



NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Company will be held at the Registered Office of the Company situated at Aroor Village, Sadasivpet Mandal, Medak Dist. Andhra Pradesh 502 291, on 25th September 2013 at 3.00 P.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31st March 2013, and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.G.Raghunandhan, who retires by rotation.
3. To appoint a Director in place of Mr. V.Swaminathan, who retires by rotation.and being eligible, offers him self for reappointment.
4. To appoint a Director in place of Mr. K.Rama Krishnam Raju, who retires by rotation and being eligible, offers him self for reappointment.
5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

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

BY ORDER OF THE BOARD
FOR EVEREST ORGANICS LTD

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

Palce: Hyderabad
Date : 30.05.2013



NOTICE

1. A Member entitled to attend and vote at the meeting are also entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member
2. Proxies should deposit authorization letters with the corporate office of Company not less than 48 hours before the commencement of the meeting.
3. The Shares Transfer Register and the Register of Members of the Company will remain closed from 23.09.2013 to 25.09.2013 (both days inclusive) in connection with the Annual General Meeting.
4. Members /Proxies attending the meeting are requested to bring the attendance slip sent with Annual Report and hand over the same at the entrance duly filled and signed.
5. Members who hold their shares in dematerialized form are requested to bring their Client ID and DP numbers for easy identification of attendance at the meeting.
6. Shareholders are requested to intimate immediately any change in their address and bank account details registered with the Company in case of physical holders and in case of demat holders to their DP holders directly.
7. Retirement of Directors by rotation:

Mr. G.Raghuandhan, Director of the Company retires by rotation at the Annual General Meeting.

Mr. V.Swaminathan, Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

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

None of the Directors of the Company is in any way concerned or

interested in the resolution except Mr.G.Raghuandhan, Mr.V.Swaminathan & Mr.K.Rama Krishnam Raju.

By order of the Board
For EVEREST ORGANICS LIMITED

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

Place: Hyderabad

Date : 30.05.2013

**DIRECTOR'S REPORT**

Dear Members

Your Directors present herewith the 20th Annual Report and the audited accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS: (Rs.in.Lakhs)

Particulars	2012-13	2011-12
Turnover (including other income)	7979.94	6,115.75
Profit before Tax	94.05	135.97
Lees: Tax Expenses	21.00	30.00
Profit after Tax	73.05	105.97
Profit Carried to Balance Sheet	73.05	105.97

2). REVIEW OF OPERATIONS FOR THE FINANCIAL YEAR 2012-13

The operations have improved substantially during the year 2012 – 2013 by about 30%. The turnover has increased from Rs.61.16 crores to Rs.79.80 crores. The improvement in business is mainly due to expanded capacities which will further improve in the next financial year. Effective use of manpower and machinery also contributed to the increase to a significant extent. The increase in employees cost at about 23%, and increase in administration cost have resulted in decrease in the profit when compared to previous year.

3). Management Discussion Analysis:

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

- a). General Pharma Industrial Scenario
- b). Opportunities for the Company
- c). Outlook for Financial Year 2013-14
- d). Internal controls systems
- e). Human Resource Development and industry relations

4). DIRECTOR:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr.G.Ragunadhan by statute drops out, to offer for reappointment. Mr.V.Swaminathan and Mr.K.Rama Krishnam Raju are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

5). DIVIDEND:

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

6). AUDITORS:

The Statutory Auditors of your Company M/s. P.S.N.Ravi Shanker & Associates, Chartered Accountants Hyderabad hold office till the conclusion of the forthcoming Annual General Meeting.

**DIRECTORS REPORT**

The Company has received a letter from the auditors to the effect that their appointment as Auditors, if made, would be within the limits under Section 224 (1-B) of the Companies Act, 1956.

7) **Auditors' Report:**

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

8) **CORPORATE GOVERNANCE:**

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

9) **DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors would like to inform the members that the Audited Annual Accounts for the year ended 31st March 2013 are in fully conformity with the requirements of Companies Act 1956. The Directors further confirm that:

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

10) **Deposits:**

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

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

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

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

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

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

Total foreign exchange earnings during the year was Rs. 1264.43 Lakhs (Previous year (2011-12) Rs. 826.63 lakhs) and foreign exchange outgo was Rs. 983.85 lakhs (Previous year Rs. 511.80 lakhs)

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

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



DIRECTORS REPORT

13) PERSONNEL:

None of the employees are covered under Sec.217 (2A) of the Companies Act 1956 read with (Particulars of the Company) Rules 1975 and forming part of the Directors Report for the Accounting year 2012-13.

14) INSURANCE:

All the properties of the Company including Buildings. Plant and Machinery and Stocks have been adequately insured Loss of Profit Insurance Policy.

15) HUMAN RESOURCES:

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

16) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

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

17) INDUSTRIAL RELATIONS:

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

18) Promoters Contribution:

In order to tide over financial tightness faced by Company. We the promoters have from time to time infused interest free loans to company aggregated to Rs. 7,81,28,208.

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

1. Unsecured Loans Rs. 81,28,208.
2. Share Application money Rs. 6,27,30,000
3. Share Application money pending Rs. 72,70,000

18) ACKNOWLEDGEMENTS:

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

By Order of the Board of Directors
Of Everest Organics Limited

Sd/-

S.K. Srihari Raju
Managing Director

Sd/-

S.K. Hai Krishna
Executive Director

Place: Hyderabad

Date : 30.05.2013

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

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

Company's philosophy on Corporate Governance:

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

Board of Directors:

Composition and Category:

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

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

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

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

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

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

During the financial year, Board of Directors of the Company met 5 times on 31.05.2012, 25.07.2012, 31.10.2012, 12.12.2012 and 11.02.2013. The attendance details of the directors at the Board Meetings and last Annual General Meeting is as follows:

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

BOARD COMMITTEES:**Audit Committee:**

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

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

Brief description of terms of reference:

The role of the Audit Committee shall include the following:

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



CORPORATE GOVERNANCE

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

Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

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

Composition, Names of Members and Chairperson:

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

Meetings held during the year:

The Audit Committee meetings were held on 31.05.2012, 25.07.2012, 31.10.2012, 12.12.2012 and 11.02.2013. The Audit Committee meetings were held at the Corporate Office and usually attended by the finance head, internal auditor and the Statutory Auditors.

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

The Remuneration Committee Comprises Sri K. Rama Krishnam Raju, Sri V. Swaminathan and Sri S.K. Harikrishna and Sri Raju will act as the Chairman.

i. Brief description of terms of reference:

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

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

Remuneration Policy for Directors:

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

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2012-2013.

