POCHIRAJU

Pochiraju Industries Limited

To

Date:14.09.2017

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

Respected Sir,

Sub : Outcome of the Board meeting of the company held on 14th September, 2017

1. The Board has adopted the unaudited financial results for the quarter ended 30-06-2017 and subject to limited review by the auditors of the company.
2. As the company's bankers PNB initiated action under SARFAESI Act and issued public auction of the Company's properties the operations of the Company are still under closure.

3. The Management of the company is exploring various options to resolve the issue with PNB .The Managing Director Sri. Sudhakar Pochiraju informed the Board that

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

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

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

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POCHIRAJU INDUSTRIES LIMITED Satyamangalam T.N.

Plant & Office : Plot No - 7, Phase - II, S.P.Biotech Park, Shameerpet, Ranga Reddy District. - 500 078. Andhra Pradesh
Tel No.: 040 - 27778999, Fax No. 040-27778777, 27778888
E-mail : pochirajuhyd@hotmail.com Website : www.pochiraju.co.in

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.

WE ADVISED AND REQUESTED THE BANK NOT TO AUCTION THE PROPERTIES REPEATEDLY WHICH WOULD THEN LOSE THE MARKET PRICE AS THE PROSPECTIVE BIDDERS WOULD WAIT FOR FURTHER REDUCTION AND THIS WOULD RESULT IN BANK LOSING ON RECOVERY AND THE COMPANY WHO HAD SINCERELY INVESTED, BELIEVING BANK APPROVAL WOULD BE GRANTED FOR THE 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 .

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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. 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.

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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.

This is for your kind information and records.

Thanking you and with best regards.

Yours faithfully,

For **POCHIRAJU INDUSTRIES LIMITED**

POCHIRAJU INDUSTRIES LIMITED Satyamangalam T.N.

SUDHAKAR POCHIRAJU
MANAGING DIRECTOR

Cc: THE BOMBAY STOCK EXCHANGE LIMITED

Encl: 1. Unaudited Financial Results for the quarter 3oth June, 2017
2. Limited Audit Review Report

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POCHIRAJU INDUSTRIES LIMITED			
Statement of Un-Audited Results for the Quarter ended 30.06.2017			
S.No.	Particulars	For the Quarter ended	For the Quarter ended (30.06.2016)
I.	Revenue from Operations	-	-
II.	Other Income	-	-
III.	**Total income (I+II)**	-	-
IV.	**Expenses**		
	(a) Cost of Materials consumed	-	-
	(b) Purchase of stock-in-trade	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-	-	-
	(d) Employee benefits expense	0.80	1.24
	(e) Finance Cost	170.05	111.21
	(f) Depreciation and amortisation expense	97.91	3,093.54
	(h)Other expenses	22.65	3.24
	Total Expenses	**291.41**	**3,209.23**
V.	**Profit / (Loss) before and exceptional items and Tax (III-IV)**	**(291.41)**	**(3,209.23)**
VI.	Exeptional Items	-	304.33
VII	**Profit / (Loss) from before tax (V-VI)**	**(291.41)**	**(3,513.56)**
VIII.	**Tax expense**		
	Current Tax	-	-
	Deferred Tax	-	-
IX.	**Net Profit / (Loss) after Tax (VII-VIII)**	**(291.41)**	**(3,513.56)**
X	Other Comprehensive Inocme		
	Items that will not be reclasified to Profit or Loss	-	-
	Items that will be reclasified to Profit or Loss	-	-
XI	**Total Comprehensive Income**	**(291.41)**	**(3,513.56)**
XII	Paid-up equity share capital (Face Value of Rs. 10/- per share)	1,890.67	1,890.67
XIII	**Earnings Per Equity Share of face value of Rs.10/- each)**		
	a) Basic & Diluted (In Rs.)	(1.54)	(18.58)

Date: 14.09.2017
Place: Hyderabad

For POCHIRAJU INDUSTRIES LIMITED

P. Sudhakar

Sudhakar Pochiraju
Managing Director

POCHIRAJU INDUSTRIES LIMITED ★ Satyamangalam T.N.

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NOTES:

1 The above results were reviewed by the Audit Committee of Directors and taken on record by the Board of Directors at their meeting held on 14.09.2017

2 The company adopted the Indian Accounting standards (Ind AS) from 01.04.2017 and accordingly these results have been prepared in accordance with the recognition and measurent principles laid down in the Ind AS- 34 "Interim Financial Reporting" prescribed under Section 133 of Companies Act, 2013 read with teh relevant rules issued thereunder and other accouting propouncements generally accepted in India. The Ind-AS Compliant Standardlone Financial results for the corresponding quarter ended June 30, 2016 have been stated in terms of SEBI Circular dated July, 05, 2016.

3 Reconciliation of results between previously reported (referred to as "Previous GAAP") and Ind-AS for the corresponding quarter ended June 30, 2016 is as under;

Particulars	**Quarter ended 30th June, 2016**
Net Profit/(Loss) after Tax under Indian GAAP	-535.36
Details of Ind-As Adjustments	
Impairment of florculture Division Assets	
Irrigation Assets	61.76
Misc. Fixed Assets	30.73
Green House Assets	138.50
Planting Materials	680.29
Electricals	40.96
Cold Chain Facilities	23.30
Furniture & Fittings	23.29
Capital Work in Progress	625.31
Total Impairment of florculture Division Assets	**1,624.14**
Written off of Other Non-Current Assets	
Public Issue Expenses.	613.44
Preliminary & Pre-operative Expenses	404.28
Market Development Expenses	100.34
Research & Development Expenditure	236.00
Total Written off of Other Non-Current Assets	**1,354.06**
Net Profit for the period as per Ind-AS	-3,513.56
Add: Other Comprehensive Income	-
Total Comprehensive Income for the Period as per Ind-AS	-3,513.56

4 During the financial year the compnay has not performed business operations as the company's properties are in auction uder SARFAESI Act.

5 The results are also available on the webiste of the Company www.pochiraju.co.in.

6 During the quartere ended 3 complaints received and 1 Compliant pending for resolve.

7 The Company is not operating hence there are no separate reportable segments as per Ind AS -108 "Operating

Station: Hyderabad
Date : 14.09.2017

For POCHIRAJU INDUSTRIES LIMITED

Sudhakar Pochiraju
Managing Director

POCHIRAJU INDUSTRIES LIMITED Satyamangalam T.N.

M M REDDY & CO.,
Chartered Accountants

Phone : 040-23418836
040-40272617
Mobile : 98482 71555

LIMITED REVIEW REPORT

To,
The Board of Directors,
POCHIRAJU INDUSTRIES LIMITED

We have reviewed the accompanying statement of Un-audited Financial Results of **POCHIRAJU INDUSTRIES LIMITED** for the quarter ended **30th June, 2017** attaching herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, is the responsibility of the company management and has been approved by the Board of Directors of the Company. Our Responsibility is to express a conclusion on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular NO. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M M.Reddy & Co.
Chartered Accountants

M M REDDY & CO. Chartered Accountants Hyderabad

M. Madhusudhana Reddy
Partner
Membership No. 234971

Place: Hyderabad
Date: 14th September, 2017