



# EVEREST ORGANICS LIMITED

CIN : L24230TG1993PLC015426

Corporate Office : # 1st Floor, Lakeview Plaza, Plot No.127 & 128, Amar Co-operative Society,  
Opp. Madhapur Police Station Road, Near Durgam Cheruvu, Madhapur, Hyderabad - 500 033.  
Tel : 040-23115956, 40040783, Fax : 91-40-23115954  
Grams : "Veerat", E-mail : srihari\_everest@rediffmail.com / srihari\_everest1@rediffmail.com

Dated: 05.10.2018

EOL/SEC/COMP/041/2018-19

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

Dear Sir / Ma'am,

Sub: Annual Report for the Financial Year 2017-18:

Ref: Regulation 34 of SEBI (LODR) Regulations, 2015 ("Listing Regulations")

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the copy of the 25<sup>th</sup> Annual Report of the Company for the Financial Year 2017-18 being approved and adopted in the 25<sup>th</sup> Annual general Meeting held on Friday the 28<sup>th</sup> day of September, 2018.

Kindly take the above intimation on your record.

Thanking You,  
Yours' Faithfully  
For Everest Organics Limited

  
Dr. Sri Kakarla Raju,  
Managing Director,  
DIN: 01593620



Regd. Office & Factory : Aror Village, Sadasivpet Mandal, Sangareddy Dist.- 502291. (T.S.)  
Tel. : 08455 - 250084, 250113/14/15, Fax : 91-08455-250114,  
Website : www.everestorganicsltd.com

**25<sup>th</sup>**  
**Annual Report**  
**2017-18**



**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. Harikrishna	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	Executive Director

**CORPORATE OFFICE**

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

**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. Harikrishna  
Mr. V. Swaminathan  
Mr. A. Parvatisem

**BANKERS**

Kotak Mahindra Bank  
State Bank of India  
Uco Bank  
Indusind Bank

**Factory Address & Registered Office**

Aroor Village, Sadasivpet Mandal  
Sanga Reddy (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. Suryam & Co.  
Chartered Accountssants, Hyderabad  
Plot 350, Phase 1, Saket, ECIL Post,  
Kapra, Hyderabad - 500062

**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 25th 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 (Medak District), Telangana – 502291, on Friday the 28th Day of September 2018 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 31st March, 2018 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. Sri Kakarlapudi Harikrishna (DIN : 01664260) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Akella Parvatisem (DIN : 00910224), who retires by rotation and being eligible offers himself for re-appointment.

**Special Business:**

4. **Re-appointment of Dr. Sri Kakarlapudi Srihari Raju (DIN : 01593620) the Managing Director of the Company, with effect from 28.09.2018 :**

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

“**RESOLVED THAT** pursuant to section 197 read with schedule V of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and section II of Schedule V of Companies Act 2013 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company, and approval of Central Government, if required, and such other consent and permission as may be necessary, approval of the members, be and is hereby accorded for re-appointment of Dr. Sri Kakarlapudi Srihari Raju (DIN: 01593620), Managing Director of the Company at a Remuneration of Rs. 30,00,000/- (Rupees Thirty Lakhs only), per annum.”

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

5. **To Approve Payment of Commission to Dr. Sri Kakarlapudi Sirisha, (DIN : 06921012) Non Executives Director:**

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

“**Resolved that** pursuant to Section 188, 197, 198, and all other applicable provisions of the Companies Act, 2013, provisions of Listing Regulations and the Articles of Association of the Company, in addition to the sitting fees being paid/payable for attending the meetings of the Board of Directors of the Company and its Committees thereof, the Company be and is hereby authorised to pay to Dr. Sri Kakarlapudi Sirisha (DIN : 06921012), Non Executive Directors of the Company, for a period of 3 years commencing from the Financial Year 2017-18, such commission as the Board of Directors may from time to time determine such commission which shall not exceed 1 per cent of the net profits of the Company in any fiscal year (computed in the manner provided in Section 198 of the

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Companies Act, 2013) or Rs. 9,00,000 (Rupees Nine lakhs only) per annum whichever is less.”

**6. 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 Shareholders 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.”

**7. 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.”

**8. Approval of Cost Auditor’s Remuneration for the Financial Year 2017-18 :**

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

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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. PKR & Associates LLP.", Cost Accountants 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 M/s. Vajralingam & Co, Cost Accountant of Hyderabad, India and be paid a remuneration for the financial year ending March 31, 2018, Rs. 1,80,000/- (Rupees One Lakh Eighty Thousand Only) plus service tax as applicable and re-imburement of out of pocket expenses incurred by him in connection with the aforesaid audit be and is hereby approved and ratified."

"**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."

9. **Approval of Cost Auditor's Remuneration for the Financial Year 2018-19 :**

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. PKR & Associates LLP.", Cost Accountants of Hyderabad, India, re-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 31.03.2019, of the Company's pharma manufacturing units at Aroor Village, Sadasivapet, Medak District, Telangana – 502 291, and be paid a remuneration for the financial year ending March 31, 2019, amounting to Rs 1,80,000/- (Rupees One Lakh Eighty Thousand Only) plus service tax as applicable and re-imburement of out of pocket expenses incurred by him in connection with the aforesaid audit be and is hereby approved and ratified."

"**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."

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

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

"**RESOLVED THAT** in supersession of any resolution passed earlier in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 readwith the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves(that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is Rs. 50 crores (Rupees Fifty Crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is



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hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

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

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

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

**“RESOLVED THAT** in supersession of any resolution passed earlier in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non convertible debentures with or without detachable or non detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, not exceeding Rs 50 crores (Rupees fifty crores only) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.”

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

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its



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absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid.”

**12. To Approve Investment in Solar Power to Reduce the Cost of Fuel & Power:**

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

“**RESOLVED THAT** the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors for setting -up the Solar Power Unit on site (Factory at Aroor Village) at a cost of around Rs. 6 crores (Rupees Six Crores only) and Dr. Sri Kakarlapudi Srihari Raju be and is hereby authorized to take such steps as may be necessary and to settle all matters arising out of and incidental thereto and 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 and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

**13. To Approve the Investment upto Rs. 9 Crores in Up-gradation of Technology and in Plant & Machinery for expansion of business:**

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

“**RESOLVED THAT** to upgrade the technology and strengthen the operational activities of the Company, to meet its grown objectives, the approval of the Company be and is hereby accorded to the Board of Directors, for making an investment upto Rs. 9 Crores in plant and machinery(ies) / Equipment and to upgrade the technology.”

“**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, in Machinery(ies) / Equipment or to upgrade the technology within the aforesaid limits including with the power to transfer and dispose of the assets acquired, 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 BOARDS**

**Date : 27.08.2018**

**For Everest Organics Limited**

**Place : Aroor Village, Sadasivapet Mandal,  
Sangareddy (Medak) District,  
Telangana – 502 291.**

**Nisha Jain  
Company Secretary & Compliance Officer**

**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.



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4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Notice of the AGM along with the Annual Report 2017-18 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 2017-18 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-Fifth AGM is annexed.
10. The Shares Transfer Register and the Register of Members of the Company will remain closed from 22.09.2018 to 28.09.2018 (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. Sri Kakarlapudi Harikrishna (DIN : 01664260), Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.  
Mr. Akella Parvatisem (DIN : 00910224), 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 of 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:-



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In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*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.



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- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 25.09.2018 from 9.00 a.m. and ends on 27.09.2018 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 21.09.2018, 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. (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 voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21.09.2018. 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 and hand over, 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 [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. 28th day of September 2018.

- 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.

**BY ORDER OF THE BOARDS**

**Date : 27.08.2018**

**Place : Aroor Village, Sadasivapet Mandal,  
Sangareddy (Medak) District,  
Telangana – 502 291**

**For Everest Organics Limited**

**Nisha Jain  
Company Secretary**

**NOTICE****Details of Directors Seeking Appointment/Re-appointment in Annual General Meeting scheduled on Friday the 28th Day of September 2018 (Pursuant to Regulation 36 (3) of SEBI(Listing Obligations And Disclosure Requirements), Regulations, 2015 are as under:**

Name of The Director	DR. Sri Kakarlapudi Srihari Raju (DIN : 01593620)	Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260)	Mr. Akella Parvatiseem  (DIN : 00910224)
Date of Birth	08.04.1952	20.01.1979	25.08.1967
Date of Appointment / Reappointment	28.09.2018 (Original Appointment Date 19.02.1993)	28.09.2018 (Original Appointment Date 29.09.2007)	28.09.2018 (Original Appointment Date 28.08.2004)
Expertise in specific Functional Area	Corporate Management	Projects & Administration	Technicle
Qualification	MBBS., MD, DA	(BE) MPIE	B. Sc.
Board Membership of other Public Limited Companies, as on March 31, 2018	None	None	None
Chairman /Member of the Committee till date	None	Chairman: None  Member:  1. Stakeholder Relationship Committee  2. Share Transfer Committee	Chairman: None  Member :  1. Audi Committee  2. Stakeholder Relationship Committee  3. Share Transfer Committee
Chairman / Member of the Committee of Directors of the Other Companies in he/she is a Director as on March, 31,2018			
a) Audit Committee	None	None	None
b) Stakeholders' Relationship Committee	None	None	None
c) Nomination & Remuneration Committee	None	None	None
d) Other Committees	None	None	None
No. of Shares held	1537334	5996	36

**EXPLANATORY STATEMENT****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013****ITEM NO. 4**

The Board of Directors had re-appointed Dr. Sri Kakarlapudi Srihari Raju (DIN : 01593620) as a Managing Director of the Company w.e.f. 28.09.2015 for a period of 3 (Three) Years at their meeting held on 31.08.2015 and for the same accorded the approval of members of the Company at the Annual General Meeting held on 28th September 2015 . The said re-appointment term is being expired on 28.09.2018. Therefore as per the provisions of Companies Act, 2013, the Company needs to re-appoint him for executing his duty as the Managing Director.

So, the nomination and remuneration committee and the Board of Directors at its meeting held on 27.08.2018, has approved the re-appointment of Dr. Sri Kakarlapudi Srihari Raju as the Managing Director of the Company for a period of 3 (three) years with effect from 28.09.2018, after evaluation of growing responsibility on his shoulders, at a remuneration of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month and consolidated (Rs. 30,00,000/- (Rupees Thirty Lakhs Only) per annum, after meeting all the criteria as per relevant sections of Companies Act, 2013 and Section II of schedule V of the Companies Act, 2013. The Board of Directors recommended to the shareholders to take on record the re-appointment of Dr. Sri Kakarlapudi Srihari Raju w.e.f 28.09.2018, at a remuneration of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month and consolidated (Rs. 30,00,000/- (Rupees Thirty Lakhs Only) per annum and to authorize the Nomination & Remuneration Committee of the Board and the Board of Directors to decide on his annual increment.

The Board recommends the Ordinary Resolution set out at item no. 4 of the Notice for approval by the shareholders.

Information for shareholders

**General**

The Company is in Pharmaceutical Industry from last 25 years and during the financial year under review, the turnover of your Company increased by 5,27,79,145/- (Rupees Five Crore Twenty Seven Lakhs Seventy Nine Thousands One Hundred Forty Fiveonly) registering a growth of 4.94% over the previous Year.

The PAT (Profit After Tax) of your company increased by 50.44% in the year under review at Rs. 2,58,44,249/- (Rupees Two Crore Fifty Eight Lakhs Forty Four Thousand Two Hundred Forty Nine Only) against Rs 1,71,79,524/- (Rupees One Crore Seventy One Lakhs Seventy Nine Thousand Five Hundred Twenty Four Only) during the previous year, recording an improvement of Rs. 86,64,725/- (Rupees Eighty Six Lakhs Sixty Four Thousand Seven Hundred Twenty Five Only).

Dr. S. K. Srihari Raju is a highly qualified professional with academic accomplishments like MBBS, MD and DA and possesses a vast experience of 41 years, 17 years in Medical and 24 years in Pharmaceutical fields. His experience, devotion and commitment make him a best fit in such designation

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

**ITEM NO. 5**

Dr. Sri Kakarlapudi Sirisha, the Non-Executive Director of your Company bring with her significant professional expertise and experience across a wide spectrum of functional areas such as marketing, corporate strategy and information systems.

The Board is of the view that it is necessary that adequate compensation be given to Dr. Sri Kakarlapudi Sirisha, the Non-Executive Director so as to compensate her for her time and efforts.

**EXPLANATORY STATEMENT**

Therefore your Directors seeks consent of the members of the Company for payment of commission on profits to Dr. Sri Kakarlapudi Sirisha, the Non-Executive Director of the Company at a rate not exceeding 1 per cent of the net profits of the Company in any fiscal year (computed in the manner provided in Sections 197 and 198 of the Companies Act, 2013) OR Rs. 9 lakhs per annum whichever is less, for the fiscal years 2017-18, 2018-19, and 2019-20. The Board recommends the Ordinary Resolution set out at item no. 5 of the Notice for approval by the shareholders.

Dr. Sri Kakarlapudi Sirisha, Non-Executive Director of the Company is concerned or interested financially in the resolution because the resolution relates to payment of commission to self Dr. Sri Kakarlapudi Sirisha, Sri Kakarlapudi Sitarama Raju, Director and Dr. Sri Kakarlapudi Srihari Raju, Managing Director of the Company being a relative as per Companies Act, 2013 except these persons, no other Director or KMP of the Company or their relatives are, in any way, concerned with or interested in, financially or otherwise.

**ITEM NO. 6 & 7**

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 Virat & Co. and M/s. Veerat Finance & Investment Limited at arm's length.

For Virat & Co. with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, 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. 6 & 7 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 Virat & 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. 8**

The Company received resignation from M/s. Vajralingam & Co., Cost Accountant of Hyderabad, the Cost Auditor of the Company via their letter dated 2nd February, 2018 due to pre-occupation, Whom the Board appointed as the Cost Auditor, pursuant to the provisions of section 148 of the Companies Act, 2013 for the F.Y. 2017-18, in their Board meeting held on 29.05.2017.

