	6172.39	100.00%	6,928.95	100.00%

12. Related Party Transactions:

Party Name	Nature of Transaction	Transaction Amount(Rs)	Closing Bal.(Rs)	Relationship with Key Managerial Person
Virat & Co	Gross Sales made by the company	177,190	10,94,051	One of the Partners of the Firm is the wife of Executive Director of the Company
Virat & Co	Gross Purchases made by the company	26,395,485	2,04,59,805	--do--
A. Parvatisem	Unsecured Loan taken by the Company	--	15,93,000	Technical Director of the Company
Dr.S.K.Srihari Raju	--do--	--	2,23,00,033	Managing Director of the Company
Dr.S.K.Sirisha	--do--	--	19,21,000	Director of the Company
S.K.Seetharama Raju	--do--	--	15,20,900	Director of the Company
S.K. Sudha	Office Rent & Maintenance paid by the company	12,79,859	2,57,149	Wife of Director of the Company
S.K.Hari Krishna	Unsecured Loan taken by the company	10,00,000	40,24,000	Executive Director of the Company
Veerat Finance and Investment Limited	Unsecured loan taken by the company	13,97,300	52,491,345	Two of the Directors of the other Company are relatives of the Managing Director of the Company

**NOTES FORMING PART OF THE ACCOUNTS****13. Contingent Liabilities not provided for:**

1) Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company Rs. 366.13 lakhs (Previous year – Rs. 421.36 lakhs).

2) Bank Guarantees issued by the Kotak Mahindra Bank on behalf of the company Rs.5.00 lakhs.

(Previous year- Rs.5.00 lakhs)

14. Fire Accident and Insurance Claim thereon :

During the year the company met with a Fire Accident on 17-07-2015 at the Production Block-2(Pilot Plant) resulting in loss of Inventories and Fixed Assets. The company lodged the claim with the insurer for the loss of inventories amounting to Rs.99.79 lakhs and for the loss of net block of Fixed Assets amounting to Rs.154.83 lakhs, both covered under Reinstatement Value Clause of the Insurance Policy. Against the same the company received an adhoc payment of the claim amount of Rs.174.85 lakhs. The Net Balance of the assets lost in excess of the claim amount received resulting in the amount of Rs.79.76 lakhs is written off to the Profit & Loss Account. The final settlement of claim in this regard is pending.

15. 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 situated at Aroor (V), Sadasivapet (M), Medak District. The company has filed an appeal with the concerned Pollution Control authorities and also preferred a Miscellaneous Petition at the National Green Tribunal, New Delhi and the company has since then actively made necessary capital expenditure towards the compliances stipulated by the Ministry of Environment and Forestry. The company has submitted to the NGT that the company has improved the ETP facility and other production facilities and achieved the Zero Liquid Discharge state. The Joint inspection team of 6 members constituted by NGT comprising of two officials from Ministry of Environment and Forestry, Government of India, two members from Central Pollution Control Board and two members from the Telangana State Pollution Control Board have inspected the unit for its compliances and submitted report in this regard. The final hearing is pending in this regard.

The company simultaneously applied to the Environmental Engineer, TS Pollution Control Board (TSPCB) for the renewal of Consent For Operations (CFO) for a period of next 5 years from FY 2017-18 to FY 2021-22 and paid the necessary fees for the same. The grant of approval of CFO in this regard is pending from the TSPCB. Presently the Company is operating under the temporary permission granted by the NGT, for which the necessary fees for CFO was already paid by the company till 31-03-2017.

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.

16. Amount due to small scale industrial undertaking during the year ended 31.03.2016 could not be identified as specific information regarding SSI status is not forthcoming from parties.

**NOTES FORMING PART OF THE ACCOUNTS**

17. 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.

