

**24th  
Annual Report  
2016-17**



**EVEREST ORGANICS LIMITED**



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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

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

**CORPORATE OFFICE**

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

**Board Committees:**

**Audit Committee**

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

**Nomination & Remuneration Committee**

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

**Stakeholders Relationship Committee**

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

**BANKERS**

Kotak Mahindra Bank

**Factory Address & Registered Office**

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

**Statutory Auditors**

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

**Registrar & Share Transfer Agent**

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

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

Bombay Stock Exchange

**NOTICE****NOTICE**

Notice is hereby given that the 24th Annual General Meeting of the members of Everest Organics Limited (CIN: L24230TG1993PLC015426) will be held at the registered office of the Company at Aroor Village, Sadasivapet Mandal, Sanga Reddy (earlier known as Medak District), Telangana – 502291, on Wednesday the 27th Day of September 2017 at 03:00 p.m. to transact the following businesses :

**Ordinary Business:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31st, 2017 and the Audited Profit & Loss Account of the Company for the Financial Year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Reddy Eashwer Kanthala (DIN : 02327979) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kakarlapudi Sitarama Raju (Din : 02955723), who retires by rotation and being eligible offers himself for re-appointment.
4. To Appoint Statutory Auditors and fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and any other provisions of Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014, as amended from time to time, as may be applicable, M/s. Suryam & CO., Chartered Accountants (Firm Registration No. 012181S), be and is hereby appointed as a Statutory Auditor of the Company in place of existing Statutory Auditor M/s. P. S. N. Ravishanker & Associates, Chartered Accountants, to hold the office for a term of 5 (FIVE) Years with effect from the conclusion of 24th Annual General Meeting as the Statutory Auditors of the Company till the conclusion of 29th Annual General Meeting (AGM) to be held in the year 2022, to examine and audit the account of the Company, subject to ratification by Members at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors."

**Special Business:**

5. Approval of Related Party Transaction with Veerat Finance & Investment Limited:

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

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

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

**NOTICE****6. Approval of Related Party Transaction with Virat & Co.:**

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013, Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI LODR”], approval of the shareholders of the Company be and is hereby accorded to the Board of Directors, to enter into any contract or arrangements with related parties of Virat & Co. upto Rs. 8 (Eight) crores as cumulative amount in any financial year with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties.”

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

**7. Approval of Cost Auditor’s Remuneration :**

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

“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), “M/s. Vajralingam & Co.” Cost Accountant of Hyderabad, India, appointed by the Board of Directors of the Company as the Cost Auditor, to conduct the audit of the Cost Records for the financial year ended 31.03.2018, of the Company’s pharma manufacturing units at Aroor Village, Sadasivapet, Medak District, Telangana – 502 291, in place of Mr. Sativada Venkat Rao, Cost Accountant of Hyderabad, India, and be paid a remuneration for the financial year ending March 31, 2018, amounting to Rs 1,80,000/- (Rupees One Lakh Eighty Thousand Only) plus service tax as applicable and re-imbusement of out of pocket expenses incurred by him in connection with the aforesaid audit be and is hereby approved and ratified.”

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

“RESOLVED FURTHER THAT any one of the Director of the Company and the Company Secretary of the Company be and are hereby severally authorized to issue the certified true copy as and when required.”

**8. APPROVAL OF EVEREST EMPLOYEE STOCK OPTION PLAN - 2017:**

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

“RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), Regulation of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB

**NOTICE**

Regulations”), and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the member(s) of the Company be and is hereby accorded to the formulation and implementation of ‘Everest Employees Stock Option Scheme 2017 (hereinafter referred to as the “Scheme”) authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination & Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, grant, offer, issue and allot from time to time, in one or more tranches, not exceeding 5,00,000 options (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable for time to time) exercisable into 5,00,000 Equity Shares of Rs. 10/- each of the company (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable for time to time), to or for the benefit of permanent employees of the Company including the present and future Subsidiaries, whether working in India or outside India; Directors of the Company and its Subsidiaries, whether a Whole-time Director or not but not an Independent Director; whether working in India or outside India; and such other employees and persons as may be permitted under the applicable laws and as may be approved by the Committee, from time to time, on such terms and conditions, as contained in the Scheme and summarized in the Explanatory Statement and to provide for grant and subsequent vesting and exercise of options by eligible employees in the manner and method contained in the Explanatory Statement as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

“RESOLVED FURTHER THAT the equity shares to be issued and allotted under the scheme shall rank pari passu with the existing Equity Shares of the Company for all purposes.”

“RESOLVED FURTHER THAT in case of Right issues, Bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, the ceiling as aforesaid of 5,00,000 options / shares of Rs. 10/- each, shall be deemed to be increased/decreased, as may be determined by the Board / Committee, to facilitate making a fair and reasonable adjustment to the entitlements of Employees under the Scheme.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the Equity Shares allotted under the Scheme, from time to time, on the Stock Exchanges where the Equity Shares of the Company are listed.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOS Scheme subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental to and ancillary thereof.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Scheme as also to make applications to the appropriate Authorities, for the requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts



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whatsoever that may arise and take all such steps and decisions in this regard.”

9. To approve investment limit up to Rs.3 crore and loan up to Rs.2 crore :

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

“RESOLVED THAT pursuant to Section 186 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and subject to such approvals as may be necessary; the consent of Company be and is hereby accorded to the Board of Directors of the Company (including any Committee which the Board may have constituted or hereinafter constitute to exercise the power conferred by this Resolution) to: a) Make investment and acquire by way of subscription, purchase or otherwise, securities of any other body corporate, provided that the total amount of such investments outstanding at any time shall not exceeds Rupees 3 (Three) Crores; b) give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate, provided that the aggregate amount of such loan, investment and guarantee outstanding at any time shall not exceeds Rupees 2 (Two) Crores.”

RESOLVED FURTHER THAT the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions while making investment, giving loan or guarantee or providing securities within the aforesaid limits including with the power to transfer and dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary.

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

Sd/-

**Nisha Jain**

Company Secretary

Date: 27.08.2017

Place : Aroor Village

Sadasivapet Mandal

Medak District – 502 291

Telangana, India

**NOTES :**

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be the member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief profile of Directors those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 (3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) regulations, 2015 is annexed hereto.
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.



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6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. [www.everestorganicsltd.com](http://www.everestorganicsltd.com)
8. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / Registrar Share Transfer Agent. Members are requested to provide their e-mail address through SMS alongwith DP ID/Client ID to +91 9573531616 and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
9. The route map showing directions to reach the venue of the twenty-Fourth AGM is annexed.
10. The Shares Transfer Register and the Register of Members of the Company will remain closed from 20.09.2017 to 26.09.2017 (both days inclusive) in connection with the Annual General Meeting.
11. Members who hold their shares in dematerialized form are requested to bring their Client ID and DP numbers for easy identification of attendance at the meeting.
12. Shareholders are requested to intimate immediately any change in their address and bank account details registered with the Company in case of physical holders and in case of demat holders to their DP holders directly.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Retirement of Directors by rotation:  
Mr. Eashwer Reddy Kanthala (DIN : 02327979), Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.  
Mr. Kakarlapudi Sitarama Raju (Din : 02955723), Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.  
None of the Directors of the Company is in any way concerned or interested in the resolution except Dr. Sri Kakarlapudi Srihari Raju, being the relative of Dr. Kakarlapudi Sitarama Raju (Din : 02955723) Director, retire by rotation.
15. Voting through electronic means;
  - a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
  - b. The instructions for e-voting are as under:  
The instructions for members for voting electronically are as under:-  
In case of members receiving e-mail:
    - (i) Log on to the e-voting website [www.evotingindia.com](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"





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

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

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

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

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(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://>



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/www.evotingindia.co.in and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 24.09.2017 from 9.00 a.m. and ends on 26.09.2017 till 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19.09.2017, 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 24.09.2017 (9:00 am) and ends on 26.09.2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19.09.2017, 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 19.09.2017.

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

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

The chairman or a person authorized by him in writing shall forthwith on receipt of consolidated Scrutinizer's Report declare the result of the voting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website "<http://www.everestorganicsltd.com>" [www.everestorganicsltd.com](http://www.everestorganicsltd.com) in and on the website of CDSL immediately after their declaration and results shall simultaneously be communicated to the BSE Limited.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of meeting, i.e. 27th day of September 2017.

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

Date: 27.08.2017  
Place : Aroor Village  
Sadasivapet Mandal  
Medak District – 502 291

**BY ORDER OF THE BOARD**  
For **Everest Organics Limited**  
Sd/-  
**Nisha Jain**  
Company Secretary

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**Details of Directors Seeking Appointment in Annual General Meeting scheduled on Wednesday the 27th Day of September 2017 (Pursuant to Regulation 36 (3) of SEBI(Listing Obligations And Disclosure Requirements), Regulations, 2015 are as under:**

<b>Name of The Director</b>	<b>Mr. Reddy Eashwer Kanthala</b>	<b>Mr. Kakarlapudi Sitaram Raju</b>
Date of Birth	10.05.1944	04.07.1946
Date of Appointment/	27.09.2017	27.09.2017
Reappointment	(Original Appointment Date 31.08.2015)	(Original Appointment Date 18.04.1995)
Expertise in specific Functional Area	Radiation Oncology, Doctor of Medicine	Environmental Management, General Management
Qualification	MD, FACR	B. Tech, M. Tech in Chemical Engineering
Board Membership of other Public Limited Companies, as on March 31, 2017	None	None
Chairman /Member of the Committee till date	None	None
Chairman / Member of the Committee of Directors of the Other Companies in which he/she is a Director as on March, 31,2017		
a) Audit Committee	None	None
b) Stakeholders' Relationship Committee	None	Member
c) Nomination & Remuneration Committee	None	None
d) Other Committees	None	Member
No. of Shares held	67500	113508

**EXPLANATORY STATEMENT****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013****ITEM NO. 5 & 6**

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

For Veerat & Co. with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties. Further the above mentioned transaction is / will be at Arms Length price only, as in ordinary course of its business.

The Board recommends the Ordinary Resolution set out at item nos. 5 & 6 of the Notice for approval by the shareholders.

In case of Veerat finance & Investment Limited, none of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except Dr. Sri Kakarlapudi Srihari Raju, Managing Director as one of his relative is the Director of M/s. Veerat Finance & Investment Limited.

And further in case of Veerat & Co., none of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except Mr. Sri Kakarlapudi Harikrishna, Whole Time Director of the Company as one of the partner of the said firm is his relative.

**ITEM NO. 7**

The Board of Directors of the Company has appointed M/s. Vajralingam & Co., Cost Accountant of Hyderabad, Telangana, in place of Mr. Sativada Venkat Rao, Cost Accountant of Hyderabad, Telangana, India, as the Cost Auditors of the Company, to conduct the audit of the Cost Records of the Company's pharma manufacturing units at Aroor Village, Sadasivapet, Medak District, Telangana – 502 291, India, for the financial year ending 31.03.2018.

Remuneration Payable to "M/s. Vajralingam & Co." Cost Accountant of Hyderabad, Cost Auditor of the Company for the financial year ending 31.03.2018, was recommended by the Audit Committee to the Board of Directors, which was considered and approved by the Board of Directors at its meeting held on 29.05.2017.

In accordance of the section 148 of the Act read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

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

None of the Directors or Manager, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise in this resolution.

**ITEM No. 8**

In the present competitive scenario, the Board of Directors of the Company (hereinafter referred to as the "Board") has identified the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company and to create a sense of ownership and participation amongst them. In view of this, the Board has formulated a draft of the Everest Employee Stock Option Scheme 2017 (hereinafter referred to as 'Scheme') for the present and/or future permanent employees of the Company (hereinafter referred to as 'employees')

**EXPLANATORY STATEMENT**

or 'said employees') in accordance with the applicable laws.

Hence, in terms of the provisions of SEBI (SBEB) Regulations, 2014 and Section 62 and other applicable provisions of the Companies Act, 2013, issue of Shares to persons other than the existing Members of the Company requires an approval of the existing Members by way of a Special Resolution and accordingly, the Special Resolution at Item No. 8 seeks your approval for the issue of further Equity Shares under the Everest Employees Stock Option Scheme 2017, to the employees of the Company, as may be determined by the Board.

The **Everest Employees Stock Option Scheme 2017** will be administered by Nomination & Remuneration Committee of the company.

The main features and other details of the Scheme as per Regulation 6(2) of SEBI (SBEB) Regulations, 2014, are as under:

**1. Brief description of the Scheme**

The Scheme shall be called as the '**Everest Employee Stock Option Plan 2017**' and shall extend its benefits to the present and/or future permanent employees of the Company, in accordance with the applicable laws.

The scheme will be implemented via Direct Route wherein the Company will directly allot fresh Equity Shares of the Company, to the Employees who successfully exercised their vested options.

**2. Total number of Options to be granted under the Scheme.**

The maximum number of options to be granted under Scheme shall not exceed 5,00,000 options convertible into equal number of Equity Shares of the Company.

**3. Identification of classes of employees entitled to participate and be beneficiaries in Scheme.**

Employees are the permanent Employees, including Executive Directors and Whole-time Directors, of the company or as may be decided by the Committee from time to time.

**4. Requirement of Vesting and period of Vesting**

The options granted under Scheme shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and over a period of 5 (Five) years as per the Scheme, so long as the option holder continues to be in the employment in the Company, as the case may be and further subject to the satisfaction of other conditions as stipulated under the Scheme.

**5. Maximum period within which the options shall be vested**

All the options will get vested within maximum period of 5 (Five) years.

**6. Exercise Price or Pricing Formula:**

Exercise Price will be based upon the Market Price of the Shares one day before the date of the meeting of the Committee wherein the grants of options of that particular year will be approved.

Suitable discount may be provided or premium may be charged on the price as arrived above, as deemed fit by the Committee for the finalization of the Exercise Price.

However, in any case the Exercise price shall not go below the par value of Equity Share of the Company.

**7. Exercise period and process of Exercise:**

The Exercise Period will be 1 (One) year from date of respective vesting. The options granted under the Scheme would be exercisable by the employee by submitting an option acceptance agreement within 30 days of receipt of grant letter, to the Company. Any Acceptance Agreement received after the period stated above shall not be valid.

The lapsed options shall be available for fresh grants.

**8. Appraisal process for determining the eligibility of the Employees to Scheme:**

The appraisal process for determining the eligibility of the employees will be in accordance with the Scheme

**EXPLANATORY STATEMENT**

or as may be determined by the Committee at its sole discretion.