Therefore to fill up the casual vacancy of the Cost Auditor, the Board appointed M/s. PKR & Associates LLP., as the Cost Auditor for the Financial Year 2017-18 in their meeting held on 12th February, 2018, to conduct the audit of the Cost Records of the Company's pharma manufacturing units at Aroor Village, Sadasivapet, Sanga Reddy (Medak) District, Telangana – 502 291, India, In accordance of the section



**EXPLANATORY STATEMENT**

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. 8 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. 9**

The Board of Directors of the Company has appointed "PKR & Associates LLP", Cost Accountants of Hyderabad, Telangana, to conduct the audit of the Cost Records of the Company's pharma manufacturing units at Aroor Village, Sadasivapet Mandal, Sangareddy (Medak) District, Telangana – 502 291, India, for the financial year ending 31.03.2019.

Remuneration Payable to "PKR & Associates LLP." Cost Accountants of Hyderabad, Cost Auditor of the Company for the financial year ending 31.03.2019, was recommended by the Audit Committee to the Board of Directors, which was considered and approved by the Board of Directors at its meeting held on 30.05.2018.

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. 9 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. 10**

Pursuant to section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to borrow money, approval of the members is to be sought by way of Special resolution, where the money to be borrowed together with the money borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in due course of business and therefore it is necessary to pass a special resolution under section 180 (1) (c) and other applicable provisions of Companies Act, 2013, and ruled made there under as set out at item no. 9 of the notice to enable the Board of Directors to borrow money in excess of the aggregate of paid share capital and free reserve of the Company. Therefore for the day to day working requirement, expansion of its business and assets, the board of Directors in their meeting held on 25.08.2018, has decided to avail borrowing facilities from any Bankers, Financial Institution and other Persons, Firms, Bodies Corporate upto a limit of Rs. 50,00,00,000/- (Rupees Fifty Crores Only). Hence it is proposed to empower and authorize to the Board of Directors of the Company to borrow money from any Bankers, Financial Institution and other Persons, Firms, Bodies Corporate in excess of paid-up Capital and free reserve of Company by a sum not exceeding of Rs. 50,00,00,000/- (Rupees Fifty Crores Only) for the purpose of Business activities. Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No. 10 in the notice.

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

**ITEM No. 11**

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the

**EXPLANATORY STATEMENT**

company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Shareholders is obtained by way of a Special Resolution. In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/ credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013. As per Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of an Special resolution. Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No.11 in the notice. None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

**ITEM NO. 12**

Now a days the Cost of Fuel and Power increasing rapidly. And so the various way to reduce the cost of Fuel & Power, need to be taken into consideration for reducing the operational cost which is increasing tremendously. The present cost of unit power coming around Rs. 7/- (Rupees Seven only) after averaging out the unit cost of TSPDCL. Therefore to reduce the Cost of Fuel and Power the management is contemplating to set up a onsite Solar Power of 1 Mega Watt, which will generate about 18 lakhs unit in a year. The Unit Cost would be Rs. 6/- (Rupees Six only) and it may come down to Rs. 5.75/- (Rupees Five and Seventy Five Paise only) over the years. Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of ordinary resolution as contained item no. 12 in the notice of the 25th Annual General Meeting for an amount not exceeding to make investment of Rs. 6,00,00,000/- (Rupees Six Crores Only) The Directors therefore, recommend the said 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.

**ITEM NO. 13**

The Company in order to meet its growth objectives and to strengthen its operational activities, it is proposed to upgrade the present technology and to make further investment in Plant & Machinery(ies) / Equipment (Fixed Assets).

Therefore, the Board of Directors of the Company proposes to obtain approval of shareholders by way of ordinary resolution as contained item no. 13 in the notice of the 25th Annual General Meeting for an amount not exceeding to make an investment of Rs. 9,00,00,000/- (Rupees Nine Crores Only) for up-gradation in present technology and to acquire further Plant & Machinery(ies) / Equipment (Fixed Assets).

Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No. 13 in the notice.

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 : L24230TG1993PLC015426**

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2018.

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

The Company's performance during the year ended 31<sup>st</sup> March, 2018 as compared to the previous financial year, is summarized below:

**Amount in Rs.**

<b>Sl. No.</b>	<b>Particulars</b>	<b>For the Financial Year Ended 31.03.2018</b>	<b>For the Financial Year Ended 31.03.2017</b>
I	Total Revenue	1,128,730,996	1,078,724,925
II	Profit Before Financial Cost, Depreciation, Exceptional Item and Tax	77,823,388	69,864,344
III	Less : Financial Cost	27,426,255	27,568,534
IV	Profit Before Depreciation, Exceptional Item and Tax (II-III)	50,397,133	42,295,810
V	Less : Depreciation	26,757,784	24,476,706
VI	Profit Before Exceptional Item and Tax (IV-V)	23,639,349	17,819,104
VII	Add/Less : Exceptional Item	-	-
VIII	Profit Before Tax (VI-VII)	23,639,349	17,819,104
IX	Less : Tax	6,500,000	4,300,000
X	Profit After Tax (VIII-IX)	17,139,349	13,519,104
XI	Other Comprehensive Income Items that will not be reclassified to Profit / Loss	8,704,900	3,660,420
XII	Total Comprehensive Income for the period (X+XI)	25,844,249	17,179,524
XIII	Other Equity		
XIV	Brought Forward from Previous Year (at the beginning of the reporting period)	80,936,725	26,504,461
XV	Balance at the end of the reporting period	106,821,994	80,936,725

**DIRECTORS' REPORT****b. OPERATIONS:**

During the financial year under review, the income from operation was INR 1121.71 mn as compared to INR 1068.93 mn registered in the previous year reflecting a year-on-year increase of 4.94%.

Whereas Profit After Tax including other comprehensive income was INR 25.84 mn as compared to INR 17.18 mn in the previous year, registered significant growth in PAT about 50.44% .

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 do not recommend 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 coming year 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.

**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.

Note : The Board of Directors in their meeting held on 09.08.2017 has proposed for Employee Stock Option Scheme and the concerned special resolution and brief details of the Everest Employee Stock Option – Plan, was annexed with the 24<sup>th</sup> Annual General Meeting Notice and in Explanatory Statement pursuant to section 102 of Companies Act, 2013. And the same has been approved by the Shareholders in said Annual General Meeting of the Company.

**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 converted 11720 warrants into Equity Shares and allotted 11720 Equity Shares of face value of Rs.10/- per Equity Shares, at a premium of Rs. 8/- (Rupees Eight only) per Shares which were originally allotted on 08.09.2016 with a upfront price of 25% of Rs.18/- (Rupees Eighteen only) to promoter 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 held on 29.08.2016. And accordingly the paid up capital of the Company increased to Rs. 8,00,00,000/- (Rupees Eight Crore Only) and booked total securities premium amounting to Rs. 93,760/- (Rupees Ninety Three Thousand Seven Hundred Sixty 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
2	29.05.2017 (conversion of warrant into Equity Share)	11,720	10/-	1,17,200	8/-	93,760
	Total			1,17,200		93,760

**DIRECTORS' REPORT**

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

Note: During the year under review no Convertible warrants were outstanding.

**q. Disclosure regarding Unclaimed Shares:**

Pursuant to the provisions of SEBI Guidelines and Securities Exchange Board of India (Listing Obligation & Disclosures Requirements) Regulations 2015, the Company had transferred 207972 (Two Lakh Seven Thousand Nine Hundred Seventy Two) unclaimed Equity Shares to Everest Organics Limited- Unclaimed Suspense Account. 2,01,024 (Two Lakhs One Thousand Twenty Four) Equity Shares were outstanding in the said Account as on 31.03.2018.

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

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

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sri Kakarlapudi Harikrishna (DIN : 01664260) and Mr. Akella Parvatisem (DIN : 00910224), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Your Directors recommend their candidature for approval.

**c) Re-appointment of Dr. Sri Kakarlapudi Srihari Raju (DIN : 01593620) the Managing Director of the Company, with effect from 28.09.2018:**

The Board of Directors had re-appointed Dr. Sri Kakarlapudi Srihari Raju (DIN : 01593620) as a Managing Director of the Company w.e.f. 28.09.2015 for a period of 3 (Three) Years at their meeting held on 31.08.2015 and for the same accorded the approval of members of the Company at the Annual General Meeting held on 28<sup>th</sup> September 2015 . The said re-appointment term is being expired on 28.09.2018. Therefore as per the provisions of Companies Act, 2013, the Company needs to re-appoint him for executing his duty as the Managing Director.

So, the nomination and remuneration committee and the Board of Directors at its meeting held on 27.08.2018, has approved the re-appointment of Dr. Sri Kakarlapudi Srihari Raju as the Managing Director of the Company for a period of 3 (three) years with effect from 28.09.2018.

Your Directors recommend his candidature for approval.

**d) Re-appointment of Mr. Peruri Ramakrishna as Chief Financial Officer of the Company :**

The Board of Directors of the Company (the 'Board'), had appointed Mr. Peruri Ramakrishna as Chief Financial Officer of the Company, for a period of 3 (three) years with effect from 28th September, 2015, at accorded the consent of the shareholders at the AGM held on 29<sup>th</sup> August, 2016. The said term is being expired on 27<sup>th</sup> September 2018. Therefore the Board of Directors of the Company at their meeting held on 27<sup>th</sup> August, 2018 re-appointed him as the Chief Financial Officer of the Company w.e.f. 28th September 2018, at a remuneration approved by the Board.

**3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

**DIRECTORS' REPORT****a. BOARD MEETINGS:**

The Board of Directors met 6 times during the financial year ended 31<sup>st</sup> March 2018 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	29.05.2017
2	Wednesday	09.08.2017
3	Sunday	27.08.2017
4	Tuesday	14.11.2017
5	Monday	12.02.2018

Sl. No.	Name of the Directors	No. of Meetings held	No. of Meetings Attended	Whether Attended the AGM held on 27.09.2017
1	Dr. Sri Kakarlapudi Srihari Raju	5	5	Yes
2	Mr. Ramakrishnam Raju Kounparaju	5	5	No
3	Mr. Kakarlapudi Sitaram Raju	5	2	No
4	Mr. Akella Parvatisem	5	5	Yes
5	Mr. Sri Kakarlapudi Harikrishna	5	5	Yes
6	Mr. Reddy Eashwer Kanthala	5	2	No
7	Mr. Swaminathan Venkatesan	5	5	Yes
8	Mr. Sreeramakrishna Grandhi	5	3	No
9	Dr. Sri Kakarlapudi Sirisha	5	5	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 31<sup>st</sup> March, 2018, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards (IND-AS) 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 31<sup>st</sup> March, 2018 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;

**DIRECTORS' REPORT**

- e. 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;
- f. 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:

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

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The detailed policy of Nomination & remuneration Committee is attached as DR-Annexure – II and is made available at Company's Website: [www.everestorganicsltd.com](http://www.everestorganicsltd.com).

During the year under review, the Committee met only for 1 time on Wednesday, August 09, 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	1	0
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.



**DIRECTORS' REPORT**

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

Sl. No.	Day	Dates
1	Monday	29.05.2017
2	Wednesday	09.08.2017
3	Tuesday	14.11.2017
4	Monday	12.02.2018

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	4
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.

During the year under review the Committee met 1 time :

Sl. No.	Day	Dates
1	Saturday	31.03.2018

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	1	1
2	Mr. Akella Parvatisem	Independent Director	1	1
3	Mr. Sri Kakarlapudi Harikrishna	Whole Time Director	1	1

**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.

**DIRECTORS' REPORT**

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 25 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 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.

**DIRECTORS' REPORT****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 31<sup>ST</sup> MARCH 2018:**

The observations made by the Statutory Auditors in their report for the financial year ended 31<sup>ST</sup> March 2018 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, other than mentioned below:

1. Gratuity provisions made for Rs. 70.31 Lakhs. Paid to the Fund Rs. 5.00 Lakhs only.

Directors' Comment: Impact on the Current year profit is NIL as the same has already have been provided for. However the payment for the same in Gratuity Fund is yet to be made and the same shall be complied within the following financial year.

**DIRECTORS' REPORT**

2. Long pending advances extended to employees amounting to Rs. 18.50 Lakhs. The implies payment of such advances amounts to Rs. 6.16 Lakhs which is not provided for.

Directors' Comment: The management has initiated steps to recover the same along with the advances so extended to such employees.

**b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018:**

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 2017-18.

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 2017-18, forms part of this report as DR – Annexure IV. The said Report is self explanatory.

**c. COST AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018:**

The Cost Audit Report for the Financial Year 2017-18, issued by M/s. PKR & Associates, LLP., Cost Auditor, dated 8th August, 2018 are self-explanatory and therefore, do not call for any further explanation or comments from the Board.

**d. RE APPOINTMENT OF STATUTORY AUDITORS :**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and any other provisions of Companies Act. 2013 as may be applicable, M/s. Suryam & CO., Chartered Accountants (Firm Registration No. 012181S), retiring auditors, were appointed to hold the office for a term of 5 (FIVE) Years with effect from the conclusion of 24<sup>th</sup> Annual General Meeting, as the Statutory Auditors of the Company till the conclusion of 29<sup>th</sup> Annual General Meeting (AGM) to be held in the year 2022, to examine and audit the accounts 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.”

Note : As per the section 40 of the Amendment Act 2017 for the provisions of section 139 (1) of Companies Act, 2013, the requirement of ratification of the appointment of Statutory Auditors, every year by the shareholders of the Company is omitted. Therefore the Company has not incorporated the resolution relating to the ratification of the Statutory Auditor's Appointment, in the 25<sup>th</sup> Notice of the Annual General Meeting if the Company.

