POCHIRAJU INDUSTRIES LIMITED

21th ANNUAL REPORT
2015-16



Not just healthcare….lifecare

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POCHIRAJU INDUSTRIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

1. Sri P Sudhakar	(DIN: 00164844)	_	Managing Director
2. Smt. P Sailaja	(DIN: 01628962)	_	Executive Director
3. Sri Dr. A Ramaiah	(DIN: 01890330)	_	Independent Director
4. Sri Dr. K S R Siva Sai	(DIN: 01890080)	_	Independent Director
5. Sri Dr. S S N Murthy	(DIN: 01897255)	_	Independent Director

REGISTERED OFFICE:

1/102, Sathyamangalam Village,
Thumanapalli Post, HosurTaluk,
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.

AUDITORS:

M M REDDY & CO., Chartered Accountants,
G-8, Amrutha Ville, Opp. Yashodha Hospital,
Rajbhavan Road, Somajiguda,
Hyderabad-500082

BANKERS:
unjab National Bank,
Bank Street Branch, Hyderabad-500001

AUDIT COMMITTEE:
Sri Dr. A Ramaiah
Sri P Sudhakar
Sri Dr. K S R Siva Sai

NOMINATION & REMUNERATION COMMITTEE:

Sri Dr. A Ramaiah
Sri P Sudhakar
Sri Dr. S S N Murthy

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Sri Dr. A Ramaiah
Sri P Sudhakar
Sri Dr. K S R Siva Sai

NDEPENDENT DIRECTORS COMMITTEE:

Sri Dr. S S N Murthy
Sri Dr. K S R Siva Sai
Sri Dr. A Ramaiah

RISK MANAGEMENT COMMITTEE:

Sri Dr. K S R Siva Sai
Sri Dr. A Ramaiah
Sri P. Sudhakar

LISTED AT:

1. Bombay Stock Exchange
2. National Stock Exchange Limited

REGISTRAR & SHARE TRANSFER AGENTS:

Aarthi Consultants Pvt. Ltd
1-2-285, Domalguda, Hyderabad – 500 029

CIN: L01122TZ1995PLC010762

DEMAT ISIN NUMBER IN NSDL& CDSL:

INE332G01032

WEBSITE:

www.pochiraju.co.in

INVESTOR E-MAIL ID

investors@pochiraju.co.in

NOTICE

Notice is hereby given that the 21st[h] Annual General Meeting of **POCHIRAJU INDUSTRIES LIMITED** will be held on Thursday , September 29th, 2016 at 11:30 A.M. at the registered office situated at 1/102, Satyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31st March, 2016, and the Balance Sheet as at that date.

2. To appoint a director in place of Dr. A Ramaiah who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a director in place of Dr. K.S.R.Siva Sai who retires by rotation and being eligible, offers himself for re-appointment

4. To appoint M/s. M. M Reddy & Co., Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.

For and on behalf of the Board of
Pochiraju Industries Limited

Sd/-
P.Sudhakar
Managing Director
(DIN: 00164844)

Place: Tamilnadu
Date: 12.08.2016

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY**. The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights

may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 25.09.2016 to 29.09.2016 (Both days inclusive).

4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.

5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.

6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

8. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents (M/s. Aarthi Consultants Private Limited).

9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Aarthi Consultants Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.

11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.

12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

14. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.

15. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website www.pochiraju.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id accounting .

16. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21stAnnual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

(i) The voting period begins on 25.09.2016 at 9.00 A.M. and ends on 29.09.2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in

dematerialized form, as on the cut-off date (23.09.2016) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned

	in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Pochiraju Industries Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(II) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

(A) Please follow all steps from sl. no. (ii) to sl. no. (xvii) above, to cast vote.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(B) The voting period begins on 25.09.2015 at 9.00 A.M. and ends on 29.09.2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 23.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.09.2016.

18. Mr. Vivek Surana, Practicing Company Secretary, bearing C.P. Number 12901 has been

appointed as the Scrutinizer to scrutinize the e-voting process.

19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

20. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gavl.in and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and Ahmedabad Stock Exchange.

For and on behalf of the Board of
Pochiraju Industries Limited
Sd/-
P.Sudhakar
Managing Director
(DIN: 00164844)

Place: Tamilnadu
Date: 12.08.2016

DIRECTORS' REPORT

Dear Shareholders,

Yours Directors have pleasure in placing before you the 21st Annual Report on the working and progress of the Company along with audited accounts of the company for the financial year ended 31st March, 2016 and the report of the auditors thereon.

FINANCIAL RESULTS

Key aspects of the company's financial performance for the year 2015-16 are tabulated below:

Particulars	2015-16 (Rs. in Lakhs)	2014-15 (Rs. in Lakhs)
Gross Revenue	967.21	13912.47
Total Expenditure	6109.11	14022.10
Profit before Depreciation and taxation	(4673.27)	2867.92
Depreciation	468.62	396.42
Profit/(Loss) before tax(PBT)	(5141.90)	(109.63)
Less: Provision for Current tax	35.42	(224.34)
Profit/(Loss) after tax	(5177.32)	114.71
Prior Period Items	-	-
Profit / (Loss) after Prior Period Items	(5177.32)	114.71
Profit Brought Forward from previous year	8788.00	8675.51
Adjustment on account of Change in Depreciation accounting policy	-	(2.21)
Net Profit / (Loss) carried to Balance Sheet	3610.67	8788.00

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EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

The Company's bankers PNB has taken action under SARFEASI act and taken possession of the Company's properties resulting total stoppage of Company's operations.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the financial year 2015-2016, the company has not change the nature of business.

DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

The Company's operations were affected and become nil as the Company's bankers issued notice under SARFEASI act and taken possessions of the properties of the Company.

DIRECTORS AND KEY MANANGERIAL PERSONNEL:

Details of re-appointment /appointment of the director:

Name of the Director	**Dr. A. Ramaiah**
Date of Birth	14/09/1934
Date of Appointment	30/04/2007
Qualifications	P.hd. in BioChemistry
No. of Shares held in the Company	16,80,619
Directorships held in other companies (excluding private limited and foreign companies)	Nil
Positions held in mandatory committees of other companies	Nil

Details of re-appointment /appointment of the director:

Name of the Director	**Dr. K.S.R. Siva Sai**
Date of Birth	02/12/1963
Date of Appointment	30/04/2007
Qualifications	Post Doctoral in Immunology
No. of Shares held in the Company	16,80,619
Directorships held in other companies (excluding private limited and foreign companies)	Nil
Positions held in mandatory committees of other companies	Nil

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from Sri Dr. A Ramaiah, Sri Dr. K S R Siva Sai and Sri Dr. S S N Murthy Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they as Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).(Format Annexure II)

VIGIL MECHANISM:

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(7) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

€ The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

€ The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPOINTMENT OF AUDITORS:

M/s. M. M. Reddy & Co., Statutory Auditors of the company retires at the ensuing annual general meeting and is eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-

appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. M. M. Reddy & Co., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

INTERNAL AUDIT:

The company has not appointed any Internal Auditors for the financial year 2015-16.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by Mr. Vivek Surana, Practising Company Secretaries is annexed to this Report as annexure.

