

**21<sup>st</sup>  
Annual Report  
2013- 2014**



**EVEREST ORGANICS LIMITED**



**BOARD OF DIRECTORS**

Mr. G.Raghunandhan	Independent Director
Mr. V.Swaminathan	Director
Mr. K.Rama krishnam Raju	Director
Dr. K.Easwer Reddy	Director
Mr. Raju S Kakarlapudi	Director
Mr.A.Parvatisem	Technical Director
Mr.S.K.Hari Krishna	Executive Director
Dr. S.K.Srihari Raju	Managing Director

**FACTORY & REGISTERED OFFICE ADDRESS**

Aroor Village, Sadasivpet Mandal  
Medak District, Telangana – 502 291  
Telephone: 08455 -250113  
Facsimile: 08455 -250114  
Email Id : [drksraju@yahoo.co.in](mailto:drksraju@yahoo.co.in)  
Website: [www.everestorganicsltd.com](http://www.everestorganicsltd.com)

**CORPORATE OFFICE**

Plot No.127 & 128, 1<sup>st</sup> 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 : [drksraju@yahoo.co.in](mailto:drksraju@yahoo.co.in)  
Website: [www.everestorganicsltd.com](http://www.everestorganicsltd.com)  
CIN NO:L24230TG1993PLC015426

**AUDITORS**

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

**BANKERS**

Kotak Mahindra Bank

**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](mailto:info@vccilindia.com)



## INDEX

<b>S.No.</b>	<b>Particulars</b>	<b>Page No.s</b>
1.	Notice	1
2.	Director's Report	13
3.	Corporate Governance	19
4.	Management Discussion and Analysis Report	29
5.	Annexure to Directors Report - Form A and B	31
6.	Independent Auditor's Report	33
7.	Balance Sheet	38
8.	Statement of Profit and Loss	39
9.	Schedules to Balance Sheet and Profit and Loss	40
10.	Notes forming part of the Accounts	49
11.	Cash flow statement	56
12.	Proxy form and Attendance slip	





**NOTICE**

**NOTICE**

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Company will be held at the Registered Office of the Company situated at Aroor Village, Sadasivpet Mandal, Medak Dist. Telangana - 502 291, on 30<sup>th</sup> July, 2014 at 3.00 P.M. to transact the following businesses.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31<sup>st</sup> March 2014, and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr.K.Easwer Reddy , DIN: 02327979. who retires by rotation and being eligible, offers him self for reappointment.
3. To appoint a Director in place of Sri Sita Rama Raju Kakarlapudi, DIN: 02955723 who retires by rotation and being eligible, offers him self for reappointment.
4. To appoint a Director in place of Sri A.Parvatisem, DIN: 00910224 who retires by rotation and being eligible, offers him self for reappointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED THAT M/s. P.S.N.Ravishanker & Associates, Chartered Accountants, Registration No. 003228S Hyderabad be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company in addition to actual out of pocket expenses incurred by them for the purpose of the Audit.

**SPECIAL BUSINESS:**

6. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



**NOTICE**

7. To Note Reduction Of Share Capital and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Article 53 of the Articles of Association of the Company, and subject to the provisions of Section 66 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and subject to such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the members hereby approve the reduction of its equity from 92,73,000 equity shares of Rs10/- paid up to 33,38,280 shares of face value of Rs.10/- each (the “Capital Reduction”) from the shareholders of the Company on a proportionate basis i.e., 64% of existing paid-up capital which is within the Company’s fully paid-up Equity Share Capital and Free Reserves/ Net Worth as per Audited Balance Sheet as on the March, 2013 and 2014;

“RESOLVED FURTHER THAT such reduction to be utilized for writing off against carried forward losses to the tune of Rs. 511.81 lakhs, being unrepresented asset of the company to give true and fair view of books of accounts.”

“RESOLVED FURTHER that the Board of Directors (which expression includes a Committee of Directors of the Company constituted for this purpose) be and is authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Capital Reduction, carry out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of bank accounts, declaration of solvency, extinguishment of share certificates required to be filed in connection with the Capital Reduction on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Capital Reduction to the Registrar of Companies or other authorities.”

“RESOLVED FURTHER THAT Mr. Dr.S.K.Srihari Raju and Mr. S.K.Hari Krishna, directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion, deem necessary, expedient, usual or proper for giving effect to and implementing the Capital Reduction, including but not limited to:

- (a) opening, operation and closure of all necessary accounts including bank accounts for the purpose of payment and authorizing persons to operate the said accounts;
- (b) making all applications to, and filings with, the appropriate authorities for their requisite approvals including approvals, as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under;
- (c) Extinguishment of share certificates and filing of certificates of extinguishment required to be filed in connection with the Capital Reduction on behalf of the Company and/or the Board;



**NOTICE**

- (d) to settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Capital Reduction;
- (e) sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Capital Reduction;
- (f) execution of documents under the Common Seal of the Company as may be required;
- (g) Engage/appoint lawyer/ consultant/adviser, etc. for the purpose of filing of the application/ petition and representation before the High Court;
- (h) File Application / Petition with the High Court or any other relevant authority for seeking directions/approval in relation to the said reduction of capital;
- (i) Make such alterations and changes and/or modifications in the said Application/Petition as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the concerned Hon'ble High Court, Stock exchanges, SEBI or any other authority;
- (j) To swear and depose affidavits;
- (k) To sign all applications, petitions, vakalatnama and other documents; and
- (l) To do all acts and things as may be considered necessary and expedient in relation thereto for affecting reduction of capital.

**BY ORDER OF THE BOARD  
FOR EVEREST ORGANICS LTD**

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

Place: Hyderabad  
Date: 31.05.2014



**NOTICE**

**Notes :**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy should be a 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 resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Shares Transfer Register and the Register of Members of the Company will remain closed from 28<sup>th</sup> July, 2014 to 30<sup>th</sup> July, 2014 (both days inclusive) in connection with the Annual General Meeting.
9. Members who hold their shares in dematerialized form are requested to bring their Client ID and DP numbers for easy identification of attendance at the meeting.
10. Shareholders are requested to intimate immediately any change in their address and bank account details registered with the Company in case of physical holders and in case of demat holders to their DP holders directly.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Retirement of Directors by rotation:  
Mr. Dr.K.Easwer Reddy, Director of the Company retires by rotation at the Annual General Meeting and being eligible, offers himself for reappointment.



**NOTICE**

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

Mr. A.Parvatisem, 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.K.Easwer Reddy, Mr. Sita Rama Raju Kakarlapudi and Mr. A.Parvatisem .

13. Voting through electronic means;

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the 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 Securities Depository Limited (CSDL).

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](http://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](http://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 Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	



**NOTICE**

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Foilo Number 1 then enter RA00000001 in the PAN field.

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

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (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.



**NOTICE**

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 <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The e-voting period commences on 22<sup>nd</sup> July 2014 (9:00 am) and ends on 24<sup>th</sup> July, 2014(6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30.06. 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 30.06. 2014.

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

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

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](http://www.everestorganicsltd.com) in and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours 9.00am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company

By order of the Board

For **EVEREST ORGANICS LIMITED**

Sd/-

**Dr.S.K.Srihari Raju**  
Managing Director

Place: Hyderabad

Date: 31.05.2014



**NOTICE**

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

**The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:**

**Item No. 6 : To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015**

Mr.Sativada Venkata Rao, Cost accountant is reappointed as Cost Auditor of the Company for the factory of Everest Organics Limited for the Financial Year 2014-15, subject to the approval of the Central Government.

Mr.Sativada Venkata Rao, Cost accountant, have expressed their willingness to conduct the Cost Audit of the Company for the year 2014-2015, and have also certified that the reappointment, if made, will be within the limits specified under section 141(3)(g) read with section 148(3) of the Companies Act, 2013.

The Board, Pursuant to recommendations of the Audit Committee, considered the reappointment of Mr.Sativada Venkata Rao Cost Accountant, subject to the approval of the Central Government as the Cost Auditor for the financial year 2014-2015 at a fee of Rs. 35,000/- per annum for all the products put together plus out of pocket expenses for the visits to the factories and service tax, if any, and passed the following resolutions:

RESOLVED THAT subject to the approval of the Central Government, Mr.Sativada Venkata Rao, Cost Accountant, be and are here by reappointed as the Cost Auditor to conduct the Cost Audit in respect of the Company’s products for the Financial Year 2014-15 at such aggregate fees as recommended by the Audit committee plus out of pocket expenses for the visits to the factory and service tax, if any.

“RESOLVED FURTHER THAT Sri Dr. S.K.Srihari Raju, Managing Director of the Company, be and are hereby authorized severally to make necessary applications to the central Government and to do all acts, deeds and things, as may be necessary for seeking the approval for the aforesaid reappointment of the Cost Auditor by the Central Government.”

**Item No. 7 – Reduction of share capital:**

In accordance with the Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 read with Circular No.CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 issued by SEBI, the Complaints Report and Observation Letter of the stock exchanges are enclosed herewith to the Notice.

The copies of the following documents will be open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11 :00 A.M. to 1:00 P.M.:

- Memorandum and Articles of Association of the Company.
- The audited balance sheet and profit and loss account of the Company for the year ended March 31, 2013 and March 31, 2014.
- Compliants Report submitted by the Company with the Stock exchanges.
- Valuation Certificate-of the company (Reduction of Capital).



**NOTICE**

- Fairness Opinion by merchant banker on the proposed reduction of capital
- Copies of the letters dated 23<sup>rd</sup> May, 2014 of the BSE Limited respectively granting No-objection/ observation letter to the reduction of capital
- Notice to equity shareholders and the Explanatory Statement, copies of which may be obtained Free of cost.

**1. SALIENT FEATURES OF THE REDUCTION OF CAPITAL:**

The Company has been able to generate marginal profits for past couple of years due to business slack and inadequate working capital facilities. The accumulated losses of the Company as on 31<sup>st</sup> March 2013 which amounted to Rs. 59,856,102/- (Rupees Five Crores Ninty Eight Lakhs Fifty Six Thousand One Hundred and Two only) as on 31.03.2013 has wiped off almost the net worth of the Company. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed Scheme would enable the company to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistance in order to develop its' business and thereby increase its net worth to enhance the stakeholders' value

In view of the accumulated losses and erosion of more than 64.54% Net worth, the Company is not in a position to undertake any projects of manufacturing, trading or Exports of Pharma related and other goods, and also due to paucity of working capital, the Company has also not been able to raise any loans from Financial Institutions, which is essential for expanding its business activities.

The company has proposed to Reduce 64% of its Existing capital that is to be set off against the carry forward losses.

After reduction and reconsolidation and after considering the treatment of fractional shares, the share capital of the company will not be exceeded 33,38,280 fully paid equity shares of Rs.10/- each aggregating to Rs. 3,33,82,800/-.

The Appointed date from the Scheme has been proposed to be 1<sup>st</sup> April, 2013 or such other date as may be approved by the Hon'ble High Court of Judicature at Hyderabad.

The resolution is subject to confirmation of the Hon'ble High Court of Judicature at Hyderabad.

**2. NO-OBJECTION / OBSERVATION LETTER FROM THE STOCK EXCHANGES**

In terms of clause 24(f) of the Listing Agreement, the Company, being a listed company, was required to file an application with the stock exchange for obtaining No-Objection/ Observation Letter to the reduction of capital at least 30 days before the date of filing of the application with the Hon'ble High Court. The company has applied to BSE Ltd on March 19<sup>th</sup> 2014 for the NOC for Draft Scheme of Capital Reduction The BSE Limited have vide their letters dated 23<sup>rd</sup> May, 2014, issued No-Objection Letter/ Observation Letter for the reduction of capital.