**e. 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, the Board of Directors at their meeting held on 30.05.2018, appointed “M/s. PKR & Associates LLP.” Cost Accountant of Hyderabad, as the Cost Auditors of the Company for the financial year 2018-19 in respect of the Company's pharma manufacturing units at Aroor Village, Sadasivapet, Sanga Reddy (Medak) District, Telangana – 502 291.

**DIRECTORS' REPORT**

Note : 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 Auditor, and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 12.02.2018, appointed "M/s. PKR & Associates LLP." Cost Accountant of Hyderabad, in place of "M/s. Vajralingam & Co., 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.

**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 31<sup>st</sup> March 2018 made under the provisions of Section 92(3) of the Act, is attached as DR – Annexure V. A copy of Annual Return pursuant to subsection 3 of section 92 of Companies Act, 2013, is placed at Company's Website at <http://everestorganicsltd.com/shareholder.html>.

**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 57,00,000/-
Details of fixed component and performance linked incentives along with the performance criteria	Fixed Component Salary – 57,00,000/-
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.

**DIRECTORS' REPORT****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.

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 : 27.08.2018***

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

**Registered Office**

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

**CIN L24230TG1993PLC015426**

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

**Mail [eolcs0405@gmail.com](mailto:eolcs0405@gmail.com)**

**website: [www.everestorganicsltd.com](http://www.everestorganicsltd.com)**



**DIRECTORS' REPORT**

**ANNEXURE I**

**Form No. AOC-2**

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

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

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

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

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

Name(s) of the related party and nature of relationship	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	Date(s) of approval by the Board, if any	Amount paid as advances , if any
Virat & Co. One of the Partners of the Firm is the wife of Executive Director of the Company	Sales/ Purchases	N/A	General Terms and Conditions	29.05.2017	N/A
A. Parvatisem Technical Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions		N/A
Virat & Co. One of the Partners of the Firm is the wife of Executive Director of the Company	Unsecured Loan taken by the company	N/A	General Terms and Conditions	29.05.2017	N/A
Dr.S.K.Sirisha Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
S.K.Seetharama Raju Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
S.K. Sudha Wife of Director of the Company	Office Rent & Maintenance paid by the company	N/A	General Terms and Conditions	-	N/A
S.K.Hari Krishna Wholetime Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
A. Raj Kamal Wife of Technical Director of the Company	Consultancy	N/A	General Terms and Conditions	-	N/A
P. Hymavathi - Spouse of CFO of the Company	Consultancy	N/A	General Terms and Conditions	-	N/A
Veerat Finance & Investment Ltd. One of the Director of the company is the wife of Managing Director	Unsecured Loan Received	N/A	General Terms and Conditions	29.05.2017	N/A
Dr. S. K.Srihari Raju Managing Director of the company	Remuneration	N/A	General Terms and Conditions	30.07.2016	N/A
A. Parvatisem Technical Director of the Company	Remuneration	N/A	General Terms and Conditions	-	N/A
S.K.Hari Krishna Wholetime Director of the Company	Remuneration	N/A	General Terms and Conditions	22.01.2016	N/A
Non-Executive Directors	Sitting Fees	N/A	General Terms and Conditions	-	N/A



**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-

**DIRECTORS' REPORT**

- 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.

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.



## DIRECTORS' REPORT

(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;
  - (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.

**DIRECTORS' REPORT***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) 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.

**DIRECTORS' REPORT**

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, 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

**DIRECTORS' REPORT****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 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. 1,44,000
Dr. Sri Kakarlapudi Srihari Raju	Remuneration Ratio	: Rs. 30,00,000/- : 20.83
Akella Parvatisem	Remuneration Ratio	: Rs. 18,00,000/- : 12.50
Sri Kakarlapudi Harikrishna	Remuneration Ratio	: Rs. 900,000/- : 6.25

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017 - 2018:

Name	Designation	Percentage increase in remuneration
Dr. Sri Kakarlapudi Srihari Raju	Managing Director	NIL
Mr. Sri Kakarlapudi Harikrishna	Wholetime Director	NIL
Mr. Peruri Ramakrishna	Chief Financial Officer	06.49
Ms. Nisha Jain	Company Secretary	13.00

**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 2017- 18.
- 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 31.58%.
  - iii. The Company has 440 permanent Employees on the rolls of Company as on 31st March, 2018.
  - 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



**DIRECTORS' REPORT**

the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company. During the financial year under review, the turnover of Company was Rs 1,12,17,13,760/- (Rupees One Hundred Twelve Crores Seventeen Lakhs Thirteen Thousand Seven Hundred Sixty only) The PAT (Profit After Tax) of company is reached at Rs 2,58,44,249/- (Rupees Two Crore Fifty Eight Lakh Fourty Four Thousand Two Hundred Fourty NIne only).

- vi. The trading in shares on BSE last traded price was Rs. 89.75.
- vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 9.73% whereas the increase in the managerial remuneration was NIL. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
- viii. The key parameters for any variable component of remuneration: Variable compensation is an integral part of our total reward package for all Employees including Executive Directors. Annual Bonus is directly linked to an individual performance rating and business performance. At the start of the year, every Employee (including Executive Directors), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch. Business targets are a combination of goals such as Underlying Volume Growth, Underlying Sales Growth, Core Operating Margin etc.
- ix. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :Not Applicable
- x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**On behalf of the Board  
Everest Organics Limited**

**Ramakrishnamraju Kounparaju**  
**Chairman**  
**DIN : 01735481**  
Dated : 27.08.2018

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



**DIRECTORS' REPORT****DR – Annexure IV****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

*[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 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, 2018, has 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, 2018, 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, 2015 ;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

**DIRECTORS' REPORT**

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period of audit);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period of audit); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit)
  - 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.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors 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.



**DIRECTORS' REPORT**

**We further report that,** the company 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 29<sup>th</sup> August, 2016. Out of the 7,11,720 convertible warrants, 7,00,000 warrants were converted into Equity Shares during the previous year (3,60,000 warrants and 3,40,000 warrants at the Board Meeting held on 12.01.2017 and 13.02.2017 respectively) and the remaining 11,720 warrants were converted into 11720 equity shares of Rs.10/- each and allotted at the Board Meeting held on 29<sup>th</sup> May, 2017. The same are listed on BSE Limited.

**We further report that** the Company has received favourable report from U S Food and Drugs Administrative Audit (USFDA) in relation to the audit conducted at the Factory premises situated at Aroor Village, Sadashivpet Mandal, Sanga Reddy (Medak) District, Telangana.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**Place: Hyderabad**

**Dated : 08.08.2018**

**For D.HANUMANTA RAJU & CO**

**COMPANY SECRETARIES**

**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**

**Dated : 08.08.2018**

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

**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 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; 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%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

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



**DIRECTORS' REPORT**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1764490	0	1764490	22.09	1799686	0	1799686	22.50	0.41
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corporates	3883826	0	3883826	48.62	3885546	0	3885546	48.57	0.05
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	
<b>SUB TOTAL:(A) (1)</b>	<b>5648316</b>	<b>0</b>	<b>5648316</b>	<b>70.71</b>	<b>5685232</b>	<b>0</b>	<b>5685232</b>	<b>71.07</b>	<b>0.36</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	169128	0	169128	2.12	169128	0	169128	2.11	0.00
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	
<b>SUB TOTAL (A) (2)</b>	<b>169128</b>	<b>0</b>	<b>169128</b>	<b>2.12</b>	<b>169128</b>	<b>0</b>	<b>169128</b>	<b>2.11</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>5817444</b>	<b>0</b>	<b>5817444</b>	<b>72.82</b>	<b>5854360</b>	<b>0</b>	<b>5854360</b>	<b>73.18</b>	<b>37.86</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	2214	0	2214	0.12	2214	0	2214	0.03	0.09
C) Cenntral 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>2214</b>	<b>0</b>	<b>2214</b>	<b>0.03</b>	<b>2214</b>	<b>0</b>	<b>2214</b>	<b>0.03</b>	<b>0.00</b>



**DIRECTORS' REPORT**

<b>(2) Non Institutions</b>									
a) Bodies corporates	242116	10836	252952	3.17	220998	10836	231834	2.90	0.27
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				0.00					
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	738433	429662	1168095	14.62	720469	384374	1104843	13.81	0.81
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	363240	0	363240	4.55	338353	0	338353	4.23	0.32
c) Others (specify)				0.00					
Clearing Members	5678	0	5678	0.07	5861	0	5861	0.07	0.00
Trust	0	0	0	0.00	0	0	0	0.00	0.00
Non Resident Individuals	118053	260604	378657	4.74	212515	250020	462535	5.78	1.04
<b>SUB TOTAL (B)(2):</b>	<b>1467520</b>	<b>701102</b>	<b>2168622</b>	<b>27.15</b>	<b>1498196</b>	<b>645230</b>	<b>2143426</b>	<b>26.79</b>	<b>0.35</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1469734</b>	<b>701102</b>	<b>2170836</b>	<b>27.18</b>	<b>1500410</b>	<b>645230</b>	<b>2145640</b>	<b>26.82</b>	<b>0.35</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	
<b>Grand Total (A+B+C)</b>	<b>7287178</b>	<b>701102</b>	<b>7988280</b>	<b>100.00</b>	<b>7354770</b>	<b>645230</b>	<b>8000000</b>	<b>100.00</b>	

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Sri Kakarlapudi Sri Hari Raju	1499854	18.78	0	1537334	19.22	0	0.44
2	Sri Kakarlapudi Krishna Veni	1440	0.02	0	1440	0.02	0	0.03
3	Nadimpalli V Raju	112788	1.41	0	112788	1.41	0	1.97
4	Hari Krishna Sk	8280	0.10	0	5996	0.07	0	0.14
5	S K G Parvathi	31752	0.40	0	31752	0.40	0	0.55
6	Sri Kakarlapudi Sirisha	109656	1.37	0	109656	1.37	0	1.91
7	Kakarlapudi Raju Sitarama	113508	1.42	0	113508	1.42	0	1.98
8	Veerat Finance & Investment Limited	3883826	48.62	0	3885546	48.57	0	0.05
9	Rajgopal Rangineni	56340	0.71	0	56340	0.70	0	0.98
	Total	5817444			5854360			

**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	1499854	18.78	1499854	18.78
	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				
	01.06.2017 - Acquired	10980	0.14	1510834	18.89
	19.07.2018 - Acquired	8000	0.10	1518834	18.99
	22.09.2017 - Acquired	7000	0.09	1525834	19.07
	25.09.2017 - Acquired	1500	0.02	1527334	19.09
	29.03.2018 - Acquired	10000	0.13	1537334	19.22
	At the end of the year			1537334	19.22
2	Hari Krishna Sk				
	At the beginning of the year	8280	0.10	8280	0.10
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date				
	25.01.2018 - Transfer	2284	0.03	5996	0.07
	At the end of the year			5996	0.07
3	Veerat Finance & Investment Limited				
	At the beginning of the year	3883826	48.62	3883826	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				
	29.05.2017 - Allotment	11720	0.15	3895546	48.69
	29.03.2018 - Transfer	10000	0.13	3885546	48.57
At the end of the year			3885546	48.57	

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





**DIRECTORS' REPORT**

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the 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	<b>Ajay Kumar Kayan</b>	<b>208800</b>	<b>2.61</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	<b>At the end of the year</b>			<b>208800</b>	<b>2.61</b>
2	<b>Prasanna Challa</b>	<b>154440</b>	<b>1.93</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Date : 10.11.2017 - Transfer	5000	0.06	149440	1.87
	Date : 17.11.2017 - Transfer	1500	0.02	147940	1.85
	Date : 24.11.2017 - Transfer	3877	0.05	144063	1.80
	Date : 12.01.2018 - Transfer	10861	0.14	133202	1.67
	Date : 19.01.2018 - Transfer	3549	0.04	129653	1.62
	Date : 02.02.2018 - Transfer	100	0.00	129553	1.62
	<b>At the end of the year</b>			<b>129553</b>	<b>1.62</b>
3	<b>Madras Parameswaran Manoj Mahadev</b>	<b>0</b>	<b>0.00</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	Date : 14.04.2017 - Aquired	17600	0.22	17600	0.22
	Date : 21.04.2017 - Aquired	5850	0.07	23450	0.29
	Date : 12.01.2018 - Aquired	32516	0.41	55966	0.70
	Date : 19.01.2018 - Aquired	6500	0.08	62466	0.78
	Date : 25.01.2018 - Aquired	3500	0.04	65966	0.82
	Date : 09.03.2018 - Aquired	8500	0.11	74466	0.93
	Date : 16.03.2018 - Aquired	10500	0.13	84966	1.06
<b>At the end of the year</b>			<b>84966</b>	<b>1.06</b>	
4	<b>Jalashree Challa</b>	<b>43200</b>	<b>0.54</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>			<b>43200</b>	<b>0.54</b>

**DIRECTORS' REPORT**

5	<b>Ch Hemantha Kumar</b>	<b>23616</b>	<b>0.30</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>			<b>23616</b>	<b>0.30</b>
6	<b>Prabhakara Reddy Kaliki</b>	<b>22572</b>	<b>0.28</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>			<b>22572</b>	<b>0.28</b>
7	<b>Jamuna Hindupur</b>	<b>22536</b>	<b>0.28</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>			<b>22536</b>	<b>0.28</b>
8	<b>K Prabhakar Reddy</b>	<b>22536</b>	<b>0.28</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>			<b>22536</b>	<b>0.28</b>
9	<b>Jamuna Hindupur Mohan R Hindupur</b>	<b>22464</b>	<b>0.28</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>			<b>22464</b>	<b>0.28</b>
10	<b>Jayasree Challa</b>	<b>19944</b>	<b>0.25</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>			<b>19944</b>	<b>0.25</b>
	<b>Total</b>	<b>540108</b>	<b>14.31</b>	<b>600187</b>	<b>7.50</b>

