

EVEREST ORGANICS LIMITED

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CIN: L24230TG1993PLC015426

Recommendations of the Committee of Independent Directors (“IDC”) for the Open Offer to the Shareholders of the **Everest Organics Limited** (hereinafter referred to as “**the Company**”) by **Dr. Sri Kakarlapudi Srihari Raju** (hereinafter referred to as “**Acquirer 1**”) and **Veerat Finance & Investment Limited** (hereinafter referred to as “**Acquirer 2**”) (hereinafter collectively referred to as “**Acquirers**”) under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

1.	Date	October 17, 2016, Monday
2.	Name of the Company	EVEREST ORGANICS LIMITED
3.	Details of the Offer pertaining to the Company	Open Offer to acquire upto 2,080,000 Equity Shares representing 26.00% of the expanded share capital of the Company from the Equity Shareholders, other than the Acquirers at a price of Rs. 18.00/- per share
4.	Name of the Acquirers and PAC with the Acquirers	Dr. Sri Kakarlapudi Srihari Raju and Veerat Finance & Investment Limited
5.	Name of the Manager to the Offer	Corporate Professionals Capital Private Limited
6.	Members of the Committee of Independent Directors	1. Mr. Sreeramakrishna Grandhi –Chairperson; 2. Mr. Ramakrishnam Raju Kounparaju – Member; and 3. Mr. Swaminathan Venkatesan – Member; The Chairperson of the Committee of Independent Directors is Mr. Sreeramakrishna Grandhi
7.	IDC Member's relationship with the Company	The IDC members are Independent Directors of the Company without any shareholding except of Mr. Ramakrishnam Raju Kounparaju, who along with his relatives holds 4,284 Equity Shares representing 0.05% of the expanded share capital of the Company.
8.	Trading in the Equity shares/ other securities of the Company by IDC Members	Out of all IDC members only Mr. Ramakrishnam Raju Kounparaju along with his relatives holds 4,284 Equity Shares (0.05%) in the Company. Mr. Ramakrishnam Raju Kounparaju along with his relatives has not traded in equity shares of the Company during a period of 12 months prior to the date of Public Announcement.
9.	IDC Member's relationship with the Acquirers	The IDC members do not have any relationship with both of the Acquirers.
10.	Trading in the Equity shares/other securities of the Acquirer 2 by IDC Members	The IDC members have not traded in any Equity Shares of Acquirer 2.
11.	Recommendation on the Open offer, as to whether the offer is fair and reasonable	Based on the review of the Public Announcement and the Detailed Public Statement issued by the Manager to the Offer on behalf of the Acquirers, IDC believe that the Open Offer is in accordance with SEBI (SAST) Regulations and to that extent is fair and reasonable. However, with regard to reasonableness of the price, IDC would like to draw the attention of shareholders to the current market value of the shares of the Company. The shareholders should independently evaluate the offer and take their own informed decision. They are also advised to seek expert tax opinion before taking decision.
12.	Summary of reasons for recommendation	Closing Market price of shares of the Company was Rs. 61.15 (Rupees Sixty One and Fifteen paise only) as on October 14, 2016 per share on BSE Limited and the Acquirers have offered a price of Rs. 18.00/-. As per information mentioned in the Letter of Offer, this Offer is being made pursuant to the Conversion of Loan into Equity Shares. On July 30, 2016, the Board of Directors of the Company considered and approved the preferential allotment of 3,950,000 (Thirty Nine Lacs and Fifty Thousand) Equity Shares of Rs. 10/- each at a price of Rs. 18.00/- (Rupees Eighteen Only) out of which 1,238,890 (Twelve Lacs Thirty Eight Thousand Eight Hundred and Ninety) Equity shares representing 15.49% of expanded share capital to Acquirer 1 and 2,711,110 (Twenty Seven Lacs Eleven Thousand One Hundred and Ten) Equity Shares representing 33.89% of expanded share capital to Acquirer 2 and also allotment of 711,720 (Seven Lacs Eleven Thousand Seven Hundred and Twenty) convertible warrants at a price of Rs.18.00/- each (Rupees Eighteen Only) convertible into equal number of Equity Shares to Acquirer 2 by converting the outstanding unsecured loans of the two Acquirers. This proposed allotment of additional equity shares and convertible warrants to the Acquirers, has triggered the open offer obligation in terms of Regulation 3(2) of SEBI (SAST) Regulations, 2011. The pricing in the Takeover Open Offer has been done after taking into account the other valuation parameters also in terms of Regulation 8(2)(e) of SEBI (SAST) Regulations, 2011. The Company has obtained an Independent Valuation Certificate from M/s. D. S. Pungaliya & Co., Chartered Accountants for the preferential allotment as well as for the purpose of this Open Offer. The said valuer has on the basis of erstwhile CCI Guidelines certified that the fair value of the Equity Share is coming out to be Rs. 13.83 (Rupees Thirteen and Eighty Three Paise Only). Acquirers have made an Open Offer for acquisition of 2,080,000 (Twenty Lacs and Eighty Thousand) Equity Shares representing 26.00% of the expanded share capital of the Company at a price of Rs. 18.00/- (Rupees Eighteen Only) each per share in pursuance to Regulation 3(2) of SEBI (SAST) Regulations, 2011.
13.	Details of Independent Advisors, if any.	None
14.	Any other matter(s) to be highlighted	None

“To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Company under the Takeover Code.”

For and on behalf of
The Committee of Independent Directors of
Everest Organics Limited

Sd/-
(Sreeramakrishna Grandhi)
Chairperson- Committee of Independent Directors

Place : Hyderabad
Date : October 18, 2016