**NOTICE****3. DETAILS OF SHAREHOLDINGS OF EXECUTIVE DIRECTORS IN THE COMPANY**

The share holding of Directors in the company as on date of filing application for NOC to BSE:

S.No	Name	Number of Shares
1.	Sri Dr.S.K.Srihari Raju	7,22,000
2.	Sri Sita Rama Raju Kakarlapudi	3,15,300
3.	Sri S.K.Hari Krishna	3,500

**4. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY**

Capital Structure	Amt in Rs.	
	Pre Reduction	Post Reduction
Authorized	10,00,00,000	10,00,00,000
Subscribed & Paidup	9,27,30,000	3,33,82,800

**Share holding pattern**

Particulars	Pre Redution of capital		Post Reduction of Capital	
	No Of Shares held	% of Share Holding	No Of Shares held	% of Share Holding
Promoter and Promoter Group	30,80,700	33.22	11,09,052	33.22
Non Promoters	61,92,300	66.78	22,29,228	66.78

**5. FAIRNESS OPINION FROM MERCHANT BANKER**

Merchant Banker has certified that pursuant to Clause 24 of the listing agreement and SEBI circular dated 23<sup>rd</sup> May, 2014, they have reviewed the proposed application for reduction of capital and the valuation certificate of the company (Reduction of Capital) and believe it to be fair and reasonable from a commercial and financial point of view to the holders of equity shares of the Company.

- No investigation proceedings are pending under Section 235 to Section 251 or any other provisions of the Companies Act, 1956 against the company.
- The Corporate office of the Company is situated in Hyderabad, therefore the Company would file an application for the approval of the reduction of capital before the High Court of Judicature of Telangana at Hyderabad on passing the Special Resolution.
- The Company shall file a certified copy of the Order of the Hon'ble High Court sanctioning the reduction of capital with the Registrar of Companies, Hyderabad.

The Board of Directors of the Company recommends to the shareholders for passing the proposed special resolution.



NOTICE

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com  
Corporate Identity Number (CIN) of BSE - U67120MH2005PLC155188



DCS/COMP/VK/30/2014-15

The Company Secretary  
Everest Organics Limited,  
Aror Village,  
Sadasivapet Mandal,  
Medak,  
Andhra Pradesh-502291

May 23, 2014

Dear Sir/Madam,

**Sub: Observation letter regarding the draft scheme of Arrangement filed by Everest Organics Limited for reduction of its share capital.**

We are in receipt of draft Scheme of Arrangement for Reduction of Share Capital filed by Everest Organics Limited

The Exchange has noted the confirmation given by Company stating that the scheme does not in any way violate or override or circumscribe the provisions of SEBI Act 1992, the Securities Contracts (Regulations) Act, 1956, the Depositories Act, 1996, the Companies Act 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated May 23, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***The Company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing /delisting /continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit and also mention the same in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye- laws and Regulations of the Exchange, Listing Agreement, Guidelines, Regulations issued by statutory authorities.

Yours Faithfully

Netra Sahani  
Assistant General Manager

Shyam Bhagirath  
Deputy Manager



NOTICE



# EVEREST ORGANICS LIMITED

Corporate office: # 1<sup>st</sup> Floor, Plot No. 127 & 128, Amar Co-operative Society,  
Opp Madhapur Police Station Rd, Near Durgam Cheruvu, Madhapur, Hyderabad-500033  
Tel: +91-40-23115956, 40040783, Fax: +91-40-23115954  
E-Mail: sirisha@everestorganicsltd.com  
CIN NO: L24230AP1993PLC015426

## ANNEXURE III

Complaints Report from 9<sup>th</sup> April 2014 to 30<sup>th</sup> April 2014.

### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	NA	NA

For Everest Organic Limited

  
Director

Date: 30/04/2014



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

**DIRECTORS' REPORT**

Dear Members

Your Directors present herewith the 21<sup>ST</sup> Annual Report and the audited accounts for the year ended 31<sup>st</sup> March 2014.

**1. RESULTS OF OUR OPERATIONS : (Rs.in.Lakhs)**

Particulars	2013-14	2012-13
Turnover (including other income)	9675.06	7979.94
<b>Profit before Tax</b>	109.75	94.05
Lees: Tax Expenses	23.00	21.00
<b>Profit after Tax</b>	86.75	73.05
Profit Carried to Balance Sheet	86.75	73.05

**REVIEW OF OPERATIONS FOR THE FINANCIAL YEAR 2013-14**

The operations have improved substantially during the year 2013 – 2014 by 21 %. The turnover has increased from Rs.79.80 crores to Rs. 96.57 crores. The improvement in business is mainly due to expanded capacities which will further improve in the next financial year. Effective use of manpower and machinery also contributed to the increase to a significant extent. However,

1. Increase in Employee Cost by about 23%,
2. Increase in Admin Cost by about 43% and
3. The increase in power and fuel cost (including incremental effects therein) in relation to the turnover by about 55%,

have contributed to lower percentage of profit vis-a-vis 2012-13. However, the net profit as quantum has increased from Rs.73.00 lakhs to Rs.84.00 lakhs.

The power & Fuel have significantly and unusually have shot up during the year because of the power deficit situation in the state.

**2. APPROPRIATIONS :**

Dividend :

As there are inadequate profits and marginal operational surplus during this year your directors do not propose any dividend during the year. Further with the steps to restructure the company's balance sheet, directors are happy to inform you that company shall shortly reward its shareholders in due course.

Transfer to reserves:

The accounts of the company are prepared on a going concern basis, pending approval of scheme of capital restructuring from shareholders and Hon'ble High Court. The Board is proposed to be retained the profit in the statement of profit and Loss account.

**DIRECTORS' REPORT****3. Deposits:**

During the year under review, the Company has not accepted any deposits from public within the meaning of section 58A of the Companies act, 1956 and the rules made there under.

However, the said unsecured loans, as mentioned in the clauses 3 & 6 of the "Statement referred to in the Auditors' Report" under the Independent Auditors' Report given under the CARO, 2003, taken / accepted and held, totally amounting to Rs.884.20 lakhs as at 31-03-2014 (Previous Year Rs.781.28 lakhs of which Rs.700 lakhs shown under Share Application Money and Rs.81.28 lakhs shown under unsecured loans), out of which an amount of Rs.247.21 lakhs (Previous Year Rs.134.17 lakhs) is from the Directors and their relatives and an amount of Rs.346.97 lakhs (Previous Year Rs.286.56 lakhs) is from an NBFC and Rs.19.85 lakhs in the form of Security Deposits from Employees, all coming under the category of promoters, their friends, relatives, employees and sister concerns and these unsecured loans (Previous year share application money) were earlier brought into the company from time to time to meet the then financial obligations of the company to the then Financial Institutions/Banks.

**4. CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of listing Agreement, your Company has to mandatorily comply with the requirements of Corporate Governance. A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions on Corporate Governance, form part of the Annual Report.

Board Of Directors:

As per the provisions of the Companies Act, 2013 Dr.K.Easwer Reddy, Mr. Sita Rama Raju Kakarlapudi and Mr. A.Parvatisem are retiring by rotation at the ensuing Annual General Meeting and being eligible, seek reappointment. The Board of directors recommend their re appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors would like to inform the members that the Audited Annual Accounts for the year ended 31<sup>st</sup> March 2014 are fully in conformity with the requirements of Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the companies Act, 2013 in terms of the General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs). The Directors further confirm that:

- a. in preparation of the Annual Accounts the applicable Accounting Standards have been followed with proper explanation wherever required.
- b. The Directors have selected such accounting polices and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for that period.
- c. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities.



**DIRECTORS' REPORT**

d. The directors have prepared the Annual Accounts on a going concern basis.

**5. Management Discussion Analysis:**

Management Discussions on the following heads and Analysis is annexed to this Report.

- a). General Pharma Industrial Scenario
- b). Opportunities for the Company
- c). Outlook for Financial Year 2014-15
- d). Internal controls systems
- e). Human Resource Development and industry relations

**6. Human resources management :**

Human resources of the Company across all sections contributed significantly towards better performance and look forward for higher growth. Detailed report annexed.

The Company did not lose any of its key personnel during the year. The employees' morale is high and adequate steps are being taken for continuous training of staff in new technologies to take up challenging assignments. All the employees have been duly insured.

Particulars of employees:

None of the employees are covered under Sec.217 (2A) of the Companies Act, 1956 read with companies (Particulars of the employees) Rules, 1975 and forming part of the Directors Report for the Accounting year 2013-14.

**7. AUDITORS:**

The Statutory Auditors of your Company M/s. P.S.N.Ravishanker & Associates, Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed.

Auditors' Report:

The explanations for the observations made by the auditors under the clauses 3 & 6 of the "Statement referred to in the Auditors' Report(CARO Report)" are given under the head Deposits in Para 3 of the Directors' Report.

Explanation on observation in clause-1 of CARO : The company is updating the Fixed Assets register.

Explanation on observation in clause-4 of CARO : The internal controls are being continuously monitored and are being improved and are reviewed by the Audit Committee.

Explanation on observation in clause-7 of CARO : The company has introduced Formal Internal Audit System from the current year onwards.

Explanation on observation in clause-9 of CARO : The company is always making efforts to pay the statutory dues on priority basis, in spite of the financial difficulties and the effort to pay the statutory dues on timely basis will continue.

**DIRECTORS' REPORT**

Explanation on observation in clause-16 of CARO : There is continuous improvement in the liquidity position of the company. This is expected to further improve from year to year with the improvement in the performance of the company. The company is also making efforts to obtain funds from long term sources to improve the liquidity position.

The Notes on account, details the information on the other explanations that may be required on the observations in the auditors report, as resquired under Section 217(3) of the Companies Act, 1956.

**8. Corporate social responsibility :**

Over the years we have been striving to achieve a fine balance of economic environmental and social imperatives while also paying attention to the needs and expectations of our internal as well as external stake holders. Our corporate social responsibility is not limited to philanthropy but also to encompasses holistic community development, institution building and sustainability related initiatives.

As per the Companies Act, 2013 all companies having net worth of Rs. 500 crores or more or having a turnover of Rs. 1000 crores or more or a net profit of Rs. 5 crores or more during financial year will be required to constitute a corporate social responsibility (CSR) committee of the board of directors comprising three or more directors, at least one of whom will be an independent director.

Aligning with the guidelines, we have constituted a committee comprising of Mr. Parvatisem, Mr. S.K. Hari Krishna, Mr. G.S.S.R.Sarma, P.S.Manyam, Ch.Ramesh.

The committee is responsible for formulating and monitoring the CSR policy of the company. The committee has adopted a policy that intends to

Strive for economic development that positively impacts the society at large with a minimal resource footprint.

Be responsible for the corporation's actions and encourage a positive impact through its activities on the environment, communities and share holders.

Even though we do not fall in the above limits, the company is planning to constitute the CSR committee as part of good corporate governance

We have installed RO system plants in Aroor Village and Konapur Village at cost of Rs.18 lakhs. To provided safe drinking water to the respective village people. We are also paying salaries to 6 teachers who are working in Aroor and Konapur Villages.

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

Information U/S 217/(i)(e) of the Companies Act, 1956 read within the report of the Board of Directors Rules, 1988 and forming part of Directors' report.

**A. Details of Conservation of energy:**

Company's operations at the factory are energy intensive. The Company is taking adequate measures to reduce energy consumption by adopting new technologies. It has installed VFDs for high rating motors which uses direct drive gearbox's for energy conservation. The company is also looking for other alternate options to reduce the power cost. It has

**DIRECTORS' REPORT**

entered into a PPA with solar power producer CIRUS SOLAR PRIVATE LTD and also looking for alternatives to buy power in open access.