**DIRECTORS' REPORT****(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	1499854	18.78	1499854	18.78
	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				
	01.06.2017 - Acquired	10980	0.14	1510834	18.89
	19.07.2018 - Acquired	8000	0.10	1518834	18.99
	22.09.2017 - Acquired	7000	0.09	1525834	19.07
	25.09.2017 - Acquired	1500	0.02	1527334	19.09
	29.03.2018 - Acquired	10000	0.13	1537334	19.22
At the end of the year			1537334	19.22	
2	Hari Krishna Sk				
	At the beginning of the year	8280	0.10	8280	0.10
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date				
	25.01.2018 - Transfer	2284	0.03	5996	0.07
At the end of the year			5996	0.07	
3	Sirisha Srikakarlapudi				
	At the Beginning of the year	109656	1.37		
	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	1.42		
	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	



**DIRECTORS' REPORT**

5	Ramakrshnam Raju Kounparaju				
	At the Beginning of the year	720	0.01		
	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		
	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	#REF!
7	Eashwer Reddy Kanthala				
	At the Beginning of the year	67500	0.84		
	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 : 03.11.2017 - Transfer	1000	0.01	66500	0.83
	Date : 17.11.2017 - Transfer	2000	0.03	64500	0.81
	Date : 24.11.2017 - Transfer	1000	0.01	63500	0.79
	Date : 08.12.2017 - Transfer	1000	0.01	62500	0.78
	Date : 22.12.2017 - Transfer	1000	0.01	61500	0.77
	Date : 29.12.2017 - Transfer	1500	0.02	60000	0.75
	At the end of the year			60000	0.75
8	P. Ramakrishna				
	At the Beginning of the year	13248	0.17		
	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**

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness in Rs.</b>
<b>Indebtness at the beginning of the financial year</b>	15,82,76,296	1,73,19,659	-	17,55,95,955
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>15,82,76,296</b>	<b>1,73,19,659</b>		<b>17,55,95,955</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	7,49,19,816	37,24,101		7,86,43,917
Reduction	2,76,99,964	45,74,101		3,22,74,065
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>20,54,96,148</b>	<b>1,64,69,659</b>	<b>0.00</b>	<b>22,19,65,807</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

<b>Sl.No</b>	<b>Particulars of Remuneration</b>	<b>Name of the MD/WTD/Manager</b>			<b>Total Amount in Rs.</b>
		<b>Dr. S. K. Srihari Raju</b>	<b>Akella Parvatisem</b>	<b>Srikakarlapudi Hari Krishna</b>	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	30,00,000	18,00,000	9,00,000	<b>57,00,000</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	-	-	-	-

**DIRECTORS' REPORT**

2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>30,00,000</b>	<b>18,00,000</b>	<b>9,00,000</b>	<b>57,00,000</b>
<b>Ceiling as per the Act</b>		<b>60,00,000 per person</b>			

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount in Rs.
		Swaminathan Venkatesan	Sree Ramakrishna Grandhi	Ramakrishnam Raju Kounparaju	
1	Independent Directors				
	(a) Fee for attending board committee meetings	75,000	45,000	85,000	2,05,000
	(b) Commission				
	(c) Others, please specify				
	<b>Total (1)</b>	<b>75,000</b>	<b>45,000</b>	<b>85,000</b>	<b>2,05,000</b>
2	Other Non Executive Directors	Srikakarlapudi Sirisha	Kakarlapudi Sitarama Raju		
	(a) Fee for attending board committee meetings	55,000	25,000		
	(b) Commission				
	(c) Others, please specify.				
	<b>Total (2)</b>	<b>55,000</b>	<b>25,000</b>		<b>80,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,30,000</b>	<b>70,000</b>		<b>2,85,000</b>
<b>Total Managerial Remuneration</b>					
<b>Overall Ceiling as per the Act.</b>					<b>36,00,000</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	Total	
1	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	9,00,000	7,80,000	-	<b>16,80,000</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>9,00,000</b>	<b>7,80,000</b>	-	<b>16,80,000</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					
<b>No Penalties, Punishments &amp; Compounding of Offences</b>					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>No Penalties, Punishments &amp; Compounding of Offences</b>					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					
<b>No Penalties, Punishments &amp; Compounding of Offences</b>					

**DIRECTORS' REPORT****ANNEXURE XII****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	Old boiler is replaced with new high efficient boiler, there by conserving coal 2 tonnes /day ( 720 tonnes per year). As it is automatic system boiler, power saving is also addressed.
Steps taken by the company for utilizing alternate sources of energy	Already solar power generator exists. 40% of the power consumption is from solar energy only.
Capital investment on energy conservation equipments	1.5 crores is the capital investment on conservation equipments.

**(B) Technology absorption:**

Efforts made towards technology absorption	<ol style="list-style-type: none"> <li>1. New products introduced and commercialized</li> <li>2. Improvements of yields and quality in introduced new products</li> <li>3. Reduced the effluents in existing products</li> <li>4. Introduced the new products</li> <li>5. 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, 2017 to 31st March, 2018 [Current F.Y.]	1st April, 2016 to 31st March, 2017 [Previous F.Y.]
	<b>Amount in Rs. Lakhs</b>	<b>Amount in Rs. Lakhs</b>
Actual Foreign Exchange earnings	2758.52	2466.40
Actual Foreign Exchange outgo	952.20	1320.20

**Investor Grievances Redressal :**

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

**CERTIFICATE FOR COMPLIANCE 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. Peruri Ramakrishna**  
CFO

Date: 27.08.2018

**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 31.03.2018.

Date: 27.08.2018

Sd/-

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

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

Indian pharmaceuticals industry is globally respected and is one of the most successful industries in India. It has contributed immensely to India's healthcare outcomes and economy. World - class capabilities and favourable Market conditions over the last many years have ensured that India continues To be one of the most lucrative pharma markets in the world.

The Indian pharmaceutical industry has contributed significantly to global Healthcare by ensuring high quality, affordable and accessible medicines Around the world. The industry has grown rapidly over the last decade And has been instrumental in driving generics penetration globally. Over The last 15 years, Indian companies have done well in the generic business And have built billion dollar organizations on the back of generics R&D.

**MARKETING & MARKET SIZE :**

Pharma Sector In- API

APIs are the Lifeblood for pharma Industry. Currently, more than 3,000 API manufacturing groups are operating across the globe. The capabilities and experience of API manufacturers using a proprietary scheme based on objective regulatory data. The majority of API groups, 64% are focused on or may only be capable of supplying their domestic market or less regulated market and 17%, are classified as "potential future"; these companies are interested in supplying to regulated markets but may have limited or no known experience. And There are currently 18 % API manufacturers classified as "established" or "less established" which means these companies are capable of supplying highly regulated markets such as the U.S. and EU. Big Pharma only accounts for 1% of API manufacturers.

**INVESTMENT:**

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\$ 15.59 billion between April 2000 and December 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

**Government Initiatives**

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****Challenges :**

Competition is increasing for both API suppliers and customers. Generic companies are finding that mergers, acquisitions and regulatory issues have taken some facilities out of the running as supply partners. Generic API manufacturers are challenged with developing syntheses that don't infringe on patents while keeping costs low.

Companies interested in supplying APIs to regulated markets are coping with increasing regulatory-related expenses, such as fees related to the Generic Drug User Fee Act in the U.S.

Regulatory requirements are tightening and will likely continue to do so with a push for more transparency in the supply chain. This could result in requiring certification for good manufacturing practices for key intermediates and raw materials. Environmental regulations, especially in China, are putting pressure on corporations to remedy pollution problems. Some plants are being shut down or moved, causing capacity issues and supply chain interruptions from raw materials to intermediates and APIs.

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.
- Strong focus by the Government..
- Low cost of innovation, manufacturing and operations.
- Adherence to global standards.

**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

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

- 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 1121.71 mn as compared to INR 1068.93 mn registered in the previous year reflecting a year-on-year increase of 4.94%.

Whereas Profit After Tax including other comprehensive income was INR 25.84 mn as compared to INR 17.18 mn in the previous year, registered significant growth in PAT about 50.44%.

**BUSINESS UPDATES**

- New R&D centre at factory premises, would be completed by end of the September, 2018. It becomes operational by December 2018.
- 4 new APIs are under development . They have to be commercialized in F. Y. 2019 - 2020.
- Improvement in Long Term Financial Credit Rating from BB (-) to BB (+).
- Adding new market in export area.
- Applying for CEP Certification for 2 more products.
- Applying for Import Drug Licenses for 2 more Products

**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 : 27.08.2018**

**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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.

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.

**BASIS FOR QUALIFIED OPINION :**

a) As stated in Note 28 (1)(L) to the financial statements of the Company as at 31 March 2018 under report, the outstanding provision made in connection with liability for payment of Gratuity stands at Rs.70.31 Lakhs. As against the said liability of Rs.70.31 Lakhs the company has deposited Rs.5.00 Lakhs only in a Fund. As per the requirement of the Indian Accounting Standard-19 on Employee Benefits, such liability should have been deposited in total in a fund as against a partial sum. Our audit opinion on the financial statements for the year ended 31 March 2018 is qualified in respect of this matter.

The management is of the opinion, the entire liability in this regard has been provided and hence does not have any impact on the profit and loss account of the company for the year and the Balance Sheet of the Company as on 31st March, 2018.

b) Note No.4 to the Balance Sheet of the Financial Statements, regarding the advances extended to employees of the Company. The said advances outstanding as at the year-end under report is Rs.88.05 lakhs, of which Rs.6.16 lakhs is the implied impairment loss for which no provision has been made in the books of account. Accordingly the Profit for the year is overstated by Rs.6.16 lakhs and the Reserves and Surplus as at 31.03.2018 has also been overstated by the same amount. Our audit opinion on the financial statements for the year ended 31 March 2018 is qualified in respect of this matter.

**QUALIFIED OPINION :**

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph 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 including Ind-AS specified under Section 133 of the Act of the state of affairs (financial position) of the Company as at 31 March 2018 and its profit (financial performance including other comprehensive income) its cash flows and the changes in equity for the year ended on that date.

**OTHER MATTERS OF EMPHASIS :**

a) We draw attention to the Company's outstanding liability for the provision of balance Leave Encashment of the employees to be provided as at the end of the year under report. The management is of the opinion that the policy on leave encashment is under review and hence the liability in this regard is not ascertained. Hence, we are not in a position to ascertain the impact of the same, on the profit and loss account of the company for the year and the Balance Sheet of the Company as on 31<sup>st</sup> March, 2018. Our opinion is not qualified in respect of this matter.

b) The comparative financial information of the Company for the Financial Year ended 31<sup>st</sup> March, 2017, prepared with Indian Accounting Standards, included in the aforesaid Financial Statements under report, have been audited by the previous auditors. The Report of the previous auditors on such Comparative Financial Information dated 29-05-2017 is unmodified.

**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.



**AUDITORS' REPORT**

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, the Cash Flow Statement and the Statement of Changes in Equity 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 (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 Para 14 of Note No.28 to the Financial Statements.
  - (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.

For SURYAM & CO  
Chartered Accountants  
FRN : 012181S

(SRINIVAS OLETI)  
Partner  
ICAI M.No.206457

Place : Hyderabad,  
Date : 30-05-2018.





**AUDITORS' REPORT**

**ANNEXURE - A to the Independent Auditors' Report dt. 30-05-2018 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, there are certain unsecured loans, accepted from Directors and their relatives and also in the form of employee security deposits, amounting to Rs.164.70 lakhs as at 31-03-2018 (Rs.173.19 lakhs as at 31-03-2017), which still outstanding in the books of account of the Company after the restructuring has taken place in the previous year.

- (vi) As per the information and explanations furnished to us, prima facie, it appears that the company broadly meets the requirement prescribed by the Central Government under section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. We have however, not made a detailed examination of the cost records.
- (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

**AUDITORS' REPORT**

appropriate authorities, with 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 31-03-2018 for a period of more than six months from the date they became payable.

- (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.
- (xiv) During the year the company has made the preferential allotment of 11,720 fully paid equity shares of Rs.10/- each with a premium of Rs.8/- per share, totally amounting to Rs.2,10,960 to an NBFC, an Associate Company and the shareholding of these preferential allottee as at 31.03.2018 has gone up to 48.57%(Previous year 48.62%) respectively. The company made this allotment in compliance with the requirement of section 42 of the Companies Act, 2013. The amount raised has been used for the purpose for which the funds were raised.
- (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 SURYAM & CO  
Chartered Accountants  
FRN : 012181S

(SRINIVAS OLETI)  
Partner  
ICAI M.No.206457

Place : Hyderabad,  
Date : 30-05-2018.

**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 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

**AUDITORS' REPORT**

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 31<sup>st</sup> March, 2018, 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 SURYAM & CO  
Chartered Accountants  
FRN : 012181S

(SRINIVAS OLETI)  
Partner  
ICAI M.No.206457

Place : Hyderabad,  
Date : 30-05-2018.