S.No.	Name of Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
1.	Mr.G.Raghunadhan	Independent Director	-	-	-	-
2.	Mr.V.Swaminathan	Director	-	-	60,000	60,000
3.	Mr.K.Rama Krishnam Raju	Director	-	-	60,000	60,000
4.	Dr.K.Easwer Reddy	Director	-	-	-	-
5.	Mr.Raju S Kakarlapudi	Director	-	-	20,000	20,000
6.	Mr. A.Parvatisem	Technical Director	3,00,000	-	-	3,00,000
7.	Mr.S.K.Harikrishna	Executive Director	4,80,000	-	-	4,80,000
8.	Mr.M.Bangara Raju	Independent Director	3,80,000	-	-	3,80,000
9.	Dr. S.K.Srihari Raju	Managing Director	3,40,000	-	-	3,40,000

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

Service Contract, Notice period, Severance fees :

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

Stock Option Details: NIL.

**CORPORATE GOVERNANCE****Share Transfer Committee:**

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

The functions of the committee(s) include:

To specifically look into redressing investors' grievances pertaining to:

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

The subcommittee will also focus on strengthening investor relations.

Investors Grievance Committee:

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

Annual General Body Meetings:

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

Year	Location	Date	Time
2012	Aroor Village, Sadasivpet Mandal, Medak District, Andhra Pradesh – 502 291	21.09.2012	3.00 P.M.
2011	Aroor Village, Sadasivpet Mandal, Medak District, Andhra Pradesh – 502 291	23.09.2011	3.00 P.M.
2010	Aroor Village, Sadasivpet Mandal, Medak District, Andhra Pradesh – 502 291	27.08.2010	3.00 P.M.

No special resolution is put to vote by postal ballot.

Other disclosures:

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

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

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

**CORPORATE GOVERNANCE**

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

Mandatory requirements:

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

Accounting Standards and Treatment:

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

Means of Communication

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

Share Holders Information:**Registered Office**

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

Address for Correspondence

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

Annual General Meeting: (Date, Time and Venue)

25.09.2013 3 00. P.M.

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

Book Closure:

23.09.2013 to 25.09.2013. (both days inclusive)

Listing of Shares

The Stock Exchange, Mumbai

Registrar Share Transfer Agents:

M/s.Venture Capital and Corporate Investments Pvt. Ltd.
12-10-167, Bharat Nagar Colony, Hyderabad – 500 018.
Phone: +91-40-23818475 / 23818476/23868023
Fax: +91-040-23868024
Email: info@vccilindia.com

Share Transfer System:

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

**CORPORATE GOVERNANCE**

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

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

Disclosure:

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

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

Distribution of shareholding As on : 31.03.2013.

Nominal Value Number	Holders % to Total	Amount	In Rs	% to Total
Upto - 500	9284	88.63	1376672	14.85
501 - 1000	531	5.07	452245	4.88
1001 - 2000	243	2.32	373889	4.03
2001 - 3000	183	1.75	468465	5.05
3001 - 4000	41	0.39	150400	1.62
4001 - 5000	54	0.51	257812	2.78
5001 - 10000	63	0.60	436817	4.71
10001 and above	76	0.73	5756700	62.08
TOTAL	10475	100.00	9273000	100

Dematerialization & Liquidity:

Shares of the Company are under compulsory demat list and nearly 58.74% of total Equity Shares Capitals held in dematerialized with NSDL and CDSL as on 31.03.2013.

Identification Number of scrip given by NSDL and CDSL is INE334C01011

Shareholder General Correspondence:

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



CORPORATE GOVERNANCE

CERTIFICATE

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

For EVEREST ORGANICS LIMITED.

Sd/-	Sd/-
Managing Director	Executive Director

Date: 30.05.2013

Declaration on compliance with Code of Conduct

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

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

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31.03.2013.

Date: 30.05.2013

Sd/-
Managing Director.



CORPORATE GOVERNANCE

Auditors Certificate on compliance of Corporate Governance

To

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

We have examined the compliance of conditions regarding corporate governance by **M/s EVEREST ORGANICS LIMITED** for the year ended 31st March 2013, as stipulated in clause 49 of the listing agreement of the company with stock exchanges. However, as explained to us by the management that the scrip was suspended from trading due to non-payment of listing fees and non-submission of financial data to the stock exchange in time for a long time since 2002 and is categorized as “suspended due to penal reasons”.

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

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

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

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

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

Chartered Accountants
Firm Reg No: 003228S

Place : Hyderabad
Date : 30.05.2013

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

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

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

B). OPPORTUNITIES FOR THE COMPANY.

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

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

EOL has entered into a technology transfer tripartite agreement with Dissymmetrix and Virat & Co., for the API, Pregabalin. This agreement is a win win situation for all the parties in the agreement

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

THREATS:

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

In terms of environmental protection EOL proposes to plant atleast 2000 plants in this financial year to improve the green belt EOL enhance the capital investment to the extent of Rs.1.5 crores during the year 2013 – 14. on pollution abatement equipment in order to meet "zero discharge" commitment given to APPCB.

TECHNOLOGICAL ABSORPTION:

EOL has developed the technology for Pantoprazole and Esomeprazole, Fenofibrate in the financial year 2012-2013. The Man Power is adequately trained on a constant and continuous basis to absorb the technology and to adopt newer method of solvent recovery recycling of solvents and their further reuse. Two additional products Sitagliptine, Pregabalin are in the offing.

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

EOL confident of absorbing the technology from Dissymmetrix for commercial gain during the financial year 2013-14.

C) OUTLOOK FOR FINANCIAL YEAR 2013-14:

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

In this Financial Year 2013-2014, the Management is confident of achieving a turnover of about Rs.100 to 110. crores with higher margins. The capital expenditure is envisaged to the extent of Rs. 6. to 7 crores in terms of expanding the volume of existing products and adding newer products to



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

augment the bottom line. The capital expenditure would involve solvent recovery system, expanding the volume of Omeprazole production to 20 MT per month and also expanding the capacity of Pantoprazole. The management also proposes to augment the utilities and services as well as further capital investment on effluent treatment along with augmentation of quality control equipment.

In a nutshell the management is confident of showing a minimum growth of 25 -30% year on year basis from the FY 2013.2014.