**B. Foreign Exchange Earnings and outgo:**

Total foreign exchange earnings during the year was Rs. 1498.13 Lakhs (Previous year Rs. 1264.43 lakhs) and foreign exchange outgo was Rs. 1045.81 lakhs (Previous year Rs. 1008.42 lakhs)

**10. INSURANCE:**

Insurance policies taken by the company on behalf of company and on behalf of the employees, list of the same as given below.

Name of the Insurance Company	Policy No	Items Insured	Risk Covered	Sum Insured In Lakhs	Valid Up to
Marine Cargo Policy	0830000269	Import of RM, Packing Mat., SFG, Other Materials related to assured's activity, domestic purchases, sales, exports, inter factory/deposts or jobworker premises	Voyage/transit	12000.00	12-01-2015
Standard fire And special Perils policy	612200111 40100000193	Buildings, P&M, Furniture And Fittings, Computers, Materials, Semi Finished And Finished goods,stock In process, consumables, Spares, stores, packing Material Goods held in trust 15 crs	Chemical Manufacturing (using materials With flash Point below 32OC)	7550.00	07-05-2015
Business Interruption (Fire) Policy	61220011 14050000 0017	Occupied as bulk drug Manufacturing unit Located at aror village, Sadashivpet mandal,	Gross profit-200000000	200.00	07-05-2015
Public Liability(Act) Policy	OG-14-1801 -3304-0000 0008	Accident due to the Insured Owner's Handling Hazardous substances	Aggregate Limit of Indemnity During the Policy period	1500.00	27-02-2015
Personal Accident Insurance	61220042 140100000 030	Employees(319 employees)	Personal Accident	As per Policy (Based on salary)	05-05-2015
Group Mediclaim (Floater)	OG-15-1801- 8403- 00000005	Employees + Spouse+ 3 children	Group Mediclaim Policy For Employees +spouse+ 3 dependent Children	335.00	05-05-2015
Workmen Compensation	OG-15-1801 2801- 00000119	Coverage as per workmen Compensation act-1923 And subsequent Amendments of the said Act	120 Contract Workers	108.00	05-05-2015



**DIRECTORS' REPORT**

**11. LISTING OF SHARES IN STOCK EXCHANGES:**

The Equity Shares of the Company are listed at Mumbai Stock Exchange. Presently trading had been suspended. A consultant had been appointed to get the suspension of trading revoked and same is hopefully expected to be completed in six to nine months.

**12. INDUSTRIAL RELATIONS:**

Industrial relations have been cordial and your Directors appreciate the sincere and efficient services rendered by the employees of the Company at all levels towards the successful working of the Company.

**13. PROMOTERS CONTRIBUTION:**

In order to tide over financial tightness faced by Company, the promoters have from time to time, infused unsecured loans to company aggregated to Rs.884 lakhs.

However the said amount has been shown in the Balance Sheet under various heads in terms of accounting standards as details below:

- |  |               |
|--|---------------|
| 1. Long Term Borrowings - Unsecured Loans  | Rs. 613 lakhs |
| 2. Short Term Borrowings – Unsecured Loans | Rs. 271 lakhs |

**14. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their sincere thanks to all those who have supported your Company's all round activities and contributed towards growth, particularly Members, Bankers, Government Agencies, customers and all others involved with the Company.

By Order of the Board of Directors  
Of Everest Organics Limited

Sd/-  
**S.K. Srihari Raju**  
Managing Director

Sd/-  
**S.K. Hari Krishna**  
Executive Director

Place: Hyderabad  
Date: 31.05.2014

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

In terms of Clause 49 of the listing agreement, compliance with the requirement of Corporate Governance is set out below.

Company's philosophy on Corporate Governance:

The Company is in full compliance with the requirements under clause 49 of the listing agreement with the Stock Exchange.

Board of Directors:

Composition and Category:

The Company has an optimum combination of Executive and Non-Executive Directors. The Board comprises of three whole time Directors and five non-executive Directors. Two Out of eight are the independent non-executive directors and Chairman of the Company is Non-Executive. Accordingly, the composition of the Board is in conformity with the listing agreement of stock exchange. All independent Non-Executive Directors comply with the legal requirements of being "independent".

The Composition of the Board and other relevant details relating to Directors are given below:

S.No.	Name of the Director	Category	Designation	*No. of Memberships of other Committees/ committee chairmanships
1.	Mr.G.Raghunandhan	Independent Director	Independent Director	Nil
2.	Mr.V.Swaminathan	Independent Non-Executive Director	Independent Director	Nil
3.	Mr.K.Rama Krishna Raju	Independent Non-Executive Director	Independent Director	Nil
4.	Dr.K.Easwer Reddy	Promoter Non-Executive Director	Director	Nil
5.	Mr. Raju S.Kakarlapudi	Promoter Non-Executive Director	Director	Nil
6.	Mr.A.Parvatisem	Independent Executive Director	Technical Director	Nil
7.	Mr.S.K.Hari Krishna	Promoter Executive Director	Executive Director	Nil
8.	Dr.S.K.Srihari Raju	Promoter Executive Director	Managing Director	Nil

\* Directorship details exclude private companies, foreign companies and alternate directorships. Membership/Chairmanship of only Audit Committee and Shareholders Grievance Committee has been considered.

**CORPORATE GOVERNANCE**

Details of Board Meetings and Attendance :

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors at least two days before the meeting.

During the financial year, Board of Directors of the Company met 6 times on 30.05.2013, 14.08.2013, 11.11.2013, 06.02.2014, 07.03.2014 and 19.03.2014. The attendance details of the directors at the Board Meetings and last Annual General Meeting is as follows:

S.No.	Name of the Director	Number of Meetings held	No. of Meetings attended	Whether attended the AGM held on 25 <sup>th</sup> September , 2013.
1	Mr.G.Raghunandhan	6	0	No
2.	Mr.V.Swaminathan	6	6	Yes
3.	Mr.K.Rama Krishna Raju	6	6	Yes
4.	Dr.K.Eswar Reddy	6	0	No
5.	Mr. Raju S.Kakarlapudi	6	3	No
6.	Mr.A.Parvatisem	6	6	Yes
7.	Mr.S.K.Hari Krishna	6	6	Yes
8.	Dr.S.K.Srihari Raju	6	6	Yes
9.	Mr.M.Bangara Raju	3	1	No

**BOARD COMMITTEES:****AUDIT COMMITTEE:**

Our Audit Committee comprises three directors Sri.V.Swaminathan, Sri. A. Parvatisem (Mr. M Bangara Raju till 11.11.2013) And Sri K. Rama Krishnam Raju. Sri. K.Rama Krishnam Raju will act as Chairman of the Audit Committee.

The primary objective of the audit committee is to :

- a. Oversee of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible.
- b. Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the Statutory Auditor and the fixation of the Audit Fees.
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. Review with the management, the annual financial statements before submission to the Board for approval with particular reference to :
  - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.



**CORPORATE GOVERNANCE**

- ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgement by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - iv. Compliance with listing and other legal requirements relating to financial statements.
  - v. Disclosure of any related party transactions.
  - vi. Qualifications in the draft audit report.
- e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  - f. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control system.
  - g. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - i. Discussion with statutory auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - j. To look into the reasons for substantial defaults in the payment to share holders (in case of non payment of declared dividends) and creditors.
  - k. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
  - l. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Review of information by Audit Committee:**

The Audit Committee shall mandatorily review the following information:

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

Audit committee attendance :

Six Audit Committee meetings were held during the year on 30.05.2013, 14.08.2013, 11.11.2013, 06.02.2014, 07.03.2014 and 19.03.2014. The Audit Committee meetings were held at the Corporate Office and usually attended by the finance head, internal auditor and the Statutory Auditors.

**CORPORATE GOVERNANCE**

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

Name	No of meetings held	attended
Sri.V.Swaminathan	6	6
Sri. M. Bangara raju(1)	1	1
Sri. A. Parvatisem (2)	3	3
Sir. K. Rama Krishna Raju	6	6

1—ceased to be director since 11.11.2013.

2—appointed as audit committee member since 11.11.2013

**Remuneration Committee:**

The Remuneration Committee Comprises of Sri K. Rama Krishnam Raju, Sri V. Swaminathan and Sri S.K. Hari Krishna. Sri K. Rama Krishnam Raju will act as Chairman.

**i. Brief description of terms of reference:**

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

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

**Remuneration Policy for Directors:**

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

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2013-2014.

S.No.	Name of Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
1.	Mr.G.Raghunadhan	Independent Director	-	-	-	-
2.	Mr.V.Swaminathan	Director	-	-	60,000	60,000
3.	Mr.K.Rama Krishnam Raju	Director	-	-	60,000	60,000
4.	Dr.K.Easwer Reddy	Director	-	-	10,000	10,000
5.	Mr.Raju S Kakarlapudi	Director	-	-	30,000	30,000
6.	Mr. A.Parvatisem	Technical Director	18,00,000	-	-	18,00,000
7.	Mr.S.K.Hari krishna	Executive Director	5,30,000	-	-	5,30,000
8.	Mr.M.Bangara Raju	Independent Director	-	-	-	-
9.	Dr. S.K.Srihari Raju	Managing Director	9,70,000	-	-	9,70,000

**CORPORATE GOVERNANCE**

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

**Service Contract, Notice period, Severance fees :**

There are no specific contracts or any severance fees. Terms of appointment are as decided by the Board.

Stock Option Details: NIL.

**Share Transfer Committee:**

The Share Transfer Committee is formed with Sri S.K.Hari krishna, Sri V.Swaminathan and Mr. A. Parvatisem (Sri. M.Bangara Raju till 11.11.2013) as Members and meets monthly or as and when required at short notice also. Sri. S.K.Hari krishna will act as Chairman of the Share transfer Committee. No share transfers are pending as on date.

The functions of the committee(s) include:

To specifically look into redressing investors' grievances pertaining to:

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

The subcommittee will also focus on strengthening investor relations.

**Investors Grievance Committee:**

The committee consists of Mr. A. Parvatisem (Sri. M.Bangara Raju till 11.11.2013), Sri V.Swaminathan and Sri S.K.Hari krishna as Members. Sri. A. Parvatisem will act as Chairman of the Committee and Sri. S.K. Srihari Raju is the compliance officer and the address is Plot No.127 & 128, Amar Co.Op.Society., Madhapur, Hyderabad – 500 033. It deals with complaints of share holders on a regular basis. All the complaints have been solved to the satisfaction of the members concerned and no Complaints are pending as on date.

**Annual General Body Meetings:**

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

Year	Location	Date	Time
2013	Aroor Village, Sadasivpet Mandal, Medak District, Telangana – 502 291	25.09.2013	3.00 P.M.
2012	Aroor Village, Sadasivpet Mandal, Medak District, Telangana – 502 291	21.09.2012	3.00 P.M.
2011	Aroor Village, Sadasivpet Mandal, Medak District, Telangana – 502 291	23.09.2011	3.00 P.M.

No special resolution is put to vote by postal ballot.

**CORPORATE GOVERNANCE****Other disclosures:**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoter, directors, management and subsidiaries that had a potential conflict with the interest of the Company at large.

The Company has complied with various rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets during the last three years. No penalties have been imposed.

Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of this clause:

All mandatory requirements are scrupulously complied with and non-mandatory requirements are partially adopted.

**Mandatory requirements:**

The Company has scrupulously complied with all the mandatory requirements enumerated in Clause 49 as prescribed relating to i. Board of Directors, ii. Audit Committee iii. Disclosures v. CEO/CFO Certification vi. Report on Corporate Governance and vii. Compliance.

**Accounting Standards and Treatment:**

The Accounting Treatment, as prescribed in the Accounting Standards has been followed in the preparation of financial statements.

**Means of Communication**

The Company regularly intimates Un-audited financial results by keeping in company website immediately after these are taken on record by the Audit Committee and Board of Directors.