AUDIT REPORTS:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2015 and given explanations in Notes to Accounts annexed to Balance Sheet.
However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges associated with the business.

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013, and noted is at the same that there is no company secretary, CFO and Internal Auditors appointed during the year in the company but the company is taking necessary measures to appoint the same at the earliest.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder:

7. **Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec. 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

INSURANCE:

The properties and assets of your Company are adequately insured.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of loans, guarantees or investments made under section 186 of the companies Act, 2013 are given in the notes to the financial statements.

CREDIT & GUARANTEE FACILITIES:

The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company, from Punjab National Bank.

RISK MANAGEMENT POLICY:

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

CORPORATE SOCIAL RESPONSIBILTY POLICY:

Since your Company do not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

RELATED PARTY TRANSACTIONS:

As required under clause 49(VIII)(A)(2) of the listing agreement, the Company has disclosed the policy on dealing with related party transactions at Company's website at www.palred.com.

Your Directors draw attention of the members to Note 33 to the financial statement which sets out related party disclosures.

DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, the remuneration of Rs. 63,00,000/-p.a. has been provided but not paid to Mr. P. Sudhakar, Managing Director of the Company due to financial crisis.

LISTING WITH STOCK EXCHANGES:

The Company is listed with BSE Limited and National Stock Exchange India Limited (NSE) and confirms that it has paid the Annual Listing Fees where the Company's Shares are listed.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Directors are happy to report that your Company is compliant with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from the Statutory Auditor confirming compliance is set out in the Annexure forming part of this report.

INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

SECRETARIAL STANDARDS

EVENT BASED DISCLOSURES

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company like SEBI, BSE, NSE, NSDL, CDSL, Punjab National Bank for their continued support for the growth of the Company.

For and on behalf of the Board of
Pochiraju Industries Limited

Sd/-
P.Sudhakar
Managing Director
(DIN 00164844)

Place: Tamilnadu
Date: 12.08.2016

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, 2015.

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.

The company is currently carrying R&D activity. As informed the company is ready with about 10 molecules for commercial production. To commercialize the products, company has to complete the phase II of the bio-pharma division. For completion of the same the company is in the process of identification of strategic investors to fund the project as the bankers are not supported as promised.

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.4851.06 lakhs with Punjab National Bank as on 31st March 2015.

3. **Revenue:**

   The company has generated net revenues of Rs.967.21 lakhs with a PAT of Rs (- 5177.32)lakhs.)

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

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 3 .

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.

CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report containing the details of Corporate Governance systems and processes at Pochiraju Industries Limited as follows:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2016. The Report is updated as on the date of the report wherever applicable.

1. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD

The Company is managed and controlled through a professional body of Board of Directors which is headed by Mr. P. Sudhakar, Managing Director. As on 31st March 2016, the Board of Directors of the

Company has 5 members (including 1 Managing Director, 1 Executive Director and 3 Independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees. The composition of the Board of Directors as on 31.03.2016 and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

S.No	**Name of the Director**	**Category**	**Number of Directorships in other Companies**	**Number of Board Committee memberships held in other Companies**		**Attendance Particulars**		
				Member	**Chairman**	**Last AGM 24.09.2015**	**Board meetings '15-16'**	
							held	attended
1.	Mr. P. Sudhakar	Managing Director	-	-	-	Yes	4	4
2.	Mrs. P. Sailaja	Promoter - executive Director	-	-	-	Yes	4	4
3.	Mr. K. Siva Sai	Independent & Non-executive Director	-	-	-	Yes	4	4
4.	Mr. S S N Murthy	Independent & Non-executive Director	-	-	-	Yes	4	4
5.	Mr. A. Ramaiah	Independent & Non-executive Director	-	-	-	Yes	4	4
6.	Mr. B. V. Ramana Reddy*	Independent & Non-executive Director	-	-	-	NA	4	2

*Resigned w.e.f. 26.09.2014

B. BOARD MEETINGS DURING THE YEAR:

The Board of Directors met 4 times during the year on 28-05-2015, 10-08-2015, 12-11-2015, and 13-02-2016 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

C. INDEPENDENT DIRECTORS' MEETING

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 30.03.2016, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;

2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under clause 49(II)(B)(7) of the listing agreement, the company regularly familiarises Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarisation program are given at company's website.

2. AUDIT COMMITTEE

A. <u>BRIEF DESCRIPTION OF TERMS OF REFERENCE:</u>

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:

    - ✓ Any changes in accounting policies and practices;
    - ✓ Qualification in draft audit report;
    - ✓ Significant adjustments arising out of audit;
    - ✓ The going concern concept;

- ✓ Compliance with accounting standards;
- ✓ Compliance with stock exchange and legal requirements concerning financial statements and
- ✓ Any related party transactions

- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE

Name of the Member	Category	No. of Meetings Attended	Dates on which Meetings Held
Dr. A Ramaiah	Independent Non-Executive	4	28-05-2015, 10-08-2015 12-11-2015 13-02-2016
Mr. P Sudhakar	Promoter, executive	4	
Dr. K S R Siva Sai	Independent Non-Executive	4	

C. Previous Annual General Meeting of the Company was held on 24th September 2015 and Dr. A Ramaiah, Chairman of the Audit Committee, attended previous AGM.

3. NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of three non-executive independent Directors as on 31st March, 2016

A. <u>BRIEF DESCRIPTION OF TERMS OF REFERENCE</u>

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:

a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.

b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B. COMPOSITION OF THE COMMITTEE

S.No	Name of the Member	Category
1.	Mr. Dr. A Ramaiah	Independent Non-Executive
2.	Mr. P Sudhakar	Executive-Promoter
3.	Mr. Dr. S S N Murthy	Independent Non-Executive

C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 **"Director**" means a director appointed to the Board of a Company.

2.2 "**Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.

2.3 "**Independent Director**" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of

the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

- Such other requirements as any be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective

of having a group that best enables the success of the company's business.

3.2 **criteria of independence**

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
b. who is or was not a promoters of the company or its holding, subsidiary or associate company;
c. Who is not related to promoters or directors of the company its holding, subsidiary or associate company
d. Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or director, during the two immediately preceding financial year or during the current financial year;

e. None of whose relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
f. Who, neither himself nor any of his relative-

i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
(ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the finance year in which he is proposed to be appointed of-

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding subsidiary or associate company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the company any of its promoters , directors or its holding subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lesser or lessee of the company.

g. Shall possess appropriate skills experience and knowledge in one or more field of finance , law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the company's business.

h. Shall possess such other qualifications as may be prescribed from time to time, under the companies Act, 2013.

i. Who is not less than 21 years of age

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies A ct, 2013.