The employees would be granted options under the Scheme based on various parameters including but not limited to:

- i. Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.
- ii. Performance: Employee's performance during the financial year on the basis of the parameters decided by the management.
- iii. Designation: Employee's designation in the Career Group as per the HR Policy of the Company.
- iv. The present and potential contribution of the Employee to the success of the Company,
- v. High market value/difficulty in replacing the Employee and
- vi. High risk of losing the Employee to competition,
- vii. Value addition by the new entrant if any

**9. The Maximum number of Options to be granted per employee and in aggregate**

The maximum number of Options that can be granted to any eligible employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of options unless otherwise approved by the shareholders.

**10. The Maximum quantum of benefits to be provided per Employee under the scheme**

The maximum quantum of benefit that will be provided to every eligible Employee under the scheme will be the difference between the Exercise Price paid by the Employee to the Company and the value of Company's Share on the Stock Exchange as on the date of exercise of options.

**11. Implementation and administration of the scheme**

The scheme shall be implemented and administered by the Nomination & Remuneration Committee of the Company.

**12. Whether the scheme involves new issue of shares by the company or secondary acquisition by the Trust or both**

New issue of Shares by the Company directly to the Employees

**13. The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.;**

N.A.

**14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme.**

N.A.

**15. Disclosure and accounting policies:**

The Company will confirm to the disclosures and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulation, 2014 or as may be prescribed by regulatory authorities from time to time.

**16. The method which the Company shall use to value its Options.**

Fair Value Method

**17. Statement with regard to Disclosure in Director's Report**

As the company is adopting fair value method, therefore it is not required to give any declaration.

In terms of Section 62 of the Companies Act, 2013 and SEBI (SBEB) Regulations, 2014, the approval of the Shareholders is sought by way of Special Resolution for the approval of the **Everest Employees Stock Option Scheme 2017** and issuance of shares under this Scheme.

Therefore, your Directors recommend the Resolutions as set out at item no. 8 for your approval.



**EXPLANATORY STATEMENT**

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options to be granted under the Scheme.

**ITEM No. 9**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained item no. 9 in the notice of the 24th Annual General Meeting for an amount not exceeding to make investment and acquire by way of subscription, purchase or otherwise, securities of any other body corporate, provided that the total amount of such investments outstanding at any time shall not exceeds Rupees 3 (Three) Crores; b) give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate, provided that the aggregate amount of such loan, investment and guarantee outstanding at any time shall not exceeds Rupees 2(Two) Crores; in total of Rs. 5,00,00,000 (Rupees Five Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution.

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

To  
The Members,  
Everest Organics Limited  
CIN : L24230TG1993015426

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2017.

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

The Company's performance during the year ended 31st March, 2017 as compared to the previous financial year, is summarized below:

Particulars	Amount in Rs.	
	For the Financial Year Ended 31.03.2017	For the Financial Year Ended 31.03.2016
Total Revenue	1,078,724,925	998,420,212
Profit Before Financial Cost, Depreciation, Extraordinary Item and Tax	69,864,344	63,468,358
Less : Financial Cost	27,568,534	25,984,201
Profit Before Depreciation, Extraordinary Item and Tax	42,295,810	37,484,157
Less : Depreciation	24,476,706	27,277,799
Profit Before Extraordinary Item and Tax	17,819,104	10,206,359
Add/Less : Extraordinary Item	3,660,420	7,976,618
Less : Exceptional Item	-	25,002
Profit Before Tax	21,479,524	2,204,739
Less : Tax	4,300,000	400,000
Profit After Tax	17,179,524	1,804,740
Add : Brought Forward from Previous Year	26,504,461	-34,647,479
Closing Balance of Reserve & Surplus	80,883,985	26,504,461

**b. OPERATIONS:**

During the financial year under review, the income from operation was INR 1068.93 mn as compared to INR 994.76 mn registered in the previous year reflecting a year-on-year increase of 7.46%.

Profit before other income, finance cost, Extraordinary and exceptional item and Taxes was INR 35.60 mn as compared to INR 32.54 mn in the previous year reflecting a year-on-year increase of 9.40%.

Whereas Profit After Tax was INR 17.18 mn as compared to INR 1.8 mn in the previous year, registered significant growth in PAT.

**Business Updates:**

- \* We please to Inform you that the Company has received USFDA Approval for API Plant and EIR Report.
- \* New R&D Centre Civil Structure completed and slated for operation in F. Y. 2018.
- \* New API Under development
- \* Completed the Corporate Restructuring
- \* Improvement in long Term Credit Rating from (B- to BB-)
- \* Add new market for export.



**DIRECTORS' REPORT**

- \* CEP certification for omeprazole from EDQM ( European Drug Regulator)
- \* Applied for import Drug License to China FDA for Eesomeprazole.

You are hereby informed that there was a fire accident in the factory situated at Aroor Village, Sadasivapet Mandal, Sanga Reddy District – 502 291, Telangana, India, involving a total damage to the Company amounting to Rs. 103.18 Lakhs/-

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

Further the Company got adhoc release of Rs. 25.00 Lakhs on 14-06-2017 as part payment, from New India Insurance Company. The remaining balance is expected to release at the end of September, 2017.

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

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

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

**d. DIVIDEND:**

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

**e. TRANSFER TO RESERVES:**

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

**f. REVISION OF FINANCIAL STATEMENTS:**

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

**g. DEPOSITS :**

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

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

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

**i. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS**

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

**j. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES :**

The details of transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in DR - Annexure I and forms part of this Report. The Audit Committee at its Meeting held on 13 February, 2017, has accorded omnibus approval to pursue related party transactions subject to a maximum threshold limit of Rs.1 Crore per transaction for Related Party Transactions that are repetitive in nature, for the financial year 2017-18.

**DIRECTORS' REPORT****k. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

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

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

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

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

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

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

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

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

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

**p. Allotment of Equity Shares under preferential allotment:**

During the year under review, the Board of Directors of the Company had allotted 46,50,000 (Forty Six Lakhs Fifty Thousand) Equity Shares of face value of Rs. 10 (Ten) each at a premium of Rs. 8/- (Eight) per share, to promoters under preferential allotment pursuant to conversion of unsecured loan in their meeting held on 30.07.2016 and the same approved by the shareholder in the Annual General Meeting to held on 29.08.2016. And accordingly the paid up capital of the Company increased to Rs. 7,98,82,800/- (Rupees Seven Crore Ninety Eight Lakhs Eighty Two Thousands Eight Hundred Only) and booked total securities premium amounting to Rs. 3,72,00,000/- (Rupees Three Crore Seventy Two Lakhs only).

The Allotment details are mentioned below:

Amount In Rs.

Sl.No.	Allotment made on	No. of shares	Face Value per share	Nominal amount	Premium per share	Total premium
1	08.09.2016	3950000	10/-	39500000	8/-	31600000
2	12.01.2017 (conversion of warrant into Equity Share)	360000	10/-	3600000	8/-	2880000
3	12.01.2017 (conversion of warrant into Equity Share)	340000	10/-	3400000	8/-	2720000
	Total			46500000		37200000

All the allotted Equity Shares had been listed to BSE Ltd. as per SEBI (LODR) Regulation 2015.

**Allotment of Convertible warrants into equal no. of Equity Shares**

Amount in Rs.

Sl.No.	Allotment made on	No. of Warrants issued	Warrant Price	Upfront price	Total amount received pursuant to allotment
1	08.09.2016	711720	18/-	4.5/-	3202740

**Note:** the Board of Directors of the Company, issued 7,00,000/- (Seven Lakhs) Equity Shares upon conversion of 7,00,000/- (Seven Lakhs) warrants after payment had been received amounting to Rs. 94,50,000/- (Rupees Ninety Four Lakhs, Fifty Thousand Only). And During the year under review 11,720 (Eleven Thousand Seven Hundred twenty) Convertible warrants were outstanding.

**DIRECTORS' REPORT****q. Disclosure regarding Unclaimed Shares:**

During the year under review pursuant to the provisions of SEBI Guidelines and Securities Exchange Board of India (Listing Obligation & Disclosures Requirements) Regulations 2015, had transferred 207972 (Two Lakh Seven Thousand Nine Hundred Seventy Two) unclaimed Equity Shares to Everest Organics Limited-Unclaimed Suspense Account. 207612 (Two Lakhs Seven Thousand Six Hundred Twelve) Equity Shares were outstanding in the said Account as on 31.03.2017.

**r. Everest Employee Stock Option Plan:**

The Board of Directors in their meeting held on 09.08.2017 has proposed for Employee Stock Option Scheme subject to approval of Shareholders in ensuing Annual General Meeting. The Board of Directors seeks approval of members for the same. The concerned special resolution and brief details of the Everest Employee Stock Option – Plan, is annexed with the 24th Annual General Meeting Notice and in Explanatory Statement pursuant to section 102 of Companies Act, 2013.

The necessary Resolution is included in the Notice of AGM for seeking approval of members.

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

1. During the Year under review, the Board has recommended in their meeting held on 30.07.2016 to re-appoint Mr. Sri Kakarlapudi Harikrishna as a Wholtime Director in the Company with effect from 29.08.2016 and said recommendation were approved by the shareholders in the Annual General Meeting held on 29.08.2016.

2. During the year under review, The Board of Directors in their meeting held on 30.05.2016 had changed the designation of Ms. Sri Kakarlapudi Sirisha, as Non Executive Director, who were appointed as a Whole Time Director by the Board of Directors in their meeting held on 22.01.2016.

3. During the year under review the appointment of Mr. Peruri Ramakrishna, as a Chief Financial Officer of the Company has been ratified by the shareholders in the Annual General Meeting held on 29.08.2016, who were appointed by the board of Directors in their meeting held on 28.09.2015 for 3 years with effect from 28.09.2015.

**b) DECLARATIONS BY INDEPENDENT DIRECTORS:**

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

**c) RE-APPOINTMENT OF DIRECTORS, RETIRE BY ROTATION**

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Reddy Eashwer Kanthala (DIN : 02327979) and Mr. Kakarlapudi Sitarama Raju (Din : 02955723), will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend their candidature for approval.

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

The Board of Directors met 6 times during the financial year ended 31st March 2017 in accordance with the provisions of the Companies Act, 2013 and rules made there under.

The dates on which the Board of Directors met during the financial year under review are as under:

Sl. No.	Day	Date
1	Monday	30.05.2016
2	Saturday	30.07.2016
3	Thursday	08.09.2016
4	Tuesday	08.11.2016
5	Thursday	12.01.2017
6	Monday	13.02.2017

**DIRECTORS' REPORT**

Sl.No.	Name of the Directors	No. of Meetings held	No. of Meetings Attended	Whether Attended the AGM held on 29.08.2016
1	Dr. Sri Kakarlapudi Srihari Raju	6	6	Yes
2	Mr. Ramakrishnam Raju Kounparaju	6	6	Yes
3	Mr. Kakarlapudi Sitaram Raju	6	2	No
4	Mr. Akella Parvatisem	6	6	Yes
5	Mr. Sri Kakarlapudi Harikrishna	6	5	Yes
6	Mr. Reddy Eashwer Kanthala	6	2	No
7	Mr. Swaminathan Venkatesan	6	5	Yes
8	Mr. Sreeramakrishna Grandhi	6	5	No
9	Dr. Sri Kakarlapudi Sirisha	6	6	No

**b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2017, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit/loss of the Company for that year;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**c. NOMINATION AND REMUNERATION COMMITTEE:**

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

The composition of the committee is as under:

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

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

During the year under review, the Committee met only for 1 time on Monday, May 30, 2016.

**DIRECTORS' REPORT****Members Attendance:**

Sl. No.	Name of the Directors	Independent / Executive Director	No. of meetings held	No. of Meetings Attended
1	Mr. Sreeramakrishna Grandhi	Independent Director	1	1
2	Mr. Ramakrishnam Raju Kounparaju	Independent Director	1	1
3	Mr. Swaminathan Venkatesan	Independent Director	1	1

**d. AUDIT COMMITTEE:**

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

1. Mr. Sreeramakrishna Grandhi (DIN: 06921031), Chairman
2. Mr. Ramakrishnam Raju Kounparaju (DIN : 01735481), Independent Director
3. Mr. Swaminathan Venkatesan (DIN : 02810646), Independent Director and
4. Mr. Akella Parvatisem (DIN: 00910224), Director

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, entered into with the Stock Exchange.

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

During the year under review the Committee met 4 times on the following dates:

Sl. No.	Day	Dates
1	Monday	30.05.2016
2	Saturday	30.07.2016
3	Tuesday	08.11.2016
4	Monday	13.02.2017

**Members Attendance:**

Sl. No.	Name of the Directors	Independent / Executive Director	No. of meetings held	No. of Meetings Attended
1	Mr. Sreeramakrishna Grandhi	Independent Director	4	3
2	Mr. Ramakrishnam Raju Kounparaju	Independent Director	4	4
3	Mr. Swaminathan Venkatesan	Independent Director	4	3
4	Mr. Akella Parvatisem	Executive Director	4	4

**e. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

Mr. Venkatesan Swaminathan, is the Chairman of the Committee. And Ms. Nisha Jain, Company Secretary of the Company, acts as the Secretary of the Committee.

**DIRECTORS' REPORT**

During the year under review the Committee met 4 times :

Sl. No.	Day	Dates
1	Saturday	30.07.2016
2	Thursday	08.09.2016
3	Tuesday	08.11.2016
4	Monday	13.02.2017

Members Attendance:

Sl. No.	Name of the Directors	Independent / Executive Director	No. of meetings held	No. of Meetings Attended
1	Mr. Swaminathan Venkatesan	Independent Director	4	3
2	Mr. Akella Parvatisem	Independent Director	4	4
3	Mr. Sri Kakarlapudi Harikrishna	Whole Time Director	4	3

**f. SHARE TRANSFER COMMITTEE:**

The Share Transfer Committee is formed with Mr. Sri Kakarlapudi Harikrishna, Mr. Venkatesan Swaminathan and Mr. Akella Parvatisem as Members and meets as and when required at short notice also Mr. Venkatesan Swaminathan acts as Chairman of the Share transfer Committee and Ms. Nisha Jain, Company Secretary, acts as Secretary to the Committee. No share transfers are pending as on date.

The functions of the committee(s) include:

- 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.

During the year under review the committee met 22 times in total and all the Committee meeting were attended by all members.

**g. VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR THE DIRECTORS AND EMPLOYEES:**

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

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

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

**h. Risk Management Policy:**

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

**DIRECTORS' REPORT**

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

**i. Insider Trading :**

The Company has put in place the following Codes pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 :

- a. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- b. Code of Conduct to Regulate, Monitor and Report Trading.

**j. Policy on Board Diversity:**

Based on the Company's Policy on Board Diversity, as formulated by the Nomination and Remuneration Committee, the Board has time and again ensured that, optimum diversity on the Board is attained and maintained.

