

**19th  
Annual Report  
2011- 2012**



**EVEREST ORGANICS LIMITED**



**BOARD OF DIRECTORS**

Mr.G.Raghunandhan	Nominee Director of APIDC
Mr. V.Swaminathan	Director
Mr. K.Rama krishnam Raju	Director
Dr. K.Easwer Reddy	Director
Mr. Raju S Kakarlapudi	Director
Mr.A.Parvatisem	Technical Director
Mr.M.Bangara Raju	Director - HR
Mr.S.K.Hari Krishna	Executive Director
Dr. S.K.Srihari Raju	Managing Director

**REGISTERED OFFICE**

Aroor Village, Sadasivpet Mandal  
Medak District, Andhra Pradesh – 502 291  
Telephone:08455-250113  
Facsimile: 08455-250114  
Email id : srihari\_everest@rediffmail.com  
Website: [www.everestorganicsltd.com](http://www.everestorganicsltd.com)

**CORPORATE OFFICE**

8-3-214/50, 4<sup>th</sup> Floor,  
Srinivasa Colony (West), Madhura Nagar,  
Hyderabad – 500 038.  
Telephone: 040-23737137,138  
Facsimile: 040-66820511  
Email id : : srihari\_everest@rediffmail.com  
Website: [www.everestorganicsltd.com](http://www.everestorganicsltd.com)

**AUDITORS**

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

**BANKERS**

Kotak Mahindra Bank Ltd.  
State Bank of 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](mailto:info@vccilindia.com)



**NOTICE**

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the Company will be held at the Registered Office of the Company situated at Aroor Village, Sadasivpet Mandal, Medak Dist. Andhra Pradesh 502 291, on Friday the 21<sup>st</sup> September 2012 at 3.00 P.M. to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31<sup>st</sup> March 2012, and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. K.Easwer Reddy, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri Raju S Kakarlapudi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri A.Parvatisem, who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED THAT M/s. P.S.N.Ravishanker & Associates, Chartered Accountants, Hyderabad be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company in addition to actual out of pocket expenses incurred by them for the purpose of the Audit.

BY ORDER OF THE BOARD  
FOR EVEREST ORGANICS LTD

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

Palce: Hyderabad  
Date: 25.07.2012



**NOTES**

1. A Member entitled to attend and vote at the meeting or is also entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member
2. Proxies should deposit authorization letters with the corporate office of Company not less than 48 hours before the commencement of the meeting.
3. The Shares Transfer Register and the Register of Members of the Company will remain closed from 17.09.2012 to 21.09.2012 (both days inclusive) in connection with the Annual General Meeting.
4. Members /Proxies attending the meeting are requested to bring the attendance slip sent with Annual Report and hand over the same at the entrance duly filled and signed.
5. 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.
6. 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.
7. Retirement of Directors by rotation:

Dr. K.Easwer Reddy, Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment

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

Sri A. Parvatisem, Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

None of the Directors of the Company is in any way concerned or interested in the resolution except Sri. Dr. K. Easwer Reddy, Sri. Raju S Kakarlapudi & Sri A.Parvatisem.

By order of the Board  
For EVEREST ORGANICS LIMITED

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

Place: Hyderabad

Date: 25.07.2012

**DIRECTORS REPORT****DIRECTOR REPORT**

Dear Members

Your Directors present herewith the 19<sup>th</sup> Annual Report and the audited accounts for the year ended 31<sup>st</sup> March 2012.

**1. FINANCIAL RESULTS:****Rs. in Lakhs**

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Turnover (including other income)	6,115.75	5,385.36
<b>Profit before Tax</b>	135.97	129.43
Less: Tax Expenses	30.00	32.00
<b>Profit after Tax</b>	105.97	97.43
Profit Carried to Balance Sheet	105.97	97.43

**2). REVIEW OF OPERATIONS FOR THE FINANCIAL YEAR 2011-12**

The operations have improved substantially during the year 2011 – 2012 by 13.50.%. The turnover has increased from Rs.53.85 crores to Rs.61.16 crores. The improvement in business is mainly due to expanded capacities which will further improve in the next financial year. Effective use of manpower and machinery also contributed to the increase to a significant extent. The increase in salaries is about 25%.

**3). Management Discussion Analysis:**

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

- a). General Pharma Industrial Scenario
- b). Opportunities for the Company
- c). Outlook for Financial Year 2012-13
- d). Internal controls systems
- e). Human Resource Development and industry relations

**4). DIRECTOR:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Dr.K.Easwer Reddy, Raju S.Kakarlapudi and Sri A.Parvatisem are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**5). DIVIDEND:**

As there are inadequate profits and marginal operational surplus during this year your directors do not propose any dividend during the year.

**6). AUDITORS:**

The Statutory Auditors of your Company M/s. P.S.N.Ravishanker & Associates, Chartered Accountants, Hyderabad hold office till the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from the auditors to the effect that their appointment as Auditors, if made, would be within the limits under Section 224 (1-B) of the Companies Act, 1956.

**DIRECTORS REPORT****7). AUDITORS' REPORT:**

The Notes on account, referred to in the Auditors' Report, are self-explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

**8). CORPORATE GOVERNANCE:**

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

**9). DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors would like to inform the members that the Audited Annual Accounts for the year ended 31<sup>st</sup> March 2012 are in fully conformity with the requirements of Companies Act 1956. The Directors further confirm that:

- a) In preparation of the Annual Accounts the applicable Accounting Standards have been followed with proper explanation wherever required.
- b) The Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the Annual Accounts on a going concern basis.

**10). Deposits:**

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

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

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

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

Company's operations at the factory are energy intensive. The Company is taking adequate measures to reduce energy consumption by adopting new technologies.

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

Total foreign exchange earnings during the year was Rs. 826.63 Lakhs (Previous year (2010-11) Rs. 1024.92 lakhs) and foreign exchange outgo was Rs. 511.80 lakhs (Previous year Rs. 460.04 lakhs)

**12). LISTING OF SHARES IN STOCK EXCHANGES:**

The Equity Shares of the Company are listed at Mumbai Stock Exchange. (Presently trading was suspended). A consultant has been appointed to revoke suspension of trading. Hopefully the exercise will be completed in six to nine months.



**DIRECTORS REPORT**

**13). PERSONNEL:**

None of the employees are covered under Sec.217 (2A) of the Companies Act 1956 read with (Particulars of the Company) Rules 1975 and forming part of the Directors Report for the Accounting year 2011-12.

**14). INSURANCE:**

All the properties of the Company including Buildings, Plant and Machinery and Stocks have been adequately insured.

**15). HUMAN RESOURCES:**

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

**16). MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

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

**17) INDUSTRIAL RELATIONS:**

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

**18) ACKNOWLEDGEMENTS:**

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

By Order of the Board of Directors  
Of Everest Organics Limited

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

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

Place: Hyderabad

Date:25.07.2012

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

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

Company's philosophy on Corporate Governance:

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

Board of Directors:

Composition and Category:

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

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

S.No. of	Name of the Director	Category	Designation	*No. of Memberships other Committees/ committee chairmanships held in other companies
1.	Mr.G.Raghunandhan	Independent Nominee Director	Nominee Director	1
2.	Mr.V.Swaminathan	Independent Non-Executive Director	Director	Nil
3.	Mr.K.Rama Krishna Raju	Independent Non-Executive Director	Director	2
4.	Dr.K.Easwer Reddy	Promoter Non-Executive Director	Director	Nil
5.	Mr. Raju S.Kakarlapudi	Promoter Non-Executive Director	Director	Nil
6.	Mr.A.Parvatisem	Independent Executive Director	Technical Director	2
7.	Mr.S.K.Hari Krishna	Promoter Executive Director	Executive Director	Nil
8.	Mr.M.Bangara Raju	Independent Executive Director	Director – Legal, HR & Corporate Affairs	Nil
9.	Dr.S.K.Srihari Raju	Promoter Executive Director	Managing Director	Nil

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



**CORPORATE GOVERNANCE****Details of Board Meetings and Attendance**

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

During the financial year, Board of Directors of the Company met 5 times on 31.05.2011, 29.07.2011, 12.08.2011, 14.11.2011 and 02.02.2012. The attendance details of the directors at the Board Meetings and last Annual General Meeting is as follows:

S.No.	Name of the Director	Number of Meetings held	No. of Meetings attended	Whether attended the AGM held on 23 <sup>rd</sup> September, 2011.
1	Mr.G.Raghunandhan	5	0	No
2.	Mr.V.Swaminathan	5	5	Yes
3.	Mr.K.Rama Krishna Raju	5	5	Yes
4.	Dr.K.Eswar Reddy	5	0	No
5.	Mr. Raju S.Kakarlapudi	5	0	No
6.	Mr.A.Parvatisem	5	5	Yes
7.	Mr.S.K.Hari Krishna	5	5	Yes
8.	Mr.M.Bangara Raju	5	5	Yes
9.	Dr.S.K.Srihari Raju	5	5	Yes

**BOARD COMMITTEES:****Audit Committee:**

The Audit Committee of the Board of Directors has been constituted in conformity with the requirements of section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Audit Committee of the Board of Directors has been constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

**Brief description of terms of reference:**

The role of the Audit Committee shall include the following:

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



**CORPORATE GOVERNANCE**

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

**Review of information by Audit Committee:**

The Audit Committee shall mandatorily review the following information:

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

**Composition, Names of Members and Chairperson:**

The Audit Committee comprises Sri.V.Swaminathan , Sri.M.Bangara Raju And Sri K. Rama Krishnam Raju and Sri. K.Ram krishnam Raju will act as Chairman of the Audit Committee.