3.3 other directorships/ committee memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees

1. **Scope:**

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. **Terms and Reference:**

In this policy the following terms shall have the following meanings:

2.1 "**Director**" means a director appointed to the Board of the company.

2.2 "**key managerial personnel**" means

(i) The Chief Executive Officer or the managing director or the manager;

(ii) The Company Secretary;

(iii) The Whole-time Director;

(iv) The Chief Finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "**Nomination and Remuneration committee**" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and clause 49 of the Equity Listing Agreement.

3. **Policy:**

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 **Remuneration to Non – Executive Directors**

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. **Remuneration to other employees**

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Name of the directors	Sitting Fees	Salary	Cont to Provident fund	Total
Mr. P. Sudhakar	N.A.	63,00,000	Nil	63,00,000
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

E. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 30/03/2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

(a) Review of the performance of non-independent directors and the Board as a whole;

(b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 2 non-independent director namely:

i) Mr. P. Sudhakar–Managing Director ii)Mrs. P. Sailaja – Executive Director

The meeting recognized the significant contribution made by Mr. P. Sudhakar in directing the Company towards the success path and placing the Company globally in No.2 position in Software testing.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

4. STAKEHOLDER'S RELATIONSHIP COMMITTEE

A.) COMPOSITION:

The Details of composition of the Committee are given below:

Name of the Member	Position	Category
Dr. A Ramaiah	Chairman	Independent Non-Executive
Mr. P Sudhakar	Member	Executive-Promoter
Dr. K S R Sivasai	Member	Independent Non-Executive

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. P. Sudhakar, Managing Director, is the compliance officer of the Company.

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2015-16

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. RISK MANAGEMENT COMMITTEE

A.) COMPOSITION:

Name of the Member	Position	Category
Dr. K S R Sivasai	Chairman	Independent Non-Executive
Mr. P Sudhakar	Member	Executive, Promoter
Dr. A Ramaiah	Member	Independent Non-Executive

B) ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimization.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.

- Continually obtaining reasonable assurance from management that al known and emerging risks have been identified and mitigated or managed.

6. GENERAL BODY MEETINGS

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

NO. OF AGM AND FY	DATE OF MEETING	VENUE	TIME	SPECIAL RESOLUTION PASSED
20 AGM 2014-2015	24-09-2015	1/102, Satyamangalam Village, HosurTaluk, KrishnagiriDist, Tamil Nadu – 635 105	11.30 A.M.	Yes
19th AGM 2013-14	26.09.2014	1/102, Satyamangalam Village, HosurTaluk, KrishnagiriDist, Tamil Nadu – 635 105.	11.00 A.M.	yes
18th AGM 2012-13	26-09-2013	1/102, Satyamangalam Village, HosurTaluk, KrishnagiriDist, Tamil Nadu – 635 105.	11.00 A.M.	yes

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through postal Ballot.

7. DISCLOSURES

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arms length basis.

B. COMPLIANCES:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

C. WHISTLE BLOWER POLICY

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

All mandatory requirements of Clause 49 of the Listing Agreement have been appropriately complied with and the status of non-mandatory requirements is given below:

i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.

ii. The financial Statements are free from any Audit Qualifications.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website, at www.pochiraju.co.in. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

9. General Shareholder Information

The following information would be useful to the shareholders:

A) TWENTEETH ANNUAL GENERAL MEETING

Date and Time	:	24th September 2015, at 11.30 A.M
Venue	:	1/102, Satyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105

B) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2015-16 (TENTATIVE SCHEDULE)

Financial year to which the Annual General Meeting relates: 2015-16

Financial calendar: 2016-17

Adoption of Quarterly results for the Quarter ending

- 30th June, 2016 : 12th August, 2016
- 30th September, 2016 : 1st/2nd Week of November, 2015
- 31st December, 2016 : 1st/2nd Week of February, 2016
- 31st March, 2017 : on or before 30th May 2016

Annual General Meeting (Next year) : August / September, 2015

C) BOOK CLOSURE DATE

26th September 2015 to 30th September 2015 (both days inclusive)

D) LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Ltd. The Company has paid the listing fees for the year 2014-15 to both the Stock Exchanges.

E) STOCK CODE

EXCHANGE	CODE
National Stock Exchange of India	POCHIRAJU
BSE Ltd	532803

F) ELECTRONIC CONNECTIVITY

Demat ISIN number: INE332G01032

NATIONAL SECURITIES DEPOSITORY LIMITED
Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Phiroze Jeejeebhoy Towers, 28th Floor
Dalal Street, Mumbai – 400 023

G) MARKET PRICE DATA

The monthly high / low prices of shares of the Company from April, 2015 to March, 2016 at BSE and from April, 2015 to March, 2016 at NSE:

Month	Bombay Stock Exchange		National Stock Exchange	
	High (in Rs.)	Low (in Rs.)	High (in Rs.)	Low (in Rs.)
April	67.90	38.95	67.05	39.00
May	54.10	38.90	54.30	38.40
June	41.30	20.40	41.30	20.40
July	28.00	21.10	28.15	21.10
August	26.40	16.05	26.10	16.00
September	17.25	13.65	17.10	13.60
October	21.10	13.05	21.25	14.40
November	16.30	10.60	16.35	10.50
December	19.20	13.00	19.35	12.65
January	17.25	11.90	17.40	10.55
February	13.45	7.00	13.30	7.05
March	9.40	7.12	9.65	7.45

H) REGISTRARS AND TRANSFER AGENTS

M/s Aarthi 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

I) 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 Aarthi 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 Aarthi 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.