**BALANCE SHEET****PART 1 - BALANCE SHEET****EVEREST ORGANICS LIMITED  
BALANCE SHEET AS AT 31-03-2018****(Rupees)**

	Particulars	Note No.	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>1</b>	<b>ASSETS</b>				
	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	1	33,80,23,501	32,71,47,970	27,44,84,779
	(b) Capital Work-in-Progress	2	54,05,001	84,19,247	99,48,001
	(h) Financial Assets				
	(i) Investments	3	8,45,408	8,45,408	8,45,408
	(ii) Trade Receivables	6(a)	81,91,538	82,51,051	47,85,572
	(iii) Other financial assets	8	89,92,591	89,92,591	89,92,591
	[j] Deferred Tax Assets (Net)				
	[j] Other Non-Current Assets	4	1,69,16,777	1,43,00,592	1,31,16,934
	<b>Total Non Current Assets (A)</b>		<b>37,83,74,816</b>	<b>36,79,56,859</b>	<b>31,21,73,285</b>
<b>2</b>	<b>Current assets</b>				
	(a) Inventories	5	13,87,46,065	13,41,83,684	9,41,51,371
	(b) <b>Financial assets</b>				
	(i) Investments				
	(ii) Trade receivables	6(b)	37,42,53,616	30,72,15,257	31,48,55,728
	(iii) Cash and cash equivalents	7	37,04,811	59,19,879	16,17,944
	(d) Other Current Assets	9	4,77,95,404	4,51,08,713	3,58,98,246
	<b>Total Current Assets (B)</b>		<b>56,44,99,896</b>	<b>49,24,27,533</b>	<b>44,65,23,289</b>
	<b>TOTAL ASSETS [(C) = (A) +(B)]</b>		<b>94,28,74,710</b>	<b>86,03,84,391</b>	<b>75,86,96,574</b>

	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	(a) Equity Share Capital	10	8,00,00,000	7,98,82,800	3,33,82,800
	(b) Other Equity	11	10,68,21,994	8,09,36,725	2,65,04,461
	<b>Total Equity (D)</b>		<b>18,68,21,994</b>	<b>16,08,19,525</b>	<b>5,98,87,261</b>
	<b>LIABILITIES</b>				
<b>1</b>	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	12	6,45,29,033	4,76,55,134	4,77,49,910
	(b) Other Non-Current Liabilities	13	1,73,24,659	1,81,74,659	9,05,61,024
	<b>Total Non Current Liabilities (E)</b>		<b>8,18,53,692</b>	<b>6,58,29,794</b>	<b>13,83,10,934</b>
<b>2</b>	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	14	12,54,98,363	10,34,98,407	12,09,85,217
	(ii) Trade Payables	15	48,57,30,016	48,11,97,197	40,29,33,810
	(iii) Other Financial Liabilities	16	2,67,16,311	2,13,75,302	1,58,54,352
	(b) Other current liabilities	17	2,27,22,816	1,69,51,519	1,36,61,679
	(c) Provisions	18	70,31,518	64,12,647	58,08,321
	(d) Current tax liabilities (net)	19	65,00,000	43,00,000	12,55,000
	<b>Total Current Liabilities (F)</b>		<b>67,41,99,024</b>	<b>63,37,35,072</b>	<b>56,04,98,380</b>
	<b>TOTAL EQUITY AND LIABILITIES [(G) = (D)+(E)+(F)]</b>		<b>94,28,74,710</b>	<b>86,03,84,391</b>	<b>75,86,96,574</b>

Significant Accounting Policies and Notes on Accounts thereon forms an integral part of accounts.

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As per our report even date for SURYAM & Co.  
Chartered Accountants  
FRN - 12181Ssd/  
SRINIVAS OLETI  
Partner  
ICAI M.No.206457Place: Hyderabad  
Date: 30-05-2018sd/  
V. SWAMINATHAN  
Audit Committee Chairman  
DIN: 02810646sd/  
P.RAMA KRISHNA  
Chief Financial Officersd/  
NISHA JAIN  
Company SecretaryFor and on behalf of the Board  
EVEREST ORGANICS LIMITEDsd/  
Dr.S.K.SRIHARI RAJU  
Managing Director  
DIN: 01593620sd/  
A.PARVATISEM  
Technical Director  
DIN: 00910224sd/  
S.K.HARI KRISHNA  
Whole Time Director  
DIN: 01664260



**STATEMENT OF PROFIT AND LOSS**

**PART II - STATEMENT OF PROFIT AND LOSS**

EVEREST ORGANICS LIMITED

Statement of Profit and Loss for the year ended 31.03.2018

(Rupees)

	Particulars	Note No.	For the Year Ended 31-Mar-2018	For the Year Ended 31-Mar-2017
I	Revenue From Operation	20	1,12,17,13,760	1,06,89,34,615
II	Other Income	21	70,17,236	97,90,309
III	<b>Total Income (I+II)</b>		<b>1,12,87,30,996</b>	<b>1,07,87,24,925</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	22	72,07,59,441	71,31,82,781
	Changes in Inventories of finished goods, work-in-progress	23	(2,39,04,777)	(3,78,02,959)
	Employee benefits Expenditure	24	9,34,03,806	8,73,84,391
	Finance Cost	25	2,74,26,255	2,75,68,534
	Depreciation and amortisation expenses	26	2,67,57,784	2,44,76,706
	Other expenses	27	26,06,49,139	24,60,96,367
	<b>Total Expenses (IV)</b>		<b>1,10,50,91,647</b>	<b>1,06,09,05,821</b>
V	Profit/(loss) before exceptional items and tax(I-IV)		2,36,39,349	1,78,19,104
VI	Exceptional Item		-	-
VII	<b>Profit/(loss) before and tax (V-VI)</b>		<b>2,36,39,349</b>	<b>1,78,19,104</b>
VIII	Tax Expenses			
	(1) Current tax		65,00,000	43,00,000
	(2) Deferred tax		-	-
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,71,39,349</b>	<b>1,35,19,104</b>
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of Discontinued operations		-	-
XII	Profit/(Loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		<b>1,71,39,349</b>	<b>1,35,19,104</b>
XIV	<b>Other Comprehensive Income</b>			
	<b>A (i)</b> Items that will not be reclassified to		87,04,900	36,60,420
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>B (i)</b> Item that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income for the period (XIII+XIV)			
XV	(Comprising Profit/(Loss) and Other Comprehensive Income for the period)		<b>2,58,44,249</b>	<b>1,71,79,524</b>
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		3.23	1.69
	(2) Diluted		3.23	1.69
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		3.23	1.69
	(2) Diluted		3.23	1.69

Significant Accounting Policies and Notes on Accounts thereon forms an integral part of accounts.

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As per our report even date for SURYAM & Co. Chartered Accountants FRN - 12181S

sd/  
SRINIVAS OLETI  
Partner  
ICAI M.No.206457

Place:Hyderabad  
Date: 5/30/2018

sd/  
V. SWAMINATHAN  
Audit Committee Chairman  
DIN: 02810646  
sd/  
P.RAMA KRISHNA  
Chief Financial Officer

sd/  
NISHA JAIN  
Company Secretary

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  
Whole Time Director  
DIN: 01664260



**SCHEDULE FORMING PART OF THE BALANCE SHEET**

SCHEDULE - 1 Property, Plant and Equipment									
S.No.	Particulars	Gross Block			Depreciation			Net Block	
		As At 01.04.17	Additions During the year	Deletions / transfer during the year	As At 01.04.17	for the year	Deletion during the year	As At 31.03.18	As At 31.03.17
1	Land & Land Development	53,08,474	-	-	-	-	-	53,08,474	53,08,474
2	Factory Buildings	5,93,58,325	74,73,634	-	2,60,97,705	40,45,424	-	3,66,88,829	3,32,60,820
3	Plant & Machinery & Utilities	53,93,57,732	2,95,81,088	-	25,72,88,015	2,09,53,105	-	29,06,97,699	28,20,69,716
4	Office Equipment	30,45,625	2,06,255	-	21,75,839	3,20,335	-	7,55,706	8,69,786
5	Computers	31,18,239	2,73,372	-	25,01,420	3,28,004	-	5,62,187	6,16,819
6	Furniture & Fittings	44,88,779	98,966	-	18,63,633	4,51,871	-	22,72,240	26,25,146
7	Vehicles	64,27,621	-	-	40,30,211	6,59,045	-	17,38,365	23,97,410
	<b>Total (A)</b>	<b>62,11,04,794</b>	<b>3,76,33,314</b>	<b>-</b>	<b>29,39,56,823</b>	<b>2,67,57,784</b>	<b>-</b>	<b>33,80,23,501</b>	<b>32,71,47,970</b>

SCHEDULE - 2 Capital Work-in-Progress									
(Amount in Rupees)									
1	Buildings	10,58,801	64,14,833	74,73,634	-	-	-	-	10,58,801
2	Plant & Machinery & Others	73,60,445	2,76,25,644	2,95,81,088	54,05,001	-	-	54,05,001	73,60,445
	<b>Total (B)</b>	<b>84,19,247</b>	<b>3,40,40,476</b>	<b>3,70,54,722</b>	<b>54,05,001</b>	<b>-</b>	<b>-</b>	<b>54,05,001</b>	<b>84,19,247</b>

1. Fixed Assets are stated at historical cost of acquisition net of GST, CENVAT, net of TSVAT as applicable, which is inclusive of incidental expenses and the proportionate expenditure.

2. Depreciation on fixed assets is provided on the basis of straight line method on the basis of useful life of the assets at the rates provided for in the Schedule - II of the Companies Act, 2013 for the actual period of the usage of the assets.

3. The Company assesses, year to year, as to whether there is any indication that an asset is impaired. However the management, based on engineers valuation report, states that there has been no impairment loss during the year, and the amount of Assets represents the fair values as at the end of each of the years on a conservative basis.

For and on behalf of the Board  
EVEREST ORGANICS LIMITED

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

sd/  
V. SWAMINATHAN  
Audit Committee Chairman  
DIN: 02810646

sd/  
A.PARVATISEM  
Technical Director  
DIN: 00910224

sd/  
P.RAMIA KRISHNA  
Chief Financial Officer

sd/  
S.K.HARI KRISHNA  
Whole Time Director  
DIN: 01664260

sd/  
NISHA JAIN  
Company Secretary

As per our report even date  
for SURYAM & Co.  
Chartered Accountants

sd/  
Srinivas Oleti  
Partner  
ICAI M.No.206457

Place: Hyderabad  
Date: 30-05-2018



**SCHEDULE FORMING PART OF THE BALANCE SHEET**

SCHEDULE - 1 Property, Plant and Equipment		Gross Block						Depreciation			Net Block	
		As At 01.04.16	Additions During the year	Deletions / transfer during the year	As At 31.03.17	As At 01.04.16	for the year	Deletions during the year	As At 31.03.17	As At 31.03.17	As At 31.03.16	
1	Land & Land Development	53,08,474	-	-	53,08,474	-	-	-	-	53,08,474	53,08,474	
2	Factory Buildings	4,50,18,535	1,67,04,241	23,64,451	5,93,58,325	2,16,39,316	45,21,690	63,301	2,60,97,705	3,32,60,620	2,33,79,219	
3	Plant & Machinery & Utilities	47,78,77,121	6,46,62,769	31,82,158	53,93,57,732	23,90,39,237	1,83,54,704	1,05,925	25,72,88,015	28,20,69,716	23,88,37,884	
4	Office Equipment	27,34,694	3,10,931	-	30,45,625	19,12,489	2,63,350	-	21,75,839	8,69,786	8,22,205	
5	Computers	28,04,539	3,13,700	-	31,18,239	21,55,764	3,45,656	-	25,01,420	6,16,819	6,48,775	
6	Furniture & Fittings	35,91,775	16,52,345	7,55,341	44,88,779	15,62,943	3,31,548	30,858	18,63,633	26,25,146	20,28,832	
7	Vehicles	73,25,068	-	8,97,447	64,27,621	38,65,678	6,59,758	4,95,225	40,30,211	23,97,410	34,59,390	
	<b>Total (A)</b>	<b>54,46,60,205</b>	<b>8,36,43,985</b>	<b>71,99,397</b>	<b>62,11,04,794</b>	<b>27,01,75,427</b>	<b>2,44,76,706</b>	<b>6,95,309</b>	<b>29,39,56,823</b>	<b>32,71,47,970</b>	<b>27,44,84,779</b>	
SCHEDULE - 2 Capital Work-in-Progress												
1	Buildings	46,60,395	1,31,02,648	1,67,04,241	10,58,802	-	-	-	-	10,58,802	46,60,395	
2	Plant & Machinery & Others	52,87,606	6,67,35,608	6,46,62,769	73,60,445	-	-	-	-	73,60,445	52,87,606	
	<b>Total (B)</b>	<b>99,48,001</b>	<b>7,98,38,256</b>	<b>8,13,67,010</b>	<b>84,19,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,19,247</b>	<b>99,48,001</b>	

Note:

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





**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
<b>3. Financial Assets- Investments</b>			
Investment in Equity Investment			
Equity Shares in PETL	8,15,408	8,15,408	8,15,408
Equity Shares in SBT	30,000	30,000	30,000
<b>Total</b>	<b>8,45,408</b>	<b>8,45,408</b>	<b>8,45,408</b>
<b>4. Other Non-Current Assets</b>			
Security Deposits with Others	14,38,743	13,38,743	7,38,743
Security Deposits with Government Company-TSPDCL	60,89,989	60,89,989	60,89,989
Security Deposits for Mobile, Internet	82,192	82,192	98,492
Gratuity Fund Deposit	5,00,000	-	-
Loans and Advances to Employees, doubtful for recovery	88,05,853	67,89,668	61,89,710
<b>Total</b>	<b>1,69,16,777</b>	<b>1,43,00,592</b>	<b>1,31,16,934</b>
<b>5. Inventories</b>			
(a) Raw materials	3,84,99,658	6,20,21,216	6,07,61,267
(b) Work-in-progress	4,61,33,482	4,31,50,890	1,66,78,303
(c) Finished Goods	4,44,11,394	2,34,89,209	1,21,58,837
(d) Others			28,80,536
- Stores and Spares	51,83,696	38,25,651	-
- Coal	43,60,575	10,40,760	10,70,405
- Packing Material	1,57,260	6,55,958	6,02,023
<b>Total</b>	<b>13,87,46,065</b>	<b>13,41,83,684</b>	<b>9,41,51,371</b>
<b>6. Trade Receivables</b>			
(a) Non Current Unsecured, considered doubtful;	81,91,538	82,51,051	47,85,572
(b) Current Unsecured, considered good;			
- morethan 6 months	25,45,838	-	-
- others	37,17,07,778	30,72,15,257	31,48,55,728
<b>Total</b>	<b>38,24,45,154</b>	<b>31,54,66,308</b>	<b>31,96,41,300</b>
<b>7. Cash and cash equivalents</b>			
(a) Balances with Banks;	35,94,891	58,81,003	12,76,339
(b) Cash on Hand;	1,09,920	38,876	3,41,605
<b>Total</b>	<b>37,04,811</b>	<b>59,19,879</b>	<b>16,17,944</b>
<b>8. Other Financial Assets- Non Current</b>			
Deposits with Kotak Mahindra Bank for LC Margin Money	89,92,591	89,92,591	89,92,591
<b>Total</b>	<b>89,92,591</b>	<b>89,92,591</b>	<b>89,92,591</b>