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

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

**l. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

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

**m. INTERNAL CONTROL SYSTEMS:**

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

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

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

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

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

**4. AUDITORS AND REPORTS**

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

**a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017:**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**DIRECTORS' REPORT****b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2017:**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. D. Hanumanta Raju & Co., Company Secretaries of B-13, F-1, P.S. Nagar, Vijayanagar Colony, Hyderabad – 500 057, India had been appointed to issue Secretarial Audit Report for the financial year 2016-17.

Secretarial Audit Report issued by D. Hanumanta Raju & Co., Company Secretaries of B-13, F-1, P.S. Nagar, Vijayanagar Colony, Hyderabad – 500 057, India, Company Secretaries in Form MR-3 for the financial year 2016-17 forms part of this report as DR - Annexure IV. The said report contains the following observation requiring explanation & or comments from the Board under section 134 (3) of the Companies Act, 2013.

1. The Company has not disclosed the policy formulated by Nomination and remuneration committee pursuant to section 178 of the Companies Act, 2013 in Board's report for the year 2016.

Directors' Comments :The Company has adopted the policy in the year 2015 itself, however we were under the assumption that there was no requirement to disclose the same for the year ending 2016. The Board assures that from this year onward will disclose the policy adopted pursuant to section 178 of Companies Act, 2013 and proper care will be taken to comply with the same.

2. Complete disclosure of changes in Directors and Key Managerial Personnel's (KMP) during the year was not given in Board's Report.

Directors' Comment : We have given the complete disclosure with regard to changes in the Directors and Key Managerial Personnel's during the year in the Annual Report. However the same point has been missed at the time of printing.

As it was purely a typographical error, we will take full precautions to avoid such errors in future.

3. The financial statements were signed by 4 Directors and 2 KMPs, whereas the XBRL filed for the year 2015-16 contains the details of only 3 Directors.

And

4. The details of Company Secretary and Chief Financial Officer were not mentioned in the XBRL filed for the year 2015-16.

Directors' Comment (for 3 & 4) : This has happened inadvertently and due to overlook. We further assure that the same will not be repeated and due take care will be taken at the time of filing of the same from the next time.

**c. APPOINTMENT OF STATUTORY AUDITORS :**

pursuant to mandatory rotation of statutory Auditor as per the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and any other provisions of Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014, as amended from time to time, as may be applicable, M/s. Suryam & CO., Chartered Accountants (Firm Registration No. 012181S), be and is hereby appointed as a Statutory Auditor of the Company in place of existing Statutory Auditor M/s. P. S. N. Ravishanker & Associates, Chartered Accountants, to hold the office for a term of 5 (FIVE) Years with effect from the conclusion of 24th Annual General Meeting as the Statutory Auditors of the Company till the conclusion of 29th Annual General Meeting (AGM) to be held in the year 2022, to examine and audit the account of the Company subject to ratification by Members at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors."

Necessary resolution for appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

**d. COST AUDITORS:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, due to pre-occupation of the existing Cost



**DIRECTORS' REPORT**

Auditor. as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 29.05.2017, appointed "M/s. Vajralingam & Co." Cost Accountant of Hyderabad, in place of "M/s. Sativada Venkat Rao, Cost Accountants, as the Cost Auditors of the Company for the financial year 2017-18 in respect of the Company's pharma manufacturing units at Aroor Village, Sadasivapet, Medak District, Telangana – 502 291. The Cost Audit Report will be filed within the stipulated period of 180 days from the closure of the financial year subject to the availability of respective e-forms at MCA Sites.

**5. OTHER DISCLOSURES**

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

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2017 made under the provisions of Section 92(3) of the Act is attached as DR - Annexure V which forms part of this Report.

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

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

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

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Salary INR 56,00,000/-
Details of fixed component and performance linked incentives along with the performance criteria	Fixed Component Salary – 56,00,000/-
Service contracts, notice period, severance fees	No Such terms are there.
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	As may be decided

**d. Non Applicability of Corporate Governance Report :**

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

**e. Green Initiative :**

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with M/s. Venture Capital & Corporate Investment Private Ltd., if shares are held in physical mode or with their Depository participant, if the holding is in electronic mode. Electronic Copies of the Annual Report and Notice of the Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report and Notice of the Annual General Meeting are sent in the permitted mode.

**DIRECTORS' REPORT**

Members requiring physical copies can send their request to Ms. Nisha Jain, Company Secretary of the Company.

In terms of Section 108 of the Act and Rule 20 of the Company's (Management and Administration) Rules 2014, the Company is providing remote e-voting facility to all the members to enable them to cast their votes electronically on all the resolutions set forth in the Notice.

**f. Personnel:**

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

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

**6. ACKNOWLEDGEMENTS AND APPRECIATION:**

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

For and on behalf of the Board

**Everest Organics Limited**

**Rama Krishnam Raju Kounparaju**

Chairman

DIN: 01735481

Dated : 27.08.2017

**Dr. Sri Kakarlapudi Srihari Raju**

Managing Director

DIN : 01593620

**Registered Office**

Aroor Village,

Sadasivapet Mandal,

Medak District – 502 291

Telangana, India

**CIN L24230TG1993PLC015426**

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

**Mail [secretarialcomp@everestorganicsltd.com](mailto:secretarialcomp@everestorganicsltd.com) website: [www.everestorganicsltd.com](http://www.everestorganicsltd.com)**

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

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

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

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

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



**DIRECTORS' REPORT**

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

Name(s) of the related party and nature of relationship	Virat&Co. One of the Partner of the Firm is the wife of Executive Director	Dr. Sri Kakarla p u d i Srihari Raju - Managing Director of the Company	A. Parvati s e m - Technical Director of the Company	Sri Kakarla p u d i Sudha - Spouse of Director of the Company	S r i Kakarla p u d i Hari - Executive Director of the Company	A. Raj Kamal - Spouse of Technical Director of the Company	Sri Kakarla p u d i Krishna v e n i - Spouse of Technical Director of the Company	Veerat Finance and Investment Limited - Two of the Directors of the other Company are relatives of the Managing Director of the Company
Nature of contracts/arrangements/transactions	Sales / Purchases and Unsecured loan received	Unsecured Loan Received	Unsecured Loan Received	Office Rent & Maintenance paid by the company	Unsecured Loan Received	Consultancy Fees	Consultancy Fees Unsecured Loan Received	Unsecured Loan Received
Duration of the contracts / arrangements/transactions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Salient terms of the contracts or arrangements or transactions including the value, if any	General Terms and Conditions	General Terms and Conditions	General Terms and Conditions	General Terms and Conditions	General Terms and Conditions	General Terms and Conditions	General Terms and Conditions	General Terms and Conditions
Amount paid as advances, if any	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Appropriate approvals have been taken for Related Party Transactions. All the transactions referred above are in the ordinary course of business and on an arm's length basis.

**DIRECTORS' REPORT****DR - ANNEXURE II****NOMINATION & REMUNERATION POLICY****1. Introduction**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

**2. Objective and purpose of the policy**

The objectives and purpose of this policy are:

2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives, evaluating the performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the compensation level based on this evaluation; and making recommendations to the Board with respect to Directors' (executive / non-executive) compensation, and incentive-compensation and equity-based plans that are subject to Board approval;

2.2 The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.

2.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;

2.4 To devise a policy on Board diversity; and

2.5 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

**3. Constitution of the Nomination and Remuneration Committee**

The Board has reconstituted the "Nomination and Remuneration Committee" of the Board on 30.05.2015. This is in line with the requirements under the Companies Act, 2013 ("Act").

The Board has authority to reconstitute this Committee from time to time.

**Definitions**

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

'Company' means Everest Organics Limited.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

'Key Managerial Personnel (KMP)' means-

i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;

ii) the Company Secretary; and

iii) the Chief Financial Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.



**DIRECTORS' REPORT**

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

**General**

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

**Part – A**

**Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The following matters shall be dealt by the Committee:-

(a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

(a) the remuneration of the Managing Director, Whole-time Directors and KMPs

(b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;

(c) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to

(i) attract and motivate talent to pursue the Company's long term growth;

**DIRECTORS' REPORT**

- (ii) demonstrate a clear relationship between executive compensation and performance; and
- (iii) be reasonable and fair, having regard to best governance practices and legal requirements.
- (d) the Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
- (e) the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- (f) the Company's remuneration reporting in the financial statements and remuneration report.

**PART – B****Policy for appointment and removal of Director, KMPs and Senior Management**

## Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Directors, Independent Director who has attained the age of seventy years.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

## Term / Tenure

## 1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director, CFO for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

## 2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive)

**DIRECTORS' REPORT**

Director of a listed company.

**Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

**Retirement**

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

**PART – C****Policy relating to the remuneration for Directors, KMPs and other employees****General**

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to KMPs and other employees**

The policy on remuneration for KMPs and other employees is as below:-

**1. Fixed pay**

The remuneration and reward structure for employees comprises two broad components — annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

**a) Annual remuneration**

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group globally, established through independent compensation surveys,



**DIRECTORS' REPORT**

from time to time.

b) Long-term rewards

Long-term rewards may include Long-Term Incentive Plans (LTIP) under which incentives would be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organisation, and length of service under the supervision and approval of the Committee. The company could implement various long term awards schemes that could include Long Term Incentive Programme (LTIP) spread over several years with payouts in multiple tranches linked to Company's performance. Another form of long term awards could be in the nature of stock options of the company. Stock Options may be granted to key employees and high performers in the organisation who would be selected by the Committee based on their criticality, past performance and potential. The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

2. Minimum remuneration to Managing Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-Executive / Independent Directors

1. Remuneration

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under. The amount of sitting fees shall be such as may be recommended by the Nomination and remuneration Committee and approved by the Board of Directors.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, and as per the applicable provisions of the Companies Act, 2013.

Notes:

- (1) The Company normally has Five Board meetings in a year, Independent Directors are expected to attend four quarterly Board meetings and the AGM.
- (2) For Directors based overseas, travel fees shown is per Board meeting. This is based on the fact that additional travel time of two days will have to be accommodated for independent directors to attend Board meeting in India.

2. Stock options

The Independent Directors shall not be entitled to any stock option of the Company.

3. Any remuneration paid to Non-Executive / Independent Directors for services rendered which are professional in nature shall not be considered as a part of the remuneration for the purposes of clause 1 above, if the following conditions are satisfied:

- i) The services are rendered by such Director in his capacity as the Professionals; and
- ii) In the opinion of the committee, the Directors possess the requisite qualification, for the practice of that profession.

Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

In case of any subsequent change in the provisions of the Companies Act, 2013 or any other regulations

**DIRECTORS' REPORT**

which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

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

Median Remuneration		: Rs. 1,07,125
Dr. Sri Kakarlapudi Srihari Raju	Remuneration	: Rs. 29,00,000/-
	Ratio	: 27.07
Akella Parvatisem	Remuneration	: Rs. 18,00,000/-
	Ratio	: 16.80
Sri Kakarlapudi Harikrishna	Remuneration	: Rs. 900,000/-
	Ratio	: 4.20

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

Name	Designation	Percentage increase in remuneration
Dr. Sri Kakarlapudi Srihari Raju	Managing Director	13.72
Mr. Sri Kakarlapudi Harikrishna	Wholetime Director	33.33
Mr. Peruri Ramakrishna	Chief Financial Officer	10.21
Ms. Nisha Jain	Company Secretary	14.29

**Note :**

- a) The Non-Executive Directors of the Company are entitled for sitting fee only. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
- b) Percentage increase in remuneration indicates annual target, total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2016- 17.
- c) i) Employees for the purpose above includes all employees excluding employees governed under collective bargaining.
  - ii. The percentage increase in the median remuneration of Employees for the financial year was 27.27%.
  - iii. The Company has 361 permanent employees on the rolls of Company as on 31st March, 2017.
  - iv. Relationship between average increase in remuneration and Company's performance: Every year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of Company's overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increases during the year were in line with Company's performance.
  - v. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: In line with Company's reward philosophy, merit increases and annual bonus pay-outs of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the Key Managerial Personnel, appropriate reward by way of merit increase have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company. During the financial year under review, the turnover of



**DIRECTORS' REPORT**

Company was Rs 1,06,89,34,615/- (Rupees One Hundred Six Crore Eighty Nine Lakhs Thirty Four Thousand Six Hundred Fifteen only) The PAT (Profit After Tax) of company is reached at Rs 1,71,79,524/- (Rupees One Crore Seventy One Lakh Seventy Nine Thousand Five Hundred Twenty Four only).

vi. The trading in shares on BSE last traded price was Rs. 102.25.

vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 20.18% whereas the increase in the managerial remuneration was 17.83 %. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.

viii. The key parameters for any variable component of remuneration: Variable compensation is an integral part of our total reward package for all Employees including Executive Directors. Annual Bonus is directly linked to an individual performance rating and business performance. At the start of the year, every Employee (including Executive Directors), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch. Business targets are a combination of goals such as Underlying Volume Growth, Underlying Sales Growth, Core Operating Margin etc.

ix. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :Not Applicable

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

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

**Rama Krishnam Raju Kounparaju**  
Chairman  
DIN: 01735481  
Dated : 27.08.2017

**Dr. Sri Kakarlapudi Srihari Raju**  
Managing Director  
DIN : 01593620



**DIRECTORS' REPORT**

**DR- Annexure IV**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by EVEREST ORGANICS LIMITED (hereinafter called the company). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India, 1980 and in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period of audit);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period of audit); and



**DIRECTORS' REPORT**

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit)
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other laws specifically applicable to the company are as follows:
  - a. Drugs and Cosmetics Act, 1940;
  - b. Petroleum Act, 1934 read with Petroleum Rules 2002;
  - c. Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder;
  - d. Environment (Protection) Act, 1986 and rules made thereunder;
  - e. Water (Prevention and Control of Pollution) Act, 1974;
  - f. Explosives Act, 1884 read with Gas Cylinder Rules, 2004;

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

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

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

- \* The company has not disclosed the policy formulated by Nomination and Remuneration committee pursuant to Section 178 of Companies Act, 2013 in Board's Report of the year 2016.
- \* Complete disclosure of changes in Directors and Key Managerial Personnel's (KMP) during the year was not given in Board's Report.
- \* The financial statements were signed by 4 Directors and 2 KMPs whereas the XBRL filed for the year 2015-16 contains the details of only 3 Directors.
- \* The details of Company Secretary and Chief Financial Officer were not mentioned in the XBRL filed for the year 2015-16.

We further report that

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

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

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

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

We further report that during the period under review the company has issued and allotted 39,50,000 Equity



**DIRECTORS' REPORT**

Shares of Rs. 10/- each at a premium of Rs. 8 per share (issue price Rs. 18/- per share) aggregating to Rs. 7,11,00,000/- by converting outstanding unsecured loans from promoters and the same are listed at BSE Limited.

