



kaveri seeds®



Towards Green Growth

*24<sup>th</sup> Annual Report 2010-11*



kaveri seeds®





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## Towards Green Growth



The challenges facing today's agriculture are more complex. Global issues such as food insecurity, climate change, depletion of natural resources- land & water and threat to biodiversity warrant immediate attention. Innovation in agriculture is the key to meet these challenges. Feeding the growing population through increasing agricultural productivity against concerns for environmental sustainability is a daunting task. First green revolution offered farmers new high yielding crop varieties that improved farm yields under intensive input management. Nonetheless, excessive use of fertilizers and abuse of pesticides threatened long term sustainability of the gains from green revolution technologies.

Respecting environment, conserving natural resources and safeguarding biodiversity are fundamental to sustainable growth. To feed our growing population, it will be necessary to enhance the rate of increase in the productivity of our food, feed and fibre crops, especially under stressful environments and limitations of natural resources. Increased pressure on natural resources and climate change imply 'business as usual growth model' is not a viable option and warrants a "green growth" strategy that ensures productivity growth through a sustainable path consistent with long term environmental safety. While agriculture is the engine of economic development green growth improves agricultural performance. Priority to research and development to bring innovations in agriculture and seed sector is the need of the hour.

Kaveri Seeds is committed to advance the cause of green growth of agriculture that begins with quality seed - the technology capsule. The Company envisions addressing to these challenges through innovative research, reliable seed supplies and stable markets. With the advances in science of molecular breeding, seeds men are empowered to breed the best.

At Kaveri, we are conscious that in the year's ahead, conjunct use of traditional breeding and genomics "green gene technologies" contribute to efficient ways of evolving super green hybrids.



## Review of Operations and Outlook

Your Company's performance for the year under review has been quite satisfactory despite not so favourable monsoon. Your Company's business has significantly improved on operational performance compared to previous year and also recorded a strong financial performance in terms of gross turnover of INR 23468.84 lakhs and improved growth rate of 43% while the profit after tax is INR 4247.51 lakhs and improved growth rate of 46.13%.

The financial strength continues to successfully steer your Company's business model, which is on the vigorous path of attaining market leadership in quality seed production and marketing at competitive level.

Your Company is consciously ensuring that its product development and marketing efforts match the needs of the farmers. It has accelerated steps to mark its presence in quality conscious premium markets and improve the reach of Company's products. The current initiative also includes transforming the Company into a cost effective producer to face the challenges of competitive market of the future.

Your Company is working towards ascending growth path, both in revenue as well as its earning. Sustainable medium and long term goal are our agenda. Our customer focus will always be in the back drop of stakeholder interest. Investors in Kaveri can look forward to robust and accelerated growth.

## The Company's core business Seed, The harbinger of Agri-wealth:

Seed business is the breeding business sans recession. In agriculture seed is the most critical input. The seeds of green revolution are high yielding OP varieties (HYV) & hybrids and their evolution has lead to quantum jump in food production. Quality seed is not merely a living entity of green revolution but a technology packed capsule that transformed the country from begging bowl to bread basket. The seed improvement process and reach of quality seed to the doorsteps of farmers has been possible through application of science in agriculture - innovations emanating from advances in genetics and biotechnology and other cognate fields of agriculture and allied sciences.

### Seed Means to ensure food security

Three years after the food crisis in 2007, the prices of basic food items are again rising rapidly, fueling new concerns about the food security of developing countries. The international prices of maize and wheat have almost doubled in 2010-2011. India's biggest challenge is to ensure food and nutritional security to its masses. Investment in Agriculture is the effective way of ensuring food security and economic growth. There is emphasis for another green revolution through sustainable intensification of agriculture. This implies a green growth strategy (GSS) that ensures productivity growth through a sustainable path consistent with long term environmental safety. Seed is the key player in this endeavour. Being the carrier of genetic potential, contributes to productivity increase thereby creating revenue pathways to farmers. The pressing need is for quality seed of varieties and hybrids that are not only high yielding but resilient to less inputs-water, fertilizers etc. Thus food security is interwoven with the seed security.

