POCHIRAJU

Pochiraju Industries Limited

27 .09.2017

To
The General Manager
Listing Department
National Stock Exchange of India Limited,
Bandra Kurla Complex
MUMBAI.
Dear Sir,

Sub: Outcome of the proceedings of the 22st Annual General Meeting of M/s.Pochiraju Industries Limited.

Pursuant to Regulation 30 and Regulation 44(3) of SEBI (LODR), we reproduce below an extract of the proceedings of the 22nd Annual General Meeting of the Company held on Wednesday the 27th day of September 2017 at 3.00P.M., at the Registered Office of the Company at 1/102, Satyamangalam (V), Thummanapally post-6.5105, Hosur Taluk, Krishnagiri Distict, Tamilnadu.

At the afore said time the requisite quorum being present, the Managing Director, Mr.P.Sudhakar was elected as the Chairman of the meeting took the chair and commenced proceedings of the meeting.

ORDINORY BUSINESS

1. The audited Profit & Loss Account for the year ended on 31st March, 2017 and the Balance Sheet as at that date together with report of the Board of Directors and Auditors, thereon were adopted by the Shareholders present at the meeting.

2. Dr. S.S.N.MURTHY who retired by rotation was reappointed as a director of the company by the shareholders present at the meeting.

3. Sri. SUDHAKAR POCHIRAJU who retired by rotation was reappointed as a director of the company by the shareholders present at the meeting.

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P. Sudhakar.

Plant & Office : Plot No - 7, Phase - II, S.P.Biotech Park, Shameerpet, Ranga Reddy District - 500 078. Andhra Pradesh
Tel No.: 040 - 27778999, Fax No. 040-27778777, 27778888

4. M/s. M.M.Reddy & Co., Chartered Accountants, the retiring auditors of the company were appointed as the auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors and the following resolution was adopted

"**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.

The Managing Director of the company Sri.Sudhakar Pochiraju informed the Members present that due to the action of PNB under SARFAESI ACT the operations of the Company is presently closed. The Management of the Company is putting its best efforts to find a solution and negotiating with PNB and potential investors for a possible and feasible solution. Sri. Sudhakar Pochiraju further informed the Members that

Since 2012 at every stage the Company's all sincere and genuine requests are being denied. Initially, our proposal for additional term loan to complete the project for dedicated production blocks for a viable commercial production of our proposed products as per regulatory requirements, and which was duly discussed with then concerned officials, was declined by PNB Head Office after processing more than 9 months.

After that the Company's request for restructuring and allowing time to look for alternative funding was declined.

Even after the issue of notices under SARFEASI Act the Company's requests for not issuing several auction notices reducing the property values were declined which has severely affected the Company's efforts to find alternative funding.

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All along these years the Company's long standing history, its genuine efforts in servicing the interest and installments of term loan during the construction period of 18 months and thereafter for two and half years out of the total five years repayment even without any revenue generations from the biotech plant were not considered .

The Company has made several attempts to resolve the NPA issue and gave many representation since it loan account is declared NPA and SARFEASI action is initiated. The Company in its letter dated 12th June 2015 in reply to bank's notice under Section 13(2) of SARFEASI act requested to reschedule the loan amount and give time to the Company to raise alternative funding to settle bank dues and to complete our Biophama unit. The Company again on 19-10-2015 gave a representation and request to the Then ED for resolution of the NPA issue and even met him in Hyderabad Circle Office during his visit.

The Company vide its letters dated 01-09-2016, 19-09-2016, 05-11-2016, 2611-2016, 12-12-2016 , 15-12-2016, which were marked/mailed to Bank's senior management including MD and ED , made offers for OTS and also gave representations regarding the constrains being faced by Company in tying up finances due to continuous reduction of valuations of properties and auction notices.

The Company during those representation even requested to refer the case to ARC for a possible better solution beneficial to both the Company and PNB. But PNB not consider the same and any of our requests.

As mentioned the Company during several of its discussions and representations pleaded and requested not to reduce the valuation of the properties and it is hampering Company's efforts to tie-up alternative funding arrangements either it is debt or investment.