Meetings held during the year:

The Audit Committee meetings were held on 31.05.2011, 29.07.2011, 12.08.2011, 14.11.2011 and 02.02.2012. The Audit Committee meetings were held at the Corporate Office and usually attended by the finance head and the Statutory Auditors.

**CORPORATE GOVERNANCE****Remuneration Committee:**

The Remuneration Committee Comprises Sri K. Ramakrishnam Raju, Sri V. Swaminathan and Sri S.K. Harikrishna and Sri Raju will act to the Chairman.

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

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

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

**Remuneration Policy for Directors:**

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

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2011-2012.

S.No.	Name of Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
1.	Mr.G.Raghunadhan	Nominee Director	-	-	-	-
2.	Mr.V.Swaminathan	Director	-	-	50,000	50,000
3.	Mr.K.Rama Krishnam Raju	Director	-	-	40,000	40,000
4.	Dr.K.Easwer Reddy	Director	-	-	-	-
5.	Mr.Raju S Kakarlapudi	Director	-	-	-	-
6.	Mr. A.Parvatisem	Technical Director	4,08,000	-	-	4,08,000
7.	Mr.S.K.Harikrishna	Executive Director	3,30,000	-	-	3,30,000
8.	Mr.M.Bangara Raju	Director HR & Corporate Affairs	3,30,000	-	-	3,30,000
9.	Dr. S.K.Srihari Raju	Managing Director	4,32,000	-	-	4,32,000

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

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

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

Stock Option Details: NIL.

**Share Transfer Committee:**

The Share Transfer Committee is formed with Sri S.K.Harikrishna, Sri V.Swaminathan and M.Bangara Raju as Members and meets monthly or as and when required at short notice also. Sri. M.Bangara

**CORPORATE GOVERNANCE**

Raju will act as Chairman of the Share transfer Committee. No share transfers are pending as on date.

The functions of the committee(s) include:

To specifically look into redressing investors' grievances pertaining to:

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

The subcommittee will also focus on strengthening investor relations.

**Investors Grievance Committee:**

The committee consists of Sri M.Bangara Raju, Sri V.Swaminathan and Sri S.K.Harikrishna as Members. Sri. M.Bangara Raju will act as Chairman of the Committee and Sri. Raju is the compliance officer and the address is 8-3-214/50, 4<sup>th</sup> floor, Srinivasa Colony (West) Hyderabad. It deals with complaints of share holders on a regular basis. All the complaints have been solved to the satisfaction of the members concerned and no Complaints are pending as on date.

**Annual General Body Meetings:**

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

Year	Location	Date	Time
2011	Aroor Village, Sadasivpet Mandal, Medak District, Andhra Pradesh – 502 291	23.09.2011	3.00 P.M.
2010	Aroor Village, Sadasivpet Mandal, Medak District, Andhra Pradesh – 502 291	27.08.2010	3.00 P.M.
2009	Aroor Village, Sadasivpet Mandal, Medak District, Andhra Pradesh – 502 291	05.09.2009	3.00 P.M.

No special resolution is put to vote by postal ballot.

**Other disclosures:**

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

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

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

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

**CORPORATE GOVERNANCE****Mandatory requirements:**

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

**Accounting Standards and Treatment:**

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

**Means of Communication**

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

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

Aroor Village, Sadasivpet Mandal,  
Medhak District,  
Andhra Pradesh – 502 291.

**Address for Correspondence**

8-3-214/50, 4<sup>th</sup> Floor,  
Srinivasa Colony (W)  
Hyderabad – 500 038.

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

21.09. 2012 3 00. P.M.

Aroor Village, Sadasivpet Mandal,  
Medhak District, Andhra Pradesh – 502 291.

**Book Closure:**

17.09.2012 to 21.09.2012. (both days inclusive)

**Listing of Shares**

The Stock Exchange, Mumbai

**Registrar Share Transfer Agents:**

M/s.Venture Capital and Corporate Investments Pvt. Ltd.

12-10-167, Bharat Nagar Colony, Hyderabad – 500 018.

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

Fax: +91-040-23868024

Email: info@vccilindia.com

**Share Transfer System:**

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

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

**CORPORATE GOVERNANCE**

dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company.

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

**Disclosure:**

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

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

**Distribution of shareholding As on : 31.03.2012.**

Nominal Value	Holders Number	Amount % to Total	In Rs	% to Total
Upto - 500	9290	88.55	1377972	14.86
501 - 1000	533	5.08	453545	4.89
1001 - 2000	246	2.34	378289	4.08
2001 - 3000	182	1.73	466065	5.03
3001 - 4000	41	0.39	151100	1.63
4001 - 5000	55	0.52	262612	2.83
5001 - 10000	66	0.63	457117	4.93
10001 and above	78	0.74	5726300	61.75
<b>TOTAL</b>	<b>10491</b>	<b>100.00</b>	<b>9273000</b>	<b>100</b>

**Dematerialization & Liquidity:**

Shares of the Company are under compulsory demat list and nearly 54.20% of total Equity Shares Capitals held in dematerialized with NSDL and CDSL as on 31.03.2012.

Identification Number of scrip given by NSDL and CDSL is INE334C01011

**Shareholder General Correspondence:**

The Compliance Officer,  
Everest Organics Limited, 8-3-214/50, 4<sup>th</sup> floor,  
Srinivasa Colony (West), Hyderabad – 500 038.



**CORPORATE GOVERNANCE**

**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/-  
Managing Director

Sd/-  
Executive Director

Date : 25.07.2012

**Declaration on compliance with Code of Conduct**

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

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

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31.03.2012.

Date: 25.07.2012

Sd/-  
Managing Director.



**CORPORATE GOVERNANCE**

**Auditors Certificate on compliance of Corporate Governance**

To

The Members of  
EVEREST ORGANICS LIMITED  
Regd. Office : Aroor Village, Sadasivpet Mandal  
Medak District, Andhra Pradesh – 502 291.

We have examined the compliance of conditions regarding corporate governance by **M/s EVEREST ORGANICS LIMITED** for the year ended 31<sup>st</sup> March 2012, as stipulated in clause 49 of the listing agreement of the company with stock exchanges. However, as explained to us by the management that the scrip was suspended from trading due to non-payment of listing fees and non-submission of financial data to the stock exchange in time for a long time since 2002 and is categorized as “suspended due to penal reasons”.

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

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

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

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

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

Chartered Accountants  
Firm Reg No: 003228S

Place : Hyderabad  
Date : 31-05-2012

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



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

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

**B). OPPORRTUNITIES FOR THE COMPANY.**

EOL is poised to take the opportunity being thrown open by the global situation in the Pharma industry. EOL is entrenched in its product mix of proton pump inhibitors.

EOL is confident of launching 2 more PPI like sitagliptine, pregabalin and other intermediates in this financial year.

**THREATS:**

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

In terms of environmental protection EOL proposes to plant atleast 2000 plants in this financial year to improve the green belt. EOL to enhance the capital investment to the extent of Rs.1.5 crores during the year 2012 – 13. on pollution abatement equipment in order to meet “zero discharge” commitment given to APPCB.

