

POCHIRAJU INDUSTRIES LIMITED

19th ANNUAL REPORT
2013-14



Not just healthcare....lifecare

BOARD OF DIRECTORS	Sri P Sudhakar	Managing Director
	Sri Dr. A Ramaiah	Director
	Sri B V Ramana Reddy	Director
	Sri Dr. K S R Siva Sai	Director
	Sri Dr. S S N Murthy	Director
	Smt. P Sailaja	Director
REGISTERED OFFICE	1/102, Sathyamangalam Village, Thumanapalli Post, Hosur Taluk, Krishnagiri Dist, Tamil Nadu, PIN – 635 105.	
ADMINISTRATIVE OFFICE	Plot No.7, Phase-II, Alexandria Knowledge Park(Formerly S.P.Biotech Park), Kolthur Village, Shameerpet Mandal, R.R.Dist-500078, Telangana.	
BANKERS	Punjab National Bank, Bank Street Branch, Hyderabad-500001	
STATUTORY AUDITORS	M M REDDY & CO., Chartered Accountants, G-8, Amrutha Ville, Opp. Yashodha Hospital, Rajbhavan Road, Somajiguda, Hyderabad-500082	
INTERNAL AUDITORS	CHANAMOLU & CO., Chartered Accountants, Somajiguda, Hyderabad - 500082	
REGISTRARS AND SHARE TRANSFER AGENT	Aarthi Consultants Pvt. Ltd 1-2-285, Domalguda, Hyderabad – 500 029	
LISTED AT	Bombay Stock Exchange & National Stock Exchange National Stock Exchange Limited	
COMPLIANCE OFFICER	Sri. P Sudhakar Plot no.7, Phase-II, Alexandria Knowledge Park(Formerly S.P.Biotech Park), Kolthur Village, Shamirpet Mandal, R.R.Dist-500078.	

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POCHIRAJU INDUSTRIES LIMITED

NOTICE TO MEMBERS

Notice is hereby given that the Nineteenth ANNUAL GENERAL MEETING of POCHIRAJU INDUSTRIES LIMITED will be held at Company's registered office situated at 1/102, Satyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105, on Friday September 26th, 2014 at 11:00 A. M. to transact the following businesses:

ORDINARY BUSINESS:

1. Receive, consider and adopt the audited balance sheet as at 31st March, 2014 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. Appoint a director in place of Sri. P.Sudhakar who retires by rotation and being eligible, offers himself for reappointment.
3. Appoint a director in place of Smt. P.Sailaja who retires by rotation and being eligible, offers herself for reappointment.
4. Sri B.V.Ramana Reddy retires by rotation at this Annual General Meeting
5. To Appoint Sri.D.G. Prasad as an Independent Director on the Board of the company. The Board has received a notice proposing the appointment.

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

RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Act, as amended from time to time, Sri. D.G.Prasad , who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act; and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri. D.G.Prasad as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five (5) consecutive years from the conclusion of the This Annual General Meeting to the conclusion of the Twenty Fourth Annual General Meeting.

6. Re-appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the third Annual General Meeting from the end of this Annual General Meeting, however the appointment should be ratified at each Annual General Meeting and to fix their remuneration.

“RESOLVED THAT M/s. M. M. REDDY & CO, Chartered Accountants be and is hereby Reappointed as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at remuneration to be decided by the Audit Committee of the Board in consultation with the Auditors.

SPECIAL BUSINESS

7. Increase in Authorized Capital:

To increase the authorized capital of the Company and to amend the capital clauses of Memorandum of Association and Articles of Association thereof to consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED that pursuant to Section 61 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company be increased from Rs 25,00,00,000 (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crores Fifty lakhs only) equity shares of Rs. 10/- each to Rs. 75,00,00,000(Rupees Seventy Five Crores) divided into 7,50,00,000 (Seven Crores Fifty Lakh) equity shares of Rs. 10/- each.

RESOLVED FURTHER that pursuant to Section 61 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) the existing Clause V (Five) of Memorandum of Association of the Company be and is hereby substituted as follows:

“The Authorized Share Capital of the Company is Rs. 75,00,00,000 /- (Rupees Seventy Five Crores Only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each with rights and conditions attaching thereto, as are provided by the Articles of Association of the Company for the time being with power to increase , reduce divide the shares in the Capital for the time being into several classes and to attach thereon respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association of the Company for the time being.

RESOLVED FURTHER that pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in

force), Article No. 3 (i) of the Articles of Association of the Company be and is hereby substituted as follows:

“The Authorized Share Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each with rights and conditions attaching thereto, as are provided by the regulations of the Company for the time being with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively, subject to the laws for the time being in force , such rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights , privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

8. Resolution for Fund Raising

To approve the raising of funds upto US \$ 50 Million or Equivalent in Indian Rupees by way of a public issue, qualified institutional placement or a combination thereof.

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

RESOLVED that pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 (the Act), if any and rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and the Companies Act, 1956, if any, the Foreign Exchange Management Act, 1999 as amended ("FEMA"), Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations"), Listing Agreements as entered into by the Company with the Stock Exchange where the shares of the Company is listed, enabling provisions in the Memorandum and Articles of Association of the Company and the Issue of Foreign Currency Convertible Bonds(**FCCB**) and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended ("**FCCB** Scheme"), Rules, Regulations, Guidelines, Notifications and Circulars, if any, prescribed by the Government of India, Reserve Bank of India ("**RBI**"), Securities and Exchange Board of India ("**SEBI**"), Foreign Investment Promotion Board ("**FIPB**") or any other competent authority, whether in India or abroad, from time to time, to the extent applicable and subject to approvals, consents, permissions and sanctions as might be required and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), is hereby authorized on behalf of the Company, to offer, issue and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Non Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, Individuals or otherwise, whether members of the Company or not, by way of a public issue, qualified institutional placement or a combination thereof, Equity Shares of Rs. 10/- of the Company ("Equity Share") and / or Foreign Currency Convertible Bonds ("**FCCB**") and/or

Global Depository Receipts (“GDRs”) and / or American Depository Receipts (“ADRs”) and / or Bonds with share warrants attached and/or Fully Convertible Debentures (“FCDs”) and / or Partly Convertible Debentures (“PCDs”) and / or Non-convertible Debentures (“NCDs”) and / or Preference Shares partly or fully convertible into Equity Shares, / or Compulsory Convertible Preference Shares (CCPSs) and/or any other financial instruments or securities convertible into Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as “Securities”) or any combination of Securities, through one or more tranches, through one or more prospectus and / or letter of offer or circular and / or on private placement basis, at such time or times, at such price or prices, and on such terms and conditions as the Board may determine, so that the total amount raised through issue of the Securities shall not exceed US\$ 50 Million (United State Dollars Fifty Millions Only) or the sum equivalent thereof in Indian Rupees (inclusive of such premium as may be determined) and such offer, issue and allotment to be made at such time or times, in such currency, at such price or prices, at discount or premium to market price (subject to applicable restrictions on minimum offering/conversion price for equity shares or securities of the Company), in such form and manner and on such other terms and conditions, as may be decided and deemed appropriate by the Board at the time of such offer, issue and allotment. where necessary in consultation with the Lead Managers, Underwriters, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Rating Agencies / Advisors, Depositories, Custodians, Principal Paying / Transfer / Conversion agents, Listing agents, Registrars, Trustees, Printers, Auditors, Stabilizing agents and all other Agencies / Advisors.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/ conversion/ exercise/ redemption, rate of interest, redemption period, listings on one or more stock exchanges in India or abroad as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be required by the authorities involved in such issue(s) in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER that in case of a qualified institutional placement (QIP) pursuant to Chapter VIII of the ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12/18 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER that in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue.

RESOLVED FURTHER that in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs, pursuant to the provisions of the FCCB Scheme and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open such issue after the date of this resolution.

RESOLVED FURTHER that without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER that the Equity Shares including issue and allotment of Equity Shares upon conversion of any depository receipts or other Securities referred to above so issued shall rank pari-passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER that for the purpose of giving effect to any offer, issue or allotment of Securities the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER that the Board be and is hereby authorized to appoint Lead Manager(s) in offerings of Securities and such other agencies, if necessary and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s) and other agencies and to seek the listing of such securities.

RESOLVED FURTHER that the Board be and is hereby authorized to create necessary charge on such of the assets and properties (whether present or future) of the Company in respect of Securities and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with the issue of Securities.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to a Committee of Directors or any director or any officer of the company in such manner as it may deem fit.

9. Resolution for Increase in Borrowing Powers

Increasing the borrowing powers of the Board of Directors of the Company from to Rs. 1000 Crores. (Rupees One Thousand Crores)

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

“RESOLVED that in supersession of the earlier resolution(s) passed at the 12th Annual General Meeting of the Company , the consent of the Company is hereby accorded under the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956), to the Board of Directors of the Company to borrow from time to time any money(ies) as they deem requisite for the purpose of the business of the Company, not with standing that the money(ies) to be borrowed together with money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) would exceed the aggregate of paid-up share capital and free reserves of the Company, Provided that the total amount upto which monies borrowed by the Board of Directors of the Company shall not exceed Rs. 1000 Crores (Rupees One Thousand Crores only), at any one time”.

10. Creation of Mortgage / Charge

Authorization to the Board of Directors to mortgage, create charge on all or any of the assets of the Company and further issue covenants for negative pledges/lien etc.

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

“RESOLVED that pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company are hereby authorised to sell, lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company, mortgage and/or create charge on all or any of the assets and properties both immovable and movable, including the undertaking of the Company and further to issue covenants for negative pledges/negative liens in respect of the said assets and properties and for the purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and further to execute the required documents including power(s) of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions, trustees, as and by way of security for the due repayment of the sums of money together with interest or other money(ies) due thereon, if any, already borrowed or to be borrowed by the Company there from shall be within the overall limits of the borrowing powers of the Board of Directors of the Company as determined from time to time by the shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013”.

Explanatory Statement-Item No.5 – Appointment of Sri. D.G. Prasad as Director of the Company

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Sri. D.G. Prasad for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks approval of members for the appointment of Sri. D.G. Prasad as an Independent Director of the Company for a period of five (5) years from the conclusion of this 19th Annual General Meeting to the conclusion of the 24th Annual General Meeting. Sri. D.G. Prasad does not hold any shares in the Company.

Profile of Sri. D.G. Prasad and details of Directorships and Committee Memberships held by him.

Sri. D.G. Prasad is a Qualified Chartered Accountant and a retired Banker. Sri. D.G. Prasad after having a long and illustrious career in Exim Bank retired as Executive Director of the Bank. He represents in several large corporate Boards such as NATCO, SUVEN, STRIDES etc.

