POCHIRAJU

Pochiraju Industries Limited

27 .09.2018

To

The General Manager,
Listing Department
The National Stock Exchange of (India) Ltd,
Bandra Kurla Complex,
MUMBAI

Dear Sir,

Sub: Out come of the proceedings of the 23RD Annual General Meeting of M/s.Pochiraju Industries Limited.

Pursuant to Clause 31 of the listing agreement, we reproduce below an extract of the proceedings of the 23rd Annual General Meeting of the Company held on Thursday the 27th day of September 2018 at 11:30A.M, at the Registered Office of the Company at 1/102, Satyamangalam (V), Thummanapally post-6.5105, Hosur Taluk, Krishnagiri Distict, Tamilnadu.

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

ORDINORY BUSINESS

1. The audited Profit & Loss Account for the year ended on 31st March, 2018 and the Balance Sheet as at that date together with report of the Board of Directors and Auditors, thereon were adopted by the Shareholders present at the meeting.

2. Smt. P.Sailaja who retired by rotation was reappointed as a director of the company by the shareholders present at the meeting.

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

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

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POCHIRAJU INDUSTRIES LIMITED

P Sudhakar.

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Tel No.: 040 - 27778999, Fax No. 040-27778777, 27778888
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"**RESOLVED THAT** M/s. M. M. REDDY & CO, Chartered Accountants be and is hereby Reappointed as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at remuneration to be decided by the Audit Committee of the Board in consultation with the Auditors.

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

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

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

Even after the issue of notices under SARFEASI Act the Company's requests for not issuing several auction notices reducing the property values were declined which has severely affected the Company's efforts to find alternative funding. All along these years the Company's long standing history, its genuine efforts in servicing the interest and installments of term loan during the construction period of 18 months and thereafter for two and half years out of the total five years repayment even without any revenue generations from the biotech plant were not considered .

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

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

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

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

THE BANK DELAYED THEIR COMMUNICATION FOR OVER A MONTH AND FINALLY DIRECTED THE COMPANY TO PAY THE ENTIRE MONEY OF 31.80 CRORES AT SHORT NOTICE OFBY 31-03-2017. GIVEN THE FINANCIAL CRISIS THE COMPANY IS IN FOR VARIOUS REASONS AND MORE PARTICULARLY FOR REFUSING APPROVAL FOR TERM LOAN THE WHOLE IMPLEMENTATION OF THE PROJECT WENT HAYWIRE RESULTING IN PROJECT BEING SHUT DOWN WHILE ALL THE PROJECT ASSETS DEVELOPED WITH HUGE OUTLAY ARE DEPRECIATING WITHOUT BEING PRODUCTIVELY USED FOR THE PURPOSE THEY HAVE BEEN DEVELOPED.
WHILE THE DISCUSSIONS FOR OTS WAS ON, THE BANK OFFICIALS AGAIN INITIATED AUCTION PROCESS IN MARCH 2017 AT A MINIMAL VALUE OF 17.30 CRORES FOR BIOPHARMA UNIT WHILE ADVISING US ORALLY TO PAY BY 31ST MARCH THE NEGOTIATED VALUE OF 31.08. WITHOUT EVEN GIVEN US MANDITORY NOTICE UNDER RULE 9 OF THE SARFEASI ACT .

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

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

THE COMPANY IN THE MEANWHILE SINCERELY SUBMITTED A OTS PROPOSAL AGAIN FOR INR 32 CRORES WHICH IS MORE THAN THE RESERVE PRICE OF MARCH 2017 AUCTION DESPITE THE CASE BEING POSTED FOR HEARING ON 28TH JUNE 2017.

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THE MATTER WAS AGAIN KEPT IN ABEYANCE AT THE HEAD OFFICE AND FINALLY AFTER REPEATED FOLLOWUPS WITH THE BANK AND MEETINGS HELD ON 07.06.2017 , AT THE BOARD ON 09-06-2017 (FRIDAY) AS A TABLE AGENDA TOOK THE DECISION AND CONVEYED THE SAME TO US IN THE LATE HOURS ADVISING US TO PAY 17.25 CRORES BY 14TH JUNE 2017. THIS WAS FAR FROM BEING RATIONAL IN DEALING WITH A LONG STANDING CUSTOMER LIKE US AND WE STILL OFFERED TO THE BANK TO GIVE US 90 DAYS TIME WITH DOWN PAYMENT OF 10% WITHIN A WEEK WHICH IS NORMALLY THE SCHEDULE OF PAYMENT FOR OTS. THE REPRESENTATION WAS SENT BY MAIL TO THE BANK WAS UNANSWERED AND WRITTEN PERSONAL SUBMISSIONS WERE NOT ACCEPTED THUS CONFIRMING A VERY IRRATIONAL APPROACH TOWARDS US THOUGH WE WERE IN ALL SINCERITY WILLING FOR OTS.

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

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

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

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

THE BANK HAS FILED A V ALUATION REPORT IN ITS COUNTER WHICH WAS PURPORTED DONE ON 01-02-2017 AND WAS DONE IN A DAY AND THE VALUATION REPORT SAYS ALL THE MAJOR OPERATIONAL BLOCKS WERE DORR LOCKED AND EVEN NOT ENTERING THEM AND OMITTING AND DELETING MANY MAJOR CAPITAL ITEMS AND ALSO IT SAYS THE VALUATION IS BASED ON PREVIOUS VALUATION WHICH IS A GROSS NEGLIGENCE AND IRRESPONSIBILITY ON THE PART OF THE VALUEER AND ALSO ON THE PART OF PNB.

THE HONORABLE HIGH COURT AFTER A SERIES OF ARGMEENTS DELIVEREDD THE JUDGEMENT O 19TH JANUARY IN FAVOUR OF THE COMPANY SETTING ASIDE THE AUCTION AND DECLARARING THE VALUATION AS ILLEGAL AND INALID.

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PNB EVEN BEFORE THE CERTIFIED COPY OF THE JUDGEMENT WAS RECEIVED ISSUED AUCTION NOTICE AGAIN ON 8TH FEBRUARY 2018 WITH AUCTION DATE OF 3RD MARH 2018 WITH A RESERVE PRICE OF RS. 21.00 CRORES AND AUCTIONED THE PPROPPERTY FOR RS. 22.5 CR. THE COPANY HAS AGAIN FILED WRIT WITH HONORABLE HIGH CORT QUESTING THE VALUTIONS AND THE HEARINGS ARE UNDER WAY.

EVEN THE COMPANY'S AGRICULTURE FARM T SATYAMANGALAM VILLAGE WAS UT TO SEERAL AUTIONS REDUCING THE VALUATIONS EVEN THOUGH AGRICULLTURE PROPERTY DOESS NOT CCOME UNDER SARFEASI ACT.

THERE IS A SERIES AND CONTINUOUS VIOLATIONS OF THE PROVISIONS OF THE SARFEASI AC BY PNB FOR OBVIOUS REASONS.

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

You are requested to take note of the aforesaid activities of the 23RD Annual General Meeting.

Thanking you

Yours sincerely

FOR POCHIRAJU INDUSTRIEES LIMITED

P. Sudhakar

POCHIRAJU INDUSTRIES LIMITED

SUDHAKAR POCHIRAJU

MANAGING DIRECTOR

Copy to BSE