D) INTERNAL CONTROL & SYSTEMS:

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

E) HUMAN RESOURCE DEVELOPMENT AND INDUSTRY RELATIONS:

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

The important things envisaged by our board are:

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

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



ANNEXURE TO DIRECTORS REPORT

FORM -A

Particulars		Current Year 2012-13	Previous Year 2011-12
A.	Power & Consumption		
1	Electricity	4325633	4314846
	a) Purchased		
	Units KW/H		
	Total Amount	25619707	17811492
	Rate/Units	5.92	4.13
	b) Own Generation		
	i) Through Diesel Generator		
	Units KW/H	583721	126784
	Diesel Consumed (Litrs)	206863	46139
	Total Amount	10329754	2083869
	Unit per lit.of diesel oil	2.82	2.75
	Cost/Units	17.70	16.44
	ii) Through Steam turbine/generator	Nil	Nil
2	Coal C Grade		
	Quantity (in tonnes)	5,349	4848
	Total Cost	26383325	20485464
	Average Rate	4933	4226
3	Furnace Oil	Nil	Nil
4	Other/Internal Generation	Nil	Nil
B.	Consumption per unit of production	Nil	Nil
	Standards (if any)		
	PRODUCT (WITH DETAILS) UNITS		
	Omeprazole (incl.pellets)	1442850	1134810
	Chloro Compound		
	Benzimidazole		
	Electricity (units)	3.00	3.80
	Furnace Oil	Nil	Nil
	Coal (specify quantity) C grade (mts)	5348.66	4848
	Consumption per unit of production	17.76	15.70



ANNEXURE TO DIRECTORS REPORT

FORM -B

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

A. Research and Development (R&D)

1. Specify areas in which R&D

Carried out by the Company

- a. Reduction in quantity of effluents :
Recycle of Raw materials in the process for the cost of reduction.
- b. Treatment and disposal of effluents:
Improvement of yields introduced new products.
- c. Process improvement and adoption to suit export market requirements.

2. Benefits derived as a result of the above R & D

- a. Water content in liquid effluent has come down from as result of R&D efforts the RM cost of products is not increased eventhough the cost of raw materials is increased.

3. Expenditure on R&D

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

Rs. - 10 Lacks
Rs. - 26 Lacks
Rs. - 36 Lacks
Rs. - 0.375%

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

Technology for manufacture of existing products fully localised

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

- a. Developed technology for manufacture of new products, and byeproduct
- a.1 The Company generated a revunue of 1.2 Crores out of the byeproducts

Product development, import Substitution, etc.

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

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

- Not Applicable -

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

**AUDITORS' REPORT**

To	From
The Members of	P.S.N. RAVISHANKER & ASSOCIATES
EVEREST ORGANICS LIMITED Plot No.127 & 128, 1st Floor, Amar Co-Op. Society, Opp. Madhapur Police Station Road, Near Durgam Cheruvu, Madhapur, Hyderabad – 500 081.	Chartered Accountants Flat No. 205, B-Block, Kushal Towers Khairatabad, HYDERABAD - 500 004.

Report on the Financial Statements

We have audited the accompanying financial statements of Everest Organics Limited (“the Company”) which comprises the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



AUDITORS' REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable; and
 - (e) on the basis of written representations received from the directors as on 31 March, 2013, and taken on record by the Board of Directors, none of the director is disqualified as on 31 March, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.

For P.S.N. RAVI SHANKER & ASSOCIATES

Chartered Accountants
Firm Regn.No.003228S

Sd/-

P. RAVI SHANKER

Partner

Membership No.025288

Place : Hyderabad,
Date : 30.05.2013.



AUDITOR'S REPORT

STATEMENT REFERRED TO IN THE AUDIT REPORT

1. a) The records maintained by the company show broad particulars including quantitative details and situation in respect of the fixed assets and the fixed assets register is to be updated.
b) According to the information and explanations furnished to us, the fixed assets of the company have been broadly verified during the year by the management at reasonable intervals and we are informed that no material discrepancies were noticed on such verification.
b) During the year the company has not disposed of substantial part of fixed assets.
2. a) As explained to us, Physical verification of inventory has been conducted at reasonable intervals by the management during the year in respect of majority of the high value items.
b) The procedures of physical verification of inventory followed by the Management appear to be generally reasonable and adequate in relation to the size of the company and the nature of its business.
c) The company is maintaining proper records of inventory in a broad manner and we are informed that no material discrepancies were noticed on physical verification.
3. a) As per the information and explanations furnished to us by the management the Company has not granted any loans, secured or unsecured, to the parties coming under the provision of Sec.301 of the Companies Act, 1956.
b) During the year the company has taken unsecured loans of Rs.32.81 lakhs from 7 parties (Previous year Rs.77.42 Lakhs from 7 parties) covered in the register maintained under Sec.301 of the Companies Act, 1956. The total outstandings in these accounts at the end of the year stood at Rs.53.74 lakhs (Previous year end Rs.40.37 lakhs). Some of the unsecured loans carry interest @ 18% p.a. and some of the unsecured loans are interest free. It is explained to us that no specific repayment program has been fixed in this regard. The rate of interest and other terms and conditions of the unsecured loans taken by the company, prima facie, do not appear to be prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, the internal control procedures existing in the company with regard to purchase of Inventory, Fixed Assets and for the sale of goods, needs to be further strengthened commensurate with the size of the company and the nature of the business.
5. As per the information and explanations given to us, during the year, there are no such contracts or arrangements that are required to be entered in to the register in pursuance of section 301 of the Act.
6. As per the information and explanations furnished to us, the Company has not accepted any deposits from the Public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sec.58A and Sec.58AA of the Companies Act, 1956 and Rules framed there under apply. However, the Company has taken/accepted the unsecured loans, outstanding at 31.03.2013 at Rs.81.28 lakhs (PY Rs.49.12 lakhs) and share application money pending allotment for more than one year and outstanding on 31.03.2013 at Rs.700 lakhs (Previous year Rs.700 lakhs) from various parties stated to be coming under the category of promoters,



AUDITOR'S REPORT

their friends, relatives, employees and sister concerns and it has been explained to us that unsecured loans/share application money were earlier brought into the company to meet the financial obligations of the company to the Financial Institutions/Banks.

7. The Company does not have formal internal audit system during the year.
8. In our opinion and as per the information and explanations given to us, the stock records maintained by the company broadly meet the specifications given by the Central Government U/s.209(1)(d) of the Companies Act, 1956. However, the contents of these accounts and records have not been examined by us in detail.
9. The undisputed dues including Provident fund, Employees State Insurance, Income- Tax, Sales-Tax, Excise-Duty, Cesses and other statutory dues have been deposited by the company during the year with the appropriate authorities with some delays. Provident Fund dues to the tune of Rs.5.07 Lakhs, FBT to the tune of Rs.8.55 Lakhs, Income-Tax to the tune of Rs.6.31 lakhs were outstanding as at 31st March, 2013 for a period of more than 6 months from the date they became payable.
10. The accumulated losses of the company as on 31.03.2013 amounts to Rs.598.56 lacs (previous year Rs.671.61 lakhs). The accumulated losses at the end of the financial year are not less than fifty percent of its net worth. During the year 2012-13 and the immediately preceding financial year the company has not incurred cash losses.
11. The company has taken loans from a bank and the company, prima facie, does not appear to have defaulted in making the repayment of dues to the Bank. The company has not raised any loans from debenture holders.
12. As per the information and explanations furnished to us, during the year the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As per the information and explanations furnished to us, the company has not dealt with or traded in shares, securities, debentures or other investments during the year.
14. As per the information and explanations furnished to us by the management during the year, the company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
15. The terms loans raised, *prima facie*, appear to have been applied for the purpose for which the loans were obtained.
16. The examination of the Financial Statements, prima facie, indicates that some of the short term funds raised by the company appear to have been used for long term purposes.
17. As per the information and explanations furnished to us, during the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.