Further, the company has issued 7,11,720 Convertible Warrants of Rs.10/- each at a premium of Rs. 8 per warrant (issue price Rs. 18/- per warrant) aggregating to Rs. 1,28,10,960/- by passing Special Resolution at the Annual General Meeting held on 29th August, 2016. Out of 7,11,720 convertible warrants, 3,60,000 warrants were converted into equity shares and allotted at the Board Meeting held on 12.01.2017 and 3,40,000 warrants were converted into equity shares and allotted at the Board Meeting held on 13.02.2017 and the same are listed in BSE Limited.

We further report that the company has under gone U S Food and Drugs Administrative Audit (USDFA) at factory premises situated at Aroor Village, Sadashivapet Mandal, Medak District from 27th February, 2017 to 03rd March, 2017.

Place: Hyderabad  
Date: 27.08.2017

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

Sd/-  
**CS SHAIK RAZIA**  
PARTNER  
FCS: 7122, CP NO: 7824



**DIRECTORS' REPORT**

**'Annexure A'**

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

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

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

Place: Hyderabad  
Date: 27.08.2017

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

Sd/-  
**CS SHAIK RAZIA**  
PARTNER  
FCS 7122, CP NO: 7824



**DIRECTORS' REPORT****DR - Annexure V**

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L24230TG1993PLC015426
ii	Registration Date	19/02/1993
iii	Name of the Company	Everest Organics Limited
iv	Category/Sub-category of the Company	Indian Non Government Company
v	Address of the Registered office & contact details	Aroor Village, Sadasivapet Mandal, Medak District - 502 291, Telangana, India
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Mr. P. V. Srinivasa Rao M/s. Venture Capital and Corporate Investments (P) Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018, Telangana, India

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturer of Active Pharmaceutical Ingridients & Intermediaries	210	100%

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



**DIRECTORS' REPORT**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	381672	30348	412020	12.34	1650982	0	1650982	20.67	8.33
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corporates	472608	0	472608	14.16	3883826	0	3883826	48.62	34.46
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	
e) Any other	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL:(A) (1)	854280	30348	884628	26.50	5534808	0	5534808	69.29	42.79
(2) Foreign									
a) NRI- Individuals	112788	169848	282636	8.47	226296	56340	282636	3.54	4.93
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	
e) Any other...	0	0	0	0.00	0	0	0	0.00	
SUB TOTAL (A) (2)	112788	169848	282636	8.47	226296	56340	282636	3.54	4.93

**DIRECTORS' REPORT**

Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	967068	200196	1167264	34.97	5761104	56340	5817444	72.82	37.86
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	576	576	0.02	0	0	0	0.00	0.02
b) Banks/FI	4014	0	4014	0.12	2214	0	2214	0.03	0.09
C) Central govt	0	0	0	0.00	0	0	0	0.00	
d) State Govt.	0	0	0	0.00	0	0	0	0.00	
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	
g) FIIS	0	0	0	0.00	0	0	0	0.00	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	
<b>SUB TOTAL (B)(1):</b>	<b>4014</b>	<b>576</b>	<b>4590</b>	<b>0.14</b>	<b>2214</b>	<b>0</b>	<b>2214</b>	<b>0.03</b>	<b>0.11</b>
(2) Non Institutions									
a) Bodies corporates	124672	14400	139072	4.16	242116	10836	252952	3.17	0.99
i) Indian	0	0	0	0.00	0	0	0	0	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	627956	695234	1323190	39.64	738433	429662	1168095	14.62	25.01
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	272520	0	272520	8.16	363240	0	363240	4.55	3.62



**DIRECTORS' REPORT**

c) Others (specify)									
Clearing Members	796	0	796	0.02	5678	0	5678	0.07	0.05
Trust	0	12204	12204	0.37	0	0	0	0.00	0.37
Non Resident Individuals	65484	353160	418644	12.54	118053	260604	378657	4.74	7.80
SUB TOTAL (B)(2):	1091428	1074998	2166426	64.89	1467520	701102	2168622	27.15	37.74
Total Public Shareholding (B)= (B)(1)+(B)(2)	1095442	1075574	2171016	65.03	1469734	701102	2170836	27.18	37.86
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	
Grand Total (A+B+C)	2062510	1275770	3338280	100.00	7230838	757442	7988280	100.00	

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Sri Kakarlapudi Srihari Raju	260892	7.82	0	1499854	18.78	0	10.96
2	Sri Kakarlapudi Krishna Veni	1440	0.04	0	1440	0.02	0	0.03
3	Nadimapalli V Raju	112788	3.38	0	112788	1.41	0	1.97
4	S. K. Harikrishna	8280	0.25	0	8280	0.10	0	0.14
5	S. K. G Parvathi	31752	0.95	0	31752	0.40	0	0.55
6	Sirisha Srikakarlapudi	109656	3.28	0	109656	1.37	0	1.91
7	Raju Sitaram Kakarlapudi	113508	3.40	0	113508	1.42	0	1.98
8	Veerat Finance & Investment Limited	472608	14.16	0	3883826	48.62	0	34.46
9	Rajgopal Rao Rangineni	56340	1.69	0	56340	0.71	0	0.98
	Total	1167264			5817444			



**DIRECTORS' REPORT**

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

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sri Kakarlapudi Srihari Raju				
	At the beginning of the year	260892	7.82	260892	7.82
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date				
	08.09.2016	1238890	17.00	1499782	20.58
	12.11.2016	72	0.00	1499854	20.58
	At the end of the year	1499854		1499854	18.78
2	Veerat Finance & Investment Limited				
	At the beginning of the year	472608	14.16	472608	14.16
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date				
	08.09.2016	2711110	37.20	3183718	43.68
	12.01.2017	360000	4.71	3543718	46.33
	13.02.2017	340000	4.26	3883718	48.62
	08.03.2017	108	0.00	3883826	48.62
	At the end of the year	3883826		3883826	48.62

Note : There is no change in the other promoters shareholding.

**DIRECTORS' REPORT**

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ajay Kumar Kayan	127080	3.81		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Aquired on 15.06.2016	90720	2.72		
	At the end of the year			217800	2.73
2	Prasanna Challa	154440	4.63		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			154440	1.93
3	Jalashree Challa	43200	1.29		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			43200	0.54
4	Ch Hemantha Kumar	23616	0.71		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			23616	0.30
5	Prabhakara Reddy Kaliki	22572	0.68		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			22572	0.28
6	Jamuna Hindupur	22536	0.68		



**DIRECTORS' REPORT**

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			22536	0.28
7	K Prabhakar Reddy	22536	0.68		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			22536	0.28
8	Jamuna Hindupur Mohan R Hindupur	22464	0.67		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			22464	0.28
9	Jayasree Challa	19944	0.60		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			19944	0.25
10	RAJKUMAR C BASANTANI	19296	0.58		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year			19296	0.24
	Total	477684	14.31	568404	7.12

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Sri Kakarlapudi Srihari Raju				
	At the Beginning of the year	260892	7.82		



## DIRECTORS' REPORT

	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	08.09.2016 - Allotment	1238890	17.00	1499782	20.58
	12.11.2016 - Acquired	72	0.00	1499854	20.58
	At the end of the year			1499854	18.78
2	Sri Kakarlapudi Harikrishna				
	At the Beginning of the year	8280	0.25		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year			8280	0.10
3	Sirisha Srikakarlapudi				
	At the Beginning of the year	109656	3.28		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year			109656	1.37
4	Raju Sitaram Kakarlapudi				
	At the Beginning of the year	113508	3.40		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year			113508	1.42
5	Ramakrishnam Raju Kounparaju				
	At the Beginning of the year	720	0.02		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year			720	0.01
6	Akella Parvatisem				
	At the Beginning of the year	36	0.00		



**DIRECTORS' REPORT**

	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year			36	0.00
7	Eashwer Reddy Kanthala				
	At the Beginning of the year	67500	2.02		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year			67500	0.84
8	Peruri Ramakrishna				
	At the Beginning of the year	13248	0.40		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year			13248	0.17

**DIRECTORS' REPORT**

V INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,92,11,295	9,05,61,024		25,97,72,319
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>16,92,11,295</b>	<b>9,05,61,024</b>		<b>25,97,72,319</b>
Change in Indebtedness during the financial year				
Additions	2,43,00,000	14438993		3,87,38,993
Reduction	3,52,76,644	8,76,80,358		12,29,57,002
Net Change	(1,09,76,644)	(7,32,41,365)		( 8,42,18,009)
Indebtedness at the end of the financial year				
i) Principal Amount	15,82,34,652	1,73,19,659		17,55,54,310
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>15,82,34,652</b>	<b>1,73,19,659</b>		<b>17,55,54,310</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/W TD/Manager			Total Amount
1	Gross salary	Dr. Sri Kakarlapudi Srihari Raju	Akella Parvatisem	Srikakarlapudi Hari Krishna	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	29,00,000	18,00,000	9,00,000	56,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-



**DIRECTORS' REPORT**

	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>2,900,000</b>	<b>18,00,000</b>	<b>9,00,000</b>	
	<b>Ceiling as per the Act</b>				<b>90,00,000</b>

**B. Remuneration to other directors:**

Amount in Rs.

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Swaminathan Venkatesan	Sree Ramakrishna Grandhi	Ramakrishna m Raju Kounparaju	
	(a) Fee for attending board committee meetings	60,000	50,000	60,000	<b>170,000</b>
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>60,000</b>	<b>50,000</b>	<b>60,000</b>	<b>170,000</b>
2	Other Non Executive Directors	Srikakarlapudi Sirisha	Kakarlapudi Sitarama Raju		
	(a) Fee for attending board committee meetings	50,000	10,000		
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	<b>50,000</b>	<b>10,000</b>		<b>60,000</b>
	<b>Total (B)=(1+2)</b>	<b>110,000</b>	<b>60,000</b>		<b>2,30,000</b>
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act.</b>				<b>1 lac per meeting for every director</b>



**DIRECTORS' REPORT**

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	7,91,666	7,09,950	<b>15,01,617</b>
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>7,91,666</b>	<b>7,09,950</b>	<b>15,01,617</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

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

Steps taken or impact on conservation of energy	<ol style="list-style-type: none"><li>1. We spent around Rs. 1 Crore on condensate recovery to the boiler, there by recycling 85% of the water used as condensate, and using only 15% of fresh water drawn from the bore well.</li><li>2. As we are recycling the condensate effectively input water temperature raised to 85°C from 50°C. So we are saving the 35°C specific heat energy, which leads to saving in Coal.</li></ol>
Steps taken by the company for utilizing alternate sources of energy	40% of the power consumption is from solar energy.
Capital investment on energy conservation equipments	High efficiency motors installed by replacing low efficiency motor i.e. 85% efficient motors to 93.5% efficient motors All the cooling towers installed on the 20 Mts level thereby saving the pump head to reduce the power consumption

**(B) Technology absorption :**

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

**DIRECTORS' REPORT****(C) Foreign exchange earnings and Outgo:**

	1st April, 2016 to 31st March, 2017 [Current F.Y.]	1st April, 2015 to 31st March, 2016 [Previous F.Y.]
	<b>Amount Rs. Lakhs</b>	<b>Amount Rs. In Lakhs.</b>
Actual Foreign Exchange earnings	2236.44	1823.92
Actual Foreign Exchange outgo	1286.36	1433.08

<b>Capital and revenue expenditures on R&amp;D activities:</b>	<b>Amount in Rs. (Lakhs)</b>
Capital Expenditure	16.00
<b>Total Capital Expenditure</b>	<b>16.00</b>
Revenue Expenditure	
Salaries	58.34
R & D Consumables	11.10
<b>Total Revenue Expenditure</b>	<b>69.43</b>
<b>Total Expenditure</b>	<b>85.44</b>

**Investor Grievances Redressal :**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Number</b>
1	No. of Complaints Received Directly	1
2	No. of Complaint forwarded by Stock Exchange	1
3	No. of Complaint forwarded by SEBI	0
4	Total no. of Complaint Received (1+2+3)	2
5	No. of Complaint Resolved	2
6	No. of Complaints Pending	NIL



**CERTIFICATE FOR COMPLAINE WITH ACCOUNTING STANDARDS AND CODE OF CONDUCT**

**CERTIFICATE**

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
- i these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
- i Significant changes in internal controls over financial reporting during the year.
  - ii Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - iii Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **EVEREST ORGANICS LIMITED.**

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

Sd/-  
**Mr. P Ramakrishna**  
CFO

Date: 27.08.2017

**Declaration on compliance with Code of Conduct**

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

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

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31.03.2017.

Date: 27.08.2017

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

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

The Indian pharmaceutical industry is one of the most attractive investment destinations in the world. With ever increasing returns, lowering risks and anticipated multifold growth, investors are more interested in this industry than ever before.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years.

The industry appears to be confident about near term revenue prospects, with a predicted 30.5% growth in 2017. An analysis by sector shows that, of the 400 companies surveyed, 60% believed that finished formulations would expand rapidly, while 42% see APIs as the largest growth area. Highlighting the economy's diversity and willingness to incorporate new product classes.

By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size. The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

**MARKETING & MARKET SIZE :**

Pharma Sector In- API

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

INDIAN APIs Industry

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

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period!. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US\$ 12.91 billion in FY 2015-16, according to data from the Ministry of Commerce and Industry. In addition, Indian pharmaceutical exports are poised to grow between 8-10 per cent in FY 2016-17. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US\$ 1,641.15 million.

**INVESTMENTS:**

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

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 14.53 billion between April 2000 and December 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).





**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

**a) Strengths**

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

**b) Weaknesses**

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

**c) Opportunities**

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

**d) Threats**

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

**INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :**

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

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATION :**

During the financial year under review, the income from operation was INR 1068.93 mn as compared to INR 994.76 mn registered in the previous year reflecting a year-on-year increase of 7.46%.



**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Profit before other income, finance cost, Extraordinary and exceptional item and Taxes was INR 35.60 mn as compared to INR 32.54 mn in the previous year reflecting a year-on-year increase of 9.40%.

Whereas Profit After Tax was INR 17.18 mn as compared to INR 1.8 mn in the previous year, registered significant growth in PAT.

**Business Updates:**

- \* We please to Inform you that the Company has received USFDA Approval for API Plant and EIR Report.
- \* New R&D Centre Civil Structure completed and slated for operation in F. Y. 2018.
- \* New API Under development
- \* Completed the Corporate Restructuring
- \* Improvement in long Term Credit Rating from (B- to BB-)
- \* Add new market for export.
- \* CEP certification for omeprazole from EDQM ( European Drug Regulator) for Omeprazole & Esomeprazole.
- \* Applied for import Drug License to China FDA for Esomeprazole.

