



EVEREST ORGANICS LIMITED

CIN : L24230TG1993PLC015426

An ISO 9001:2015 & WHO GMP Certified Company

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- 40040783

Ref: EOL/SEC/COMP/037/2021-22

To
Department of Corporate Services
Bombay Stock Exchange Limited
P. J. Towers, Dalal Street,
Mumbai – 400001
Maharashtra, India

Date: 26.08.2021

Dear Sir,

Sub: Submission of Annual Report for the FY 2020-21 as per Regulations 34 (1) of SEBI (LODR) Regulations, 2015.

Scrip Code: 524790

In compliance with Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of Annual Report of the Company for the financial year 2020-21, together with Notice of the 28th Annual General Meeting of the Company, to be held on **Saturday, September 18, 2021, at 03:00 PM (IST)** through Video Conferencing (VC) /Other Audio Visual Means (OAVM).

Kindly take the above information on record and acknowledge the receipt.

Thanking You.

Yours sincerely,
For Everest Organics Limited


Rekha Singh
Company Secretary

Encl: As above.





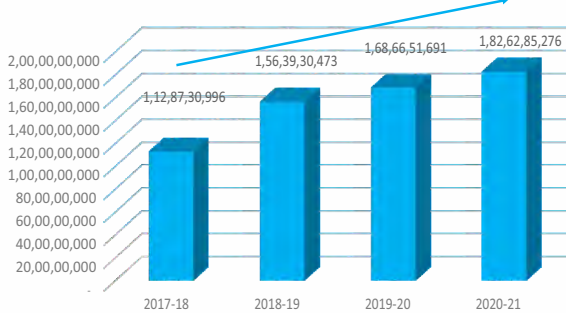
EVEREST ORGANICS LIMITED

28th
ANNUAL
REPORT
2020-21

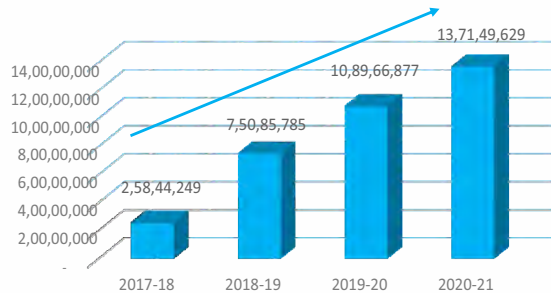




Annual Income Growth



Annual PAT Growth



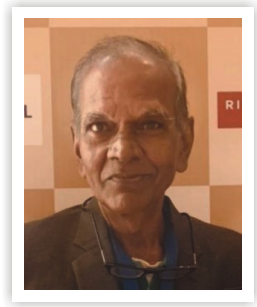


Letter from the Managing Director

Dear Shareholders,

My sincere wishes that each of you is safe and healthy. With immense pleasure I am pleased to present you Everest's Annual Report 2020-21

FY 2020-21 was different in every aspect and held more than its fair share of challenges by any measures. As the world reeled under the coronavirus pandemic that disrupted our collective sense of the normal, we saw crisis of unprecedented nature and effect. It was a year of a global pandemic, unprecedented government actions and lockdown. It is a health crisis of the kind that we have not seen in generations but I am confident that we will eventually get it under control, but until then, I urge you to stay safe, follow covid discipline, get vaccinated if you are eligible and keep your spirits up.



On the business front, watching events unfold throughout the year, we were keenly focused on what we, as a company, could do to serve the community. As I begin this annual letter to shareholders, I am proud of what our company, our team and employees achieved collectively weathered the pandemic very well and made significant all round progress during the year. In this current challenging business environment, the company delivered exceptional results.

We closed the year with strong growth across all our key products as well as new products and markets thereby significantly strengthening our profitability and balance sheet. On the revenue side, your company has continuously witnessed a sturdy revenue growth of 8.27% and I am happy to share that even in the pandemic situation we closed the year on a very strong note. We further achieved considerable progress in our R&D endeavours which fills our hearts and minds with considerable satisfaction and we will continue to progress our existing assets further along the development path while having continued focus for enhancement on anti-viral segment. We have developed and commercialised the much needed COVID-19 drugs (API) such as Oseltamivir, Remdisivir and Posaconazole and these are now ramping up to a meaningful share. It further strengthens our commitment towards R&D challenges and develops new products such as Aprepitant and Bilastine in future

It was a remarkable year from the financial front with a significant growth in the revenue and profit margin of the Company. There was a significant enhancement in export turnover to the tune of 25% and earning per shares grew by 25.86% over the previous year. This is the third consecutive year in the row Company is sharing the wealth by declaring dividend to the shareholders. The dividend of 15% is paid during the year.

We are determined to come out stronger from this pandemic than we have ever been. I would like to express my heartfelt appreciation to the entire team of Everest for their unflinching commitments and dedication, Board members for their supervision and directions and partners, bankers, wider stakeholder community and customers for their continued trust, confidence and support. I am more optimistic than ever of the enormous opportunity ahead of us and we look forward to a successful year ahead

Stay safe. Stay healthy.

With best regards,

Dr. Srikarlapudi Srihari Raju
Managing Director



Message from Director

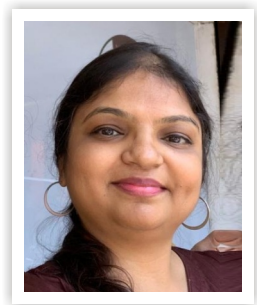
Dr. Srikakarlapudi Sirisha, Director

Everest Organics Limited is an Indian Enterprise moulded with Global Aspirations, which has always demanded a preparedness and long term organisational vision that can encompass the turbulences and paradoxes of shifting terms and terrains of business. Hence in the face of COVID-19 challenges EOL has evolved through.

I believe that at EOL, we have always reflected on the DNA of our Company. We understand what we are good at and how to excel in the Anti-ulcer segments. Among the multitude of opportunities EOL embraced to enter big time into the regulated markets and in that direction filed for 3 ICEP and 1 USDMF.

On the Revenue side, the Company has closed FY 2020-21 at a very positive note with new products like Oseltamivir, Rivoroxaban being commercialised. We have commercialised COVID-19 drug like Remdesivir and Black fungus drugs like Posaconazole on a good note. On the Manufacturing side, in addition to the existing capacity, we are constructing a new block with 100,000 kg capacity to cater to the increasing market demands.

As part of forward integration we intend to set up a pellets unit for which the R&D centre has already been set up. As we move to FY 22, we intend to maintain growth momentum and sage ahead. EOL intends to imbibe innovation and sail through all uncertain business environments by working on our alliances like customers and suppliers over the course of time.



R&D Expansion

Everest Organics Limited has undertaken to innovate and introduce new products & services to our clientele the goal being to typically take new products & services to market and add to company's bottom line and stay ahead in the competition.

With this zeal since 3 years we have been adding multiple drugs to our portfolio. Our R&D space accommodates for new products as well as existing products process improvements. We have launched COVID – 19 treatment drugs like Remdesivir, Posaconazole to our new product portfolio.

Everest endeavours to spend about 2% of its revenue towards Research & Development activities in FY 2021-22 in order for it to be competitive in the market.



Upcoming New Block

In this competitive landscape of pharmaceutical industry, flexibility & speed to market entry are few of the challenges we need to overcome. In this pursuit we have taken up construction of a new block for our new and existing API and intermediates capacity enhancement. It covers a total of 25000 sqft., and 100 tonnes per annum capacity with state of the art facility meeting the regulated marker norms.

**CONTENT**

Contents	Pg. Nos.
CORPORATE INFORMATION	02
NOTICE TO THE MEMBERS	03
BOARDS' REPORT AND ANNEXURES	24
REPORT ON CORPORATE GOVERNANCE AND ANNEXURES	45
MANAGEMENT DISCUSSION & ANALYSIS REPORT	67
INDEPENDENT AUDITORS' REPORT	73
BALANCE SHEET	81
STATEMENT OF PROFIT & LOSS	82
CASH FLOW STATEMENT	90
NOTES TO FINANCIAL STATEMENTS	91

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by Companies through electronic mode. In accordance with circulars issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of physical holdings with the Company.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ramakrishnam Raju Kounparaju	Chairman-Independent Director
Dr. Srikakarlalapati Srihari Raju	Managing Director
Mr. Srikakarlalapati Harikrishna	Whole-time Director
Mr. Akella Parvathisem	Technical Director
Mr. Venkatesan Swaminathan	Independent Director (till 26.01.2021)
Mr. Sreeramakrishna Grandhi	Independent Director
Mr. Kakarlalapati Sitarama Raju	Non-Executive Director
Dr. Srikakarlalapati Sirisha	Non-Executive Director
Mr. Venkatasatyanarayana Murthy Chayaly	Independent Director (from 30.03.2021)

BOARD COMMITTEES:

Audit Committee

Mr. Sreeramakrishna Grandhi
Mr. Ramakrishnam Raju Kounparaju
Mr. Akella Parvathisem

Nomination & Remuneration Committee

Mr. Ramakrishnam Raju Kounparaju
Mr. Sreeramakrishna Grandhi
Dr. Srikakarlalapati Sirisha

Stakeholders Relationship Committee

Mr. Ramakrishnam Raju Kounparaju
Mr. Srikakarlalapati Harikrishna
Mr. Akella Parvathisem

Corporate Social Responsibility Committee

Mr. Ramakrishnam Raju Kounparaju
Mr. Kakarlalapati Sitarama Raju
Mr. Akella Parvathisem

Company Secretary & Compliance Officer

Ms. Rekha Singh

Chief Financial Officer

Mr. Ramakrishna Peruri

BANKERS

HDFC Bank.
State Bank of India;

Listing

Bombay Stock Exchange Limited (BSE), Mumbai

CIN: L24230TG1993PLC015426

CORPORATE OFFICE

Plot No.127 & 128, 1st Floor,
Amar Co-Op. Society, Opp.
Madhapur Police Station Road, Near
Durgam Cheruvu, Madhapur, Hyderabad -
500 033, Telangana
Telephone: 040-40040783,
Facsimile: 040-23115954
Email id : eolcs0405@gmail.com
Website: www.everestorganicsltd.com

Registered Office & Factory Address

Aroor Village, Sadasivpet Mandal
Sanga Reddy (Medak) District,
Telangana – 502 291
Telephone: 08455 -250113
Facsimile: 08455 -250114
Email Id : eolcs0405@gmail.com Website:
www.everestorganicsltd.com

Statutory Auditors

M/s. Suryam & Co.
Chartered Accountants, Hyderabad
Plot 350, Phase – 1, Saket, ECIL Post,
Kapra, Hyderabad - 500062

Internal Auditor

M/s. Harikrishna & Associates
Chartered Accountant, Hyderabad
Flat No. 509, H.No. 7-1-618/EB, Everest
Block, Aditya Enclave, Ameerpet,
Hyderabad-500038

Cost Auditor

M/s. PKR & Associates LLP
Cost Accountants, Hyderabad
Plot No. 404, HMT Hills, Near Ramalayam
Temple, Kukatpally, Hyderabad - 500085

Secretarial Auditor

D. Hanumanta Raju & Co.
Company Secretaries,
B-13, F-1, P.S. Nagar, Vijayanagar Colony,
Hyderabad - 500057

Registrar & Share Transfer Agent

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

**NOTICE****NOTICE**

Notice is hereby given that the 28th Annual General Meeting (AGM) of the members of Everest Organics Limited (CIN: L24230TG1993PLC015426) will be held on Saturday, September 18, 2021 at 03:00 PM (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company including Balance Sheet as at March 31, 2021, Statement of Profit and Loss for the year ended on that date along with Cash Flow Statement and notes forming part of accounts, together with the Reports of the Board of Directors and Auditors' thereon.
2. To confirm the payment of Interim Dividend of 5% i.e. 0.50 paise per share on the Equity Shares and to declare a Final Dividend of 10% i.e. Rs. 1.00 per share on the equity shares for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Kakarlapudi Sitarama Raju (DIN: 02955723), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Srikakarlapudi Sirisha (DIN: 06921012), who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5. **Re-appointment of Dr. Srikakarlapudi Srihari Raju (DIN: 01593620) as the Managing Director of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals and permissions as may be required in this regard, the consent and approval of the members of the Company be and is hereby accorded by way of Special Resolution to the re-appointment of Dr. Srikakarlapudi Srihari Raju (DIN: 01593620), as the Managing Director of the Company, for a period of 3 (Three) years commencing from September 28, 2021, and he shall continue to act as the Managing Director of the Company on attaining the age of 70 years during the aforesaid term of his re-appointment and that he shall not be liable to retire by rotation on the following terms and conditions:

Salary and Perquisites;

1. Basic Salary of Rs. 50 lakhs per annum (inclusive of all allowances).
2. Eligible for chauffeur driven car not more than Rs. 75 Lakhs.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter or modify the remuneration, terms and conditions, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall ceiling specified in the Companies Act, 2013 and as may be agreed between the Board of Directors and Dr. Srikakarlapudi Srihari Raju.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the remuneration will be paid as a Minimum Remuneration to Dr. Srikakarlapudi

**NOTICE**

Srihari Raju as Managing Director, subject to the limits and conditions prescribed under Section II of Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution.”

6. **Appointment of Dr. Srikakarlapudi Sirisha (DIN: 06921012) as the Chief Executive Officer of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of the Article of Association of the Company, Section 2(18), 2(51), 196, 197, and 203, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals as may be required in this regard, the consent and approval of the members of the Company be and is hereby accorded for the appointment and terms of remuneration of Dr. Srikakarlapudi Sirisha (DIN: 06921012) as the Chief Executive Officer (CEO) of the Company, for a period of 3 (Three) years effective from October 01, 2021, upon the following terms and conditions;

Salary and Perquisites as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors;

1. Basic Salary of Rs. 18 lakhs per annum or 1 percent of the Profit before tax and after depreciation of the Company whichever is higher with effect from October 01, 2021;
2. Eligible for annual increment of no less than 10% for the subsequent years with effect from October 01, 2022;
3. Eligible for house rent allowance of Rs. 6 lakhs per annum;
4. Eligible for incidental expenses of up to Rs. 6 Lakhs per annum subject to performance evaluation by the Board.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter or modify the remuneration, terms and conditions, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall ceiling specified in the Companies Act, 2013 and as may be agreed between the Board of Directors and Dr. Srikakarlapudi Sirisha.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during her tenure of office, the remuneration will be paid as a Minimum Remuneration to Dr. Srikakarlapudi Sirisha as Chief Executive Officer, subject to the limits and conditions prescribed under Section II of Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution.”

7. **Appointment of Mr. Venkatasatyanarayana Murthy Chayaly (DIN: 01460761) as an Independent Director of the Company.**

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

**NOTICE**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and as per applicable Regulations and Schedules of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Venkatasatyanarayana Murthy Chayaly (DIN: 01460761), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2021 pursuant to Section 161 of the Act and as recommended by Nomination and Remuneration Committee and Board of Directors, and who holds office up to the date of this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from March 30, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds, matters and things and take all such steps as may be considered necessary, proper or expedient to give effect to the aforesaid resolution.”

8. Revision of remuneration payable to Mr. Srikakarlapudi Harikrishna (DIN: 01664260), Whole-time Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Article of Association of the Company and subject to such other approvals as may be necessary and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is accorded for the revision in the remuneration payable to Mr. Srikakarlapudi Harikrishna (DIN: 01664260), Whole-time Director of the Company on following terms and conditions effective from January 01, 2022:

Salary and Perquisites as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors;

1. Basic Salary of Rs. 15 lakhs per annum or 1 percent of the Profit before tax and after depreciation of the Company whichever is higher with effect from January 01, 2022, subject to written evaluation, satisfactory performance and recommendation by the Board.
2. Eligible for incidental expenses of upto Rs. 3 Lakhs per annum subject to performance evaluation by Board.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter or modify the remuneration, terms and conditions, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall ceiling specified in the Companies Act, 2013 and as may be agreed between the Board of Directors and Mr. Srikakarlapudi Harikrishna.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the remuneration will be paid as a Minimum Remuneration to Mr. Srikakarlapudi Harikrishna, subject to the limits and conditions prescribed under Section II of Schedule V of the Companies Act, 2013, as may be amended from time to time.

**NOTICE**

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution.”

9. Revision of remuneration payable to Mr. Akella Parvathisem (DIN: 00910224), Technical Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Article of Association of the Company and subject to such other approvals as may be necessary and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is accorded for the revision in the remuneration payable to Mr. Akella Parvathisem (DIN: 00910224), Technical Director of the Company on following terms and conditions effective from January 01, 2022:

Salary and Perquisites as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors;

1. Basic Salary of Rs. 50 lakhs per annum (inclusive of all allowances).
2. Eligible for increment of about 0.50% of the Profit before tax and after depreciation of the Company with effect from January 01, 2022, subject to written evaluation, satisfactory performance and recommendation by the Board.
3. Eligible for chauffeur driven car not more than Rs. 25 Lakhs.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter or modify the remuneration, terms and conditions, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall ceiling specified in the Companies Act, 2013 and as may be agreed between the Board of Directors and Mr. Akella Parvathisem.

RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any financial year during his tenure of office, the remuneration will be paid as a Minimum Remuneration to Mr. Akella Parvathisem, subject to the limits and conditions prescribed under Section II of Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution.”

10. Power to borrow funds in excess of the paid up Capital and Free Reserves:

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

“**RESOLVED THAT** in supersession of all earlier resolutions passed on the matter and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, the consent and approval of the members of the Company be and is hereby accorded to borrow from time to time all such sums of money as may deem requisite for the purpose of the business of the Company provided that the moneys to be borrowed together with the moneys already borrowed by the company apart from temporary loans obtained from the company’s bankers in the ordinary course of business shall not exceed the aggregate of the paid-up capital and free reserves by more than Rs. 100 Crores (Rupees

**NOTICE**

One Hundred Crores only) and that the Board be and is hereby empowered and authorized 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, thinks fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to finalize and execute such documents, instruments and writings, as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable in the best interest of the Company.”

11. Authority to create mortgages, charges and hypothecations on the assets of the Company:

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

“**RESOLVED THAT** in supersession of all earlier resolutions 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 (including any statutory modifications or re-enactment thereof, for the time being in force), read with the Articles of Association of the Company, the consent and approval of the members of the Company be and is hereby accorded, for the creation of such charges, mortgages and hypothecations as may be necessary, in addition to the existing charges, mortgages and hypothecation created by the Company, on all immovable and movable properties of the Company, both present and future, up to an amount not exceeding the aggregate of the paid up capital and free reserves by more than Rs. 100 Crores (Rupees One Hundred Crores only) in favour of lending Financial Institution (s)/ Corporate Body(s)/ Person(s)/ Corporation(s)/ Government(s)/ Lender(s)/ Bank(s) for moneys borrowed or to be borrowed.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to finalize the terms and conditions for creating the aforesaid mortgages and / or charges and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable in the best interest of the Company.”

12. Ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2022:

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

“**RESOLVED THAT** pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any modifications or re-enactment thereof for the time being in force), the consent of the members of the Company be and are hereby accorded to ratify the remuneration of Rs. 3.00 Lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, payable to M/s. PKR & Associates, LLP, Cost Accountants (Firm Registration Number AAB7156), Hyderabad to conduct the audit of Cost Records of the Company, for the financial year ending March 31, 2022.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

Date: 05.08.2021
Place: Hyderabad

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

Sd/-
Rekha Singh
Company Secretary

**NOTICE****NOTES FOR MEMBERS:**

1. In view of the continuing global COVID-19 pandemic, and for maintaining social distancing norms the Ministry of Corporate Affairs (MCA) vide General Circular No. 02/2021 dated January 13, 2021 read with General Circular Nos. 20/2020 dated May 05, 2020, 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020 (collectively "MCA Circulars") and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (hereinafter collectively referred to as "the Circulars"), the Companies are permitted to hold the Annual General Meeting (AGM) of the Company through Video Conference (VC)/ Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly the 28th Annual General Meeting of the Company will be convened through VC/OVAM in compliance with the provisions of the Act and Rules made thereunder, Listing Regulations read with the Circulars. The registered office of the Company shall be deemed to be the venue for the Annual General Meeting.
2. **PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013 ('ACT'), A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING PROPOSED TO BE HELD PURSUANT TO THE SAID MCA CIRCULARS AND SEBI CIRCULARS THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM ARE NOT ANNEXED TO THIS NOTICE.**
3. A Corporate Members intending to send its authorized representative(s) to attend the meeting through VC/OAVM or to vote through remote e-Voting are requested to send to the Company a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on its behalf at the Meeting.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, and Rules made thereunder in respect of the items of Special Business set out in the notice, Secretarial Standard on General Meetings (SS-2), wherever applicable and SEBI (LODR) Regulations, 2015 wherever applicable is annexed hereto.
5. The Company has notified that the Register of Members of the Company and Share Transfer books will remain closed from September 11, 2021 to September 18, 2021 (both days inclusive) for annual closing and determining the entitlement of the shareholders for the final dividend for 2020-21.
6. The Board of Directors of the Company at their meeting held on June 12, 2021 have recommended a dividend of Rs. 1/- per equity shares of Rs. 10/- each as final dividend for the financial year 2020-21. Dividend, if declared, at the 28th Annual General Meeting will be paid within 30 days from the date of Annual General Meeting, subject to deduction of tax at source, to those members whose names appear on the register of members of the Company as on record date i.e. September 10, 2021.
7. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agents (RTA) or with the Company Secretary, at the Company's corporate office or at eolcs0405@gmail.com without any further delay. We further request to opt for Electronic Clearing Service for future reference, so that dividends paid by the Company shall be credited to the Members' account on time.
8. In terms of Schedule I of the Listing Regulations, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as electronic clearance service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), direct credit, real time gross



NOTICE

settlement (RTGS), national electronic fund transfer (NEFT), etc. for making payments like dividend etc. to the members.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form shall send a request updating their bank details, to the Company's RTA.

In compliance with the Circulars, the company shall dispatch by post the dividend warrants/demands draft to those members who have not registered their bank mandate with company.

9. Members are requested to note that dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund (IEPF).
10. Pursuant to the changes introduced in the Income Tax Act, 1961 as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) at the time of making the payment of dividend to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA, M/s. Venture Capital & Corporate Investments Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode)
 - a. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investor.relations@vccipl.com latest by September 10, 2021 5:00 p.m. IST. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
 - b. Non-resident shareholders [including Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs) can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investor.relations@vccipl.com. The aforesaid declarations and documents need to be submitted by the shareholders latest by September 10, 2021 5:00 p.m. IST.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circulars no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Venture Capital and Corporate Investments Private Limited for assistance in this regard.

Dispatch of Annual Report through electronic mode

12. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2020-21 will be sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice of 28th AGM and Annual Report 2020-21 will also be available on the Company's website www.everestorganicsltd.com, website of CDSL (www.evotingindia.com) and on the websites of the Stock Exchanges, i.e., BSE Limited (www.bseindia.com).