AUDITOR'S REPORT

18. The company has not raised any funds in the form of debentures and hence not created any securities.
19. The company has not raised any funds during the year in the form of public issue.
20. According to the information and explanations furnished to us, during the year, there was no fraud on or by the company that has been noticed or reported to us by the management.
21. The company is governed by the Companies Act, 1956 and no other special statute is applicable to the company.
22. The other particulars of this order are not applicable to the company.

For P.S.N. RAVI SHANKER & ASSOCIATES

Chartered Accountants

Firm Regn.No.003228S

Sd/-

P. RAVI SHANKER

Partner

Membership No.025288

Place : Hyderabad,
Date : 30.05.2013.



BALANCE SHEET AS AT 31.03.2013

Name of the Company: Everest Organics Limited
Balance Sheet as at 31.03.2013

				(Rupees)	
Particulars		Note No.		As at 31.03.13	As at 31.03.12
1	2	3	4	5	6
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share Capital	A		92,730,000		92,730,000
(b) Reserves and Surplus	B		(59,856,102)		(67,161,199)
(2) Share Application money pending allotment	C		7,270,000		7,270,000
(3) Non-Current Liabilities					
(a) Long-term Borrowings	D		46,811,323		51,290,065
(b) Other Long Term Liabilities	E		77,541		77,541
(4) Current Liabilities					
(a) Short-term Borrowings	F		112,002,316		109,644,287
(b) Trade Payables	G		252,382,013		223,911,817
(c) Other Current Liabilities	H		103,932,263		94,185,075
(d) Short-term provisions	I		8,154,262		8,347,520
Total:			563,503,615		520,295,105
II ASSETS					
Non-Current Assets					
1 (a) Fixed Assets					
(i) Tangible Assets	J	220,670,602		204,135,541	
(ii) Capital-work-in-progress		8,229,094	228,899,697	2,498,762	206,634,303
(b) Non-Current Investments	K		845,408		845,408
(c) Long-term Loans and Advances	L		6,774,685		2,671,346
(d) Other Non-Current Assets	M		732,942		1,932,056
2 Current Assets					
(a) Inventories	N		91,763,980		99,733,340
(b) Trade Receivables	O		198,482,617		185,874,944
(c) Cash and Cash Equivalents	P		10,436,208		10,984,635
(d) Short-term Loans and Advances	Q		22,088,657		9,686,903
(e) Other Current Assets	R		3,479,423		1,932,170
Total:			563,503,615		520,295,105

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

Sd/-
P.RAVI SHANKER
Partner

Place: Hyderabad
Date : 30.05.2013

for and on behalf of the Board
EVEREST ORGANICS LIMITED

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

Sd/-
A.PARVATISEM
Technical Director

Sd/-
S.K.HARI KRISHNA
Executive Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31ST, 2013

Name of the Company: Everest Organics Limited
Profit and Loss statement as on 31.03.2013

(Rupees)

	Particulars	Note No.	Year ended 31.03.13	Year ended 31.03.12
I.	<u>Revenue from operations</u>	S	796,353,315	610,516,510
II.	<u>Other Income</u>	T	1,640,259	1,058,224
III.	Total Revenue (I + II)		797,993,575	611,574,734
IV.	Expenses:			
	Cost of Materials Consumed	U	564,848,981	421,427,588
	Changes in Inventories of finished goods	V	(3,601,595)	8,008,808
	Work-in-progress	W	1,404,666	(21,809,525)
	Employee Benefits Expense	X	46,504,280	37,033,812
	Finance Costs	Y	25,475,120	25,067,707
	Depreciation	Z	21,267,820	18,470,520
	Other Expenses	AA	132,689,206	109,783,217
	Total Expenses		788,588,478	597,982,128
V.	Profit before Exceptional and Extraordinary items and Tax		9,405,096	13,592,606
VI.	Exceptional Items - Excess/(Short) Provision for Taxation		-	4,569
VII.	Profit before Extraordinary items and Tax (V-VI)		9,405,096	13,597,175
VIII.	Extraordinary Items		-	-
IX.	Profit before Tax (VII-VIII)		9,405,096	13,597,175
X.	Tax Expense: (1) Current Tax		2,100,000	3,000,000
XI.	Profit/(Loss) for the period from continuing operations (IX-X)		7,305,096	10,597,175
XII.	Profit/(Loss) from discontinuing operations		7,305,096	10,597,175
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		7,305,096	10,597,175
XV.	Profit/(Loss) for the period (XI + XIV)		7,305,096	10,597,175
XVI.	Earnings per equity share:			
	(1) Basic		0.79	1.14
	(2) Diluted		0.79	1.14

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

for and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-
P.RAVI SHANKER
Partner

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

Sd/-
A.PARVATISEM
Technical Director

Place: Hyderabad
Date : 30.05.2013

Sd/-
S.K.HARI KRISHNA
Executive Director



SCHEDULES FORMING PART OF THE BALANCE SHEET

			(Rupees)
A. Share Capital	As at 31st Mar 2013		As at 31 Mar 2012
<u>Class of Shares - Equity Shares</u>			
<u>Authorised Capital</u>			
1,00,00,000 Equity Shares of Rs.10/- each	100,000,000		100,000,000
<u>Issued, Subscribed & Paid-up Capital</u>			
92,73,000 Equity Shares of Rs.10/- each fully paid up	92,730,000		92,730,000
Total	92,730,000		92,730,000

Note : 1.

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

1. Veerat Finance & Investment Co.Ltd.,	13,12,800 (14.16%)	13,12,800 (14.16%)
2. Dr.S.K.Srihari Rau	7,22,000 (7.79%)	7,22,000 (7.79%)

Note: 2. There is no restriction on transferability of shares (presently the shares are delisted on the share market).

Note: 3

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

Shares issued & subscribed as on 01.04.2012 (92,73,000 Equity Shares of Rs.10/- each fully paid up)	92,730,000		92,730,000
Add: Issued during the year	-		-
	92,730,000		92,730,000
Less: Redemption/Buyback	-		-
Total Amount as per Balance Sheet (92,73,000 Equity Shares of Rs.10/- each fully paid up)	92,730,000		92,730,000

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.