**Share Holders Information:****Registered Office**

Aroor Village, Sadasivpet Mandal,  
Medhak District,  
Telangana – 502 291.

**Address for Correspondence**

Plot No.127&128, Amar Co.Op.Society,  
Near Madhapur Police Station Road,  
Madhapur, Hyderabad – 500 033.

**Annual General Meeting: (Date, Time and Venue)**

30.07.2014 at 3 00. P.M.

Admin building, Factory of Everest Organics Ltd,  
Aroor Village, Sadasivpet Mandal,  
Medhak District, Telangana – 502 291.

**Book Closure:**

28.07.2014 to 30.07.2014. (both days inclusive)

**Listing of Shares**

The Stock Exchange, Mumbai

**Registrar Share Transfer Agents:**

M/s.Venture Capital and Corporate Investments Pvt. Ltd.  
12-10-167, Bharat Nagar Colony, Hyderabad – 500 018.

Phone: +91-40-23818475 / 23818476/23868023

Fax: +91-040-23868024

Email: info@vccilindia.com

**CORPORATE GOVERNANCE****Share Transfer System:**

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. Senior executives of the Company are empowered to approve transfer of shares. Grievances received from investors and other miscellaneous correspondence on change of address etc., are processed by the Registrars within 30 days. The Company extends the facility of simultaneous transfer and dematerialization of shares to the shareholders.

Pursuant to clause 47(c) of the listing agreement with the Stock Exchanges, certificates on half yearly basis have been issued by a Company secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (depositories and participants) regulations, 1966, certificates have also been received from a Company secretary in practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company.

**Market Data:** Trading of shares of the Company has not taken place during the year under review in the above stock exchanges.

**Disclosure:**

- a) Materially significant related party transactions of the Company of material nature with its promoters, the directors or the Management their subsidiaries or relatives if that may have potential conflict with the interests of the Company at large:
- b) Details of Non Compliance by the Company, penalties imposed on the Company by Stock **Exchanges, SEBI** or any other statutory authority on any matter related to capital markets during the last three years:

The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties have been imposed against it.

**Distribution of shareholding As on : 31.03.2014.**

Nominal Value Number	No. of Share holders	% of Total	Amount In Rs	% to Total
Upto - 500	9266	88.75	1373072	14.81
501 - 1000	534	5.11	454645	4.90
1001 - 2000	237	2.27	365789	3.94
2001 - 3000	179	1.71	458165	4.94
3001 - 4000	40	0.38	147300	1.59
4001 - 5000	53	0.51	252712	2.73
5001 - 10000	64	0.61	445217	4.80
10001 and above	67	0.64	5776100	62.29
<b>TOTAL</b>	<b>10440</b>	<b>100.00</b>	<b>9273000</b>	<b>100.00</b>



**CORPORATE GOVERNANCE**

**Dematerialization & Liquidity:**

Shares of the Company are under compulsory demat list and nearly 58.87% of total Equity Share Capital was held in dematerialized with NSDL and CDSL as on 31.03.2014.

Identification Number of scrip given by NSDL and CDSL is INE334C01011

**Shareholder General Correspondence:**

The Compliance Officer,  
Everest Organics Limited, Plot No.,127 & 128,  
Amar Co-OP.Society, Near Madhapur Police Station Road,  
Madhapur, Hyderabad – 500 033.





**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 - 502 291.

We have examined the compliance of conditions regarding corporate governance by **M/s EVEREST ORGANICS LIMITED** for the year ended 31<sup>st</sup> March 2014, as stipulated in clause 49 of the listing agreement of the company with stock exchanges. However, it is explained to us by the management that the scrip had been suspended from trading due to non-payment of listing fees and non-submission of financial data to the stock exchange in time for a long time since 2002 and is categorized as "suspended due to penal reasons".

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement, which does not appear to be in vogue, as last traded price was available for 04-01-2002 only.

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

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

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

Chartered Accountants  
Firm Reg No: 003228S

Place : Hyderabad  
Date : 31.05.2014

**Sd/-**  
**(P. RAVI SHANKER)**  
Partner  
ICAI M.No.25288

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A). GENERAL PHARMA INDUSTRIAL SCENARIO:**

The Pharma industry in India is growing at a rate of 15% year on year basis. The global events in the western world have given impetus to further growing to the Pharma Industry in India, both on the domestic front and export front, in the next 5 years, the Global Pharma giants will look more and more towards India for their requirements of API and its advanced intermediates.

**B). OPPORTUNITIES FOR THE COMPANY.**

EOL is poised to focus on exports most of it, in the Asian Countries like Pakistan, Bangladesh, China, Vietnam and Cambodia. EOL is also focusing on filing for Certificate of European Pharmacopeia. EOL has already filed papers with European Authority for Omeprazole and Esomeprazole. We also propose to register Pantoprazole and Fenofibrate.

EOL has reputation as good suppliers of all the products.

EOL is confident of launching 3 more API like Sitagliptine, Pregabalin and Raboprazole.

EOL proposes to register the product in China and Corea as we also are exploring the possibility of transfer the technology to one the Chinese Company.

EOL has absorbed technology under tripartite agreement with Dissymmetrix and Virat & Co for the API, Pregablin. Pregablin would be a good product for future starting from 2016. The company proposed to expand the capacity of Pregablin to 2 to 3 tonns per month.

A copy is available of Tripartite Agreement at the AGM for anybody to verify.

**THREATS:**

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

In terms of environmental protection EOL proposes to plant atleast 2000 plants in this financial year to improve the green belt EOL enhance the capital investment to the extent of Rs.1.5 crores during the year 2014 – 15. on pollution abatement equipment in order to meet "zero discharge" commitment given to APPCB.

**TECHNOLOGICAL ABSORPTION:**

EOL has developed the technology for Pantoprazole and Esomeprazole in the financial year 2013-14 and thereafter has proposed a huge capital expansion in terms of regulatory approval for European Pharmacopeia. The Man power is adequately trained on a constant and continuous basis to absorb the technology and to adopt newer method of solvent recovery recycling of solvents and their further reuse. Two additional products Sitagliptin and Linagliptin are in the offing.

The main focus in this financial year would be on training the Man Power at all levels towards European Certification.

EOL confident of absorbing the technology from Dissymmetrix for commercial gain during the financial year 2014-15.

**C) OUTLOOK FOR FINANICAL YEAR 2014-15:**

Your Company has been making constant steady, but slow progress in terms of turnover, margins & addition of new products.

EOL proposes to embark upon capital restructuring exercise towards augmenting in the balance sheet, and enhancing the shareholder value.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In this financial year 2014-15, the management is confident of achieving a higher turnover of about Rs.110 to 120 Crores with higher margins. The capital expenditure is envisaged to the extent of Rs. 6 to 10 crores in terms of expanding the volume of existing products and adding newer products to augment the bottom line and prepare the company to be audited by EDQM. The capital expenditure would involve solvent recovery system, expanding the volume of Omeprazole production of 20 MT per month and also expanding the capacity of Pantoprazole and Esomeprazole. The proposed capital expenditure also involves general plant upgradation. The management also proposes to augment the utilities and services as well as further capital investment of effluent treatment along with augmentation of quality control equipment.

In a nutshell the management is confident of showing a minimum growth of 25 - 30% year on year basis from the FY 2014-15.

**D) INTERNAL CONTROL & SYSTEMS:**

The internal control systems of the Company are implemented with a view to achieve good ethical culture in the organization. The internal control systems of the Company would ensure that any vulnerability in the achievement of the Company's objectives caused by timely manner and is meted out with appropriate corrective action.

**E) HUMAN RESOURCE DEVELOPMENT AND INDUSTRY RELATIONS**

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

The important things envisaged by our board are:

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

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



**ANNEXURE TO DIRECTORS REPORT**

**FORM -A**

Particulars		Current Year 2013-14	Previous Year 2012-13
A.	Power & Consumption		
1	Electricity	5,388,008	4,325,633
	a) Purchased		
	Units KW/H		
	Total Amount	40,562,364	25,619,707
	Rate/Units	7.53	5.92
	b) Own Generation		
	i) Through Diesel Generator		
	Units KW/H	371,618	583,721
	Diesel Consumed (Litrs)	119,687	206,863
	Total Amount	7,280,460	10,329,754
	Unit per lit.of diesel oil	3.10	2.82
	Cost/Units	19.59	17.70
	ii) Through Steam turbine/generator	Nil	Nil
2	Coal C Grade		
	Quantity (in tonnes)	5,152	5,349
	Total Cost	31,166,704	26,383,325
	Average Rate	6,049	4,933
3	Furnace Oil	Nil	Nil
4	Other/Internal Generation	Nil	Nil
B.	Consumption per unit of production	Nil	Nil
	Standards (if any)		
	PRODUCT (WITH DETAILS) UNITS KGS		
	Omeprazole (incl.pellets)	1,584,073	1,442,850
	Chloro Compound		
	Benzimidazole		
	Electricity (units)	3.40	3.00
	Furnace Oil	Nil	Nil
	Coal (specify quantity) C grade (mts)	5,152	5,349
	Consumption per unit of production	25.61	17.76

**ANNEXURE TO DIRECTORS REPORT****FORM-B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGICAL ABSORPTION ADAPTION AND INNOVATION****A. Research and Development (R&D)****1. Specify areas in which R&D**

Carried out by the Company

- a. Reduction in quantity of effluents :  
Recycle of Raw materials in the process for the cost of reduction
- b. Treatment and disposal of effluents:  
Improvement of yields introduced new products.
- c. Process improvement and adoption to suit export market requirements.
- a. Water content in liquid effluent has come down from as result of R&D efforts the RM cost of products is not increased eventhough the cost of raw materials is increased.

**2. Benefits derived as a result of the above R & D****3. Expenditure on R&D**

- (a) Capital
- (b) Recurring
- (c) Total
- (d) Total R&D expenditure as a percentage of total turnover.

Rs. - 20 Lacks  
Rs. - 127 Lacks  
Rs. - 147 Lacks  
Rs. - 1.53%

**B Efforts in brief, made towards Technology absorption, adoption and innovation.**

Technology for manufacture of existing products fully localised

**1. Benefits derived as result of the above efforts., e.g., production Improvement, cost reduction**

- a. Developed technology for manufacture of new products, and byproduct
- b. The Company generated a revunue of Rs.1.2 Crores out of the bye products

Product development, import Substitution, etc.

- b. Products are ready to start production on commercial scale.

**2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.**

- Not Applicable -

- (a) Technology imported
- (b) Year of Import
- (c) Has technology been fully absorbed?
- (d) If not fully absorbed, areas where this has not taken place reasons therefore and future plans of action

**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 comprises the balance sheet as at 31 March, 2014, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the companies Act 2013 in terms of the General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs) and in accordance with the Accounting principles generally accepted in India. This responsibility includes the design implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**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:



**AUDITORS' REPORT**

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (b) in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that :
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the companies Act 2013 in terms of the General Circular 15/2013 dated 13-09-2013 of the Ministry of Corporate Affairs); and
  - (e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Act.

For **P.S.N. RAVI SHANKER & ASSOCIATES**  
Chartered Accountants  
Firm Regn.No.003228S

Place : Hyderabad,  
Date : 31.05.2014.

Sd/-  
**P. RAVI SHANKER**  
Partner  
Membership No.025288



**AUDITORS' REPORT**

**STATEMENT REFERRED TO IN THE AUDIT REPORT**

1. In respect of the company's Fixed Assets

- a) The records maintained by the company show broad particulars including quantitative details and situation in respect of the fixed assets and the fixed assets register requires 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 particular including quantitative details and situation of fixed assets.
- b) According to the information and explanations furnished to us, the fixed assets of the company have been broadly verified during the year by the management in accordance with a regular programme of verification, which provides for physical verification of the fixed assets at regular intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected status as the going concern of the company.