You are hereby informed that there was a fire accident in the factory situated at Aroor Village, Sadasivapet Mandal, Sanga Reddy District – 502 291, Telangana, India, involving a total damage to the Company amounting to Rs. 103.18 Lakhs/- in July 2016. We further report that was minor in nature.

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

Further the Company got adhoc release of Rs. 25.00 Lakhs on 14-06-2017 as part payment, from New India Insurance Company. The remaining balance is expected to be released at the end of September, 2017.

**HUMAN RESOURCE DEVELOPMENT :**

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

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

**CAUTIONARY STATEMENT :**

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

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

Sd-  
**Ramakrishnam Raju Kounparaju**  
Chairman  
DIN: 01735481  
Dated : 27.08.2017

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



**AUDITORS' REPORT**

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
EVEREST ORGANICS LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Everest Organics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

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

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

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

**AUDITORS' REPORT**

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

**OPINION :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profits and its Cash Flows for the year ended on that date.

Our Opinion is not modified in respect of above said matters.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to Note No.15 to the Financial Statements.

**AUDITORS' REPORT**

(ii) The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The company has provided to us the requisite information for the period from 08.11.2016 to 30.12.2016 regarding its holdings and dealings in Specified Bank Notes(SBNs) as defined in the notification S.O.3407 ( E) dated 08.11.2016 of the Ministry of Finance. Based on audit procedures performed and the representations made to us by the management, we report that the company has not held any SBNs on 08.11.2016 and not transacted with any SBNs during the period 08.11.2016 to 30.12.2016. The company has held cash balance of Rs.28,718 at the end of 08.11.2016, received Rs.4,32,000 and paid Rs.3,18,664 during 09.11.2016 to 30.12.2016 and held cash balance of Rs.1,42,054 on 30.12.2016, all in the notes other than SBNs.

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

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

Place : Hyderabad,  
Date : 29-05-2017.



**AUDITORS' REPORT**

**ANNEXURE – A to the Independent Auditors' Report dt.29-05-2017 issued to the members of Everest Organics Limited**

Statement on the matters specified in Paragraphs 3 & 4 of the Companies (Auditors Report) Order, 2016

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

b) As per the information and explanations furnished to us by the management, majority of the fixed assets have been physically verified in a broad manner by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies were noticed on such verification, pending adjustment.

c) As per the information and explanations furnished to us by the management, the title deeds of immovable properties are held in the name of the company.

(ii) The physical verification of inventories has been conducted during the year by the management, in respect of majority of the high value items at reasonable intervals. In our opinion, the frequency of such verification is reasonable.

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

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

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

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

However, the company had earlier taken / accepted / held unsecured loans totally amounting to Rs.173.19 lakhs (Rs. 905.61 lakhs as at 31-03-2016), all stated to be coming under the category of promoters, their friends, relatives, employees and Associate concerns and it has explained to us that these unsecured loans were earlier brought into the company to meet the then financial obligations of the company to the then Financial Institutions/Banks.



**AUDITORS' REPORT**

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and the cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a) As per the information and explanations furnished to us by the management, according to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax (Except FBT of Rs.8.55 lakhs), Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally deposited with the appropriate authorities, with occasional delays. However, according to the information and explanations given to us, no other undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2017 for a period of more than six months from the date they became payable.

However, the company has provided for its liability in the books of account, but not made the payment thereof, towards Gratuity Fund amounting to Rs.64.13 lakhs, as estimated by the management, for necessary payment of gratuity of the employees on their retirement, as per the Accounting Standard AS-15 of the ICAI as stated in the notes to Financial Statement Sl.No.1(k) under the head Employee Benefits. Further, the company has not provided & also not paid for leave encashment estimated at Rs.36.76 lakhs as at 31-03-2017 (previous year Rs.35.93 lakhs).

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

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

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

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

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

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

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



**AUDITORS' REPORT**

(xiv) During the year the company has made the preferential allotment of 46,50,000 fully paid equity shares of Rs.10/- each with a premium of Rs.8/- per share, totally amounting to Rs.8,37,00,000 to the Managing Director and to an NBFC, an Associate Company and the shareholding of these preferential allottees as at 31-03-2017 has gone up to 18.77%(Previous year : 7.82%), 48.62%(Previous year 14.16%) respectively. The company made these allotments against the Unsecured Loans brought in by these allottees in the earlier years over a long time to a major extent to meet the then financial obligations of the company to the then Financial Institutions/Banks and also against the funds brought in the current year to a minor extent and accordingly the compliance of the requirement of section 42 of the Companies Act, 2013 do not, prima facie, appear to be applicable to the preferential allotment made during the year.

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

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

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

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

Place : Hyderabad,  
Date : 29-05-2017.



**AUDITORS' REPORT****Annexure-B to the Independent Auditors' Report of even date on the Financial Statements of Everest Organics Limited**

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

We have audited the internal financial controls over financial reporting of Everest Organics Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control

**AUDITORS' REPORT**

over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion :**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. However the following internal financial controls are essential and desirable.

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

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

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

Place : Hyderabad,  
Date : 29-05-2017.


**BALANCE SHEET**

Name of the Company: Everest Organics Limited		(CIN : L24230TG1993PLC015426)		(Rupees)	
Balance Sheet as on 31.03.2017					
Particulars	Note No.		As on 31.03.17		As on 31.03.16
1	2	3	4	5	6
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	A		79,882,800		33,382,800
(b) Reserves and Surplus	B		80,883,985		26,504,461
(c) Money Received against Share Warrants	B1		52,740		-
<b>(2) Non-Current Liabilities</b>					
(a) Long-term Borrowings	C		64,974,794		138,310,934
<b>(3) Current Liabilities</b>					
(a) Short-term Borrowings	D		103,498,407		120,985,217
(b) Trade Payables	E		481,197,197		402,933,810
(c) Other Current Liabilities	F		38,326,821		29,516,031
(d) Short-term provisions	G		11,567,647		7,063,321
<b>Total:</b>			<b>860,384,390</b>		<b>758,696,575</b>
<b>II ASSETS</b>					
<b>Non-Current Assets</b>					
<b>1 (a) Fixed Assets</b>					
(i) Tangible Assets	H	327,147,970		274,484,779	
(ii) Capital-work-in-progress		8,419,247	335,567,217	9,948,001	284,432,780
(b) Non-Current Investments	I		845,408		845,408
(c) Long-term Loans and Advances			-		-
(d) Other Non-Current Assets	J		7,510,924		6,927,224
<b>2 Current Assets</b>					
(a) Inventories	K		134,183,684		94,151,371
(b) Trade Receivables	L		315,466,308		319,641,300
(c) Cash and Cash Equivalents	M		14,912,470		10,610,535
(d) Short-term Loans and Advances	N		43,728,675		28,406,705
(e) Other Current Assets	O		8,169,705		13,681,251
<b>Total:</b>			<b>860,384,390</b>		<b>758,696,575</b>
Significant Accounting Policies, Notes to Accounts form integral part of the Financial Statements					
		Y			
for P. S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED			
Sd/- P.RAVI SHANKER Partner ICAI M.No.025288		Sd/- SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031		Sd/- Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620	
		Sd/- P.RAMA KRISHNA Chief Financial Officer		Sd/- A.PARVATISEM Technical Director DIN: 00910224	
Place: Hyderabad Date : 29-05-2017		Sd/- NISHA JAIN Company Secretary		Sd/- S.K.HARI KRISHNA Executive Director DIN: 01664260	



**STATEMENT OF PROFIT AND LOSS ACCOUNT**

Name of the Company: Everest Organics Limited  
Profit and Loss Account for the Year Ended 31.03.2017

				(Rupees)	
	Particulars	Note No.		Year ended 31.03.17	Year ended 31.03.16
I.	Income from operations	P		1,068,934,615	994,764,707
II.	Other Income	Q		9,790,309	3,655,505
III.	<b>Total Income (I + II)</b>			<b>1,078,724,925</b>	<b>998,420,212</b>
IV.	<b>Expenses:</b>				
	Cost of Materials Consumed	R		713,182,781	617,238,753
	Changes in Inventories of finished goods	S		(11,330,372)	6,836,592
	Work-in-progress	T		(26,472,587)	1,092,652
	Employee Benefits Expense	U		87,384,391	72,236,904
	Finance Costs	V		27,568,534	25,984,201
	Depreciation	W		24,476,706	27,277,799
	Other Expenses	X		246,096,367	237,546,953
	<b>Total Expenses</b>			<b>1,060,905,821</b>	<b>988,213,853</b>
V.	Profit before Exceptional and Extraordinary items and Tax			17,819,104	10,206,359
VI.	Exceptional Items - Excess/(Short) Provision for Taxation			-	25,002
VII.	Profit before Extraordinary items and Tax (V-VI)			17,819,104	10,181,357
VIII.	Add/(Less): Extraordinary Items - Prev. Year Claim Amount Received Less: Fire Loss during the Year	Y(14)	9,762,286 6,101,866	3,660,420	(7,976,618) -
IX.	Profit before Tax (VII-VIII)			21,479,524	2,204,740
X.	Tax Expense: (1) Current Tax			4,300,000	400,000
XI.	Profit/(Loss) for the period from continuing operations (IX-X)			17,179,524	1,804,740
XII.	Profit/(Loss) from discontinuing operations			-	-
XIII.	Tax expense of discontinuing operations			-	-
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)			17,179,524	1,804,740
XV.	Profit/(Loss) for the period (XI + XIV)			17,179,524	1,804,740
XVI.	Earnings per equity share:				
	(1) Basic			3.03	0.54
	(2) Diluted			3.02	0.54
	Number of shares used in computing earnings per share			7,988,280	3,338,280

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

Sd/-  
P.RAVI SHANKER  
Partner  
ICAI M.No.025288

Sd/-  
SREERAMAKRISHNA GRANDHI  
Audit Committee Chairman  
DIN: 06921031

Sd/-  
P.RAMA KRISHNA  
Chief Financial Officer

Sd/-  
NISHA JAIN  
Company Secretary

Place: Hyderabad  
Date : 29-05-2017

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

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

Sd/-  
A.PARVATISEM  
Technical Director  
DIN: 00910224

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



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

A. Share Capital	(Rupees)	
	As at 31st Mar 2017	As at 31st Mar 2016
<b>Class of Shares - Equity Shares</b>		
<b>Authorised Capital</b>		
1,00,00,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
	33,382,800	33,382,800
Shares issued, subscribed and paid as on 01.04.2016 (33,38,280 Equity Shares of Rs.10/- each fully paid up) (9,273,000 Equity Shares of Rs.10/- each fully paid up)	33,382,800	92,730,000
Add: Issued during the year (46,50,000 Equity shares of Rs.10/- each fully paid up)	46,500,000	-
	<b>79,882,800</b>	<b>92,730,000</b>
Less: Reduction of Eq. Share Capital (9273000 Nos. @Rs. 6.40 per share)	-	59,347,200
	<b>79,882,800</b>	<b>33,382,800</b>
Total Amount as per Balance Sheet (79,88,280 Equity Shares of Rs.10/- each fully paid up) (33,38,280 Equity Shares of Rs.10/- each fully paid up)	<b>79,882,800</b>	<b>33,382,800</b>
<b>Total</b>	<b>79,882,800</b>	<b>33,382,800</b>
	-	-
<b>Total</b>	-	-

Note:1

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

1. Veerat Finance & Investment Co.Ltd.,(38,83,826 Equity Shares of Rs.10/- fully paid up) (CIN: U65921TG1994PLC018639) (4.72.608 Equity Shares of Rs.10/- fully paid up)	38,83,826 (48.62%)	4,72,608 (14.16%)
2. Dr.S.K.Srihari Raju (14,99,854 Equity Shares of Rs.10/- fully paid up)	14,99,854 (18.77%)	2,60,892 (7.82%)

Note: 2. The Share holding of this two shareholders above are under different lock in dates in accordance with regulation 78 of SEBI(ICDR) 2009.

Note: 3

**Reconciliation of number of shares outstanding at the beginning and end of the year**

Shares issued & subscribed as at the beginning of the year - 33,38,280 (92,73,000) Equity Shares of Rs.10/- each fully paid up	3,338,280	9,273,000
Add: Issued during the period(46,50,000 Equity shares of Rs.10/- each fully paid up)	4,650,000	-
	7,988,280	9,273,000
Less: Reduction	-	5,934,720
	<b>7,988,280</b>	<b>3,338,280</b>
<b>Total Number of Equity Shares as per Balance Sheet</b> 79,88,280 Equity Shares of Rs.10/- each fully paid up) 33,38,280 Equity Shares of Rs.10/- each fully paid up)		

Note:

- There are no shares issued in last five years as fully paid up pursuant to contracts without payment being received in cash.
- There are no shares issued in last five years as fully paid up by way of bonus shares.
- There are no shares bought back in last five years.
- There are no calls unpaid.

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

P. RAVI SHANKER  
Partner  
ICAI M.No. 025288

SREERAMAKRISHNA GRANDHI  
Audit Committee Chairman  
DIN: 06921031

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

P. RAMA KRISHNA  
Chief Financial Officer

A. PARVATISEM  
Technical Director  
DIN: 00910224

NISHA JAIN  
Company Secretary

S. K. HARI KRISHNA  
Executive Director  
DIN: 01664260

Place: Hyderabad  
Date : 29-05-2017



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rupees)			
	As at 31st Mar 2017		As at 31st Mar 2016
<b>B. Reserves and Surplus</b>			
<b>Capital Reserves</b>			
Opening Balance	-	-	-
Add: Share Capital reduction during the year	-	59,347,200	-
<b>Total</b>	-	59,347,200	-
Less: Adjustment made during the year-Set off of Accumulated losses (Ref to Note given below)	-	59,347,200	-
<b>Closing Balance</b>	-	-	-
<b>Securities Premium:</b>			
Opening Balance	-	-	-
Add: Additions made during the year (46,50,000 Equity Shares of Rs.8/- per share)	37,200,000	-	-
<b>Total</b>	37,200,000	-	-
Less: Utilizations made during the year	-	-	-
<b>Closing Balance</b>	37,200,000	-	-
<b>Profit &amp; Loss Account</b>			
Opening Balance - Profit/(Loss)	26,504,461	(34,647,479)	-
Less: Acc.Losses adjusted to Capital Reduction amount included in the op. bal	-	59,347,200	-
Brought forward balance of Profit & Loss A/c.after adjustment of capital reduction	26,504,461	24,699,721	-
Add: Profit for the year	17,179,524	1,804,740	-
<b>Closing Balance</b>	43,683,985	-	26,504,461
<b>Net Reserves and Surplus</b>	80,883,985	-	26,504,461

**B1. Money Received against Share Warrants** 52,740

11720 equity share warrants of Rs.18/- per warrant for which 25% amount was received. -

Note : 1. The Capital reduction during the financial year 2015-16 has been effected as per the Orders of the Honorable High Court of Judicature, Hyderabad dated 22.06.2015 against the Petition filed by the company, which resulted in a capital reduction balance of Rs.593,47,200 @ Rs.6.40 per Eq.Share of Rs.10/- each. The Orders of the Honorable High Court permitted set off of accumulated losses of Rs.5,93,47,200 as on 31-03-2013 with the above Capital Reduction Balance of Rs.593,47,200. The same was give effect and disclosed in the financial statements for the year 2015-16.