B. Reserves and Surplus

Profit & Loss Account

Opening Balance (Profit/(Loss))	(67,161,199)	(77,758,374)	
Add: Profit/(Loss) for the year	7,305,096	10,597,175	
Closing Balance	(59,856,102)		(67,161,199)

C. Share Application Money - Pending Allotment

Share Application Money outstanding for morethan 5 years (Share Application Money pending allotment within the limit of authorised capital)	7,270,000		7,270,000
Total	7,270,000		7,270,000

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

Sd/-
P.RAVI SHANKER
Partner

Place: Hyderabad
Date : 30.05.2013

for and on behalf of the Board
EVEREST ORGANICS LIMITED

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

Sd/-
A.PARVATISEM
Technical Director

Sd/-
S.K.HARI KRISHNA
Executive Director



			(Rupees)
D. Long-Term Borrowings	As at 31st Mar 2013		As at 31 Mar 2012
(a) Secured Loans			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - III	-		5,148,131
2. Term Loan - IV	3,147,127		14,784,327
3. Term Loan - V	8,960,478		-
4. Working Capital Term Loan	1,007,020		4,737,728
5. Working Capital Term Loan - II	10,165,040		-
6. Kotak Prime Ltd-Tata Indigo Manza Car Loan (Secured by the Hypothecation of Vehicle)	-		263,466
7. Magma Finance-Verna Car Loan (Secured by the Hypothecation of Vehicle)	217,172		477,478
8. Kotak Prime Ltd-Mahindra XUV 500 FWD Car Loan (Secured by the Hypothecation of Vehicle)	440,556		-
(b) Unsecured Loans			
- Sales Tax Deferment Liability (Payable as per A.P.State Government 14 years sales tax deferment scheme - repayment commenced from 2009-10 and payable before the year 2022-23)	22,873,930		25,878,935
	46,811,323		51,290,065
Note:			
1. The Term Loans D(a) 2,3,4 above are secured by the first charge by way of equitable mortgage by deposit of Titles Deeds of the Company's immovable properties of Land & Buildings admeasuring 32 acres in Sy.No.38, 39 & 40 situated at Aroor Village, Sadasivpet Mandal, Medak District, both present and future and Hypothecation/pledge of Company's movable properties both present and future, hypothecation of stocks, receivables and other of the personal immovable properties of the promoter directors.			
2. There is no default in repayment of principal of term loan or interest thereon from Kotak Mahindra Bank Ltd., stated above.			
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/- P.RAVI SHANKER Partner		Sd/- Dr.S.K.SRIHARI RAJU Managing Director	
Place: Hyderabad Date : 30.05.2013		Sd/- A.PARVATISEM Technical Director	
		Sd/- S.K.HARI KRISHNA Executive Director	



SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rupees)			
E. Other Long Term Liabilities			
(a) Others		77,541	77,541
Total		77,541	77,541
F. Short Term Borrowings			
Secured			
(a) Loans repayable on Demand			
- from Banks - Kotak Mahindra Bank Ltd			
Overdraft	37,483,152		39,324,653
Bills Discounting (Domestic)	40,002,548		39,992,210
Bills Discounting (Exports)	-		3,496,942
Bills Discounting (LC Backed)	9,999,044		2,370,339
Buyers Credit	11,831,040	99,315,784	5,391,443
			90,575,586
Note: Security for the above loans from Kotak Mahindra Bank Ltd is the same as mentioned note 1 of point no.C-Long Term Borrowings.			
Discounting of Bills Backed by LCs		4,558,324	14,156,701
Total - A		103,874,108	104,732,287
Unsecured			
(a) Loans repayable on Demand			
- from Other Parties		8,128,208	4,912,000
Total - B		8,128,208	4,912,000
Total (A+B)		112,002,316	109,644,287
G. Trade Payables			
Creditors for Raw Materials		209,011,344	182,595,257
Creditors for Expenses		25,913,618	22,378,409
Creditors for Capital Goods		17,457,050	18,938,151
Total		252,382,013	223,911,817
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
		Sd/- Dr.S.K.SRIHARI RAJU Managing Director	
Sd/- P.RAVI SHANKER Partner		Sd/- A.PARVATISEM Technical Director	
Place: Hyderabad Date : 30.05.2013		Sd/- S.K.HARI KRISHNA Executive Director	



SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
		As at 31st Mar 2013	As at 31 Mar 2012
H. Other Current Liabilities			
(a) Share Application Money - Pending Allotment			
Share Application Money outstanding for morethan 5 years (Share Application Money pending allotment beyond the limit of authorised capital)		31,611,000	31,611,000
Share Application Money outstanding for morethan 1 year (Share Application Money pending allotment beyond the limit of authorised capital)		31,119,000	31,119,000
(b) Current maturities of long-term debt			
- from banks - Kotak Mahindra Bank Ltd			
1. Term Loan - II	-	-	
2. Term Loan - III	5,149,457	9,069,439	
3. Term Loan - IV	11,597,600	9,917,717	
4. Term Loan - V	3,308,522	-	
5. Working Capital Term Loan	3,716,457	3,178,138	
6. Working Capital Term Loan-II	6,459,407	-	
(c) Current maturities of finance lease obligations			
7. Kotak Prime Ltd-Tata Indigo Manza Car Loan	250,210	211,267	
8. Magma Finance-Verna Car Loan	260,306	230,402	
9. Kotak Prime Ltd-Mahindra XUV 500 FWD W8	363,678	-	22,606,963
(d) Current Maturities of Deferred Payment Liability			
- Deferred Sales Tax Liability		3,192,809	2,476,206
(e) Statutory Liabilities			
a) ESI Dues	134,562	236,356	
b) PF Dues	1,822,827	1,719,435	
c) Professional Tax Dues	663,720	883,640	
d) TDS Payable	1,083,322	1,597,254	
e) Others	607,314	657,314	
		4,311,745	5,093,999
(f) Other Liabilities		2,592,072	1,277,906
Total		103,932,263	94,185,075
		(Rupees)	
I. Short Term Provisions		As at 31st Mar 2013	As at 31 Mar 2012
(a) Provision for employee benefits		3,853,735	3,199,756
(b) Others			
1. Income Tax - MAT	3,445,527	4,292,764	
2. FBT for earlier years	855,000	855,000	5,147,764
Total		8,154,262	8,347,520
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants		for and on behalf of the Board EVEREST ORGANICS LIMITED	
Sd/- P.RAVI SHANKER Partner		Sd/- Dr.S.K.SRIHARI RAJU Managing Director	
		Sd/- A.PARVATISEM Technical Director	
Place: Hyderabad Date : 30.05.2013		Sd/- S.K.HARI KRISHNA Executive Director	