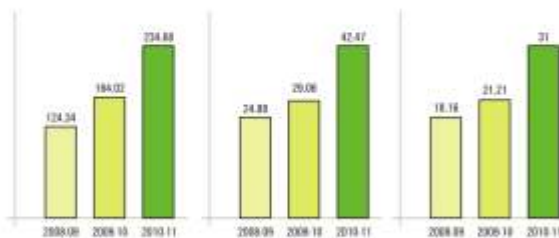
Agriculture is a way of life for more than hundred million farming families in India. This agrarian population helped India in achieving production of 241 million tones food grains in 2010-11. But the demand for food grains is projected at 280 million tones' by the year 2020-21. Although food grain production has since regained the requisite momentum thanks to the seed enterprises the agriculture sector is yet to reach the Eleventh Plan target of 4%. These projections are achievable only through development of High yielding hybrids, successful production of quality seed and appropriate support to the farming community. The industry is playing a prime role in production and delivering quality seed. Quantity of quality seeds handled crossed 100 lakh quintals as against 1 lakh quintals in the 60s. Growth of food grain production and seed production happened concomitantly, clearly dispelling linkage and

FINANCIAL PERFORMANCE OF LAST 3 YEARS	2010-11	2009-10	(Rs. In Crores) 2008-09
Gross Income	234.68	164.02	124.34
PBT	40.32	31.19	27.13
Net Profit After Tax	42.47	29.06	24.88
Diluted Earnings Per Share (Rs.)	31	21.21	18.16

Gross Income (Rs. In Crores)

Net Profit After Tax (Rs. In Crores)

Diluted Earnings per share (Rs.)



interdependence between the two - agricultural production and quality seed. Emphasis for a second green revolution (evergreen revolution) research innovation, regulatory measures and support of Government of India are a matter of great fillip to usher an era of excellence in seed production and marketing to make India a hub for quality seed production and international seed trade.

### Agricultural Growth Scenario

The inflation continues to be a cause of concern and remain close to the double digit. The growth of agriculture and allied sectors is a critical for the Indian economy. As per the 2010-11 advance estimates released by the CSO, the agriculture and allied sector accounted for 6.6 percent of the Gross Domestic Product (GDP).

During the first three years of the current Five Year Plan, the agriculture sector recorded an average growth of 2.03 percent against the Plan target of 4 percent per annum. In the first year of the current Plan (2007-08) the agriculture sector had achieved an impressive growth of 5.8 percent. However, this high growth could not be sustained in the following two years although 2008-09, was a year of record food production. In order to achieve the Plan target of average 4 percent per year, the agriculture sector needs to grow at 8.5 percent during 2011-12.

The need of the Agriculture sector is inverse responsibility of Seed industry which needs to address the following:

- Increased food production through best quality seeds to the nook and corner of the country
- Generation of technologies to produce crops with less water, less fertilizer and other agri-inputs.
- Genetic enhancement of disease and pest tolerance to reduce application of chemicals and minimizing production risks to the farmers.
- Breeding crops to enable farmers practice sustainable agriculture.

### Indian seed industry

Total value of seeds sold in India is estimated at INR 8,000 Crores. Private sector seed companies' account for about 70% of the total value of the seed marketed. In India, hybrid seeds dominate in crops- cotton, maize, bajra, and sunflower. The percentage of hybrid usage for these crops ranges from 55% to 100% in the total production at an estimated value of INR 2260 crores.

In response to changes that have taken place in the seed sector, a new Seed Bill is in the offing to (i) create conducive climate for growth of seed industry, (ii)

### Kaveri White gold





enhance seed replacement rates for various crops (iii) boost export of seeds and encourage import of useful germplasm (iv) create conducive atmosphere for application of frontier sciences in varietal development and for enhanced investment in research and development. Proposed legislation makes registration of seed compulsory and will, therefore, regulate seeds and planting material of all agricultural, horticultural, plantation crops, etc. so as to ensure availability of true to type seeds to farmers.