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

J) Shareholding pattern as on 31.03.2016

Category code	Category of Shareholder	Total Number of shares	% of share holding	Shares pledged or otherwise encumbered	
				Number of Shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
a.	Individuals/Hindu Undivided Family	6322264	33.44	0	0
b.	Central Government/State Government(s)	0	0	0	0
c.	Bodies Corporate	0	0	0	0
d.	Financial Institutions/Banks	0	0	0	0
	Others :-	0	0	0	0
	Sub Total (A)(1)	**6322264**	**33.44**	0	0
(2)	Foreign				
a.	Individuals (Non Resident Individuals/Foreign Individuals)	0	0	0	0
b.	Bodies Corporate	0	0	0	0
c.	Institutions	0	0	0	0
	Others :-				
d.	Overseas Corporate Bodies	0	0	0	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0**
	Total Shareholding of Promoter and Promoter Group				
	(A)=(A)(1)+(A)(2)	**6322264**	**33.44**	0	0

(B)	Public Shareholding				
(1)	Institutions				
a.	Mutual Funds/UTI	0	0	0	0
b.	Financial Institutions/Banks	0	0	0	0
c.	Central Government/State Government(s)	258300	1.37	0	0
d.	Venture Capital Funds	0	0	0	0
e.	Insurance Companies	0	0	0	0
f.	Foreign Institutional Investors	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0
	Others :-				
	Sub Total (B)(1)	**258300**	**1.37**	**0**	**0**
(2)	Non-Institutions				
a.	Bodies Corporate	1020645	5.40	0	0
b.	Individuals				
	i)Individual shareholders holding nominal share capital upto Rs.1 lakh	5353745	28.32	0	0
	ii)Individual shareholders holding nominal share capital in excess of Rs.1 lakh	4928383	26.07	0	0
c.	Any Others : -				
	i)Non Resident Individuals	411000	2.17	0	0
	ii)Clearing Members	612338	3.24	0	0
	Sub Total (B)(2)	**12326111**	**65.19**	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**12584411**	**66.56**	0	0
	Total (A)+(B)	**18906675**	**100.00**	0	0

(C)	Shares held by Custodians and against Depository Receipts have been Issued	0	0	0	0
	Grand Total (A)+(B)+(C)	**18906675**	**100.00**	**0**	**0**

K) Distribution of Shareholding as on 31.03.2016

Range (Rs.)	**No of Shareholders**	**% of Total Shareholders**	**No of Shares**	**% of Total Shareholding**
1 - 5000	10299	78.97	2008512	20085120
5001 - 10000	1379	10.57	1195262	11952620
10001 - 20000	594	4.55	953039	9530390
20001 - 30000	227	1.74	586336	5863360
30001 - 40000	126	0.97	454236	4542360
40001 - 50000	95	0.73	456259	4562590
50001 - 100000	173	1.33	1247027	12470270
100001 & Above	148	1.13	12006004	120060040
Total:	13041	100.00	18906675	189066750

L) DEMATERIALISATION & LIQUIDITY OF SHARES

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE332G01032. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares of the Company are actively traded in BSE Limited and NSE. Hence have good liquidity.

Particulars	No. of Shares	% Share Capital
NSDL	8058913	52.24
CDSL	9876139	42.62
PHYSICAL	971673	5.14
Total	**3,8906675**	**100.00**

M) Address for Correspondence

Mr. P. Sudhakar

Compliance Officer
No.272, 18th D Main,
6th Block, Koramangala,
Bangalore, 560095,
Karnataka, INDIA

N) OTHER DISCLOSURES AS PER CLAUSE 49 OF THE LISTING AGREEMENT

i. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2015-16

PIL is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2015-16.

Place: Tamilnadu
Date: 12.08.2016

P. Sudhakar
Managing Director
(DIN: 00164844)

ii) Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956.

iii) Non-Executive Directors' Compensation and Disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

iv) CEO/ CFO Certification

The Managing Director and CEO/ CFO certification of the financial statements for the year 2015-16 is provided elsewhere in this Annual Report.

For and on behalf of the Board of
Pochiraju Industries Limited

Sd/-
P.Sudhakar
Managing Director
(DIN: 00164844)

Place: Tamilnadu
Date: 12.08.2016

CERTIFICATE BY THE MANAGING DIRECTOR OF THE COMPANY

To
The Board of Directors
Pochiraju Industries Limited
Dear Sirs,
As required under clause 49(IX) of the Listing agreement, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief;

a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,

4. That we have informed the auditors and the audit committee of:
a) Significant changes in the internal control during the year;
b)Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

Yours Sincerely,
Place : Hyderabad
Date : 12.08.2016

P. Sudhakar
Managing Director
(DIN: 00164844)

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 2016, 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 2016 there were no investor grievances remaining unattended/pending for a period exceeding one month.

We further state that such compliance is neither an assurances 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 :12-08-2016

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, 2015.

Sd/-
P. Sudhakar
Managing Director

Date: August 12th, 2016

DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders,

I, P. Sudhakar, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board of
Pochiraju Industries Limited

Sd/-
P.Sudhakar
Managing Director
(DIN: 00164844)

Place: Tamilnadu
Date: 12.08.2016

ANNEXURE INDEX

Annexure number	Details of annexure
I	Annual Return Extracts in MGT 9
II	Format of declaration by Independent Director

MGT 9
Extract of Annual Return
as on the Financial Year 31.03.2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:		
i.	CIN:-	L01122TZ1995PLC010762
ii.	Registration Date	04/05/1995
iii.	Name of the Company	Pochiraju Industries Limited
iv.	Category / Sub-Category of the Company	Company limited by shares/Non government company
v.	Address of the Registered office and contact details	1/102, Satyamangalam Village, Hosurtaluk, Krishnagiridist, Tamil Nadu – 635 105
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad Ph No: 040-27638111/27634445

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	**Name and Description of main products /services**	**NIC Code of the Product / service**	**% to total turnover of the company**
1.	Floriculture (Flowers and Plants) (Fruits and vegetables)	99611121, 99611122, 9961121	78.54
2.	Pharma & Bio-pharma	99611730 & 99811210	21.46

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding;-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Demat
Individual/ HUF	6322264	0	6322264	33.44	6322264	0	6322264	33.44	
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) :-	**6322264**	**0**	**6322264**	**33.44**	**6322264**	**0**	**6322264**	**33.44**	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0

d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other….									
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**6322264**	**0**	**6322 264**	**33.44**	**6322264**	**0**	**63222 64**	**33.44**	**0**
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	258300	25830 0	1.37	0	258300	25830 0	1.37	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.	839016	0	83901 6	4.44	1020645	0	10206 45	5.40	+0.96
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

i) Individual shareholdershol ding nominal share capital up to Rs. 1 lakh	6220953	7505	6228458	32.94	5346240	7505	5353745	28.32	-4.62
ii) Individual shareholdershol ding nominal share capital in excess of Rs 1 lakh	3216294	775590	3991884	21.11	4271293	657090	4928383	26.07	4.96
c) Others (specify)	1218025	48728	1266753	6.7	974610	48728	1023338	5.41	-1.29
Sub-total (B)(2):- Total Public	12506	12326111	11494288	65.19	11612788	713323	12326111	65.19	0
Shareholding (B)=(B)(1)+(B)(2)	**12507**	**12584411**	**11494288**	**66.56**	11612788	971623	12584411	66.56	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**17816552**	**1090123**	**18906675**	**100.00**	**17935052**	**971623**	**18906675**	**100.00**	**0**

(ii)**Shareholding of Promoters**

Si. No	**Shareholder's Name**	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**%Change during the year**
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil
1.	Pochiraju	43,89,145	0	43,89,14	23.21	43,89,1	0	43,89,145	23.21	0