The Company has received declaration from Sri. D.G. Prasad that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Sri. D.G. Prasad fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Director and he is independent of the management.

The Board recommends the passing of the proposed resolution as an Ordinary Resolution and requests your approval for the same.

No Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

Explanatory statement: Item No. 7 – Increase in Authorised Capital of the Company

The present Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crore) divided into 2,50,00,000 (Two Crore fifty lakhs) equity shares of Rs. 10/- each.

The Company is proposing to raise long term funds by way of issue of equity shares or other securities which are convertible into equity shares at a later date by way of qualified institutional placement ("QIP") and / or public issue and the proposal is placed before the members of the Company for their approvals as an item no. 8 of this notice. In order to enable the Company to issue further equity shares, it is proposed to increase the authorized share capital of the Company from the existing Rs. 25,00,00,000 (Rupees Twenty Five Crores) to Rs. 75,00,00,000 (Seventy Five Crores)

Accordingly the capital clauses in Memorandum of Association (**MOA**) and Articles of Association (**AOA**) of the Company have to be altered.

Such increase in authorized capital and alteration of MOA and AOA of the company have to be approved by the members of the Company by way of Special resolution.

The MOA and AOA of the Company together with the proposed alterations will be open for inspection for the members of the Company throughout the meeting and at the registered office / corporate office of the Company on all working days till the conclusion of this meeting.

The Board of Directors recommends the resolution as set out in item no. 7 of this notice for the approval of members by way of special resolution.

No Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

Explanatory statement: Item No. 8 – Resolution for Fund Raising

In order to meet the long term funding requirement including investments, capital expenditure as permitted by applicable rules and regulations, the Company proposes to raise upto US \$50 Millions (U.S. \$ Fifty Millions) or equivalent of in Indian Rupees (including premium) in one or more tranches through issue of Convertible Bonds or such other equity linked instruments or a mix of them by issue of equity or equity linked securities or such other permitted securities as may be finalized by the Board in the course of domestic and / or international offerings including but not limited to Qualified Institutional Placement within the meaning of Chapter VIII of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), Foreign Currency Convertible Bonds, Optionally Convertible Debentures, Bonds with share warrants attached, Global Depository Receipts, American Depository Receipts or Compulsory Convertible Preference Shares/or Fully or Partly Convertible Preference Shares any other equity linked instruments of the Company or a combination of the foregoing, in one or more tranches, at a price determined in accordance with applicable law and otherwise on such terms and conditions as may be deemed appropriate by the Board and/or any Committee thereof at the time of the issue or allotment of the Securities.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Under writers and other experts in accordance with the applicable provisions of the law.

Since the pricing and other terms of the offering cannot be decided except at a later stage, an enabling resolution is being passed to give adequate flexibility and discretion to the Board to finalize the terms. However, the same would be in accordance with the ICDR Regulations, 2009 and / or Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Mechanism) Scheme, 1993 as amended from time to time or any other guidelines / regulations as may be applicable and in case of an issue of Securities to Qualified Institutional Buyers pursuant to Chapter VIII of the ICDR Regulations, the issue price of Securities shall be at a price, being not less than the price calculated in accordance with Chapter VIII of ICDR Regulations, as amended from time to time, and the relevant date in this regard shall be the date on which the Board decides to open the issue of Securities or such other time as may be allowed under the ICDR Regulations from time to time.

Section 62(1) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be

offered to the existing shareholders of such company in the manner laid down therein unless the members by way of a special resolution in a General Meeting decide otherwise. Since, the Special Resolution proposed under Item No. 6 of this notice may result in the issue of Equity Shares of the Company to persons other than members of the Company, consent of the members is being sought pursuant to the provisions of

Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreements executed by the Company with the stock exchanges where the Equity Shares of the Company are listed. This Special Resolution, if passed, will have the effect of allowing the Board to offer issue and allot Equity Shares to the investors who may or may not be the existing shareholders of the Company. The equity shares, if any, shall rank in all respects pari-passu with the existing Equity shares of the Company.

No Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

Explanatory statement: Item No. 9 - Increase in Borrowing Powers

At the 12th Annual General Meeting of the Company held on , consent of the shareholders was obtained u/s.293(1)(d) of the Companies Act 1956, by way of an Ordinary Resolution, to the Board of Directors of the Company for borrowing money(ies) in excess of the aggregate of the paid up capital and free reserves of the Company upto a sum of Rs. 100 Crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business). Further, with the business operations growing and the expected growth in the activities and operations of the Company the aforesaid limit of Rs. 100 is likely to exceed in due course/in the near future and the consent of the members is sought through the resolution(s) proposed vide agenda no.8 placed before the meeting, to enable the Board of Directors of the Company to borrow money(ies) upto a sum of Rs. 1000 Crores (Rupees One Thousand Crores)

With the passing of the Companies Act, 2013 with effect from April 01, 2014, the members have to accord approval for the limit upto which the borrowings can be made by the Board of Directors only by way of a Special Resolution in terms of Section 180(1)(c) of the Companies Act, 2013. As per the clarifications issued by the Ministry of Corporate Affairs dated March 25, 2014, the Board of Directors are allowed to exercise their powers of borrowings and / or Creation of Security on assets of the Company within the limits prescribed by the members by way of an Ordinary Resolution upto September 30, 2014, as if the approval is accorded by way of Special Resolution.

In view of the above and in order to comply with the requirements under Section 180(1)(c) of the Companies Act, 2013, consent of the members is sought through the resolution(s) proposed at agenda No.8 by way of a Special Resolution to enable the Board of Directors of the Company to borrow money(ies) upto a sum of Rs. 1000 Crores (Rupees One Thousand Crores)

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.9 of the Notice.

No Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

Explanatory statement: - Item No. – 10 – Creation of Charge on the Assets of the Company

At the 12th Annual General Meeting of the Company, the members have authorised the Board of Directors u/s.293(1)(a) of the Companies Act, 1956 by means of an Ordinary Resolution (corresponding to Section 180(1)(a) of the Companies Act, 2013) and any other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or to create charge on all or any of the assets and properties immovable and movable, including undertaking(s) of the Company and further to issue covenants for negative pledges/ negative liens in respect of the said assets and properties and for the purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and further to execute the required documents

including powers of attorney in favour of all the lenders as and by way of security for the due repayment of sums of money together with interest or other money(ies) due thereon, if any, such borrowings within the overall limits of the borrowing powers of the Board of Directors of the Company as determined from time to time by the shareholders pursuant to Section 293(1)(d) of the Companies Act, 1956.

With the passing of Companies Act, 2013 with effect from April 01, 2014 and in terms of the requirement u/s.180(1)(a) of the said Act, the above said authorisation(s)/consent by the members of the Company are to be made to the Board of Directors by means of a Special Resolution, which shall be within the overall limits of the borrowing powers of the Board of Directors of the Company as determined from time to time by the shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013 or any other applicable provisions, if any of the Companies Act, 2013.

As per the clarifications issued by the Ministry of Corporate Affairs dated March 25, 2014, the Board of Directors are allowed to exercise their powers of borrowings and / or creation of security on assets of the Company within the limits prescribed by the members by way of Ordinary Resolution upto September 30, 2014 as if the approval is accorded by way of Special Resolution.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No. 10 of the Notice.

No Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise in the said resolution

Regd.Office:
1/202,SathyamangalamVillage,
HosurTaluk,KrishnagiriDist.T.N.–635105.
Place: Hyderabad
Date: 14.08.2014

By Order of the Board
Pochiraju Industries Limited
Sd/-
P.Sudhakar
Managing Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on a poll instead of himself / herself and the Proxy need not be a member of the Company.
2. Proxies, in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 20th September to 26th September, 2014 (Both the dates inclusive).
4. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
5. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
6. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM.

DIRECTORS' REPORT

Dear Shareholders,

Yours Directors have pleasure in placing before you the Nineteenth Annual Report on the working and progress of the Company along with audited accounts of the company for the financial year ended 31st March, 2014 and the report of the auditors thereon.

FINANCIAL RESULTS

Key aspects of the company's financial performance for the year 2013-14 are tabulated below:

Particulars	2013-14 (Rs. in Lakhs)	2012-13 (Rs. in Lakhs)
Gross Revenue	11973.63	10885.80
Total Expenditure	10863.08	10197.63
Profit before Depreciation and taxation	1681.49	1220.55
Depreciation	570.94	532.37
Profit/(Loss) before tax(PBT)	1110.55	688.17
Less: Provision for Current tax	73.88	167.44
Profit/(Loss) after tax	1036.67	520.73
Prior Period Items	-	-
Profit / (Loss) after Prior Period Items	1036.67	520.73
Profit Brought Forward from previous year	7638.84	7118.10
Net Profit / (Loss) carried to Balance Sheet	8675.51	7638.84

OPERATIONS

The Company has recorded a turnover of Rs.11973.63 lacs in the current year. The Company earned a Net profit of Rs.1036.67 lacs after depreciation and taxes. The amount of Net profit available for appropriation after adjustments for prior period items is Rs. 1036.67 lacs and the same is carried to balance sheet. The operations during the year ended on 31st March, 2014 were encouraging. The company has been continuously working on quality up gradation and cost reduction plans.

PUBLIC DEPOSITS

Your Company has not accepted any deposits falling within the meaning of Sec-58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING

The equity shares of your company are listed on The Bombay Stock Exchange Limited and National Stock Exchange Limited.

MANAGEMENT AND DISCUSSION ANALYSIS

The management discussion and analysis of the financial condition and results of operations of the company for the period under review as required under clause 49 of the listing agreement of the stock exchange, is given as a separate statement forming part of this Annual report.

BUSINESS INNOVATION, EXPANSION AND DIVERSIFICATION

Your company has completed the construction of Phase I and Phase II of its Bio Pharma Unit at Shameerpet, Hyderabad IS under implementation. Your management is happy to inform you that the unit's R & D Block, Administrative Block and Canteen Block along with the required necessary support services are fully operational. The company's R & D division of Bio pharma is focusing mainly on Five Segments namely Biologics, Vaccines, Therapeutic Peptides, Probiotics and Parenterals. The company has developed many molecules with innovative process technologies, leading to high yielding and low costs Therapeutics..

The company's agriculture and F & V divisions are having regular operations with steady growth. Presently the company apart from growing its own flowers in the green houses also procuring many varieties of flowers from different farmers all over the country and also its procurement for its F & V division is being done directly from farmers and also on contract farming basis. Taking into consideration the growth potential of this segment both in domestic and overseas and the relative locational and costs advantages your company is contemplating to setup its production bases in African. Your company is also planning to expand its agri operations into Agri Logistic, Infrastructure and Distribution.