SCHEDULES FORMING PART OF THE BALANCE SHEET

EVEREST ORGANICS LIMITED											
SCHEDULE - J											
FIXED ASSETS											
S.No.	Particulars	Gross Block				Depreciation			Net Block		(Rupees)
		As At 01.04.12	Additions During the year	Deletions/ transfers during the year	As At 31.03.13	Rate of Deprn. %	As At 01.04.12	for the year	Deletions during the year	As At 31.03.13	
	Tangible Assets										
1	Land & Site Development	5,359,816	-	-	5,359,816	-	-	-	5,359,816	5,359,816	
2	Buildings	31,769,439	2,912,727	-	34,682,166	3.34	1,097,965	-	18,774,961	16,960,199	
3	Plant & Machinery & Utilities	341,637,635	32,996,201	-	374,633,836	5.28	18,784,666	-	191,802,685	177,591,149	
4	Office Equipment	1,519,418	66,171	-	1,585,589	6.33	99,593	-	86,075	119,497	
5	Computers	3,919,260	387,612	-	4,306,872	16.21	666,148	-	436,674	715,210	
6	Furniture & Fittings	1,649,498	12,666	-	1,662,164	6.33	104,842	-	640,664	732,840	
7	Vehicles	4,943,748	1,601,973	808,502	5,737,219	9.50	514,606	634,034	3,569,728	2,656,829	
	Total (A)	390,798,814	37,977,350	808,502	427,967,662		21,267,820	634,034	220,670,602	204,135,540	
	Capital Works-in-Progress										
1	Buildings	-	2,912,727	2,912,727	-		-	-	-	-	
	Plant & Machinery (trfd.to Fixed Assets & Buildings)	2,498,762	39,637,417	33,907,084	8,229,094		-	-	8,229,094	2,498,762	
	Total (B)	2,498,762	42,550,144	36,819,811	8,229,094		-	-	8,229,094	2,498,762	
	Grand Total (A+B)	393,297,576	80,527,494	37,628,313	436,196,757		21,267,820	634,034	228,899,697	206,634,302	

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

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

Sd/-
(P. RAVI SHANKER)
Partner

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

Sd/-
(S.K.HARIKRISHNA)
Executive Director

Place: HYDERABAD
Date : 30.05.2013



SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rupees)			
K. Non-Current Investments	As at 31st Mar 2013		As at 31 Mar 2012
Investment in Equity Instruments			
Equity Shares in Pattancheru Envirotech Ltd (PETL) - at cost (Unquoted 81540 No.of equity shares of Rs.10/- each in PETL, Market value as on 31.03.2013 & 31.03.2012 not available).	815,408		815,408
Equity Shares in State Bank of Travancore (SBT) - at cost (Quoted 50 No.of equity shares of Rs.10/- each in SBT, Market value of Rs. 518.85 & 581.0 per share (Quoted 50 No.of equity shares of Rs.10/- each in SBT, Market value of Rs. 518.85 & 581.0 per share as on 31.03.2013 & 31.03.2012).	30,000		30,000
Total:	845,408		845,408
L. Long-term Loans and Advances			
Security Deposits with Government	6,406,793	2,304,346	
Security Deposits with Others - for Rent	134,530	134,530	
Security Deposits with Others - for Mobile, Internet	233,362	232,470	
Total	6,774,685		2,671,346
Note: All the long term loans and advances are unsecured in nature and are considered good.			
M. Other Non-Current Assets			
Security Deposits with Others	732,942		286,198
Export Incentives receivable	-		1,645,858
Total	732,942		1,932,056
N. Inventories			
(a) Raw materials	26,566,233		33,329,939
(b) Work-in-progress	35,501,572		36,906,238
(c) Finished Goods	12,848,983		9,247,388
(d) Stores and Spares	1,955,012		2,088,100
(e) Others			
- Coal	7,685,891		8,997,269
- Packing Material	223,916		264,995
Goods-in-transit (with Job Workers)	6,982,373		8,899,411
Total	91,763,980		99,733,340
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED		
Sd/- P.RAVI SHANKER Partner	Sd/- Dr.S.K.SRIHARI RAJU Managing Director		
	Sd/- A.PARVATISEM Technical Director		
Place: Hyderabad Date : 30.05.2013	Sd/- S.K.HARI KRISHNA Executive Director		



SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
O. Trade Receivables	As at 31st Mar 2013		As at 31 Mar 2012
(i) Trade receivables			
(a) Secured, considered good;			
- morethan 6 months	1,492,818		7,859,620
(b) Unsecured considered good;			
- lessthan 6 months	196,989,799		177,925,661
(ii) Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.			
(a) Unsecured considered good;			
- lessthan 6 months	-		89,663
Virat & Co., (a partnership firm in which one of the partner is the W/o.Mr.S.K.Hari Krishna, who is wholetime director of the company)			
Total	198,482,617		185,874,944

Note:
Secured receivables are so secured by letters of credit.

P. Cash and cash equivalents			
Cash and Cash Equivalents			
(a) Balances with Banks;	432,851		961,281
(b) Cash on Hand;	3,357		23,354
(c) Others - Fixed Deposits under lien with Bank	10,000,000		10,000,000
Total	10,436,208		10,984,635

Q. Short-term loans and advances			
(i)			
(a) Other Loans and Advances			
Export Incentives Receivable	-	397,000	
Other Receivables	5,957,996	1,230,532	
	5,957,996		1,627,532
(ii)			
(a) Unsecured, considered good	16,130,661		8,059,371
Total	22,088,657		9,686,903