**NOTICE**

13. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered / updated their email addresses with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card to the Company's Registrar and Share Transfer Agent (RTA), M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad 500 018, Telangana, India Tel: 040-23818475, 8476, Fax: 040-23868024, E-mail ID: info@vccipl.com and/or investor.relations@vccipl.com.
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
14. If the shares are held in dematerialized form, members are requested to update their bank details, nominations, power of attorney and notify any changes with respect to their name, postal address, e-mail address, contact numbers, ECS mandates etc. to their depository participants with whom they are maintaining their demat accounts. If the shares are held in physical form, members are requested to intimate such changes, if any, to the Company's Registrar and Share Transfer Agent (RTA), M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad 500 018, Telangana, India Tel: 040-23818475, 8476, Fax: 040-23868024, E-mail ID: info@vccipl.com.

All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.
15. SEBI has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company or its RTA.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Nomination Form No. SH-13. Members are requested to submit the said details to the Company/ RTA in case shares are held in physical form and to their depository participants in case the shares are held by them in electronic form.
17. Members holding shares in physical form, in identical order of names in more than one folio are requested to write to the Company/ RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Agreements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the Annual General Meeting.
20. Retirement of Directors by rotation: Mr. Kakarlapudi Sitarama Raju & Dr. Srikakarlapudi Sirisha, Directors of the Company, retire by rotation at the ensuing AGM and, being eligible, offer themselves for re-appointment. The Board of Directors recommends the re-appointment of Dr. Srikakarlapudi Sirisha & Mr. Kakarlapudi Sitarama Raju, Directors, whose office is liable to retire by rotation. Brief profiles of Directors and relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) are provided as an **"Annexure"** to this Notice.

**NOTICE**

21. Members may also note that the Notice of the 28th Annual General Meeting is available on the website of the Company www.everestorganicsltd.com. All the relevant documents referred to in the Notice will be available electronically for inspection by the members during the Annual General Meeting. Members who wish to inspect such documents are requested to write to the Company by sending an email to eolcs0405@gmail.com.
22. Members, desiring any information or clarification with regard to the financials and operations of the Company from the management or the statutory auditors, are requested to write to the Company, at least one week before the date of the meeting through email at eolcs0405@gmail.com. The same will be replied by the Company suitably.

23. Voting through electronic means:**CDSL e-Voting System For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 28th Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.everestorganicsltd.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.



NOTICE

- 7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- 8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January13, 2021.

INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

- (i) The e-voting period begins on Wednesday, September 15, 2021 at 09:00 hrs and ends on Friday, September 17, 2021 at 17:00 hrs. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 10, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.

**NOTICE**

	<ol style="list-style-type: none"> 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**NOTICE**

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and 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) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (iv).

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

**NOTICE**

- (viii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolutions details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the login password then Enter the User ID and Captcha Code/ image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non - Individual Shareholders and Custodians - Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; eolcs0405@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.



NOTICE

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance to the Company on or before September 05, 2021 mentioning their name, demat account number/folio number, email id, mobile number at eolcs0405@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance to the Company on or before September 05, 2021 mentioning their name, demat account number/folio number, email id, mobile number at eolcs0405@gmail.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



NOTICE

General Instructions:

- i. The Members whose names appear in the Register of Members / List of Beneficial Owners of the Company as on September 10, 2021 (cut-off date) are entitled to vote on the resolutions set forth in this Notice. The voting rights of shareholders shall be in proportion to the shares held by them of the paid-up equity share capital of the Company as on the cut-off date (record date).
- ii. The Board of Directors has appointed Ms. D. Renuka, Practicing Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.
- iii. The Scrutinizer, after scrutinizing the votes cast at the meeting through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.everestorganicsltd.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- iv. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

Date: 05.08.2021
Place: Hyderabad

BY ORDER OF THE BOARDS
For Everest Organics Limited

Sd/-
Rekha Singh
Company Secretary

**EXPLANATORY STATEMENT****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013****Item No. 5**

Dr. Srikakarlapudi Srihari Raju was re-appointed as the Managing Director of the Company by the Board of Directors at its meeting held on August 27, 2018 for a period of 3 years. The same was subsequently approved by the members at the 25th Annual General Meeting held on September 28, 2018. The said re-appointment term shall be expired on 27.09.2021. Therefore as per the provisions of Companies Act, 2013, the Company is required to re-appoint him for executing his duty as the Managing Director.

The Board of Directors at its meeting held on August 05, 2021, considering the tremendous Contribution of Dr. Srikakarlapudi Srihari Raju in the growth and progress made by the Company under his leadership and guidance and based on the recommendation of Nomination and Remuneration committee, approved the re-appointment of Dr. Srikakarlapudi Srihari Raju as the Managing Director of the Company for a further period of three years commencing from September 28, 2021.

Further, Dr. Srikakarlapudi Srihari Raju, during the tenure of his re-appointment would attain the age of 70 years on April 08, 2022. As per the provisions of Section 196(3) read with Schedule V (Part 1) (c) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Dr. Srikakarlapudi Srihari Raju has rich and varied experience in the Industry and has been involved in the operations of the Company since its incorporation; it would be in the interest of the Company to continue the services of Dr. Srikakarlapudi Srihari Raju as the Managing Director of the Company for a further period of 3(Three) years.

The remuneration payable to Dr. Srikakarlapudi Srihari Raju shall be as per the terms and conditions enumerated in the resolution and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at its Meeting held on August 05, 2021. The said remuneration shall be within the stipulations of Sections 197, 198 of the Act and Schedule V thereto.

The details of Dr. Srikakarlapudi Srihari Raju as required under the provisions of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meetings issued by ICSI and other applicable provisions are provided in Annexure forming part of this Notice.

The Board recommends the Special resolution set forth in Item No. 5 of the Notice for approval of members.

Except Dr. Srikakarlapudi Srihari Raju, Mr. Kakarlapudi Sitarama Raju, Mr. Srikakarlapudi Harikrishna and Dr. Srikakarlapudi Sirisha being relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 6

Dr. Srikakarlapudi Sirisha (DIN: 06921012) was appointed as a Non-executive Director of the Company w.e.f. July 30, 2014. The Board of Directors at their meeting held on August 05, 2021, considered the extensive contribution made by Dr. Srikakarlapudi Sirisha through her significant professional expertise and rich experiences across a wide spectrum of functional and operational area such as Research and Development, Business Development, Regulatory compliances, marketing, corporate strategy and information system in the progress and expansion of the Company is past few years and based on the

**EXPLANATORY STATEMENT**

recommendation of Nomination and Remuneration Committee, approved and appointed Dr. Srikakrapudi Sirisha as Chief Executive Officer (CEO) of the Company for a period of 3 (three) years commencing from October 01, 2021, subject to the approval of shareholders at the general meeting.

The Board further reconsidered and approved the remuneration payable to Dr. Srikakrapudi Sirisha as per the terms and conditions enumerated in the resolution and based on the recommendation of the Nomination and Remuneration Committee and the Board of the Directors at Meeting held on August 05, 2021. The said remuneration shall be within the stipulations of Sections 197, 198 of the Act and Schedule V thereto.

The details of Dr. Srikakrapudi Sirisha as required under the provisions of Regulation 36(3) of the Securities and Exchange Board of India (Listing Regulation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by ICSI and other applicable provisions are provided in Annexure forming part of this Notice.

The Board recommends the Special resolution set forth in Item No. 6 of the Notice for approval of members.

Except Dr. Srikakrapudi Srihari Raju, Mr. Kakrapudi Sitarama Raju and Mr. Srikakrapudi Harikrishna being relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 7:

Mr. Venkatasatyanarayana Murthy Chayaly (DIN: 01460761), on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director in the capacity of a Non-Executive Independent Director with effect from March 30, 2021, by the Board of Directors in accordance with Articles of Association and Section 149 (6) , 161 and Schedule IV of the Companies Act, 2013 (Act).

As per section 161 of the Act, Mr. Venkatasatyanarayana Murthy Chayaly holds office upto the date of the ensuing AGM. The company has received the requisite notice in writing under Section 160 of the Act along with the deposit of the requisite amount from a member proposing the candidature of Mr. Venkatasatyanarayana Murthy Chayaly, to be appointed as an Independent Non-Executive Director at the ensuing AGM not liable to retire by rotation. Mr. Venkatasatyanarayana Murthy Chayaly has consented to the proposed appointment and declared qualified. Mr. Venkatasatyanarayana Murthy Chayaly possesses requisite knowledge, experience and skill for the position of Independent Director as per required criteria under the Act and rules and regulations made thereunder.

Based on the recommendation received from the Nomination and Remuneration Committee and in view of his knowledge, skill and invaluable expertise related to the industry of the company, it is proposed to appoint Mr. Venkatasatyanarayana Murthy Chayaly as an Independent Non-Executive Director of the Company in terms of Section 149 read with Section 152 of the Companies Act, 2013. In terms of Section 149 and 152 of the Companies Act, 2013, Mr. Venkatasatyanarayana Murthy Chayaly is not liable to retire by rotation. Mr. Venkatasatyanarayana Murthy Chayaly, if appointed, will hold office for a consecutive term of 5 (five) years commencing from March 30, 2021.

The terms and conditions of appointment of Mr. Venkatasatyanarayana Murthy Chayaly as an Independent Non-Executive Director is available for inspection by members at the Registered Office of the Company on any working day during working hours between 9.30 a.m. to 6 p.m.

The Board recommends the Ordinary resolution set forth in Item No. 7 of the Notice for approval of members.

**EXPLANATORY STATEMENT**

Except Mr. Venkatasatyanarayana Murthy Chayaly, no other Directors, Key Managerial Personnel and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution.

Item No. 8

Mr. Srikakarlapudi Harikrishna was re-appointed as Whole-time Director of the Company by the Board of Directors at its meeting held on July 30, 2019 for a period of 3 years. The same was subsequently approved by the members at the 26th Annual General Meeting held on September 10, 2019.

Further considering the significant contribution made by Mr. Srikakarlapudi Harikrishna in the growth and development of the Company and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its Meeting held on August 05, 2021 approved the revision in the remuneration payable to Mr. Srikakarlapudi Harikrishna, on the terms and conditions enumerated in the resolution. These revisions in remuneration shall be effective from January 01, 2022 and the said increase in the remuneration will be within the stipulations of Section 197, 198 of the Act and Schedule V thereto.

The details of Mr. Srikakarlapudi Harikrishna as required under the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by ICSI and other applicable provisions are provided in Annexure forming part of the Notice.

The Board recommends the Special resolution set out as item no. 8 of this Notice for approval of the members.

Except Dr. Srikakarlapudi Srihari Raju, Dr. Srikakarlapudi Sirisha and Mr. Kakarlapudi Sitarama Raju being relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 9

Mr. Akella Parvathisem, Technical Director of the Company was appointed in the year 2004. Considering the technical expertise of Mr. Akella Parvathisem and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its Meeting held on August 05, 2021 approved the revision in the remuneration payable to Mr. Akella Parvathisem, on the terms and conditions enumerated in the resolution. These revisions in remuneration shall be effective from subsequent year and the said increase in the remuneration will be within the stipulations of Section 197, 198 of the Act and Schedule V thereto.

The details of Mr. Akella Parvathisem as required under the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by ICSI and other applicable provisions are provided in Annexure forming part of the Notice.

The Board recommends the Special resolution set out as item no. 9 of this Notice for approval of the members.

Except Mr. Akella Parvathisem, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 10 & 11:

The existing borrowing limit for the Company was approved by the members in their 25th Annual General Meeting held on September 28, 2018, pursuant to the provisions of Section 180(1) (c) and Section 180(1)

**EXPLANATORY STATEMENT**

(a) of the Companies Act, 2013. The current borrowing limit as approved by the shareholders is INR 100 Crores (Rupees One Hundred Crores).

Hence, considering the business plans and the growing fund requirements of the Company, the Company may need to borrow in excess of the paid-up capital and free reserves to meet the corporate and working capital requirements. Thus, it is proposed to increase the existing borrowing limit of the Company from INR 50 crores to INR 100 crores. The approval of the shareholders by way of special resolution is required for borrowing in excess of paid-up capital and free reserves and to create charge on the assets of the Company pursuant to Section 180(1) (c) and Section 180(1) (a) of the Companies Act, 2013 and rules made thereunder.

The Board recommends the Special resolution set forth in Item No. 10 & 11 of the Notice for approval of members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise in the said resolution.

Item No. 12:

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of "PKR & Associates, LLP", Cost Accountants (FRN: AAB7156), as Cost Auditors at a remuneration of Rs. 3,00,000/- (Rupees Three Lakhs only) per annum plus out of pocket expenses and applicable taxes, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022.

In accordance with the provisions of the Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item no. 12 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

The Board recommends the Ordinary resolution set forth in item no. 12 of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise in the said resolution.

**ANNEXURE**

Details of Directors Seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and as per Secretarial Standards on general meetings are as under:

Name of the Director	Srikakarlapudi Srihari Raju	Srikakarlapudi Sirisha	Kakarlapudi Sitarama Raju
Designation	Managing Director	Chief Executive Officer	Non-Executive Director
Brief Profile			
Date of Birth (Age)	08-04-1952 (69 Years)	07-12-1977 (43 Years)	04-07-1946 (75 Years)
Qualification	M.B.B.S, MD, DA	M.B.B.S, MD	B. Tech., M. Tech. in Chemical Engineering
DIN	01593620	06921012	02955723
Date of Appointment /Reappointment on the Board of the Company	28.09.2021 (Original Appointment Date 19-02-1993)	01.10.2021 (Original Appointment Date 30-07-2014)	18.09.2021 (Original Appointment Date 19-04-1995)
Nature of expertise in specific functional areas	Corporate Management	Regulatory, Research and Development and Business Development	Environmental Management, General Management
Inter-se relationship between Directors and other Key Managerial Personnel	Dr. Sirisha is daughter of Dr. S.K. Srihari Raju, Managing Director and Mr. Harikrishna and Mr. Sitarama Raju are his relatives	Dr. Sirisha is daughter of Dr. S.K. Srihari Raju, Managing Director	Mr. Sitarama Raju is brother of Dr. S.K. Srihari Raju, Managing Director.
Terms and Conditions along with details of remuneration sought to be paid	As mentioned in the Resolution read with Explanatory Statement	As mentioned in the Resolution read with Explanatory Statement	--
Name(s) of other Companies in which Directorships held	BK Advance Research LLP	Everest Lifescience Private Limited	Nil
Chairman /Member of the Committee till date	Nil	Chairman: Nil Member: 1. Nomination & Remuneration Committee	Member in CSR Committee
Name(s) of other Companies in which Committee Membership(s)/ Chairman(s) held			
Audit Committee	Nil	Nil	Nil
Stakeholders Relationship Committee	Nil	Nil	Nil
Nomination & Remuneration Committee	Nil	Nil	Nil
Other Committees	Nil	Nil	Nil
No. of Shares held	1552989	107856	113508
Details of remuneration last drawn	Rs. 48,50,000/- (Total Remuneration drawn in FY 2020-21)	Nil (Drawn Rs. 14,40,000/- as commission and Rs. 37,500/- as sitting fees)	Nil (Draws Rs. 30,000/- as sitting fees)
No. of Board Meeting attended during the year	5/5	3/5	2/5

**ANNEXURE**

Details of Directors Seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and as per Secretarial Standards on general meetings are as under:

Name of the Director	Venkatasatyanarayana Murthy Chayaly	Srikakarlapudi Harikrishna	Akella Parvathisem
Designation	Independent Director	Whole-time Director	Technical Director
Brief Profile			
Date of Birth (Age)	27-01-1965 (56 Years)	20-01-1979 (42 Years)	25-08-1967 (54 Years)
Qualification	B. Tech. in Chemical Engineering, PGDIE, PGDM	BE (MPIE)	B.Sc.
DIN	01460761	01664260	00910224
Date of Appointment /Reappointment on the Board of the Company	30.03.2021 (Original Appointment Date 30.03.2021)	08.09.2020 (Original Appointment Date 29-09-2007)	08.09.2020 (Original Appointment Date 28-08-2004)
Nature of expertise in specific functional areas	Business Development & Marketing	Projects and Administration	Technical
Inter-se relationship between Directors and other Key Managerial Personnel	He is not related with any Director and Key Managerial Personnel of the Company	Mr. Harikrishna is relative of Dr. Srikakarlapudi Srihari Raju, Managing Director	He is not related with any Director and Key Managerial Personnel of the Company
Terms and Conditions along with details of remuneration sought to be paid	As mentioned in the Resolution read with Explanatory Statement	As mentioned in the Resolution read with Explanatory Statement	As mentioned in the Resolution read with Explanatory Statement
Chairman /Member of the Committee till date	Nil	Chairman: Nil Member of Stakeholder Relationship Committee	Chairman: Nil Member of 1. Audit Committee 2. Stakeholder Relationship Committee
Name(s) of other Companies in which Committee Membership(s)/ Chairman(s) held			
Audit Committee	Nil	Nil	Nil
Stakeholders Relationship Committee	Nil	Nil	Nil
Nomination & Remuneration Committee	Nil	Nil	Nil
Other Committees	Nil	Nil	Nil
No. of Shares held	0	5996	36
Details of remuneration last drawn	Nil	Rs. 12,00,000/- (Total Remuneration drawn in FY 2020-21)	Rs. 48,50,000/- (Total Remuneration drawn in FY 2020-21)
No. of Board Meeting attended during the year	0/0	5/5	5/5

**BOARD'S REPORT****BOARD'S REPORT**

Dear Shareholders,

Your Directors are pleased to present the 28th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2021.

1. FINANCIAL RESULTS AND OPERATIONS:

i. Financial Results:

The Company's financial performance for the year ended March 31, 2021 as compared with the previous year is summarized below:

Amount in Rs.

S. No.	Particulars	2020-21	2019-20
I	Total Revenue	1,826,285,276	1,686,651,691
II	Profit before Financial Cost, Depreciation, and Tax	239,044,756	207,342,686
III	Less : Financial Cost	32,562,892	34,334,199
IV	Less : Depreciation	33,746,339	32,081,445
V	Profit Before Tax	172,735,525	140,927,042
VI	Less : Provision for Income Tax	30,200,000	22,700,000
VII	Less: Deferred Tax	5,385,897	9,260,165
VIII	Profit After Tax	137,149,629	108,966,877
IX	Other Comprehensive Income	-	-
X	Total Comprehensive Income for the period	137,149,629	108,966,877
XI	Add: Brought forward from Previous Year	262,021,544	179,755,769
XII	Closing Balance of Reserves & Surplus	385,755,945	262,021,544

ii. Operations:

During the year under review, your Company has register a total revenue of Rs. 1,826,285,276/- as against Rs. 1,686,651,691/- for the previous corresponding year showing a year-on-year growth of 8.27%

Whereas the Net Profit of the Company was Rs. 137,149,629/- as against Net Profit of Rs. 108,966,877/- for the previous year showing a rise of 25.86% in the profit of the Company. Earnings per share for the year was Rs. 17.14/-.

2. COVID – 19 :

Amidst the ongoing COVID-19 pandemic that has gripped the world and has emerged as a global challenge, creating disruption across the world, your Management and Directors appreciate the stupendous efforts of Everest Family in ensuring health and safety of employees and also maintaining continuity of supply of committed products and their uncompromising commitment to continue to work and ensure that despite challenges, new lifesaving API products developed and manufactured by the Company and shall be made available across the world.

**BOARD'S REPORT**

The physical and emotional wellbeing of the employees continues to be a top priority for the Company, with an initiative to put free immunization drives to encourage employees and their family members to get vaccination. In its fight against COVID-19, the Company's CSR activities has been at the forefront for providing relief by supplying food, medicine and personal protective equipment etc. to the underprivileged nearby villagers and frontline warriors across regions along with free vaccination drive. The Company has extended support and distributed essential commodities where the need was the most.

3. DIVIDEND:

In order to be in line with the practice of returning free cash flow to shareholders and based on the Company's performance, the Directors have declared interim dividend of @ 5% i.e. Rs. 0.50/- (Fifty Paise only) per equity share of Rs. 10/- each. Further, the Directors have also recommended a final dividend @ 10% i.e. Rs. 1.00/- (Rupee One only) per equity share of Rs. 10/- each for the FY 2020-21, subject to the approval of the shareholders at the ensuing 28th Annual General Meeting (AGM) of the Company. Dividend shall be payable to those shareholders whose names appear on the Register of Members of the Company as on record date i.e. September 10, 2021.

The total Dividend for the FY 2020-21 amounted to 15% i.e. Rs. 1.50/- (One Rupee and Fifty Paise only) per equity share of Rs. 10/- each and would involve a total cash outflow of Rs. 1.20 Crore (Rupees One Crore Twenty Lakhs only).

4. TRANSFER TO RESERVES:

The Company has not proposed to transfer any amount to the general reserves for the year ending March 31, 2021.

5. SHARE CAPITAL

There was no change in the Share Capital of the Company, during the year 2020-21. The paid up Equity Share Capital as on March 31, 2021 was Rs. 80,000,000/- (Rupees Eight Crores only).

6. DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public pursuant to the provision of section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

7. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there was no change in the nature of the business of the Company.

8. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

The Company does not have any subsidiary / joint venture / associate companies during the year under review.

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The detailed report on the Management Discussion and Analysis for the year under review as stipulated in compliance with Regulation 34 (3) read with Schedule V (B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented and forms part of this Annual Report.

10. CORPORATE GOVERNANCE REPORT:

Your Directors reaffirm their continued commitment to adhere to the highest standards of Corporate Governance. In compliance with the Regulation 34 (3) read with Schedule V (C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 the Report on Corporate Governance as on March 31, 2021 as stipulated

**BOARD'S REPORT**

under the Listing Regulations forms part of this Annual Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to the report on Corporate Governance and forms part of this Annual Report.

11. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Relevant information on composition of the Board and number of meetings is provided in 'Board of Directors' section of Report on Corporate Governance which forms part of this Annual Report.

a) Statement of Declaration given by Independent Director:

All Independent Directors have submitted the Declaration of Independence, in compliance with the provisions of Section 149 (7) of the Companies Act, 2013 and Regulation 25 (8) of the Listing Regulations stating that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

b) Directors Retire by Rotation:

In accordance with the requirements of the Companies Act, 2013 and Article of Association of the Company Mr. Kakarlapudi Sitarama Raju and Dr. Srikakarlapudi Sirisha, Directors retire by rotation and offer themselves for re-appointment. Your Board of Directors recommends their re-appointment. Their brief profile has been provided in the notice and forms part of this Annual Report.

c) Appointment and Re-appointment of Directors and CEO:

Pursuant to the sad demise of Mr, Swaminathan Venkatesan, an Independent Director of the company dated 26.01.2021, Mr. Venkatasatyanarayana Murthy Chayaly was appointed as an Additional Director (Independent Category) at the Board Meeting of the Company held on 30.03.2021. The Board recommends the appointment of Mr. Venkatasatyanarayana Murthy Chayaly as an Independent Director under Section 149 of the Companies Act, 2013 for a term of five years for approval of the members at the ensuing Annual General Meeting. In accordance with Section 149 (7) of the Companies Act, 2013 Mr. Venkatasatyanarayana Murthy Chayaly has confirmed that he meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of the Listing Regulations.