2. In respect of the company's Inventories :

- a) As explained to us, Physical verification of inventory has been conducted at reasonable intervals by the management during the year in respect of majority of the high value items.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management appear to be generally reasonable and adequate in relation to the size of the company and the nature of its business.
- a) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories in a broad manner and we are informed that no material discrepancies were noticed on physical verification.

3. a) As per the information and explanations furnished to us by the management the Company has not granted any loans, secured or unsecured, to the parties coming under the provision of Sec.301 of the Companies Act, 1956. However, the remuneration drawn by the promoter directors in excess of the limits specified in the Schedule-XIII of the Companies Act, 1956 is to be regularized, amounting to Rs30.30 lakhs.

b) As per the information and explanations furnished to us by the management, out of the total unsecured loans amount, outstanding at Rs.884.20 lakhs as at 31-03-2014 (Previous Year Rs.781.28 lakhs-Rs.700 lakhs shown under Share Application Money and Rs.81.28 lakhs shown under unsecured loans), taken by the company an amount of Rs.247.21 lakhs (Previous Year Rs.134.17 lakhs) is from the Directors and their relatives and an amount of Rs.346.97 lakhs (Previous Year Rs.286.56 lakhs) is from an NBFC in which two of the directors of that company are the relatives of the Managing Director of the company, and accordingly are covered in the register maintained under section 301 of the Act. It is explained to us that there is no specific repayment programme has been fixed in this regard. As explained to us, out of the total unsecured loans of Rs.884.20 lakhs, an amount of Rs.33.86 lakhs carry

**AUDITORS' REPORT**

interest @18% p.a. and the remaining amount of unsecured loans do not carry interest. The rate of interest and other terms and conditions of unsecured loans taken by the company do not, prima facie, appear to be prejudicial to the interest of the company.

4. In our opinion and according to the information and explanations given to us, the internal control procedures existing in the company with regard to purchase of Inventory, Fixed Assets and for the sale of goods, may be further strengthened commensurate with the size of the company and the nature of the business, more particularly in respect of procedures for requisitioning, placing orders, purchasing and making payment of items referred to above and for sale of goods.
5. As per the information and explanations given to us by the management, the transactions that need to be entered into a register in pursuance of the section 301 of the Act have been so entered (Refer to Note No.9 for the details of purchase and sale transactions with the Firm in which the Executive Director has become interested, his spouse being one of the Partners-Related Party Transactions). Each of these transactions appear to have been made at prices, which are reasonable having regard to the prevailing market prices at that relevant time.
6. As per the information and explanations furnished to us, the Company has not accepted any deposits from the Public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sec.58A and Sec.58AA of the Companies Act, 1956 and Rules framed there under apply

However, the company has taken / accepted / held unsecured loans totally amounting to Rs.884.20 lakhs as at 31-03-2014 (Previous Year Rs.781.28 lakhs-Rs.700 lakhs shown under Share Application Money and Rs.81.28 lakhs shown under unsecured loans), out of which an amount of Rs.247.21 lakhs (Previous Year Rs.134.17 lakhs) is from the Directors and their relatives and an amount of Rs.346.97 lakhs (Previous Year Rs.286.56 lakhs) is from an NBFC and Rs.19.85 lakhs in the form of Security Deposits from Employees, all stated to be coming under the category of promoters, their friends, relatives, employees and sister concerns and it has explained to us that the unsecured loans (Previous year share application money) were earlier brought into the company to meet the then financial obligations of the company to the then Financial Institutions/Banks.

7. The Company does not have formal internal audit system during the year, however it's internal control procedures involve reasonable internal checking of its financial records.
8. In our opinion and as per the information and explanations given to us, the stock records maintained by the company, prima facie, appear to meet the specifications given by the Central Government U/s.209(1)(d) of the Companies Act, 1956 in a broad manner. However, the contents of these accounts and records have not been examined by us in detail.
9. The undisputed dues including Provident fund, Employees State Insurance, Income-Tax, Sales-Tax, Excise-Duty, Cesses and other statutory dues have been deposited by the company during the year with the appropriate authorities with some delays. FBT to the tune of Rs.8.55 Lakhs, Service Tax of Rs.2.33 lakhs were outstanding as at 31st March, 2014 for a period of more than 6 months from the date they became payable.
10. The accumulated losses of the company as on 31.03.2014 amounts to Rs.511.81 lakhs (previous year Rs.598.56 lakhs). The accumulated losses at the end of the financial year are not less



**AUDITORS' REPORT**

than fifty percent of its net worth. During the year 2013-14 and the immediately preceding financial year the company has not incurred cash losses.

11. The company has taken loans from a bank and the company, prima facie, does not appear to have defaulted in making the repayment of dues to the Bank. The company has not raised any loans from debenture holders.
12. As per the information and explanations furnished to us, during the year the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As per the information and explanations furnished to us, the company has not dealt with or traded in shares, securities, debentures or other investments during the year.
14. As per the information and explanations furnished to us by the management during the year, the company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
15. The terms loans raised, *prima facie*, appear to have been applied for the purpose for which the loans were obtained.
16. The examination of the Financial Statements, prima facie, indicates that some of the short term funds raised by the company appear to have been used for long term purposes. Due to this reason, the net working capital / Net Current Assets is negative to the tune of Rs.1025.99 lakhs as on 31-03-2014 (Previous year Rs.1502.20 lakhs).
17. As per the information and explanations furnished to us, during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
18. The company has not raised any funds in the form of debentures and hence not created any securities.
19. The company has not raised any funds during the year in the form of public issue.
20. According to the information and explanations furnished to us, during the year, there was no fraud on or by the company that has been noticed or reported to us by the management.
21. The company is governed by the Companies Act, and no other special statute is applicable to the company.
22. The other particulars of this order are not applicable to the company.

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

Chartered Accountants

Place : Hyderabad,  
Date : 31-05-2014.

Sd/-  
**(P. RAVI SHANKER)**  
Partner



**BALANCE SHEET AS AT 31.03.2014**

Name of the Company: Everest Organics Limited					
Balance Sheet as at 31.03.2014					
					(Rupees)
Particulars	Note No.		As at 31.03.14		As at 31.03.13
1	2	3	4	5	6
<b>I. EQUITY AND LIABILITIES</b>					
(1) <b>Shareholders' funds</b>					
(a) Share Capital	A		92,730,000		92,730,000
(b) Reserves and Surplus	B		(51,180,871)		(59,856,102)
(2) Share Application money pending allotment	C		-		7,270,000
(3) <b>Non-Current Liabilities</b>					
(a) Long-term Borrowings	D		101,055,616		46,811,323
(b) Other Long Term Liabilities	E		-		77,541
(4) <b>Current Liabilities</b>					
(a) Short-term Borrowings	F		133,450,278		112,002,316
(b) Trade Payables	G		337,022,551		252,382,013
(c) Other Current Liabilities	H		33,907,257		103,932,263
(d) Short-term provisions	I		7,568,031		8,154,262
<b>Total:</b>			<b>654,552,861</b>		<b>563,503,615</b>
<b>II ASSETS</b>					
<b>Non-Current Assets</b>					
1 (a) <b>Fixed Assets</b>	J				
(i) Tangible Assets		237,940,206		220,670,602	
(ii) Capital-work-in-progress		3,211,197	241,151,403	8,229,094	228,899,697
(b) Non-Current Investments	K		845,408		845,408
(c) Long-term Loans and Advances	L		3,143,631		6,774,685
(d) Other Non-Current Assets	M		63,743		732,942
2 <b>Current Assets</b>					
(a) Inventories	N		83,665,385		84,912,386
(b) Trade Receivables	O		278,840,247		198,482,617
(c) Cash and Cash Equivalents	P		10,867,717		10,436,208
(d) Short-term Loans and Advances	Q		30,699,419		28,940,250
(e) Other Current Assets	R		5,275,907		3,479,423
<b>Total:</b>			<b>654,552,861</b>		<b>563,503,615</b>

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

Sd/-  
P.RAVI SHANKER  
Partner

Place: Hyderabad  
Date : 31.05.2014

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-  
Dr.S.K.SRIHARI RAJU  
Managing Director

Sd/-  
A.PARVATISEM  
Technical Director

Sd/-  
S.K.HARI KRISHNA  
Executive Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****Name of the Company: Everest Organics Limited**

Profit and Loss statement as on 31.03.2014

**(Rupees)**

	Particulars	Note No.	Year ended 31.03.14	Year ended 31.03.13
I.	<u>Revenue from operations</u>	S	960,440,270	796,441,410
II.	<u>Other Income</u>	T	7,065,963	1,939,288
III.	<b>Total Revenue (I + II)</b>		<b>967,506,233</b>	<b>798,380,698</b>
IV.	<b>Expenses:</b>			
	Cost of Materials Consumed	U	665,663,136	564,848,981
	Changes in Inventories of finished goods	V	883,583	(3,601,595)
	Work-in-progress	W	1,220,616	1,404,666
	Employee Benefits Expense	X	57,247,335	46,504,280
	Finance Costs	Y	26,209,272	25,475,120
	Depreciation	Z	22,761,008	21,267,820
	Other Expenses	AA	182,546,051	133,076,330
	<b>Total Expenses</b>		<b>956,531,001</b>	<b>788,975,602</b>
V.	Profit before Exceptional and Extraordinary items and Tax		10,975,232	9,405,096
VI.	Exceptional Items - Excess/(Short) Provision for Taxation		-	-
VII.	Profit before Extraordinary items and Tax (V-VI)		10,975,232	9,405,096
VIII.	Extraordinary Items		-	-
IX.	Profit before Tax (VII-VIII)		10,975,232	9,405,096
X.	Tax Expense: (1) Current Tax		2,300,000	2,100,000
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		8,675,232	7,305,096
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit/(Loss) for the period (XI + XIV)		8,675,232	7,305,096
XVI.	Earnings per equity share:			
	(1) Basic		0.94	0.79
	(2) Diluted		0.94	0.79

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

Sd/-  
P.RAVI SHANKER  
Partner

Place: Hyderabad  
Date : 31.05.2014

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-  
Dr.S.K.SRIHARI RAJU  
Managing Director