R. Other Current Assets			
Cenvat Credit	2,625,487		1,217,257
TDS Receivable	853,936		714,913
Total	3,479,423		1,932,170

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

for and on behalf of the Board
EVEREST ORGANICS LIMITED

Sd/-
P.RAVI SHANKER
Partner

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

Sd/-
A.PARVATISEM
Technical Director

Place: Hyderabad
Date : 30.05.2013

Sd/-
S.K.HARI KRISHNA
Executive Director



SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rupees)			
S. Revenue from Operations	for the year year ended 31st Mar 2013		for the year year ended 31st Mar 2012
Sale of products			
- Domestic Sales	691,025,555		541,192,014
Less: Excise Duty	76,723,120		50,307,137
	<u>614,302,435</u>		490,884,877
- Export Sales	182,002,193	796,304,627	109,272,978
Sale of services			
Other operating revenues (Job Work Charges)		48,688	10,358,655
Net Turnover		796,353,315	610,516,510
T. Other Income			
Interest Income		1,356,591	1,132,515
Net gain/(loss) on sale of Fixed Asset		30,532	(74,291)
Other non-operating income		253,136	-
Total		1,640,259	1,058,224
U. Cost of Rawmaterials Consumed			
Opening Stock of Raw Materials		42,229,350	34,301,525
Add: Purchase of Raw Materials		556,168,237	429,355,413
Total		598,397,587	463,656,938
Less: Closing Stock of Raw Materials		33,548,606	42,229,350
Net Amount = As per Statement of P&L		564,848,981	421,427,588
V. Changes in Inventory of FG			
Opening Stock of Finished Goods	9,247,388		17,256,196
Less: Closing Stock	12,848,983		9,247,388
Net Amount		(3,601,595)	8,008,808
W. Changes in Inventory of WIP			
Opening Stock of Work in progress	36,906,238		15,096,713
Less: Closing Stock	35,501,572		36,906,238
		1,404,666	(21,809,525)
Net Amount		1,404,666	(21,809,525)
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED		
Sd/- P.RAVI SHANKER Partner	Sd/- Dr.S.K.SRIHARI RAJU Managing Director		
	Sd/- A.PARVATISEM Technical Director		
Place: Hyderabad Date : 30.05.2013	Sd/- S.K.HARI KRISHNA Executive Director		



SCHEDULES FORMING PART OF THE BALANCE SHEET

		(Rupees)	
X. Employee Benefit Expenses	for the year year ended 31st Mar 2013	for the year year ended 31st Mar 2012	for the year year ended 31st Mar 2012
Salaries and Wages	36,810,055		29,902,375
Contribution to provident and other funds	1,553,561		1,163,999
Staff welfare expenses	2,977,570		1,950,496
Statutory and Other Benefits	5,163,094		4,016,942
Total	46,504,280		37,033,812
Y. Finance Cost			
Interest	14,845,677		13,519,005
Bills Discounting Charges	6,451,667		7,437,855
Other Finance Charges	4,177,777		4,110,847
Total	25,475,120		25,067,707
Z. Depreciation and amortization expense			
- Depreciation on Tangible Fixed Assets	21,267,820		18,470,520
Total	21,267,820		18,470,520
AA. Other Expenses			
Payments to the auditor as			
a. auditor	150,000		150,000
b. for taxation matters	50,000		50,000
c. for other services	50,000	250,000	250,000
Manufacturing Expenses:			
(a) Material Conversion Charges	9,103,230		7,356,618
(b) Stores Consumables	960,459		588,200
(c) Lab Expenses	2,639,992		1,657,661
(d) Effluent Charges	3,066,024		6,638,866
(e) Power and Fuel	62,251,935		43,968,182
(f) Plant Repairs & Maintenance Charges	16,417,487		13,908,149
(g) Production Contract Charges	10,123,867		9,674,849
Administrative Expenses:			
(a) Conveyance	219,940		174,673
(b) Postage, Telephone Charges	588,408		650,311
(c) Rent, Rates & Taxes	1,419,532		773,300
(d) Insurance	1,761,503		1,423,353
(e) Consultancy Charges	647,284		619,789
(f) Office Maintenance	264,967		183,018
(g) Vehicle Maintenance	672,797		551,460
(h) Net (gain) or loss on foreign currency transaction			
- on Exports	(1,497,711)		(217,939)
- on Imports	1,110,588		2,070,794
(h) Other Administrative Expenses	4,021,457		4,062,518
Selling & Distribution Expenses:			
(a) Business Promotion	2,505,952		2,218,251
(b) Travelling Expenses (Overseas)	-		1,092,150
(c) Travelling Expenses (Domestic)	3,789,344		1,255,013
(d) Postage, Telephone Charges	149,948		117,785
(e) Conveyance-Marketing	121,749		117,061
(f) Commission on Sales	2,336,609		2,898,650
(g) Freight Outward	950,576		1,317,154
(h) Freight Outward Exports	3,170,507		2,347,687
(i) Packing Material	5,479,059		3,966,282
(j) Other Expenses	163,704		119,384
Total:	132,689,206		109,783,217
As per our report even date for P.S.N.RAVISHANKER & ASSOCIATES Chartered Accountants	for and on behalf of the Board EVEREST ORGANICS LIMITED		
Sd/- P.RAVI SHANKER Partner	Sd/- Dr.S.K.SRIHARI RAJU Managing Director		
	Sd/- A.PARVATISEM Technical Director		
Place: Hyderabad Date : 30.05.2013	Sd/- S.K.HARI KRISHNA Executive Director		

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2013****1. ACCOUNTING POLICIES****a) Basis of preparation :**

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

b) Use of estimates

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

c) Current and non current classification

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Assets:

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

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

Liabilities:

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

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

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

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2013****d) Fixed Assets**

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

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

e) Depreciation

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

f) Inventories

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

g) Research & Development Expenditure

It is the policy of the company to transfer the Research & Development Expenditure on capital items to assets and depreciation is charged thereon accordingly at the applicable rates and Revenue expenditure on Research and development is charged off to Profit & Loss in the year in which it is incurred. During the year the Company has not incurred expenditure of capital nature on R&D.

h) Employee Benefits :

Contributions to defined contribution retirement benefit schemes are generally recognized as an expense when employees have rendered services entitling them to contributions. Accordingly company provided for payment of Gratuity. However, the company has not provided for leave encashment of Rs.17,26,998/- (previous year Rs.15,38,047/-). The company has not made any contribution/deposited the money to these employee benefits but has made only provision for gratuity.

i) Income tax expense :

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

Current tax :

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax :

Deferred tax charge or credit to reflect the tax effects of timing differences between accounting income and taxable income for the period. However the company is having significant brought forward losses. Hence the deferred tax assets are not recognized.

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2013****j) Impairment of Assets :**

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

2. a) Foreign exchange Expenditure	(Rs. In Lacs)	
	2012-2013	2011-2012
i) Payments to Raw Material Creditors	983.85	511.80
ii) Traveling Expenses	12.82	10.92
b) Foreign Exchange received on Exports	1264.43	826.63

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

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

5. The total CENVAT available on Raw Materials for the year amounting to Rs.725.01 Lacs (previous year Rs.511.70 lacs) has been adjusted in the cost of raw materials and the unavailed CENVAT credit on account of Service Tax, CENVAT on Capital goods, PLA Balances amounting Rs.26.25 lacs (previous year Rs. 12.17 lacs) has been shown under the "Current Assets" in the Balance Sheet.