The term of appointment of Dr. Srikakarlapudi Srihari Raju, Managing Director of the Company will expire on 28.09.2021. The Board recommends the re-appointment of Dr. Srikakarlapudi Srihari Raju as Managing Director of the Company with effect from 28.09.2021 for a period of three years in accordance with the provisions of the Companies Act, 2013. Further he will be attaining the age of 70 years during the aforesaid term of his re-appointment hence approval by the members shall be obtained by passing a special resolution.

Pursuant to the applicable provisions of Companies Act, 2013 and Listing Regulations, the Board recommends the appointment of Dr. Srikakarlapudi Sirisha as the Chief Executive Officer of the Company with effect from October 01, 2021 for a period of 3 (three) years and fixes remuneration thereof.

The Board recommends the appointment and re-appointment of above said directors to the shareholders. The Notice convening 28th AGM sets out their details.

d) Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company during the year are – Dr. Srikakarlapudi Srihari Raju, Managing Director, Mr. Ramakrishna Peruri, Chief Financial Officer and Ms. Rekha Singh, Company Secretary.

**BOARD'S REPORT**

Dr. Srikakarlapudi Sirisha shall be appointed as the Chief Executive Officer of the Company with effect from October 01, 2021.

Remuneration and other matters provided in section 178(3) of the Act have been disclosed in the Report on Corporate Governance, which forms part of this Annual report.

e) Meetings of the Board:

During the FY 2020-21, five (5) meetings of the Board of Directors were held. For details of meetings of the Board, please refer the Report on Corporate Governance, forming part of this Annual Report.

f) Committee of Board and details of meetings:

There are various Board constituted Committees as stipulated under the Companies Act and Listing Regulations namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee. All the recommendations made by the Committees of Board including the Audit Committee were accepted and approved by the Board. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year has been enumerated in the Report on Corporate Governance, which forms part of this Annual Report.

g) Board Evaluation:

As per provisions of Section 134 (3) (p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and Regulation 17 (10) of the Listing Regulations, an evaluation of the performance of the Board, its committees and members was undertaken. For details, please refer to the Report on Corporate Governance, forming part of this Annual Report.

h) Appointment of Directors and Remuneration Policy:

The assessment and appointment of members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential independent Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

In accordance with Section 178(3) of the Companies Act, 2013, and on recommendations of Nomination and Remuneration Committee, the Board formulated and adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management which is available on the website of the Company www.everestorganicsltd.com.

i) Compliance with Secretarial Standards:

In terms of Section 118 (10) of the Companies Act, 2013 the Company continues to comply with the various provisions of all Secretarial Standards, as issued by the Institute of Company Secretaries of India.

12. ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has in place proper and adequate Internal Financial Control systems commensurate with the nature of its business, size and complexity of its operations with reference to financial statements. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources as acquired are used economically.

13. DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with clause (c) of sub-section 3 of section 134 of the Companies Act, 2013, the Directors of the Company state:

**BOARD'S REPORT**

- a. That in the preparation of the accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors have prepared the accounts for the financial year ended March, 31, 2021 on a 'going concern basis';
- e. That the Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and operating effectively;
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.

14. RELATED PARTY TRANSACTIONS;

All Related Party Transactions are in compliance of the Companies Act and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

All Related Party Transactions entered into by the Company were in the Ordinary Course of Business and at an Arm's Length basis and were reviewed and approved by the Audit Committee and the Board. Omnibus approval is obtained for transactions which are foreseeable and repetitive in nature. A statement of all Related Party Transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transactions. Complete details of Related Party Transactions are given in the Notes to Financial Statements forming part of this Annual Report.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transaction as approved by the Board may be accessed on the Company's website: www.everestorganicsltd.com.

Information on transactions with Related Parties pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Form AOC-2 and is attached as "**BR_Annexure I**" to this Annual Report.

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company believes in upholding professional integrity and ethical behaviour in the conduct of its business. To uphold and promote these standards, the Company has a Vigil Mechanism / Whistle Blower Policy which serves as a mechanism for its Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct

**BOARD'S REPORT**

without fear of reprisal. The policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The details of establishment of such mechanism are available on the website of the Company www.everestorganicsltd.com.

Whistle Blower Policy and affirmation that none of the personnel have been denied access to the Audit Committee. The Company has in place a Whistle Blower Policy for Vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud, violation of Company's Code of Conduct.

16. AUDITORS AND AUDIT REPORT:**a) 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, M/s. Suryam & Co., Chartered Accountants, Hyderabad (FRN: 012181S), was appointed as Statutory Auditors of the Company at its 24th Annual General Meeting held on September 27, 2017 for a term of five (5) years, subject to the ratification by shareholders at every Annual General Meeting.

However, the Ministry of Corporate Affairs (MCA) vide its notification dated May 7, 2018 has omitted the requirement under the first proviso to Section 139 of the Companies Act, 2013 and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by shareholders at every subsequent AGM. Accordingly, no resolution for ratification of appointment of statutory auditor was incorporated in the Notice of 28th Annual general Meeting of the Company.

b) Board's response on Auditors' Qualifications, Reservations or Adverse Remarks:

The qualifications made by the Statutory Auditors in the Auditors' Report for the financial year ended March 31, 2021 read with 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 those mentioned below:

- i. *Gratuity provisions made for Rs. 126.42 lakhs, payment made to the Gratuity Fund is Rs. 100.18 Lakhs only.*

Directors' Comments: During the year under review, the Company has made a payment of Rs. 100.18 lakhs in the Gratuity fund. However, the Company have initiated the necessary actions towards the payment of balance amount in the following financial year.

c) Internal Auditors:

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. Harikrishna & Associates, Chartered Accountants, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

d) Cost Auditors:

The Board of Director based on the recommendation of Audit Committee has appointed M/s. PKR & Associates, LLP, Cost Accountants, Hyderabad as the Cost Auditors of the Company pursuant to the provisions of Section 148 of the Companies Act, 2013 for the financial year 2021-22. The provisions also require that the remuneration of the cost auditors be ratified by the shareholders and accordingly the same is put forward to the shareholders in the ensuing 28th Annual General Meeting for their ratification.

e) Cost Audit Report for the year ended March 31, 2021:

The Cost Audit Report for the financial year 2020-21 issued by M/s. PKR & Associates, LLP, Cost Accountant, are self-explanatory and therefore do not call for any further explanation or

**BOARD'S REPORT**

comments from the Board. The same will be filed with the Central Government within the stipulated timeline.

f) Cost Records:

The provisions of Cost Records are applicable to the Company and the company has complied with the said provisions.

g) Secretarial Auditor:

In compliance with the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder M/s. D. Hanumantha Raju & Co., Company Secretary in practice, were re-appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit for the year ending March 31, 2022.

h) Annual Secretarial Audit Report:

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Secretarial Audit Report given by the Secretarial Auditors in form no. MR-3 is annexed as “**BR_Annexure II**” to this Annual Report.

The qualifications made by the Secretarial Auditors in the Secretarial Audit Report for the financial year ended March 31, 2021 is mentioned below:

- i. *Listed Entity has received Temporary Closure order dated 22.12.2020 from Telangana State Pollution Control Board (TSPCB) on 28.12.2020 and the same was to be intimated to the Stock Exchange within 24 hours pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 but it was intimated to BSE on 07.01.2021*

Directors' Comments: We do admit there was delay and it was because of the Company has observed some discrepancies in the reasons mentioned in the Temporary Closure order for which the Company has sought clarification from TSPCB head office at Sanath Nagar, Hyderabad. We waited till the TSPCB head office clarified the omissions in their letter and as soon as the explanation was provided we intimated the Stock Exchange on 07.01.2021..

i) Annual Secretarial Compliance Report:

An Annual Secretarial Compliance Report for the financial year ended March 31, 2021 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s. D. Hanumantha Raju & Co., Secretarial Auditors and submitted to the stock exchange.

17. RISK MANAGEMENT POLICY:

The Company has instituted a proper mechanism for identifying and establishing controls to effectively manage different kinds of risks. At present the threats, risks and concerns being felt are stiff competition in the market, consolidation of manufacturers, who have branded products and fluctuations in prices as well as availability of raw materials.

18. DECLARATION ABOUT COMPLIANCE WITH CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL:

The Company has complied with the requirements about the Code of Conduct for Board members and Senior Management Personnel. A compliance certificate by the Managing Director forms part of this Annual Report.

**BOARD'S REPORT****19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. An Internal Complaints Committee ("ICC") has been constituted and re-constituted by the senior management (with women employees constituting the majority). The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2021, no complaints pertaining to sexual harassment have been received.

20. OTHER DISCLOSURES:**a) Annual Return:**

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rule, 2014 the Annual Return as at March 31, 2021 can be accessed at Company's website http://www.everestorganicsltd.com/MGT-7_2020-21.pdf.

b) Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:

Particulars pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, as amended from time to time are annexed as "**BR_Annexure III**" to this Annual Report.

c) Loans/ Guarantees/ Investments under Section 186 of the Companies Act, 2013:

During the year under review, pursuant to the provisions of Section 186 (3) and all other applicable provisions of the Companies Act, 2013, the Company has taken Boards' and Members approval at their meetings held on 31.07.2020 and 08.09.2020 respectively for an amount not exceeding Rs. 25 Crores in excess of the limits prescribed under the given Act. But the Company has not granted any loans and Guarantees or made any Investments and securities provided pursuant to the provisions of Section 186 of the Companies Act, 2013.

d) Disclosure regarding Employees Stock Option Scheme:

Pursuant to the provision of Sections 62 (1) (b) of the Companies Act, 2013 read with Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued any equity shares under Employees Stock Option Scheme, during the year under review.

The Board of Directors at their meeting held on 09.08.2017 have proposed to approve Employee Stock Option Scheme, which was later approved by the members at the 24th Annual General Meeting of the Company held on 27.09.2017 as the ESOP Scheme 2017.

During the year under review, the Company has made an application for seeking "In-principal approval" prior to issue and allotment of 500000 Equity Shares consisting of 500000 Employee Stock under "Everest Employee Stock Option Plan 2017" in compliance with Regulation 12(3) of SEBI (Share Based Employee Benefits) Regulations, 2014, which was further approved by Bombay Stock Exchange (BSE) via its letter dated January 12, 2021. The Company is planning to proceed with said approval soon.

**BOARD'S REPORT****e) Details of Nodal Officer:**

The Company has designated Ms. Rekha Singh, Company Secretary and Compliance Officer as a Nodal Officer for the purpose of IEPF.

f) Disclosure regarding Unclaimed Shares:

Pursuant to the provisions of SEBI (LODR) Regulations 2015, the Company had transferred 207792 (Two Lakh Seven Thousand Seven Hundred NinetyTwo) unclaimed Equity Shares to the Everest Organics Limited – Unclaimed Suspense Account. 176256 (One Lakh Seventy Six Thousand Two Hundred and Fifty Six) Equity Shares were still lying under “Everest Organics Limited – Unclaimed Suspense Account” as on 31.03.2021.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

During the year under review, the Company has received Temporary Closure Order of Factory situated at Sadasivpet Mandal from Telangana State Pollution Control Board (TSPCB) on dated 22.12.2020 with regards to non-compliances of pollution norms. The Management has taken all the vigilant steps to make sure that the Company shall comply with all the provisions of TSPCB and had submitted all the necessary documents to TSPCB to get the revocation order.

On reviewing and analysing all the requisite documents submitted by the Company and after consideration of all the inspection of its facility for pollution control issues, the TSPCB has issued the temporary revocation of factory closure order to the Company on dated 11.02.2021.

After careful consideration and analysis of the material facts of the case, TSPCB found that the management has taken adequate steps to comply with the provisions of TSPCB towards the environmental safety and had issued the Extension of Revocation of Factory Closure Order for a further period of six months on dated 13.07.2021.

Further the Company is in full compliance with all the pollutions norms and is confident that it would be revoked permanently.

No other significant and/or material orders, passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations in future.

22. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSE OF THE YEAR TILL THE DATE OF THIS REPORT:

The material events that have occurred after the close of the year till the date of this report are as follows:

1. Remdesivir API is commercialized.
2. Posaconazole API, a black fungus treatment drug, is commercialised.
3. Mirabegron API has been developed in R & D.

Other than these, no other material changes and commitments have occurred which may affect the financial position of the Company after the close of the year till the date of this report.

23. CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Committee of the Company is in compliance with the provisions of Section 135 of the Companies Act, 2013 which consists of three directors including one executive director, one non-executive director and one independent director. The Chairman of the committee is an independent director. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

**BOARD'S REPORT**

The details of the CSR Policy of the Company, its development and initiatives taken by the Company on CSR during the year are annexed herewith as “**BR_Annexure IV**” and forms part of this Annual Report. The said Policy is available on the website of the Company www.everestorganicsltd.com.

24. PARTICULARS OF EMPLOYEES AND REMUNERATION:

In compliance with the requirement of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the remuneration details of Directors and employees are annexed herewith as “**BR_Annexure V**” and forms part of this Annual Report.

25. HUMAN RESOURCE:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

26. ACKNOWLEDGMENT

Your directors place on record their sincere appreciation for the significant contribution made by its employees through their dedication, hard work and commitment at all levels. The board of directors also acknowledge the support extended by the analysts, bankers, government agencies, media, customers, suppliers, shareholders and investors at large. The Board look forward to your continued support in the Future.

For and on behalf of the Board of Directors

Date: 05.08.2021
Place: Hyderabad

Sd/-
Ramakrishnam Raju Kounparaju
Chairman
DIN: 01735481

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



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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
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 spouse of Executive Director	Sales/ Purchases	N/A	General Terms and Conditions	29.05.2017	N/A
Dr. S.K Srihari Raju Managing Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
S.K.Seetharama Raju Director of the Company	Office Rent & Maintenance paid by the Company	N/A	General Terms and Conditions	-	N/A
S.K. Hari Krishna Whole-time Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
Veerat Finance & Investment Ltd. One of the Director of the Company is the spouse of Managing Director	Unsecured Loan Received	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. Sahithya spouse of Whole-time Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A
Dr. S.K Srihari Raju Managing Director of the Company	Remuneration	N/A	General Terms and Conditions	30.07.2019	N/A
A. Parvathisem Technical Director of the Company	Remuneration	N/A	General Terms and Conditions	30.07.2019	N/A
S.K. HariKrishna Whole-time Director of the Company	Remuneration	N/A	General Terms and Conditions	30.07.2019	N/A
Dr. S.K.Sirisha Non-Executive Director of the Company	Commission	N/A	General Terms and Conditions	30.07.2019	N/A
Non-Executive Directors	Sitting Fees	N/A	General Terms and Conditions	30.07.2019	N/A
A. Parvathisem Technical 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. Gowri Parvathi mother of Whole-time Director of the Company	Unsecured Loan Received	N/A	General Terms and Conditions	-	N/A

For and on behalf of the Board of Directors

Date: 05.08.2021

Place: Hyderabad

Sd/-

Ramakrishnam Raju Kounparaju
Chairman
DIN:01735481

Sd/-

Srikakarlapudi Srihari Raju
Managing Director
DIN: 01593620



Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021**

*[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** having CIN: L24230TG1993PLC015426 and having registered office at Aroor Village, Sadasivapet Mandal, Sangareddy (Medak) District, Telangana - 502 291 (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, 2021, 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, 2021, 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 - (Not applicable to the Company during the period of audit);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) 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, 2018 - (Not applicable to the Company during the period of audit);
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 -



(Not applicable to the Company during the period of audit);

- (e) 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) 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) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit);
- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable to the Company during the period of audit);
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013 - (Not applicable to the Company during the period of audit); and
- (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other laws **specifically** applicable to the company are as follows:
 - a. Drugs and Cosmetics Act, 1940;
 - b. Petroleum Act, 1934 read with Petroleum Rules 2002;
 - c. Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder;
 - d. Environment (Protection) Act, 1986 and rules made thereunder;
 - e. Water (Prevention and Control of Pollution) Act, 1974;
 - f. Explosives Act, 1884 read with Gas Cylinder Rules, 2004;

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

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

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

It was observed that Company has received temporary closure order dated 22.12.2020 from TSPCB (Telangana State Pollution Control Board) on 28.12.2020 and the same was to be intimated to Stock Exchange within 24 hours pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 but it was intimated on 07.01.2021.

We further report that

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



provisions of the Act.

Adequate notice is given to all directors 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.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

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

We further report that the Company has received Closure Orders of Factory situated at Sadasivpet from Telangana State Pollution Control Board (TSPCB) dated 22.12.2020 on 28.12.2020 with regards to non-compliance of pollution norms. The management has taken steps to make sure that the Company shall comply with all the provisions of TSPCB in future without any lapses and had submitted all the necessary documents to TSPCB authorities to get the revocation order.

TSPCB had issued the temporary revocation of factory closure order to the Company on 11.02.2021 after inspection of factory with respect to pollution control issues and by considering all the measures taken by the Company for the same.

Place: Hyderabad

Date: 05.08.2021

For D.HANUMANTA RAJU & CO

COMPANY SECRETARIES

Sd/-

CS SHAIK RAZIA

PARTNER

FCS: 7122, CP NO: 7824

UDIN: F007122C000741482

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.

**Annexure A'**

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

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

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

Place: Hyderabad

Date: 05.08.2021

For D.HANUMANTA RAJU & CO

COMPANY SECRETARIES

Sd/-

CS SHAIK RAZIA

PARTNER

FCS: 7122, CP NO: 7824

UDIN: F007122C000741482



**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 equipment's. Condensate recovery and recycling improved by investing Rs. 15 lakhs, 70 to 75% condensate recovery obtained. Thermax cooling system for ammonia cooling in -200C refrigeration system installed by investing Rs. 20 Lakhs there by 20 HP motor is replaced with 2 HP.

(B) Technology absorption:

Efforts made towards technology absorption	<ol style="list-style-type: none"> 1. New products introduced and commercialized 2. Improvement of yields and quality in introduced new products 3. Reduced the effluents in existing products 4. Introduced the new products 5. Developments in existing products.
Benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> 1. Implemented and commercialized the new products 2. Improved the quality and yields in existing products 3. Improved the quality and yields in introduced new products 4. Reduced the effluents in some existing products. 5. New products Remidesvir and Posaconzole technology developed and commercialized. Cost reduction exercise done in oseltamivir by means of improving solvent recovery and recycling.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	
Year of import	
Whether the technology has been fully absorbed	
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
Expenditure incurred on Research and Development	

(C) Foreign exchange earnings and Outgo:

Amount in Rs. Lakhs

	1 st April, 2020 to 31 st March, 2021 [Current F.Y.]	1 st April, 2019 to 31 st March, 2020 [Previous F.Y.]
Actual Foreign Exchange earnings	4,295.56	4,939.66
Actual Foreign Exchange outgo	1,803.18	2,271.56

For and on behalf of the Board of Directors

Date: 05.08.2021
Place: Hyderabad

Sd/-
Ramakrishnam Raju Kounparaju
Chairman
DIN: 01735481

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

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

(Pursuant to Section 135 of the Companies Act, 2013 read with Companies [Corporate Social Responsibility Policy] Rule, 2014, as amended)

1) Brief outline of the Corporate Social Responsibility (CSR) Policy of the Company:

EOL endeavours to reach out to the underprivileged, underdeveloped and underserved communities and area to address fundamental challenges of our society. Based on our deep respect for the people and the planet, we focus on our social and environmental responsibilities to fulfil the needs and expectations of the communities around us. Our contribution to societal change embodies our values and our CSR Policy aims to provide a dedicated approach that is beneficial to the sustainable community development and environment at large.

2) Composition of CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR Committee comprises one Non-Executive Independent Director, one Technical Executive Director and one Non-Executive Non-Independent Director as at the end of fiscal 2021.

S. No.	Name of Members	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ramakrishnam Raju Kounparaju	Chairman, Independent, Non-Executive Director	1	1
2.	Mr. Akella Parvathisem	Member, Technical, Executive Director	1	1
3.	Mr. Kakarlapudi Sitarama Raju	Member, Non-Independent Non-Executive Director	1	1

3) Web-links where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

Composition of the CSR committee shared above and is available on the Company's website at www.everestorganicsltd.com.

CSR Policy – www.everestorganicsltd.com/code-of-conduct.html.

CSR Projects – www.everestorganicsltd.com

4) Details of impact of assessment of CSR project carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

There are no projects undertaken or completed in FY 2021 after the effective date of the aforementioned rules which warrant impact assessment. The Company will carry out impact assessment of projects as may be applicable and will provide details of the same as part of its future reports as required pursuant to Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5) Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and amount required for set-off for the financial year, if any: Not Applicable



BOARD'S REPORT

BR-ANNEXURE V

- 6) Average Net Profit of the Company as per Section 135(5) of the Act: Rs. 9,59,46,665/-**
- 7) (a) Two per cent of the Average Net Profit of the Company as per Section 135 (5) of the Act : Rs. 19,18,933/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year : NA
- (c) Amount required to be set-off for the financial year, if any : NA
- (d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 19,18,933/-
- 8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 24,55,779/-	NA				

- (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable
- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Name	Mode of Implementation through Implementing Agency Registration number
1	Education Development	Education	Yes	Telangana	Sangareddy	--	50000	50000	NIL	Yes	--	--
2	Construction of Roads	Ruler Development Activities	Yes	Telangana	Sangareddy	--	477215	477215	NIL	Yes	--	--
3	Donation and construction of Building	Ruler Development Activities	Yes	Telangana	Sangareddy	--	394013	394013	NIL	Yes	--	--
4	COVID-19 relief Activities	Health Care & Hygiene	Yes	Telangana	Sangareddy	--	134551	134551	NIL	Yes	--	--
5	Afforestation and Green Belt Development	Environment Protection	Yes	Telangana	Sangareddy	--	1400000	1400000	NIL	Yes	--	--
TOTAL							24,55,779	24,55,779	NIL			



BOARD'S REPORT

BR-ANNEXURE V

- (d) Amount spent in Administrative Overheads : Not Applicable
 (e) Amount spent on Impact Assessment, if applicable : Not Applicable
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 24,55,779/-
 (g) Excess amount for set off, if any:

S. No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	19,18,933/-
(ii)	Total amount spent for the Financial Year	24,55,779/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5,36,846/-
(iv)	Surplus arising out of the CSR projects and programmes or activities of the previous financial years, if any	1,13,899/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

- 9) (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable.
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s): Not Applicable.
- 10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
 (a) Date of creation or acquisition of capital asset(s): None
 (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
- 11) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

For and on behalf of the Board
 Everest Organics Limited

Place: Hyderabad

Date: 05.08.2021

Sd/-
 Ramakrishnam Raju Kounparaju
 Chairman CSR Committee
 DIN: 01735481

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

**DISCLOSURE FOR THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES FOR THE FINANCIAL YEAR:**

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) (i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year are as follows:

S.No.	Name of Director	Remuneration Per Annum	Median Remuneration Per Annum	Ratio
1.	Dr. Srikakarlalapati Srihari Raju	Rs. 48,50,000/-	Rs. 2,08,000/-	23.32
2.	Akella Parvathisem	Rs. 48,50,000/-	Rs. 2,08,000/-	23.32
3.	Sri Kakarlalapati Harikrishna	Rs. 12,00,000/-	Rs. 2,08,000/-	5.77

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2020-21:

Name	Designation	Percentage increase in remuneration
Dr. Sri Kakarlalapati Srihari Raju	Managing Director	7.78%
Mr. Sri Kakarlalapati Harikrishna	Whole-time Director	--
Mr. Akella Parvathisem	Technical Director	7.78%
Mr. Peruri Ramakrishna	Chief Financial Officer	18.50%
Ms. Rekha Singh	Company Secretary	15.55%

The percentage increase in the median remuneration of Employees for the financial year increased by 6.67%.