	Sudhakar			5		45				
2.	Pochiraju Sailaja	16,80,619	0	16,80,619	8.89	16,80,619	0	16,80,619	8.89	0
3.	Gollamudi Prakash Mohanrao	1,32,000	0	1,32,000	0.70	1,32,000	0	1,32,000	0.70	0
4.	G Lalitha	1,20,500	0	1,20,500	0.64	1,20,500	0	1,20,500	0.64	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change) NO CHANGE

Sl. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**		**Share holding at the end of the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year				
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer /bonus/sweat equity etc):N.A				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment /transfer /bonus/ sweat equity etc):				

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	**For Each of the Directors and KMP**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	At the beginning of the year	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

	1. Pochiraju Sudhakar 2. Pochiraju Sailaja	43,89,145 16,80,619	23.21 8.89	43,89,145 16,80,619	23.21 8.89
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment /transfer /bonus/ sweat equity etc):Nil				
	At the End of the year 1. Pochiraju Sudhakar 2. Pochiraju Sailaja	 43,89,145 16,80,619	 23.21 8.89	 43,89,145 16,80,619	 23.21 8.89

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	404386363	-	-	-
Total (i+ii+iii)	404386363	-	-	-
Change in Indebtedness during the financial year Addition Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the				

end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager P. Sudhakar				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	63,00,000	-	-	-	63,00,000
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-

	- as % of profit - Others, specify…					
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	63,00,000	-	-	-	63,00,000
7.	Ceiling as per the Act	-	-	-	-	-
B. Remuneration to other directors:						
Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please				

	Specify				
6.	Total				
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors

M/s Pochiraju Industries Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 28.05.2016
Place: Hyderabad

A. Ramaiah
(Independent director)

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors

M/s Pochiraju Industries Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 28.05.2016
Place: Hyderabad

S S N Murthy
(Independent director)

ANNEXURE II(

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors

M/s Pochiraju Industries Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 28.05.2016
Place: Hyderabad

K S R Siva Sai
(Independent director)

Independent Auditors' Report

To the Members of POCHIRAJU INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of POCHIRAJU INDUSTRIES LIMITED ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are Free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) the balance sheet, the 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M M REDDY & Co.,
Chartered Accountants
Firm Registration No.010371S

(M Madhusudhana Reddy)
Partner
Membership No.213077

Place: Hyderabad
Date : 28.05.2016

Annexure-A to the Auditors' Report

The Annexure-A referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the Year ended 31 March 2016, we report that:

1.

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c. The title deeds of the immovable property are held in the name of the company.

2. The physical verification of the inventory excluding stocks with third parties has been conducted at reasonable intervals by the management during the year. In our opinion the frequency of the verification is reasonable.

3. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

4. The company has not given loans, made investments, guarantees and security under the provisions of Section 185 and 186 of the Companies Act, 2013.

5. The Company has not accepted any deposits from the public.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

7.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, duty of excise income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to a bank during the year and has outstanding dues to banks.

9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.

10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

11. The company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act.

12. The company is not Nidhi Company and the Nidhi Rules, 2014 not applicable to it. Accordingly the provisions of Clause 3(Xii) of order not applicable to the company.

13. The company has entered transactions with the related parties and complied with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards.

14. According to information and explanations given to us and based on our examinations of the records of the company, the company has not preferential allotment / private placement of shares or fully or partly convertible debenture's during the year.

15. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the provisions of Clause 3(xv) of order not applicable to the company.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M M REDDY & Co.,
Chartered Accountants
Firm Registration No.010371S

(M Madhusudhana Reddy)
Partner
Membership No.213077

Place: Hyderabad
Date : 28.05.2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF POCHIRAJU INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of POCHIRAJU INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my / our audit. We conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

M. Madhusudhana Reddy
Partner
Membership No.213077

Place: Hyderabad
Date : May 28th , 2016

PART I-FORM OF BALANCE SHEET
POCHIRAJU INDUSTRIES LIMITED
Balance Sheet as at 31.03.2016

Particulars	Note No	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	**18,90,66,750**	**189,066,750**
(b) Reserves and Surplus	2	**63,70,22,474**	**1,15,47,55,440**
(c) Money received against share warrants		**1,10,28,000**	**1,10,28,000**
	A	**83,71,17,224**	**1,35,48,50,190**
(2) Share application money pending allotment	3	-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	**7,47,00,000**	**7,47,00,000**
(b) Deferred tax liabilities (Net)	5	**21,64,899**	**(13,77,993)**
(c) Other Long term liabilities	6	-	-
(d) Long term provisions	7	-	-
	B	**7,68,64,899**	**7,33,22,007**
(4) Current Liabilities			
(a) Short-term borrowings	8	**22,07,69,989**	**22,07,69,989**
(b) Trade payables	9	**51,15,906**	**55,42,053**
(c) Other current liabilities	10	**26,80,35,032**	**20,00,11,241**
(d) Short-term provisions	11	**41,40,916**	**41,40,916**
	C	**49,80,61,843**	**43,04,64,199**
Total	A+B+C	**1,41,20,43,966**	**1,85,86,36,396**
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	**68,14,60,017**	**608,933,667**
(ii) Intangible assets	13	**4,22,30,147**	**42,230,147**
(iii) Capital work-in-progress		**32,55,52,274**	**32,55,52,274**
(iv) R&D Capital Expenditure		**11,41,03,064**	**11,41,03,064**
(iv) R&D in-process materials		**12,37,29,454**	**12,37,29,454**
	A	**1,24,02,12,725**	**1,28,70,74,956**
(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	-	**10,38,81,015**
(c) Trade receivables	19	**3,04,33,247**	**14,87,95,010**
(d) Cash and cash equivalents	20	**60,210**	**9,57,846**
(e) Short-term loans and advances	21	**48,29,025**	**18,14,18,809**
(f) Other Non current assets	22	**13,54,05,760**	**13,54,05,760**
	C	**17,07,28,242**	**57,04,58,440**
Total	A+B+C	**1,41,20,43,966**	**1,85,86,36,396**

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 : 010371S
Chartered Accountants