Sd/-  
A.PARVATISEM  
Technical Director

Sd/-  
S.K.HARI KRISHNA  
Executive Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)							
A. Share Capital	As at 31st Mar 2014	As at 31 Mar 2013	As at 31 Mar 2013						
<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 &amp; Paid-up Capital</u> 92,73,000 Equity Shares of Rs.10/- each fully paid up	92,730,000		92,730,000						
<b>Total</b>	<b>92,730,000</b>		<b>92,730,000</b>						
<p>Note:1 No.of shares held by individuals/entities each holding morethan 5% of total stake.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">1. Veerat Finance &amp; Investment Co.Ltd.,</td> <td style="width: 20%; text-align: right;">13,12,800 (14.16%)</td> <td style="width: 20%; text-align: right;">13,12,800 (14.16%)</td> </tr> <tr> <td>2. Dr.S.K.Srihari Raju</td> <td style="text-align: right;">7,22,000 (7.79%)</td> <td style="text-align: right;">7,22,000 (7.79%)</td> </tr> </table> <p>Note: 2. There is no restriction on transferability of shares (presently the shares are delisted on the share market).</p> <p>Note: 3</p>				1. Veerat Finance & Investment Co.Ltd.,	13,12,800 (14.16%)	13,12,800 (14.16%)	2. Dr.S.K.Srihari Raju	7,22,000 (7.79%)	7,22,000 (7.79%)
1. Veerat Finance & Investment Co.Ltd.,	13,12,800 (14.16%)	13,12,800 (14.16%)							
2. Dr.S.K.Srihari Raju	7,22,000 (7.79%)	7,22,000 (7.79%)							
<b>Reconciliation of number of shares outstanding at the beginning and end of the year</b>									
Shares issued & subscribed as on 01.04.2013 (92,73,000 Equity Shares of Rs.10/- each fully paid up)	92,730,000		92,730,000						
Add: Issued during the year	-		-						
	92,730,000		92,730,000						
Less: Redemption/Buyback	-		-						
<b>Total Amount as per Balance Sheet</b> (92,73,000 Equity Shares of Rs.10/- each fully paid up)	<b>92,730,000</b>		<b>92,730,000</b>						
<p>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.</p>									
<b>B. Reserves and Surplus</b>									
<b>Profit &amp; Loss Account</b>									
Opening Balance (Profit/(Loss))	(59,856,103)		(67,161,199)						
Add: Profit/(Loss) for the year	8,675,232		7,305,096						
<b>Closing Balance</b>	<b>(51,180,871)</b>		<b>(59,856,103)</b>						
<b>C.Share Application Money - Pending Allotment</b>									
Share Application Money outstanding for morethan 5 years (Share Application Money pending allotment within the limit of authorised capital)	-		7,270,000						
<b>Total</b>	<b>-</b>		<b>7,270,000</b>						
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the board of EVEREST ORGANICS LIMITED							
Sd/- P.Ravi Shanker Partner		Sd/- Dr.S.K.Srihari Raju Managing Director							
Place: Hyderabad Date : 31.05.2014		Sd/- A.Parvatisem Technical Director							
		Sd/- S.K.Hari Krishna Executive Director							



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)	
<b>D. Long-Term Borrowings</b>		As at 31st Mar 2014	As at 31 Mar 2013
<b>(a) Secured Loans</b>			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - IV	-		3,147,127
2. Term Loan - V	7,899,459		8,960,478
3. Working Capital Term Loan - I	-		1,007,020
4. Working Capital Term Loan - II	2,741,605		10,165,040
5. Kotak Prime Ltd-Mahindra XUV 500 FWD Car Loan (Secured by the Hypothecation of Vehicle)	<u>35,734</u>	10,676,798	440,556
6. Magma Finance-Verna Car Loan (Secured by the Hypothecation of Vehicle)		-	217,172
7. Reliance Term Loan		10,718,981	-
8. 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)		18,333,856	22,873,930
<b>(b) Unsecured Loans</b>			
(i) Unsecured Loans from Directors and near Relatives	24,721,391		-
(ii) Inter Corporate Deposits from Veerat Finance & Investment Ltd., (two of their directors are relatives of the M.D of the Company)	34,696,995		-
(iii) Security Deposit from Employees	<u>1,907,594</u>	61,325,980	-
<b>Total</b>		<b>101,055,616</b>	<b>46,811,323</b>

Note:

1. All the credit facilities (Term Loans and working capital facilities) from Kotak Mahindra Bank are secured by equitable mortgage by deposit of Title Deeds of the Company's immovable properties of Land & Buildings admeasuring 33 acres in Sy.No.38, 39 & 40 situated at Aroor Village, Sadasipet Mandal, Medak District, both present and future and Hypothecation/pledge of Company's movable properties both present and future, hypothecation of stocks, receivables and other of the personal immovable properties of the promoter directors.

2. Credit facility from Reliance Capital is secured by the second charge of assets of the company mentioned in note 1.

3. There is no default in repayment of principal of term loan or interest thereon from Kotak Mahindra Bank Ltd., & Reliance Term Loan stated above.

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

for and on behalf of the board of  
EVEREST ORGANICS LIMITED

Sd/-  
P.Ravi Shanker  
Partner

Sd/-  
Dr.S.K.Srihari Raju  
Managing Director

Sd/-  
A.Parvatisem  
Technical Director

Place: Hyderabad  
Date : 31.05.2014

Sd/-  
S.K.Hari Krishna  
Executive Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

E. Other Long Term Liabilities	(Rupees)		
	As at 31st Mar 2014		As at 31 Mar 2013
(a) Others	-		77,541
<b>Total</b>	-		<b>77,541</b>
<b>F. Short Term Borrowings</b>			
<b>(A) Secured</b>			
(a) Loans repayable on Demand			
- from Banks - Kotak Mahindra Bank Ltd			
Cash Credit	40,917,002	37,483,152	
Bills Discounting (Domestic)	39,916,621	40,002,548	
Bills Discounting (LC Backed)	5,467,269	9,999,044	
Buyers Credit	7,281,000	11,831,040	99,315,784
(b) Bills Discounting (LC Backed) - Others	12,773,820		4,558,324
<b>Total - A</b>	<b>106,355,712</b>		<b>103,874,108</b>
<b>(B) Unsecured</b>			
(a) Loans repayable on Demand			
- from Other Parties	27,094,566		8,128,208
<b>Total - B</b>	<b>27,094,566</b>		<b>8,128,208</b>
<b>Total (A+B)</b>	<b>133,450,278</b>		<b>112,002,316</b>
<b>G. Trade Payables</b>			
Creditors for Raw Materials	272,022,641		209,011,344
Creditors for Expenses	45,128,745		25,913,618
Creditors for Capital Goods	19,871,165		17,457,050
<b>Total</b>	<b>337,022,551</b>		<b>252,382,013</b>
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the board of EVEREST ORGANICS LIMITED		
	Sd/- Dr.S.K.Srihari Raju Managing Director		
Sd/- P.Ravi Shanker Partner	Sd/- A.Parvatisem Technical Director		
Place: Hyderabad Date : 31.05.2014	Sd/- S.K.Hari Krishna Executive Director		



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rupees)

H. Other Current Liabilities	As at 31st Mar 2014		As at 31 Mar 2013
<b>(a) Share Application Money - Pending Allotment</b>			
Share Application Money outstanding for more than 5 years (Share Application Money pending allotment beyond the limit of authorised capital)	-		31,611,000
Share Application Money outstanding for more than 1 year (Share Application Money pending allotment beyond the limit of authorised capital)	-		31,119,000
<b>(b) Current maturities of long-term debt</b>			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - III	-	5,149,457	
2. Term Loan - IV	3,129,932	11,597,600	
3. Term Loan - V	6,740,493	3,308,522	
4. Kotak Prime Ltd-Tata Indigo Manza Car Loan	-	250,210	
5. Kotak Prime Ltd-Mahindra XUV 500 FWD W8	404,822	363,678	
6. Working Capital Term Loan - I	1,001,222	3,716,457	
7. Working Capital Term Loan-II	7,442,430	18,718,899	6,459,407
8. Reliance Capital Term Loan		5,522,694	-
9. Magma Finance-Verna Car Loan		194,011	260,306
<b>(c) Current Maturities of Deferred Payment Liability</b>			
- Deferred Sales Tax Liability		4,272,270	3,192,809
<b>(d) Statutory Liabilities</b>			
a) ESI Dues	691,278		134,562
b) PF Dues	1,436,759		1,822,827
c) Professional Tax Dues	11,400		663,720
d) TDS Payable	683,681		1,083,322
e) Dues to Income Tax Department	357,822		607,314
		3,180,940	4,311,745
<b>(e) Other Liabilities</b>		2,018,444	2,592,072
<b>Total</b>	<b>33,907,257</b>		<b>103,932,263</b>

I. Short Term Provisions	As at 31st Mar 2014		As at 31 Mar 2013
(a) Provision for employee benefits (Gratuity)		4,413,031	3,853,735
(b) Others			
1. Income Tax - MAT	2,300,000		3,445,527
2. FBT for earlier years	855,000	3,155,000	855,000
<b>Total</b>		<b>7,568,031</b>	<b>8,154,262</b>

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

for and on behalf of the board of  
EVEREST ORGANICS LIMITED

Sd/-  
Dr.S.K.Srihari Raju  
Managing Director

Sd/-  
P.Ravi Shanker  
Partner

Sd/-  
A.Parvatisem  
Technical Director

Place: Hyderabad  
Date : 31.05.2014

Sd/-  
S.K.Hari Krishna  
Executive Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

EVEREST ORGANICS LIMITED											
SCHEDULE - J											
FIXED ASSETS											
S.No.	Particulars	Gross Block			Depreciation			Net Block		(Rupees)	
		As At 01.04.13	Additions During the year	Deletions/transfers during the year	As At 31.03.14	Rate of Depn. %	As At 01.04.13	for the year	Deletions during the year	As At 31.03.14	As At 31.03.13
	<b>Tangible Assets</b>										
1	Land & Land Development	5,359,816	-	51,342	5,308,474	-	-	-	5,308,474	5,359,816	
2	Factory Buildings	34,682,166	5,130,905	2,080,201	37,732,870	3.34	15,907,205	1,166,856	21,466,910	18,774,961	
3	Plant & Machinery & Utilities	374,633,836	35,459,947	-	410,093,783	5.28	182,831,152	20,571,051	206,691,580	191,802,685	
4	Office Equipment	1,585,589	129,000	-	1,714,589	6.33	1,499,514	101,352	113,723	86,075	
5	Computers	4,306,872	223,570	2,709,942	1,820,500	16.21	3,870,198	254,922	405,322	436,674	
6	Furniture & Fittings	1,662,164	410,632	-	2,072,796	6.33	1,021,500	121,790	929,506	640,664	
7	Vehicles	5,737,219	-	-	5,737,219	9.50	2,167,491	545,036	3,024,692	3,569,728	
	<b>Total (A)</b>	<b>427,967,662</b>	<b>41,354,053</b>	<b>4,841,485</b>	<b>464,480,231</b>		<b>207,297,060</b>	<b>22,761,008</b>	<b>237,940,206</b>	<b>220,670,602</b>	
1	<b>Capital Works-in-Progress</b>										
	Plant & Machinery	8,229,094	30,442,049	35,459,947	3,211,197		-	-	3,211,197	8,229,094	
	<b>Total (B)</b>	<b>8,229,094</b>	<b>30,442,049</b>	<b>35,459,947</b>	<b>3,211,197</b>		<b>-</b>	<b>-</b>	<b>3,211,197</b>	<b>8,229,094</b>	
	<b>Grand Total (A+B)</b>	<b>436,196,756</b>	<b>71,796,102</b>	<b>40,301,431</b>	<b>467,691,427</b>		<b>207,297,060</b>	<b>22,761,008</b>	<b>241,151,403</b>	<b>228,899,696</b>	

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-  
Dr.S.K.SRIHARI RAJU  
Managing Director

Sd/-  
A.PARVATHISEM  
Technical Director

Sd/-  
S.K.HARI KRISHNA  
Executive Director

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

Sd/-  
P.RAVISHANKER  
Partner

Place: Hyderabad  
Date : 31.05.2014



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rupees)			
<b>K. Non-Current Investments</b>	As at 31st Mar 2014		As at 31 Mar 2013
<b>Investment in Equity Instruments</b>			
Equity Shares in Pattancheru Envirotech Ltd (PETL) - at cost (Unquoted 81540 No.of equity shares of Rs.10/- each in PETL, Market value as on 31.03.2014 & 31.03.2013 not available).	815,408		815,408
Equity Shares in State Bank of Travancore (SBT) - at cost (Quoted 50 No.of equity shares of Rs.10/- each in SBT, Market value of Rs.421 & 518. as on 31.03.2014 & 31.03.2013).	30,000		30,000
<b>Total</b>	<b>8,45,408</b>		<b>8,45,408</b>
<b>L. Long-term Loans and Advances</b>			
Security Deposits with Government Company-APCPDCL		6,406,793	
Security Deposits with Others - for Rent		134,530	
Security Deposits with Others - for Mobile, Internet		233,362	
<b>Total</b>	<b>3,143,631</b>		<b>6,774,685</b>
Note: All the long term loans and advances are unsecured in nature and are considered good.			
<b>M. Other Non-Current Assets</b>			
Security Deposits with Others	63,743		732,942
<b>Total</b>	<b>63,743</b>		<b>732,942</b>
<b>N. Inventories</b>			
(a) i. Raw materials		26,566,233	
ii.Raw Material with Job Workers	34,349,926	6,982,373	33,548,606
(b) Work-in-progress	34,280,956		35,501,572
(c) Finished Goods	11,965,400		12,848,983
(d) Stores and Spares	2,080,012		1,955,012
(e) Others			
- Coal	781,970		834,297
- Packing Material	207,121		223,916
<b>Total</b>	<b>83,665,385</b>		<b>84,912,386</b>
for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	EVEREST ORGANICS LIMITED		
	Sd/- Dr.S.K.Srihari Raju Managing Director		
Sd/- P.Ravi Shanker Partner	Sd/- A.Parvatisem Technical Director		
Place: Hyderabad	Sd/- S.K.Hari Krishna Executive Director		
Date : 31.05.2014			