**TECHNOLOGICAL ABSORPTION:**

EOL has developed the technology for Pantoprazole and Eesomeprazole in the financial year 2011-2012. The Man Power is adequately trained on a constant and continuous basis to absorb the technology and to adopt newer method of solvent recovery recycling of solvents and their further reuse. Two additional products Sitagliptine, Pregabalin are in the offing.

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

**C) OUTLOOK FOR FINANICAL YEAR 2012-13:**

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

In this Financial Year 2012-2013, the Management is confident of achieving a turnover of about Rs.90 to 100. crores with higher margins. The capital expenditure is envisaged to the extent of Rs. 7. to 8 crores in terms of expanding the volume of existing products and adding newer products to augment the bottom line. In this regard the company has approached the Kotak Mahindra Bank Ltd for term loan of Rs.5.crores for which the Kotak Bank has sanctioned Rs.2 crores, which is dispersed in second quarter of FR 2011-2012. The capital expenditure would involve solvent recovery system, expanding the volume of Omeprazole production to 20 MT per month and also expanding the capacity of Pantoprazole. The management also proposes to augment the utilities and services as well as further capital investment on effluent treatment along with augmentation of quality control equipment.

In a nutshell the management is confident of showing a minimum growth of 25 -30% year on year basis from the FY 2012 - 13.

**D) INTERNAL CONTROL & SYSTEMS:**

The internal control systems of the Company are implemented with a view to achieve good ethical culture in the organization. The internal control systems of the Company would ensure that any



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

vulnerability in the achievement of the Company's objectives caused by timely manner and is meted out with appropriate corrective action.

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

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

The important things envisaged by our board are:

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

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



ANNEXURE TO DIRECTORS REPORT

**FORM - A**

Particulars		Current Year 2011-12	Previous Year 2010-11
A. Power & Consumption			
1	Electricity	4,314,846	4021917
	a) Purchased		
	Units KW/H		
	Total Amount	17,811,492	14,735,692
	Rate/units	4.13	3.66
	b) Own Generation		
	i) Throught Diesel Generator		
	Units KW/H	126,784	173,712
	Diesel Consumed (Litrs)	46,139	58,091
	Total Amount	2,083,869	2,269,034
	Unit per Lit. of Diesel Oil	2.75	2.99
	Cost/Units	16.44	13.06
	ii) Throught Steam Turbine/Generator		
2	Coal C Grade		
	Quantity (in Tonnes)	4,848	4,340
	Total Cost	20,485,464	16,219,430
	Average Rate	4,226	3,737
3	Furnace Oil		
4	Other internal Generation		
B. Consumption per unit of Production			
	Stadards (if any)		
	PRODUCT (WITH DETAILS) UNITS	Current	Previous
		Year	Year
	Ciprofloxacin (kgs)	Nil	Nil
	Enrofloxacin	Nil	Nil
	Omeprazole (incl.pellets)	1134810	1,004,288
	Chloro Compound		
	Benzimidazole		
	Electricity (units)	3.80	4.00
	Furnace Oil	Nil	Nil
	Coal (specify quantity) C grade (mts)	4,848	4,340
	Consumption per unit of production	15.70	14.64



**ANNEXURE TO DIRECTORS REPORT**

**FORM-B**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGICAL  
ABSORPTION ADAPTION AND INNOVATION**

**A. Research and Development (R&D)**

1. Specify areas in which R&D carried out by the Company

- a. Reduction in quantity of effluents: 50 KLD/40 KLD
- b. Treatment and disposal of effluents : MEE improved the yeilds
- c. Process improvement and adoption to suit export market requirements.

2. Benefits derived as a result of to acceptable levels

- a. Water content in liquid effluent has come down from 1,00,000 to 80,000 PPM(TDS)

3. Expenditure on R&D

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

- Rs. - NIL -
- Rs. - NIL -
- Rs. - NIL -
- Rs. - NIL -

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

- a. Technology for manufacture of existing products fully localised

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

- a. Developed technology for manufacture of new products.

Product development, import substitution, etc.

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

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

- Not applicable -

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

**AUDITOR'S REPORT**

To

From

The Members  
M/s. EVEREST ORGANICS LIMITED  
8-3-214/50, 4<sup>th</sup> Floor  
Opp: MCH Park, Srinivasa Colony (West)  
HYDERABAD – 500 004.

P.S.N. RAVISHANKER & ASSOCIATES  
Chartered Accountants  
Flat No. 205, B-Block, Kushal Towers  
Khairatabad,  
HYDERABAD – 500 038.

We have audited the attached Balance Sheet of M/s. Everest Organics Limited as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Companies Act, 1956, we have enclosed in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.
- II. Further to our statement referred to in paragraph I above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, the company as referred by law has kept proper books of accounts so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors, as on 31.03.2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :



**AUDITOR'S REPORT**

- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012
- ii) In the case of the Statement of Profit & Loss, of the profit of the company for the year ended on that date; and
- iii) In the case of the Cash flow statement, of the cash flows of the company for the year ended as on that date.

For **P.S.N. RAVI SHANKER & ASSOCIATES**  
Chartered Accountants

Place : Hyderabad,  
Date : 31.05.2012.

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

**STATEMENT REFERRED TO IN THE AUDIT REPORT**

- 1. a) The records maintained by the company show broad particulars including quantitative details and situation in respect of the fixed assets and the fixed assets register is to be updated.
- b) According to the information and explanations furnished to us, the fixed assets of the company have been broadly verified during the year by the management at reasonable intervals and we are informed that no material discrepancies were noticed on such verification.
- b) During the year the company has not disposed of substantial part of fixed assets.
- 2. a) As explained to us, Physical verification of inventory has been conducted at reasonable intervals by the management during the year in respect of majority of the high value items..
- b) The procedures of physical verification of inventory followed by the Management appear to be generally reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory in a broad manner and we are informed that no material discrepancies were noticed on physical verification.
- 3. a) As per the information and explanations furnished to us by the management the Company has not granted any loans, secured or unsecured, to the parties coming under the provision of Sec.301 of the Companies Act, 1956.
- b) During the year the company has taken unsecured loans of Rs.77.42 lakhs from 7 parties (Previous year Rs.149.60 Lakhs from 5 parties) covered in the register maintained under Sec.301 of the Companies Act, 1956. The total outstandings in these accounts at the end of the year stood at Rs.40.37 lakhs (Previous year end 141.68 lakhs). Some of the unsecured loans carry interest @ 18% p.a. and some of the unsecured loans are interest free. It is explained to us that no specific repayment program has been fixed in this regard. Accordingly, the rate of

**AUDITOR'S REPORT**

interest and other terms and conditions of the unsecured loans taken by the company, prima facie, do not appear to be prejudicial to the interest of the company.

4. In our opinion and according to the information and explanations given to us, the internal control procedures existing in the company with regard to purchase of Inventory, Fixed Assets and for the sale of goods, needs to be further strengthened commensurate with the size of the company and the nature of the business.
5. As per the information and explanations given to us, during the year, there are no such contracts or arrangements that are required to be entered in to the register in pursuance of section 301 of the Act.
6. As per the information and explanations furnished to us, the Company has not accepted any deposits from the Public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sec.58A and Sec.58AA of the Companies Act, 1956 and Rules framed there under apply. However, the Company has taken/accepted the unsecured loans, outstanding at 31.03.2012 at Rs.49.12 lakhs (PY Rs.401.96 lakhs) and share application money (pending allotment outstanding on 31.03.2012 and on 31.03.2011 at Rs.700 lakhs and Rs.388.81 lakhs) from various parties stated to be coming under the category of promoters, their friends, relatives, employees and sister concerns and it has been explained to us that unsecured loans/share application money have been brought into the company to meet the financial obligations of the company to the Financial Institutions/Banks. Out of the total unsecured loans received by the company during the earlier years an amount of Rs.311.19 lakhs has been transferred to Share Application Money as on 31-03-2012 (PY NIL).
7. The Company does not have formal internal audit system during the year. As per information & explanations furnished to us by the management the existing control procedures covers some of the internal audit aspects.
8. In our opinion and as per the information and explanations given to us, the stock records maintained by the company broadly meet the specifications given by the Central Government U/s.209(1)(d) of the Companies Act, 1956. However, the contents of these accounts and records have not been examined by us in detail.
9.
  - a) The undisputed dues including Provident fund, Employees State Insurance, Income- Tax, Sales-Tax, Excise-Duty, Cesses and other statutory dues have been deposited by the company during the year with the appropriate authorities with some delays. Provident Fund dues to the tune of Rs.8.16 Lakhs, FBT to the tune of Rs.8.55 Lakhs, Income-Tax to the tune of Rs.19.49 lakhs, Tax Deducted at Source to the tune of Rs.12.90 lakhs were outstanding as at 31st March, 2012 for a period of more than 6 months from the date they became payable.
  - b) We are informed that there are no dues in respect of Sales tax/Customs tax/Excise duty/Cess which have not been deposited on accounts of any disputes.
10. The accumulated losses of the company as on 31.03.2012 amounts to Rs.671.61 lacs (previous year Rs.777.58 lakhs). The accumulated losses at the end of the financial year are not less than fifty percent of its net worth. During the year 2011-12 and the immediately preceding financial year the company has not incurred cash losses.