You company to finance its present Phase II expansion of Bio pharma and for other Capex needs intends to raise Funds through Institutional Borrowings, FCCB/ECB, Preferential Allotments subject to the prevalent and applicable statutory approvals.

BANKS AND FINANCIAL INSTITUTIONS

Presently our Bankers are Punjab National Bank for our Biopharma Unit at Shameerpet. We have very good business relationship with our bankers and the bank has been supporting us throughout our business growth plans.

CHANGES IN THE BOARD OF DIRECTORS

In accordance with the Companies Act, 1956 and 2013 read with Articles of Association of the company the Directors, Sri. P.Sudhakar and Smt.P.Sailaja will retire by rotation and are eligible for reappointment. Your Board recommends the re-appointment of the above Directors in the best interest of the company. Sri.B.V. Ramana Reddy independent director of the company retires by

rotation at this annual general meeting. The Board in his place recommends Sri D.G. Prasad as an independent director. Sri. D.G. Prasad is a professionally qualified Chartered Accountant and an Ex Banker with a rich, long and varied experience in Banking Industry. Sri. D.G. Prasad retired as an Executive Director in Exim Bank and represented and is representing as an Independent Director in several prestigious blue chip companies. His experience and expertise will greatly help the company in its direction and growth path. Your Board recommends the appointment of Sri. D.G. Prasad as an Independent Director on Company's Board in the interest of the company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 and other relevant provisions of the Companies Act 2013 the Board of Directors of your Company hereby certifies and confirms that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. We have selected such accounting policies and applied them consistently and made judgment 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 of the profit or loss account of the company for that period;
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. We have prepared the Annual accounts on a going concern basis.

PERSONNEL

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, as amended, and other relevant applicable provisions of Companies Act 2013 the names and other particulars of employee(s) are set out in the annexure of this report.

AUDITORS

M/s M.M. Reddy & Co, Chartered Accountants, Hyderabad, retires at the conclusion of ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends for their reappointment.

CORPORATE GOVERNANCE

As a listed company, necessary measures have been taken to comply with the Listing Agreement of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report as an Annexure.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, financial institutions and other business constituents for their consistent support to the Company. The Directors also wish to place on record their appreciation of the hard work, dedication and commitment of the employees. The enthusiasm and unstinting efforts of the employees has enabled the Company to achieve sustained growth in the operational performance during the year under review.

Place:Hyderabad
Date:14.08.2014

For and on behalf of the Board
Pochiraju Industries Limited
Sd/-
P. Sudhakar
Managing Director

FORM A

A.	Power and fuel consumption	Current Year	Previous Year
1)	Electricity		
	a)Purchases	465173	437930
	Total Amount (Rs)	34,88,798	32,84,487
	Average Rate Unit (Rs.)	7.50	7.50
	b) Own Generation		
	Through Diesel Generation (Unit)	92,55,742	94,64,449
	Unit Per Liter of Diesel Oil (Nos)	8.31	8.01
	Cost /Unit (Rs.)	13.52	13.00
B.	Consumption per unit of production standards: Electricity		
C.	Foreign exchange earnings and out go	(Rs. In lakhs)	(Rs. In lakhs)
	i) Foreign Exchange earnings (Rs.)	0	0
	ii) Foreign Exchange Used (Rs.)		
	1. Raw Materials	0	0
	2. Machinery	0	0
FORM B			
Form of disclosure of particulars with respect to absorption			
1)	Research and development (Rs.)	104.17	205.35
2)	Technology absorption, adaptation and innovation	0	0
3)	Foreign Exchange Earnings & Outgo	0	
	Earnings (Rs. In Lakhs)	0	0
	Outgo (Rs. In Lakhs)	0	0

ANNEXURE TO THE DIRECTOR'S REPORT

- a) **Information as per section 217(2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and other applicable provisions of the Companies Act 2013 and forming part of the Directors' Report for the year March 31, 2014.**

Employed for part of the year with an average salary above Rs.5 Lakhs per month: **NIL**

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operation.

Your company is engaged in three core businesses viz. Agriculture, Pharmaceuticals and Bio Pharma.

I. Segment / Product Wise developments and Performance:

The agriculture operations of the company carried under Agri division under the name and style of AGROPIL consists of Floriculture operations, Trading and Marketing soft cut flowers, ornamental plants, foliage, Fruits and Vegetable segment wherein the company is procuring different fruits and vegetables and supplying to major retail chains. The company's 6 hectare floriculture unit is located at Satyamangalam Village in Tamil Nadu, cultivating, processing and exporting cut flower roses under controlled environment using sophisticated greenhouse technology. The company is contemplating to focus trading of its agri products globally and getting many enquiries in this regard.

The Pharma division namely PHARMAPIL is operating in range of pharmaceutical Formulations on a National by outsourcing its formulations from different manufacturers under loan license agreement. The company is also contemplating to set up a state of the art modern multi product bulk API manufacturing unit at Nadikudi, Guntur District, Andhra Pradesh to manufacture some of the latest small volume molecules such as anti-cancer, anti-viral, anti-depression etc.

The implementation of first phase of company's Biopharma unit being setup under the name and style of BIOPIL was completed fully and the company is going for expansion of the second phase of the project with an additional capital expenditure of around Rs. 64.00 crores which is under active implementation.

Bio-Pharma Industry – BIOPIL:**Facility:**

The company's Biopharma unit Phase I at Shameerpet constructed at a capital cost of Rs. 60.89 crores .

Products:

The Biotech division is focusing mainly on Five Therapeutic Segments such as Biologics, Vaccines, Peptides, Probiotics and Parenteral . The company over the past 7 years has developed several therapeutic molecules in the afore mentioned segments for Immunization, Anticancer, Antiviral, Antidiabetic, Anticoagulant and Dietary Supplements.

Manpower:

The company has recruited a scientific team consisting of Ph.Ds. and post graduates for its ongoing R& D projects and has project, production, admin and other necessary technical and non-technical staff.

RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES:

PIL's R&D centre is actively involved in process development work in the areas of Bio-similar, vaccines & Bulk API's. The centre is equipped with the latest scientific equipments to carry out basic research in the above fields and is recognized by Department of Scientific and Industrial Research , Government of India. The company is also focusing on Agri Biotechnology R & D and is working on the Plant Tissue Culture and Seed Development.

The Research and Development lab of the company's biotech division -**Biopil** was established in the year 2009 having a work space of 8,000 Sq.Ft. Biopil is having its state of the art research and development facility to perform integrated research on various portfolios like molecular biology, biochemistry, microbiology, immunology, and cell biology. Biopil works on various platform technologies like bacterial, fungal and mammalian cell lines for the development of vaccines, various biological therapeutics, synthetic peptides and probiotics.

Biopil R&D is having strong technical team with Doctorates, Post-Doctoral fellows and Post graduates from reputed institutions with hands on experience in the area of vaccine, therapeutic proteins and probiotic development.

Biopil R&D is recognized by DSIR, Ministry of Science and Technology, Govt. of India. As a part of appreciation Biopil R&D technical skills, 2 prestigious projects were approved and supported by Department of Biotechnology (DBT) & DSIR.

DSIR Supported Project: *Development of a Novel cost effective liquid and stable Adsorbed Rabies Vaccine based on Vero Cell Platform - Under Preclinical Trails.*

DBT supported Project: *Development of hexavalent meningococcal vaccine for the first time in the world.* Individual polysaccharides for all the strains were developed and conjugation is under process. Ready for preclinicals with in next **six** months.

Product pipe line - READY FOR MARKET

PROBIOTICS

1. Saccharomyces Boulardii
2. Combinations of Probiotics – of its kind ready for launch as dietary supplement for kidney and liver care helps immensely for dialysis patients.

BIOLOGICS

1. Enoxaparin sodium - Anticoagulant
2. Heparin Sodium -Anticoagulant
3. Tacrolimus - Immunosuppressant
4. Sirolimus - Immunosuppressant
5. Octreotide --A synthetic peptide used for the *Acromegaly*
6. Byetta - Synthetic peptide used for the treatment of *Diabetes*.
7. Bivalirudin -A Synthetic Peptide used as anticoagulant.

Products under Preclinicals

1. **Rabies** – Tied up with Prestigious NIN, a division of ICMR for conducting Preclinical trials.
2. **Meningococcal- A and ACWY135** are under preclinicals and the company has tied up with NIN Hyderabad for the same.

Products under Process Development

1. Pneumococcal Vaccine
2. Fidaxomycin – a biopharma product under process development used for Clostridium difficile-associated diarrhea
3. Synthetic Peptide – Various therapeutic and cosmetic peptides are in our process development are as follows –

Cosmetic Peptides

All the Platform technologies for the following Peptides are ready for production and the company need to custom synthesize as per customer requirement.

- A. Heptapeptides - Acts on dermal epidermal junction
- B. Hexapeptides - Functions as elastin
- C. Pentapeptides - Skin smoothing activity
- D. Tetrapeptides - Collagen booster
- E. Tripeptides (GHK-Cu) - Antiaging, collagen booster, improves skin density and thickness.
- F. Dipeptides - Antioxidant

Therapeutic Peptides

- a. Eptifibatide - Synthetic peptide used a antiplatelet drug.
- b. Desmopressin - synthetic peptide used for nocturnal enuresis (mainly in children)
- c. BNP (B type neuropeptide) - synthetic peptide used during the massive heart attacks.

The company is also working on collaborations with prestigious institutions and Universities overseas, for its ongoing R&D projects.

R&D – Agropil – Agribiotechnology

Agro division of Pochiraju Industries was established in 1995, consisting of operations in Floriculture, Contract Farming, Nursery, and Procurement & Trading of various Fruits, Flowers, Vegetables and other related agro products.

To move ahead the value chain Agropil started its R&D activities in agro- biotechnology .

The R&D activities of Agropil mainly consists of –

- Working on various divisions like Molecular Biotechnology, Plant genetic engineering, Clinical trial studies, Nanobiotechnology, Microbiology, Immunology and Enzyme technology.
- Molecular Marker Development in Medicinal Plants – using DNA, RNA isolation, RAPD, RFLP, AFLP, RT-PCR, Colony PCR, Northern Blotting Techniques.
- Protein Extractions, Purifications and Separation Techniques using SDS-PAGE, Native Page, Western Blotting studies, Active biomolecules, extraction, TLC, HPLC.
- Clinical Trial Studies in Animals of Plant Extractions - Anti diabetic study, Anticancer study, wound healing studies etc.,
- Large Scale propagation of Medicinal Plants using tissue culture techniques.
- Biochemical, Genetic Diversity and DNA fingerprinting studies in Medicinal Plants. Developing novel and economical

I. Internal Control Systems and their Adequacy

The company has an adequate internal control system commensurate with the size and complexity of the organization. The company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the company. The Audit Committee periodically reviews the adequacy of the internal audit functions.