Note:

- a) The Non-Executive Directors of the Company are not entitled for remuneration and are paid only sitting fees for attending the meetings, as such provisions of the said section is not applicable to them.
- 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 2020-21.
- c)
 - i. The Company has 417 permanent Employees on the rolls of Company as on March 31, 2021.
 - ii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the last financial year i.e. 2019-20 was 14.73% whereas the increase in the managerial remuneration was 6.86%. 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.
 - iii. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



BOARD'S REPORT

BR-ANNEXURE V

iv. Statement of particulars of employees pursuant to the provision of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended:

a) Particulars of Top 10 employees in terms of remuneration drawn during the year;

S.No	Name of Employees	Age of the employee	Designation of the employee	Gross Remuneration for FY 2020-21 (Rs.in lakhs)	Nature of employment, whether contractual or otherwise	Qualification of the employees	Experience of the employee	Date of commencement of employment	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee	Whether any such employee is a relative of any director or manager of the Company
1	Dr. Srikarlapudi Siharari Raju	69 years	Managing Director	416667	Regular	MBBS, MD, DA	28 years	19-02-1993	--	19.30	Yes
2	Akella Parvathisem	54 years	Technical Director	416667	Regular	B.Sc.	17 years	28-08-2004	--	0.00045	No
3	G.V.S.S.R.S.Sarma	44 years	General Manager	240000	Regular	B.Sc.	18 years	19-02-2003	--	--	No
4	Nomula Sathaiah	41 year	Senior Manager	168416	Regular	M.Sc	1.9 years	01-10-2019	Mylan Lab	--	No
5	Thumma Sumana	42 year	Marketing AGM	166667	Regular	MBA	15 years	01-11-2020	--	--	No
6	A.D.A.S.Srinivas	46 year	QA-AGM	137000	Regular	M.Sc	8 years	21-01-2013	--	--	No
7	P.Ramakrishna	55 year	CFO	117500	Regular	M.Com	25 years	01-07-1996	--	0.17	No
8	Atluri Siva Kumar	39 year	Q.C Manager	112500	Regular	B.Sc	13 years	30-04-2020	--	--	No
9	Tanikella Srinivasa Rao	54 year	Manager	110000	Regular	M.Sc	1.7 years	07-12-2019	Almela Pvt. Ltd.	--	No
10	G.P.V.S.Dora	53 year	Material Manager	100500	Regular	B.Com	25 years	01-05-1997	--	--	No

For and on behalf of the Board
Everest Organics Limited

Place: Hyderabad

Date: 05.08.2021

Sd/-

Ramakrishnam Raju Kounparaju

Chairman

DIN: 01735481

Sd/-

Dr. Sri Kakarlapudi Siharari Raju

Managing Director

DIN: 01593620

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

(Pursuant to SEBI (LODR) Regulations, 2015 with the Stock Exchange)

The Corporate Governance Report for the Financial Year (“FY”) 2020-21, which forms part of Boards' Report, is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company is in full compliance with all the applicable provisions of SEBI's Corporate Governance norms.

1. A brief statement on Company's philosophy on Corporate Governance

The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of affairs of the Company and help the Company to achieve goal of maximizing value for all its stake owners. Your Company's business objective is to manufacture and market the Company's product in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees & business partners. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

2. Board of Directors

- i. **Composition of Board:** The Strength of the Board as on March 31, 2021, the Company has 8 Directors headed by 1 (One) Non-Executive (Independent) Chairman. Of the other 7 (Seven) Directors there are 3 (Three) Executive Directors, (2) Two Non-Executive Directors and 2 (Two) Independent Directors. The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.
- ii. **Board and Committee Meetings:** None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as at March 31, 2021 has been made by the Directors.
- iii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of other directorships and committee memberships held by them are given below as required under Regulation 17 of the Listing Regulations, as at March 31, 2021:

Name of Directors	Category	No. of Board Meetings held during the Year 2020-21		Attendance at the last AGM held on 8 th September, 2020	No. of Director ships held in other companies	No. of Committee positions held	
		Held	Attend ed			Chairman	Member
Mr. Ramakrishnam Raju Kounparaju	Chairman, Non-Executive Independent Director	5	5	Yes	0	1	1
Dr. Srikakarlapudi Srihari Raju	Promoter Executive Director	5	5	Yes	0	Nil	Nil
Mr. Srikakarlapudi Harikrishna	Promoter Executive Director	5	5	Yes	0	Nil	1
Mr. Akella Parvathisem	Executive Director	5	5	Yes	0	Nil	2
Mr. Sreeramakrishna Grandhi*	Non-Executive Independent Director	5	4	Yes	4	1	4

**REPORT ON CORPORATE GOVERNANCE**

Mr. Swaminathan Venkatesan**	Non-Executive Independent Director	3	3	Yes	0	1	1
Dr. Srikakarlapudi Sirisha	Non-Executive Non Independent Women Director	5	3	Yes	0	Nil	Nil
Mr. Kakarlapudi SitaramaRaju	Non-Executive Non Independent Director	5	2	No	0	Nil	Nil
Mr. Venkatasatyanarayana Murthy Chayaly***	Non-Executive Additional Independent Director	0	0	No	0	Nil	Nil

NOTES:

- a. *Mr. Sreeramakrishna Grandhi is holding membership in the Audit Committee and Nomination and Remuneration Committee of M/s. Alufluoride Limited, M/s. Ravileela Granites Limited and M/s. Gayatri Projects Limited. Further he is holding membership in Stakeholders Relationship Committee of M/s. Ravileela Granites Limited. He is not holding chairmanship in the committees of any other company.
- ** Mr. Swaminathan Venkatesan, an Independent Director ceases to be the director of the Company with effect from 26.01.2021 due to his demise.
- *** Mr. Venkatasatyanarayana Murthy Chayaly was appointed as an Additional Director (Independent Category) at the Board Meeting of the Company held on 30.03.2021.
- b. Number of Directorships held in other companies includes listed companies.
- c. Membership/Chairmanship of committees includes only Audit Committee and Stakeholder Relationship Committee.
- iv. **Board Meetings held during the financial year ended March 31, 2021:** Five (5) Board Meetings were held during the year 2020-21 on June 25, 2020; July 31, 2020; November 5, 2020; February 08, 2021 and March 30, 2021.
- v. All the Executive Director and Non-Executive Directors of the Company are related to each other except Mr. Akella Parvathisem. The Independent Directors of the Company are not related to any of the Directors or promoters group of the Company.
- vi. Details of Shareholding of all Executive and Non-Executive Directors as on March 31, 2021 are given below

S.No.	Name of Directors	No. of Shares
1.	Dr. Srikakarlapudi Srihari Raju	1552989
2.	Mr. Kakarlapudi Sitarama Raju	113508
3.	Dr. Srikakarlapudi Sirisha	107856
4.	Mr. Srikakarlapudi Harikrishna	5996
5.	Mr. Akella Parvathisem	36
6.	Mr. Ramakrishnam Raju Kounparaju	720
7.	Mr. SreeramakrishnaGrandhi	NIL
8.	Mr. Venkatasatyanarayana Murthy Chayaly	NIL

**REPORT ON CORPORATE GOVERNANCE**

vii. **Familiarization Programmes:** The Company endeavors to organize necessary familiarization programmes as and when required for the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the website of the Company (www.everestorganicsltd.com).

viii. **Independent Directors:** The Independent Directors of the Company are having expertise/ experience in the field of business, education, finance, industry, research & development and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. None of the Independent Directors are promoters or related to promoters.

Pursuant to section 150 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013, your Company's Independent Directors have registered themselves on the portal of "Indian Institute of Corporate Affairs" as Independent Director, within the prescribed timelines.

The details of skills/expertise/competence of all the directors are given below:

S. No.	Name of Directors	Qualification	Expertise
1.	Dr. Srikakarlapudi Srihari Raju	MBBS, MD, DA	Leadership and Corporate Management
2.	Mr. Kakarlapudi Sitarama Raju	B. Tech, M. Tech in Chemical Engineering	Environmental and General Management
3.	Dr. Srikakarlapudi Sirisha	MBBS, MD	Regulatory, Research & Development and Business Development
4.	Mr. Srikakarlapudi Harikrishna	BE, MPIE	Projects and Administration
5.	Mr. Akella Parvathisem	B. Sc.	Technical
6.	Mr. Ramakrishnam Raju Kounparaju	B. Sc.	Project Manufacturing Operation, GM
7.	Mr. Sreeramakrishna Grandhi	M.Sc. In Chemistry, CAIIB	Finance
8.	Mr. Swaminathan Venkatesan	B. Pharma (H), MBA	Business Development and Marketing
9.	Mr. Venkatasatyanarayana Murthy Chayaly	B. Tech. (Chemical Engineering), PGDIE (Industrial Engg.), PGDM (Marketing & Finance)	Business Development and Marketing

ix. In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act, 2013, including amendments thereunder and SEBI Listing Regulations, 2015 as amended from time to time and they are independent of the management.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

3. Committees of the Board:

The Board had constituted various committees under the regulatory framework and corporate governance norms to monitor the activities within the terms of reference and to take informed decisions in the best interest of the Company. The Board reconstituted the committees on February 08, 2021 due to cessation of directorship of Mr. Swaminathan Venkatesan due to his demise.

**REPORT ON CORPORATE GOVERNANCE****I. Audit Committee**

- i. The Audit Committee of the Company was constituted in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Audit Committee is entrusted with the responsibility of supervising internal controls, financial reporting process and ensures adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.
- ii. The terms of reference and the role of the Audit Committee is to overview the accounting systems, financial reporting and internal controls of the Company. The Powers and role of Audit Committees are as set out in the SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013.

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising of two Non-Executive Independent Directors and one Executive Director. Mr. Sreeramakrishna Grandhi, Independent Director was heading the Audit Committee as Chairman. The Chairman of the Audit Committee was present at the previous Annual General Meeting.

The Committee performs functions enumerated in Section 177(4) of the Act and Regulation 18(3) of the Listing Regulations. Matters deliberated upon and reviewed by the Committee include:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors.
- c. Approving payments to Statutory Auditors for any other services rendered by Statutory Auditors.
- d. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- e. Reviewing with management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:
 - i. matters required to be included in the Directors Responsibility Statement included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons therefor;
 - iii. major accounting entries involving estimates based on the exercise of judgement by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings, if any;
 - v. compliance with listing and other legal requirements concerning financial statements,
 - vi. disclosure of any related party transactions and;
 - vii. modified opinion(s) in draft audit report;
- f. Reviewing with the management, the quarterly financial results together with the Limited Review Report of the Auditors before submission to the Board for approval;
- g. Reviewing with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purpose other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

**REPORT ON CORPORATE GOVERNANCE**

- h. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.
- i. Reviewing with the management, the performance of statutory and internal auditors and the adequacy and compliance of internal control systems;
- j. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, its staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- k. Discussion with the internal auditors on any significant findings and follow up thereon;
- l. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- m. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain area of concern, if any;
- n. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- o. Reviewing the functioning of the Whistle Blower mechanism;
- p. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- q. Valuation of undertakings or assets of the Company, wherever it is necessary;
- r. Scrutiny of inter-corporate loans and investments, if any;
- s. Evaluation of internal financial controls and risk management systems;
- t. Approving or any subsequent modification of transactions of the company with related parties;
- u. Recommending to the Board, the appointment and remuneration of Cost Auditor to conduct audit of cost records in compliance with the provisions of the Act and Rules made thereunder.
- v. Recommending to the Board, the appointment of registered valuers;
- w. Authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- x. Reviewing the reports/ certificates placed before it as mandated by the statutory authorities or as required under policies framed by the Company from time to time.
- y. Ascertaining and ensuring that the Company has an adequate and functional vigil mechanism and for ensuring that the interest of a person, who uses such a mechanism, are not prejudicially affected on account of such use, as and when applicable and reviewing the functioning of whistle blower mechanism;
- z. Any other matters/ authorities / responsibilities / powers assigned as per Companies Act 2013 and Rules made thereunder, as amended from time to time;

In addition to the above, the Committee reviews the management discussion and analysis, statement of related party transactions, including granting omnibus approvals, internal audit reports relating to observations on internal control, etc.

**REPORT ON CORPORATE GOVERNANCE**

iii. **Composition:** As on March 31, 2021 the Company's Audit Committee comprises of two Non-Executive Independent Directors and one Executive-Technical Director and the Chairman of the Audit Committee is an Independent Director as given below:

- | | | |
|-------------------------------------|---|----------|
| 1. Mr. Sreeramakrishna Grandhi | - | Chairman |
| 2. Mr. Ramakrishnam Raju Kounparaju | - | Member |
| 3. Mr. Akella Parvathisem | - | Member |

All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their experience and background.

iv. During the year 2020-21 the Audit Committee met Four (4) times on June 25, 2020; July 31, 2020; November 5, 2020 and February 08, 2021. The Company Secretary acts as the secretary of the Audit Committee. Statutory Auditors, Internal Auditor and Chief Financial Officer are also invited to the meetings of the Audit Committee.

The necessary quorum was present for all the meetings. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2020-21	
		Held	Attended
Mr. Sreeramakrishna Grandhi - Chairman	Independent, Non-Executive	4	4
Mr. Ramakrishnam Raju Kounparaju – Member	Independent, Non-Executive	4	4
Mr. Swaminathan Venkatesan – Member*	Independent, Non-Executive	3	3
Mr. Akella Parvathisem – Member	Executive, Non-Independent	4	4

* Mr. Swaminathan Venkatesan, an Independent Director ceases to be the director of the Company with effect from 26.01.2021 due to his demise.

II. Nomination and Remuneration Committee:

i. The Company had complied with the requirements of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015 applicable to the composition of the "Nomination and Remuneration Committee".

ii. **Composition:** As on March 31, 2021 the committee comprises of Mr. Ramakrishnam Raju Kounparaju, Mr. Sreeramakrishna Grandhi and Dr. Srikakarlapudi Sirisha, Two of them were being Non-Executive Independent Directors and one being Non-Executive Non-Independent Director. Mr. Sreeramakrishna Grandhi, Independent Director was heading the Nomination & Remuneration Committee as Chairman. The Company Secretary functions as the Secretary of the Committee.

iii. The broad terms of reference of the Nomination and Remuneration Committee are:

- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board of Directors, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of the Board of Directors.

**REPORT ON CORPORATE GOVERNANCE**

- Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and noting their cessation.
 - Recommending to the Board on extension or continuation of the terms of appointment of the independent directors based on performance evaluation.
 - Administration of the employee stock option schemes of the company, if any.
 - The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, Directors of the quality required to run the Company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
 - Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.
- iv. **Remuneration policy:** The Nomination and Remuneration policy of your Company is a comprehensive policy which is competitive, in line with the industry practices and rewards good performance of the employees of the Company. The Policy is available on the website of the Company at www.everestorganicsltd.com.
- The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the Company and talents of the appointee.
- v. **Meeting and attendance:** During the year 2020-21 the Nomination and Remuneration Committee met Twice (2) time i.e. on June 25, 2020 and March 30, 2021. The necessary quorum was present for all the meetings. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2020-21	
		Held	Attended
Mr. Sreeramakrishna Grandhi – Chairman	Independent, Non-Executive	2	1
Mr. Ramakrishnam Raju Kounparaju – Member	Independent, Non-Executive	2	2
Mr. Swaminathan Venkatesan – Member*	Independent, Non-Executive	1	1
Dr. Srikakarlapudi Sirisha – Member**	Non- Executive, Non-Independent	1	1

* Mr. Swaminathan Venkatesan, an Independent Director ceases to be the director of the Company with effect from 26.01.2021 due to his demise.

** Dr. Srikakarlapudi Sirisha, Non-Executive Non-Independent Director of the Company was nominated as the member of Nomination and Remuneration Committee with effect from 08.02.2021 due to sad demise of Mr. Swaminathan Venkatesan.

**REPORT ON CORPORATE GOVERNANCE**

- vi. **Board Evaluation:** The Company has put in place an evaluation framework for evaluation of the Board, its Committees, Directors and Chairman in compliance with the provisions of Companies Act, 2013 and Listing Regulations. The evaluation of the Board, its Committees, Directors and Chairman were undertaken through circulation of questionnaires. The questionnaires were based on select parameters such as frequency of meetings, mix of expertise, experience relevant to the Company's requirements, quality, quantity and timeliness of flow of information and constitution and terms of reference of various Board Committees in respect of Board and its Committees. The evaluation criteria for the individual directors, including the Board Chairman and Whole Time Directors were based on parameters such as attendance, participation and contribution at the meetings and otherwise.
- vii. **Performance Evaluation Criteria for Independent Directors:** The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.
- viii. **Remuneration of Directors:** The details of remuneration paid to the Executive Directors for the financial year ended March 31, 2021. The Executive Directors of the Company are not entitled to sitting fees:

Name	Designation	Salary & Commission (₹)	Perquisites (Contribution to P.F)(₹)	Total(₹)
Dr. Srikakarlapudi Srihari Raju	Managing Director	48,50,000	-	48,50,000
Mr. Srikakarlapudi Harikrishna	Whole-time Director	12,00,000	-	12,00,000
Mr. Akella Parvathisem	Technical Director	48,50,000	-	48,50,000

Sitting Fees and commission to Non-Executive Directors for the financial year ended March 31, 2021:

Name	Designation	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Sreeramakrishna Grandhi	Independent Director	97,500	-	97,500
Mr. Ramakrishnam Raju Kounparaju	Independent Director	1,20,000	-	1,20,000
Mr. Venkatesan Swaminathan*	Independent Director	75,000	-	75,000
Mr. Kakarlapudi Sitarama Raju	Director	30,000	-	30,000
Dr. Srikakarlapudi Sirisha	Director	37,500	14,40,000	14,77,500

* Mr. Swaminathan Venkatesan, an Independent Director ceases to be the director of the Company with effect from 26.01.2021 due to his demise.

- ix. The Company has not provided any stock options to the Directors of the Company.

**REPORT ON CORPORATE GOVERNANCE****III. Stakeholders' Relationship Committee**

- i. The Company has complied with the requirements of Section 178(5) of the Act, Regulation 20 of the Listing Regulations, as applicable to the constitution of the Committee.
- ii. **Composition:** As on March 31, 2021 the committee comprises of 3 members Mr. Ramakrishnam Raju Kounparaju, Mr. Srikakarlapudi Harikrishna and Mr. Akella Parvathisem. The Chairman of the committee Mr. Ramakrishnam Raju Kounparaju is a Non-Executive Independent Director. The committee looks into transfer and transmission, issue of duplicate share certificates, consolidation and sub-division of shares and investors grievances. The committee oversees the performance of the Registrars and Shares Transfer Agents and recommends measures for overall improvement in the quality of investor services.
- iii. The Board has designated Ms. Rekha Singh Company Secretary as the Compliance Officer.
- iv. **Details of Shareholders, complaints received and redressed:** The total number of complaints received and redressed during the year are as follow:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	3	3	0

All complaints were resolved to the satisfaction of shareholders of the Company. There were no pending complaints, requests for transfers or transmissions or demat/remat as on March 31, 2021.

- v. **Meeting and attendance:** During the year 2020-21 the Stakeholders Relationship Committee met Thirteen (13) times. Details of the meeting and attendance of members held during the year are annexed as "CG-Annexure – I" to this Annual Report.

IV. Corporate Social Responsibility Committee

- i. The Corporate Social Responsibility Committee is constituted as per the requirement of Section 135(1) of the Companies Act, 2013 which provides for the appointment of three or more Directors out of which at least one Director shall be an Independent Director. The CSR Committee was constituted by the Board at its meeting held on July 30, 2019.
- ii. **Composition:** As on March 31, 2021, the Corporate Social Responsibility Committee comprises of 3 members Mr. Ramakrishnam Raju Kounparaju, Mr. Kakarlapudi Sitarama Raju and Mr. Akella Parvathisem. The Chairman of the committee Mr. Ramakrishnam Raju Kounparaju is a Non-Executive Independent Director.
- iii. The Committee oversees, inter-alia, Corporate Social Responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act. The broad terms of reference of the CSR Committee include:
 - a. Monitoring the Corporate Social Responsibility Policy;
 - b. Recommending and approving the amount of expenditure incurred on CSR activities to be undertaken by the Company as specified in Schedule VII of the Act;
 - c. Review the monitoring mechanism for ensuring implementation of activities proposed to be undertaken by the Company; and
 - d. Formulating and recommending to the Board, an annual action plan in pursuance of its CSR policy, which includes list of CSR programmes that are approved to be undertaken by the Company in conformity with Schedule VII of the Companies Act, 2013 and the Rules thereof, its manner of execution, the modalities of utilization of funds/ implementation schedules for the

**REPORT ON CORPORATE GOVERNANCE**

same and details of need and impact assessment, if any, for the project undertaken by the Company.

- iv. **Meeting and attendance:** During the year 2020-21, the Corporate Social Responsibility Committee met One (1) time i.e. on January 23, 2021. The necessary quorum was present for all the meetings. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2020-21	
		Held	Attended
Mr. Ramakrishnam Raju Kounparaju – Chairman	Independent, Non-Executive	1	1
Mr. Akella Parvathisem – Member	Executive Technical Director	1	1
Mr. Kakarlapudi Sitarama Raju – Member	Non-Executive Director	1	1

4. General Body Meetings

- i. The details of the last three (3) Annual General Meetings are as follows:

Year	Venue	Day	Date	Time
27 th AGM 2019-20	Deemed to be at Registered Office located at Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502291, Telangana, held through Video Conferencing (VC)/Other Audio Visual Means (OVAM)	Tuesday	08-09-2020	3:00PM
26 th AGM 2018-19	Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502291, Telangana	Tuesday	10-09-2019	3:00PM
25 th AGM 2017-18	Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502291, Telangana	Friday	28-09-2018	3:00PM

- ii. The details of the Special Resolutions passed in the Annual General Meetings held in the previous three years are given below:

S. No.	Details of AGM	Day/Date	Description of Special resolution
1.	25 th AGM (2017-18)	Friday, September 28, 2018	<ol style="list-style-type: none"> Availing a Loan facility from Bankers, Financial Institution and other Persons, Firms, Bodies Corporate. Creation of security on the properties of the Company, both present and future, in favour of lenders.
2.	26 th AGM (2018-19)	Tuesday, September 10, 2019	<ol style="list-style-type: none"> Re-appointment and revision of remuneration payable to Mr. Srikarlapudi Harikrishna (DIN: 01664260) as Whole - time Director of the Company. Re-appointment of Mr. Ramakrishnam Raju Kounparaju (DIN: 01735481) as an Independent Director of the Company. Re-appointment of Mr. Sreeramakrishna Grandhi (DIN: 06921031) as an Independent Director of the Company.