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

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

20. 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. RAVI SHANKER)
Partner

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

Sd/-
(NISHA JAIN)
Company Secretary

Place : Hyderabad
Date : 30-05-2016

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

Sd/-
(SREERAMAKRISHNA GRANDHI)
Audit Committee Chairman
DIN : 06921031

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

Sd/-
(A. PARVATISEM)
Technical Director
DIN: 00910224

Sd/-
(S.K.HARI KRISHNA)
Executive Director
DIN: 01664260



CASH FLOW STATEMENT

Everest Organics Limited			
Cash Flow Statement for the year ended 31.03.2016			
(Rs.in Lakhs)			
Particulars		Year Ended 31.03.16	Year Ended 31.03.15
Cash Flow from Operating Activities			
Profit/(Loss) as per Profit & Loss Account		102.06	293.58
Adjustment for Depreciation		272.78	267.17
Provision for Gratuity		7.28	6.68
Interest and Financial Charges paid		259.84	270.08
(Profit)/Loss on sale of fixed asset		-	-
Excess/(Short) provision for Taxation		(0.25)	-
Extraordinary Items		(79.77)	(87.25)
Taxes paid		(4.00)	(41.00)
Interest Earned		(11.08)	(11.03)
Operating Profit/(Loss) before working capital charges		546.86	698.22
Adjustments for:			
(Increase)/Decrease in Trade receivables		(303.14)	(104.87)
(Increase)/Decrease in Inventories		(94.15)	(10.71)
Increase/(Decrease) in Short Term Borrowings		147.92	(272.57)
Increase/(Decrease) in Trade Payables		489.99	169.12
Increase/(Decrease) in Other Current Liabilities		39.07	(82.99)
Increase/(Decrease) in Short Term Provisions		(37.00)	18.00
(Increase)/Decrease in Loans & Advances & Other Current Assets		(76.15)	(11.36)
Cash Generated from Operations		713.41	402.84
Cash Flow from Investing Activities			
Purchase of Fixed Assets including CWIP		(696.26)	(276.50)
Purchase of Investments		(21.85)	11.04
Profit on sale of Fixed Asset		-	-
Interest earned		11.08	11.03
Cash used in Investing Activities		(707.03)	(254.42)
Cash Flow from Financing Activities			
Increase/(Decrease) secured Loans from Banks/Financial Institutions		254.58	117.98
Interest and Financial Charges paid		(259.84)	(270.08)
		(5.27)	(152.10)
Net Increase/(Decrease) in Cash & Cash Equivalents		1.11	(3.68)
Opening Cash & Cash Equivalents		104.99	108.67
Closing Cash & Cash Equivalents		106.10	104.99

AUDITORS CERTIFICATE

We have examined the cash flow statement of M/s. Everest Organics Limited for the year ending 31st March, 2016. 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, 2016, to the Members of the Company.

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

for and on behalf of the Board
EVEREST ORGANICS LIMITED

P.RAVISHANKER
Partner

SREERAMAKRISHNA GRANDHI
Audit Committee Chairman
DIN: 06921031

Dr.S.K.SRIHARI RAJU
Managing Director
DIN: 01593620

P.RAMA KRISHNA
Chief Financial Officer

A.PARVATISEM
Technical Director
DIN: 00910224

Place: Hyderabad
Date : 30.05.2016

NISHA JAIN
Company Secretary

S.K.HARI KRISHNA
Executive Director
DIN: 01664260



EVEREST ORGANICS LIMITED

ARoor VILLAGE, SADASIVAPET MANDAL

MEDAK DISTRICT, TELANGANA – 502 291

CIN NO. L24230TG1993PLC015426

Email id : eolcs0405@gmail.com

Website : www.everestorganicsltd.com

Ph. No. 040-2311 5956/ 40040783, Fax : 040-2311-5954

ATTENDANCE SLIP

(To be present at the entrance)

Regd. Folio : _____

Shares Held : _____

Client ID / DPID :

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

I hereby record my presence at the 23rd Annual General Meeting to be held on Monday, the 29th day of August, 2016 at 3.00 p.m. at Aroor Village , Sadasivapet Mandal, Medak District, Telangana – 502 291, India.

