



# Pochiraju Industries Limited

**14th Annual Report**

**2008 - 2009**

*Not just healthcare.....lifecare*

## POCHIRAJU INDUSTRIES LIMITED

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## CORPORATE INFORMATION

BOARD OF DIRECTORS	Sri P Sudhakar	Managing Director
	Sri Dr. A Ramaiah	Director
	Sri B V Ramana Reddy	Director
	Sri Dr. K S R Siva Sai	Director
	Sri Dr. S S N Murthy	Director
	Smt. P B T Sundari	Director
	Smt. P Sailaja	Director
REGISTERED OFFICE	1/102, Sathyamangalam Village, Thumanapalli Post -635 105, Hosur Taluk, Krishnagiri Dist, Tamil Nadu, PIN – 635 105.	
CORPORATE OFFICE	130, Amarjyoti Layout, Off Intermediate Ring Road, Domaluru, Bengaluru – 560 071, Karnataka.	
ADMINISTRATIVE OFFICE	202, SGC's Suresh Arcade, Opp. Nature Cure Hospital, Dharam Karam Road, Ameerpet, Hyderabad – 500 016.	
BANKERS	Oriental Bank of Commerce, Ameerpet Branch, Greenlands, Begumpet, My Home Jupally, Hyderabad – 500 016.	
	Oriental bank of Commerce, Hosur Branch, Hosur – 635 109, Tamil Nadu.	
AUDITORS	B Rama Rao & Co., Chartered Accountants, Flat No.7, Block No. 6, MIG 2 baghlingampalli, Hyderabad – 500 004.	
REGISTRARS AND SHARE TRANSFER AGENT	Aarthi Consultants Pvt. Ltd 1-2-285, Domalguda, Hyderabad - 500 029 www.aarthiconsultants.com	
LISTED AT	Bombay Stock Exchange National Stock Exchange Limited	
COMPLIANCE OFFICER	Sri. P Sudhakar 202, SGC's Suresh Arcade, Opp. Nature Cure Hospital, Dharam Karam Road, Ameerpet, Hyderabad – 500 016.	



## POCHIRAJU INDUSTRIES LIMITED

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## POCHIRAJU INDUSTRIES LIMITED

### NOTICE TO MEMBERS

Notice is hereby given that the Fourteenth ANNUAL GENERAL MEETING of POCHIRAJU INDUSTRIES LIMITED will be held at Pochiraju's registered office situated at 1/102, Satyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105, on September 26, 2009 at 3:00 P. M. to transact the following businesses:

### ORDINARY BUSINESS:

1. Receive, consider and adopt the audited balance sheet as at 31<sup>st</sup> March, 2009 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. Appoint a director in place of Dr A Ramaiah who retires by rotation and being eligible, offers himself for reappointment.
3. Appoint a director in place of Mrs. P Sailaja who retires by rotation and being eligible, offers herself for reappointment.
4. Re-appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

“RESOLVED that M/s. B Rama Rao & Co. 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.

Regd. Office :

1/102, Sathyamangalam Village Bagalur –  
Berigai Road, Thummanapalli Post,  
Hosur Taluk, Krisnagiri Dist. T.N. – 635 105.

Place: Hyderabad

Date: 26.08.2009

**By order of the Board**  
**Pochiraju Industries Limited**  
**Sd/-**  
**P Sudhakar**  
**Managing Director**

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## POCHIRAJU INDUSTRIES LIMITED

### Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on a poll instead of himself / herself and the Proxy need not be a member of the Company.
2. Proxies, in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 20<sup>th</sup> September to 26<sup>th</sup> September, 2009 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
5. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
6. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM.

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## POCHIRAJU INDUSTRIES LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Yours Directors have pleasure in placing before you the Fourteenth Annual Report on the working and progress of the Company alongwith audited accounts of the company for the financial year ended 31st March, 2009 and the report of the auditors thereon.

### FINANCIAL RESULTS

Key aspects of the company's financial performance for the year 2008-09 are tabulated below:

(Rs. in lakhs)

Particulars	2008-09	2007-08
Gross Revenue	3579.74	3587.51
Total Expenditure	2770.13	2685.01
Profit before Depreciation and taxation	1151.91	1232.26
Depreciation	128.33	111.60
<b>Profit/(Loss) before tax(PBT)</b>	<b>1023.58</b>	<b>1120.66</b>
Less: Provision for Current tax	49.55	57.53
<b>Profit/(Loss) after tax</b>	<b>974.03</b>	<b>1063.13</b>
Prior Period Items	-	5.56
<b>Profit / (Loss) after Prior Period Items</b>	<b>974.03</b>	<b>1057.57</b>
Profit Brought Forward from previous year	2361.01	1303.44
<b>Net Profit / (Loss) carried to Balance Sheet</b>	<b>3335.04</b>	<b>2361.01</b>

### OPERATIONS

The Company has recorded a turnover of Rs.3579.74 lacs in the current year. The Company earned a Net profit of Rs.974.03 lacs after depreciation and taxes. The amount of Net profit available for appropriation after adjustments for prior period items is Rs. 974.03 lacs and the same is carried to balance sheet. The operations during the year ended on 31<sup>st</sup> March, 2009 were encouraging. Inspite of global recession your company achieved decent results. The company has been continuously working on quality up gradation and cost reduction plans.