Sd/-
M Madhusudhana Reddy
Partner
Membership No. 213077

Place : Hyderabad
Date : 28-05-2016

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, 2016

Particulars	Note No	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I. Revenue from operations	23	**9,67,21,258**	**1,39,12,47,425**
II. Other Income	24	-	-
III. Total Revenue (I +II)		**9,67,21,258**	**1,39,12,47,425**
IV. Expenses:			
Cost of materials consumed	25	**10,34,42,129**	**85,04,27,894**
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	**2,22,76,330**	**7,96,84,159**
Employee benefit expense	27	**95,84,419**	**3,93,21,216**
Other operating expenses	28	**1,75,73,864**	**15,21,11,139**
Administrative Expenses	29	**32,01,55,217**	**9,31,86,708**
Financial costs	30	**6,80,23,791**	**6,62,24,838**
Depreciation and amortization expense	13 & 14	**4,68,62,231**	**3,96,41,987**
Research and Development expenditure	31	**85,46,875**	**1,21,54,120**
Selling Expenses	32	**1,44,46,476**	**6,94,58,126**
Total Expenses		**61,09,11,333**	**1,40,22,10,187**
V. Profit before exceptional and extraordinary items and tax (III - IV)		**(51,41,90,075)**	**(1,09,62,762)**
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		**(51,41,90,075)**	**(1,09,62,762)**
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		**(51,41,90,075)**	**(1,09,62,762)**
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		**35,42,891**	**(2,24,34,090)**
XI. Profit(Loss) from the period from continuing operations (IX - X)		**(51,77,32,966)**	**1,14,71,328**
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)		**(51,77,32,966)**	**1,14,71,328**
XVI. Earning per equity share:			
(1) Basic		**-27.38**	**0.61**
(2) Diluted		**-27.38**	**0.61**
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 : 010371S
Chartered Accountants

Sd/-
M Madhusudhana Reddy
Partner
Membership No. 213077
Place : Hyderabad
Date : 28-05-2016

For and behalf of Board
For POCHIRAJU INDUSTRIES LIMITED

Sd/-
P.Sudhakar
Managing Director

Sd/-
P.Sailaja
Director

PART III-FORM OF CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	As on 31/03/2016	As on 31/03/2015
Net profit before tax	(51,41,90,075)	(109,62,762)
ADD: Depreciation	4,68,62,231	396,41,987
ADD: Misc. Expenses	-	-
ADD: Interest	6,80,23,791	662,24,838
Less: Interest received	-	-
Operating Profit	**(39,93,04,052)**	**9,49,04,063**
Increase in inventories	10,38,81,015	113,514,341
Increase in debtors	11,83,61,763	152,684,247
Increase in loan & advances	17,65,89,784	-
Increase/Decrease in current liabilities	(4,26,147)	164,223,728
Cash generated from operations	**(8,97,636)**	**52,53,26,379**
less: Tax expense	-	-
Less: Interest paid	-	66,224,838
Cash from operations	**(8,97,636)**	**45,91,01,541**
Increase in Investments	-	-
Add: R&D in-process materials	-	(12,37,29,454)
Add: Additions to Fixed Assets	-	(11,23,90,057)
Add: Increase in Capital Work in progress	-	(10,80,06,969)
Add: R&D Capital Expenditure	-	(3,62,30,482)
Net Cash Used in Investing	**-**	**(38,03,56,962)**
Receipts from share capital	-	-
Receipts from new borrowings	-	(8,00,81,088)
Net Cash Used Financing Activity	**-**	**(8,00,81,088)**
Net cash Flow	**(8,97,636)**	**(1,336,509)**
Opening Balance	9,57,846	22,94,355
Net cash Flow	(8,97,636)	(1,336,509)
Cash and Cash Equivalents	60,209	957,846

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: 28.05.2016

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, 2016.

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 133 of the Companies Act 2013.

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 section 133 of Companies act, 2013. 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 are 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
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, 2016		As at 31 March, 2015	
	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, 2016		As at 31 March, 2015	
	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 31/03/2016	As on 31/03/2015
		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	**87,88,00,440**	**876,75,50,832**
	Add: Transfer from Profit & Loss Account	**(51,77,32,966)**	**1,14,71,328**
	Less: Change in accounting policy of Depreciation	**-**	**2,21,720**
	Less: Dividend	**-**	**-**
	Less: Bonus shares	**-**	**-**
	Less: Transfer to/from reserves.	**-**	**-**
		36,10,67,474	**87,88,00,440**
II	A Reserve specifically represented by earmarked investments	**-**	**-**
III	Negative balance of reserves and surplus account	**-**	**-**
	Total Reserves and Surplus	**63,70,22,474**	**115,47,55,440**

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As on 31/03/2016	As on 31/03/2015
		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 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	Long Term borrowings		
	a) Bonds/debentures		
	Secured	-	-
	Unsecured	-	-
	b) Term loans:		
	From banks:		
	Secured Loan	**7,47,00,000**	**7,47,00,000**
	(Term loans from Punjab National Bank is secured by way of hypothecation of Biopharma Unit situated at Shameerpet 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	**747,00,000**	**747,00,000**

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) SHAMEERPET (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 31/03/2016	As on 31/03/2015
		Rs.	Rs.
	Opening Balance	(13,77,993)	2,10,56,097
	Add:- for the year	35,42,891	(2,24,34,090)
		21,64,899	**(13,77,993)**

NOTE NO. 6 : OTHER LONG TERM LIABILITES

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
	Total other long term liabilities	**-**	**-**

NOTE NO. 7 : LONG TERM PROVISIONS

S. No.	Particulars	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
	Total Long Term Provisions	**-**	**-**

NOTE NO. 8 : SHORT TERM BORROWINGS.

S. No.	Particulars	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
	Total short term borrowings	**22,07,69,989**	**22,07,69,989**

NOTE NO. 9 : TRADE PAYABLES

S. No.	Particulars	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
I	a) Trade Payables	-	-
	b) Sundry creditors	46,87,512	46,87,512
	b) Expenses Payable	4,28,394	8,54,541
	Total Trade Payables	**51,15,906**	**55,42,053**

NOTE NO. 10 : OTHER CURRENT LIABILITES

S. No.	Particulars	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
	Term Loan Payable	18,96,36,266	18,96,36,266
	Interest accrued but not due on term loan	7,83,98,766	1,03,74,975
	Total other current liabilities	**26,80,35,032**	**20,00,11,241**

NOTE NO. 11 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31/03/2016 Rs.	As on 31/03/2015 Rs.
I	a) Provisions for employee benefits	-	-
	Provision for gratuity	-	-
	b) Others		
	Statutory Liabilities	4,58,650	4,58,650
	Provision for Income Tax	30,75,426	30,75,426
	Other Provisions	6,06,840	6,06,840
	Total short term provisions	**41,40,916**	**41,40,916**

Note Number : 13 & 14 FIXED ASSETS

Floriculture Division (A)