**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
<b>9. Other Current Assets</b>			
(i) Advances - Unsecured, considered good			
Advances - Capital Goods	62,28,173	32,16,778	29,28,254
Advances - Raw Materials	83,30,995	80,82,473	17,95,120
Advance - Consumables-Coal	1,16,16,935	1,10,61,677	64,81,343
Advances - Others	88,12,193	1,28,62,386	65,45,933
Other Receivables	56,13,482	17,15,694	44,66,345
Cenvat Credit	-	52,12,094	54,23,740
TDS Receivable	2,93,724	2,19,344	3,33,339
Excise Duty Rebate Receivable	-	27,38,267	79,24,173
GST- Input Tax Credit	68,99,902	-	-
<b>Total</b>	<b>4,77,95,404</b>	<b>4,51,08,713</b>	<b>3,58,98,246</b>
<b>10. Equity</b>			
Class of Shares - Equity Shares			
Authorised Capital			
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000	10,00,00,000
Issued, Subscribed & Paid-up Capital	7,98,82,800	3,33,82,800	9,27,30,000
Shares issued, subscribed and paid as on 01.04.2017	7,98,82,800	3,33,82,800	9,27,30,000
(79,88,280 Equity Shares of Rs.10/- each fully paid up)			
Add: Issued during the year (11,720 Equity shares of Rs.10/- each fully paid up)	1,17,200	4,65,00,000	0
Less: Reduction of Eq. Share Capital	<b>8,00,00,000</b>	<b>7,98,82,800</b>	<b>9,27,30,000</b>
Total Amount as per Balance Sheet	<b>8,00,00,000</b>	<b>7,98,82,800</b>	<b>3,33,82,800</b>
(80,00,000 Equity Shares of Rs.10/- each fully paid up)	<b>8,00,00,000</b>	<b>7,98,82,800</b>	<b>3,33,82,800</b>
<b>Note:1</b>			
No. of shares held by individuals/entities each holding more than 5% of total stake.			
1. Veerat Finance & Investment Co.Ltd.,(38,85,546 Equity Shares of Rs.10/- fully paid up)	38,85,546 (48.57%)	38,83,826 (48.62%)	4,72,608 (14.16%)
(CIN: U65921TG1994PLC018639) (38,83,826 Equity Shares of Rs.10/- fully paid up)			
2. Dr.S.K.Srihari Raju (15,37,334 Equity Shares of Rs.10/- fully paid up)	15,37,334 (19.22%)	14,99,854 (18.77%)	2,60,892 (7.82%)
<b>Note: 2.</b> The Share holding of this two shareholders above are under different lock in dates in accordance with regulation 78 of SEBI(ICDR) 2009.			
<b>Note: 3</b>			
<b>Reconciliation of number of shares outstanding at the beginning and end of the year</b>			
Equity Shares of Rs. 10/- each Fully paid up issued & subscribed as at the beginning of the year.	79,88,280	33,38,280	92,73,000
Add: Issued during the period	11,720	46,50,000	-
Add: Issued during the period(11,720 Equity shares of Rs.10/- each fully paid up)	80,00,000	79,88,280	92,73,000
Less: Reduction	<b>80,00,000</b>	<b>79,88,280</b>	<b>33,38,280</b>
<b>Total Number of Equity Shares of Rs. 10/- each fully paid up as per Balance Sheet</b>			
<b>Note:</b>			
a) There are no shares issued in last five years as fully paid up pursuant to contracts without payment being received in cash.			
b) There are no shares issued in last five years as fully paid up by way of bonus shares.			
c) There are no shares bought back in last five years.			
d) There are no calls unpaid.			

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

<b>11. Other Equity</b>				<b>Amount in Rupees</b>
	<b>Reserves and Surplus</b>			
	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>Money received against share warrants</b>	<b>Total</b>
Balance as on 31-03-2017	3,72,00,000	4,36,83,985	52,740	8,09,36,725
Restated Balance at the beginning of the reporting period	3,72,00,000	4,36,83,985	52,740	8,09,36,725
Total comprehensive income for the year		2,58,44,249		2,58,44,249
Any other change (to be specified)	93,760	-	(52,740)	41,020
Balance as on 31-03-2018	3,72,93,760	6,95,28,234	-	10,68,21,994
	<b>Reserves and Surplus</b>			
	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>Money received against share warrants</b>	<b>Total</b>
Balance as on 31-03-2016	-	2,65,04,461	-	2,65,04,461
Restated Balance at the beginning of the reporting period	3,72,00,000	2,65,04,461	52,740	6,37,57,201
Total comprehensive income for the year		1,71,79,524		1,71,79,524
Balance as on 31-03-2017	3,72,00,000	4,36,83,985	52,740	8,09,36,725
	<b>Reserves and Surplus</b>			
	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>Money received against share warrants</b>	<b>Total</b>
Balance as on 31-03-2015	-	2,46,99,721	-	2,46,99,721
Restated Balance at the beginning of the reporting period	-		-	-
Total comprehensive income for the year		18,04,740		18,04,740
Balance as on 31-03-2016	-	2,65,04,461	-	2,65,04,461
As per our report even date for SURYAM & Co. Chartered Accountants FRN - 12181S	Sd/- V. SWAMINATHAN Audit Committee Chairman DIN: 02810646		For and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/- Srinivas Oleti Partner ICAI M.No.206457	Sd/- P.RAMA KRISHNA Chief Financial Officer		Sd/- Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620	
	Sd/- NISHA JAIN Company Secretary		Sd/- A.PARVATISEM Technical Director DIN: 00910224	
Place: Hyderabad Date: 30-05-2018			Sd/- S.K.HARI KRISHNA Whole Time Director DIN: 01664260	



**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
<b>12. Non Current - Financial Liabilities / Borrowings</b>			
<b>Secured Loans</b>			
- from banks & NBFC's			
1. Term Loan from Reliance Capital Ltd - I & II	-	3,47,866	15,56,327
2. Term Loan from Reliance Capital Ltd - III	-	7,18,390	33,30,682
3. Term Loan from Reliance Capital Ltd-IV	-	15,81,152	53,80,045
4. Term Loan from Reliance Capital Ltd-V	14,94,855	56,24,437	2,13,50,805
5. Term Loan from Reliance Capital Ltd-VI	34,48,930	64,27,549	-
6. Term Loan from Kotak Mahindra Bank-VI	1,01,10,569	1,61,47,254	-
7. Kotak Mahindra Prime Ltd-Hyundai Creta	-	3,61,620	7,53,867
8. Kotak Mahindra Prime Vehicle Loan	-	21,52,673	-
9. Term Loan from Reliance Commercial Ltd	43,59,248	-	-
10. Term Loan from Kotak Mahindra Bank-VII	3,38,67,872	-	-
11. Sales Tax Deferment Liability	1,12,47,568	1,42,94,192	1,53,78,183
(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)			
<b>Total</b>	<b>6,45,29,033</b>	<b>4,76,55,134</b>	<b>4,77,49,910</b>
<b>13. Other Non-Current Liabilities</b>			
<b>Unsecured Loans</b>			
(i) Unsecured Loans from Directors & Near Relatives	97,58,913	1,04,58,913	3,13,58,933
(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)	-	1,50,000	5,24,91,345
(iii) Security Deposit from Employees	67,10,746	67,10,746	67,10,746
(iv). Fringe Benefit Taxes for earlier years	8,55,000	8,55,000	8,55,000
<b>Total</b>	<b>1,73,24,659</b>	<b>1,81,74,659</b>	<b>9,14,16,024</b>
<b>14. Current Financial Liabilities / Borrowings</b>			
<b>(A) Secured</b>			
(a) Loans repayable on Demand			
- from Banks - Kotak Mahindra Bank Ltd			
Cash Credit	4,04,96,619	4,46,96,407	4,58,18,424
Bills Discounting (Domestic)	4,83,89,516	3,98,72,028	3,98,40,466
Bills Discounting (LC Backed)	65,68,705	77,59,171	66,26,825
Buyers Credit	-	-	90,18,700
Export Packing Credit	1,46,27,612	1,11,66,506	1,40,97,788
(b) LC Bills Discounting - Bank of India	11,00,82,452	10,34,94,112	11,54,02,203
<b>Total - A</b>	<b>12,54,98,363</b>	<b>10,34,98,407</b>	<b>12,09,85,217</b>
<b>Total</b>	<b>12,54,98,363</b>	<b>10,34,98,407</b>	<b>12,09,85,217</b>
<b>15. Trade Payables</b>			
Creditors for Raw Materials	38,82,54,049	37,30,03,203	31,35,32,775
Creditors for Expenses	4,67,06,568	5,47,23,565	4,56,60,241
Creditors for Capital Goods	3,48,45,362	4,56,02,403	(48,35,177)
Creditors for Utilities	1,59,24,037	78,68,025	48,35,177
<b>Total</b>	<b>48,57,30,016</b>	<b>48,11,97,197</b>	<b>35,91,93,015</b>



**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
<b>16. Other Current Financial</b>			
(a) Current maturities of long-term debt			
- from banks & NBFC'S			
1. Term Loan from Reliance Capital Ltd - I & II	3,43,708	13,90,872	54,50,610
2. Term Loan from Reliance Capital Ltd - III	7,11,860	26,12,291	22,39,428
3. Term Loan from Reliance Capital Ltd - IV	15,68,883	37,98,892	32,56,660
4. Term Loan from Reliance Capital Ltd - V	41,29,582	35,57,670	-
5. Term Loan from Reliance Capital Ltd-VI	29,78,619	25,72,451	-
6. Term Loan from Kotak Mahindra Bank Ltd - VI	59,51,165	52,03,551	45,56,433
7. Kotak Mahindra Prime Vehicle Loan	21,52,673	18,47,327	3,51,222
8. Kotak Mahindra Prime Ltd-Hyundai Creta	3,93,851	3,92,247	-
9. Term Loan from Reliance Commercial Ltd	22,82,592	-	-
10. Term Loan from Kotak Mahindra Bank Ltd-VII	62,03,378	-	-
<b>Total</b>	<b>2,67,16,311</b>	<b>2,13,75,302</b>	<b>1,58,54,352</b>
<b>17. Other current liabilities</b>			
<b>Current Maturities of Deferred Payment Liability- Sales Tax</b>			
<b>Statutory Liabilities</b>			
a) ESI Dues	18,45,076	4,41,166	8,44,966
b) PF Dues	28,62,778	26,37,734	27,51,969
c) Professional Tax Dues	53,100	1,57,050	41,600
d) TDS Payable	29,07,722	37,25,422	37,85,349
e) Dues to Income Tax Department (unconfirmed & unreconciled)	12,189	2,08,979	2,08,979
f) VAT Payable	-	5,37,310	-
<b>Total Statutory Liabilities</b>	<b>76,80,865</b>	<b>77,07,661</b>	<b>76,32,863</b>
<b>Other Current Liabilities</b>	<b>1,19,95,317</b>	<b>81,59,867</b>	<b>45,19,813</b>
<b>Total</b>	<b>2,27,22,816</b>	<b>1,69,51,519</b>	<b>1,36,61,679</b>
<b>18. Provisions for Current Liabilities</b>			
Provision for Employee benefits (Gratuity)			
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
	70,31,518	64,12,647	58,08,321
<b>Total</b>	<b>70,31,518</b>	<b>64,12,647</b>	<b>58,08,321</b>
<b>19. Current tax liabilities (net)</b>			
1. Income Tax - MAT			
	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
	65,00,000	43,00,000	4,00,000
<b>Total</b>	<b>65,00,000</b>	<b>43,00,000</b>	<b>4,00,000</b>



**SCHEDULE FORMING PART OF THE BALANCE SHEET**

<b>20. Revenue From Operation</b>		<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
Sale of products			
- Domestic Sales	96,60,09,183		88,94,16,293
- Less: Duties	13,90,30,858		9,65,67,935
	82,69,78,325		79,28,48,358
- Export Sales	29,01,20,288		27,43,72,250
<b>Total Turnover</b>		1,11,70,98,614	1,06,72,20,608
Sale of services			
Other operating revenues (Job Work Charges)		46,15,146	17,14,007
<b>Total</b>		<b>1,12,17,13,760</b>	<b>1,06,89,34,615</b>
<b>21. Other Income</b>		<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
Interest Income		9,74,788	6,85,789
Export Incentives		37,52,463	48,61,235
Creditors Written off		-	16,51,537
Net Foreign Exchange Gain		22,89,985	25,91,749
<b>Total</b>		<b>70,17,236</b>	<b>97,90,309</b>
<b>22. Cost of materials consumed</b>		<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
Opening Stock of Raw Materials		6,20,21,216	6,07,61,267
<b>Add:</b> Purchase of Raw Materials		69,72,37,883	71,44,42,730
		75,92,59,099	77,52,03,997
<b>Less:</b> Closing Stock of Raw Materials		3,84,99,658	6,20,21,216
<b>Total</b>		<b>72,07,59,441</b>	<b>71,31,82,781</b>
<b>23. Changes in Inventories</b>		<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
Opening Stock of Finished Goods	2,34,89,209		1,21,58,837
Closing Stock of Finished Goods	4,44,11,394		2,34,89,209
Net Increase/(Decrease) in Finished Goods		(2,09,22,185)	(1,13,30,372)
Opening Stock of Work In Progress	4,31,50,890		1,66,78,303
Closing Stock of Work In Progress	4,61,33,482		4,31,50,890
Net Increase/(Decrease) in Work In Progress		(29,82,592)	(2,64,72,587)
<b>Total</b>		<b>(2,39,04,777)</b>	<b>(3,78,02,959)</b>
<b>24. Employee benefits Expenditure</b>		<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
Salaries and Wages		7,38,09,820	7,04,36,832
R & D Salaries		56,08,781	49,49,573
Contribution to provident and other funds		51,43,730	40,22,951
Staff welfare expenses		46,84,148	35,15,160
Statutory and Other Benefits		41,57,327	44,59,875
<b>Total</b>		<b>9,34,03,806</b>	<b>8,73,84,391</b>
<b>25. Finance Cost</b>		<b>For the Year Ended 31-Mar-2018</b>	<b>For the Year Ended 31-Mar-2017</b>
Interest		1,63,55,833	1,73,64,345
Bills Discounting Charges		77,12,914	75,68,199
Processing, Documentation and other bank charges		33,57,508	26,35,990
<b>Total</b>		<b>2,74,26,255</b>	<b>2,75,68,534</b>