**REPORT ON CORPORATE GOVERNANCE**

2.	26 th AGM (2018-19)	Tuesday, September 10, 2019	<p>4. Re-appointment of Mr. Swaminathan Venkatesan (DIN: 02810646) as an Independent Director of the Company.</p> <p>5. Approval for continuation of Directorship of Mr. Kakarlapudi Sitarama Raju (DIN: 02955723) as a Non-Executive Director of the Company.</p> <p>6. Revision of remuneration payable to Dr. Srikakarlapudi Srihari Raju (DIN: 01593620), Managing Director of the Company.</p> <p>7. Revision of remuneration payable to Mr. Akella Parvathisem (DIN: 00910224), Technical Director of the Company.</p>
3.	27 th AGM (2019-20)	Tuesday, September 08, 2020	1. To make investments, give loans, provide guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013.

- iii. No special resolution was passed through postal ballot during the financial year ended March 31, 2021. However, all Resolutions were passed through E-voting at the 27th Annual General Meeting of the Company held on September 08, 2020.
- iv. No special resolution is proposed to be conducted through postal ballot for the year 2020-21.
- v. No Extraordinary General Meeting of the members was held during the financial year.

5. Means of Communication:

The quarterly/half yearly/annual results, notices of Board Meetings/ General Meetings and all other material information are normally published by the Company in Business Standard/ Telangana Today, English newspapers and in Velugu/ Jyothi, Telugu newspapers. The Financial results and the other important information to shareholders are placed at Companies' website www.everestorganicsltd.com. Official news releases, investor presentations along with all material information pertaining to the Company are disclosed to the Bombay Stock Exchange where the shares of the Company are listed. During the year 2020-21, no specific presentations were made to institutional investors or to the analysts.

6. General Shareholders Information:

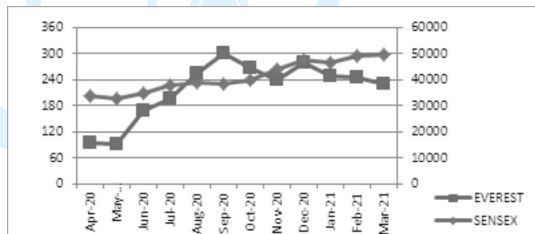
- a. Day and Date : Saturday, September 18, 2021
Time : 3:00 P.M
Venue : The Company is conducting meeting through VC/OAVM pursuant to compliance with the MCA Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020. The deemed venue for the AGM shall be the Registered Office of the Company. For details please refer to the Notice of this AGM.
Registered Office : Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District – 502 291, Telangana
- b. Financial Year : April 01,2021 to March 31,2022
Financial Calendar
1st Quarterly Results : August, 2021
2nd Quarterly Results : November, 2021
3rd Quarterly Results : February, 2022
4th Quarterly Results : May, 2022
- c. Dates of Book Closure : 11-09-2021 to 18-09-2021 (both days inclusive)

**REPORT ON CORPORATE GOVERNANCE**

- d. Dividend payment date : Dividend, if declared at the 28th Annual General Meeting will be paid within 30 days from AGM
- e. Listing on Stock Exchanges : The Bombay Stock Exchange Limited,
P. J. Towers, Dalal Street Mumbai -400 001, Maharashtra
The Company has paid its annual listing fees to the stock exchange for the financial year 2020-21
- f. Stock Code : 524790
- g. Share Price movements 2020-21 : High/Low price in each month of the financial year 2020-21 on the Bombay Stock Exchange is given below:

Month	Stock Market Price on BSE		
	High	Low	Close
Apr-20	105.00	80.00	95.20
May-20	104.00	86.50	90.00
Jun-20	183.55	85.35	167.25
Jul-20	215.00	151.25	197.35
Aug-20	335.00	198.15	253.05
Sept-20	301.70	230.60	301.70
Oct-20	314.00	251.65	267.20
Nov-20	268.60	199.70	238.50
Dec-20	295.00	236.10	277.80
Jan-21	304.30	242.00	249.05
Feb-21	277.40	233.00	246.10
Mar-21	255.00	200.00	229.95

- h. Performance in comparison to broad-based indices such as BSE SENSEX, CRISIL INDEX etc. :



- i. In case the securities are suspended from trading if any : The Securities of the Company have not been suspended from trading during the financial year ended March 31, 2021
- j. Registrars and Transfer Agents (RTA) : M/s. Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar, Hyderabad – 500 018,
Telangana, India. Tel: 040-23818475, 476,
Facsimile: 040-23868024 Email.id: info@vccipl.com
- k. Share Transfer System : The share transfers are being dealt by the Company's Registrars and Transfer Agents (RTA), M/s. Venture Capital and Corporate Investments Private Limited. Share transfers which are received in physical form are processed by RTA and after necessary transfers the share certificates are returned within a period of 15 days from the date of its receipt, subject to the documents being valid and complete in all respects.

**REPORT ON CORPORATE GOVERNANCE**

- l. Outstanding ADRs/GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity : Not applicable as the Company has not issued any of the above instruments.
- m. Employee Stock Options : The ESOP's was proposed for approval at its Board Meeting held on 09.08.2017, and was further approved by the members at the 24th Annual General Meeting of the Company held on 27.09.2017 as the ESOP Scheme 2017. During the year, the Company has made an application for seeking In-principle approval and received approval from BSE dated January 12, 2021. The Company is planning to proceed with said approval soon.
- n. Demat International Securities Identification Number (ISIN) in NSDL & CDSL : INE334C01029
- o. Rematerialisation of shares : The Company has not received any requests for re materialisation of shares during the year.
- p. **Distribution of Shareholding as on March 31, 2021:**

Category	Share Holders		Amount	
	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)
1 - 5000	7695	94.68	5207890	6.51
5001 - 10000	197	2.42	1529320	1.91
10001 - 20000	110	1.35	1659140	2.07
20001 - 30000	37	0.46	900000	1.13
30001 - 40000	25	0.31	873350	1.09
40001 - 50000	11	0.14	505580	0.63
50001 - 100000	15	0.18	1039250	1.30
100001 - Above	37	0.46	68285470	85.36
TOTAL	8127	100.00	80000000	100.00

- q. **Shareholding Pattern of the Company as on March 31, 2021:**

S. No	Category of Shareholders	No. of Shares	% of Shareholding
1.	Promoters and Promoter Group	5931931	74.15
2.	Mutual Funds and UTI	0	00.00
3.	Banks/FI's/ Insurance Companies/Others	2214	00.03
4.	Bodies Corporate	213820	2.67
5.	Residential Individuals	1532168	19.15
6.	NRIs/OCBs/FIIs/FB	319867	04.00
	TOTAL	8000000	100.00

**REPORT ON CORPORATE GOVERNANCE****r. Dematerialization of shares and liquidity**

The Company's shares are compulsorily traded in dematerialized form on BSE. Bifurcation of the category of shares in physical and electronic mode as on March 31, 2021 is given below:

Category	No. of Shareholders	No. of Shares	Percentage (%)
Physical	3756	507134	6.34
NSDL	2513	5841218	73.01
CDSL	1858	1651648	20.65
Total	8127	8000000	100

Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt.

Dematerializations of shares are done through M/s. Venture Capital and Corporate Investments Private Limited, and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents. 93.66% of the paid up capital has been dematerialized as on 31.03.2021.

- s. Commodity price risk or foreign exchange risk and hedging activities : Not Applicable to the Company
- t. Plant Locations : Aroor Village, Sadasivpet Mandal, Sangareddy (Medak) District, Telangana – 502 291
- u. Credit Rating obtained by the entity : Credit Rating provided by Brickwork Rating Agency for the financial year 2020 -21 has been revised from BBB-/Stable to BBB-/Stable Reaffirmed for term loan and cash credit and A3 to A3 Reaffirmed for non-fund based and fund based instruments.

v. Address for Correspondence:

S. No.	Shareholders Correspondence for	Address to
1.	Transfer/Dematerialization/ consolidation/split of shares, issue of Duplicate share certificates, change of address of members and beneficial owners and any other query relating to the shares of the Company.	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana, India. Tel: 040-23818475, 476 Facsimile: 040-23868024 Email.id: info@vccipl.com
2.	Investor Correspondence/queries on Annual Report etc.	COMPANY SECRETARY M/s. Everest Organics Limited Plot No. 127 & 128, 1 st Floor, Amar Co-Op Society, Opp: Madhapur Police Station Road, Near Durgam Cheruvu, Madhapur, Hyderabad – 500 033, Telangana, India. Tel : 040-40040783 Email: eoics0405@gmail.com

**REPORT ON CORPORATE GOVERNANCE****7. Other Disclosures****i. Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of Company at large.**

The Company does not have any materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large. The Company complies with the disclosure requirements as prescribed in Regulation 23 of Listing Regulations pertaining to Related Party Transactions ("RPT") and follows IND AS - 24 issued by Institute of Chartered Accountants of India (ICAI). Details of RPT's are informed to the Board on a quarterly basis along with financial results.

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transaction. The policy on the Related Party Transactions is hosted on the Company's website www.everestorganicsltd.com.

ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years: NIL**iii. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

Pursuant to Regulation 22 of the Listing Regulation and Section 177 (10) of the Act, the Company has formulated a Whistle Blower Policy for Vigil mechanism for stakeholders including Directors and employees to report to the management about the unethical behavior, fraud, violation of Company's Code of Conduct. The Whistle Blower Policy is available on the Company's website at www.everestorganicsltd.com. None of the personnel have been denied access to the Audit Committee.

iv. Compliance with Mandatory requirements: The Company has complied with all the mandatory requirements prescribed under Listing Regulations for the financial year ending March 31, 2021.**v. Web-link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable to the Company.**vi. Policy on dealing with Related Party Transactions:** The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transaction as approved by the Board may be accessed on the Company's website: www.everestorganicsltd.com.**vii. Details of utilization of funds were raised through preferential allotment or qualified institutions placements during the year:** Not Applicable to the Company.**viii. A Certificate from Company Secretary in practice:** None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on the date of the report. A certificate from a company secretary in practice is annexed as "CG-Annexure - II".**ix. Disclosure of Accounting Treatment**

Your Company has not adopted any alternative accounting treatment prescribed differently from Accounting Standard. The Financial Statement of the Company have been prepared in accordance with the Indian Accounting Standard (IND AS), notified under the Companies (Indian Accounting Standard) Rules, 2015 and the relevant provisions of Companies Act, 2013. The Financial statements have been prepared on accrual basis under the historical cost convention.

x. CEO/CFO Certification: In terms of Regulation 17(8) of the Listing Regulations, the Certificate in the prescribed format duly signed by the Managing Director and CFO of the Company which has been reviewed by the Audit Committees, was placed before the Board of Directors along with the

**REPORT ON CORPORATE GOVERNANCE**

financial statements for the year ended March 31, 2021, at its meeting held on August 05, 2021 are annexed herewith as “**CG-Annexure - III**” and forms part of this Annual Report.

- x. **Compliance Certificate:** Certificate from M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations are annexed herewith as “**CG-Annexure-IV**” and form part of this Annual Report.
- xii. **Compliance with all the Non-Mandatory requirements and discretionary requirements as specified in Part E of Schedule II of the Listing Regulations are as follows:**
1. The Board: A separate office is not maintained for the Non-Executive Chairman of the Company. The Composition of the Board of Directors, Committees of the Board are in line with the provisions of the SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and other applicable laws.
 2. Shareholders' Rights: The Financial performances of the Company on quarterly basis including a summary of significant events are published in English and Local Telugu Newspaper and are also posted on the website of the Company. Hence, this information's are not sent to each household of shareholders individually.
 3. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.
 4. The Company's financial statement for the 2020-21 contains few audit qualification which are given in the Independent Auditors Report and forms part of this report. The Company's financial statement is accompanied with modified opinion from the Statutory Auditor of the Company.
 5. Reporting of Internal Auditor: The Internal Auditor submits his report to the Audit Committee for review on quarter basis.
- xiii. **The Reconciliation of Share Capital Audit:** The Company gets the Reconciliation of Share Capital Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories, physical and the total issued and listed capital. The Reconciliation of Share Capital Audit Report placed before the Board of Directors on a quarterly basis and is also sent to the Stock Exchanges where the Company's shares are Listed.
- xiv. **Compliance with the conditions of Corporate Governance:** The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, to the extent as applicable, with regards to Corporate Governance.
- xv. **Statutory Auditor's Fees/ Compensation for FY 2020-21:** The total fees paid by the Company to the Statutory Auditors for the FY 2020-21 are Rs. 3, 00,000/- (Rupees Three Lakhs only) as set out in financial Statements and forms part of this report.
- xvi. Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: **Not applicable.**
- xvii. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
Nil	Nil	Nil

**REPORT ON CORPORATE GOVERNANCE**

xviii. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: **Not Applicable.**

xix. **Disclosures with respect to demat suspense account/ unclaimed suspense account:** In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports that 176256 equity shares comprising 2.20% are lying in the suspense account as on March 31, 2021. Details of outstanding shares during the year as given below:

S. No.	Particulars	Remarks
a.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	2025 Shareholders; 182880 Equity Shares
b.	Number of shareholders who approached listed entity for transfer/transmission of shares from suspense account during the year;	47
c.	Number of shareholders to whom shares were transferred /transmitted from suspense account during the year;	47
d.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	1978 Shareholders; 176256 Equity Shares
e.	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	176256 Equity Shares

For and on behalf of the Board of Directors

Date: 05.08.2021

Place: Hyderabad

**Sd/-
Ramakrishnam Raju Kounparaju
Chairman
DIN: 01735481**

**Sd/-
Srikakarlapudi Srihari Raju
Managing Director
DIN: 01593620**

**Details of Stakeholder Relationship Committee Meetings held during the year 2020-21**

S. No.	Type of Meeting	Date of Meeting	Total Number of Members as on the date of Meeting	Attendance	
				No. of Members attended	% of Attendance
1	Stakeholder Relationship Committee	18-05-2020	3	3	100
2	Stakeholder Relationship Committee	03-07-2020	3	3	100
3	Stakeholder Relationship Committee	21-08-2020	3	3	100
4	Stakeholder Relationship Committee	16-10-2020	3	3	100
5	Stakeholder Relationship Committee	30-10-2020	3	3	100
6	Stakeholder Relationship Committee	03-11-2020	3	3	100
7	Stakeholder Relationship Committee	09-11-2020	3	3	100
8	Stakeholder Relationship Committee	16-11-2020	3	3	100
9	Stakeholder Relationship Committee	27-11-2020	3	3	100
10	Stakeholder Relationship Committee	15-12-2020	3	3	100
11	Stakeholder Relationship Committee	12-01-2021	3	2	66.67
12	Stakeholder Relationship Committee	29-01-2021	2	2	100
13	Stakeholder Relationship Committee	05-02-2021	2	2	100

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of
Everest Organics Limited**

Aroor Village, Sadasivapet Mandal,
Sangareddy (Medak) District, Telangana- 502291.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Everest Organics Limited having CIN: L24230TG1993PLC015426 and having registered office at Aroor Village, Sadasivapet Mandal, Sangareddy (Medak) District, Telangana -502291 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Akella Parvathisem	00910224	28.08.2004
2.	Mr. Hari Krishna Srikakarlapudi	01664260	29.09.2007
3.	Mr. Kakarlapudi Sitarama Raju	02955723	19.04.1995
4.	Mr. Ramakrishnam Raju Kounparaju	01735481	28.09.2015
5.	Mr. Sreeramakrishna Grandhi	06921031	30.07.2014
6.	Mr. Srihari Raju Srikakarlapudi	01593620	19.02.1993
7.	Mrs. Srikakarlapudi Sirisha	06921012	30.07.2014
8.	Mr. Venkatasatyanarayana Murthy Chayaly	01460761	30.03.2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad

Date: 05.08.2021

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

**Sd/-
CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824
UDIN: F007122C000741504**



**COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR (MD)
AND CHIEF FINANCIAL OFFICER (CFO)**

(Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We, Dr. Srikakarlapudi Srihari Raju, Managing Director and Peruri Ramakrishna, Chief Financial Officer (CFO) of Everest Organics Limited, to the best of our knowledge and belief, certify that:

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the years which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 and 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.

We have indicated to the Auditors and the Audit Committee, wherever applicable;

- 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

Place: Hyderabad

Date: 05.08.2021

Sd/-

Dr. Sri Kakarlapudi Srihari Raju

Managing Director

DIN: 01593620

Sd/-

Mr. Peruri Ramakrishna

CFO

**CERTIFICATE**

**TO
THE MEMBERS OF
EVEREST ORGANICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **EVEREST ORGANICS LIMITED** ("the Company"), for the year ended on March 31, 2021, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

Place: Hyderabad

Date: 05.08.2021

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

Sd/-

**CS SHAIK RAZIA
PARTNER**

FCS: 7122; CP NO: 7824

UDIN: F007122C000741493



DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to provisions as provided under Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

The Board laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct on an annual basis in respect of the financial year ended March 31, 2021.

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

**Place: Hyderabad
Date: 05.08.2021**

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



**MANAGEMENT DISCUSSION & ANALYSIS REPORT****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The information is required in compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming a part of the Boards' Report for the year ended March 31, 2021 and has to be read in Conjunction with the Company's financial statements, which follows this Section. The management of the company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

INDUSTRY STRUCTURE & DEVELOPMENTS:

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in the UK. Globally, India ranks third in terms of pharmaceutical production by volume and fourteenth by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing unit.

Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years. The Indian pharmaceutical exports, including bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical, reached US\$ 24.44 billion in FY21.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

The Company was operating in the Chemical industries, mainly engaged in the manufacturing of Active Pharmaceutical Ingredients and Intermediaries. Financial Year 2020-21 was an extraordinary year in all aspects. The Directors from time to time has always considered the proposal for diversification into the areas which would be profitable for the Company. Going ahead your Directors are expecting better industrial development in the coming years.

MARKETING & MARKET SIZE:

According to the Indian Economic Survey, 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US\$ 42 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach ~US\$120-130 billion by 2030.

India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion.

'Pharma Vision 2020' by the Government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The Indian drugs and pharmaceuticals sector has received cumulative FDI inflows worth US\$ 17.75 billion between April 2000 and December 2020.

To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US\$ 951.27 million) from FY21 to FY30.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$64 billion in 2019 and is expected to reach US\$150 billion by 2025.

India's drugs and pharmaceuticals exports stood at US\$ 24.44 billion in FY21.

OUTLOOK: Global API Sector

The global Active Pharmaceutical Ingredient (API) market reached a value of US\$ 200.6 Billion in 2020. The global demand of APIs is currently exhibiting string growth. Medicines prescribed in the US and Europe are as

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

likely to contain an API made in Asia as one manufactured locally. The global API supply chains extend around the world.

The Indian bulk drug industry has progressed from being perceived as an industry manufacturing simple API molecules to becoming the preferred destination for high value and complex APIs. India's API industry is ranked the third largest in the world, and the country contributes approximately 57% of APIs to pre-qualified list of the WHO – its highly fragmented nature erodes its competitive positioning globally.

The backbone of Indian pharmaceutical industry is the bulk drugs/API industry, and in the past, a well-developed bulk drugs manufacturing sector ensured that India remained self-dependent for its intermediates and active pharmaceutical ingredients (APIs). However, over the past two decades, India's reliance has grown for imports of low-cost intermediates and APIs. Over-dependence on imports has increased the threat to the nation's health security as some of these APIs are crucial to mitigate India's growing disease burden categories, such as cardiovascular diseases, Diabetes and Tuberculosis. The import of APIs has risen at a CAGR of 8.3% from 2012 to 2019 and the bulk drug import reached a value of US\$ 249 billion in 2019. Currently, India imports nearly 68% of API, by value, from China. The latter is also a single supplier for many of the critical intermediaries and APIs including high-burden disease categories.

More recently, the coronavirus related supply chain interruptions have further highlighted the vulnerabilities in the drug supply chain. Hence, there is an urgent need to improve India's self-sufficiency and boost domestic manufacturing to achieve global leadership.

INVESTMENTS AND RECENT DEVELOPMENTS:

The Union Cabinet has given its nod for the amendment of 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 inflow worth US\$ 17.75 billion between April 2000 and December 2020 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- In May 2021, the Government of India invited R&D proposals on critical components and innovations in oxygen concentrators by June 14, 2021.
- In May 2021, Indian Immunologicals Ltd. (IIL) and Bharat Immunologicals and Biologicals Corporation (BIBCOL) inked technology transfer pacts with Bharat Biotech to develop the vaccine locally to boost India's vaccination drive. The two PSUs plan to start production of vaccines by September 2021.
- In May 2021, Eli Lilly & Company issued non-exclusive voluntary licenses to pharmaceutical companies – Cipla Ltd., Lupin Ltd., Natco Pharma & Sun Pharmaceutical Industries Ltd. – to produce and distribute Baricitinib, a drug for treating COVID-19.
- In April 2021, the CSIR-CMERI, Durgapur, indigenously developed the technology of Oxygen Enrichment Unit (OEU). The unit can deliver medical air in the range of ~15 litres per minute, with oxygen purity of >90%. It transferred the technology to MSMEs—Conquerent Control Systems Pvt. Ltd., A B Elasto Products Pvt. Ltd. and Automation Engineers, Mech Air Industries and Auto Malleable.
- In April 2021, National Pharmaceutical Pricing Authority (NPPA) fixed the price of 81 medicines including off-patent anti-diabetic drugs allowing due benefits of patent expiry to the patients.
- In February 2021, Aurobindo Pharma announced plans to procure solar power from two open access projects of NVNR Power and Infra in Hyderabad. The Company will acquire 26% share capital in both companies with an US\$ 1.5 million investment. The acquisition is expected to be completed by the end of the March 2021.
- In February 2021, the Telangana government partnered with Cytiva to open a 'Fast Trak' lab to strengthen the biopharma industry of the state.
- In February 2021, Glenmark Pharmaceuticals Limited launched SUTIB, a generic version of Sunitinib oral

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

capsules, for the treatment of kidney cancer in India.

- In February 2021, Natco Pharm launched Brivaracetam for the treatment of epilepsy in India.
- In February 2021, the Russia Ministry of Health allowed Glenmark Pharmaceuticals to market its novel fixed-dose combination nasal spray in Russia.
- In January 2021, the Central Government announced to set up three bulk drug at a cost of Rs. 14,300 crore (US\$ 1,975 million) to manufacture chemical compounds or active pharmaceutical ingredients (APIs) for medicines and reduce imports from China.