We have been continuously upgrading our production technologies for improving efficiency.

Discussions of financial performance with respect to operational performance.

1. Shareholders Fund:

The company has an authorized capital of Rs.25 Crores comprising of 250 lakhs equity shares of Rs. 10/- each. The company has a paid-up capital of Rs.18.90 Crores .

2. Secured Loan:

The company has an outstanding term loan liability of Rs.1692.81lakhs with Punjab National Bank as on 31st March 2014.(Excluding the instalments payable for the immediate 12 months which were included in the current liabilities)

3. **Fixed Assets:**

The balance of Rs.2175.45 lakhs, lying in capital work in progress is towards Phase II expansion and will be capitalized after the completion of expansion.

4. **Revenue:**

The company has generated net revenues of Rs.11973.63 lakhs with a PAT of Rs. 1036.67 lakhs.

II. **Material development in Human Resources / Industrial Relations front including number of people employed:**

There are no material developments in the Human Resources area. The industrial relations have been cordial. The company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the company presently in all its divisions on an average is 200 approximately.

Cautionary Statement:

Statement in the Management Discussion and Analysis describing the company's objectives, projections estimates and expectation may be forward looking statements within the meaning applicable securities laws and regulations. Further the discussion on risks, concerns, opportunities etc are valid only at the time of making statements. A variety of factors known/unknown expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.

REPORT OF CORPORATE GOVERNANCE.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Pochiraju Industries Limited is committed to good corporate governance and always strive to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. The Board of Directors of the company believes in good governance and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

The company has designed its system to enhance overall performance and maximize shareholder value in the long run. The company's core philosophy on the code of corporate governance is to ensure:

- Fair and transparent business practices.
- Accountability for performance.
- Compliance of applicable statute
- Transparent and timely disclosure of financial and management information.
- Effective management control and monitoring of executive performance by the Board.
- Adequate representation of professionally qualified non executive and independent Directors on Board.

We have pleasure in reporting that requirement of Stock Exchange Regulations and the provisions of the Listing Agreement, the compliance report on the corporate governance have been complied with in all features and the same is reproduced here under:

1. Board of Directors:

In terms of the Articles of Association of the company, the strength of the board shall not be less than three Directors and not more than twelve Directors.

Composition of Board:

As on 31st March, 2014 the Board comprised six Directors including Managing Director and four Independent Directors. The Directors bring to the board wide range of experience and skills.

Key information Pertaining to directors as on 31st March, 2014.

POCHIRAJU INDUSTRIES LIMITED

	P Sudhakar	B. V. Ramana Reddy	Dr. A Ramaiah	Dr. K Siva Sai	Dr. S S N Murthy	SelvamRama raj	P Sailaja
Category	Managing Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Promoter Non – Executive Director
Date of appointment	4 th May, 1995	20 th March, 2006	20 th March, 2006	21 st September, 2007	21 st September, 2007	12 th May, 2012	30 th April, 2007
Directorship in other companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chairmanship /membership in committees of Board of other companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
No. of Board Meetings	4	4	4	4	4	4	4
Attendance at the last AGM held on September 26, 2013	Yes	Yes	Yes	Yes	Yes	No	Yes
No. of shares held	4389145	Nil	Nil	Nil	Nil	Nil	1,680,619
Date of Ceasing as Director	NA	26 th September 2014	NA	NA	NA	26 th September 2013	NA

Board Meetings

During the Financial Year 2013-2014, the Board of Directors met 4 times on the following dates: 29-05-2013, 14-08-2013, 14-11-2013, 12-02-2014.

2.Audit Committee

The Audit Committee was formed by the Board of Directors. The terms of reference of this committee cover the matters specified in the clause 49 of the Listing Agreement and as may be referred to the committee by the Board of Directors of the company. Audit committee reports to the Board of Director. Our Audit Committee met five times during the financial year on. 29-05-2013, 14-08-2013, 14-11-2013, 12-02-2014, Statutory Auditors are invitees to the meeting. The composition of Audit Committee and their attendance are tabled below:

Name	Position	Category	Number of meetings attended
Mr. B V Ramana Reddy	Chairman	Independent, non-executive	4
Mr. P Sudhakar	Member	Promoter, executive	4
Mr. Dr. K Siva Sai	Member	Independent, non-executive	4
Mr. Dr. A Ramaiah	Member	Independent, non-executive	4

3. Compensation Committee

The primary responsibilities of the compensation committee are to determine and recommend terms of appointment, salaries / remuneration to Senior Management and executive directors for approval of the Board as well as shareholders. Remuneration policy is to review periodically the remuneration of Managing / Whole time Director and recommend suitable revision to the Board. The committee has met twice on 29-05-2013, 12-02-2014. The composition of the compensation committee and their attendance are tabled below

Name	Position	Category	Number of meetings attended
Mr. B V Ramana Reddy	Chairman	Independent, non-executive	2
Mr. P Sudhakar	Member	Promoter, executive	2
Mr. Dr. S S N Murthy	Member	Independent, non-executive	2
Mr. Dr. A Ramaiah	Member	Independent, non-executive	2

Details of sitting fees paid to the Non-Executive Directors for attending Board Meetings and Committee meetings and Remuneration paid to Executive Director for the year ended 31.03.2014

Name of the directors	Sitting Fees	Salary	Cont to Provident fund	Total
Mr. P. Sudhakar	N.A.	63,00,000	Nil	63,00,000
Mr. B V Ramana Reddy	Nil	N.A.	N.A.	Nil
Dr. A Ramaiah	Nil	N.A.	N.A.	Nil
Dr. S S N Murthy	Nil	N.A.	N.A.	Nil
Dr. K S R Siva Sai	Nil	N.A.	N.A.	Nil
Smt. P Sailaja	Nil	N.A.	N.A.	Nil

The company does not have any stock option plan or performance linked incentive for the Executive Directors. The appointments are made for a period of five years on the terms and conditions contained in the respective resolutions passed by the members in the General Meetings.

4. Shareholders & Investors Grievance Committee:

The Shareholders'/Investors' Grievance Committee is responsible for resolving investor's complaints pertaining to share transfers, non receipt of annual reports, issue of duplicate share certificates, transmission of shares and other related complaints. The Chairman of the Committee is an independent non executive director.

The Shareholders/Investors Grievance Committee is constituted with the following members:

Name	Position
Dr. A Ramaiah Independent, Non – Executive.	Chairman
Mr. P Sudhakar Managing Director	Compliance Officer
Mr. B. V. Ramana Reddy	Member

The status on the shareholder queries and complaints we received during the financial year, and our response to the complaints and the current status of pending queries if any, is Tabulated below:

Description	Received	Replied	Pending
Non receipt of Securities	0	0	0
Non receipt of Annual Reports	10	10	0
SEBI / Stock Exchange Complaints	2	2	0
Others	0	0	0

5. Information on General Body Meetings:

The last 4 Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2012-13	26-09-2013	11.00 A.M.	1/102, Sathyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105.
2011-12	27-09-2012	11.30 A.M.	1/102, Sathyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105.
2010-11	29.09.2011	11.30AM.	1/102, Sathyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105.
2009-10	28.09.2010	11.00AM.	1/102, Sathyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105.

6. Disclosures

i) The Company has complied with the requirements of the Stock Exchange and SEBI on matters related to Capital Markets, as applicable. There are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or other authority on any non-compliance of laws related to capital markets, during last three years;

ii) Your board has laid down a code of conduct covering the ethical requirement to be complied with covering all the Board members and Senior Management Personnel of the company. Information of compliance with the code is received from them on an annual basis.

7. Means of Communication:

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large.

Our quarterly results are published in widely circulated national newspapers such as The Financial Express and the local daily ThinaBhoomi, Tamil Nadu. The Quarterly Results, Shareholding Pattern and Annual Report of the Company are also posted on BSE & NSEs' website.

Apart from this, we also intimate the stock exchange of material information on any latest developments.

8. General Shareholder Information:

i) Annual General Meeting

Date : 26-09-2014

Time : 11.00 A.M.

Venue : 1/102, Satyamangalam Village, Hosur Taluk, Krishnagiri Dist, T N – 635 105.

ii) **Financial Calendar:** 1st April, 2013 to 31st March, 2014.

Financial Reporting for 2014-2015 (tentative schedule)

The first quarter results	Before 15.08.2014
The second quarter results	Before 15.11.2014
The third quarter results	Before 15.02.2015
The Fourth quarter results	Before 15.05.2015

iii) **Book Closure** : 20.09.2014 to 26.09.2014 (both dates inclusive).

iv) **Listing on Stock Exchanges(ISIN : INE332G01032):**

Sl. No.	Equity Shares	Stock Codes
1	National Stock Exchange of (India) Limited	POCHIRAJU
2	Bombay Stock Exchange Limited	532803

The Company has paid Annual Listing Fees for the year 2013-14.

v) **Market Price Data**

BOMBAY STOCK EXCHANGE LIMITED PRICE TRADED – POCHIRAJU							
2013 –14	Monthly Volume	HIGH			LOW		
		Date	Price (Rs.)	Volume	Date	Price (Rs.)	Volume
April	53,685	16/04/2013	9.10	2361	26/04/2013	7.15	2,979
May	1,30,265	14/05/2013	9.40	6,522	31/05/2013	6.75	12,968
June	75,807	07/06/2013	8.40	389	20/06/2013	6.00	655
July	42,524	25/07/2013	8.39	126	12/07/2013	5.60	149
August	74,365	29/08/2013	7.63	34,445	27/08/2013	5.30	1005
September	61,122	11/09/2013	7.00	14,600	17/09/2013	6.41	209
October	55,496	11/10/2013	7.00	11,650	29/10/2013	6.24	1,502
November	1,79,436	03/11/2013	7.35	1	19/11/2013	6.26	3,639
December	1,56,588	31/12/2013	7.00	22,700	16/12/2013	6.45	4,147
January	3,88,266	15/01/2014	9.85	28,733	01/01/2014	6.83	16,302
February	1,81,717	06/02/2014	8.20	35,170	17/02/2014	7.00	11,595
March	94,930	06/03/2014	8.58	14,943	11/03/2014	7.45	7,057

NATIONAL STOCK EXCHANGE OF (INDIA) LIMITED PRICE TRADED – POCHIRAJU (532803)							
2013 – 14	Monthly Volume	HIGH			LOW		
		Date	Price (Rs.)	Volume	Date	Price (Rs.)	Volume
April	1,48,682	25/04/2013	9.00	21077	12/04/2013	7.55	8,554
May	1,58,121	14/05/2013	9.25	7,517	30/05/2013	6.65	43,761
June	1,45,735	03/06/2013	8.00	11,765	26/06/2013	6.00	3,310
July	46,695	04/07/2013	7.00	26,641	04/07/2013	6.20	26,641
August	0	-	-	0	-	-	0
September	0	-	-	0	-	-	0
October	0	-	-	0	-	-	0
November	0	-	-	0	-	-	0
December	0	-	-	0	-	-	0
January	1,55,421	17/01/2014	9.50	14,061	28/01/2014	7.30	14,903
February	2,03,574	12/02/2014	8.25	66,151	17/02/2014	6.90	7,760
March	1,50,306	10/03/2014	8.65	3,945	13/03/2014	7.45	8,507

vi) Registrars and Transfer Agents

(for shares held in both physical and Dematerialized form)

M/s Aarathi Consultants Private Limited

H. No. 1-2-285, Domalguda,

Hyderabad – 500 029 Telangana, India.