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

26. Depreciation and amortisation expenses		For the Year Ended 31-Mar-2018		For the Year Ended 31-Mar-2017
Depreciation on Tangible Fixed Assets		2,67,57,784		2,44,76,706
<b>Total</b>		<b>2,67,57,784</b>		<b>2,44,76,706</b>
27. Other expenses		For the Year Ended 31-Mar-2018		For the Year Ended 31-Mar-2017
Payments to the Professionals as				
Statutory Auditor	3,00,000		3,00,000	
For taxation matters	-		-	
For Other Services	2,00,000	5,00,000	50,000	3,50,000
Manufacturing Expenses:				
(a) Material Conversion Charges	1,68,20,265		1,60,82,749	
(b) Stores Consumables	16,64,307		17,55,526	
(c) Lab Expenses	52,81,614		65,96,019	
(d) Effluent Charges	1,33,34,078		1,17,36,446	
(e) Power and Fuel	10,34,32,073		9,53,52,056	
(f) Plant Repairs & Maintenance Charges	2,75,31,105		3,39,28,791	
(g) R & D expenses	20,41,380		11,09,557	
(h) Production Contract Charges	2,18,34,438	19,19,39,261	2,30,55,567	18,96,16,711
Administrative Expenses:				
(a) Conveyance	9,33,256		10,59,686	
(b) Postage, Telephone Charges	8,32,407		12,06,699	
(c) Rent, Rates & Taxes	21,64,134		19,54,400	
(d) Insurance	51,79,410		43,21,552	
(e) Security Charges	13,50,321		14,52,382	
(f) Consultancy Charges	53,59,403		48,82,382	
(g) Office Maintenance	5,17,489		4,61,040	
(h) Vehicle Maintenance	17,61,695		9,28,556	
(i) Other Administrative Expenses	1,28,49,535	3,09,47,649	91,62,790	2,54,29,486
Selling & Distribution Expenses:				
(a) Business Promotion	1,08,43,136		66,96,523	
(b) Travelling Expenses	18,23,276		21,92,745	
(c) Postage, Telephone Charges	6,62,694		4,53,515	
(d) Conveyance-Marketing	3,16,019		2,88,186	
(e) Commission on Sales	31,47,241		44,12,119	
(f) Freight Outward	23,00,411		15,07,769	
(g) Freight Outward on Exports	54,01,176		54,53,930	
(h) Packing Material	90,85,303		81,79,083	
(i) Other Expenses	14,13,096		11,47,400	
(j) Bad Debts written off	22,69,877	3,72,62,229	3,68,900	3,07,00,170
<b>Total</b>		<b>26,06,49,139</b>		<b>24,60,96,367</b>
As per our report even date for SURYAM & Co. Chartered Accountants FRN - 12181S		sd/ V. SWAMINATHAN Audit Committee Chairman DIN: 02810646	For and on behalf of the Board EVEREST ORGANICS LIMITED	
sd/ SRINIVAS OLETI Partner ICAI M.No.206457		sd/ P.RAMA KRISHNA Chief Financial Officer	sd/ Dr.S.K.SRIHARI RAJU Managing Director DIN: 01593620	
Place: Hyderabad Date: 30-05-2018		sd/ NISHA JAIN Company Secretary	sd/ A.PARVATISEM Technical Director DIN: 00910224	
			sd/ S.K.HARI KRISHNA Whole Time Director DIN: 01664260	

**NOTES FORMING PART OF THE ACCOUNTS****NOTES TO ACCOUNTS****EVEREST ORGANICS LIMITED****Note No.28:****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 Companies (Indian Accounting Standards) Rules, 2015, 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, read with Indian Accounting Standards.

**(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 and 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 the Indian Accounting Standard on Employee Benefits.

**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.

**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 31-03-2018 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 with total credit limits of Rs.2402 lakhs (Fund Based: Rs.1842 lakhs & Non-Fund Based : Rs.560 lakhs) (Note Nos.12 and 14) 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, Sangareddy 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.213.18 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 guarantees of two of the promoter directors.
3. The total GST Input available on Raw Materials for the year amounting to Rs.1370.55 lakhs (previous CENVAT available on Raw Materials of Rs.1014.89 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(SBT) amounting to Rs.0.30 lakhs) [50 shares of Rs.10 each fully paid up and the same are valued at cost. Market value being Rs.607 per share (last traded price on 15-03-2017), pending receipt of shares of State Bank of India(SBI), post merger of SBT with SBI].

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

**5. Trade Receivables :**

(Rs.in lakhs)

Particulars	As on 31-03-2018	As on 31-03-2017
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment :		
--Unsecured, considered good	81.92	82.51
Aggregate amount of Trade Receivables outstanding for a period not exceeding six months from the date they are due for payment :		
--Unsecured, considered good	3742.53	3075.84
<b>Total :</b>	<b>3824.45</b>	<b>3158.35</b>

6. Other Cash and Cash Equivalents comprising of cash in hand of Rs.1.10 lakhs, Cash at Bank in Current Accounts of Rs.35.95 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 31-03-2018.

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

(Rs. In Lakhs)

Particulars	2017-18	2016-17
(A) Earnings in Foreign Exchange :		
Export of goods calculated on FOB Basis(Direct Exports)	2758.52	2466.40
(B) Foreign Exchange Outgo		
i) Value of Imports Calculated on CIF Basis in respect of		
-- Raw Material (Actual Imports)	952.20	1,320.20
ii) Foreign Travelling Expenses	20.41	24.35
iii) Sales Commission incurred abroad	13.17	18.21

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

(Rupees in lakhs)

Particulars	2017-18	2016-17
Dr.S.K.Srihari Raju (Managing Director)	30.00	29.00
A.Parvatisem(Technical Director)	18.00	18.00
S.K.Hari Krishna (Whole Time Director)	9.00	9.00
<b>TOTAL :</b>	<b>57.00</b>	<b>56.00</b>

**NOTES FORMING PART OF THE ACCOUNTS**

During the year the remuneration to the Directors of the company has not been enhanced.

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

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

Year	2017-18			2016-17		
	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
OMEPRAZOLE	180	154	85	180	154	85
CHLORO COMPOUND	300	249	83	300	225	75
BENZIMIDAZOLE	180	173	96	180	176	98
ESOMEPRAZOLE	48	54	112	48	50	103
PANTAPRAZOLE	60	31	51	60	46	76

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

Description	Production (Qty/MTs)		Sales (Qty/MTs)		Sales Value (Rs.in Lakhs)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Omeprazole Powder	153.77	147.02	139.36	137.68	3157.70	3033.82
Benzimidazole	173.46	184.69	58.83	72.10	469.61	538.37
Chloro Compound	248.96	233.25	90.69	82.50	1612.69	1535.80
Op. Sulphide	244.99	237.11	14.35	2.18	254.60	37.06
Esomeprazole Magnesium	53.70	49.14	53.90	48.48	2066.95	1888.52
Pantaprazole Sodium	30.09	42.33	31.67	43.15	1708.17	1735.00
Ammonium Sulphate	687.03	684.13	635.07	667.53	136.92	122.81
Tetralone	27.20	45.90	28.20	45.90	206.80	338.95
Others					1603.70	1440.67
<b>Total</b>					<b>11,217.14</b>	<b>10,671.18</b>

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

Description	2017-18		2016-17	
	(Qty/MTs)	Value (Rs.lakhs)	(Qty/MTs)	Value (Rs.lakhs)
3, 5 Lutidine	261.34	720.87	249.92	727.25
MDC	396.56	206.90	24.11	9.00
Acetone	421.77	288.96	464.02	311.96
Acetic Acid	209.17	102.16	197.73	65.64
Toluene	466.39	268.72	399.45	228.21
Para Anisidine	73.10	144.01	57.23	97.55
DMS	264.92	126.48	263.09	84.49
APS	99.81	73.08	53.25	37.93
Others		5276.41		5,258.15
<b>Total</b>		<b>7,207.59</b>		<b>7,131.83</b>

**NOTES FORMING PART OF THE ACCOUNTS****d) Value of Imported and indigenous Raw material consumed (As certified by the Management)**

Description	2017-18		2016-17	
	Value(Rs. Lakhs)	%	Value (Rs. Lakhs)	%
Imported	952.20	13.21	1,320.20	18.51
Indigenous	6255.59	86.79	5,811.63	81.49
<b>Total</b>	<b>7,207.59</b>	<b>100.00</b>	<b>7,131.83</b>	<b>100.00</b>

**10. Related Party Transactions made during the year:****(Rs. In lakhs)**

Party Name	Nature of Transaction	Transaction Amount(Rs)	Closing Bal.(Rs)	Dr/ Cr	Relationship with the Related Party
Virat & Co.	Gross Sales made by the company	112.65	68.84	Dr.	One of the Partners of the Firm is the wife of Executive Director of the Company
Virat & Co	Gross Purchases made by the company	239.98	165.53	Cr.	--do--
Virat & Co	Unsecured Loan taken by the company	--	10.00	Cr.	--do--
A. Parvatisem	Unsecured Loan taken by the Company	--	15.93	Cr.	Technical Director of the Company
Dr.S.K.Sirisha	--do--	--	19.21	Cr.	Director of the Company
S.K.Seetharama Raju	--do--	--	15.21	Cr.	Director of the Company
Dr.S.K.Srihari Raju	Remuneration	30.00	--		Managing Director
A.Parvatisem	--do--	18.00	--		Technical Director
S.K.Hari Krishna	--do--	9.00	--		Wholetime Director
Directors	Sitting Fees	2.85	--		Non Executive Directors
S.K. Sudha	Office Rent & Maintenance paid by the company	15.06	1.81	Cr.	Spouse of Director of the Company
S.K.Hari Krishna	Unsecured Loan taken by the company	NIL	30.24	Cr.	Executive Director of the Company
Veerat Finance and Investment Limited	Unsecured loan taken by the company	37.24	NIL	Dr.	Two of the Directors of the other Company are relatives of the Managing Director of the Company
A. Raj Kamal	Consultancy	7.50	0.90	Cr.	Spouse of Technical Director of the Company
P. Hymavathi	Consultancy	3.30	NIL	--	Spouse of CFO of the Company

**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. 527.60 lakhs (Previous year Rs. 454.51 lakhs).
- 2) Bank Guarantees issued by the Kotak Mahindra Bank on behalf of the company Rs.6.50 lakhs. (Previous year- Rs.5.00 lakhs)

**12. Summary of DSIR Expenditure.**

DSIR	2017-18	2016-17	2015-16	2014-15
Particulars	Amount Rs	Amount Rs	Amount Rs	Amount Rs
R & D Raw Material	1,040,030	485,940	-	-
R & D Consumable Issues	1,001,350	623,617	745,323	528,722
R & D Salaries	5,608,782	4,949,573	4,117,207	4,290,469
Capital Expenditure	-	1,600,000	-	7,703,608
<b>Total :</b>	<b>7,650,162</b>	<b>7,659,130</b>	<b>4,862,530</b>	<b>12,522,799</b>

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

During the year the company received the claim amount of Rs.87.05 Lakhs against the fire accidents occurred in prior years, the loss of which was already recorded under the Statement of Profit and Loss in earlier years. Hence, the claim amounts received during the year were entirely taken to the statement of profit and loss.

**14. Litigations:**

The company simultaneously applied to the Environmental Engineer, TS Pollution Control Board (TSPCB) for the renewal of Consent for Operations (CFO) for a period 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 approved from the TSPCB. 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 or operations or financial condition.

15. Amount due to small scale industrial undertaking during the year ended 31.03.2018 could not be identified as specific information regarding SSI status is not forthcoming from parties.
16. 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.
17. Paise have been rounded off to the nearest rupee.
18. Figures have been re-grouped/re-arranged wherever necessary.
19. The balances outstanding on account of sundry debtors/sundry creditors/advances are subject to confirmation from the respective parties.



**NOTES FORMING PART OF THE ACCOUNTS**

As per our Report of even date  
for SURYAM & Co.  
Chartered Accountants  
FRN - 12181S

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

Sd/-  
(SRINIVAS OLETI)  
Partner  
ICAI M. No. 206457

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

Sd/-  
V. SWAMINATHAN  
Audit Committee Chairman  
DIN: 02810646

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

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

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

Sd/-  
(NISHA JAIN)  
Company Secretary

Place: Hyderabad,  
Date: 30-05-2018.



**CASH FLOW STATEMENT****Everest Organics Limited**

Cash Flow Statement for the Year ended 31-03-2018.