**AUDITOR'S REPORT**

11. The company has taken loans from a bank, and the company, prima facie, does not appear to have defaulted in making the repayment of dues to the Bank. The company has not raised any loans from debenture holders.
12. As per the information and explanations furnished to us, during the year the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As per the information and explanations furnished to us, the company has not dealt with or traded in shares, securities, debentures or other investments during the year.
14. As per the information and explanations furnished to us by the management during the year, the company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
15. The terms loans raised, *prima facie*, appear to have been applied for the purpose for which the loans were obtained.
16. The examination of the Financial Statements, prima facie, indicates that some of the short term funds raised by the company appear to have been used for long term purposes.
17. As per the information and explanations furnished to us, during the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
18. The company has not raised any funds in the form of debentures and hence not created any securities.
19. The company has not raised any funds during the year in the form of public issue.
20. According to the information and explanations furnished to us, during the year, there was no fraud on or by the company that has been noticed or reported to us by the management.
21. The company is governed by the Companies Act, 1956 and no other special statute is applicable to the company.
22. The other particulars of this order are not applicable to the company.

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

Place : Hyderabad  
Date : 31.05.2012

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




**BALANCE SHEET AS AT 31.03.2012**

(Amount in Rupees)					
Particulars	Note No.		Figures as at 31.03.2012		Figures as at 31.03.2011
1	2	3	4		5
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share Capital	A		92,730,000		92,730,000
(b) Reserves and Surplus	B		(67,161,199)		(77,758,375)
(2) Share Application money pending allotment	C		7,270,000		7,270,000
<b>(3) Non-Current Liabilities</b>					
(a) Long-term Borrowings	D		51,290,065		41,080,561
(b) Other Long Term Liabilities	E		77,541		77,541
<b>(4) Current Liabilities</b>					
(a) Short-term Borrowings	F		109,644,287		126,730,453
(b) Trade Payables	G		223,911,817		158,668,477
(c) Other Current Liabilities	H		94,185,075		52,067,171
(d) Short-term provisions	I		8,347,520		7,324,085
<b>Total:</b>			<b>520,295,105</b>		<b>408,189,914</b>
<b>II ASSETS</b>					
<b>Non-Current Assets</b>					
<b>1 (a) Fixed Assets</b>					
(i) Tangible Assets	J	204,135,541		169,280,439	
(ii) Capital-work-in-progress		2,498,762	206,634,303	8,957,035	178,237,474
(b) Non-Current Investments	K		845,408		845,408
(c) Long-term Loans and Advances	L		2,671,346		2,518,346
(d) Other Non-Current Assets	M		1,932,056		3,108,703
<b>2 Current Assets</b>					
(a) Inventories	N		99,733,340		77,793,599
(b) Trade Receivables	O		185,874,944		114,080,893
(c) Cash and Cash Equivalents	P		10,984,635		15,803,642
(d) Short-term Loans and Advances	Q		9,686,903		12,538,799
(e) Other Current Assets	R		1,932,170		3,263,049
<b>Total:</b>			<b>520,295,105</b>		<b>408,189,914</b>

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-  
P.RAVI SHANKER  
Partner

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

Place: Hyderabad  
Date : 31.05.2012

Sd/-  
S.K.HARI KRISHNA  
Executive Director



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31ST, 2012**

(Amount in Rupees)				
	Particulars	Note No.	Figures for the YEAR 2011-2012	Figures for the YEAR 2010-2011
I.	<u>Revenue from operations</u>	S	610,516,510	537,422,111
II.	<u>Other Income</u>	T	1,058,224	1,113,722
III.	<b>Total Revenue (I + II)</b>		<b>611,574,734</b>	<b>538,535,833</b>
IV.	<b>Expenses:</b>			
	Cost of Materials Consumed	U	421,427,588	381,666,962
	Changes in Inventories of finished goods	V	8,008,808	(2,218,126)
	Work-in-progress	W	(21,809,525)	(7,890,824)
	Employee Benefits Expense	X	37,033,812	27,977,853
	Finance Costs	Y	26,920,561	15,292,970
	Depreciation	Z	18,470,520	15,157,051
	Other Expenses	AA	107,930,363	93,902,049
	<b>Total Expenses</b>		<b>597,982,128</b>	<b>523,887,935</b>
V.	Profit before Exceptional and Extraordinary items and Tax		13,592,606	14,647,898
VI.	Exceptional Items - Excess/(Short) Provision for Taxation		4,569	(1,705,145)
VII.	Profit before Extraordinary items and Tax (V-VI)		13,597,175	12,942,753
VIII.	Extraordinary Items		-	-
IX.	Profit before Tax (VII-VIII)		13,597,175	12,942,753
X.	Tax Expense: (1) Current Tax		3,000,000	3,200,000
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		10,597,175	9,742,753
XII.	Profit/(Loss) from discontinuing operations		-	9,742,753
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		-	9,742,753
XV.	Profit/(Loss) for the period (XI + XIV)		10,597,175	9,742,753
XVI.	Earnings per equity share:			
	(1) Basic		1.14	1.05
	(2) Diluted		1.14	1.05
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants			for and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/-			Sd/-	
P.RAVI SHANKER Partner			Dr.S.K.SRIHARI RAJU Managing Director Sd/-	
Place: Hyderabad Date : 31.05.2012			S.K.HARI KRISHNA Executive Director	



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)									
<b>A. Share Capital</b>	<b>As at 31 Mar 2012</b>		<b>As at 31 Mar 2011</b>						
<u>Class of Shares - Equity Shares</u>									
<u>Authorised Capital</u>									
1,00,00,000 Equity Shares of Rs.10/- each	100,000,000		100,000,000						
<u>Issued, Subscribed &amp; Paid-up Capital</u>									
92,73,000 Equity Shares of Rs.10/- each fully paid up	92,730,000		92,730,000						
<b>Total</b>	<b>92,730,000</b>		<b>92,730,000</b>						
<p>Note : 1.</p> <p>No. of shares held by individuals/entities each holding more than 5% of total stake.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">1. Veerat Finance &amp; Investment Co.Ltd.,</td> <td style="text-align: right;">1312800 (14.16%)</td> <td style="text-align: right;">1312800 (14.16%)</td> </tr> <tr> <td>2. Dr.S.K.Srihari Rau</td> <td style="text-align: right;">722000 (7.79%)</td> <td style="text-align: right;">671700 (7.24%)</td> </tr> </table> <p>Note: 2. There is no restriction on transferability of shares (presently the shares are delisted on the share market).</p> <p>Note: 3</p>				1. Veerat Finance & Investment Co.Ltd.,	1312800 (14.16%)	1312800 (14.16%)	2. Dr.S.K.Srihari Rau	722000 (7.79%)	671700 (7.24%)
1. Veerat Finance & Investment Co.Ltd.,	1312800 (14.16%)	1312800 (14.16%)							
2. Dr.S.K.Srihari Rau	722000 (7.79%)	671700 (7.24%)							
<b>Reconciliation of number of shares outstanding at the beginning and end of the year</b>									
Shares issued & subscribed as on 01.04.2011 (92,73,000 Equity Shares of Rs.10/- each fully paid up)	92,730,000		92,730,000						
Add: Issued during the year	-		-						
	92,730,000		92,730,000						
Less: Redemption/Buyback	-		-						
<b>Total Amount as per Balance Sheet</b> (92,73,000 Equity Shares of Rs.10/- each fully paid up)	<b>92,730,000</b>		<b>92,730,000</b>						
<p>Note 4.</p> <p>a) There are no shares issued in last five years as fully paid up pursuant to contracts without payment being received in cash.</p> <p>b) There are no shares issued in last five years as fully paid up by way of bonus shares.</p> <p>c) There are no shares bought back in last five years.</p> <p>d) There are no calls unpaid.</p> <p>e) Out of the total unsecured loans received by the company during the earlier years an amount of Rs.311.19 lakhs has been transferred to Share Application Money as on 31-03-2012, which has been shown partly under Share Application Money and partly under Other Current Liabilities.</p>									
<b>B. Reserves and Surplus</b>									
		<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>						
<u>Profit &amp; Loss Account</u>									
Opening Balance (Profit/(Loss))	(77,758,374)	(87,501,128)							
Add: Profit/(Loss) for the year	10,597,175	9,742,753							
<b>Closing Balance</b>	<b>(67,161,199)</b>		<b>(77,758,375)</b>						
<b>C. Share Application Money - Pending Allotment</b>									
		<b>As at 31 Mar 2012</b>	<b>As at 31 Mar 2011</b>						
Share Application Money outstanding for more than 5 years (Share Application Money pending allotment within the limit of authorised capital)		7,270,000	7,270,000						
<b>Total</b>		<b>7,270,000</b>	<b>7,270,000</b>						
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED							
Sd/-		Sd/-							
P.RAVI SHANKER Partner		Dr.S.K.SRIHARI RAJU Managing Director							
Place: Hyderabad Date : 31.05.2012		Sd/- S.K.HARI KRISHNA Executive Director							