During the last 9 months the Company has made sincere efforts and held discussions and negotiations to fund the OTS proposal. But due to delay in the approval of our OTS proposal many of them not materialized. In this regard it may be noted no financier or investor will wait and hold on for considerable time. PNB's sudden Public Auction notices during January 2017 and March 2017 reducing the valuation of the properties drastically had severely hampered Company's efforts in this regard.

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These days the Company and its Promoter is being blamed by PNB officials not to avail several opportunities provided by them and delaying the resolution of NPA issue and the Company and its Promoter is being blamed of not being honest and sincere in their intention and efforts whereas despite of several efforts, representation and requests by the Company there is not decision or approval from PNB since last two and half years. Availing the opportunity arises only when any proposal is approved.

PNB officials including its Senior Officials in several meetings with the Promoter reiterate that it is their endeavor to ensure transparency and mutually beneficial solution to both the BANK and Borrower and were asking Promoter to find a buyer. In this context the Company and its Promoter bring to the notice and inform the Members that asking the Company and the borrower to find a buyer to sell its properties at a throw away prices which will lead to liquidation of the Company is not giving a fair opportunity to the Company and its promoter and the Company and its promoter will never take any initiation prejudicial to the interest of the Company and its Members.

The Company gave several of representations periodically to PNB that the it is a listed company and as such not only the interest of the Company and its promoter but interest of the public investors are also to be protected.

THERE WERE A SERIES OF AUCTIONS CONDUCTED ON 07.10.2015, 28.12.2015, 12.04.2016, 25.05.2016, 18.01.2017, 31.03.2017, FOR SALE OF PROJECT ASSETS AND COLLATERALS. THE FIRST AUCTION THAT QUOTED A PRICE OF INR 50.90 CORES FOR THE PROJECT ASSETS AT HYDERABAD I.E., OUR BIOPHARMA UNIT AND 17.20 CRORES FOR THE COLLATERALS OVER TIME WAS REDUCED AND THE LAST AUCTION THE RESERVE PRICE FOR SALE OF BIOPHARMA UNIT ONLY WAS REDUCED TO 17.30 CRORES AND THE COLLATERALS WERE EXEMPTED.

WE ADVISED AND REQUESTED THE BANK NOT TO AUCTION THE PROPERTIES REPEATEDLY WHICH WOULD THEN LOSE THE MARKET PRICE AS THE PROSPECTIVE BIDDERS WOULD WAIT FOR FURTHER REDUCTION AND THIS WOULD RESULT IN BANK LOSING ON RECOVERY AND THE COMPANY WHO HAD SINCERELY INVESTED, BELIEVING BANK APPROVAL WOULD BE GRANTED FOR THE ADDITIONAL TERM LOAN, WILL ALSO BE PLACED UNDER SERIOUS FINANCIAL CRISIS. THE REPEATED REQUESTS WERE NOT FAVOURED AND NOT CONSIDERED BY THE BANK OFFICIALS.

IN THE MEANWHILE THE COMPANY HAVE BEEN FOLLOWING UP WITH THE BANK AND PROPOSING ONE TIME SETTLEMENT DESPITE BANK SHOWING INDIFFERENCE ON OUR OFFERS.

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IN OCTOBER 2016, WE OFFERED OTS FOR INR 25 CRORES, IN NOVEMBER 2016 WE OFFERED INR 27 CRORES, IN JANUARY 2017 WE OFFERED INR 30 CRORES. THE BANK AFTER SERIES OF DISCUSSION INFORMED THAT THEY WILL APPROVE OTS FOR RS. 31.80 CRORES PROVIDED THE COMPANY PAY THE TOTAL INR 31.80 OF OTS AMOUNT BY 31-03-2017, VERBALLY AND WE REQUESTED FOR A WRITTEN APPROVAL FROM THE BANK.