6. Investment

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

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

(Rupees in lacs)

Particulars	2012-13	2011-12
Dr.S.K.Srihari Raju	3.40	4.32
A.Parvatisem	3.00	4.08
S.K.Hari Krishna	4.80	3.30
M.Bangar Raju	3.80	3.30
TOTAL	15.00	15.00



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2013

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

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

Year	2012-13			2011-12		
	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved	Installed Capacity TPA	Operating Capacity TPA	% of Capacity Achieved
Omeprazole, Op.sodium, Op.Magnesium	180	130	72	180	112	62
Chloro Compound	240	197	82	200	152	76
Benzimidazole	180	140	78	180	110	61
Esomeprazole	36	33	90	25	23	93
Pantaprazole	50	37	75	50	22	45

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

Description	Production (Qty./MTs)		Sales (Qty./MTs)		Sale Value (Rs.in Lacs)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Product						
Omeprazole Powder	118.61	111.70	109.78	93.50	2437.32	1987.00
Benzimidazole	164.62	110.91	49.19	55.80	321.67	387.56
Chloro Compound	201.87	152.40	63.03	40.90	1234.26	878.37
Op.Sulphide	182.24	154.60	0.10	0.55	1.99	9.83
Esomeprazole Magnesium	32.86	23.20	32.51	24.20	1476.80	961.94
Pantaprazole	35.13	22.30	34.73	24.60	1421.15	899.14
Ammonium Sulphate	618.72	464.70	405.00	230.00	81.00	48.25
Tetralone	88.80	95.00	88.80	95.00	572.21	610.28
Others	-	-	-	-	416.65	219.21
Total:					7963.05	6001.58


NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2013

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

Description	2012-13		2011-12	
	(Qty/MTs)	Value (Rs.lacs)	(Qty/MTs)	Value (Rs.lacs)
3, 5 Lutidine	229.59	637.56	177.20	476.08
MDC	409.23	161.40	382.00	202.28
Acetone	375.98	291.83	293.20	233.53
Acetic Acid	324.81	122.69	278.00	105.73
Toluene	327.42	286.56	169.40	128.32
Para Ansidine	146.40	211.64	108.00	146.03
Methanol	696.87	195.79	461.40	114.90
DMS	222.67	63.28	159.20	39.00
APS	409.35	245.96	213.20	137.45
Others		3431.78		2630.96
Total :		5648.49		4214.28

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

Item	2012-13		2011-12	
	Value(Rs.Lacs)	%	Value(Rs.Lacs)	%
Imported	1105.72	19.57	847.70	20.11
Indigenous	4542.76	80.43	3366.58	79.89
Total	5648.49	100.00	4214.28	100.00

9. Related Party Transactions:

Particulars	Nature of Transaction	Amount	Closing Balance Rs	Relationship with Key Managerial Person
Dr.S.K.Krishnaveni	Interest on unsecured Loan	216,000	1,286,323	Wife of Managing Director
Mr.S K Harikrishna	-do-	49,505	275,000	Executive Director
Mr.S.K.Suryanarayana Raju	-do-	72,000	400,000	Brother of Managing Director
Mrs.S K Gowri Parvathi	-do-	437,822	1,071,500	Mother of Executive Director
Mrs.S K Sahitya	-do-	364,962	1,053,500	Wife of Executive Director
Virat & Co	Gross Sales	10,654,517	104,013	Partner of the firm is wife of the Executive Director
Virat & Co	Gross Purchases	28,181,942	9,467,180	-do-



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2013

10. Contingent Liabilities not provided for:
 - 1) Letters of Credit established by the Kotak Mahindra Bank on behalf of the Company Rs.367.13 lacs (Previous year – Rs.432.42 Lacs).
 - 2) Bank Guarantees issued by the Kotak Mahindra Bank on behalf of the company Rs.10 Lacs. (Previous year- Rs.10 lakhs)
11. Amount due to small scale industrial undertaking during the year ended 31.03.2013 could not be identified as specific information regarding SSI status is not forthcoming from parties.
12. The company deals in Bulk Drugs, APIs, and thus is treated as dealing in only one segment and hence the information pertaining to the Segmental Reporting is not applicable to the Company.
13. Paise have been rounded off to the nearest rupee.
14. Figures have been re-grouped/re-arranged wherever necessary.
15. The balances outstanding on account of sundry debtors/sundry creditors/advances are subject to confirmation from the respective parties.

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

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

Sd/-
(P. RAVI SHANKER)
Partner

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

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

Place: HYDERABAD
Date : 30.05.2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013****Everest Organics Limited**

Cash Flow Statement as on 31.03.13

(Rs.in Lakhs)

Particulars	Year Ended 31.03.13	Year Ended 31.03.12
Cash Flow from Operating Activities		
Profit/(Loss) as per Profit & Loss Account	94.05	135.93
Adjustment for Depreciation	212.68	184.71
Provision for Gratuity	6.54	15.31
Interest and Financial Charges paid	254.75	269.21
(Profit)/Loss on sale of fixed asset	(0.31)	0.74
Taxes paid	(21.00)	(30.00)
Provisions no longer required written back	-	0.04
Interest Earned	(13.57)	(11.33)
Operating Profit/(Loss) before working capital charges	533.14	564.60
Adjustments for:		
(Increase)/Decrease in Trade receivables	(126.08)	(717.94)
(Increase)/Decrease in Inventories	79.69	(219.40)
Increase/(Decrease) in Short Term Borrowings	23.58	(170.86)
Increase/(Decrease) in Trade Payables	284.70	652.43
Increase/(Decrease) in Other Current Liabilities	97.47	421.18
Increase/(Decrease) in Short Term Provisions	(8.47)	(5.07)
(Increase)/Decrease in Loans & Advances & Other Current Assets	(168.53)	52.07
Cash Generated from Operations	715.51	577.02
Cash Flow from Investing Activities		
Purchase of Fixed Assets including CWIP	(435.03)	(469.42)
Interest earned	13.57	11.33
Cash used in Investing Activities	(421.46)	(458.09)
Cash Flow from Financing Activities		
Increase/(Decrease) secured Loans from Banks/Financial Institutions	(44.79)	102.10
Interest and Financial Charges paid	(254.75)	(269.21)
	(299.54)	(167.11)
Net Increase/(Decrease) in Cash & Cash Equivalents	(5.49)	(48.19)
Opening Cash & Cash Equivalents	109.84	158.03
Closing Cash & Cash Equivalents	104.36	109.84

AUDITORS CERTIFICATE

We have examined the cash flow statement of M/s. Everest Organics Limited for the year ending 31st March, 2013. The Statement has been prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreement with Mumbai Stock Exchange and is based on and is an agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company as per our report dated 31st May, 2013, to the Members of the Company.

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

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

Sd/-
(P. RAVI SHANKER)
Partner

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

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

Place: HYDERABAD

Date : 30.05.2013