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015
		As on 01.04.2015	Additions during the year	As on 31.03.2016	Dep. As on 01.04.2015	Dep. For the year 2015-2016	Total Depreciation		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land & Developments	1,57,63,957	-	1,57,63,957	-	-	-	1,57,63,957	1,57,63,957
2	Buildings	3,30,95,944	-	3,30,95,944	76,23,777	10,18,887	86,42,663	2,44,53,281	2,54,72,167
3	Irrigation	1,91,63,688	-	1,91,63,688	68,19,726	11,57,329	79,77,055	1,11,86,633	1,23,43,962
4	Misc. Fixed Assets	69,37,995	-	69,37,995	32,22,136	3,21,625	35,43,761	33,94,234	37,15,859
5	Green House	7,97,78,066	-	7,97,78,066	2,39,31,844	43,98,251	2,83,30,096	5,14,47,970	5,58,46,222
6	Planting Materials	19,48,00,795	-	19,48,00,795	11,63,05,393	52,33,027	12,15,38,420	7,32,62,375	7,84,95,402
7	Electricals	89,08,093	-	89,08,093	29,64,803	9,23,732	38,88,535	50,19,558	59,43,290
8	Cold Chain Facilities	1,08,64,998	-	1,08,64,998	38,24,328	6,66,538	44,90,866	63,74,132	70,40,670
9	Office Equipment	25,60,375	-	25,60,375	16,67,799	8,92,576	25,60,375	0	8,92,576
10	Furniture & Fittings	55,95,109	-	55,95,109	19,67,796	6,49,099	26,16,895	29,78,214	36,27,313
12	Capital Work in Progress	6,25,30,759	-	6,25,30,759	-	-	-	6,25,30,759	6,25,30,759
	Total(A)	**43,99,99,779**	**-**	**43,99,99,779**	**16,83,27,602**	**1,52,61,064**	**18,35,88,666**	**25,64,11,113**	**27,16,72,177**

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

Bio-Pharma Divisiaon (B)

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2016	Net Block as on 31.03.2015
		As on 01.04.2015	Additions during the year	As on 31.03.2016	Dep. As on 01.04.2015	Dep. For the year 2015-2016	Total Depreciation		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land and Development	5,40,31,830	-	5,40,31,830	-	-	-	5,40,31,830	5,40,31,830
2	Buildig and civil works	17,17,52,158	-	17,17,52,158	1,74,09,308	59,36,263	2,33,45,571	14,84,06,587	15,43,42,850
3	Plant and machinery	28,68,13,070	-	28,68,13,070	6,54,13,051	2,01,27,275	8,55,40,325	20,12,72,745	22,14,00,019
4	Technical knowhow and R&D	4,22,30,147	-	4,22,30,147	-	-	-	4,22,30,147	4,22,30,147
5	Electricals and accessories	2,89,22,670	-	2,89,22,670	68,78,637	36,74,005	1,05,52,643	1,83,70,027	2,20,44,033
6	Miscellaneous assets	2,51,50,125	-	2,51,50,125	46,50,258	18,63,624	65,13,882	1,86,36,243	2,04,99,867
7	Capital Work in Progress	26,30,21,515	-	26,30,21,515	-	-	-	26,30,21,515	26,30,21,515
	Total(B)	**87,19,21,515**	**-**	**87,19,21,515**	**9,43,51,254**	**3,16,01,168**	**12,59,52,422**	**74,59,69,093**	**77,75,70,261**

Gross Block of Total Fixed Assets (A+B)

	Total(A+B)	**1,31,19,21,294**	**-**	**1,31,19,21,294**	**26,26,78,856**	**4,68,62,231**	**30,95,41,088**	**1,00,23,80,207**	**1,04,92,42,438**
	Previous year	1,09,26,99,375	21,92,21,919	1,31,19,21,294	22,39,90,256	3,86,88,600	26,26,78,856	1,04,92,42,438	86,87,09,119

NOTE NO. 14 : OTHER NON- CURRENT INVESTMENTS:

SNo.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
	Total Current Investments	**-**	**-**

NOTE NO. 15 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		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 31/03/2016	As on 31/03/2015
		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	-	-
	Add: Incurred during the year	-	-
		-	**-**
	Total Non Current Assets	**135,405,760**	**135,405,760**

NOTE NO. 18 : INVENTORIES

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	Inventories :		
	a) Raw materials	-	8,16,04,685
	Sub Total	**-**	**8,16,04,685**
	b) Finished goods	-	2,22,76,330
	Sub Total	**-**	**2,22,76,330**
	Total Inventories	**-**	**10,38,81,015**

NOTE NO. 19 : TRADE RECEIVABLES

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	**Outstanding for a period exceeding six months from the date they are due for payment**		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	13,24,85,780	4,78,56,540
	Doubtful	13,24,85,780	4,78,56,540
		-	**-**
	Other Receivables:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	3,04,33,247	148,7,95,010
	Doubtful	-	-
		3,04,33,247	**14,87,95,010**
	Total trade receivable	**3,04,33,247**	**14,87,95,010**
	Less : Allowance for bad & doubtful debts	-	-
	Total Trade Receivables(net)	**3,04,33,247**	**14,87,95,010**

NOTE NO. 20 : CASH AND BANK BALANCES

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	**-**	**-**
	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	**60,210**	**9,57,846**
	d) Others	**-**	**-**
	Total Cash and Cash Equivalents	**60,210**	**9,57,846**

NOTE NO. 21 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
	Other Receivables		
	Secured	-	-
	Unsecured	90608598	181,418,809-
	Doubtful	-	181,418,809
	Total short term loans & advances	**90608598**	**-**
	Less : Provision for Doubtful Debts	-	181,418,809
	Total short term loans & advances(net)	**90608598**	**181,418,809**

NOTE NO.22 : OTHER CURRENT ASSETS

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
	Other Current Assets	**-**	**-**

NOTE 23: REVENUE FROM OPERATIONS

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
(i)	Revenue from operations in respect of non-finance company		
	a) Sales		
	Domestic Sales	**9,67,21,258**	**1391247425**
	Export Sales	**-**	**-**
		9,67,21,258	**1391247425**
(ii)	Other operating revenues	**-**	**-**
	Total Revenue from Operations	**9,67,21,258**	**1391247425**

NOTE NO. 24 : OTHER INCOME

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
	Other Income	-	-
		-	-

NOTE NO. 25 : COST OF MATERIALS CONSUMED

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	Inventory at the beginning of the year	7,61,17,475	10,76,49,192
	Add: Production/Purchase		
	Purchases	2,73,24,654	13,06,58,540
	Nursery Materials	-	27,71,65,790
	Flowers	-	28,05,25,311
	Fruits and vegetables	-	13,05,46,536
		2,73,24,654	81,88,96,177
		10,34,42,129	92,65,45,369
	Less: inventory at the end of the year	-	7,61,17,475
		10,34,42,129	85,04,27,894

NOTE NO. 26: CHANGE IN INVENTORIES & WIP.