Phone: 040 - 27642217/27638111/27634445 Fax: 040 – 27632184

Web: www.aarthiconsultants.com

vii) Share Transfer System:

Your Board has delegated the power of share transfer to its Registrar and Share Transfer Agents for processing of share transfers to Aarathi Consultants Pvt. Ltd, Registrars of the Company at the address given above. The turnaround time for completion of transfer of shares in physical form is generally less than 7 days from the date of receipt, if the documents are clear in all respects. We have internally fixed turnaround times for closing the queries/complaints within 7 days of receipt from the shareholders.

Address for correspondence:All correspondence relating to the shares of the Company should be addressed to Registrars & transfer Agents at the address given below:

M/s Aarathi Consultants Private Limited

H. No. 1-2-285, Domalguda, Hyderabad – 500 029 Telangana, India.

Phone: 040 - 27642217/27638111/27634445 Fax: 040 – 27632184

Shareholders grievance can also be sent through e-mail to the following designated e-mail id: info@aarthiconsultantsy.com quoting the Company name Pochiraju Industries Limited.

viii) Dematerialization of shares: The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited.

ix) Shareholding Pattern As On 31-03-2014

Category	% of shareholding	No. of shares held as on 31.03.2014
Promoters	33.44	6322392
Individuals	57.96	10958309
Domestic Companies	7.23	1366953
FIs, Mutual Funds and Banks	1.37	259021
Total	100.00	18906675

Distribution of Shareholding as on 31st March, 2014

Sl. No	Category	Holders	Holders %	Shares	Amount	Amount %
1	1 - 5000	10299	78.97	2008512	20085120	10.62
2	5001 - 10000	1379	10.57	1195262	11952620	6.32
3	10001 - 20000	594	4.55	953039	9530390	5.04
4	20001 - 30000	227	1.74	586336	5863360	3.10
5	30001 - 40000	126	0.97	454236	4542360	2.40
6	40001 - 50000	95	0.73	456259	4562590	2.41
7	50001 - 100000	173	1.33	1247027	12470270	6.60
8	100001 & Above	148	1.13	12006004	120060040	63.50
	Total:	13041	100.00	18906675	189066750	100.00

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The company has obtained a certificate from the Auditors of the Company regarding compliances of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges. The said Corporate Governance is as under:

CERTIFICATE

To,
The Members of POCHIRAJU INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by POCHIRAJU INDUSTRIES LIMITED, for the period of 12 months ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges of India.

The compliance conditions of Corporate Governance are the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that the Company has certified that as on 31st March 2014 there were no investor grievances remaining unattended/pending for a period exceeding one month.

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 the affairs of the company.

For M M REDDY & CO.,
Firm Registration Number: 010371S
Chartered Accountants

Sd/-

M Madhusudhana Reddy
Partner
Membership No. 213077

Place: Hyderabad
Date :14-08-2014

Declaration as required under Clause 49 (I)(D)(ii) of the Stock Exchange Listing Agreement:

All Directors and senior management personnel of the Company have affirmed compliance with Pochiraju's Code of Business Conduct and Ethics for the financial year ended March 31, 2014.

Sd/-

P. Sudhakar
Managing Director

Date: August 14th, 2014

INDEPENDENT AUDITOR'S OPINION

To,
The Members of **POCHIRAJU INDUSTRIES LIMITED**
Hyderabad.

Report on the financial Statements

We have audited the accompanying financial Statements of M/s. POCHIRAJU INDUSTRIES LIMITED which comprise the Balance Sheet as at 31st March 2014, The statement of Profit & Loss and the cash flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

The Companies management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting standards referred to in Sub-section (3C) of section 211 of the companies Act, 1956. 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 misstatements, whether due to fraud or error.

Auditors Responsibility

We have audited the attached Balance Sheet of M/s POCHIRAJU INDUSTRIES LIMITED, Hyderabad as at 31st March 2014, the Profit & Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the said accounts read with other notes to accounts and accounting policies give the information required by the Companies Act 1956, in the manner so required and give a true and fair view:-

- i) In the case of Balance Sheet of the state of the affairs of the Company as at 31st March 2014 and
- ii) In the case of Statement of Profit & Loss of the Profit of the Company for the year ended on that date.
- iii) In the Cash Flow statement of the Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor’s Report) Order,2003 (“the Order”) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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 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 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 Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For M M REDDY & CO.,
Chartered Accountants
Firm RegNo.010371S

M. Madhusudhana Reddy
Partner
Membership No.213077

Place: Hyderabad
Date : May 24th, 2014

Annexure to the Auditor’s Report (referred to in paragraph 3 of our Report of even date to the Members of POCHIRAJU INDUSTRIES LIMITED for the year ended March 31, 2014)

- 1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. There is no discrepancies were noticed on such verification.

(c) No substantial part of fixed assets has been disposed off during the year.

2. In respect of its inventories:

a) The Inventory of the Company has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper record of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. As informed the Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III) (b) to (d) of the Order are not applicable.

4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the of the Companies Act, 1956 in respect of the Company's nature of business.
9. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Wealth Tax, Customs Duty, Excise duty, cess and other material statutory dues applicable at the end of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no income tax, wealth tax, sales tax, customs duty and excise duty, which have not been deposited on account of any dispute. There were no dues on account of cess under 441A of the Companies Act 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
10. The company does not have the accumulated losses as at the end of the financial year and it has not incurred any cash losses during the current financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, Banks or Debenture holders.
12. According to the information and expiations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has taken term loans from the banks and the same have been applied for the purpose for which they were raised.

17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, we report that funds raised on short-term basis have not been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
20. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For M M REDDY & CO.,
Chartered Accountants
Firm Reg. No. 010371S

Place: Hyderabad
Date: 24th May, 2014

(M. Madhusudhana Reddy)
Partner
Membership No.213077

POCHIRAJU INDUSTRIES LIMITED

**PART I-FORM OF BALANCE SHEET
POCHIRAJU INDUSTRIES LIMITED
Balance Sheet as at 31.03.2014**

Particulars	Note No	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	189,066,750	189,066,750
(b) Reserves and Surplus	2	1,143,505,832	1,039,838,593
(c) Money received against share warrants		11,028,000	11,028,000
	A	1,343,600,582	1,239,933,343
(2) Share application money pending allotment	3	-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	154,781,088	232,357,265
(b) Deferred tax liabilities (Net)	5	21,056,097	16,744,000
(c) Other Long term liabilities	6	-	-
(d) Long term provisions	7	-	-
	B	175,837,185	249,101,265
(4) Current Liabilities			
(a) Short-term borrowings	8	157,105,275	-
(b) Trade payables	9	2,527,245	2,675,314
(c) Other current liabilities	10	102,549,575	73,642,000
(d) Short-term provisions	11	4,058,376	1,558,365
	C	266,240,471	77,875,679
Total	A+B+C	1,785,678,238	1,566,910,287
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	608,933,667	666,027,965
(ii) Intangible assets	13	42,230,147	42,230,147
(iii) Capital work-in-progress		217,545,305	217,545,305
(iv) Intangible assets under development		-	-
	A	868,709,119	925,803,417
(b) Non-current investments	14	-	-
(c) Deferred tax assets (net)	5	-	-
(d) Long term loans and advances	15	1,103,000	1,103,000
(e) Other non-current assets	16	-	-
(f) Long term deposits		-	-
	B	1,103,000	1,103,000
(2) Current assets			
(a) Current investments	17	-	-
(b) Inventories	18	217,395,356	105,866,421
(c) Trade receivables	19	301,479,257	247,514,669
(d) Cash and cash equivalents	20	22,94,355	7,523,521
(e) Short-term loans and advances	21	181,418,809	65,820,917
(f) Other Non current assets	16	213,278,342	213,278,342
	C	915,866,119	640,003,870
Total	A+B+C	1,785,678,238	1,566,910,287

Summary of Significant Accounting Policies

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The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For M M REDDY & CO.,
Firm Registration Number : 010371S
Chartered Accountants

Sd/-
M Madhusudhana Reddy
Partner
Membership No. 213077

Place : Hyderabad
Date : 24-05-2014

For and behalf of Board
For POCHIRAJU INDUSTRIES LIMITED

Sd/-
P.Sudhakar
Managing Director

Sd/-
P.Sailaja
Director

PART II-FORM OF STATEMENT OF PROFIT AND LOSS
POCHIRAJU INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS
Profit and Loss statement for the year ended 31st March, 2014

Particulars	Note No	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I. Revenue from operations	23	1,197,363,423	1,088,580,324
II. Other Income	24	-	-
III. Total Revenue (I +II)		1,197,363,423	1,088,580,324
<i>IV. Expenses:</i>			
Cost of materials consumed	25	851,648,029	696,195,307
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(38,588,335)	(45,477,667)
Employee benefit expense	27	37,848,995	41,044,986
Other operating expenses	28	31,708,301	105,031,687
Administrative Expenses	29	28,788,091	38,110,163
Financial costs	30	53,847,038	47,961,326
Depreciation and amortization expense	13 & 14	57,094,298	53,237,152
Research and Development expenditure	31	10,416,928	24,705,928
Selling Expenses	32	53,545,316	58,953,959
Total Expenses		1,086,308,661	1,019,762,841
V. Profit before exceptional and extraordinary items and tax (III - IV)		111,054,762	68,817,483
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		111,054,762	68,817,483
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		111,054,762	68,817,483
X. Tax expense:			
(1) Current tax		3075,426	-
(2) Deferred tax		4,312,097	16,744,000
XI. Profit(Loss) from the period from continuing operations (IX - X)		103,667,239	52,073,483
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		103,667,239	52,073,483
XVI. Earning per equity share:			
(1) Basic		5.48	2.75
(2) Diluted		5.48	2.75