Name of the Shareholders :

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

AROOR VILLAGE, SADASIVAPET MANDALMEDAK DISTRICT – 502 291
TELANGANA, INDIA

CIN NO. L24230TG1993PLC015426

Email id : eolcs0405@gmail.com, Website : www.everestorganicsltd.com

Tel. No. 040-2311 5956/ 40040783, Fax : 040-2311-5954

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the company

Registered Office

Name of the Member(s)

Registered Office

E-mail Id

Folio No /Client ID

DP ID

I/We, being the member(s) of _____ having _____ 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

Signature

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the _____An-
nual General Meeting of the company, to be held on the ____ day of ____ at _____ a.m. / p.m. at
_____ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:



No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Balance Sheet as at March 31st, 2016 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. (Ordinary Resolution)			
2	To appoint a Director in place of Mr. Akella Parvatisem (DIN : 00910224) who retires by rotation and is eligible for re-appointment. (Ordinary Resolution)			
3	To appoint a Director in place of Dr. Sri Kakarlapudi Sirisha (Din : 06921012), who retires by rotation and is eligible for re-appointment. (Ordinary Resolution)			
4	Ratification of Appointment of Auditors, M/s. P. S. N. Ravi Shanker & Associates for the financial year 2016- 2017. (Ordinary Resolution)			
5	Revision in remuneration paid to Dr. Sri Kakarlapudi Srihari Raju (DIN : 01593620) the Managing Director of the Company, with effect from 01.01.2016. (Ordinary Resolution)			
6	Revision in remuneration paid to Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260) the Whole Time Director of the Company, with effect from 01.01.2016. (Ordinary Resolution)			
7	Re-appointment of Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260), Wholetime Director of the Company. (Ordinary Resolution)			
8	Approval of Related Party Transaction with M/s. Veerat Finance & Investment Limited. (Ordinary Resolution)			
9	Approval of Related Party Transaction with M/s. Veerat & Co. (Ordinary Resolution)			
10	Availing a Loan facility from Bankers, Financial Institution and other Persons, Firms, Bodies Corporate. (Special Resolution)			
11	Creation of security on the properties of the Company, both present and future, in favour of lenders. (Special Resolution)			
12	Conversion of unsecured Loan to Equity Share Capital and Equity Warrants of the Company. (Special Resolution)			
13	Approval of Cost Auditor's Remuneration. (Ordinary Resolution)			
14	Ratification of appointment of Mr. Peruri Ramakrishna as Chief Financial Officer of the Company. (Ordinary Resolution)			
15	Allotment of Equity Shares and Equity Warrants of the Company to promoters group and other investors: via Preferential Allotment. (Special Resolution)			

Signed this _____ day of _____ 2016.

Signature of the shareholder _____

Signature of the proxy holder (s) _____

Affix
Revenue
Stamp

80

**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 ORGANICS LIMITED**
Registered Office : Aroor Village, Sadasivapet Mandal, Medak District – 502 291, Telangana, India
CIN : L24230TG1993PLC015426

BALLOT PAPER

S No	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt the Balance Sheet as at March 31st, 2016 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. (Ordinary Resolution)			
2.	To appoint a Director in place of Mr. Akella Parvatisem (DIN : 00910224) who retires by rotation and is eligible for re-appointment. (Ordinary Resolution)			
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6.	Revision in remuneration paid to Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260) the Whole Time Director of the Company, with effect from 01.01.2016. (Ordinary Resolution)			
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9.	Approval of Related Party Transaction with M/s. Veerat & Co. (Ordinary Resolution).			
10.	Availing a Loan facility from Bankers, Financial Institution and other Persons, Firms, Bodies Corporate. (Special Resolution).			
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14.	Ratification of appointment of Mr. Peruri Ramakrishna as Chief Financial Officer of the Company. (Ordinary Resolution)			
15.	Allotment of Equity Shares and Equity Warrants of the Company to promoters group and other investors: via Preferential Allotment. (Special Resolution)			

Place:

Date:

(Signature of the shareholder*)

(*as per Company records)