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)	
<b>O. Trade Receivables</b>	As at 31st Mar 2014		As at 31 Mar 2013
(i) Trade receivables			
(a) Unsecured, considered good; - morethan 6 months	6,274,676		1,492,818
(b) Unsecured considered good; - lessthan 6 months	272,565,571		196,989,799
<b>Total</b>	<b>278,840,247</b>		<b>198,482,617</b>
<b>P. Cash and cash equivalents</b>			
Cash and Cash Equivalents			
(a) Balances with Banks;	2,316,624		432,851
(b) Cash on Hand;	51,094		3,357
(c) Others - Fixed Deposits under lien with Bank	8,500,000		10,000,000
<b>Total</b>	<b>10,867,717</b>		<b>10,436,208</b>
<b>Q. Short-term loans and advances</b>			
(i) Advances - Unsecured, considered good			
Advances - Capital Goods	2,519,086	926,438	
Advances - Raw Materials	3,632,325	3,067,611	
Advance - Consumables-Coal	6,247,427	6,851,594	
Advances - Staff	3,773,312	3,375,409	
Advances - Others	7,086,088	8,761,203	22,982,254
(ii) Other Loans and Advances-Unsecured, considered good			
Other Receivables	7,441,181		5,957,996
<b>Total</b>	<b>30,699,419</b>		<b>28,940,250</b>
<b>R. Other Current Assets</b>			
Cenvat Credit	3,741,668		2,625,487
TDS Receivable	547,489		853,936
Excise Duty under protest (pertaining to earlier years)	986,751		-
<b>Total</b>	<b>5,275,907</b>		<b>3,479,423</b>

for P.S.N.RAVISHANKER & ASSOCIATES

EVEREST ORGANICS LIMITED

Chartered Accountants

Sd/-

Dr.S.K.Srihari Raju  
Managing Director

Sd/-

P.Ravi Shanker  
Partner

Sd/-

A.Parvatisem  
Technical Director

Sd/-

S.K.Hari Krishna  
Executive Director

Place: Hyderabad

Date : 31.05.2014



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rupees)			
<b>S. Revenue from Operations</b>	<b>For the year ended 31st Mar 2014</b>		<b>For the year ended 31st Mar 2013</b>
Sale of products			
- Domestic Sales	810,709,417		691,025,555
Less: Excise Duty	91,012,408		76,723,120
	<u>719,697,009</u>		<u>614,302,435</u>
- Export Sales	<u>239,995,526</u>	959,692,535	182,002,193
Sale of services			
Other operating revenues (Job Work Charges)		747,735	136,782
<b>Net Turnover</b>		<b>960,440,270</b>	<b>796,441,410</b>
<b>T. Other Income</b>			
Interest Income		1,308,434	1,356,591
Net gain/(loss) on transfer/sale of Fixed Asset		2,338,930	30,532
Export Incentives		4,713,919	165,042
Net Foreign Exchange Gain/(Loss)			
Foreign Exchange Gain	2,610,824		1,497,711
Less: Foreign Exchange Loss	<u>3,906,144</u>	(1,295,320)	1,110,588
<b>Total</b>		<b>7,065,963</b>	<b>1,939,288</b>
<b>U. Cost of Rawmaterials Consumed</b>			
Opening Stock of Raw Materials		33,548,606	42,229,350
Add: Purchase of Raw Materials		666,464,457	556,168,237
<b>Total</b>		<b>700,013,063</b>	<b>598,397,587</b>
Less: Closing Stock of Raw Materials		34,349,926	33,548,606
<b>Net Amount = As per Statement of P&amp;L</b>		<b>665,663,136</b>	<b>564,848,981</b>
<b>V. Changes in Inventory of FG</b>			
Opening Stock of Finished Goods	12,848,983		9,247,388
Less: Closing Stock	11,965,400		12,848,983
<b>Net Amount</b>		<b>883,583</b>	<b>(3,601,595)</b>
<b>W. Changes in Inventory of WIP</b>			
Opening Stock of Work in progress	35,501,572		36,906,238
Less: Closing Stock	<u>34,280,956</u>		35,501,572
		1,220,616	1,404,666
<b>Net Amount</b>		<b>1,220,616</b>	<b>1,404,666</b>
for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		EVEREST ORGANICS LIMITED	
		Sd/- Dr.S.K.Srihari Raju Managing Director	
Sd/- P.Ravi Shanker Partner		Sd/- A.Parvatisem Technical Director	
Place: Hyderabad		Sd/- S.K.Hari Krishna Executive Director	
Date : 31.05.2014			



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)	
		for the year ended 31st Mar 2014	for the year ended 31st Mar 2013
<b>X. Employee Benefit Expenses</b>			
Salaries and Wages		45,557,687	36,810,055
Contribution to provident and other funds		2,050,223	1,553,561
Staff welfare expenses		3,023,224	2,977,570
Statutory and Other Benefits		6,616,201	5,163,094
<b>Total</b>		<b>57,247,335</b>	<b>46,504,280</b>
<b>Y. Finance Cost</b>			
Interest		17,429,550	17,632,859
Bills Discounting Charges		7,758,754	6,451,667
Processing, Documentation and other bank charges		1,020,968	1,390,595
<b>Total</b>		<b>26,209,272</b>	<b>25,475,120</b>
<b>Z. Depreciation and amortization expense</b>			
- Depreciation on Tangible Fixed Assets		22,761,008	21,267,820
<b>Total</b>		<b>22,761,008</b>	<b>21,267,820</b>
<b>AA. Other Expenses</b>			
Payments to the auditor as			
a. auditor	150,000		150,000
b. for taxation matters	50,000		50,000
c. for other services	50,000	250,000	50,000
			250,000
<u>Manufacturing Expenses:</u>			
(a) Material Conversion Charges	2,774,695		9,103,230
(b) Stores Consumables	511,798		960,459
(c) Lab Expenses	4,242,330		2,639,992
(d) Effluent Charges	6,220,423		3,066,024
(e) Power and Fuel	96,578,464		62,251,935
(f) Plant Repairs & Maintenance Charges	21,101,756		16,417,487
(g) Production Contract Charges	14,412,465	145,841,931	10,123,867
			104,562,994
<u>Administrative Expenses:</u>			
(a) Conveyance	231,375		219,940
(b) Postage, Telephone Charges	682,624		588,408
(c) Rent, Rates & Taxes	1,402,815		1,419,532
(d) Insurance	1,888,688		1,761,503
(e) Security Charges	1,386,989		1,237,505
(f) Consultancy Charges	744,010		647,284
(g) Office Maintenance	563,238		264,967
(h) Vehicle Maintenance	1,103,918		672,797
(i) Other Administrative Expenses	5,714,226	13,717,884	2,783,952
			9,595,888
<u>Selling &amp; Distribution Expenses:</u>			
(a) Business Promotion	4,035,627		2,505,952
(b) Travelling Expenses (Domestic)	3,118,455		3,789,344
(c) Postage, Telephone Charges	270,090		149,948
(d) Conveyance-Marketing	173,637		121,749
(e) Commission on Sales	3,685,801		2,336,609
(f) Freight Outward	1,133,439		950,576
(g) Freight Outward Exports	3,145,871		3,170,507
(h) Packing Material	6,752,284		5,479,059
(i) Other Expenses	421,031	22,736,235	163,704
			18,667,448
<b>Total:</b>		<b>182,546,051</b>	<b>133,076,330</b>
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED Sd/- Dr.S.K.SRIHARI RAJU Managing Director	
Sd/- P.RAVI SHANKER Partner		Sd/- A.PARVATISEM Technical Director	
Place: Hyderabad Date : 31.05.2014		Sd/- S.K.HARI KRISHNA Executive Director	

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****NOTES FORMING PART OF THE ACCOUNTS SCHEDULE****1. ACCOUNTING POLICIES****a) Basis of preparation :**

The financial statements of Everest Organics Limited have been prepared and presented in accordance with Accounting Principles (IGAAP) generally accepted in India. IGAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India, the relevant provisions of Companies Act, 1956 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

**b) Use of estimates**

The preparation of the financial statements in conformity with IGAAP requires management to make estimates of useful life of tangible and intangible assets, assessment of recoverable amounts of deferred tax assets, provision for obligations relating to employees, provisions against litigations and impairment of assets. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year.

**c). Revenue recognition**

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

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

Export entitlements are recognised and shown under the head "other income" when the same is received / right to receive, as per the terms and conditions of the scheme, is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**d) Current and non current classification**

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule-VI to the Companies Act, 1956 made applicable from the year ended 31-03-2012.

**i) Assets:**

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

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;



**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

**ii) Liabilities:**

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

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

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively. All other assets / liabilities are classified as non current.

**e) Fixed Assets**

Tangible fixed assets are carried at the historical cost of acquisition or construction less accumulated depreciation. The cost of tangible fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds.

Subsequent expenditure related to an item of tangible fixed asset is capitalised only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance. However, during the year there is no such interest expenditure which is capitalized.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under short-term loans and advances. Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress.

Gains or losses from disposal of tangible fixed assets are recognised in the statement of profit and loss.

**f) Depreciation :**

Depreciation on fixed assets is provided on the basis of straight line method at the rates provided for in the Schedule - XIV of the Companies Act, 1956 for the actual period of the usage of the assets, with Plant & Machinery considered to be coming under the category of "continuous processing machinery".

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****g) Inventories :**

Raw materials are valued at the lower of the cost or market value. Work-in-process is valued at cost of raw materials and proportionate overheads. Finished goods are valued at lower of the cost or market value/net realizable value. Cost includes all charges incurred in relation to the goods.

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

**h) Research & Development Expenditure**

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

**i) Employee Benefits :**

Contributions to defined contribution retirement benefit schemes are generally recognized as an expense when employees have rendered services entitling them to contributions. Accordingly company provided for payment of Gratuity. However, the company has not provided for leave encashment of about Rs.22.81 lakhs as at 31-03-2014 (previous year Rs.17.27 lakhs). The company has not made any contribution/deposited the money to the employees towards gratuity liability and has made only a provision in this regard. The provision made or calculated is as per the assessment of the management, but not as per the actuarial valuation as required under AS-15 on Employee Benefits.

**j) Income Tax Expense :**

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

**A) Current Tax :**

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. As the company has accumulated losses as on 31-03-2014 under the Income Tax Act, the tax calculation under the Minimum Alternative Tax is made and provided for.