Summary of Significant Accounting Policies

33

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For M M REDDY & CO.,

Firm Registration Number : 0103715

Chartered Accountants

Sd/-

M Madhusudhana Reddy

Partner

Membership No. 213077

Place : Hyderabad

Date : 24-05-2014

For and behalf of Board

For POCHIRAJU INDUSTRIES LIMITED

Sd/-

P.Sudhakar

Managing Director

Sd/-

P.Sailaja

Director

NOTES ON ACCOUNTS

a) SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014.

a) Basis of Accounting

The accounts are prepared under the Historical Cost Convention. The Company adopts the accrual basis in the preparation of accounts in accordance with the Accounting standards referred to in Section 211(3C) of the Companies Act 1956.

b) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies act, 1956,. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

c) Revenue recognition

Sale of goods is recognized on transfer of property to the buyers for consideration. Interest on deployment of surplus funds is recognized using the time proportion method, based on interest rates implicit in the transaction.

d) Fixed Assets

- i) Fixed Assets are stated at cost of acquisition inclusive of duties (net of Cenvat), taxes, incidental expenses, erection/ commissioning expenses etc. upto the time asset is ready for its intended use.
- ii) Capital Work in progress is stated at the expenditure incurred upto the date of the Balance Sheet including capital advances.
- iii) The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of Impairment based on external/ internal factors. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value of the weighted average cost of capital.

e) Depreciation

Depreciation on the Assets has been provided on straight-line methods at the rates and in the manner specified in schedule-XIV of the Companies Act, 1956. Depreciation on impaired assets is calculated on its residual value, if any, on a systematic basis over its remaining useful life. Planting material is written off over a period of 5 years equally.

f) Investments

Long term investments, if any, are stated and carried at cost. However, unutilized issue proceeds are invested in fixed deposits with the company's bankers.

g) Non-current assets

Expenditure incurred for public issue, pre-operative expenses, market development expenditure and expenditure on research and development will be amortized in over a period of 5 years in equal installments from the year of start of commercial production.

h) Foreign Currency Transactions

Foreign Exchange Transactions are recorded at the exchange rates prevailing on the date of transaction and any exchange differences arising on foreign transactions are recognized as income or expense in the year in which they arise.

i) Borrowing costs:

Borrowing costs are charged to profit and loss account except in cases where the borrowings are directly attributable to the acquisition, construction or production of a qualifying asset.

j) Retirement Benefits:

As regards to provident fund benefits, the company makes the stipulated contribution in respect of certain class of employees to regional provident fund authority under which the company's liability is limited to the extent of contribution. Gratuity and leave encashment has been provided based on the actuarial valuation.

k) Taxation:

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961.

l) Earnings per share:

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

m) Expenditure during construction period:

The expenditure incidental to the expansion/ new projects is allocated to Fixed Assets in the year of commencement of commercial production. Interest on Loans raised for the expansion/ diversification project is set off against interest earned on unutilized Public issue funds.

n) Raw materials, stores and spare parts, packing materials, finished goods and work in progress are valued at lower of cost and Net realizable value (as certified by the management).

o) Deferred Tax Liability:-

The income from Agro based operations of the company comprises Horticulture and Nursery operations, which is exempted from Income Tax. Hence, Accounting Standard on deferred Tax Liability is not applicable in so far as it relates to the income from its agro based operations. However, for its Bio tech and Pharmaceutical operations, differed liability/ asset can be recognized once the diversification projects are completed.

POCHIRAJU INDUSTRIES LIMITED

POCHIRAJU INDUSTRIES LIMITED

Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

NOTE NO. 1: SHARE CAPITAL

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorized Equity shares of Rs.10 each with voting rights	25,000,000	250,000,000	25,000,000	250,000,000
(b) Issued Equity shares of Rs.10 each with voting rights	18,906,675	189,066,750	18,906,675	189,066,750
(c) Subscribed and fully paid up Equity shares of Rs.10 each fully paid up with voting rights	18,906,675	189,066,750	18,906,675	189,066,750

- a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares				
At the beginning of the reporting period	18,906,675	189,066,750	18,906,675	189,066,750
Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	18,906,675	189,066,750	18,906,675	189,066,750

- b) Details of the shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	% Shareholding	Number of shares	% Shareholding
Mr. P. Sudhakar	4,389,145	23.21	4,389,145	23.21
Mrs. P. Sailaja	1,680,619	8.89	1,680,619	8.89

- c) The company has only one class of equity shares having a face value of Rs.10/- each. Each shareholder is eligible for one vote per share held.

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	RESERVES AND SURPLUS		
	a) Securities Premium Reserve		
	As at the commencement of the year	275,955,000	275,955,000
	Add: Additions during the year	-	-
	Less: Utilized during the year	-	-
		275,955,000	275,955,000
	h) Surplus :		
	i) Opening Balance - Profit and Loss Account	763,883,593	711,810,110
	Add: Transfer from Profit & Loss Account	103,667,239	52,073,483
	Less: Transfer To General Reserve	-	-
	Less: Dividend	-	-
	Less: Bonus shares	-	-
	Less: Transfer to/from reserves.	-	-
		867,550,832	763,883,593
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	Total Reserves and Surplus	1,143,505,832	1,039,838,593

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Share Application Money	-	-
	Notes:		
	Period of Delay in the allotment of shares if any along with the reasons to be stated		
		-	-

NOTE NO. 4 : LONG TERM BORROWINGS

S.No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Long Term borrowings		
	a) Bonds/debentures		
	Secured	-	-
	Unsecured	-	-
	b) Term loans:		
	From banks:		
	Secured Loan	154,781,088	232,357,265
	(Term loans from Punjab National Bank is secured by way of hypothecation of Biopharma Unit situated at Shameerpeth Hyderabad and Second charge on the company's Floriculture Assets like Land, Buildings and other Fixed Assets and further secured by personal guarantee of the managing director)*1		
	Total long term borrowings	154,781,088	232,357,265

Security Details

*1. Term Loan from Bank is Secured by equitable mortgage of land and buildings of Bio Pharma unit situated at PLOT No.7 Phase II Alexandria Knowledge park KOLTHUR (Vill) SHAMEERPETH (M) R.R.(Dist). The same is further secured by first charge on the floriculture assets of the company situated at 1/102, Satyamangalam village, HosurTq., Krishnagiri Dist., Tamil Nadu and personal guarantee from promoter directors. The Loan is repayable quarterly over a period of 5 years with an initial moratorium of 18 months. The Loan carried interest @17.50 p.a. presently.

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Opening Balance	16,744,000	-
	Add:- for the year	43,12,097	16,744,000
		21,056,097	16,744,000

NOTE NO. 6 : OTHER LONG TERM LIABILITIES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Total other long term liabilities	-	-

NOTE NO. 7 : LONG TERM PROVISIONS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Total Long Term Provisions	-	-

NOTE NO. 8 : SHORT TERM BORROWINGS.

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Total short term borrowings	157,105,275	-

NOTE NO. 9 : TRADE PAYABLES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	a) Trade Payables	-	-
	b) Sundry creditors	2,527,245	2,136,587
	b) Expenses Payable	-	538,727
	Total Trade Payables	2,527,245	2,675,314

NOTE NO. 10 : OTHER CURRENT LIABILITES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Term Loan Payable	92,500,000	73,642,000
	Interest accrued but not due on term loan	10,049,575	-
	Total other current liabilities	102,549,575	73,642,000

NOTE NO. 11 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	a) Provisions for employee benefits	-	-
	Provision for gratuity	-	-
	b) Others		
	Statutory Liabilities	-	-
	Provision for Income Tax	3,075,426	-
	Other Provisions	982,950	1,558,365
	Total short term provisions	4,058,376	1,558,365

Note Number : 13 & 14 FIXED ASSETS

Floriculture Division (A)										
Sl. No.	Particulars	Gross Block			Rate of Depreciation	Depreciation/Amortization			Net Block as on 31.03.2014	Net Block as on 31.03.2013
		As on 01.04.2013	Additions during the year	As on 31.03.2014		Dep. As on 01.04.2013	Dep. For the year 2013-2014	Total Depreciation		
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
1	Land & Developments	15,763,957	-	15,763,957	0.00%	-	-	-	15,763,957	15,763,957
2	Buildings	33,095,944	-	33,095,944	3.34%	5,499,486	1,105,405	6,604,890	26,491,054	27,596,458
3	Irrigation	19,163,688	-	19,163,688	4.75%	4,752,122	910,275	5,662,397	13,501,291	14,411,566
4	Misc. Fixed Assets	6,937,995	-	6,937,995	4.75%	2,570,957	329,555	2,900,512	4,037,483	4,367,038
5	Green House	47,129,286	-	47,129,286	4.75%	19,471,537	2,238,641	21,710,178	25,419,108	27,657,749
6	Planting Materials	116,305,394	-	116,305,394	20.00%	104,068,685	12,236,708	116,305,393	1	12,236,709
7	Electricals	7,662,217	-	7,662,217	4.75%	1,801,703	363,955	2,165,659	5,496,558	5,860,514
8	Cold Chain Facilities	10,864,998	-	10,864,998	4.75%	2,641,702	516,087	3,157,790	7,707,208	8,223,296
9	Office Equipment	2,560,375	-	2,560,375	4.75%	339,651	121,618	461,269	2,099,106	2,220,724
10	Furniture & Fittings	5,595,109	-	5,595,109	4.75%	1,052,929	265,768	1,318,696	4,276,413	4,542,180
11	Computers	1,175,107	-	1,175,107	16.21%	762,902	190,485	953,387	221,720	412,205
12	Capital Work in Progress	-	-	-	0.00%	-	-	-	-	-
	Total(A)	266,254,070	-	266,254,070		142,961,673	18,278,497	161,240,170	105,013,900	123,292,397

Note Number : 13 & 14 FIXED ASSETS (Contd ...)