Note: 2. During the year 2016-17 the Company has made preferential allotment of 39,50,000 equity shares of Rs.10/- each at an issue price of 18/- per share and also another 7,00,000 equity shares of Rs.10/- at an issue price of Rs.18/- through convertible share warrants, totally amounting of Rs.8,37,00,000/-. Accordingly, out of this Rs.8,37,00,000/- an amount of Rs.4,65,00,000/- has been credited to share capital account and Rs.3,72,00,000/- has been credited to the Share Premium Account. Out of the total amount of Rs.8,37,00,000/- an amount of Rs.7,42,50,000/- has been converted into the Equity and Share Premium out of the existing unsecured loans from the promoters and Managing Director Dr.S.K.Srihari Raju and the Promoter group of Company M/s.Veerat Finance & Investment Co.Ltd. (An NBFC holding certificate of registration with Reserve Bank of India) and balance amount of Rs.94,50,000/- has been received in Cash (DDs)

for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants  P.RAVI SHANKER Partner ICAI M.No.025288  Place: Hyderabad Date : 29-05-2017	SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031  P.RAMA KRISHNA Chief Financial Officer  NISHA JAIN Company Secretary	for and on behalf of the Board EVEREST ORGANICS LIMITED  Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620  A.PARVATISEM Technical Director DIN: 00910224  S.K.HARI KRISHNA Executive Director DIN: 01664260
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**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	(Rupees)	
	As at 31st Mar 2017	As at 31st Mar 2016
<b>C. Long-Term Borrowings</b>		
<b>(a) Secured Loans</b>		
- from banks		
1. Term Loan from Reliance Capital Ltd - I & II	347,866	1,556,327
2. Term Loan from Reliance Capital Ltd - III	718,390	3,330,682
3. Term Loan from Reliance Capital Ltd-IV	1,581,152	5,380,045
4. Term Loan from Reliance Capital Ltd-V	5,624,437	-
5. Term Loan from Reliance Capital Ltd-VI	6,427,549	-
6. Term Loan from Kotak Mahindra Bank-VI	16,147,254	21,350,805
7. Kotak Mahindra Prime Ltd-Hyundai Creta	361,620	753,867
8. Kotak Mahindra Prime Vehicle Loan	2,152,673	-
9. Sales Tax Deferment Liability (Payable as per A.P / TS State Government 14 years sales tax deferment scheme - repayment commenced from 2009-10 and payable before the year 2022-23)	14,294,192	15,378,183
<b>(b) Unsecured Loans</b>		
(i) Unsecured Loans from Directors & Near Relatives	10,458,913	31,358,933
(ii) Inter Corporate Deposits from M/s.Veerat Finance & Investment Ltd - NBFC (Two of their directors of NBFC are relatives of the M.D of the Company)	150,000	52,491,345
(iii) Security Deposit from Employees	6,710,746	6,710,746
<b>Total</b>	<b>64,974,794</b>	<b>138,310,934</b>
<b>D. Short Term Borrowings</b>		
<b>(A) Secured</b>	As at 31st Mar 2017	As at 31st Mar 2016
(a) Loans repayable on Demand		
- from Banks - Kotak Mahindra Bank Ltd		
Cash Credit	44,696,407	45,818,424
Bills Discounting (Domestic)	39,872,028	39,840,466
Bills Discounting (LC Backed)	7,759,171	6,626,825
Buyers Credit	-	9,018,700
EPC	11,166,506	14,097,788
(b) LC Bills Discounting - Bank of India	4,294	5,583,014
<b>Total - A</b>	<b>103,498,407</b>	<b>120,985,217</b>
<b>(B) Unsecured</b>		
(a) Loans repayable on Demand		
- from Other Parties	-	-
<b>Total - B</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>103,498,407</b>	<b>120,985,217</b>
<b>E. Trade Payables</b>		
Creditors for Raw Materials	373,003,203	313,532,775
Creditors for Expenses	54,723,565	45,660,241
Creditors for Capital Goods	53,470,429	43,740,795
<b>Total</b>	<b>481,197,197</b>	<b>402,933,810</b>

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

P. RAVI SHANKER  
Partner  
ICAI M.No. 025288

SREERAMAKRISHNA GRANDHI  
Audit Committee Chairman  
DIN: 06921031

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

P. RAMA KRISHNA  
Chief Financial Officer

A. PARVATISEM  
Technical Director  
DIN: 00910224

Place: Hyderabad  
Date : 29-05-2017

NISHA JAIN  
Company Secretary

S. K. HARI KRISHNA  
Executive Director  
DIN: 01664260



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)	
		As at 31st Mar 2017	As at 31st Mar 2016
<b>F. Other Current Liabilities</b>			
<b>(a) Current maturities of long-term debt</b>			
- from banks			
1. Term Loan from Reliance Capital Ltd - I & II	1,390,872		5,450,610
2. Term Loan from Reliance Capital Ltd - III	2,612,291		2,239,428
3. Term Loan from Reliance Capital Ltd - IV	3,798,892		3,256,660
4. Term Loan from Reliance Capital Ltd - V	3,557,670		-
5. Term Loan from Reliance Capital Ltd-VI	2,572,451		-
6. Term Loan from Kotak Mahindra Bank Ltd - VI	5,203,551		4,556,433
7. Kotak Mahindra Prime Vehicle Loan	1,847,327		-
8. Kotak Mahindra Prime Ltd-Hyundai Creta	392,247	21,375,302	351,222
			15,854,352
<b>(b) Current Maturities of Deferred Payment Liability</b>			
- Deferred Sales Tax Liability			
		1,083,991	1,509,003
<b>(c) Statutory Liabilities</b>			
a) ESI Dues	441,166		844,966
b) PF Dues	2,637,734		2,751,969
c) Professional Tax Dues	157,050		41,600
d) TDS Payable	3,725,422		3,785,349
e) Dues to Income Tax Department (unconfirmed & unreconciled)	208,979		208,979
f) VAT Payable	537,310		-
		7,707,661	7,632,863
<b>(d) Other Liabilities</b>			
		8,159,867	4,519,813
<b>Total</b>		<b>38,326,821</b>	<b>29,516,031</b>
<b>G. Short Term Provisions</b>			
<b>(a) Provision for employee benefits (Gratuity)</b>			
<b>(b) Others</b>			
1. Income Tax - MAT	4,300,000		400,000
2. FBT for earlier years	855,000	5,155,000	855,000
		11,567,647	5,808,321
<b>Total</b>		<b>11,567,647</b>	<b>7,063,321</b>
for P. S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
	SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031	Dr. S.K. SRIHARI RAJU Managing Director DIN: 01593620	
P. RAVI SHANKER Partner ICAI M.No.025288	P. RAMA KRISHNA Chief Financial Officer	A. PARVATISEM Technical Director DIN: 00910224	
	NISHA JAIN Company Secretary	S.K.HARI KRISHNA Executive Director DIN: 01664260	
Place: Hyderabad Date : 29-05-2017			





**SCHEDULES FORMING PART OF THE BALANCE SHEET**

SCHEDULE - H FIXED ASSETS										
S.No.	Particulars	Gross Block			Depreciation			Net Block		(Rupees)
		As At 01.04.16	Additions During the year	Deletions/ transfers during the year	As At 31.03.17	for the year	Deletions during the year	As At 31.03.17	As At 31.03.16	
	<b>Tangible Assets</b>									
1	Land & Land Development	5,308,474	-	-	5,308,474	-	-	5,308,474	5,308,474	
2	Factory Buildings	45,018,535	16,704,241	2,364,451	59,358,325	4,521,690	63,301	26,097,705	33,260,620	23,379,219
3	Plant & Machinery & Utilities	477,877,121	64,662,769	3,182,158	539,357,732	18,354,704	105,925	257,288,015	282,069,716	238,837,884
4	Office Equipment	2,734,694	310,931	-	3,045,625	263,350	-	2,175,839	869,786	822,205
5	Computers	2,804,539	313,700	-	3,118,239	2,155,764	-	2,501,420	616,819	648,775
6	Furniture & Fittings	3,591,775	1,652,345	755,341	4,488,779	1,562,943	30,858	1,863,633	2,625,146	2,028,832
7	Vehicles	7,325,068	-	897,447	6,427,621	3,865,678	495,225	4,030,211	2,397,410	3,459,390
	<b>Total (A)</b>	<b>544,660,205</b>	<b>83,643,985</b>	<b>7,199,397</b>	<b>621,104,794</b>	<b>24,476,706</b>	<b>695,309</b>	<b>293,956,823</b>	<b>327,147,970</b>	<b>274,484,779</b>
1	<b>Capital Works-in-Progress</b>									
	Buildings	4,660,395	13,102,648	16,704,241	1,058,801	-	-	-	1,058,801	4,660,395
	Plant & Machinery & Others	5,287,606	66,735,608	64,662,769	7,360,445	-	-	-	7,360,445	5,287,606
	<b>Total (B)</b>	<b>9,948,001</b>	<b>79,838,256</b>	<b>81,367,010</b>	<b>8,419,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,419,247</b>	<b>9,948,001</b>
	<b>Grand Total (A+B)</b>	<b>554,608,206</b>	<b>163,482,241</b>	<b>88,566,407</b>	<b>629,524,040</b>	<b>24,476,706</b>	<b>695,309</b>	<b>293,956,823</b>	<b>335,567,217</b>	<b>284,432,780</b>

Note: The Depreciation has been worked out and charged in accordance with Schedule-II (Useful Lives to Compute Depreciation) U/s 123 of the Companies Act, 2013.

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

SREERAMAKRISHNA GRANDHI  
Audit Committee Chairman  
DIN: 06921031

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

P.RAMA KRISHNA  
Chief Financial Officer

A.PARVATISEM  
Technical Director  
DIN: 00910224

NISHA JAIN  
Company Secretary

S.K.HARI KRISHNA  
Executive Director  
DIN: 01664260

Place: Hyderabad  
Date: 29-05-2017



## SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
	As at 31st Mar 2017		As at 31st Mar 2016
<b>I. Non-Current Investments</b>			
<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)	815,408		815,408
Equity Shares in State Bank of Travancore (SBT) (Quoted 50 No. of equity shares of Rs. 10/- each in SBT)	30,000		30,000
<b>Total</b>	<b>845,408</b>		<b>845,408</b>
<b>J. Other Non-Current Assets</b>			
Security Deposits with Others	1,338,743		738,743
Security Deposits with Government Company-TSCPDCL	6,089,989		6,089,989
Security Deposits for Mobile, Internet	82,192		98,492
<b>Total</b>	<b>7,510,924</b>		<b>6,927,224</b>
<b>K. Inventories</b>			
(a) Raw materials	62,021,216		60,761,267
(b) Work-in-progress	43,150,890		16,678,303
(c) Finished Goods	23,489,209		12,158,837
(d) Others			
- Stores and Spares	3,825,651		2,880,536
- Coal	1,040,760		1,070,405
- Packing Material	655,958		602,023
<b>Total</b>	<b>134,183,684</b>		<b>94,151,371</b>
<b>L. Trade Receivables</b>			
Trade Receivables			
(a) Unsecured, considered good; - more than 6 months	8,251,051		4,785,572
(b) Others	307,215,257		314,855,728
<b>Total</b>	<b>315,466,308</b>		<b>319,641,300</b>
<b>M. Cash and cash equivalents</b>			
Cash and Cash Equivalents			
(a) Balances with Banks;	5,881,003		1,276,339
(b) Cash on Hand;	38,876		341,605
(c) Others - Fixed Deposits under lien with Bank	8,992,591		8,992,591
<b>Total</b>	<b>14,912,470</b>		<b>10,610,535</b>
<b>N. Short-term loans and advances</b>			
(i) Advances - Unsecured, considered good			
Advances - Capital Goods	3,216,778	2,928,254	
Advances - Raw Materials	8,082,473	1,795,120	
Advance - Consumables-Coal	11,061,677	6,481,343	
Advances - Staff	6,789,668	6,189,710	
Advances - Others	12,862,386	6,545,933	23,940,360
(ii) Other Loans and Advances-Unsecured, considered good			
Excess Remuneration to Directors	-		3,329,002
Other Receivables	1,715,694		1,137,343
<b>Total</b>	<b>43,728,675</b>		<b>28,406,705</b>
<b>O. Other Current Assets</b>			
Cenvat Credit	5,212,094		5,423,740
TDS Receivable	219,344		333,339
Excise Duty Rebate Receivable	2,738,267		7,924,173
<b>Total</b>	<b>8,169,705</b>		<b>13,681,251</b>
for P. S. N. RAVISHANKER & ASSOCIATES Chartered Accountants	SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031	for and on behalf of the Board EVEREST ORGANICS LIMITED	
P RAVI SHANKER Partner ICAI M. No. 025288	P. RAMA KRISHNA Chief Financial Officer	Dr. S. K. SRIHARI RAJU Managing Director DIN: 01593620	A. PARVATISEM Technical Director DIN: 00910224
Place: Hyderabad Date : 29-05-2017	NISHA JAIN Company Secretary	S. K. HARI KRISHNA Executive Director DIN: 01664260	