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)			
D. Long-Term Borrowings	As at 31 Mar 2012	As at 31 Mar 2011	As at 31 Mar 2011
<b>(a) Secured Loans</b>			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - III Repayable in Financial Year 2013-14 of Rs.51,48,131/-	5,148,131	-	
2. Term Loan - IV Repayable in Financial Year 2013-14 of Rs.1,15,97,600/- Repayable in Financial Year 2014-15 of Rs. 31,86,727/-	14,784,327	14,222,208	
3. Working Capital Term Loan Repayable in Financial Year 2013-14 of Rs.37,16,457/- Repayable in Financial Year 2014-15 of Rs.10,21,271/- (Securities for above term loans 1,2 & 3 are as per note given below)	4,737,728	-	
4. Kotak Prime Ltd-Tata Indigo Manza Car Loan Repayable in Financial Year 2013-14 of Rs.2,63,466/- (Secured by the Hypothecation of Vehicle)	263,466	-	
5. Magma Finance-Verna Car Loan Repayable in Financial Year 2013-14 of Rs.2,60,307/- Repayable in Financial Year 2014-15 of Rs.2,17,171/- (Secured by the Hypothecation of Vehicle)	477,478	-	
<b>(b) Unsecured Loans</b>			
- Sales Tax Deferment Liability (Payable as per A.P.State Government 14 years sales tax deferment scheme - repayment commenced from 2009-10 and payable before the year 2022-23)	25,878,935	26,858,353	
	<b>51,290,065</b>		<b>41,080,561</b>

## Note:

1. The Term Loans D(a) 1, 2 & 3 above are secured by the first charge by way of equitable mortgage by deposit of Titles Deeds of the Company's immovable properties of Land & Buildings admeasuring 32 Acres in Sy.No.38, 39, 40 situated at Aroor Village, Sadasivpet Mandal, Medak District, both present and future and Hypothecation/ pledge of Company's movable properties both present and future, hypothecation of stocks, receivables and other current assets, and also by the personal guarantees of promoter directors, mortgage of the personal immovable property of the promoters mortgage of the personal immovable properties of the promoter directors.

2. There is no default in repayment of principal of term loan or interest thereon from Kotak Mahindra Bank Ltd., stated above.

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-  
P.RAVI SHANKER  
Partner

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

Place: Hyderabad  
Date : 31.05.2012

Sd/-  
S.K.HARI KRISHNA  
Executive Director



## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rupees)			
<b>E. Other Long Term Liabilities</b>	As at 31 Mar 2012		As at 31 Mar 2011
(a) Others	77,541		77,541
<b>Total</b>	<b>77,541</b>		<b>77,541</b>
<b>F. Short Term Borrowings</b>	As at 31 Mar 2012		As at 31 Mar 2011
<b>Secured</b>			
(a) Loans repayable on Demand			
- from Banks - Kotak Mahindra Bank Ltd			
Overdraft	39,324,653	50,670,984	
Bills Discounting (Domestic)	39,992,210	17,809,833	
Bills Discounting (Exports)	3,496,942	2,751,721	
Bills Discounting (LC Backed)	2,370,339	2,660,117	
Buyers Credit	5,391,443	-	73,892,654
Note: Security for the above loans from Kotak Mahindra Bank Ltd is the same as mentioned note 1 of point no.C-Long Term Borrowings.			
Discounting of Bills Backed by LCs	14,156,701		12,719,437
<b>Total - A</b>	<b>104,732,287</b>		<b>86,612,091</b>
<b>Unsecured</b>			
(a) Loans repayable on Demand			
- from Other Parties	4,912,000		40,118,362
<b>Total - B</b>	<b>4,912,000</b>		<b>40,118,362</b>
<b>Total (A+B)</b>	<b>109,644,287</b>		<b>126,730,453</b>
<b>G. Trade Payables</b>	As at 31 Mar 2012		As at 31 Mar 2011
Creditors for Raw Materials	182,595,257		127,308,985
Creditors for Expenses	22,378,409		17,118,062
Creditors for Capital Goods	18,938,151		14,241,430
<b>Total</b>	<b>223,911,817</b>		<b>158,668,477</b>
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED		
Sd/- P.RAVI SHANKER Partner	Sd/- Dr.S.K.SRIHARI RAJU Managing Director		
Place: Hyderabad Date : 31.05.2012	Sd/- S.K.HARI KRISHNA Executive Director		


**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)			
H. Other Current Liabilities	As at 31 Mar 2012		As at 31 Mar 2011
<b>(a) Share Application Money - Pending Allotment</b>			
Share Application Money outstanding for morethan 5 years (Share Application Money pending allotment beyond the limit of authorised capital)	31,611,000		31,611,000
Share Application Money outstanding for morethan 1 year (Share Application Money pending allotment beyond the limit of authorised capital)	31,119,000		-
<b>(b) Current maturities of long-term debt</b>			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - II	-	7,048,080	
- Installments due for the financial year 2012-13 (Installments due for the financial year 2011-12)			
2. Term Loan - III	9,069,439	7,803,583	
- Installments due for the financial year 2012-13 (Installments due for the financial year 2011-12)			
3. Term Loan - IV	9,917,717	-	
- Installments due for the financial year 2012-13 (Installments due for the financial year 2011-12)			
4. Working Capital Term Loan	3,178,138	-	
- Installments due for the financial year 2012-13 (Installments due for the financial year 2011-12)			
Note: Security for the above loans from Kotak Mahindra Bank Ltd is the same as mentioned note 1 of point no.C-Long Term Borrowings.			
<b>(c) Current maturities of finance lease obligations</b>			
5. Kotak Prime Ltd-Tata Indigo Manza Car Loan	211,267	-	
- Installments due for the financial year 2012-13 (Installments due for the financial year 2011-12)			
6. Magma Finance-Verna Car Loan	230,402	22,606,963	14,851,663
- Installments due for the financial year 2012-13 (Installments due for the financial year 2011-12)			
<b>(d) Current Maturities of Deferred Payment Liability</b>			
- Deferred Sales Tax Liability	2,476,206		1,703,559
- Installment due for the financial year 2012-13 (Installment due for the financial year 2011-12)			
<b>(e) Statutory Liabilities</b>			
a) ESI Dues	236,356	467,279	
b) PF Dues	1,719,435	541,099	
c) Professional Tax Dues	883,640	699,700	
d) TDS Payable	1,597,254	1,164,045	
e) Others	657,314	758,089	
	5,093,999		3,630,212
<b>(f) Other Liabilities</b>			
	1,277,906		270,737
<b>Total</b>	<b>94,185,075</b>		<b>52,067,171</b>

Note:

1. There is no default in repayment of principal of term loan or interest thereon.

2. The undisputed dues including Provident fund, Employees State Insurance, Income- Tax, Sales-Tax, Excise-Duty, Cesses and other statutory dues have been deposited by the company during the year with the appropriate authorities with delays. Out of the Statutory dues Provident Fund dues to the tune of Rs.8.16 Lakhs (previous year -NIL-), FBT to the tune of Rs.8.55 Lakhs, Income-Tax to the tune of Rs.19.49 lakhs (previous year Rs.22.57 Lakhs), Tax Deducted at Source to the tune of Rs.12.90 lakhs (previous year Rs.6.77 Lakhs) were outstanding as at 31st March, 2012 for a period of more than 6 months from the date they became payable.



## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rupees)

I. Short Term Provisions	As at 31 Mar 2012		As at 31 Mar 2011
(a) Provision for employee benefits	3,199,756		1,669,085
(b) Others			
1. Income Tax - MAT	4,292,764	4,800,000	
2. FBT for earlier years	855,000	5,147,764	855,000
<b>Total</b>	<b>8,347,520</b>		<b>7,324,085</b>

Note: Contributions to defined contribution retirement benefit schemes are generally recognized as an expense when employees have rendered services entitling them to contributions. Accordingly company provided for payment of Gratuity. However, the company has not provided for leave encashment of Rs.15,38,047/-. The company has not made any contribution to these employee benefits.

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-

P.RAVI SHANKER  
Partner

Sd/-

Dr.S.K.SRIHARI RAJU  
Managing Director

Place: Hyderabad  
Date : 31.05.2012

Sd/-

S.K.HARI KRISHNA  
Executive Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

Everest Organics Limited SCHEDULE - J FIXED ASSETS												
S.No.	Particulars	Gross Block					Depreciation				Net Block	
		As At 01.04.11	Additions During the year	Deletions/ transfers during the year	As At 31.03.12	Rate of Depn. %	As At 01.04.11	for the year	Deletions during the year	As At 31.03.12	As At 31.03.11	
	<b>Tangible Assets</b>											
1	Land & Site Development	5,359,816	-	-	5,359,816	-	-	-	-	-	5,359,816	5,359,816
2	Buildings	27,883,709	3,885,730	-	31,769,439	3.34	13,814,374	994,866	14,809,240	-	16,960,199	14,069,335
3	Plant & Machinery & Utilities	294,420,630	47,217,005	-	341,637,635	5.28	147,208,687	16,837,800	164,046,486	-	177,591,149	147,211,943
4	Office Equipment	1,448,668	70,750	-	1,519,418	6.33	1,391,028	8,893	1,399,921	-	119,497	57,640
5	Computers	3,639,990	279,270	-	3,919,260	16.21	3,074,022	130,027	3,204,050	-	715,210	565,968
6	Furniture & Fittings	1,276,781	372,717	-	1,649,498	6.33	826,872	89,786	916,658	-	732,840	449,909
7	Vehicles	3,805,011	2,074,441	935,703	4,943,749	9.50	2,239,183	409,148	2,286,919	361,412	2,656,829	1,565,828
	<b>Total (A)</b>	<b>337,834,605</b>	<b>53,899,913</b>	<b>935,703</b>	<b>390,798,814</b>		<b>168,554,165</b>	<b>18,470,520</b>	<b>186,663,274</b>	<b>361,412</b>	<b>204,135,541</b>	<b>169,280,439</b>
	<b>Capital Works-in-Progress</b>											
	Buildings	-	3,885,730	3,885,730	-		-	-	-	-	-	-
	Plant & Machinery (trfd.to Fixed Assets & Buildings)	8,957,035	40,758,732	47,217,005	2,498,762		-	-	-	-	2,498,762	8,957,035
	<b>Total (B)</b>	<b>8,957,035</b>	<b>44,644,462</b>	<b>51,102,735</b>	<b>2,498,762</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,498,762</b>	<b>8,957,035</b>
	<b>Grand Total (A+B)</b>	<b>346,791,640</b>	<b>98,544,375</b>	<b>52,038,438</b>	<b>393,297,576</b>		<b>168,554,165</b>	<b>18,470,520</b>	<b>186,663,274</b>	<b>361,412</b>	<b>206,634,303</b>	<b>178,237,474</b>





**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)

<b>K. Non-Current Investments</b>	<b>As at 31 Mar 2012</b>		<b>As at 31 Mar 2011</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, Market value as on 31.03.2012 & 31.03.2011 not available).	815,408		815,408
Equity Shares in State Bank of Travancore (SBT) - at cost (Quoted 50 No.of equity shares of Rs.10/- each in SBT, Market value of Rs. (Quoted 50 No.of equity shares of Rs.10/- each in SBT, Market value of Rs. as on 31.03.2011).	30,000		30,000
<b>Total:</b>	<b>845,408</b>		<b>845,408</b>

<b>L. Long-term Loans and Advances</b>	<b>As at 31 Mar 2012</b>		<b>As at 31 Mar 2011</b>
Security Deposits with Government	2,304,346	2,154,346	
Security Deposits with Others - for Rent	134,530	134,530	
Security Deposits with Others - for Mobile, Internet	232,470	229,470	
<b>Total</b>	<b>2,671,346</b>		<b>2,518,346</b>

**Note:**  
All the long term loans and advances are unsecured in nature and are considered good.

<b>M. Other Non-current Assets</b>	<b>As at 31 Mar 2012</b>		<b>As at 31 Mar 2011</b>
Security Deposits with Others	286,198		1,065,845
Export Incentives receivable	1,645,858		2,042,858
<b>Total</b>	<b>1,932,056</b>		<b>3,108,703</b>

<b>N. Inventories</b>	<b>As at 31 Mar 2012</b>		<b>As at 31 Mar 2011</b>
(a) Raw materials	33,329,939		29,020,344
(b) Work-in-progress	36,906,238		15,096,713
(c) Finished Goods	9,247,388		17,256,196
(d) Stores and Spares	2,088,100		2,142,050
(e) Others			
- Coal	8,997,269		8,724,701
- Packing Material	264,995		272,414
Goods-in-transit (with Job Workers)	8,899,411		5,281,181
<b>Total</b>	<b>99,733,340</b>		<b>77,793,599</b>

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

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-  
P.RAVI SHANKER  
Partner

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

Place: Hyderabad  
Date : 31.05.2012

Sd/-  
S.K.HARI KRISHNA  
Executive Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Amount in Rupees)			
<b>O. Trade Receivables</b>	As at 31 Mar 2012		As at 31 Mar 2011
(i) Trade receivables			
(a) Secured, considered good;			
- less than 6 months	7,859,620		2,660,117
(b) Unsecured considered good;			
- less than 6 months	177,925,661		111,420,776
(ii) Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.			
(a) Unsecured considered good;			
- less than 6 months	89,663		-
Virat & Co., (a partnership firm in which one of the partner is the W/o.Mr.S.K.Hari Krishna, who is wholetime director of the company)			
<b>Total</b>	<b>185,874,944</b>		<b>114,080,893</b>
Note: Secured receivables are so secured by letters of credit.			
<b>P. Cash and cash equivalents</b>	As at 31 Mar 2012		As at 31 Mar 2011
Cash and Cash Equivalents			
(a) Balances with Banks;	961,281		5,793,795
(b) Cash on Hand;	23,354		9,846
(c) Others - Fixed Deposits under lien with Bank	10,000,000		10,000,000
<b>Total</b>	<b>10,984,635</b>		<b>15,803,642</b>
<b>Q. Short-term loans and advances</b>	As at 31 Mar 2012		As at 31 Mar 2011
(i)			
(a) Other Loans and Advances			
VAT Receivable	-	1,409,109	
Export Incentives Receivable	397,000	450,000	
Other Receivables	1,230,532	2,765,258	
	1,627,532		4,624,367
(ii)			
(a) Unsecured, considered good	8,059,371		7,914,433
<b>Total</b>	<b>9,686,903</b>		<b>12,538,799</b>
<b>R. Other Current Assets</b>	As at 31 Mar 2012		As at 31 Mar 2011
Cenvat Credit	1,217,257		2,536,374
TDS Receivable	714,913		726,675
<b>Total</b>	<b>1,932,170</b>		<b>3,263,049</b>
Note: Contingent Liabilities not provided for - Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company Rs.432.42 Lakhs. - Bank Guarantees issued by the Kotak Mahindra Bank in favour of Pollution Control Board for Rs.10.00 Lakhs.			
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/- P.RAVI SHANKER Partner	Sd/- Dr.S.K.SRIHARI RAJU Managing Director		
Place: Hyderabad Date : 31.05.2012	Sd/- S.K.HARI KRISHNA Executive Director		