Bio-Pharma Division (B)										
Sl. No.	Particulars	Gross Block			Rate of Depreciation	Depreciation/Amortization			Net Block as on 31.03.2014	Net Block as on 31.03.2013
		As on 01.04.2013	Additions during the year	As on 31.03.2014		Dep. As on 01.04.2013	Dep. For the year 2013-2014	Total Depreciation		
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
1	Land and Development	54,031,830	-	54,031,830	0.00%	-	-	-	54,031,830	54,031,830
2	Building and civil works	171,752,158	-	171,752,158	3.34%	5,736,522	5,736,522	11,473,044	160,279,114	166,015,636
3	Plant and machinery	286,813,070	-	286,813,070	10.34%	15,629,305	29,656,471	45,285,776	241,527,294	271,183,765
4	Technical knowhow and R&D	42,230,147	-	42,230,147	0.00%	-	-	-	42,230,147	42,230,147
5	Electricals and accessories	28,922,670	-	28,922,670	6.33%	1,373,827	1,830,805	3,204,632	25,718,038	27,548,843
6	Miscellaneous assets	25,150,125	-	25,150,125	6.33%	1,194,631	1,592,003	2,786,634	22,363,491	23,955,494
7	Capital Work in Progress	217,545,305	-	217,545,305	0.00%	-	-	-	217,545,305	217,545,305
	Total(B)	826,445,305	-	826,445,305		23,934,285	38,815,801	62,750,086	763,695,219	802,511,020

Gross Block of Total Fixed Assets (A+B)

	Total(A+B)	1,092,699,375	-	1,092,699,375		166,895,958	57,094,298	223,990,256	868,709,119	925,803,417
	Previous year	1,087,097,070	5,602,305	1,092,699,375		113,658,806	53,237,152	166,895,958	925,803,417	973,438,264

NOTE NO. 14 : OTHER NON- CURRENT INVESTMENTS: -

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Total Current Investments	-	-

NOTE NO. 15 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Long - term loans and advances:		
	Security Deposit		
	Secured	1,103,000	1,103,000
	Unsecured	-	-
	Doubtful	-	-
	Total Long term loans & advances	1,103,000	1,103,000
	Less : Provision for Doubtful Debts	-	-
	Total Long term loans & advances(net)	1,103,000	1,103,000

NOTE NO.16 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Public Issue Expenses.	61,343,858	61,343,858
	Preliminary & Pre-operative Expenses	40,427,750	40,427,750
	Market Development Expenses	10,034,250	10,034,250
	Research & Development Expenditure *2	23,599,902	23,599,902
		135,405,760	135,405,760
	Research and Development expenditure of capital nature	77,872,582	57,337,680
	Add: Incurred during the year	-	20,534,902
		77,872,582	77,872,582
	Total Non Current Assets	213,278,342	213,278,342

*2 Research and Development Expenditure of Rs. 2,35,99,902 consists of R & D Revenue expenditure of Rs. 100.21 Lakhs during the financial year 2010-11 and Rs. 135.79 lakhs during the financial year 2011-12 spent on product development of Bio-pharma Division and eligible under Section 35(2)(b) of Income Tax Act 1961 shown separately.

POCHIRAJU INDUSTRIES LIMITED

NOTE NO. 18 : INVENTORIES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Inventories :		
	a) Raw materials	115,434,867	42,494,267
	Sub Total	115,434,867	42,494,267
	b) Finished goods	101,960,489	63,372,154
	Sub Total	101,960,489	63,372,154
	Total Inventories	217,395,356	105,866,421

NOTE NO. 19 : TRADE RECEIVABLES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	46,95,234	5,450,417
	Doubtful	-	-
		46,95,234	5,450,417
	Other Receivables:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	296,784,023	242,064,252
	Doubtful	-	-
		296,784,023	242,064,252
	Total trade receivable	301,479,257	247,514,669
	Less : Allowance for bad & doubtful debts	-	-
	Total Trade Receivables(net)	301,479,257	247,514,669

NOTE NO. 20 : CASH AND BANK BALANCES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	1,236,954	7,197,807
	2) Margin Money	-	-
	3) Bank deposits with more than 12 months maturity	-	-
	3) Un Paid Dividend Account	-	-
	b) Cheques, Draft on hand	-	-
	c) Cash on hand	1,057,401	325,714
	d) Others	-	-
	Total Cash and Cash Equivalents	2,294,355	7,523,521

POCHIRAJU INDUSTRIES LIMITED

NOTE NO. 21 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Other Receivables		
	Secured	-	-
	Unsecured	181,418,809	65,820,917
	Doubtful	-	-
	Total short term loans & advances	181,418,809	65,820,917
	Less : Provision for Doubtful Debts	-	-
	Total short term loans & advances(net)	181,418,809	65,820,917

NOTE NO.22 : OTHER CURRENT ASSETS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Other Current Assets	-	-

NOTE 23: REVENUE FROM OPERATIONS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
(i)	Revenue from operations in respect of non-finance company		
	a) Sales		
	Domestic Sales	1,197,363,423	1,088,580,324
	Export Sales	-	-
		1,197,363,423	1,088,580,324
(ii)	Other operating revenues	-	-
	Total Revenue from Operations	1,197,363,423	1,088,580,324

NOTE NO. 24 : OTHER INCOME

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Other Income	-	-
		-	-

POCHIRAJU INDUSTRIES LIMITED

NOTE NO. 25 : COST OF MATERIALS CONSUMED

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Inventory at the beginning of the year	36,465,134	33,851,274
I	Add: Production/Purchase		
	Purchases	152,889,189	128,540,108
	Nursery Materials	296,943,729	216,298,218
	Flowers	316,299,325	242,875,741
	Fruits and vegetables	156,699,844	111,095,100
		922,832,087	698,809,167
		959,297,221	732,660,441
	Less: inventory at the end of the year	107,649,192	36,465,134
		851,648,029	696,195,307

NOTE NO. 26: CHANGE IN INVENTORIES & WIP.

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Finished Goods		
	Finished goods at the beginning of the year	63,372,154	17,894,487
	Less : Finished goods at the end of the year	101,960,489	63,372,154
	(Increase) / Decrease in Inventories	(38,588,335)	(45,477,667)

NOTE NO. 27 : EMPLOYEE BENEFIT EXPENSES (AGGREGATE EXPENDITURE)

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	(a) Salaries & Wages	31,085,624	32,359,067
	(b) Contribution to Provident & Other Funds	963,847	1,165,294
	(c) Staff Welfare Expenses	57,99,524	7,520,626
	(d) Provision for gratuity		
	Total Employee Benefit Expenses	37,848,995	41,044,986

POCHIRAJU INDUSTRIES LIMITED

NOTE NO. 28 : OTHER OPERATING EXPENSES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	(a) Carriage inwards	188,657	215,655
	(b) Soil change, manure, allied expenses	2,788,947	71,660,468
	(c) Electricity charges	3,488,798	3,284,487
	(d) Power & fuel	9,255,742	9,364,449
	(e) Repairs and maintenance	4,521,664	7,041,390
	(f) Job work charges	1,485,654	4,074,840
	(g) Factory maintenance	1,689,874	1,543,144
	(h) Other Manufacturing expenses	8,288,965	7,847,253
	Total Other Expenses	31,708,301	105,031,687

POCHIRAJU INDUSTRIES LIMITED

NOTE NO. 29 : ADMINSTRATIVE EXPENSES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
I	Meeting & Conference Expenses	387,954	533,866
	Bank charges.	401,565	392,560
	Book & Periodicals	126,854	311,878
	Computer Maintenance	145,698	239,547
	Conveyance.	1,766,951	2,145,728
	Custodial Fee	366,874	358,829
	Annual issuer fee	167,184	167,184
	D-mat Charges	286,987	281,398
	Directors Remuneration.	3,150,000	3,150,000
	Filing Fee	350,000	350,000
	Insurance	1,377,574	1,025,650
	Legal Expenses	440,874	415,655
	Licences& taxes	569,241	553,050
	Listing Fee	253,269	253,269
	Membership & Subscriptions	427,850	582,248
	Miscellenious Expenses	699,852	982,838
	Office Expenses	996,541	1,504,422
	Annual maintenance charges	168,750	156,987
	Advertisment expenses	785,654	2,141,916
	Postage	498,745	475,415
	Printing & Stationary	1,013,319	1,110,533
	Professional Charges	1,967,855	2,735,661
	Pooja Expenses	108,654	77,036
	Rates & Taxes	497,854	487,712
	Rent	1,577,850	1,508,326
	Repairs &Manitenance	1,195,845	1,590,764
	Security Charges	1,166,750	1,058,698
	Payment to auditors(*)	250,000	250,000
	Telephone & communication Charges	635,241	635,615
	Travelling Expenses Foreign & Domestic	3,785,957	7,689,577
	Service charges	765,254	838,955
	Vehicle Maintenance	789,854	899,953
	Vehicles Hire Charges	1,665,241	3,204,892
	Total Administrative Expenses	28,788,091	38,110,163

POCHIRAJU INDUSTRIES LIMITED

NOTE NO. 30 : FINANCE COST

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	(a) Interest Expenses :		
	- Interest on Cash Credit	8,978,113	-
	- Interest on Car Loan	-	-
	- Interest on term loan 1	-	-
	- Interest on term loan 2	44,868,925	47,961,326
	- Loan processing Charges & Bank Charges	-	-
	(b) Other Borrowing costs	-	-
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	-
	Total Finance Cost	53,847,038	47,961,326

NOTE NO. 31 : RESEARCH AND DEVELOPMENT EXPENDITURE

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Research & Development exp of prior period written off		
	Consumables	-	-
	Glassware	-	-
	Utilities	-	-
	Manpower	-	-
	Research & Development expenses for current year	10,416,928	24,705,928
	Total Other expenses	10,416,928	24,705,928

NOTE NO. 32 SELLING EXPENSE

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs.	Rs.
	Selling expenses:		
	Packing material consumed		
	Opening stock	6,029,133	5,808,727
	Add:Purchases	27,087,695	23,533,151
		33,116,828	29,341,878
	Less:closing stock	77,85,675	6,029,133
	Consumption of packing materials	25,331,153	23,312,745
	Freight	10,298,768	8,710,848
	Sales promotion	30,87,575	5,413,081
	Other selling expenses	14,827,820	21,517,285
	Total Selling Expenses	53,545,316	58,953,959

POCHIRAJU INDUSTRIES LIMITED

Note:33 PARTICULARS **31.03.2014** **31.03.2013**

a) Capital Commitments

Estimated amount of contracts remaining to be Executed on Capital Account and not provided for (net of advances)	Nil	Nil
------------------------------------------------------------------------------------------------------------------	-----	-----

b) Contingent Liabilities not provided for	Nil	Nil
--------------------------------------------	-----	-----

c) **DUES TO SSI:**

There are no dues to SSI units in respect of sundry creditors as required to be disclosed in accordance with section 211 read with part 1 of schedule VI of the Companies Act, 1956.

d) Managing Director Remuneration	Rs.31,50,000	Rs.31,50,000
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e) Information pursuant to the provisions of part II of Schedule V of the Companies Act, 1956.