### PUBLIC DEPOSITS

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

### LISTING

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

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## POCHIRAJU INDUSTRIES LIMITED

### MANAGEMENT AND DISCUSSION ANALYSIS

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

### BUSINESS INNOVATION, EXPANSION AND DIVERSIFICATION

The construction of the state of art Biotech plant at Shapoorji Pallonji Biotech Park at Shameerpet is under active progress. Our company has placed orders for the plant and machinery/equipment to be purchased and construction of civil structures is under progress. However due to procedural delays and compliance with the latest US FDA norms the implementation is likely to be delayed by a further 9 to 12 months.

The company has expanded its Agri operations by entering into a new segment i.e. Fruits and Vegetables (F&V) segment to its Agri Operations. Currently the company is procuring and sourcing different kinds of F&V from Farmers and is supplying them to major retail chains such as Reliance, More, Saffalo, Foodworld etc and presently operating in Bangalore and Hyderabad and it is planning to expand its operation to Chennai, Cochin and other metros by the end of this Financial Year.

### BANKS AND FINANCIAL INSTITUTIONS

Our Bankers are Oriental Bank of Commerce and we have been dealing with them since 1998. We have very good business relationship with our bankers and the bank has been supporting us throughout our business growth plans. A term loan of Rs.10 crores and working capital loan of Rs. 5.70 crores for Bio-Pharma division was sanctioned by our bankers.

### CHANGES IN THE BOARD OF DIRECTORS

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Directors, Dr. A Ramaiah and Mrs. P Sailaja retire by rotation and are eligible for reappointment.

Your Board recommends the re-appointment of the above Directors in the best interests of the company. There are, otherwise, no changes in the constitution of the Board of the company.

### DIRECTORS RESPONSIBILITY STATEMENT

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

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

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## POCHIRAJU INDUSTRIES LIMITED

### PERSONNEL

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

### AUDITORS

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

### CORPORATE GOVERNANCE

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

### ACKNOWLEDGEMENTS

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

For and on behalf of the Board  
Pochiraju Industries Limited

Sd/-

P Sudhakar  
Managing Director

Place: Satyamangalam  
Date: 26.08.2009





## POCHIRAJU INDUSTRIES LIMITED

## Annexure - I

a) Information under section 217(1)(e) of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors Report.

## FORM A

## A) Power and Fuel Consumption

	<u>Current Year</u>	<u>Previous Year</u>
1) Electricity		
a) Purchases Units	229419	209207
Total Amount (Rs)	1059216	944045
Average Rate/Unit (Rs)	4.62	4.51
b) Own Generation		
Through Diesel Generators (Units)	129520	95123
Unit per liter of Diesel Oil (Nos)	8.26	8.26
Cost/Unit (Rs)	4.23	5.12

## B) Consumption per unit of production

	<u>Standards</u>		
Electricity	0.25	0.28	0.28

## C) Foreign Exchange Earnings and out go

	<u>(Rs in Lakhs)</u>	<u>(Rs in Lakhs)</u>
i) Foreign Exchange earned (Rs.)	-	-
ii) Foreign Exchange used (Rs)		
1. Raw Materials	-	-
2. Machinery	-	-
iii) Foreign Travel (Rs)	25.13	5.63
Commission/Import duty/handling charges	-	-

## D) FORM - B

Form for disclosure of particulars with respect to absorption

1) Research and development	114.50	29.50
2) Technology absorption, adaptation and innovation		
3) Foreign Exchange earnings and outgo		
Earnings (Rs in lakhs)	-	-
Outgo (Rs in lakhs)	25.13	5.63

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## POCHIRAJU INDUSTRIES LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

b) Information as per section 217(2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year March 31, 2009.

Employed for part of the year with an average salary above Rs.2 Lakh per month.

Employee Name	Title/ Role	Qualification	Age	Experience (Years)	Joining Date	Gross Remuneration (Rs.)	Previous Employment
Dr. M Kuppaswamy	Senior Vice President Bio-Pharma. Production and R&D	MSc. Bio-Chemistry  PhD – Microbiology	53	30 years in the field of Vaccines & Biologics	29.01.2009	3,600,000	President, Bio-Logics in Vins Bio-Products, Hyderabad.