GOVERNMENT INITIATIVES:

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

- To achieve self-reliance and minimize import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated as PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.
- In April 2021, the Union Government decided to streamline and fast-track the regulatory system for COVID-19 vaccines that have been approved for restricted use by the US FDA, EMA, UK MHRA, PMDA Japan or those listed in the WHO Emergency Use Listing (EUL). This decision is likely to facilitate quicker access to foreign vaccine by India and encourage imports.
- In February 2021, the Punjab government announced to establish three pharma parks in the state. Of these, a pharma park has been proposed at Bathinda, spread across~1,300 acers area and project worth ~Rs. 1,800 crore (US\$ 245.58 milliion). Another medical park worth Rs. 180 crore (US\$ 24.56 million) has been proposed at Rajpura and the third project, a greenfield project, has been proposed at Wazirabad, Fatehgarh Sahib.
- Under Union Budget 2021-22, the Ministry of Health and Family Welfare has been allocated Rs. 73,932 crore (US\$ 10.35 billion) and the Department of Health Research has been allocated Rs. 2,663 crore (US\$ 365.68 million). The government allocated Rs. 37,130 crore (US\$ 5.10 billion) to the 'National Health Mission'. PM Aatmanirbhar Swasth Bharat Yojana was allocated Rs. 64,180 crore (US\$ 8.80 billion) over six years. The Ministry of AYUSH was allocated Rs. 2,970 crore (US\$ 407.84 million), up from Rs. 2,122 crore (US\$ 291.39 million).

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise.

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

OPPORTUNITIES AND THREATS:

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

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****a) Strengths**

- Well-developed chemistry, R&D and manufacturing infrastructure with proven track record in advance chemistry capabilities, design of high tech manufacturing facilities and regulatory compliance.
- Strong technical, finance and administrative expertise in pharma industries along with strong marketing and distribution network.
- 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.
- Healthy domestic market with rising per capita expenditure. Low cost of innovation, manufacturing and operations.
- Strong focus by the Government. Adherence to global standards, high quality documentation and process understanding.
- Adequate health insurance coverage.

b) Weaknesses

- Stringent pricing regulations affecting the profitability of pharma companies.
- Lack of ability to compete with MNCs for New Drug Discovery, Research and commercialization of molecules on a worldwide basis due to lack of resources
- Poor all-round infrastructure is a major challenge.
- Low investments in innovative R & D.
- Presence of more unorganised players versus the organized ones, resulting in an increasingly competitive environment, characterised by stiff price competition.

c) Opportunities

- Global demand for generics rising. High scope in Research & Development sector
- Rapid OTC and generic market growth. Significant export opportunities.
- 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

- Global Competition. Narrow margin of Profits.
- Increasing Stringency on Quality.
- Increasing CGMP regulatory requirement compliances leads to more and more investments.
- Wage inflation.
- Government expanding the umbrella of the Drugs Price Control Order (DPCO).
- Other low-cost countries such as China and Israel affecting outsourcing demand for Indian pharmaceutical products
- Entry of foreign players (well equipped technology-based products) into the Indian market.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Company is seriously contemplating for both forward and backward integration. The Company is also actively perusing assets/stress-assets which will add immediately value to the Company's motto. The Company is determined to have a forward integration into palletisation and lyophilisation in near future along with backward integration in intermediates through acquisition or new exposition projects.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an adequate system of internal controls comprising authorization levels, supervision, checks and balance and procedures through documented policy guidelines and manuals, which provide that all transaction are authorized, recorded and reported correctly and compliance with policies and statutes are ensured. The operational managers exercise their control over business processes through operational systems, procedural manual and financial limits of authority manual, which are reviewed and updated on an ongoing basis to improve the systems and efficiency of operations. The Company place prime importance on an effective internal audit system. The Internal Control System is supplemented by internal audit, regular review by the management and well documented policies. The Company has an independent Internal Audit System to monitor the entire operations and services. The top management and Audit Committee of the Board review the findings of the Internal Auditor and takes remedial actions accordingly.

RISKS AND CONCERN:

The pharmaceutical industry faces challenges in protecting intellectual property and brand reputation while meeting strict compliance needs. Environmental sector is another major concern as drugs are of high value and sensitive to environmental interaction. There is a need to make sure that pharmaceutical products are handled safely. Active pharmaceutical ingredients (APIs) can enter the natural environment during manufacture, use and/or disposal, and consequently public concern about their potential adverse impacts in the environment is growing. Owing to lockdown in various countries, the Company has experience impact on the logistics and thereby experienced occasional delays in both inbound and outbound shipments. After border tension with china, our business has been impacted to an extent of 10-15% because of stricter monitoring by the Indian Government authorities on imports from China and export to China.

SEGMENT-WISE PERFORMANCE:

Everest Organics Limited is engage in the business of manufacturing of Active Pharmaceutical Ingredients & Intermediaries since past two and half decades. Currently the Company is working on capacity utilization of 80-90% for the existing product. The big capex done for the FY 2020-21 was Rs. 8 crore and capex envisaged for the FY 21-22 and thereafter every year Rs. 10.00 crore for the next 3 years (including FY 21-22).

During the FY 2020-21, the Company exported about 25% of the total sale from all over the world. The operating margin of the Company is likely to touch 15% in the ensuing years; the increase in operating margin was because of enhanced capacity utilization and enhanced cost control measures. There was an increase in number of client during the year; presently we have about 60 customers spread over 45 countries all over the world. We would like to reach 100 clients in 60 countries in the next three years. We have already registered one product in China and two products in other regulated market.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the Company has achieved a turnover of INR 1815 million as against INR 1672 million in the previous year reflecting a significant year-on-year growth of 8.55%.

During the year the Company has earned a Net Profit of INR 137 million as against Net Profit of INR 108 million in the previous year, registering a growth in Profit-after-tax (PAT) of 26.85%. The Company has made a provision of INR 35 million for Tax Expenses. No transfers from the profits were made to the General Reserve. The entire net profit is carried over in the Statement of Profit & Loss.

The Earning per shares (EPS) of the Company as on March 31, 2021 was INR 17.14 as against INR 13.62 in the previous year.

KEY FINANCIAL RATIOS:

In accordance with the amendments notified in the Regulation 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 on May 09, 2018, the details of significant

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

changes in the key financial ratios as compared to the immediately previous financial year are reported hereunder:

Particulars	As at March 31, 2021	As at March 31, 2020	Change	Reason for change
Debtors Turnover	3.83	3.93	(2.75)%	-
Inventory Turnover	3.57	4.21	(15.10)%	-
Interest Coverage Ratio	7.34	6.04	21.52%	-
Current Ratio	1.15	1.07	7.89%	-
Debt-Equity Ratio	0.48	0.52	5.93%	-
Operating Profit Margin (%)	11.24%	10.39%	8.18%	-
Net Profit Margin (%)	7.51%	6.46%	16.25%	-
Return on Net Worth (%)	29.45%	31.86%	(7.57)%	-

BUSINESS UPDATES:

- Osaltamivir CEP is filed for European market sales.
- Remdesivir and Posaconazole API's are developed and commercialized as part of COVID-19 treatments.
- New block with capacity improvement of 100000 Kgs will be completed by January 2022 giving room for new products to be commercialized.
- Long Term Loan by Financial Credit Rating (Brickwork Rating) is BWR BBB-/Stable dated December 03, 2020.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT:

The focus is on capability development, performance management and employee engagement. This is expected to improve cost competitiveness through greater levels of employee participation, commitment and involvement.

The Company recognizes human resources as its biggest strength which has resulted in getting acknowledgement that the Company is the right destination where with the growth of the organization, value addition of individual employees is assured. 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 total number of employees as on March 31, 2021 is about 417.

CAUTIONARY STATEMENT:

Statement in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, exceptions or predictions may be forward looking statements and are based on certain assumptions and exception of future events. Actual result could however differ materially from those express or implied. Important factors that could make a difference to the Company's operations including global and domestic demand-supply condition, finished goods process, raw material cost and availability, changes in government regulations and tax structure, economic development within India and the Countries with which the Company has Business Contracts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statement herein which may undergo changes in future on the basis of subsequent developments, information and events.

**AUDITORS' REPORT****INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF
EVEREST ORGANICS LIMITED.**

We have audited the accompanying financial statements of Everest Organics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

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 as amended 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 March 31, 2021 and its profit (financial performance including other comprehensive income) its cash flows and the changes in equity for the year ended on that date.

BASIS FOR QUALIFIED OPINION:

As stated in Note 26 (C) (xvii) (a) (2) to the financial statements of the Company as at March 31, 2021 under report, the liability for payment of Gratuity stands at Rs.112.71 Lakhs, calculated as per the assessment of the management, but not as per the actuarial valuation as required under the Indian Accounting Standards. As against the said liability of Rs.112.71 Lakhs the company has deposited only part of the contribution to the Fund i.e. Rs.86.47 Lakhs and for the remaining liability of Rs.26.24 Lakhs provision is made. 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 March 31, 2021 is qualified in respect of this matter.

EMPHASIS MATTER:

We draw attention to Note 26(C) (xii) of the financial statements in respect of the Environmental issues. Wherein, attention has been drawn to the event on the closure of operations order by Telangana State Pollution Control Board and its subsequent revocation for a temporary period, has been dealt-with. Further, we also draw attention to the genesis and the current status of Company's application for increase in the production capacity of the company. Our Opinion is not modified in respect of this matter.

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We draw attention to following matters of the Company.

A) Revenue recognition:

Revenue is recognized when the control over the underlying products has been transferred to the customer. Due to the Company's sales under various contractual terms and across the country, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider a risk of misstatement of the Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off). Our tests of detail focused on sample of cut-off transactions, to

**AUDITORS' REPORT**

verify that only revenue pertaining to current year is recognized based on terms and conditions set out in sales contracts and delivery documents and performing testing on selected statistical samples of revenue transactions recorded during the year.

B) Raw material Consumption:

Raw material Consumption for the year is recognized based on the product composition at various stages and the customers requirement for all the products. The estimates relating to the charge are important given the significance process knowhow and the distinctive terms of arrangement with customers. These compositions consumption norms are complex and requires significant judgments and estimation by the Company for establishing the matching concept. An appropriate charge of raw material consumption and accuracy thereof may deviate due to change in judgments and estimates. Accordingly, the same has been considered as a key audit matter.

We obtained Management's calculations for raw material consumption specifications and relied upon the same.

C) IT Systems and Controls:

We have identified IT Systems and controls over financial reporting as a key audit matter for the company because it's financial and reporting system should be integrated and must be fundamentally reliant on IT systems and controls to process the voluminous data specifically with respect to revenue, debtors, inventory management and raw material consumption. Automated accounting procedures and IT environment controls are required to be modified and implemented to operate effectively to ensure accurate financial reporting to comply with all the reporting requirements under various statues. We have assessed the management's position through discussion with the in-house and external experts. Management has initiated steps to integrate all activities in this regard.

Accordingly, the same is considered as a key Audit matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

**AUDITORS' REPORT**

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore

**AUDITORS' REPORT**

the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Profit and Loss Statement, 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 as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, Shri KRK Raju Independent Director of the Company, is also a Director on the Board of another company, whose name has been struck off from the register of companies by the Ministry of Company Affairs. On a writ petition filed in this regard, the Honorable High court of Telengana has passed an order on 22nd Jan 2020, consequently the DIN of Mr KRK Raju is active as on date. As per the said order, the same order holds good for active companies. Subject to the above, none of the directors is disqualified as on March 31, 2021, 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 26(C) (xii) Under Notes on Accounts 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

Sd/-
(SRINIVAS OLETI)
Partner
ICAI M.No.206457
UDIN.21206457AAAAAC5072

Place : Hyderabad,
Date : 12-06-2021.

**AUDITORS' REPORT****ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT DT.12-06-2021 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. However, the original land documents were transferred from the erstwhile banker Kotak Mahindra Bank Limited to HDFC Bank Limited. The confirmation to this effect is awaited from the HDFC Bank Limited.
- (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 related parties, total amount outstanding in this regard, as at 31-03-2021 is Rs. 117.91 lakhs.
- (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, Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value Added

**AUDITORS' REPORT**

Tax, Cess and other statutory dues have been generally deposited with the 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 31-03-2021 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 not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (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

Sd/-
(SRINIVAS OLETI)
Partner
ICAI M.No.206457
UDIN: 21206457AAAAAC5072

Place : Hyderabad,
Date : 12-06-2021.

**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 March 31, 2021 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;

**AUDITORS' REPORT**

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2021, 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

Sd/-
(SRINIVAS OLETI)
Partner
ICAI M.No.206457
UDIN. 21206457AAAAAC5072

Place : Hyderabad,
Date : 12-06-2021.



PART 1 - BALANCE SHEET (CIN : L24230TG1993PLC015426)

EVEREST ORGANICS LIMITED				
BALANCE SHEET AS AT 31-03-2021				
(Rupees)				
	Particulars	Note No.	As at 31-Mar-2021	As at 31-Mar-2020
1	ASSETS			
	Non-current assets			
	(a) Property, Plant and Equipment	1	435,665,275	390,402,390
	(b) Capital Work-in-Progress	2	752,519	11,266,879
	(c) Financial Assets			
	(i) Investments	3	845,408	845,408
	[d] Other Non-Current Assets	4	24,000,998	9,051,761
	Total Non Current Assets (A)		461,264,200	411,566,437
2	Current assets			
	(a) Inventories	5	329,241,651	273,995,963
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	6	506,191,421	442,960,894
	(iii) Cash and cash equivalents	7	16,617,111	20,012,283
	(c) Other Current Assets	8	40,465,644	54,381,431
	Total Current Assets (B)		892,515,827	791,350,571
	TOTAL ASSETS [(C) = (A) +(B)]		1,353,780,027	1,202,917,008
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	9	80,000,000	80,000,000
	(b) Other Equity	10	385,755,945	262,021,544
	Total Equity (D)		465,755,945	342,021,544
	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	58,144,316	46,125,253
	(b) Deferred Tax Liabilities (Net)		35,833,880	30,447,983
	(c) Other Non-Current Liabilities	12	20,437,679	44,268,605
	Total Non Current Liabilities (E)		114,415,874	120,841,842
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	141,061,812	105,732,518
	(ii) Trade Payables	14	547,432,768	564,966,563
	(iii) Other Financial Liabilities	15	26,477,515	24,321,293
	(b) Other current liabilities	16	23,792,070	18,450,060
	(c) Provisions	17	4,644,044	3,883,189
	(d) Current tax liabilities	18	30,200,000	22,700,000
	Total Current Liabilities (F)		773,608,209	740,053,623
	TOTAL EQUITY AND LIABILITIES [G] = (D)+(E)+(F)]		1,353,780,027	1,202,917,008
	Significant Accounting Policies and Notes on Accounts thereon forms an integral part of accounts.	26		
	As per our report even date for SURYAM & Co. Chartered Accountants FRN - 12181S			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: 12-06-2021		Sd/- REKHA SINGH Company Secretary	Sd/- A.PARVATISEM Technical Director DIN: 00910224



PART II - STATEMENT OF PROFIT AND LOSS ACCOUNT

EVEREST ORGANICS LIMITED				
Statement of Profit and Loss for the year ended 31.03.2021				
(Rupees)				
	Particulars	Note No.	For the Year ended 31-Mar-2021	For the Year ended 31-Mar-2020
I	Revenue From Operation	19	1,815,668,954	1,672,123,092
II	Other Income	20	10,616,322	14,528,600
III	Total Income (I+II)		1,826,285,276	1,686,651,691
IV	EXPENSES			
	Cost of materials consumed	21	1,159,933,686	1,022,642,447
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	22	(82,240,315)	(57,793,301)
	Employee benefits Expenditure	23	152,637,016	133,035,938
	Finance Cost	24	32,562,892	34,334,199
	Depreciation and amortisation expenses	1	33,746,339	32,081,445
	Other expenses	25	356,910,132	381,423,921
	Total Expenses (IV)		1,653,549,750	1,545,724,649
V	Profit/(loss) before exceptional items and tax(III-IV)		172,735,525	140,927,042
VI	Exceptional Item		-	-
VII	Profit/(loss) before tax (V-VI)		172,735,525	140,927,042
VIII	Tax Expenses			
	(1) Current tax		30,200,000	22,700,000
	(2) Deferred tax		5,385,897	9,260,165
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		137,149,629	108,966,877
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)		137,149,629	108,966,877
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss (Insurance Claims of earlier period)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Item that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		137,149,629	108,966,877
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		17.14	13.62
	(2) Diluted		17.14	13.62
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		17.14	13.62
	(2) Diluted		17.14	13.62
Significant Accounting Policies and Notes on Accounts thereon form an integral part of accounts.		26		
As per our report even date for SURYAM & Co. Chartered Accountants FRN - 12181S			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: 12-06-2021			Sd/- REKHA SINGH Company Secretary	Sd/- A.PARVATISEM Technical Director DIN: 00910224



SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE - 1 Property, Plant and Equipment.										(Amount in Rupees)	
S.No.	Particulars	Gross Block				Depreciation			Net Block		
		As At 01.04.20	Additions During the year	Deletions / transfer during the year	As At 31.03.21	As At 01.04.20	for the year	Deletions during the year	As At 31.03.21	As At 31.03.20	
1	Land & Land Development	5,308,474	-	-	5,308,474	-	-	-	-	5,308,474	5,308,474
2	Factory Buildings	74,307,384	20,707,608	-	95,014,992	36,147,051	3,022,101	-	39,169,152	55,845,841	38,160,333
3	Plant & Machinery & Utilities	624,945,830	53,997,156	-	678,942,986	298,818,728	27,125,320	-	325,944,049	352,998,937	326,127,102
4	R&D Equipment	15,027,906	1,402,833	-	16,430,739	1,729,005	1,454,825	-	3,183,830	13,246,908	13,298,901
5	Office Equipment	3,592,162	470,479	-	4,062,641	3,098,663	247,034	-	3,345,697	716,944	493,499
6	Computers	4,027,147	1,263,664	-	5,290,811	3,430,758	444,849	-	3,875,607	1,415,203	596,389
7	Furniture & Fittings	5,171,179	1,167,484	-	6,338,663	3,240,774	519,784	-	3,760,568	2,578,105	1,930,405
8	Vehicles	10,697,936	-	-	10,697,936	6,210,649	932,425	-	7,143,074	3,554,862	4,487,287
	Total (A)	743,078,018	79,009,225	-	822,087,242	352,675,628	33,746,339	-	386,421,967	435,665,275	390,402,390

SCHEDULE - 2 Capital Work-in-Progress											
1	Buildings	9,591,909	11,448,598	20,707,608	332,899					332,899	9,591,909
2	Plant & Machinery & Others	1,674,970	52,741,806	53,997,156	419,620					419,620	1,674,970
	Total (B)	11,266,879	64,190,404	74,704,764	752,519	-	-	-	-	752,519	11,266,879

1. Fixed Assets are stated at historical cost of acquisition net of GST and other applicable taxes, and is inclusive of incidental expenses and the proportionate expenditure to bring such assets to its present location.

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 Management is in the process of evaluating the fixed assets of the Company to ascertain and check on impairment. The impact of such impairment if any shall be dealt with on completion of such exercise. However, the management 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 conservative basis.



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)

		As at 31-Mar-2021		As at 31-Mar-2020
3. Financial Assets- Investments				
Investment in Equity Investment				
Equity Shares in PETL		815,408		815,408
Equity Shares in SBI		30,000		30,000
Total		845,408		845,408
4. Other Non-Current Assets				
Security Deposits with Others				
Security Deposits with Government Company-TSCPDCL		3,315,543		745,543
Security Deposits for Mobile, Internet		9,889,471		7,874,021
Loans and Advances to Employees		92,692		92,692
Gratuity Fund Deposit		2,056,421		339,505
		8,646,871		-
Total		24,000,998		9,051,761
5. Inventories				
(a) Raw materials				
(b) Work-in-progress		68,363,584		95,054,337
(c) Finished Goods		128,454,149		68,893,062
(d) Others		123,650,539		100,971,311
- Stores and Spares		5,328,243		5,265,801
- Coal		2,820,703		3,599,063
- Packing Material		624,433		212,389
Total		329,241,651		273,995,963
6. Trade Receivables				
Trade Receivables considered good-unsecured				
- morethan 6 months	31,110,378		36,138,790	
Less: Allowance for doubtful receivables	15,845,681	15,264,696	14,134,798	22,003,992
- lessthan 6 months		490,926,725		420,956,902
Total		506,191,421		442,960,894
7. Cash and cash equivalents				
(a) Balances with Banks;				
(b) Cash on Hand;		4,866,887		9,141,866
(c) Deposits with Kotak Bank for LC Margin Money		206,391		215,289
(d) Deposits with HDFC Bank for LC Margin Money		9,043,833		10,655,128
		2,500,000		-
Total		16,617,111		20,012,283
8. Other Current Assets				
Advances - Unsecured, considered good				
Advances - Capital Goods		6,345,381		3,254,890
Advances - Raw Materials		3,734,225		3,102,432
Advance - Consumables-Coal		9,397,347		17,145,988
Advances - Others		2,728,764		7,831,028
Other Receivables		4,288,812		5,110,935
Advance Tax		13,500,000		12,300,000
TDS Receivable		133,260		442,373
GST Refund Receivable		337,855		909,809
GST- Input Tax Credit		-		4,283,976
Total		40,465,644		54,381,431



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)			
9. Equity		As at 31-Mar-2021	As at 31-Mar-2020
<u>Class of Shares - Equity Shares</u>			
<u>Authorised Capital</u>			
1,00,00,000 Equity Shares of Rs.10/- each		100,00,000	100,00,000
<u>Issued, Subscribed & Paid-up Capital</u>			
Shares issued, subscribed and paid up (80,00,000 Equity Shares of Rs.10/- each fully paid up)		80,00,000	80,00,000
Total		80,00,000	80,00,000

Note:1
No. of shares held by individuals/entities each holding more than 5% of total stake.

1. Veerat Finance & Investment Co.Ltd., (37,25,546 Equity Shares of Rs.10/- fully paid up) (CIN: U65921TG1994PLC018639) (38,85,546 Equity Shares of Rs.10/- fully paid up)	37,25,546 (46.57%)	38,85,546 (48.57%)
2. Dr.S.K.Srihari Raju (15,52,989 Equity Shares of Rs.10/- fully paid up) (15,52,989 Equity Shares of Rs.10/- fully paid up)	15,52,989 (19.41%)	15,52,989 (19.41%)

Note: 2

Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity Shares of Rs.10/- each Fully paid up issued & subscribed as at the beginning of the year.	8,00,000	8,00,000
	-	-
Total:	8,00,000	8,00,000

- Note:**
- There are no shares issued in last five years as fully paid up pursuant to contracts without payment being received in cash.
 - There are no shares issued in last five years as fully paid up by way of bonus shares.
 - There are no shares bought back in last five years.
 - There are no calls unpaid.
 - The Company had reduced the equity shares capital under the Capital Reduction Scheme in the year 2015 (Ratio 100:36).