**B) Deferred Tax :**

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

**k) Impairment of Assets :**

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

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

2. a) Foreign exchange Expenditure	(Rs. In lakhs)	
	2013-14	2012-13
i) Payments to Raw Material Creditors	1006.29	983.85
ii) Traveling Expenses	11.30	12.82
iii) Sales Commission	28.22	11.75
b) Foreign Exchange received on Exports	1498.13	1264.43

4. (i) The Secured Loans from Kotak Mahindra Bank (Schedules-D, F & H) with total credit limits of Rs.2128 lakhs (Fund Based : Rs.1518 lakhs & Non-Fund Based : Rs.610 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 & Buildings admeasuring 32 Acres in Sy.No.38, 39 & 40 situated at Aroor Village, Sadasivpet Mandal, Medak District, hypothecation of stocks, receivables and other current assets, and also by the personal guarantees of promoter directors and mortgage of the personal immovable properties of the promoter directors.
- (ii) Secured Loans of Rs.183 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.858.06 lakhs (previous year Rs.725.01 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.37.42 lakhs (previous year Rs. 26.25 lakhs) has been shown under the "Current Assets" in the Balance Sheet. Out of the CENVAT balance of Rs.37.42 Lakhs an amount of Rs.13.32 lakhs is payable on reverse charge basis for necessary utilization of the same.

**6. Investment**

Of the total investments of Rs.8.45 lakhs part of the same is represented by the fully paid Equity Shares of M/s.Patancheru Envirotech Limited made as contribution for utilizing their services of common Effluent Treatment Plant set up by the M/s. Patancheru Envirotech Ltd. to the tune of Rs.8.15 lakhs (Unquoted 81540 No.of equity shares of Rs.10/- each fully paid up- Market value as on 31.03.2014 & 31.03.2013 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 31-03-2014 & 31-03-2013 being Rs.421 per share and Rs.518 per share respectively)

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


**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**
**7. Particulars of Managerial Remuneration (Salary, Allowances, etc.):**

(Rupees in lakhs)

Particulars	2013-14	2012-13
Dr.S.K.Srihari Raju (Managing Director)	9.70	3.40
A.Parvateesam(Technical Director)	18.00	3.00
S.K.Hari Krishna (Whole Time Director)	5.30	4.80
M.Bangar Raju (Technical Director)	-	3.80
<b>TOTAL</b>	<b>33.00</b>	<b>15.00</b>

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

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

Year	2013-14			2012-13		
	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
Omeprazole, Op.sodium, Op.Magnesium	180	140	78	180	130	72
Chloro Compound	240	228	95	240	197	82
Benzimidazole	180	158	88	180	140	78
Esomeprazole	48	42	88	36	33	90
Pantaprazole	50	27	54	50	37	75

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

Description	Production (Qty./MTs)		Sales (Qty./MTs)		Sale Value (Rs.in Lacs)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Product	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Omeprazole Powder	126.40	107.52	126.34	107.39	3032.58	2381.71
Benzimidazole	72.10	47.77	55.66	58.41	354.79	375.16
Chloro Compound	83.82	60.98	73.63	70.33	1432.49	1153.60
Op.Sulphide	—	0.58	0.25	0.20	5.65	4.11
Esomeprazole Magnesium	41.60	32.86	41.88	6.81	1918.66	137.57
Pantaprazole Sodium	25.10	34.66	25.32	34.26	997.22	1398.58
Ammonium Sulphate	685.72	618.72	686.85	618.15	126.57	111.25
Tetralone	60.00	88.80	60.00	88.80	426.54	572.21
Others	-	-	-	-	1303.24	1828.86
<b>Total:</b>					<b>9597.74</b>	<b>7963.05</b>


**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

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

Description	2013-14		2012-13	
	(Qty/MTs)	Value (Rs.lacs)	(Qty/MTs)	Value (Rs.lacs)
3, 5 Lutidine	270.62	806.91	229.59	637.56
MDC	399.92	181.73	409.23	161.40
Acetone	295.15	272.47	375.98	291.83
Acetic Acid	306.51	133.54	324.81	122.69
Toluene	409.88	361.56	327.42	286.56
Para Ansidine	168.71	334.97	146.40	211.64
Methanol	709.25	268.37	696.87	195.79
DMS	248.98	81.49	222.67	63.28
APS	390.62	217.78	409.35	245.96
Others		3997.81		3431.78
<b>Total :</b>		<b>6656.63</b>		<b>5648.49</b>

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

Item	2013-14		2012-13	
	Value(Rs.Lacs)	%	Value(Rs.Lacs)	%
Imported	1177.04	17.68	1105.72	19.57
Indigenous	5479.59	82.32	4542.76	80.43
<b>Total</b>	<b>6656.63</b>	<b>100.00</b>	<b>5648.48</b>	<b>100.00</b>

**9. Related Party Transactions:**

Particulars	Nature of Transaction	Amount(Rs)	Closing Balance(Rs)	Relationship with Key Managerial Person
Dr.S.K.Krishnaveni	Interest on Unsecured Loan	2,16,000	12,86,323	Wife of Managing Director
Mr.S K Harikrishna	-do-	61,875	2,75,000	Executive Director
Mr.S.K.Suryanarayana Raju	-do-	72,000	4,00,000	Brother of Managing Director
Mrs.S K Gowri Parvathi	-do-	1,92,876	10,71,500	Mother of Executive Director
Mrs.S K Sahitya	-do-	1,81,308	3,53,500	Wife of Executive Director
Virat & Co	Gross Sales	46,32,864	13,79,394	One of the Partners of the Firm is the wife of Executive Director
Virat & Co	Gross Purchases	2,91,21,346	1,11,65,023	--do--



**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

10. Contingent Liabilities not provided for:

- 1) Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company Rs.341.40 lakhs (Previous year – Rs.367.13 lakhs).
- 2) Bank Guarantees issued by the Kotak Mahindra Bank on behalf of the company Rs.10 lakhs. (Previous year- Rs.10 lakhs)
11. Amount due to small scale industrial undertaking during the year ended 31.03.2014 could not be identified as specific information regarding SSI status is not forthcoming from parties.
12. 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.
13. Paise have been rounded off to the nearest rupee.
14. Figures have been re-grouped/re-arranged wherever necessary.
15. The balances outstanding on account of sundry debtors/sundry creditors/advances are subject to confirmation from the respective parties.

As per our report even date

For P.S.N.RAVISHANKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

(P. RAVI SHANKER)

Partner

Place: HYDERABAD

Date : 31.05.2014

For and on behalf of the Board of Directors of

EVEREST ORGANICS LIMITED

Sd/-

(Dr.S.K.SRIHARI RAJU)

Managing Director

Sd/-

(A.PARVATISEM)

Technical Director

Sd/-

(S.K.HARI KRISHNA)

Executive Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

<b>Everest Organics Limited</b>		
Cash Flow Statement as on 31.03.14		
(Rs.in Lakhs)		
Particulars	Year Ended 31.03.14	Year Ended 31.03.13
<b>Cash Flow from Operating Activities</b>		
Profit/(Loss) as per Profit & Loss Account	109.75	94.05
Adjustment for Depreciation	227.61	212.68
Provision for Gratuity	5.59	6.54
Interest and Financial Charges paid	262.09	254.75
(Profit)/Loss on sale of fixed asset	(23.39)	(0.31)
Taxes paid	(23.00)	(21.00)
Interest Earned	(13.08)	(13.57)
<b>Operating Profit/(Loss) before working capital charges</b>	<b>545.57</b>	<b>533.14</b>
Adjustments for:		
(Increase)/Decrease in Trade receivables	(803.58)	(126.08)
(Increase)/Decrease in Inventories	12.47	79.69
Increase/(Decrease) in Short Term Borrowings	214.48	23.58
Increase/(Decrease) in Trade Payables	846.41	284.70
Increase/(Decrease) in Other Current Liabilities	(700.25)	97.47
Increase/(Decrease) in Short Term Provisions	(11.46)	(8.47)
(Increase)/Decrease in Loans & Advances & Other Current Assets	7.45	(168.53)
<b>Cash Generated from Operations</b>	<b>111.09</b>	<b>715.51</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets including CWIP	(350.13)	(435.03)
Profit on sale of Fixed Asset	23.39	-
Interest earned	13.08	13.57
<b>Cash used in Investing Activities</b>	<b>(313.65)</b>	<b>(421.46)</b>
<b>Cash Flow from Financing Activities</b>		
Increase/(Decrease) secured Loans from Banks/Financial Institutions	468.97	(44.79)
Interest and Financial Charges paid	(262.09)	(254.75)
	<b>206.87</b>	<b>(299.54)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	4.32	(5.49)
Opening Cash & Cash Equivalents	104.36	109.84
Closing Cash & Cash Equivalents	<b>108.67</b>	<b>104.36</b>
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/- P.RAVI SHANKER Partner	Sd/- Dr.S.K.SRIHARI RAJU Managing Director	
	Sd/- A.PARVATISEM Technical Director	
Place: Hyderabad Date : 31.05.2014	Sd/- S.K.HARI KRISHNA Executive Director	



**EVEREST ORGANICS LIMITED**  
 AROOR VILLAGE, SADASIVPET MANDAL  
 MEDAK DISTRICT, TELANGANA - 502 291  
 CIN NO:L24230TG1993PLC015426

**PROXY FORM**

D.P No:.....  
 Client ID.....  
 Regd. Folio No..... No. of shares held.....  
 E-mail ID.....

I/We ..... being  
 a Member/s of the above named Company hereby appoint Mr/Mrs..... of  
 .....in the district of..... as my/our proxy  
 to vote for me/us on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company to be held on  
 30.07.2014, at 3.00. P.M at Aroor Village, Sadasivpet Mandal, Medhak Dist. A.P.502 291.

Signed this.....day of.....Two Thousand and Eleven.

Signature



Note: This Proxy Form duly completed should be deposited at the Corporate Office Plot No.127 &  
 128, Amar Co-Op, Society, Opp Madhapur Police Station Road, Madhapur, Hyderabad - 500 033 not  
 less than 48 hours before the time fixed for holding the meeting.

cut here



**EVEREST ORGANICS LIMITED**  
 AROOR VILLAGE, SADASIVPET MANDAL  
 MEDAK DISTRICT, TELANGANA – 502 291  
 CIN NO:L24230TG1993PLC015426

**ATTENDANCE SLIP**

D.P No:.....  
 Client ID.....  
 Regd. Folio No..... No. of shares held.....  
 E-mail ID.....

Name ..... of ..... the  
 Shareholder:.....

Name of the Proxy (if applicable) .....

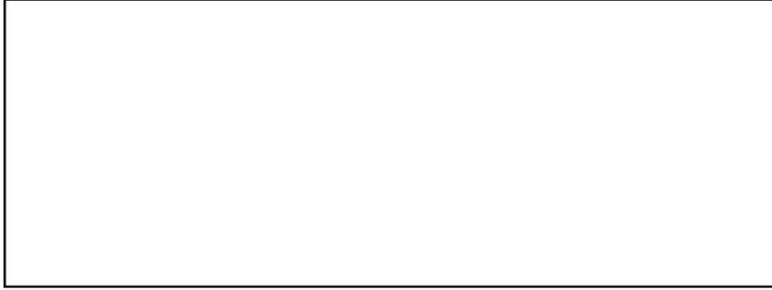
I/We hereby record my/our presence at the 21<sup>st</sup> Annual General Meeting of the Company to be held  
 on 30.07.2014 at 3.00 P.M at the Registrar Office at Aroor Village, Sadasviapet Mandal, Medak  
 Dist.A.P. 502 291.

Signature of the Member /Proxy





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*If Undelivered, please return to:*

**EVEREST ORGANICS LIMITED**

Corporate Office:

Plot No.127 & 128, 1st Floor,

Amar Co-Op. Society,

Opp. Madhapur Police Station Road,

Near Durgam Cheruvu, Madhapur,

Hyderabad – 500 033.