**SCDHEDULES FORMING PART OF THE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2012**

(Amount in Rupees)			
<b>S. Revenue from Operations</b>		for the year ended 31st March 2012	for the year ended 31st March 2011
Sale of products			
- Domestic Sales	541,192,014		447,557,917
Less: Excise Duty	50,307,137		42,153,170
	490,884,877		405,404,747
- Export Sales	109,272,978	600,157,855	118,125,589
Sale of services			
Other operating revenues (Job Work Charges)		10,358,655	13,891,775
<b>Net Turnover</b>		<b>610,516,510</b>	<b>537,422,111</b>
<b>Note:</b>			
Of the above Net Turnover the Company made a turnover of Rs.76,000/- with M/s.Virat & Co., in which W/o.one of the wholetime directors viz., Mr.S.K.Hari Krishna is a partner.			
<b>T. Other Income</b>		for the year ended 31 March 2012	for the year ended 31 March 2011
Interest Income		1,132,515	1,104,098
Net gain/(loss) on sale of Fixed Asset		(74,291)	-
Other non-operating income		-	9,623
<b>Total</b>		<b>1,058,224</b>	<b>1,113,722</b>
<b>U. Cost of Rawmaterials Consumed</b>		for the year ended 31 March 2012	for the year ended 31 March 2011
Opening Stock of Raw Materials		34,301,525	25,506,352
Add: Purchase of Raw Materials		429,355,413	390,462,135
<b>Total</b>		<b>463,656,938</b>	<b>415,968,487</b>
Less: Closing Stock of Raw Materials		42,229,350	34,301,525
<b>Net Amount = As per Statement of P&amp;L</b>		<b>421,427,588</b>	<b>381,666,962</b>
<b>V. Changes in Inventory of FG</b>		for the year ended 31 March 2012	for the year ended 31 March 2011
Opening Stock of Finished Goods	17,256,196		15,038,070
Less: Closing Stock	9,247,388		17,256,196
<b>Net Amount</b>		<b>8,008,808</b>	<b>(2,218,126)</b>
<b>W. Changes in Inventory of WIP</b>		for the year ended 31 March 2012	for the year ended 31 March 2011
Opening Stock of Work in progress	15,096,713		7,205,889
Less: Closing Stock	36,906,238		15,096,713
		(21,809,525)	(7,890,824)
<b>Net Amount</b>		<b>(21,809,525)</b>	<b>(7,890,824)</b>
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/- P.RAVI SHANKER Partner		Sd/- Dr.S.K.SRIHARI RAJU Managing Director	
Place: Hyderabad Date : 31.05.2012		Sd/- S.K.HARI KRISHNA Executive Director	



**SCDHEDULES FORMING PART OF THE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2012**

(Amount in Rupees)

<b>X. Employee Benefit Expenses</b>			<b>for the year ended 31 March 2012</b>		<b>for the year ended 31 March 2011</b>
Salaries and Wages			29,902,375		21,731,437
Contribution to provident and other funds			1,163,999		895,226
Staff welfare expenses			1,950,496		1,510,350
Statutory and Other Benefits			4,016,942		3,840,840
<b>Total</b>			<b>37,033,812</b>		<b>27,977,853</b>
<b>Y. Finance Cost</b>			<b>for the year ended 31 March 2012</b>		<b>for the year ended 31 March 2011</b>
Interest	13,519,005			9,467,121	
Bills Discounting Charges	7,437,855			1,806,151	
Other Finance Charges	4,110,847		25,067,707	4,441,377	15,714,649
Net (gain) or loss on foreign currency transaction					
- on Exports	(217,939)			31,214	
- on Imports	2,070,794		1,852,854	(452,893)	(421,679)
<b>Total</b>			<b>26,920,561</b>		<b>15,292,970</b>
<b>Z. Depreciation and amortization expense</b>			<b>for the year ended 31 March 2012</b>		<b>for the year ended 31 March 2011</b>
- Depreciation on Tangible Fixed Assets			18,470,520		15,157,051
<b>Total</b>			<b>18,470,520</b>		<b>15,157,051</b>
<b>AA. Other Expenses</b>			<b>for the year ended 31 March 2012</b>		<b>for the year ended 31 March 2011</b>
Payments to the auditor as					
a.auditor	150,000			150,000	
b.for taxation matters	50,000			50,000	
c.for other services	50,000		250,000	-	200,000
<b>Manufacturing Expenses:</b>					
(a) Material Conversion Charges			7,356,618		4,356,986
(b) Stores Consumables			2,945,761		1,230,268
(c) Lab Expenses			1,657,661		1,572,478
(d) Effluent Charges			6,638,866		4,213,298
(e) Power and Fuel			41,610,621		39,027,648
(f) Plant Repairs & Maintenance Charges			13,908,149		11,042,823
(g) Production Contract Charges			9,674,849		9,133,375
<b>Administrative Expenses:</b>					
(a) Conveyance			174,673		331,221
(b) Postage, Telephone Charges			650,311		648,137
(c) Rent, Rates & Taxes			773,300		934,934
(d) Insurance			1,423,353		1,137,517
(e) Consultancy Charges			619,789		1,137,790
(f) Office Maintenance			183,018		244,392
(g) Vehicle Maintenance			551,460		316,660
(h) Other Administrative Expenses			4,062,518		3,090,712
<b>Selling &amp; Distribution Expenses:</b>					
(a) Business Promotion			2,218,251		2,463,115
(b) Travelling Expenses (Overseas)			1,092,150		1,594,000
(c) Travelling Expenses (Domestic)			1,255,013		1,702,286
(d) Postage, Telephone Charges			117,785		103,896
(e) Conveyance-Marketing			117,061		115,267
(f) Commission on Sales			2,898,650		1,822,750
(g) Freight Outward			1,317,154		1,115,819
(h) Freight Outward Exports			2,347,687		2,886,833
(i) Packing Material			3,966,282		3,377,970
(j) Other Expenses			119,384		101,875
<b>Total:</b>			<b>107,930,363</b>		<b>93,902,049</b>
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED				
Sd/- P.RAVI SHANKER Partner  Place: Hyderabad Date : 31.05.2012	Sd/- Dr.S.K.SRIHARI RAJU Managing Director  Sd/- S.K.HARI KRISHNA Executive Director				

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2012****1. ACCOUNTING POLICIES****a) Accounting Assumptions**

(i) These Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company and the accounting standards prescribed by the Institute of Chartered Accountants of India, IFRS as issued by the IASB, as adopted for the first time in India, as applicable for convergence requirements in India, with revenues recognized and expenses accounted for on their accrual including provisions/ adjustments for committed obligation and amount determined as payable or receivable during the year.

**(ii) Presentation and Disclosure of Financial Statements :**

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

**b) Fixed Assets**

Fixed Assets are stated at historical cost of acquisition net of CENVAT, net of APVAT, which is inclusive of freight, installation charges, duties and incidental expenses and the proportionate expenditure.

**c) Depreciation**

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

**d) Inventories**

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

**e) 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. During the year the Company has not incurred expenditure of capital nature on R&D.

**f) Employee Benefits:**

Contributions to defined contribution retirement benefit schemes are generally recognized as an expense when employees have rendered services entitling them to contributions. Accordingly company provided for payment of Gratuity. However, the company has not provided for leave encashment of Rs.15,38,047/-. The company has not made any contribution to these employee benefits.

**g) Impairment of Assets**

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

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2012**

2. a) Foreign exchange Expenditure		(Rs. In Lacs)
	2011-2012	2010-2011
i) Payments to Raw Material Creditors	511.80	460.04
ii) Traveling Expenses	10.92	15.94
b) Foreign Exchange received on Exports	826.63	1024.92

3. In view of the substantial carried forward losses and unabsorbed depreciation no deferred tax asset has been recognized as provided in the Accounting Standard on Taxes on Income, on a conservative principal.

4. The Secured Loans from Kotak Mahindra Bank (Schedule C) are secured by the first charge by way of equitable mortgage by deposit of Titles Deeds of the Company's immovable properties of Land & Buildings admeasuring 32 Acres in Sy.No.38,39 & 40 situated at Aroor Village, Sadasivpet Mandal, Medak District, both present and future and Hypothecation/pledge of Company's movable properties both present and future, hypothecation of stocks, receivables and other current assets, and also by the personal guarantees of promoter directors mortgage of the personal immovable properties of the promoter directors.