**Everest Organics Limited****CIN : L24230TG1993PLC015426**

Regd Office : Aroor Village, Sadasivapet Mandal, Medak Medak Telangana 502291 India

Tel No.040-23115956, 40040783 Fax: 91-40-23115954,

Website: www.everestorganicsltd.com; Email id: eolcs0405@ gmail.com

To
The Shareholder
Everest Organics Limited

Date: 30.07.2016

Dear Sir/Madam

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 INE334C01029. 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
E mail id(RTA)	info@vccilindia.com
E mail 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

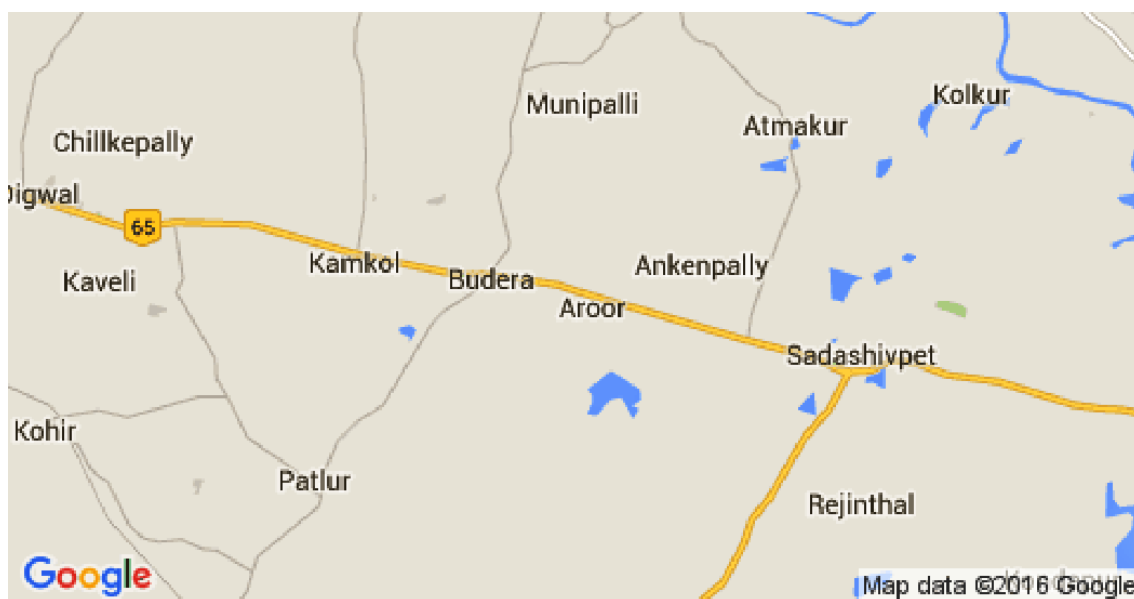
Your earliest response will be highly appreciable.

Thanking You,
Yours Faithfully

For Everest Organics Limited

Sd/-
Nisha Jain
Company Secretary

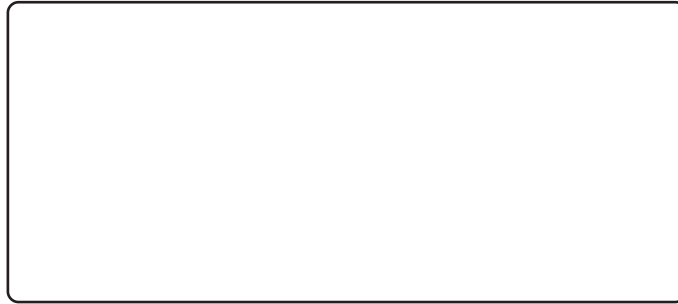
Route Map





EVEREST ORGANICS LIMITED

**PRINTED MATTER
BOOK-POST**



If Undelivered, please return to :

EVEREST ORGANICS LIMITED

Corporate Office :
Plot No.127 & 128, 1st Floor,
Amar Co-op. Society,
Near Durgam Cheruvu, Madhapur,
Hyderabad - 500 033.