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	**Finished Goods**		
	Finished goods at the beginning of the year	2,22,76,330	10,19,60,489
	Less : Finished goods at the end of the year	-	2,22,76,330
	(Increase) / Decrease in Inventories	2,22,76,330	7,96,84,159

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

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	(a) Salaries & Wages	89,59,755	3,25,45,412
	(b) Contribution to Provident & Other Funds	2,59,793	10,24,540
	(c) Staff Welfare Expenses	3,64,871	57,51,264
	(d)Provision for gratuity		
	Total Employee Benefit Expenses	95,84,419	3,93,21,216

NOTE NO. 28 : OTHER OPERATING EXPENSES

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	(a) Carriage inwards	1,26,484	3,15,451
	(b) Soil change, manure, allied expenses	86,48,714	11,46,84,851
	(c) Electricity charges	2,35,974	55,24,517
	(d) Power & fuel	3,65,770	42,85,100
	(e) Repairs and maintenance	12,58,487	1,05,55,248
	(f) Job work charges	2,64,874	18,46,540
	(g) Factory maintenance	1,24,687	20,14,520
	(h)Other Manufacturing expenses	65,48,874	1,28,84,912
	Total Other Expenses	1,75,73,864	15,21,11,139

NOTE NO. 29 : ADMINSTRATIVE EXPENSES			
S. No.	**Particulars**	**As on 31/03/2016**	**As on 31/03/2015**
		Rs.	**Rs.**
I	Meeting & Conference Expenses	26,548	4,81,521
	Bank charges.	-	4,58,451
	Book & Periodicals	65,454	1,85,451
	Computer Maintenance	36,578	2,65,454
	Conveyance.	2,54,874	26,54,841
	Custodial Fee	1,32,454	3,84,426
	Annual issuer fee	1,35,400	1,67,184
	D-mat Charges	3,12,445	3,25,140
	Directors Remuneration.	31,50,000	31,50,000
	Filing Fee	3,50,000	3,50,000
	Insurance	-	15,85,640
	Legal Expenses	1,28,574	5,64,810
	Licences& taxes	2,54,744	8,64,782
	Listing Fee	2,53,269	2,53,269
	Membership & Subscriptions	3,65,578	6,84,510
	Miscellenious Expenses	8,48,978	12,84,815
	Office Expenses	1,85,475	15,58,413
	Annual maintenance charges	86,454	2,64,810
	Advertisment expenses	2,99,746	12,54,815
	Postage	1,65,248	65,48,541
	Printing & Stationary	1,46,587	12,54,812
	Professional Charges	2,32,658	26,48,402
	Pooja Expenses	32,648	1,54,281
	Rates & Taxes	1,76,548	5,64,810
	Rent	4,65,870	16,58,420
	Repairs &Manitenance	13,26,854	18,54,512
	Security Charges	4,65,978	12,54,687
	Payment to auditors(*)	50,000	5,00,000
	Telephone & communication Charges	2,65,987	8,64,215
	Travelling Expenses Foreign & Domestic	3,64,878	78,52,454
	Service charges	1,26,587	8,54,541
	Provision for bad debts	30,90,75,564	4,78,56,540
		1,76,584	6,97,645
	Vehicles Hire Charges	1,96,655	18,84,516

	Total Administrative Expenses	32,01,55,217	93186708

NOTE NO. 30 : FINANCE COST

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
I	(a) Interest Expenses :		
	- Interest on Cash Credit	3,03,55,873	2,68,27,597
	- Interest on OD	-	3,73,257
	- Interest on term loan	3,76,67,918	3,83,91,959
	- Loan processing Charges & Bank Charges	-	-
	(b) Processing Charges	-	6,32,025
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	-
	Total Finance Cost	**6,80,23,791**	**6,62,24,838**

NOTE NO. 31 : RESEARCH AND DEVELOPMENT EXPENDITURE

S. No.	Particulars	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
	Research & Development exp of prior period written off		
	Consumables	-	-
	Glassware	-	-
	Utilities	-	-
	Manpower	-	-
	Research &Development expenses for current year	85,46,875	1,21,54,120
	Total Other expenses	**85,46,875**	**1,21,54,120**

NOTE NO. 32 SELLING EXPENSE

S. No.	Particulars	As on 31/03/2015	As on 31/03/2014
		Rs.	Rs.
	Selling expenses:		
	Packing material consumed		
	Opening stock	54,87,210	77,85,675
	Add:Purchases	-	3,12,55,451
		54,87,210	3,90,41,126
	Less:closing stock	-	54,87,210
	Consumption of packing materials	54,87,210	3,35,53,916
	Freight	62,56,984	1,32,18,545
	Sales promotion	22,36,598	58,41,150
	Other selling expenses	4,65,684	1,68,44,515
	Total Selling Expenses	1,44,46,476	6,94,58,126

Note:33 PARTICULARS	**31.03.2016**	**31.03.2015**
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

e) Information pursuant to the provisions of part II of Schedule V of the Companies Act, 1956.

PARTICULARS	**31.03.2016**	**31.03.2015**
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.50,000/-	Rs.3,00,000/-
- Tax Audit fees	-	Rs.1,00,000/-
- Certification work	-	Rs.1,00,000/-

g) Segment information	2015-16	2014-15
Segment Revenue	**Rs. in lacs**	**Rs. in lacs**
Floriculture	765.96	10926.60
Pharma& Bio Pharma	201.25	2985.87
Total	**967.21**	**13912.47**
Segment Result		
(Profit before tax and interest net of interest income)		
Floriculture	-4252.88	-4.52
Pharma& Bio Pharma	-208.77	557.16
Total	-4461.65	552.64
Add interest income (net)	(680.24)	(662.24)
Profit Before Tax	**-5141.89**	**-109.60**
Capital Employed		
(Segment Assets-Segment liabilities)		
Floriculture	1,785.85	5,861.12
Pharma	404.30	635.22
Bio Pharma	11,930.29	12,090.02
Total	**14,120.44**	**18,586.36**

h) **RELATED PARTY DISCLOSURES:**

Transaction with related parties pursuant to AS-18 for the financial year 2015-16

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

i) **EARNINGS PER SHARE**

Particulars	**2015-16**	**2014-15**
Profit after tax (as per profit and loss A/c)	(51,77,32,966)	1,14,71,328
No. of Equity shares	1,89,06,675	1,89,06,675
Nominal value	10	10
Earnings per share (in Rs.)	-27.38	0.61

j) 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.

k) Sundry Debtors, sundry creditors, other liabilities, loans and advances, advances from customers etc., are subject to confirmation.

l) 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.

m) 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

Sd/-
P.Sudhakar
Managing Director

Sd/-
P.Sailaja
Director

Place : Hyderabad
Date : 28-05-2016

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 21st Annual General Meeting of the Company at the registered office on 29th September 2016 at 11.00 A.M.

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

_____

FOLIO No.	**DP ID:**	**CLIENT ID:**

Signature of the Shareholder/Proxy*	

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:

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 21st Annual General Meeting of the Company to be held at Registered office of the company at 11.00 A.M on Thursday 29.09.2016 and at any adjournment thereof.

Signed this----------day of ----------2016

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

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.