5. The total CENVAT available on Raw Materials amounting to Rs.511.70 Lacs (previous year Rs.434.25 lacs) has been adjusted in the cost of raw materials and the unavailed CENVAT credit amounting Rs.12.03 lacs (previous year Rs.25.36 lacs) has been shown in the "Current Assets" in the Balance Sheet.

6. Investment

Investment of Rs.8.45 lacs represents fully paid Equity Shares of M/s.Pattancheru Envirotech Limited made as contribution for utilizing their services of common Effluent Treatment Plant set up by the M/s.Pattancheru Envirotech Ltd. to the tune of Rs.8.15 lacs and shares in the State Bank of Travancore amounting to Rs.0.30 lacs and the same are valued at cost.

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

Particulars	2011-12	2010-11
Managing Director & Other Directors	15.00	15.00

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

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

Year	2011-12			2010-11		
	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
Ciprofloxacin	-	-	-	150	-	-
Enrofloxacin						
Omeprazole						
Op.Sulphide	180	112	94	110	104	94
Op.Magnesium						
Chloro Compound	200	152	76	-	-	-
Benzimidazole	180	110	61	120	90	75
Esomeprazole	25	23	93	25	17	70
Pantaprazole	50	22	45	25	15	62



**NOTES FORMING PART OF THE ACCOUNTS**

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

Description Product	Production (Qty./MTs)		Sales (Qty./MTs)		Sale Value (Rs.in Lacs)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Omeprazole Powder	111.7	103.3	93.5	98.4	1987	1712.42
Benzimidazole	110.91	90.3	55.8	61.8	387.56	405.97
Chloro Compound	152.4	108.8	40.9	42.6	878.37	646.16
Op.Sulphide	154.6	114.8	547	2	9.83	34.2
Esomeprazole Magnesium	23.2	17.4	24.2	17.3	961.94	738.64
Pantaprazole	22.3	15.5	24.6	15.8	899.14	637.99
Ammonium Sulphate	464.7	429.1	230	429.1	48.25	43.99
Tetralone	95	122.2	95	133.9	610.28	810.63
Q-Acid	-	8.8	-	14.8	-	105.03
Others	-	-	-	-	219.21	100.27
<b>Total:</b>					<b>6001.58</b>	<b>5235.3</b>

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

Description	2011-12		2010-11	
	(Qty/MTs)	Value (Rs.lacs)	(Qty/MTs)	Value (Rs.lacs)
3, 5 Lutidine	177.2	476.08	128.8	343.01
MDC	382	202.28	445.5	252.19
Acetone	293.2	233.53	207	124.9
Acetic Acid	278	105.73	219.6	68.47
Toluene	169.4	128.32	118.2	67.29
Para Ansidine	108	146.03	103	130.32
Methanol	461.4	114.9	356.2	66.98
DMS	159.2	39	124.7	28.94
APS	213.2	137.45	185.2	117.63
Others		2630.96		2616.94
<b>Total :</b>		<b>4214.28</b>		<b>3816.67</b>

**NOTES FORMING PART OF THE ACCOUNTS**

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

Item	2011-12		2010-11	
	Value	%	Value	%
Imported	847.70	20.11	460.05	12.05
Indigenous	3366.58	79.89	3356.62	87.95
<b>Total</b>	<b>4214.28</b>	<b>100.00</b>	<b>3816.67</b>	<b>100.00</b>

9. Contingent Liabilities not provided for:

- a) Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company Rs.432.42 Lakhs.
- b) Bank Guarantees issued by the Kotak Mahindra Bank in favour of Pollution Control Board for Rs.10.00 Lakhs.

10. Amount due to small scale industrial undertaking during the year ended 31.03.2012 could not be identified as specific information regarding SSI status is not forthcoming from parties.

11. 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.

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

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

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

As per our report even date  
For P.S.N.RAVISHANKAR & ASSOCIATES  
CHARTERED ACCOUNTANTS

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

Sd/-  
(P. RAVI SHANKER)  
Partner

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

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

Place: HYDERABAD  
Date : 31.05.2012



**CASH FLOW STATEMENT FOR YEAR ENDED 31-03-2012**

Particulars	(Rs.in Lakhs)	
	Year Ended 31.03.12	Year Ended 31.03.11
<b>Cash Flow from Operating Activities</b>		
Profit/(Loss) as per Profit & Loss Account	135.93	146.48
Adjustment for Depreciation	184.71	151.57
Provision for Gratuity	15.31	5.56
Interest and Financial Charges paid	269.21	152.93
Loss on sale of fixed asset	0.74	-
Taxes paid	(30.00)	(32.00)
Provisions no longer required written back	0.04	(17.04)
Interest Earned	(11.33)	(11.04)
<b>Operating Profit/(Loss) before working capital charges</b>	<b>564.60</b>	<b>396.46</b>
Adjustments for:		
(Increase)/Decrease in Trade receivables	(717.94)	60.82
(Increase)/Decrease in Inventories	(219.40)	(233.96)
Increase/(Decrease) in Short Term Borrowings	(170.86)	793.78
Increase/(Decrease) in Trade Payables	652.43	(240.13)
Increase/(Decrease) in Other Current Liabilities	421.18	(123.45)
Increase/(Decrease) in Short Term Provisions	(5.07)	12.00
(Increase)/Decrease in Loans & Advances & Other Current Assets	52.07	(17.61)
<b>Cash Generated from Operations</b>	<b>577.02</b>	<b>647.91</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets including CWIP	(469.42)	(514.61)
Interest earned	11.33	11.04
<b>Cash used in Investing Activities</b>	<b>(458.09)</b>	<b>(503.57)</b>
<b>Cash Flow from Financing Activities</b>		
Increase/(Decrease) secured Loans from Banks/Financial Institutions	102.10	40.27
Interest and Financial Charges paid	(269.21)	(152.93)
	<b>(167.11)</b>	<b>(112.66)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(48.19)	31.68
Opening Cash & Cash Equivalents	158.03	126.35
Closing Cash & Cash Equivalents	<b>109.85</b>	<b>158.03</b>

**AUDITORS CERTIFICATE**

We have examined the cash flow statement of M/s.Everest Organics Limited for the year ending 31st March, 2012. The statement has been prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreement with Mumbai Stock Exchange and is based on and is an agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company as per our report dated 31st May, 2012, to the Members of the Company.

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

for and on behalf of the Board  
EVEREST ORGANICS LIMITED

Sd/-  
P.RAVISHANKER  
Partner

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

Place: Hyderabad  
Date: 31-05-2012

Sd/-  
S.K.HARI KRISHNA  
Executive Director



**EVEREST ORGANICS LIMITED**  
 AROOR VILLAGE, SADASIVPET MANDAL  
 MEDAK DISTRICT,  
 ANDHRA PRADESH - 502 291

**PROXY FORM**

D.P No:.....

Client ID.....

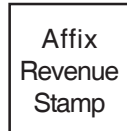
Regd. Folio No.....

No. of shares held.....

I/We ..... being  
 a Member/s of the above named Company hereby appoint Mr/Mrs..... of  
 .....in the district of..... as my/our proxy  
 to vote for me/us on my/our behalf at the 19<sup>TH</sup> Annual General Meeting of the Company to be held  
 on 21-9-2012, at 3.00. P.M at Aroor Village, Sadasivpet Mandl, Medhak Dist. A.P.502 291.

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

Signature



Note: This Proxy Form duly completed should be deposited at the Corporate Office 8-3-214/50,  
 4th Floor, Srinivasa Colony (West) Opp.MCH Park, Madhura Nagar, Hyderabad - 500 038 not less  
 than 48 hours before the time fixed for holding the meeting.

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**EVEREST ORGANICS LIMITED**  
 AROOR VILLAGE, SADASIVPET MANDAL  
 MEDAK DISTRICT  
 ANDHRA PRADESH – 502 291

**ATTENDANCE SLIP**

D.P No:.....

Client ID.....

Regd. Folio No.....

No. of shares held.....

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

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

I/We hereby record my/our presence at the 19<sup>TH</sup> Annual General Meeting of the Company to be held  
 on 21.09.2012 at 3.00 P.M at the Registrar Office Aroor Village, Sadasviapet Mandal, Medak Dist.A.P.  
 502 291.

Signature of the Member /Proxy

**PRINTED MATTER  
BOOK - POST**



*If Undelivered, please return to:*

**EVEREST ORGANICS LIMITED**

Corporate Office: 8-3-214/50

Srinivasa Colony (West)

Opp.MCH Park, Madhura Nagar

Hyderabad - 500 038.