10. Other Equity	Amount in Rupees			
	Reserves and Surplus			
	Securities Premium	Retained Earnings	Money received against share warrants	Total
Balance as on 31-03-2020	37,293,760	224,727,784	-	262,021,544
Changes in accounting policy or prior period error	-		-	-
Restated Balance at the beginning of the reporting period	37,293,760	224,727,784	-	262,021,544
Total comprehensive income for the year		137,149,629		137,149,629
Any other change (prior period taxes)	-	(1,415,229)	-	(1,415,229)
Dividend		(12,000,000)		(12,000,000)
Balance as on 31-03-2021	37,293,760	348,462,185	-	385,755,945



SCHEDULE FORMING PART OF THE BALANCE SHEET

(Rupees)

		As at 31-Mar-2021		As at 31-Mar-2020
11. Non Current - Financial Liabilities / Borrowings				
Secured Loans				
- from banks & NBFC's				
1. Term Loan from Kotak Mahindra Bank-VII		-		24,038,099
2. Cholamandalam Investment and Finance Co.ltd		435,343		620,013
3. Term Loan from Kotak Mahindra Bank-VIII		-		12,666,667
4. Loan from CliX Capital Services Pvt.Ltd		-		1,487,531
5. Loan from Axis Bank Skoda Car		1,547,105		1,976,986
6. Term Loan from HDFC Bank-I		9,969,243		-
6. Term Loan from HDFC Bank-II		16,499,073		-
7. Term Loan from HDFC Bank-MSME Term Loan		27,663,098		-
8. Sales Tax Deferment Liability (Payable as per A.P / TS State Government 14 years sales tax deferment scheme repayment commenced from 2009-10 and payable before the year 2022-23)		2,030,453		5,335,958
Total		58,144,316		46,125,253
12. Other Non-Current Liabilities				
1. Unsecured Loans				
(i) Unsecured Loans from Directors & Near Relatives		11,790,808		40,852,354
(ii) Security Deposit from Employees		-		3,195,282
(iii) Fringe Benefit Taxes for earlier years		-		220,970
2. Funded Gratuity Liability		8,646,871		-
Total		20,437,679		44,268,605
13. Current Financial Liabilities - (i) Borrowings				
Secured				
(a) Loans repayable on Demand				
- from Kotak Mahindra Bank Ltd				
Cash Credit	-		38,276,243	
Invoice Discounting (Domestic)	-		46,912,716	
Export Packing Credit	-		14,810,000	99,998,959
- from HDFC Bank Ltd				
Cash Credit	41,071,060		-	
Invoice Discounting (Domestic)	49,841,348		-	
Export Packing Credit	19,649,404		-	
Loan from HDFC Bank granted for closure of LC & BGs with Kotak Bank	30,500,000	141,061,812	-	-
(b) LC Bills Discounting - Catholic Syrian Bank		-		5,733,559
Total		141,061,812		105,732,518
14. Trade Payables				
MSME Creditors for Raw Materials		81,647,271		79,996,435
Other Creditors for Raw Materials		340,234,295		364,339,452
Creditors for Expenses		72,901,546		60,375,426
MSME Creditors for Capital Goods		4,764,637		2,892,664
Other Creditors for Capital Goods		40,297,497		43,869,142
Creditors for Utilities		7,587,522		13,493,445
Total		547,432,768		564,966,563

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

(Rupees)

15. Other Financial Liabilities		As at 31-Mar-2021		As at 31-Mar-2020
Current maturities of long-term debt - from banks & NBFC'S				
1. Term Loan from Kotak Mahindra Bank Ltd - VI		-		3,390,096
2. Term Loan from Reliance Commercial Ltd		-		1,745,405
3. Term Loan from Kotak Mahindra Bank Ltd-VII		-		9,856,257
4. Cholamandalam Investment and Finance Co.ltd		289,153		257,492
5. Term Loan from Kotak Mahindra Bank Ltd-VIII		-		4,000,000
6. Loan from Bajaj Finance Ltd		-		2,731,353
7. Loan from Clix Capital Services Pvt.Ltd		1,487,530		1,947,676
8 .Axis Bank Ltd		429,881		393,014
9. Term Loan from HDFC Bank-I		3,736,467		-
10.Term Loan from HDFC Bank-II		12,065,032		-
11.Term Loan from HDFC Bank-MSME Term Loan		3,936,902		-
12. Loan from Bajaj Finance Ltd (New)		4,532,550		-
Total		26,477,515		24,321,293
16. Other current liabilities		As at 31-Mar-2021		As at 31-Mar-2020
Current Maturities of Deferred Payment Liability- Sales Tax		3,305,457		3,199,689
Statutory Liabilities				
a) ESI Dues	163,360		157,524	
b) PF Dues	1,517,427		1,289,218	
c) Professional Tax Dues	43,500		32,500	
d) TDS Payable	1,204,272		4,773,564	
e) TCS Payable	395,715		-	
Total Statutory Liabilities		3,324,274		6,252,806
Other Current Liabilities		13,610,752		8,997,565
GST Payable		3,551,588		-
Total		23,792,070		18,450,060
17. Provisions for Current Liabilities		As at 31-Mar-2021		As at 31-Mar-2020
Provision for Employee benefits (Gratuity)		2,623,675		2,986,870
Provision for Leave Encashment		2,020,369		896,319
Total		4,644,044		3,883,189
18. Current tax liabilities		As at 31-Mar-2021		As at 31-Mar-2020
1. Income Tax		30,200,000		22,700,000
Total		30,200,000		22,700,000



SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

(Rupees)

		For the Year Ended 31-Mar-2021	For the Year Ended 31-Mar-2020
19. Revenue From Operation			
Sale of products :			
- Domestic Sales	1,627,253,585		1,401,713,835
Less: Duties	257,915,206		223,976,029
	1,369,338,379		1,177,737,806
- Export Sales	446,170,619	1,815,508,998	493,966,313
Sale of Services :		159,956	418,973
Total		1,815,668,954	1,672,123,092
20. Other Income			
Interest Income		1,093,640	1,146,530
Export Incentives		5,086,775	6,992,307
Creditors Written Back		233,701	8,949
Net Foreign Exchange Gain		3,710,405	2,944,553
Bad Debts Provision Written back		491,802	3,436,260
Total		10,616,322	14,528,600
21. Cost of materials consumed			
Opening Stock of Raw Materials		95,054,337	62,776,028
Add: Purchase of Raw Materials		1,133,242,933	1,054,920,756
		1,228,297,270	1,117,696,784
Less: Closing Stock of Raw Materials		68,363,584	95,054,337
Total		1,159,933,686	1,022,642,447
22. Changes in Inventories			
Opening Stock of Finished Goods	100,971,311		48,902,471
Closing Stock of Finished Goods	123,650,539		100,971,311
Net Increase/(Decrease) in Finished Goods		(22,679,228)	(52,068,840)
Opening Stock of Work In Progress	68,893,062		63,168,601
Closing Stock of Work In Progress	128,454,149		68,893,062
Net Increase/(Decrease) in Work In Progress		(59,561,087)	(5,724,461)
Total		(82,240,315)	(57,793,301)
23. Employee benefits Expenditure			
Salaries and Wages		119,110,684	104,668,314
R & D Salaries		12,072,937	8,251,950
Defined Contribution Plans		7,415,267	6,053,243
Staff welfare expenses		4,659,358	7,839,818
Defined Benefit Plan		2,623,675	815,069
Other Benefits		6,755,095	5,407,545
Total		152,637,016	133,035,938
24. Finance Cost			
Interest		20,113,655	20,021,300
Bills Discounting Charges		9,084,630	9,977,878
Processing, Documentation and other bank charges		3,364,607	4,335,021
Total		32,562,892	34,334,199

**SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT**

(Rupees)

25. Other expenses		For the Year Ended 31-Mar-2021		For the Year Ended 31-Mar-2020
Statutory Audit Fee		300,000		300,000
Manufacturing Expenses:				
(a) Material Conversion Charges	8,062,977		19,345,511	
(b) Stores Consumables	6,729,985		4,848,182	
(c) Lab Expenses	7,919,993		8,552,181	
(d) R&D Expenses	1,902,417		1,813,143	
(e) Effluent Charges	24,836,993		26,060,742	
(f) Power and Fuel	123,636,562		118,467,752	
(g) Plant Repairs & Maintenance Charges	54,842,388		52,547,502	
(h) Production Contract Charges	33,767,290	261,698,603	32,037,930	263,672,942
Administrative Expenses:				
(a) Conveyance	796,831		3,294,458	
(b) Postage, Telephone Charges	480,709		649,517	
(c) Rent, Rates & Taxes	3,206,157		2,193,270	
(d) Insurance	8,784,037		8,231,566	
(e) Security Charges	1,293,537		1,233,201	
(f) Consultancy Charges	12,478,642		6,464,865	
(g) Office Maintenance	1,000,408		829,711	
(h) Vehicle Maintenance	1,568,987		2,176,050	
(i) Other Administrative Expenses	16,905,984	46,515,292	15,401,097	40,473,734
Selling & Distribution Expenses:				
(a) Business Promotion	3,952,301		11,223,695	
(b) Travelling Expenses	242,917		1,166,503	
(c) Postage, Telephone Charges	110,782		641,506	
(d) Conveyance-Marketing	50,477		154,118	
(e) Commission on Sales	6,515,280		9,709,192	
(f) Freight Outward	4,132,444		4,256,450	
(g) Freight Outward on Exports	15,639,386		6,292,981	
(h) Packing Material	11,401,735		12,525,991	
(i) Other Expenses	4,148,229		4,065,461	
(j) Provision for Doubtful Receivables	2,202,685		1,652,107	
(k) Plant & Machinery Scrap written off	-	48,396,237	25,289,240	76,977,245
Total		356,910,132		381,423,921

As per our report even date
for SURYAM & Co.Chartered Accountants
FRN - 12181SSd/-
SRINIVAS OLETI
ICAI M.No.206457Place: Hyderabad
Date: 12-06-2021Sd/-
P.RAMA KRISHNA
Chief Financial OfficerSd/-
REKHA SINGH
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: 00910224

**CASH FLOW STATEMENT**

Everest Organics Limited

Cash Flow Statement for the Year ended 31-03-2021

(Rs.in Lakhs)

Particulars	Year Ended 31.03.21	Year Ended 31.03.20
Cash Flow from Operating Activities		
Profit After Tax and Extraordinary Items	1,371.50	1,089.67
Adjustments	-	-
Depreciation and Amortisation expenses	337.46	320.81
Provision for Gratuity	-	(52.16)
Interest and Financial Charges paid	325.63	331.57
Write off of Property, Plant and Equipment	-	252.89
Excess/(Short) provision for Taxation	(14.15)	(60.66)
Prior period Adjustments	-	(109.91)
Interest Earned	(10.94)	(11.47)
Operating Profit/(Loss) before working capital charges	2,009.50	1,760.75
Adjustments for:		
(Increase)/Decrease in Trade receivables	(632.31)	(358.68)
(Increase)/Decrease in Inventories	(552.46)	(894.55)
Increase/(Decrease) in Current Financial Liabilities-Borrowings & Others	374.86	(332.94)
Increase/(Decrease) in Trade Payables	(175.34)	704.70
Increase/(Decrease) in Other Current Liabilities	61.03	13.66
Increase/(Decrease) in Current Tax Liabilities	128.86	49.60
(Increase)/Decrease in Financial Assets Loans/Other Current Assets	139.16	28.72
Cash Generated from Operations	1,353.30	971.26
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment including CWIP	(684.95)	(719.47)
Purchase of Investments	-	-
Change in Other Non Current Assets	(149.49)	72.85
Change in Other Non Current Liabilities	(238.31)	100.78
Profit on sale of Property, Plant and Equipment	-	-
Dividend and Dividend Distribution Tax paid	(120.00)	(96.44)
Interest earned	10.94	11.47
Cash used in Investing Activities	(1,181.81)	(630.82)
Cash Flow from Financing Activities		
Increase/(Decrease) Non Current Financial Liabilities- Borrowings	120.19	(4.90)
Increase/(Decrease) Share Capital, Share Premium & Share Warrants	-	-
Securities premium received on issue of equity shares	-	-
Money Received against Share Warrants	-	-
Interest and Financial Charges paid	(325.63)	(331.57)
Net Increase/(Decrease) in Cash & Cash Equivalents	(205.44)	(336.47)
Opening Cash & Cash Equivalents	200.12	196.16
Closing Cash & Cash Equivalents	166.17	200.12

AUDITORS CERTIFICATE

We have examined the cash flow statement of M/s.Everest Organics Limited for the year ending 31st March,2021. 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 12th June, 2021, to the Members of the Company.

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

Sd/-
SRINIVAS OLETI
Partner
ICAI M.No.206457
Place: Hyderabad
Date: 12-06-2021

Sd/-
P.RAMA KRISHNA
Chief Financial Officer

Sd/-
REKHA SINGH
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

**NOTES FORMING PART OF THE ACCOUNTS****NOTES TO FINANCIAL STATEMENTS****Note No.26:****ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS****A) Basis of preparation****i). Statement of compliance**

The financial statements of Everest Organics Limited have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 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 drawn up in Indian Rupees, the functional currency of the Company, and in accordance with Ind AS presentation.

The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Changes in Equity
- Statement of Cash Flow
- Notes to Financial Statements

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.

ii). Basis of measurement

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.

iii). Functional & presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency'). The financial statements are presented in Indian rupee (Rs.) and rounded off to the nearest rupee, which is the company's functional and presentation currency.

iv). Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. 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.

**NOTES FORMING PART OF THE ACCOUNTS****v). 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.

vi). 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 twelve (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 twelve (12) months after the reporting date.

vii). 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 twelve (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 twelve (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.

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

Normal operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve (12) months as its operating cycle.

B) Significant accounting policies:**i). Revenue Recognition:**

Revenue is measured at the transaction price determined under IND AS 115- Revenue from contracts with customers. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Goods & Service Tax (GST) collections and amounts collected on behalf of third parties.

a) Revenue from Sale of Goods:

Revenue from sale of goods is recognized when the customer obtains control of the Company's product, which occurs at a point in time, usually upon dispatch/shipment, with payment terms typically in the range of 60 to 90 days after invoicing depending on product and geographic region. Taxes collected from customers relating to product sales and remitted to government authorities are excluded from revenues. The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customers and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money. For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation based on the relative standalone selling price. The Standalone selling price of each performance

**NOTES FORMING PART OF THE ACCOUNTS**

obligation is estimated using expected costs of satisfying such performance obligation and then an appropriate margin is added for such goods.

b) Revenue from Sale of Services:

Revenue from Sale of services is recognised as per the terms of the contracts with customers when the related services are performed, or the agreed milestones are achieved.

c) Export incentives:

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports Incentive scheme) scrips. Duty drawback is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties.

d) Interest Income:

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

ii). Provisions, contingent liabilities and contingent assets:

A provision is recognized if as a result of a past event the company has a present Legal or constructive obligation that can be estimated reliably, 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 may be a possible obligation or a present obligation, but probably will not require an outflow of resources.

Contingent assets are not recognized in financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. If it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

iii). Property, Plant and Equipment:

Items of property, plant and equipment 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 an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Borrowing costs directly attributable to acquisition or construction of item of property, plant and equipment 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. However, during the year there is no such interest expenditure which is capitalized.

**NOTES FORMING PART OF THE ACCOUNTS**

Subsequent expenditure related to an item of property, plant and equipment is capitalized only if it enhances the future economic benefits arising from the existing assets beyond its previously assessed standards of performance.

Advances paid towards acquisition of property, plant and equipment 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 an item of property, plant and equipment are recognized in the statement of profit and loss.

iv). 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" in accordance with clauses 1 & 2 of Section 123 of the Companies Act, 2013.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives estimated by the Management (years)	Useful lives as stated in the Act (years)
Factory buildings	30	30
Plant and Equipment	10-20	5-20
Furniture and fixtures	10	10
Vehicles	8	8
Computers	3-6	3-6

v). 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. The goods received on account of sales returns are valued at cost.

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.

vi). Cash and cash equivalents, Statement of Cash Flow:Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes and which are readily convertible to known amount of cash.

Statement of Cash Flow

Cash flows are inflows and outflows of cash and cash equivalents. Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents. Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

**NOTES FORMING PART OF THE ACCOUNTS**

Statement of 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.

vii). 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.

viii). Foreign Currency Transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Transactions of monetary assets and liabilities denominated in foreign currency 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.

ix). Employee Benefits:Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plans:

Contributions to defined contribution retirement benefit schemes are generally recognized as an expense in the statement of profit & loss account as and when employees have rendered services entitling them to contributions.

Defined Benefit Plans:

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees managed by Life Insurance Corporation of India (LIC).

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method, based on actuarial assumptions by LIC, and spread over the period during which the benefit is expected to be derived from employees' services. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the

**NOTES FORMING PART OF THE ACCOUNTS**

current year, benefit changes, curtailments, and settlements. Past service costs are recognized immediately in the statement of profit and loss. Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income in the period in which they occur.

Compensated Absences:

The Company's current policies permit its employees to accumulate and carry forward their unutilized compensated leaves and utilize them in future periods or receive cash in lieu thereof. The balance of such earned leaves in excess of 30 days can be encashed by such individual employee at the year end. The compensation against such encashment is arrived and disbursed based on the gross salary drawn by such individual employee as at the year end.

Provident Fund:

Contribution to Provident fund (a defined contribution plan) administered through Regional Provident Fund Commissioner are recognized is charged to profit and loss account in the same period, as expense.

x). Earnings per Share:

Basic earnings per share are computed by dividing the net profit after tax available to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

xi). Income Tax Expense:

Income tax expense comprises of current tax and Deferred Tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income. In which case, the tax is also recognized in Other Comprehensive Income.

(a) Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

(b) Deferred Tax:

Deferred tax expense or benefit is recognized on temporary timing differences being the difference between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, that originate in one period and is likely to reverse in one or more subsequent periods. Accordingly, the company provided for Deferred Tax on 31-03-2021.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary timing difference can be utilized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying value of deferred tax assets and liabilities are reviewed at each reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

xii). 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.

**NOTES FORMING PART OF THE ACCOUNTS****xiii). Segment Accounting Policy:**

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

xiv). FINANCIAL INSTRUMENTS:**a. Financial Assets:****1. Initial Recognition and Measurement:**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognized using trade date accounting i.e. the date that the Company commits to purchase or sell the asset.

2. Subsequent Measurement:

- Financial Assets measured at Amortized Cost (AC):

A Financial Asset is measured at Amortized Cost if

- it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and
- the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

- Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and
- the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

- Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109

- Investment in Subsidiaries, Associates and Joint Ventures:

The Company has accounted for its investments in Subsidiaries, associates, and joint venture at cost less impairment loss (if any). The investments in preference shares with the right of surplus assets which are in nature equity in accordance with Ind AS 32 are treated as separate category of investment and measured as at FVTOCI.

- Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Statement of Profit and loss when the Company's right to receive payment is established.

**NOTES FORMING PART OF THE ACCOUNTS****- Impairment of Financial Assets:**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward-looking estimates are analyzed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired or
- Both (1) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and (2) either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

b. Financial Liabilities:**1. Initial Recognition and Measurement:**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

2. Subsequent Measurement:

Financial Liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same or other lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

xv). FINANCIAL RISK MANAGEMENT:

The Company's activities expose it to variety of financial risks: foreign currency risk, interest rate risk, credit risk, Commodity price risk and liquidity risk. Within the boundaries of approved Risk

**NOTES FORMING PART OF THE ACCOUNTS**

Management Policy framework, the Company manages the volatility and minimize the adverse impact on its financial performance.

a) Foreign Currency Risk:

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

b) Interest Rate Risk:

The Company is not exposed to any interest rate risk as the interest rates implicit in all the borrowings are fixed in nature.

c) Credit Risk:

Credit risk is the risk that a customer fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from dealing in derivatives, receivables from customers and other financial instruments. The Company maintains that, Credit risk is actively managed through continuous follow-up with the parties and Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify, respond and recognize cases of credit deterioration.

d) Commodity Price Risk:

Commodity price risk arises due to fluctuation in prices of the major imported raw materials and other products. The company has a risk management framework headed by the managing director, aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

e) Liquidity Risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company's liquidity is managed centrally with all the departments forecasting their cash and liquidity requirements. Management monitors rolling forecasts of the Company's cash flow position to ensure that the Company is able to meet its financial obligation.

C. Other Disclosures:

i). **SECURED LOANS:**

During the year secured loans were taken over by HDFC Bank from Kotak Mahindra Bank.

a) **Sanctioned Limits**

Rs. in Lakhs

Particulars	FY 2020-21 HDFC Bank	FY 2019-20 Kotak Mahindra Bank
Fund Based	3413.83	1899.00
Non-Fund Based	600.00	560.00
Total	4013.83	2459.00

b) **Outstanding Loan as on 31st March, 2021:**

Particulars	FY 2020-21 HDFC Bank	FY 2019-20 Kotak Mahindra Bank
Fund Based	2149.32	1677.00
Non-Fund Based	255.00	560.00
Total	2404.32	2237.00

**NOTES FORMING PART OF THE ACCOUNTS****c) Securities Offered:**

The above sanctioned loan extended by HDFC Bank are secured by extending first 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 and 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.

The Company has not defaulted in payments of principal and interest during the year for the loans, credit limits taken.

Charge creation (Form CHG-1) has been filed with MCA for the Securities offered to HDFC Bank against Sanctioned Limits extended to company. The company has cleared all dues to Kotak Mahindra Bank and the bank has filed Charge Satisfaction with MCA (Form CHG-4).

ii). PROPERTY, PLANT AND EQUIPMENT:

During the year under report, the company has capitalized and made additions to Property, Plant and Equipment to the extent of Rs.790.09 Lakhs (Previous Year Rs.628.07 Lakhs).

iii). INDIRECT TAXES:

During the year, total eligible GST Input available for the company amounting to Rs.2,452.40 lakhs (previous Year Rs.2,370.17 lakhs).

iv). INVESTMENT:

Out of the total investments of Rs.8.45 lakhs, part of the same is represented by the fully paid Equity Shares of M/s. Pattancheru Envirotech Limited made as contribution for utilizing their services of common Effluent Treatment Plant set up by the M/s. Pattancheru Envirotech Ltd. to the tune of Rs.8.15 lakhs (Unquoted 81540 No. of equity shares of Rs.10/- each fully paid up).

Part of the investment is represented by shares of State Bank of Travancore (SBT) amounting to Rs.0.30 lakhs which are subsequently converted into the equity shares of State Bank of India, for which the equivalent Equity Shares of State Bank of India are yet to be received by surrendering the Share Certificates of the SBT).

These investments are intended to be held for more than one year and are accordingly classified as non-current investments. These investments recorded are measured at cost of investment but not on fair value. Management is in the process of arriving at the fair value and impairment if any in this regard. The impact of such impairment shall be dealt with upon completion of such assessment by the management.

v). CASH AND CASH EQUIVALENTS:

Other Cash and Cash Equivalents totally amounting to Rs.166.17 Lakhs comprises of cash in hand of Rs.2.06 lakhs, Cash at Bank in Current Accounts of Rs.48.67 lakhs, Fixed Deposits (held under lien with the banks in the form of Fixed Deposits) amounting to Rs 115.44 lakhs. There are no cash and cash equivalent balances held by the entity that are not available for use by the company.