THE BANK DELAYED THEIR COMMUNICATION FOR OVER A MONTH AND FINALLY DIRECTED THE COMPANY VERBALLY TO PAY THE ENTIRE MONEY OF 31.80 CRORES AT SHORT NOTICE OF BY 31-03-2017. GIVEN THE FINANCIAL CRISIS THE COMPANY IS IN FOR VARIOUS REASONS, AND MORE PARTICULARLY FOR REFUSING APPROVAL FOR TERM LOAN THE WHOLE IMPLEMENTATION OF THE PROJECT WENT HAYWIRE RESULTING IN PROJECT BEING SHUT DOWN WHILE ALL THE PROJECT ASSETS DEVELOPED WITH HUGE CAPITAL OUTLAY ARE DEPRECIATING WITHOUT BEING PRODUCTIVELY USED FOR THE PURPOSE THEY HAVE BEEN DEVELOPED.

WHILE THE DISCUSSIONS FOR OTS WAS ON, THE BANK OFFICIALS AGAIN INITIATED AUCTION PROCESS IN MARCH 2017 AT A MINIMAL VALUE OF 17.30 CRORES FOR BIOPHARMA UNIT WHILE ADVISING US ORALLY TO PAY BY 31ST MARCH THE ENTIRE NEGOTIATED VALUE OF 31.08. WITHOUT EVEN GIVING US MANDITORY NOTICE UNDER RULE 9 OF THE SARFEASI ACT .

THE COMPANY OBJECTED THIS AUCTION AND THE WAY IT IS BEING CONDUCTED BECAUSE IN ALL THE LAST TWO AUCTIONS THERE HAS BEEN ONLY A SINGLE BIDDER AND HE IS THE NEIGHBOUR TO THE FACILITY.

SUSPECTING THE METHODOLOGY, THE COMPANY HAVE APPROACHED THE HONOURABLE HIGH COURT OF HYDERABAD TO STAY THE PROPOSED AUCTION ON 31.03.2017 CITING RULE 9 OF SARFEASI ACT VIOLATION. HONOURABLE HIGH COURT GRANTED STAY OF AUCTION TILL 15TH JUNE 2017 AND POSTED THE MATTER FOR HEARING ON 28TH JUNE 2017.

THE COMPANY IN THE MEANWHILE SINCERELY SUBMITTED AN OTS PROPOSAL AGAIN FOR INR 32 CRORES WHICH IS MORE THAN THE RESERVE PRICE OF BOATH THE PROPERTIES. DESPITE THE CASE BEING POSTED FOR HEARING ON 28TH JUNE 2017, THE MATTER WAS AGAIN KEPT IN ABEYANCE AT THE HEAD OFFICE AND FINALLY AFTER REPEATED FOLLOWUPS WITH THE BANK AND MEETINGS HELD ON 07.06.2017 AT THE CIRCLE OFFIE HYDERABAD WHERE IN THE COMPANY WAS ASKED TO IMPROVE THE OTS AMOUNT BY THE ED AND GMS , AT THE BOARD ON 09-06-2017 (FRIDAY) AS A TABLE AGENDA TOOK THE DECISION AND CONVEYED THE SAME TO US IN THE LATE HOURS ADVISING US TO PAY 17.25 CRORES (THE RESERVE PRICE FIXED FOR MARCH 2017 AUCTION) BY 14TH JUNE 2017. THIS WAS FAR FROM BEING RATIONAL IN DEALING WITH A LONG STANDING CUSTOMER LIKE US AND AND AGAINST ANY STANDARD OTS SANCTION SANCTION NORMS AS PER RBI GUIDELINESS. WE STILL OFFERED TO THE BANK TO GIVE US 90 DAYS TIME WITH DOWN PAYMENT OF 10% WITHIN A WEEK WHICH IS NORMALLY THE SCHEDULE OF PAYMENT FOR OTS. THE REPRESENTATION WAS SENT BY MAIL TO THE BANK WAS UNANSWERED AND WRITTEN PERSONAL SUBMISSIONS WERE

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NOT ACCEPTED THUS CONFIRMING A VERY IRRATIONAL APPROACH TOWARDS US THOUGH WE WERE IN ALL SINCERITY WILLING FOR OTS. ALL THE CONITIONS LAID DOWN IN THE OTS SANCTION WAS LINEDD TO MARCH 2017 AUCTION WHICH IS VIOLATIVE OF RULE 9 OF SARFEASI ACT.