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)	
		for the year ended 31st Mar 2017	for the year ended 31st Mar 2016
<b>P. Revenue from Operations</b>			
Sale of products			
- Domestic Sales	889,416,293		821,220,550
Less: Excise Duty	96,567,935		90,426,222
	792,848,358		730,794,328
- Export Sales	274,372,250	1,067,220,608	261,644,670
Sale of services			
Other operating revenues (Job Work Charges)		1,714,007	2,325,710
<b>Net Turnover</b>		<b>1,068,934,615</b>	<b>994,764,707</b>
<b>Q. Other Income</b>			
Interest Income		685,789	1,108,214
Export Incentives		4,861,235	2,311,797
Creditors Written off		1,651,537	-
<b>Net Foreign Exchange Gain/(Loss)</b>			
Foreign Exchange Gain	329,015		3,088,619
Less: Foreign Exchange (Loss)	2,262,734	2,591,749	(2,853,125)
<b>Total</b>		<b>9,790,309</b>	<b>3,655,505</b>
<b>R. Cost of Raw materials Consumed</b>			
Opening Stock of Raw Materials		60,761,267	41,687,219
Add: Purchase of Raw Materials		714,442,730	636,312,801
<b>Total</b>		<b>775,203,997</b>	<b>678,000,020</b>
Less: Closing Stock of Raw Materials		62,021,216	60,761,267
<b>Net Amount</b>		<b>713,182,781</b>	<b>617,238,753</b>
<b>S. Changes in Inventory of FG</b>			
Opening Stock of Finished Goods	12,158,837		18,995,429
Less: Closing Stock	23,489,209		12,158,837
<b>Net Amount</b>		<b>(11,330,372)</b>	<b>6,836,592</b>
<b>T. Changes in Inventory of WIP</b>			
Opening Stock of Work in progress	16,678,303		17,770,955
Less: Closing Stock	43,150,890		16,678,303
		(26,472,587)	1,092,652
<b>Net Amount</b>		<b>(26,472,587)</b>	<b>1,092,652</b>
for P. S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
P.RAVI SHANKER Partner ICAI M.No.025288	SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031	Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620	
	P.RAMA KRISHNA Chief Financial Officer	A.PARVATISEM Technical Director DIN: 00910224	
Place: Hyderabad Date : 29-05-2017	NISHA JAIN Company Secretary	S.K.HARI KRISHNA Executive Director DIN: 01664260	



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		(Rupees)	
		for the year ended 31st Mar 2017	for the year ended 31st Mar 2016
<b>U. Employee Benefit Expenses</b>			
Salaries and Wages		75,386,405	61,864,302
Contribution to provident and other funds		4,022,951	3,414,337
Staff welfare expenses		3,515,160	3,519,647
Statutory and Other Benefits		4,459,875	3,438,618
<b>Total</b>		<b>87,384,391</b>	<b>72,236,904</b>
<b>V. Finance Cost</b>			
Interest		17,364,345	15,609,106
Bills Discounting Charges		7,568,199	8,011,686
Processing, Documentation and other bank charges		2,635,990	2,363,409
<b>Total</b>		<b>27,568,534</b>	<b>25,984,201</b>
<b>W. Depreciation and amortization expense</b>			
- Depreciation on Tangible Fixed Assets		24,476,706	27,277,799
<b>Total</b>		<b>24,476,706</b>	<b>27,277,799</b>
<b>X. Other Expenses</b>			
Payments to the auditor as			
a. auditor	300,000		250,000
b. for taxation matters	25,000		50,000
c. for other services	25,000	350,000	50,000
			350,000
<b>Manufacturing Expenses:</b>			
(a) Material Conversion Charges	16,082,749		20,273,770
(b) Stores Consumables	1,755,526		3,150,749
(c) Lab Expenses	7,705,576		7,584,865
(d) Effluent Charges	11,736,446		21,213,368
(e) Power and Fuel	95,352,056		74,154,458
(f) Plant Repairs & Maintenance Charges	33,928,791		39,256,380
(g) Production Contract Charges	23,055,567	189,616,711	19,674,997
			185,308,587
<b>Administrative Expenses:</b>			
(a) Conveyance	1,059,686		269,954
(b) Postage, Telephone Charges	1,206,699		1,018,989
(c) Rent, Rates & Taxes	1,954,400		1,294,009
(d) Insurance	4,321,552		3,035,263
(e) Security Charges	1,452,382		1,673,668
(f) Consultancy Charges	4,882,382		4,879,568
(g) Office Maintenance	461,040		315,969
(h) Vehicle Maintenance	928,556		1,435,593
(i) Other Administrative Expenses	9,162,790	25,429,486	10,443,949
			24,366,962
<b>Selling &amp; Distribution Expenses:</b>			
(a) Business Promotion	6,696,523		5,139,630
(b) Travelling Expenses	2,192,745		4,538,363
(c) Postage, Telephone Charges	453,515		208,656
(d) Conveyance-Marketing	288,186		257,714
(e) Commission on Sales	4,412,119		3,955,983
(f) Freight Outward	1,507,769		920,462
(g) Freight Outward on Exports	5,453,930		3,282,327
(h) Packing Material	8,179,083		7,486,606
(i) Other Expenses	1,147,400		731,662
(j) Bad Debts written off	368,900	30,700,170	1,000,000
			27,521,403
<b>Total:</b>		<b>246,096,367</b>	<b>237,546,954</b>
for P. S. N. RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
	SREERAMAKRISHNA GRANDHI Audit Committee Chairman DIN: 06921031	Dr. S. K. SRIHARI RAJU Managing Director DIN: 01593620	
P RAVI SHANKER Partner ICAI M.No.025288	P. RAMA KRISHNA Chief Financial Officer	A. PARVATISEM Technical Director DIN: 00910224	
	NISHA JAIN Company Secretary	S. K. HARI KRISHNA Executive Director DIN: 01664260	
Place: Hyderabad Date : 29-05-2017			

**NOTES FORMING PART OF THE ACCOUNTS****NOTES TO ACCOUNTS****EVEREST ORGANICS LIMITED****Note No.Y :****ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS****1. ACCOUNTING POLICIES :****a) Basis of preparation:**

The company follows the mercantile system of accounting and recognizes incomes and expenses on accrual basis. The accounts are prepared on historical cost basis and as a going concern. These financial statements of Everest Organics Limited have been prepared and presented in accordance with Accounting Principles (IGAAP) generally accepted in India. IGAAP comprises of accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India (SEBI). The financial statements are presented in Indian rupees rounded off to the nearest rupee.

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

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

**b) Use of estimates :**

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

**c) Revenue recognition :**

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

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

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

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

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

**e) Current and non-current classification**

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

**i) Assets:**

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

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

**ii) Liabilities:**

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

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

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

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

**f) Fixed Assets :**

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

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

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

**NOTES FORMING PART OF THE ACCOUNTS**

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

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

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

**g) Depreciation:**

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

**h) Inventories:**

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

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

**i) Cash Flow Statement:**

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

**j) 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.

**k) Foreign Currency Transactions:**

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

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

**NOTES FORMING PART OF THE ACCOUNTS****l) Employee Benefits :**

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

Further, the company has not provided for leave encashment of about Rs.36.76 lakhs as at 31-03- 2017 (previous year Rs. 35.93 lakhs).

**m) Earnings per Share :**

Basic earnings per share are computed by dividing the net profit after tax available to Equity Share holders by the weighted average number of equity shares outstanding during the period. During the year ended 31-03- 2017 diluted earnings per share is substantially same as that of the basic earnings per share as the company have very less amount of potential equity shares as on that date.

**n) Income Tax Expense:**

Income tax expense comprises of current tax.

**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- 2017 under the Income Tax Act, 1961 the tax calculation under the Minimum Alternative Tax is made and provided for.

**B) Deferred Tax:**

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. However the company is having brought forward losses under income tax Act, 1961. Hence there would arise a deferred tax asset, and on conservative principle, the same is not recognized.

**o) Impairment of Assets :**

The Company assesses, from year to year, as to whether there is any indication that an asset is impaired.

However, in the opinion of the management, there has been no impairment loss during the year.

2. (i)The Secured Loans from Kotak Mahindra Bank (Note Nos.–C, D & F) with total credit limits of Rs.2500 lakhs (Fund Based: Rs.1940 lakhs & Non-Fund Based : Rs.560 lakhs) are secured by the first and exclusive charge by way of equitable mortgage by deposit of Titles Deeds of the Company's immovable properties of Land admeasuring Ac. 35-20 Guntas Sy.Nos.38, 39, 40 and 45, with Buildings thereon in situated at Aroor Village, Sadasivpet Mandal, Medak District, Telangana State, hypothecation of stocks, receivables and other current assets, and also by the personal guarantees of promoter directors and mortgage of the personal immovable properties of the promoters, directors.

(ii) Secured Loans of Rs.286.31 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.

3. The total CENVAT available on Raw Materials for the year amounting to Rs.1014.89 lakhs (previous year Rs. 878.08 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.52.15 lakhs (previous year Rs. 54.23 lakhs) has been shown under the "Current Assets" in the Balance Sheet.



**NOTES FORMING PART OF THE ACCOUNTS****4. 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 31.03.2017 & 31.03.2016 are not available and part of the investment is represented by shares of State Bank of Travancore amounting to Rs.0.30 lakhs (50 Shares of Rs.10 each fully paid up and the same are valued at cost. (Market Value as on 31-03- 2017 & 31-03- 2016 being Rs.607 per share (last trading price on 15.03.2017) and Rs.386 per share respectively).

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

**5. Trade Receivables:**

Particulars	As on 31-03-2017	As on 31-03-2016
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment :		
--Unsecured, considered good	82.51	47.86
Aggregate amount of Trade Receivables outstanding for a period not exceeding six months from the date they are due for payment:		
--Unsecured, considered good	3075.84	3148.55
<b>Total :</b>	<b>3158.35</b>	<b>3196.41</b>

6. Other Cash and Cash Equivalents comprising of cash in hand of Rs.0.38 lakhs, Cash at Bank in Current Accounts of Rs.58.81 lakhs, Fixed Deposits (held under lien with the banks in the form of Fixed Deposits) amounting to Rs 89.93 lakhs with maturity of more than 12 months as on 31-03-2017.

**7. Foreign Exchange Earnings and Outgo :**

Particulars	(Rs. In Lakhs)	
	2016-17	2015-16
(A) Earnings in Foreign Exchange :		
Export of goods calculated on FOB Basis	2236.44	1823.92
(B) Foreign Exchange Outgo		
i) Value of Imports Calculated on CIF Basis in respect of		
-- Raw Material	1243.80	1379.27
-- Capital Goods	--	
ii) Foreign Travelling Expenses	24.35	27.60
iii) Sales Commission incurred abroad	18.21	26.21

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

Particulars	(Rupees in lakhs)	
	2016-17	2015-16
Dr. S.K.Srihari Raju (Managing Director)	29.00	25.50
A. Parvatisem(Technical Director)	18.00	18.00
S.K.Hari Krishna (Whole Time Director)	9.00	6.75
<b>TOTAL :</b>	<b>56.00</b>	<b>50.25</b>

**NOTES FORMING PART OF THE ACCOUNTS**

During the year the Board of Directors of the Company have no enhanced the remuneration to the Director of the company.

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

a) Annual Capacities : (as Certified by the management) : (Capacity in Tonnes)

Year	2016-17			2015-16		
	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
OMEPRAZOLE	180	154	85	180	124	69
CHLORO COMPOUND	300	225	75	300	194	65
BENZIMIDAZOLE	180	176	98	180	158	88
ESOMEPRAZOLE	48	50	103	48	44	92
PANTAPRAZOLE	60	46	76	60	43	72

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

Description	Production (Qty/MTs)		Sales (Qty/MTs)		Sales Value (Rs.in Lacs)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Name of the Product						
Omeprazole Powder	147.02	124.43	137.68	119.38	3033.82	2791.74
Benzimidazole	184.69	157.49	72.10	79.85	538.37	636.95
Chloro Compound	233.25	193.82	82.50	67.24	1535.80	1315.01
Op. Sulphide	237.11	198.17	2.18	0.553	37.06	11.89
Esomeprazole Magnesium	49.14	91.44	48.48	46.83	1888.52	1908.11
Pantaprazole Sodium	42.33	43.41	43.15	43.18	1735.00	1869.17
Ammonium Sulphate	684.13	551.93	667.53	556.85	122.81	110.705
Tetralone	45.90	34.00	45.90	34.00	338.95	269.59
Others					1441.88	1011.22
Total					10672.21	9924.39

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

Description	2016-17		2015-16	
	(Qty/MTs)	Value (Rs.lacs)	(Qty/MTs)	Value (Rs.lacs)
3, 5 Lutidine	249.92	727.25	236.73	690.79
MDC	24.11	9.00	447.51	225.59
Acetone	464.02	311.96	388.26	233.22
Acetic Acid	197.73	65.64	174.46	67.59
Toluene	399.45	228.21	354.14	221.63
Para Anisidine	57.23	97.55	67.2	134.04
Methanol	845.07	215.73	626.63	160.21
DMS	263.09	84.49	233.56	64.44
APS	53.25	37.93	7.33	8.83
Others		5,258.15		4,366.05
Total		7,131.83		6,172.39

**NOTES FORMING PART OF THE ACCOUNTS**

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

Description	2016-17		2015-16	
	Value(Rs. Lacs)	%	Value (Rs. Lacs)	%
Imported	1,320.20	18.51%	1,445.82	23.42%
Indigenous	5,811.63	81.49%	4,726.57	76.58%
Total	7,131.83	100.00%	6,172.39	100.00%

**10. Related Party Transactions:**

Party Name	Nature of Transaction	Transaction Amount(Rs)	Closing Bal.(Rs)	Dr/ Cr	Relationship with Key Managerial Person
Virat & Co	Gross Sales made by the company	2,48,066	26,45,985	Cr.	One of the Partners of the Firm is the wife of Executive Director of the Company
Virat & Co	Gross Purchases made by the company	2,59,15,810	1,84,64,945	Cr.	--do--
Virat & Co	Unsecured Loan taken by the company	--	10,00,000	Cr.	--do--
A. Parvatisem	Unsecured Loan taken by the Company	--	15,93,000	Cr.	Technical Director of the Company
Dr.S.K.Srihari Raju	Conversion of Unsecured Loans to Equity Shares	2,23,00,033	Nil		Managing Director of the Company
Dr.S.K.Sirisha	--do--	--	19,21,000	Cr.	Director of the Company
S.K.Seetharama Raju	--do--	--	15,20,900	Cr.	Director of the Company
S.K. Sudha	Office Rent & Maintenance paid by the company	13,10,697	2,57,150	Cr.	Wife of Director of the Company
S.K.Hari Krishna	Unsecured Loan taken by the company	10,00,000	50,24,000	Cr.	Executive Director of the Company
Veerat Finance and Investment Limited	Unsecured loan taken by the company	5,23,41,345	2,07,600	Cr.	Two of the Directors of the other Company are relatives of the Managing Director of the Company
A. Raj Kamal	Consultancy	6,00,000	90,000	Cr.	Wife of Technical Director of the Company
S.K.Krishna veni	Unsecured Loan Taken by the company	4,00,000	4,00,000	Cr.	Wife of the Managing Director.
S.K.Krishna veni	Consultancy	3,60,000	1,20,000	Cr.	Wife of the Managing Director.

