



POCHIRAJU INDUSTRIES LIMITED

POCHIRAJU INDUSTRIES LIMITED

18th ANNUAL REPORT

2012-13



POCHIRAJU INDUSTRIES LIMITED

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 Sailaja	Director
	Sri SelvamRamaraj	Director
REGISTERED OFFICE	1/102, Sathyamangalam Village, Thumanapalli Post, Hosur Taluk, KrishnagiriDist, Tamil Nadu, PIN – 635 105.	
ADMINSITRATIVE OFFICE	Plot No.7, Phase-II, Alexandria Knowledge Park (Formerly S.P.Biotech Park), Kolthur Village, Shamirpet Mandal, R.R.Dist-500078, Andhra Pradesh.	
BANKERS	Punjab National Bank, Bank Street Branch,Hyderabad-500001	
AUDITORS	M M REDDY & CO., Chartered Accountants, G-8, Amrutha Ville, Opp. Yashodha Hospital, Rajbhavan Road, Somajiguda,Hyderabad-500082	
REGISTRARS AND SHARE TRANSFER AGENT	Aarthi Consultants Pvt. Ltd 1-2-285, Domalguda, Hyderabad – 500 029	
LISTED AT	Bombay Stock Exchange & National Stock Exchange	
COMPLIANCE OFFICER	Sri. P Sudhakar Plot no.7, Phase-II, Alexandria Knowledge Park (Formerly S.P.BiotechPark), Kolthur Village, Shamirpet Mandal, R.R.Dist-500078.	



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NOTICE TO MEMBERS

Notice is hereby given that the Eighteenth ANNUAL GENERAL MEETING of POCHIRAJU INDUSTRIES LIMITED will be held at Company's registered office situated at 1/102, Satyamangalam Village, Hosur Taluk, Krishnagiri Dist, Tamil Nadu – 635 105, on Thursday September 26th, 2013 at 11:00 A. M. to transact the following businesses:

ORDINARY BUSINESS:

1. Receive, consider and adopt the audited balance sheet as at 31st March, 2013 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.K.SivaSai, who retires by rotation and being eligible, offers himself for reappointment.
3. Appoint a director in place of Dr. S.S.N. Murthy, who retires by rotation and being eligible, offers himself for reappointment.
4. Sri SelvamRama Raj retires by rotation at this Annual General Meeting
5. 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. 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.

Regd. Office:
1/202, Sathyamangalam Village,
Hosur Taluk, Krishnagiri Dist.T.N.—635105.
Place: Hyderabad
Date:14.08.2013

By order of the Board
Pochiraju Industries Limited

Sd/-
P Sudhakar
Managing Director



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 20st September to 26th September, 2013 (Both the dates 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.



DIRECTORS' REPORT

Dear Shareholders,

Yours Directors have pleasure in placing before you the Eighteenth Annual Report on the working and progress of the Company along with audited accounts of the company for the financial year ended 31st March, 2013 and the report of the auditors thereon.

FINANCIAL RESULTS

Key aspects of the company's financial performance for the year 2012-13 are tabulated below:

Particulars	2012-13 (Rs. in Lakhs)	2011-12 (Rs. in Lakhs)
Gross Revenue	10885.80	7243.20
Total Expenditure	10197.63	5757.45
Profit before Depreciation and taxation	1220.55	1658.67
Depreciation	532.37	172.92
Profit/(Loss) before tax(PBT)	688.17	1485.75
Less: Provision for Current tax	167.44	0
Profit/(Loss) after tax	520.73	1485.75
Prior Period Items	-	-
Profit / (Loss) after Prior Period Items	520.73	1485.75
Profit Brought Forward from previous year	7118.10	5632.35
Net Profit / (Loss) carried to Balance Sheet	7638.84	7118.10

OPERATIONS

The Company has recorded a turnover of Rs.10885.80 lacs in the current year. The Company earned a Net profit of Rs.520.23 lacs after depreciation and taxes. The amount of Net profit available for appropriation after adjustments for prior period items is Rs. 520.23 lacs and the same is carried to balance sheet. The operations during the year ended on 31st March, 2013 were encouraging. 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.



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

Your company has completed the construction of all the Blocks for Phase I and Phase II of its Bio Pharma Unit at Shamirpet, Hyderabad. Your management is happy to inform you that the unit's R & D Block, Administrative Block and Canteen Block along with the required necessary support services are fully operational. Plant and Machinery and equipment for the production blocks for Phase I are installed and for Phase II is under progress.

The company's agriculture and F & V divisions are having regular operations with steady growth. Presently the company apart from growing its own flowers in the green houses also procuring many varieties of flowers from different farmers all over the country and also its procurement for its F & V division is being done directly from farmers and also on contract farming basis. Taking into consideration the growth potential of this segment both in domestic and overseas and the relative locational and costs advantages your company is contemplating to setup its production bases in African countries such as Kenya, Ethiopia, Ghana, Tanzania etc and also identified large areas of lands for acquisition during the coming financial year.

BANKS AND FINANCIAL INSTITUTIONS

Presently our Bankers are Punjab National Bank for our Biopharma Unit at Shameerpet. We have very good business relationship with our bankers and the bank has been supporting us throughout our business growth plans.

CHANGES IN THE BOARD OF DIRECTORS

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Directors, Dr.K.SivaSai and Dr. S.S.N.Murthy will retire by rotation and are eligible for reappointment. Your Board recommends the re-appointment of the above Directors in the best interest of the company. Sri.Ramaraj Selvam retires by rotation at this annual general meeting.

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.

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 M.M. Reddy & 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 Agreement 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.

Place: Hyderabad
Date: 14.08.2013

For and on behalf of the Board
Pochiraju Industries Limited

Sd/-
P Sudhakar
Managing Director



FORM A

A.	Power and fuel consumption	Current Year	Previous Year
1)	Electricity		
	a)Purchases	437930	270488
	Total Amount (Rs)	32,84,487	2028657
	Average Rate Unit (Rs.)	7.50	7.50
	b) Own Geraration		
	Through Diesel Generation (Unit)	94,64,449	1352652
	Unit Per Liter of Diesel Oil (Nos)	8.01	9.15
	Cost /Unit (Rs.)	13.00	12.00
B.	Consumption per unit of production standards: Electricity		0.25
C.	Foreign exchange earnings and out go	(Rs. In lakhs)	(Rs. In lakhs)
	i) Foreign Exchange earnings (Rs.)	0	0
	ii) Foreign Exchange Used (Rs.)		
	1. Raw Materials	0	5.50
	2. Machinery	0	100.80
FORM B			
From of disclosure of particulars with respect to absorption			
1)	Research and development (Rs.)	205.35	809.38
2)	Technology absorption, adaptation and innovation	0	0
3)	Foreign Exchange Earnings & Outgo	0	
	Earnings (Rs. In Lakhs)	0	0
	Outgo (Rs. In Lakhs)	0	128.18



ANNEXURE TO THE DIRECTORS' REPORT

- a) 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, 2013.**

Employed for part of the year with an average salary above Rs.5 Lakh per month.**NIL**