IN THE MEANWHILE THE CASE CAME UP FOR HEARING ON THE 15TH OF JUNE WHICH WAS AGAIN POSTED TO 28TH JUNE WITH INSTRUCTIONS THAT THE BANK SHOULD FILE THE COUNTER.

THE BANK ON 27TH OF JUNE CANCELLED OUR OTS PROPOSAL OF 32 CRORES AND ON 28TH INFORMED THE COURT OF WITHDRAWAL OF AUCTION RATHER THAN GIVING US A FAIR OPPORTUNITY TO SETTLE - A WIN WIN SITUATION FOR BOTH. THE WRIT WAS DISPOSED OF IN THE COMPANY'S FAVOUR KEEPING ALL ISSUES OPEN.

THE BANK AGAIN RESORTED TO AUCTION PROCEDURE THOUGH RULE 9 WAS VIOLATED AND CASE STAYED AND WITHDRAWN BY BANK IN HIGH COURT, ISSUING PUBLIC AUCTION NOTICE ON IST JULY WITH EMD SUBMISSION LAST DATE ON 20TH JULY AND AUCTION TO BE COMPLETED ON 24TH OF JULY WOT 17.25 CRORES BID ASKING RESERVE PRICE.

LEFT WITH NO CHOICE FOR THIS UNFAIR TREATMENT WHEREIN AN AUCTION BEING UNDERTAKEN FOR 17.25 CRORES AGAIN WITH THE LONE BIDDER WHO BID THE SAME PRICE IN MARCH, WE WENT TO THE HIGH COURT CITING INJUSTICE AND THE COURT STAYED THE PROCEEDINGS ASKING THE BANK TO FILE THE COUNTER ON 10TH AUGUST.

THE BANK HAS FILED A V ALUATION REPORT IN ITS COUNTER WHICH WAS PURPORTED DONE ON 01-02-2017 AND WAS DONE IN A DAY AND THE VALUATION REPORT SAYS ALL THE MAJOR OPERATIONAL BLOCKS WERE DORR LOCKED AND EVEN NOT ENTERING THEM AND OMITTING AND DELETING MANY MAJOR CAPITAL ITEMS AND ALSO IT SAYS THE VALUATION IS BASED ON PREVIOUS VALUATION WHICH IS A GROSS NEGLIGENCE AND IRRESPONSIBILITY ON THE PART OF THE VALUEER AND ALSO ON THE PART OF PNB ALL TO FAVOUR THE LONE NEIGHBOURING BIDDER WITH WHOM THE COMPANY SUSPECT A COLLUSION OF BANK OFFICIALS. THE CASE IS YET TO COME FOR HEARING AN D MEANWHILE THE COMPANY HAS MADE A REPRESENTATION TO THE MANAGING DIRECTOR OF PNB REQUESTING FOR AN APPOINTMENT TO EXPLAIN ALL FACTS AND REQUEST HIM TO REFER THE CAE TO ARC FOR WORKING OUT A BETTER BEEFICIAL SOLUTION TO PNB AND THE COMPANY AND TO REVIVE THE COMPANY AGAIN WHICH HAS A HUGE POTENTIAL FOR ITS BIOPHARMA DIVISION ONCE ITS PRODUCTS DEVELOPED ARE BROUGHT INTO COMMERCIAL PRODUCTION.

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Pochiraju Industries Limited

The shareholders expressed their appreciation on the efforts, the Management is presently taking in resolving the aforesaid issues and expressed their hope that the Company will soon come out of the present financial problems.

You are requested to take note of the aforesaid activities of the 22nd Annual General Meeting.

Thanking you WITH B EST REGARDS

Yours sincerely

FOR POCHIRAJU INDUSTRIEES LIMITED

POCHIRAJU INDUSTRIES LIMITED Satyamangalam T.N.

SUDHAKAR POCHIRAJU

MANAGING DIRECTOR

Copy to BSE

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