NOTES FORMING PART OF THE ACCOUNTS

vi). **Taxes**

Income Tax Expense reported in statement of Profit & Loss:

(Rs. In Lakhs)

Tax expense/(credit) comprises of:	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Current income tax payable (i)	475.51	295.22
MAT Credit Entitlement (ii)	(173.51)	(68.22)
Current Tax Expense (iii = i - ii)	302.00	227.00
Deferred tax (iv)	53.85	92.60
Income tax expense reported in the statement of profit & loss (iii + iv)	355.85	319.60

Tax Rate applicable to company:

Effective Tax Rate	Year Ended 31 st March, 2021 (%)	Year Ended 31 st March, 2020 (%)
Income Tax Rate applicable to company	25.00	25.00
Surcharge @ 12 % on IT rate	3.00	3.00
Cess @ 4% on (IT rate + Surcharge rate)	1.12	1.12
Applicable tax rate	29.12	29.12

The reconciliation of expected tax expense based on the applicable tax rate of the Company and the reported tax expense in profit or loss is follows:

(Rs. In Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Profit before tax (a)	1,727.35	1,409.27
Indian statutory income tax rate (b)	29.12%	29.12%
Expected income tax expenses (c = a*b)	503.00	410.38
Adjustments to income tax expense:		
Difference in depreciation as per CA,2013 & IT Act, 1961 (d)	(136.09)	(127.00)
Tax saved on difference in depreciation as per CA,2013 and IT Act, 1961 (e = d*b)	(39.63)	(36.98)
Deductions/Disallowances as per IT Act (Provision for gratuity & doubtful debts) (f)	41.68	(268.45)
Tax expense/savings on deductions/disallowances (g = f*b)	12.14	(78.17)
Current Income Tax Payable (h = c+e+g)	475.51	295.22
MAT Credit Entitlement (i)	(173.51)	(68.22)
Current Tax Expense (j = h - i)	302.00	227.00
Deferred tax Liability recognized / (not utilized) (k)	53.85	92.60
Total Income Tax expenses (l = j+k)	355.85	319.60
Effective Tax Rate (m = l/a*100)	20.60%	22.68%

**NOTES FORMING PART OF THE ACCOUNTS****vii). FOREIGN EXCHANGE TRANSACTIONS****a) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Rs. In Lakhs)

Particulars	2020-21	2019-20
(A) Earnings in Foreign Exchange :		
Export of goods calculated on FOB Basis(Direct Exports)	4295.56	4939.66
(B) Foreign Exchange Outgo		
i) Value of Imports Calculated on CIF Basis in respect of		
-- Raw Material (Actual Imports)	1803.18	2271.56
ii) Foreign Travelling Expenses	1.83	12.26
iii) Sales Commission incurred abroad	22.64	33.14

b) Net Foreign exchange gain recognized in the Statement of Profit and Loss Account during the year is Rs.37,10,405/-, which is after considering foreign exchange loss of Rs.4,63,695/-.

viii). PARTICULARS OF MANAGERIAL REMUNERATION (SALARY, ALLOWANCES, ETC.):**a) Managerial Remuneration paid to Directors**

(Rupees in lakhs)

Particulars	2020-21	2019-20
Dr.S.K.Srihari Raju (Managing Director)	48.50	45.00
A. Parvatisem (Technical Director)	48.50	45.00
S.K.Hari Krishna (Whole Time Director)	12.00	12.00
TOTAL :	109.00	102.00

b) Remuneration paid to Key Managerial Personnel

(Rupees in lakhs)

Particulars	2020-21	2019-20
P.Rama Krishna (Chief Financial Officer)	14.22	11.63
Rekha Singh (Company Secretary)	8.40	6.30
TOTAL :	22.62	17.93

ix). DETAILS OF PRODUCTION, TURNOVER (AS CERTIFIED BY THE MANAGEMENT)**a) Production Capacities:**

(Capacity in Tonnes)

Year	2020-21			2019-20		
	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
OMEPRAZOLE	180	180.88	100	180	169.89	94.38
CHLORO COMPOUND	300	236	78.67	300	246.91	82.30
BENZIMIDAZOLE	180	164	91.11	180	186.34	103.52
ESOMEPRAZOLE	100	85	85.00	48	90.76	90.76
PANTAPRAZOLE	60	19	31.67	60	27.89	46.80

**NOTES FORMING PART OF THE ACCOUNTS**b) Details of Production, Turnover of Major Products **:

Description Name of the Major Product	Production (Qty/MTs)		Sales (Qty/MTs)		Sales Value (Rs.in Lakhs)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Omeprazole Powder	180.88	169.89	171.43	125.42	5,449.60	4,139.16
Esomeprazole Magnesium	85.39	90.76	92.06	84.77	4,966.67	4,740.01
Pantaprazole Sodium	18.68	27.89	16.64	24.19	998.77	1,622.08
Dexlansoprazole	1.494	0.317	1.225	0.787	170.13	116.41
Rabeprazole	8.66	10.52	8.46	8.74	427.34	519.33
Fenofibrate	23.29	18.43	24.21	17.48	502.31	340.37
Oseltamivir (Epoxide)	6.22	1.592	2.72	0.800	985.06	180.00

**** The above products does not include details pertaining to the respective quantities dealt under the intermediate stages of each such product.**

(c) Details of Major Raw-material consumed

Description	2020-21		2019-20	
	(Qty/MTs)	Value (Rs. lakhs)	(Qty/MTs)	Value (Rs. lakhs)
3, 5 Lutidine	309.88	901.44	299.50	822.57
MDC	913.23	469.76	786.60	420.50
Acetone	456.73	386.50	591.95	307.66
Acetic Acid	326.41	151.26	365.03	149.44
Toluene	545.94	273.14	833.44	524.40
Para Anisidine	166.89	484.67	311.34	610.83
DMS	312.99	101.48	299.44	100.54
APS	252.66	174.81	206.88	146.24

d) Value of Imported and indigenous Raw material consumed

Description	2020-21		2019-20	
	Value(Rs. Lakhs)	%	Value (Rs. Lakhs)	%
Imported	2,648.98	24.58	2,850.28	29.54
Indigenous	8,127.95	75.42	6,798.21	70.46
Total	10,776.93	100.00	9,648.49	100.00

**NOTES FORMING PART OF THE ACCOUNTS****x). RELATED PARTY DISCLOSURES:****a. List of Directors and their relatives:**

S.NO.	Name of the Director	Spouse of the Directors
1.	SRIHARI RAJU SRIKAKARLAPUDI	SRIKAKARLAPUDI KRISHNAVENI
2.	KAKARLAPUDI SITARAMA RAJU	SRIKAKARLAPUDI SUDHA
3.	SRIKAKARLAPUDI SIRISHA	VIJAYA KUMAR RAJU
4.	HARI KRISHNA SRIKAKARLAPUDI	SRIKAKARLAPUDI SAHITHYA
5.	RAMAKRISHNAM RAJU KOUNPARAJU	KRISHNAVENI K
6.	AKELLA PARVATHISEM	AKELLA RAJKAMALA
7.	SREERAMAKRISHNA GRANDHI	G. PADMALATHA
8.	VENKATESAN SWAMINATHAN (Up till 26/01/2021)	Mrs. V SWAMINATHAN
9.	VENKATASATYANARAYANA MURTHY CHAYALY (Appointed on 30/03/2021)	CHAYALAY ANILAJA

b. Key Managerial Personnel:

S.NO.	NAME OF THE KEY MANAGERIAL PERSONNEL
1.	PERURI RAMAKRISHNA
2.	REKHA SINGH

c. Directors interested in other entities:

Name of the company	Relationship with the Related Party
Vjayanthi Pharma Private Limited (PartIX)	Ramakrishnam Raju Kounparaju - Director of the Company
1. Alufluoride Limited 2. Ravileela Granites Limited 3. Gayathri Projects Limited 4. Maximus ARC Limited	Sreeramakrishna Grandhi - Independent Director of the Company
Everest Life Sciences Private Limited	S.K. Sirisha- Director of the Company
BK Advances Research LLP	S.K.Srihari Raju- Designated Partner of LLP

d. RELATED PARTY TRANSACTIONS MADE DURING THE YEAR : (Rs. In lakhs)

Party Name	Nature of Transaction	Transaction Amount	Closing Bal.	Dr/ Cr	Relationship with the Related Party
Virat & Co.	Gross Sales made by the company	117.61 {90.27}	14.76 {-}	Dr. 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	480.61 {485.77}	256.92 {432.83}	Cr. Cr.	--do--
Dr.S.K.Srihari Raju	Remuneration	48.50 {45.00}	--		Managing Director
Dr.S.K.Srihari Raju	Dividend	23.29{15.52}	NIL		Managing Director

**NOTES FORMING PART OF THE ACCOUNTS**

A.Parvatisem	Remuneration (inclusive of employee benefits)	48.50 {45.00}	--		Technical Director
A.Parvatisem	Unsecured Loan taken by the Company	NIL NIL	1.93 {15.93}	Cr. Cr.	Technical Director
S.K.Hari Krishna	Remuneration (inclusive of employee benefits)	12.00 {12.00}	--	Cr. Cr.	Whole time Director
Dr.S.K.Srihari Raju	Unsecured Loan taken by the Company	NIL {111.89}	NIL {111.89}		Managing Director
Directors	Sitting Fees	3.60 {3.60}	0.42 {NIL}	Cr.	Non-Executive Directors
S.K. Seetharama Raju	Office Rent & Maintenance paid by the company	19.49 {17.75}	0.36 {0.90}	Cr. Cr.	Director of the Company
S.K. Seetharama Raju	Unsecured Loan taken by the company	NIL NIL	NIL {15.20}	Cr. Cr.	Director of the Company
S.K.Hari Krishna	Unsecured Loan taken by the company	NIL {38.20}	3.75 {41.95}	Cr. Cr.	Executive Director of the Company
S.K Gowri Parvathi	Unsecured Loan taken by the company	10.00 {NIL}	17.00 {7.00}	Cr. Cr.	Mother of Whole Time Director
Veerat Finance and Investment Limited	Unsecured loan taken by the company	156.49 {193.48}	95.23 {144.34}	Cr. Cr.	Two of the Directors of the other Company are relatives of the Managing Director of the Company
A. Raj Kamala	Consultancy	NIL {5.45}	0.45 {0.45}	Cr.	Spouse of Technical Director of the Company
Dr.S.K. Sirisha	Commission	14.40 {12.75}	1.78 {0.55}	Cr.	Director of the Company
Dr.S.K. Sirisha	Dividend	1.62 {1.08}	NIL		Director of the Company
Dr.S.K. Sirisha	Unsecured loan taken by the company	NIL {30.00}	NIL {49.21}	Cr.	Director of the Company
Sahithya S.K	Unsecured loan taken by the company	NIL {18.00}	NIL {13.00}	Cr.	Spouse of Executive Director of the Company

The comparative previous figures have been indicated in the flower brackets.

xi). CONTINGENT LIABILITIES NOT PROVIDED FOR:

- Letters of Credit established by the HDFC Bank Limited on behalf of the Company-Rs.549.79 lakhs (Previous year – Rs. 533.89 lakhs from Kotak Mahindra Bank Ltd.).
- Bank Guarantees issued by the HDFC Bank Limited on behalf of the company-Rs.5.00 lakhs. (Previous year- Rs.11.50 lakhs from Kotak Mahindra Bank Ltd.).
- Telangana State Pollution Control Board issued a notice on the company for payment to them of an amount calculated at 0.5% of annual turnover for the financial years 2016-17 onwards, effective from 24.10.2017 for environmental restoration of affected area. Matter is under appeal and the amount is yet to be crystallized.

xii). Environmental Matter:**a) Closure - Revocation Orders of TSPCB:**

During the year a closure order was issued by TSPCB to the Company on 22-12-2020, for stoppage of plant operations and the same was in force till 11-02-2021 and upon submission of partial compliance report by the management for some of the deviations, a temporary revocation order for 3 months, was issued. The management is of the view that the total compliance report was submitted on 30-04-2021 for the deviations pointed by TSPCB. The final revocation order is expected, subject to the satisfaction of the TSPCB officials after their unit inspection.

**NOTES FORMING PART OF THE ACCOUNTS**

The management is of the view that, during the year the company has taken up several corrective measures to set right the deviations indicated by the TSPCB officials to ensure that explosive and hazardous reactions do not reoccur and hence the “going concern concept” is not impacted by the orders of TSPCB.

b) Application for Enhancement of Production Capacities :

TSPCB claims that as per its “operating guidelines” the factory of the company situated at Aroor(V), Sadashivpet (M), Sangareddy(D), comes under the “Pattancheru-Bollaram Area(P.B.A)” (Stated to be appearing in the list of polluting industries) and the issue is pending at various forums from Supreme Court(1989), High Court (2013), National Green Tribunal(2015) on various issues which are agitated by the Bulk Drugs Manufacturing Association of India(BDMAI) as well as by the company, which is presently in the stage of constituting the Fact-Finding Committee. Also the company further challenged its location status in the P.B.A. Depending on the outcome of Lis-pendence a liability may arise in future towards contribution for the “Pattancheru-Bollaram Environment Relief Fund (PBERF)” (@0.5% of the Annual Turnover from FY 2016-17), which is contingent in nature. As per the TSPCB guidelines, enhancement of capacities from the existing 147.50 MT P.A to the current level of operations can be considered only after the deposit of fees of 1% of the previous year Turnover.

The management is of the view that, suitable decision can be made on payment to PBERF, based on the decisions of the honorable courts.

xiii). SUMMARY OF R&D EXPENDITURE.

R&D Expenditure	2020-21	2019-20
Particulars	Amount in Rs	Amount in Rs
R & D Raw Material	7,257,004	1,622,787
R & D Consumable Issues	1,958,199	2,237,325
R & D Salaries	12,072,937	8,251,950
Capital Expenditure on R & D Equipment	14,02,833	7,506,821
Utilities	9,46,472	1,131,780
Total :	23,637,445	20,750,662

xiv). AMOUNTS DUE TO MICRO AND SMALL SCALE ENTERPRISES:

Particulars	As on 31-03-2021	As on 30-09-2020
Outstanding Balances	Rs. 8,64,11,908	Rs. 5,74,47,784

The above balances include outstanding for more than 45 days in respect of the parties who have reported that they come under the category of Micro and Small Enterprises. Management has confirmed that no specifics interest has been paid or provided for the supplies outstanding beyond 45 days as the credit period negotiated itself was falling beyond 45 days and the price agreed also accommodates the time value of money for the agreed credit period.

The auditors have relied upon the same.

xv). SEGMENT INFORMATION:**a) Primary Segment :**

The company operates in only one reportable primary business segment, i.e. Active Pharmaceutical Ingredients (API) and their intermediaries. This Segment has been identified and reported considering the nature of products, risk and returns and the internal financial reporting system of the Company.

**NOTES FORMING PART OF THE ACCOUNTS****b) Secondary Segment :**

Based on the revenue attributable to the individual customers located in various parts of the world, the company's business is organized into two key geographical segments Viz., Domestic and Exports.

Segment Revenue and Results, Assets are as under:

(Rs.in Lakhs)

SEGMENTAL REPORT Particulars	Year Ended 31.03.2021			Year Ended 31.03.2020		
	Export Segment	Domestic Segment	Total	Export Segment	Domestic Segment	Total
Sales	4,461.71	13,694.98	18,156.69	4,939.66	11,781.57	16,721.23
Other Incomes	50.86	55.30	106.16	69.92	75.37	145.29
Total: A	4,512.57	13,750.28	18,262.85	4,939.66	11,926.86	16,866.52
EXPENSES						
Raw Materials Consumed	2,882.84	8,716.50	11,599.34	3,021.01	7,205.41	10,226.42
Changes in Inventories (FG and WIP)	(204.39)	(618.01)	(822.40)	(170.73)	(407.20)	(577.93)
Manufacturing Expenses	651.16	1,968.83	2,619.99	778.92	1,857.81	2,636.73
Total: B	3,329.60	10,067.32	13,396.92	3,629.21	8,656.01	12,285.22
Operating Profit Before Tax C = (A-B)	1,182.97	3,682.96	4,865.93	1,310.45	3,270.85	4,581.30
Un-allocable Expenditure						
Employee benefits Expenses			1,526.37			1,330.36
Finance Cost			325.63			331.57
Administrative Expenses			465.15			419.51
Selling & Distribution Expenses			483.96			769.77
Depreciation and amortisation expenses			337.46			320.81
Total: D			3,138.58			3,172.03
Profit for the Year E (C-D)			1,727.36			1,409.27
ASSETS						
Receivables	656.16	4,405.76	5,061.92	613.43	3,818.81	4,429.61
LIABILITIES						
Segment Liabilities	656.16	4,405.76	5,061.92	613.43	3,818.81	4,429.61

xvi). IMPACT OF COVID-19:

The financial year 2020-21 started with COVID 19 related lockdown restrictions in India and several parts of major countries. The pandemic which started about 15 months back impacted almost everyone across several sectors of activities. There were challenges around movement of people and all the business operations were impacted. As a result, most of the businesses are dealing with decline in revenues and also disrupted supplies. The disruption to supply chains due to factory shutdowns globally has already exposed the vulnerabilities of many organizations. However, as the Company operates in the industry that is considered under essential services, the operations were continuing during lockdown by taking appropriate measures.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, investments, inventories and other financial assets. For this purpose, the Company considered internal and external sources of information up to the reporting date of these financial statements. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company is of the opinion that it can fully recover the carrying amount of receivables, investments and other assets.

**NOTES FORMING PART OF THE ACCOUNTS**

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions. The eventual outcome of the impact of the global health pandemic on the operations of the company may be different in future, from those estimated as on the date of approval of these Financial Statements.

xvii). EMPLOYEE BENEFITS:**(a) Post-employment obligations- Gratuity:(Defined benefit):**

- 1.) The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity benefit. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions, to recognize funds administered by Life Insurance Corporation of India (Insurer), as per IRDA guidelines. Category-wise composition of the plan assets, actuarial assumptions and sensitivity analysis thereto is not available with the company as the same are not shared by the insurer.

The Company has plans to establish a trust to administer its obligation for payment of Gratuity to employees. However at present the company contributes to the scheme administered by the Life Insurance Corporation of India (Insurer). Every year, the insurer carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is to be funded by the Company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly. The company has not changed the process used to manage the risks from previous years.

- 2.) During the year, company has provided Rs.26.24 Lakhs for payment of Gratuity. However, as at 31st March 2021, the company has deposited Rs.86.47 lakhs against the total outstanding amount of Rs.112.71 lakhs as a part of such contribution towards gratuity liability. The payment for the remaining amount of Rs.26.24 lakhs is yet to be made. The provision in this regard, is as per the assessment of the management, but not as per the actuarial valuation made by LIC, as required under the Indian Accounting Standard on Employee Benefits.

(b) Compensated Absences obligations:(Defined benefit):

The Company has provided compensated absences / leave encashment benefit of Rs.11,24,050/- during the year 2020-21. (Previous year of Rs.8,96,319/-) in which the employee rendered the service that increases entitlement as per the policy. The liability for leave encashment benefit is calculated based on the 50% basic salary for leaves earned exceeding 30 days.

(c) Employer Contribution to Provident Fund (Defined Contribution Plan):

All the eligible employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company as an employer contributed Rs.58,18,846/- to the provident fund during the year 2020-21 (previous year of Rs.42,44,105/-). The Company has no further obligations under the plan beyond its monthly contributions.

xviii). CORPORATE SOCIAL RESPONSIBILITY (CSR):

- a) Section 135 of the Companies Act, 2013 relating to CSR Activity is applicable to the company from the Financial Year 2018-19. The minimum CSR amount required to be spent by the

**NOTES FORMING PART OF THE ACCOUNTS**

Company, as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is as follows:

Particulars	FY 2019-20 (Rs)	FY 2018-19 (Rs)	FY 2017-18 (Rs)
Net Profit	14,09,27,042	12,32,73,603	2,36,39,349
Average Net Profit			9,59,46,665
Minimum Expenditure to be spent			19,18,933 (2% of Rs. 9,59,46,665)
Unspent/deficit amount relating to FY 2019-20			1,13,899
Minimum amount to be spent in the FY 2020-21			20,32,832 (19,18,933 + 1,13,899)

- b) The corresponding expenditure incurred by the company during the financial year 2020-21 is Rs. 24.56 Lakhs. Allocation of CSR Funds in various Projects by the company for the FY 2020-21 is as under:

S. No.	Head of Schedule VII	FY 2020-21 (Rs.)
1.	Education	4,67,215
2.	Arts, Culture, Heritage	19,88,564
	Total	24,55,779

The above mentioned CSR expenditure includes previous year i.e. FY 2019-20 deficit/unspent amount of Rs.1,13,899.

xix). FOREIGN CURRENCY EXPOSURE

(Rs.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Payables	(2,25,73,463)	(6,62,75,948)
Trade Receivables	6,49,62,097	6,13,43,020
Net Exposure	4,23,88,634	(49,32,928)

Foreign Currency Sensitivity:

1. 1% Depreciation in INR:

(Rs.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Impact on Equity	(2,25,735)	(6,62,759)
	6,49,621	6,13,430
Net Impact	4,23,886	(49,329)
Impact on P&L	(2,25,735)	(6,62,759)
	6,49,621	6,13,430
Net Impact	4,23,886	(49,329)

2. 1% Appreciation in INR:

(Rs.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Impact on Equity	225735	6,62,759
	(6,49,621)	(6,13,430)
Total Impact	(4,23,886)	49,329
Impact on P&L	2,25,735	6,62,759
	(6,49,621)	(6,13,430)
Total Impact	(4,23,886)	49,329

**NOTES FORMING PART OF THE ACCOUNTS****xx). TRADE RECEIVABLES:**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. The management is confident to recover all the receivables including the time value for any delays thereof.

The company has not dealt in any financial instruments other than trade receivables and payables during the period under report.

xxi). EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors have recommended Final dividend of Rs. 1 per fully paid up equity share of Rs.10/- each for the financial year 2020-21.

xxii). UNPAID DIVIDENDS:

The balance in Unpaid Dividend Payable account relating to the financial year 2018-19, 2019-20 and 2020-21 (Interim Dividend) as on 31/03/2021 is Rs. 5.23 Lakhs, Rs. 6.64 Lakhs and Rs. 3.16 Lakhs Respectively. The balance in Un-claimed suspense A/c no.50200053166112 relating to FY 2018-19 is Rs. 182,628.00 (Credit).

xxiii). TAX ASSESSMENTS:

We have received the Notice of demand under section 156 of the Income-Tax Act, 1961 of the Company for the Assessment Year 2018-19. The total outstanding demand sum of Rs.18,28,530. The management intends to prefer an appeal against the assessment order passed by the department.

xxiv). APPROVAL OF FINANCIAL STATEMENTS:

The financial statements were approved for issue by the Board of Directors on June 12, 2021.

xxv). Paise have been rounded off to the nearest rupee.

xxvi). Figures have been re-grouped/re-arranged /re-cast wherever necessary, to confirm to the current year classifications.

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

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/-
(P.RAMA KRISHNA)
Chief Financial Officer

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

Place: Hyderabad,
Date: 12-06-2021.

Sd/-
(REKHA SINGH)
Company Secretary
DIN: 00910224

Sd/-
(A. PARVATISEM)
Technical Director

Glimpse of USFDA approved - Everest Facility



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EVEREST ORGANICS LIMITED

Corporate Office :

Plot No.127 & 128, 1st Floor,

Amar Co-op. Society,

Near Durgam Cheruvu, Madhapur,

Hyderabad - 500 033.