PARTICULARS **31.03.2014** **31.03.2013**

a) Licensed and installed capacity and production

1) Licensed Capacity	120.00 lakhs	120.00 lakhs
2) Installed Capacity	120.00 lakhs	120.00 lakhs
3) Production	118.50 lakhs	118.50 lakhs

b) CIF value of Imports	Nil	Nil
-------------------------	-----	-----

c) Expenditure in Foreign Currency

Foreign Travel	Nil	Nil
----------------	-----	-----

d) Earnings in Foreign Currency	Nil	Nil
---------------------------------	-----	-----

e) Remittances made in foreign Currency in respect of dividends (Net of Taxes)	Nil	Nil
-----------------------------------------------------------------------------------	-----	-----

f) Auditor's Remuneration

- Audit Fee	Rs.1,50,000	Rs.1,50,000
- Tax Audit fees	Rs.50,000	Rs.50,000
- Certification work	Rs.50,000	Rs.50,000

POCHIRAJU INDUSTRIES LIMITED

f) Managerial remuneration: The computation of net profit in accordance with the provisions of section 349 of the Companies Act, 1956:

Particulars	Year ended 31-3-2014	Year ended 31-03-2013
Net profit as per profit and Loss account	111054762	68817483
Add:		
Directors sitting fees	-	-
Managerial remuneration	3150000	3150000
Commission paid to non executive directors	-	
Depreciation	57094298	53237152
Loss on sale of fixed assets	-	-
Provision for doubtful debts and advances	-	-
	171299060	125204635
Less:		-
Depreciation u/s 350	57094298	53237152
Net profit as per section 198/ 349 of the companies Act, 1956	114204762	71967483
Maximum permissible remuneration to Managing director as per Section 198/309	5710238	3598374
Maximum permissible remuneration to Non executive director as per Section 198/309	N A	NA

g) Segment information	2013-14	2012-13
Segment Revenue	Rs. in lacs	Rs. in lacs
Floriculture	10524.68	10009.23
Pharma& Bio Pharma	1448.95	876.57
Total	11973.63	10885.80

POCHIRAJU INDUSTRIES LIMITED

Segment Result		
(Profit before tax and interest net of interest income)		
Floriculture	1641.46	1329.51
Pharma& Bio Pharma	4.28	-161.72
Total	1645.74	1167.79
Add interest income (net)	-535.20	-479.41
Profit Before Tax	1110.54	688.18
Capital Employed		
(Segment Assets-Segment liabilities)		
Floriculture	7753.63	5441.50
Pharma	635.22	635.22
Bio Pharma	9467.92	9593.30
Total	17856.77	15669.10

POCHIRAJU INDUSTRIES LIMITED

	<u>2013-14</u>		<u>2012-13</u>	
<u>Opening Stocks</u>	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
FLORI DIVISION				Rs. in lacs
a) Fertilizers	135.25 MT	62.81	94.78 MT	41.87
b) Pesticides	-----	33.84	-----	20.18
c) Packing Materials	87.50MT	60.29	86.55MT	58.08
d)Nursery		228.00		396.20
e) Finished Goods				
Flowers	3.36 Lac stems	16.68	3.36 Lac stems	17.18
f) Fruits & vegetables	-----	417.04	-----	161.76
PHARMA DIVISION				
a)Tablets	--	20.00	--	
b)Raw Material	--	220.00	--	
c)Packing Material	---	---	---	
<u>Closing Stocks</u>				
FLORI DIVISION				Rs. in lacs
a) Fertilizers	352.46 MT	175.35	135.25MT	62.81
b) Pesticides		192.92		33.84
c) Packing Materials	110.90 MT	77.86	87.50MT	60.29
d) Nursery items		585.96		228.00
e) Finished Goods				
Flowers			3.21 lac stems	16.68
f) Fruits, Veg & Flowers				417.04
PHARMA DIVISION				
a)Raw Material		593.20		
b)Packing Material				
c)Tablets		548.65		

	<u>2013-14</u>		<u>2012-13</u>	
<u>Sales</u>	stems in lacs	Rs. in lacs	stems in lacs	Rs. in lacs
FLORI DIVISION				
a) Export Sales (Deemed)			--	--
b) Nursery & flowers		7065.71	--	6591.77
c) Fruits & vegetables		3458.97	--	3417.46
d) Pharma & Bio Pharmadivision		1448.95	--	876.57

h) Information regarding stocks

POCHIRAJU INDUSTRIES LIMITED

NOTE: Since the items of Nursery and other flowers are of many varieties it is not practically possible to give quantity details.

CONSUMPTION OF RAW MATERIALS

	<u>2013-14</u>		<u>2012-13 (Rs. Lakhs)</u>	
<u>FLORI DIVISION</u>				
a) Fertilizers		100.75		112.59
b) Pesticides		101.73	--	90.81
c) Packing Materials		253.32		233.13
Value of imported and indigenous raw materials etc. and percentage of the Total Consumption.				
Imported		Nil		Nil
Indigenous		100%		100%
<u>PHARMA DIVISION</u>		<u>2013-14</u>		<u>2012-13</u>
		<u>Rs. in Lacs</u>		
Raw Material	0	0		
Consumables	0	0		
Packing Material				

i) RELATED PARTY DISCLOSURES:

Transaction with related parties pursuant to AS-18 for the financial year 2012-13

Sl. No.	Name of the party	Nature of transaction	Amount Rs. in lacs
1	Shri P. Sudhakar	Remuneration	31.50

j) EARNINGS PER SHARE

	2013-14	2012-13
Profit after tax (as per profit and loss A/c)	Rs1036.67 Lakhs	Rs520.73Lakhs
No. of Equity shares	18906675	18906675
Earnings per share (in Rs.)	Rs. 5.48	Rs. 2.75
Nominal value Rs. 10 per share		

POCHIRAJU INDUSTRIES LIMITED

- k) In the opinion of the management, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, unless specifically mentioned otherwise and provisions for all known liabilities have been made.
- l) Sundry Debtors, sundry creditors, other liabilities, loans and advances, advances from customers etc., are subject to confirmation.
- m) The figures are rounded to the nearest rupee and previous year's figures have been re-arranged/re-grouped wherever necessary to confirm to the current year's classification.
- n) Information pursuant to the provisions of part IV of Schedule of the Companies Act, 1956. Balance Sheet Abstract and Company's General Business Profile:

For M M REDDY & CO.,
Firm Registration Number : 010371S
Chartered Accountants

For and behalf of Board
For POCHIRAJU INDUSTRIES LIMITED

M Madhusudhana Reddy
Partner
Membership No. 213077

Place : Hyderabad
Date : 24-05-2014

Sd/-
P.Sudhakar
Managing Director

Sd/-
P.Sailaja
Director

POCHIRAJU INDUSTRIES LIMITED

PART III-FORM OF CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

PARTICULARS	As on 31/03/2014	As on 31/03/2013
Net profit before tax	111,054,762	68,817,483
ADD: Depreciation	57,094,298	53,237,152
ADD: Misc. Expenses	-	-
ADD: Interest	53,847,038	47,961,326
Less: Interest received	-	-
Operating Profit	221,996,098	170,015,961
Increase in inventories	(111,528,935)	(36,337,540)
Increase in debtors	(53,964,588)	(67,181,762)
Increase in loan & advances	(4,538,752)	(11,689,791)
Increase/Decrease in current liabilities	31,259,517	68,431,304
Cash generated from operations	83,223,340	123,238,172
less: Tax expense	3,075,426	-
Less: Interest paid	53,847,038	47,961,326
Cash from operations	26,300,876	75,276,846
Increase in Investments	-	(20,534,902)
Add: Misc. Income	-	-
Add: Additions to Fixed Assets/Capital Advances	(111,059,140)	(5,602,305)
Add: Decrease Fixed Deposits	-	-
Add: Interest Received	-	-
Net Cash Used in Investing	(111,059,140)	(26,137,207)
Receipts from share capital	-	-
Receipts from new borrowings	79,529,098	(55,473,065)
Net Cash Used Financing Activity	79,529,098	(55,473,065)
Net cash Flow	(5,229,166)	(6,333,426)
Opening Balance	7,523,521	13,856,947
Net cash Flow	(5,229,166)	(6,333,426)
Cash and Cash Equivalent	2,294,355	7,523,521

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For M M REDDY & CO.,

Chartered Accountants

Firm Registration Number: 010371S

Sd/-

M Madhusudhana Reddy

Partner

Membership No. 213077

Place: Hyderabad

Date: 24.05.2014

For and behalf of Board

for POCHIRAJU INDUSTRIES LIMITED

Sd/-

P. Sudhakar

Managing Director

Sd/-

P. Sailaja

Director

POCHIRAJU INDUSTRIES LIMITED

POCHIRAJU INDUSTRIES LIMITED

1/102, Satyamangalam Village, Thummanapalli Post, Hosur (Tq) Krishnagiri (Dt), T N – 635 105

ATTENDANCE SLIP

I hereby record my/our presence at the 19th Annual General Meeting of the Company at the registered office on 26th September 2014 at 11.00 A.M.

Name of the Shareholder/ Proxy* _____ No. of Shares Held: _____

FOLIO No.	DP ID:	CLIENT ID:
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Signature of the Shareholder/Proxy*	
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Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.
2. **No gifts / Coupons will be distributed at the Annual General Meeting.**
3. Shareholder/Proxy should bring his/her copy of the Annual Report.

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POCHIRAJU INDUSTRIES LIMITED

Reg. Off: 1/102. SatyamangalamVillage,Thummanapalli Post, Hosur (Tq) Krishnagiri (Dt), T N 635105

PROXY FORM

FOLIO No.	DP ID:	CLIENT ID:
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I/We _____ of _____ in the District of _____ being a member(s) of the above named company, hereby appoint Mr./Mrs./Ms _____ in the District of _____ as my/our Proxy to attend and vote for me /us on my/ our behalf at the 19th Annual General Meeting of the Company to be held at Registered office of the company at 11.00 A.M on Friday, 26.09.2014 and at any adjournment thereof.

Signed this-----day of -----2014

Address-----

No. of shares: _____

Signature: _____

Note: The proxy in order to be effective must reach duly filled and signed in at least 48 (forty-eight) hours before the time of holding the aforesaid meeting. A proxy need not be a member.

Affix Re.1/- Revenue Stamp

POCHIRAJU INDUSTRIES LIMITED

**PRINTED MATTER
BOOK-POST**



If Undelivered please return to:

POCHIRAJU INDUSTRIES LIMITED

Plot No:7, Phase – II, Alexandria Knowledge Park

Kolthur Village, Shameerpet Mandal,

Ranga Reddy Dist.-500 078. Telangana.