(Rs.in Lakhs)

Particulars	Year Ended 31.03.18	Year Ended 31.03.17
<b>Cash Flow from Operating Activities</b>		
Profit After Tax and Extraordinary Items	258.44	171.80
Adjustments		
Depreciation and Amortisation expenses	267.58	244.77
Provision for Gratuity	6.19	6.76
Interest and Financial Charges paid	274.26	275.69
(Profit)/Loss on sale of Property, Plant and Equipment	-	2.02
Excess/(Short) provision for Taxation	-	-
Extraordinary Items	-	36.60
Taxes paid	-	(43.00)
Interest Earned	(9.75)	(6.86)
<b>Operating Profit/(Loss) before working capital charges</b>	<b>796.73</b>	<b>687.78</b>
Adjustments for:		
(Increase)/Decrease in Trade receivables	(669.79)	41.75
(Increase)/Decrease in Inventories	(45.62)	(400.32)
Increase/(Decrease) in Current Financial Liabilities-Borrowings & Others	273.41	(153.22)
Increase/(Decrease) in Trade Payables	45.33	782.63
Increase/(Decrease) in Other Current Liabilities	57.71	88.11
Increase/(Decrease) in Current Tax Liabilities	22.00	45.04
(Increase)/Decrease in Financial Assets Loans/Other Current Assets	(26.87)	(120.13)
<b>Cash Generated from Operations</b>	<b>452.90</b>	<b>971.64</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment including CWIP	(346.19)	(756.11)
Purchase of Investments	-	(5.84)
Change in Other Non Current Assets	(26.16)	
Change in Other Non Current Liabilities	(8.50)	
Profit on sale of Property, Plant and Equipment	-	(2.02)
Interest earned	9.75	6.86
<b>Cash used in Investing Activities</b>	<b>(371.10)</b>	<b>(757.11)</b>
<b>Cash Flow from Financing Activities</b>		
Increase/(Decrease) Non Current Financial Liabilities- Borrowings	168.74	(733.36)
Increase/(Decrease) Share Capital, Share Premium & Share Warrants	0.64	465.00
Securities premium received on issue of equity shares	0.94	372.00
Money Received against Share Warrants	-	0.53
Interest and Financial Charges paid	(274.26)	(275.69)
	<b>(103.94)</b>	<b>(171.52)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(22.15)	43.01
Opening Cash & Cash Equivalents	59.20	16.18
Closing Cash & Cash Equivalents	<b>37.05</b>	<b>59.20</b>

**AUDITORS CERTIFICATE**

We have examined the cash flow statement of M/s.Everest Organics Limited for the year ending 31st March, 2018. 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 30th May, 2018, to the Members of the Company.

for SURYAM & Co.  
Chartered Accountants  
FRN - 12181S

sd/  
SRINIVAS OLETI  
Partner  
ICAI M.No.206457

Place: Hyderabad  
Date : 30-05-2018

sd/  
V. SWAMINATHAN  
Audit Committee Chairman  
DIN: 02810646

sd/  
P.RAMA KRISHNA  
Chief Financial Officer

sd/  
NISHA JAIN  
Company Secretary

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 : eolcs0405@gmail.com  
Website : www.everestorganicsltd.com  
Ph. NO. 040-2311 5956/ 40040783, Fax : 040-2311-5954

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

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

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

Client ID / DPID :

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

I hereby record my presence at the 25th Annual General Meeting to be held on Friday, the 28th Day of September 2018 at 3.00 p.m. at Aroor Village , Sadasivapet Mandal, Sanga Reddy (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 MANDAL  
 SANGA REDDY (MEDAK) DISTRICT, TELANGANA 502 291  
 CIN NO. L24230TG1993PLC015426  
 Email id : eolcs0405@gmail.com  
 Website : www.everestorganicsltd.com  
 Ph. NO. 040-2311 5956/ 40040783, Fax : 040-2311-5954

**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<br>Address<br>Email id<br>Or Failing him | Signature |
| 2 | Name<br>Address<br>Email id<br>Or Failing him | Signature |
| 3 | Name<br>Address<br>Email id                   | Signature |

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the \_\_\_\_\_Annual  
 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:



Item No.	Item	No. of shares held by me	I assent to the resolution	I dissent to the resolution
1	To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2018 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. Sri Kakarlapudi Harikrishna (DIN : 01664260) who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
3	To appoint a Director in place of Mr. Akella Parvatisem (DIN : 00910224), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
4	Re-appointment of Dr. Sri Kakarlapudi Srihari Raju (DIN : 01593620) the Managing Director of the Company, with effect from 28.09.2018. (Ordinary Resolution)			
5	To Approve Payment of Commission to Dr. Sri Kakarlapudi Sirisha, (DIN : 06921012) Non Executives Director. (Ordinary Resolution)			
6	Approval of Related Party Transaction with Veerat Finance & Investment Limited. (Ordinary Resolution)			
7	Approval of Related Party Transaction with Virat & Co. (Ordinary Resolution)			
8	Approval of Cost Auditor's Remuneration for the Financial Year 2017-18. (Ordinary Resolution)			
9	Approval of Cost Auditor's Remuneration for the Financial Year 2018-19. (Ordinary Resolution)			
10	Availing a Loan facility from Bankers, Financial Institution and other Persons, Firms, Bodies Corporate. (Special Resolution)			
11	Creation of security on the properties of the Company, both present and future, in favour of lenders. (Special Resolution)			
12	To Approve Investment in Solar Power to Reduce the Cost of Fuel & Power. (Ordinary Resolution)			
13	To Approve the Investment upto Rs. 9 Crores in Up-gradation of Technology and in Plant & Machinery for expansion of business. (Ordinary Resolution)			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

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

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

Affix  
Revenue  
Stamp of  
Re.1

**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

**BALLOT PAPER**

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

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

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider, approve and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2018 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. Sri Kakarlapudi Harikrishna (DIN : 01664260) who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
3	To appoint a Director in place of Mr. Akella Parvatisem (DIN : 00910224), who retires by rotation and being eligible offers himself for re-appointment. (Ordinary Resolution)			
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11	Creation of security on the properties of the Company, both present and future, in favour of lenders. (Special Resolution)			
12	To Approve Investment in Solar Power to Reduce the Cost of Fuel & Power. (Ordinary Resolution)			
13	To Approve the Investment upto Rs. 9 Crores in Up-gradation of Technology and in Plant & Machinery for expansion of business. (Ordinary Resolution)			

Place:

Date:

(Signature of the shareholder\*)



**Everest Organics Limited**

CIN:L24230TG1993PLC015426

Regd Office Aroor Village, Sadasivapet Mandal, Sanga Reddy (Medak)Telangana 502291 India

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

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

To  
The Shareholder  
Everest Organics Limited

Date: 27.08.2018

**Dear Sir/Madam**

**Sub: Requesting for dematerialization of shares:**

With reference of the subject, we wish to inform you that SEBI has amended the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, vide its Circular no. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018, to disallow listed companies from accepting request for transfer of securities which are held in physical form with effect from December 5, 2018. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs.

Therefore we request you for the dematerialization of your shares. Our shares are available for dematerialization with both NSDL/CDSL and our ISIN No. is INE334C01029.

Thanking You,  
Yours Faithfully

**For Everest Organics Limited**

**Sd/-**

**Nisha Jain**

**Company Secretary**



**Everest Organics Limited**

**CIN:L24230TG1993PLC015426**

Address: Regd Office Aroor Village, Sadasivapet Mandal, Sanga Reddy (Medak)Telangana 502291 India

Date :27.08.2018

To  
Dear Shareholder(s),

**Sub: Registration of your Permanent Account Number & Bank account details and dematerialization of shares.**

**Ref: 01. Our STA earlier letter dated 28.06.2018**

02. SEBI Circular dated 20.04.2018 and SEBI (LODR) dated 08.06.2018, and BSE circular dated 05.07.2018

Please refer to our earlier letter and SEBI circulars and BSE circular referred to above, the shareholders who are having shares in physical mode are required to submit the details of Permanent Account Number and Bank account details alongwith the following documents to our Share Transfer Agent M/s Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad 500018, Tel No.040-23818475/765, email id: info@vccilindia.com.

01. Self attested copy of PAN Card of all the Holders.
02. Cancelled Original cheque leaf of sole/first holder  
In case, the name of the sole/first holder is not available on the cheque leaf, kindly submit the copy of the first page of Bank Passbook/Bank Statement duly attested by Bank.

As directed by SEBI, in case of failure to register the PAN and Bank account details, any transaction in the shares of the company shall be subject to enhanced due diligence, as may be prescribed.

**Further, as per SEBI (LODR) Regulations, 2018 No. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and BSE circular No. LIST/COMP/15/2018-19 dated 05.07.2018 request for effecting transfer of shares in physical form shall not be processed from 5th December 2018 unless the shares are held in dematerialised form with a depository. Hence, it would be in your interest, to take necessary steps to dematerialise your shares through your Depository Participant and hold them in Electronic Form.**

Please note that the company has reduced its paid up capital in the F.Y. 2015-16 vide High Court order dated 22.06.2015. And the company accordingly sent all the new shares certificates to the share holders at their address registered with company. If you have not received the new share certificate kindly contact our STA M/s Venture Capital and Corporate Investments Private Limited for exchange of share certificate and further details.

Therefore, we request you to kindly forward attached KYC form duly filled in alongwith copies of supporting documents of all Joint Holders to our STA within 21 days from the date of receipt of this letter.

Thanking you,

Yours faithfully,  
**For Everest Organics Limited,**  
**Sd/-**  
**Company Secretary.**

**Encl: Updation Form**



**KYC UPDATION FORM**

Date: \_\_\_\_\_

To  
Venture Capital and Corporate Investments Private Limited  
**Unit : Everest Organics Limited**  
12-10-167, Bharat Nagar,  
Hyderabad 500 018

Dear Sir,

In terms of SEBI Circular dated 20/04/2018 and rules made their under, I wish to inform you that update my details given below in your records and I enclosed herewith self-attested copy of my PAN Card and original cancelled cheque leaf/Bank Passbook or Bank statement duly attested by Bank.

**General Information:**

Folio No.	
<b>Name of the Sole / First Holder:</b>	
PAN No.	
Aadhar Number	
Father's Name	
Address 1	
Address 2	
Address 3	
Address 4	
Pin Code	
Mobile No	
Email Id	
Bank Account no.	
Bank Name	
Branch Address	
IFSC Code	MICR Code
<b>2<sup>nd</sup> Holder Name</b>	
PAN No.	
<b>3<sup>rd</sup> Holder Name</b>	
PAN No.	

I/We hereby state that the above mentioned details are true and correct.

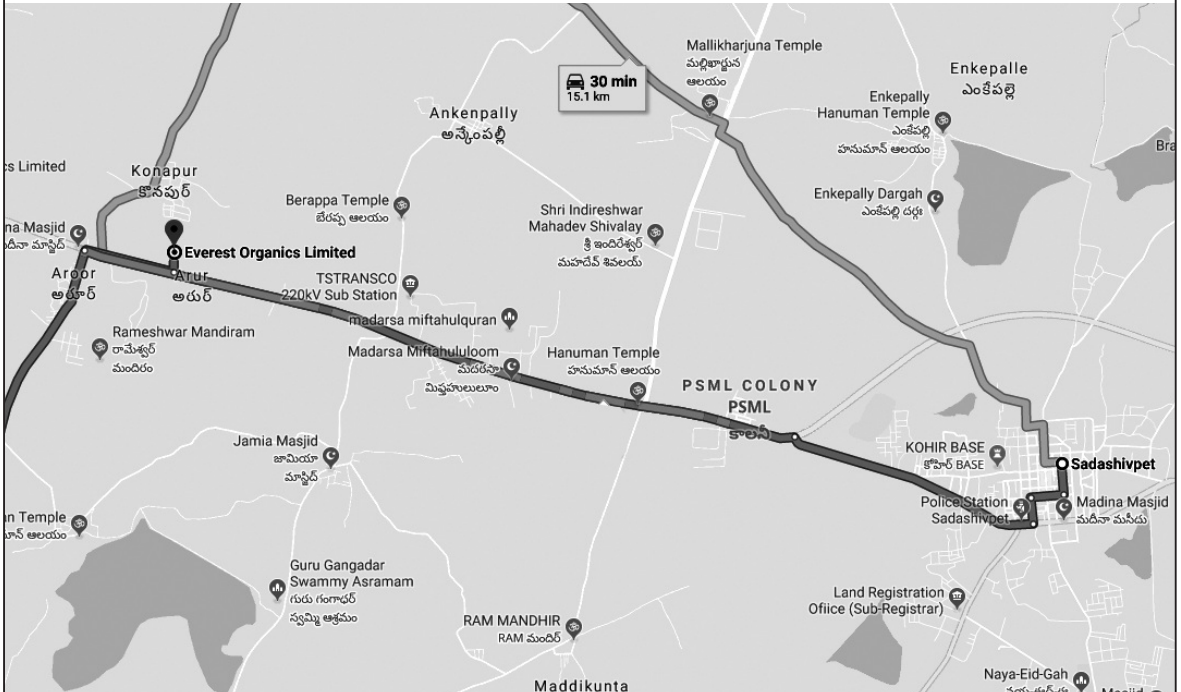
Sole/ First Holder Name: \_\_\_\_\_ Signature: \_\_\_\_\_

2<sup>nd</sup> Holder Name: \_\_\_\_\_ Signature: \_\_\_\_\_

3<sup>rd</sup> Holder Name: \_\_\_\_\_ Signature: \_\_\_\_\_

- Note:**
1. If any change in your details already submitted to us, kindly fill the changes in the form along with supporting documents.
  2. Your details have already submitted to us we have marked as Registered in the respective column, the other details to be submitted to us alongwith supporting documents.
  3. For residents of Sikkim provide self attested copy of Aadhar Card/Passport instead of PAN Card.
  4. You are requested to tear the respective pages and provide the required information.











**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.