**NOTES FORMING PART OF THE ACCOUNTS****11. Contingent Liabilities not provided for :**

- 1) Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company Rs. 454.51 lakhs (Previous year – Rs.366.13 lakhs).
- 2) Bank Guarantees issued by the Kotak Mahindra Bank on behalf of the company Rs.5.00 lakhs. (Previous year- Rs.5.00 lakhs)

**12. Fire Accident and Insurance Claim thereon :**

During the year the company met with Fire Accidents on 11-08-2016 and 03-03-2017 at the Production Block-2(Pilot Plant) and ETP Maintenance resulting in loss of Inventories and Fixed Assets. The company lodged the claim with the insurer for the loss of inventories amounting to Rs.42.17 lakhs and for the loss of net block of Fixed Assets amounting to Rs. 61.01 lakhs, both covered under Reinstatement Value Clause of the Insurance Policy. The company made the provision for the entire amount as loss, pending receipt for the claim amount. The company received a claim amount of Rs.72.50 lakhs pertaining to last year as against the loss recorded on fire for Rs.79.77 lakhs. The company also received a loss of profit claim amount of Rs.25.12 lakhs. The total claim amount of Rs.97.62 lakhs received during the year has been adjusted to the loss ascertained on fire occurred during the previous year and net balance has been shown as extraordinary item in the profit & loss account.

**13. Litigations :**

The miscellaneous petition filed by the company in National Green Tribunal (NGT) in the FY 2015-16, is still pending at NGT, New Delhi for want of pending litigation at NGT, Chennai, though the company is not a party to OA 100 of 2014 at NGT, New Delhi. The company has achieved Zero Liquidity Discharge in the Books of TSPCB.

The company simultaneously applied to the Environmental Engineer, TS Pollution Control Board (TSPCB) for the renewal of Consent For Operations (CFO) for a period of next 5 years from FY 2017-18 to FY 2021-22 and paid the necessary fees for the same. The grant of approval of CFO in this regard is pending from the TSPCB. Presently the Company is operating under the temporary permission granted by the NGT, for which the necessary fees for CFO was already paid by the company till 31-03-2022.

The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

14. Amount due to small scale industrial undertaking during the year ended 31.03.2017 could not be identified as specific information regarding SSI status is not forthcoming from parties.

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



**NOTES FORMING PART OF THE ACCOUNTS**

16. Paise have been rounded off to the nearest rupee.
17. Figures have been re-grouped/re-arranged wherever necessary.
18. The balances outstanding on account of sundry debtors/sundry creditors/advances are subject to confirmation from the respective parties.

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

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

(P. Ravi Shanker)  
Partner  
ICAI M. No. 025288

(Dr. Sri Kakarlapudi Srihari Raju)  
Managing Director  
DIN: 01593620

Sreeramakrishna Grandhi  
Audit Committee Chairman  
DIN: 06921031

(Akella Parvatisem)  
Technical Director  
DIN: 00910224

(P. Rama Krishna)  
Chief Financial Officer

(S.K. Hari Krishna)  
Executive Director  
DIN: 01664260

(Nisha Jain)  
Company Secretary

Place : Hyderabad  
Date : 29-05-2017

**CASH FLOW STATEMENT****Cash Flow Statement for the Year ended 31-03-2017.**

(Rs.in Lakhs)

Particulars	Year Ended 31.03.17	Year Ended 31.03.16
<b>Cash Flow from Operating Activities</b>		
Profit/(Loss) as per Profit & Loss Account	171.80	102.06
Adjustment for Depreciation	244.77	272.78
Provision for Gratuity	6.76	7.28
Interest and Financial Charges paid	275.69	259.84
(Profit)/Loss on sale of fixed asset	2.02	-
Excess/(Short) provision for Taxation	-	(0.25)
Extraordinary Items	36.60	(79.77)
Taxes paid	(43.00)	(4.00)
Interest Earned	(6.86)	(11.08)
Operating Profit/(Loss) before working capital charges	<b>687.78</b>	<b>546.86</b>
Adjustments for :		
(Increase)/Decrease in Trade receivables	41.75	(303.14)
(Increase)/Decrease in Inventories	(400.32)	(94.15)
Increase/(Decrease) in Short Term Borrowings	(153.22)	147.92
Increase/(Decrease) in Trade Payables	782.63	489.99
Increase/(Decrease) in Other Current Liabilities	88.11	39.07
Increase/(Decrease) in Short Term Provisions	45.04	(37.00)
(Increase)/Decrease in Loans & Advances & Other Current Assets	(120.13)	(76.15)
Cash Generated from Operations	<b>971.65</b>	<b>713.41</b>
Cash Flow from Investing Activities		
Purchase of Fixed Assets including CWIP	(756.11)	(696.26)
Purchase of Investments	(5.84)	(21.85)
Profit on sale of Fixed Asset	(2.02)	-
Interest earned	6.86	11.08
Cash used in Investing Activities	<b>(757.11)</b>	<b>(707.03)</b>
Cash Flow from Financing Activities		
Increase/(Decrease) secured Loans from Banks/Financial Institutions	(733.36)	254.58
Increase/(Decrease) Share Capital, Share Premium & Share Warrants	465.00	-
Securities premium received on issue of equity shares	372.00	-
Money Received against Share Warrants	0.53	-
Interest and Financial Charges paid	(275.69)	(259.84)
	<b>(171.52)</b>	<b>(5.27)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	43.02	1.11
Opening Cash & Cash Equivalents	106.10	104.99
Closing Cash & Cash Equivalents	<b>149.12</b>	<b>106.10</b>

**CASH FLOW STATEMENT****AUDITORS CERTIFICATE**

We have examined the cash flow statement of M/s.Everest Organics Limited for the year ending 31st March, 2017. The statement has been prepared by the Company in accordance with the requirement of Regulation 34 of SEBI (LODR) Regulations, 2015 of the Listing Agreement with Mumbai Stock Exchange and is based on and is an agreement with the Corresponding Profit & Loss Account and Balance Sheet of the Company as per our report dated 29th May, 2017, to the Members of the Company.

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

Chartered Accountants

Sd/-  
P.RAVI SHANKER  
Partner  
ICAI M.No.025288

Sd/-  
SREERAMAKRISHNA GRANDHI  
Audit Committee Chairman  
DIN: 06921031

Sd/-  
P.RAMA KRISHNA  
Chief Financial Officer

Sd/-  
NISHA JAIN  
Company Secretary

Place: Hyderabad  
Date : 29-05-2017

for and on behalf of the Board  
**EVEREST ORGANICS LIMITED**

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

Sd/-  
A.PARVATISEM  
Technical Director  
DIN: 00910224

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



**EVEREST ORGANICS LIMITED**  
ARoor VILLAGE, SADASIVAPET MANDAL  
SANGA REDDY (MEDAK) DISTRICT, TELANGANA – 502 291  
CIN NO. L24230TG1993PLC015426  
Email id : secretarialcomp@everestorganicsltd.com  
Website : www.everestorganicsltd.com  
Ph. No. 040-2311 5956/ 40040783, Fax : 040-2311-5954

**ATTENDANCE SLIP**  
**(To be present at the entrance)**

Regd. Folio : \_\_\_\_\_

Shares Held : \_\_\_\_\_

Client ID / DPID :

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

I hereby record my presence at the 24th Annual General Meeting to be held on Wednesday, the 27th Day of September 2017 at 3.00 p.m. at Aroor Village , Sadasivapet Mandal, Medak District, Telangana – 502 291, India.

Name of the Shareholders :

Name of the Proxy :

Signature of Member / Proxy :

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

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





**EVEREST ORGANICS LIMITED**

AROOR VILLAGE, SADASIVAPET  
SANGA REDDY (MEDAK) DISTRICT – 502 291 TELANGANA, INDIA  
CIN NO. L24230TG1993PLC015426  
Email id : secretarialcomp@everestorganicsltd.com,  
Website : www.everestorganicsltd.com  
Tel. No. 040-2311 5956/ 40040783, Fax : 040-2311-5954

**Form No. MGT-11**

**Proxy form**

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

Name of the company  
Registered Office

Name of the Member(s)  
Registered Office  
E-mail Id  
Folio No /Client ID  
DP ID

I/We, being the member(s) of \_\_\_\_\_ having \_\_\_\_\_ shares  
of the above named company. Hereby appoint

- 1 Name  
Address  
Email id  
Or Failing him Signature
- 2 Name  
Address  
Email id  
Or Failing him Signature
- 3 Name  
Address  
Email id Signature

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



No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the audited Balance Sheet as at March 31st, 2017 and the Audited Profit & Loss Account of the Company for the Financial Year ended on that date and the reports of the Directors and Auditors thereon. (Ordinary Resolution)			
2	To appoint a Director in place of . Mr. Reddy Eashwer Kanthala (DIN : 02327979) who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
3	To appoint a Director in place of Mr. Kakarlapudi Sitarama Raju (Din : 02955723), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
4	To Appoint Statutory Auditor and to fix their Remuneration. (Ordinary Resolution)			
5	Approval of Related Party Transaction with M/s. Veerat Finance & Investment Limited.(Ordinary Resolution)			
6	Approval of Related Party Transaction with M/s. Virat & Co.(Ordinary Resolution)			
7	Approval of Cost Auditor's Remuneration. (Ordinary Resolution)			
8	Approval of Everest Employee Stock Plan - 2017. (Special Resolution.)			
9	To approve investment limit up to Rs. 3 crore and loan up to Rs. 2 crore. (Special Resolution)			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of the shareholder \_\_\_\_\_

Signature of the proxy holder (s) \_\_\_\_\_

Affix a Revenue Stamp of Re. 1/-

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**Form No. MGT- 12 Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **EVEREST ORGANICS LIMITED**  
 Registered Office : Aroor Village, Sadasivapet Mandal, Sanga Reddy(Medak) District – 502 291, Telangana, India  
 CIN : L24230TG1993PLC015426

**POLLING PAPER**

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

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

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt the audited Balance Sheet as at March 31st, 2017 and the Audited Profit & Loss Account of the Company for the Financial Year ended on that date and the reports of the Directors and Auditors thereon. (Ordinary Resolution)			
2.	To appoint a Director in place of . Mr. Reddy Eashwer Kanthala (DIN : 02327979) who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
3.	To appoint a Director in place of Mr. Kakarlapudi Sitarama Raju (Din : 02955723), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
4.	To Appoint Statutory Auditor and to fix their Remuneration.			
5.	Approval of Related Party Transaction with M/s. Veerat Finance & Investment Limited.(Ordinary Resolution)			
6.	Approval of Related Party Transaction with M/s. Virat & Co.(Ordinary Resolution)			
7.	Approval of Cost Auditor's Remuneration. (Ordinary Resolution)			
8.	Approval of Everest Employee Stock Option Plan – 2017 (Special Resolution)			
9.	To approve investment limit up to Rs. 3 crore and loan up to Rs.2 crore. (Special Resolution)			

Place:

Date:

(Signature of the shareholder\*)

(\*as per Company records)



**Everest Organics Limited**

**CIN : L24230TG1993PLC015426**

Regd Office : Aroor Village, Sadasivapet Mandal, Sanga Reddy (Medak) Dist. Telangana 502291 India  
Tel No.040-23115956, 40040783 Fax: 91-40-23115954,

Website: www.everestorganicsltd.com; Email id: secretarialcomp@everestorganicsltd.com

To  
The Shareholder  
Everest Organics Limited

Date: 27.08.2017

Dear Sir/Madam

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

With reference of the subject, we inform you that our shares are available for dematerialization with both NSDL/CDSL and our ISIN No. is INE334C01029. We request you to demat your shares and update us your email id and address for communication/corresponding, at the below mentioned email ids:

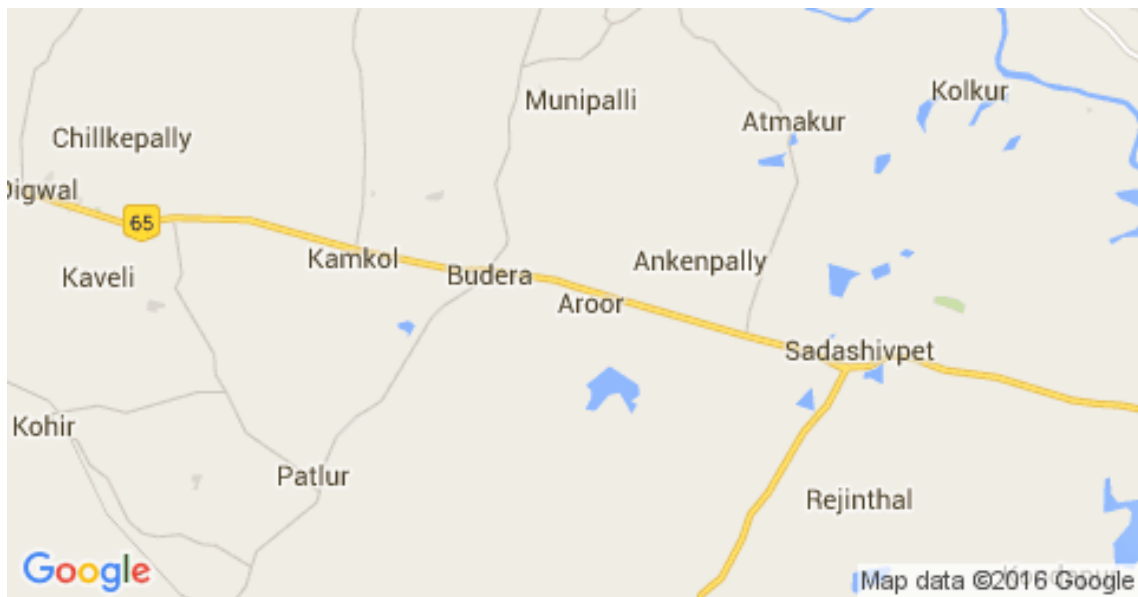
Particulars	Details
E mail id(RTA)	info@vccilindia.com
E mail id & Name of Contact person (Company)	secretarialcomp@everestorganicsltd.com, Nisha Jain (Compliance Officer)
Registrar & share Transfer Agent	Venture Capital Corporate Investments(p) Ltd. 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana, India

Your earliest response will be highly appreciable.

Thanking You,  
Yours Faithfully  
**For Everest Organics Limited**

Sd/-  
**Nisha Jain**  
Company Secretary

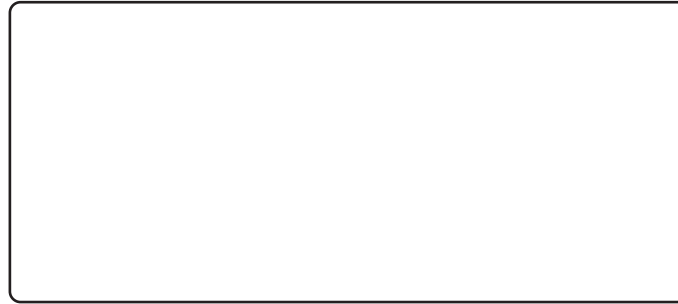
**ROUTE MAP**





EVEREST ORGANICS LIMITED

**PRINTED MATTER  
BOOK-POST**



*If Undelivered, please return to :*

**EVEREST ORGANICS LIMITED**

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