There is a great potential for raising productivity of all the major crops in India and seed industry can effectively contribute towards this goal by not only providing quality seeds but also through extension of production technologies.

#### Your Company - Kaveri

With a humble start in 1986, the Company is in the service of Indian Agriculture for more than 24 years. We have been working with a consensus reminder of ourselves about our vision to serve the farmers. Our quest to stand tall in the industry started with the innovation of the first ever proprietary private corn hybrid in South India. Today, we are the pride owners of large R&D manned by competent scientific and technical staff and producers of wide variety of hybrid products of corn, cotton, sunflower, bajra, jowar and rice among field crops, tomato, okra and chillies, among vegetables.

Our R&D team headed by internationally acclaimed

Scientists consists of subject matter experts in Plant Breeding and Biotechnology Seed Science and Technology, and Quality Assurance. The sole aim is to develop genetically pure and high yielding seeds that bring smile on the farmer's face and equally of our stakeholders. The Company's R&D targeted its research for developing hybrids that excel in the market with quality assurance. Genetically enhanced premium quality seed has been the hallmark of Kaveri for more than three decades. It nurtured competitive edge in the seed market through its high performing products with over 600 acres of farm land owned by the company and dedicated team of researchers, the company is conscious of the changing needs of farmers and consumers to design and develop productive hybrids. The R&D focus centers round conventional breeding and breeding by design using biotechnology to advance the yield frontier and stabilize through incorporation of genetic resistance to biotic and abiotic stresses. During the year, our R&D strived hard to accelerate to new and sustained levels of innovation as exemplified by the performance of pipe line hybrids in All India Coordinated Trials and commercial launching of premier hybrids.

In view of demand for high quality and more variety in vegetables, Kaveri R&D is laying new thrust to vegetables with emphasis on tomato, okra and chilly. As biotechnology steers the breeding process in the near future, our R&D is being geared up by strengthening human resources and expanding the infrastructure. A battery of transgenic containment units are in operation at

#### Maintenance Breeding of Sunflower



Gowaram and building mega greenhouses for Flori and Olericulture for export to European and gulf markets is under progress. Fortifying BT cotton with herbicide tolerance (HT) and drought tolerance (DT) continues to be our research agenda. Hybrid rice with huge market potential is the next major attraction for the Company's business. Current production problems of quality seed production of Hybrid seed of paddy are not insurmountable. The Company's R&D is striving hard to overcome the bottle necks for tapping the huge market potential of Hybrid rice.

On the performance front, the Company's premier BT cotton hybrids-Jadoo and Jack pot, and bajra hybrid-Super Boss launched earlier are doing good in the market. OPV's Sampada (red gram) Sampoorna (paddy) have also created a niche market. Based on National Evaluation process the ICAR has identified hybrid KMH 3712 for Punjab, Delhi, Haryana & Western U.P & Rajasthan, Gujarat & Madhya Pradesh & Bihar, Bengal & Eastern U.P for Kharif. Four of our paddy hybrids KPH 216, KPH 37, KPH 272, and KPH 199 did well in National trials and promoted to next stage of evaluation. Similarly, hybrids X 563 (Bajra) and KSH 950 (Jowar) are of great promise and likely to hit the market soon.

Performance is a reflection of excellence and best practices being followed across business functions. Your Company scaled new heights in seed and agribusiness by figuring in Forbes listing under top 200 companies, under a billion in Asia - Pacific region.

At Kaveri quality research, best of practices in seed processing, handling, storage, and quality control are followed. The utility value of seed and its performance would go in vain when the soil is maligned and doesn't aptly respond to the sprout and growth of the crop. In order to cater to this requirement, we have the Microteck under which brand the micronutrients and organic products are marketed. As a natural recourse, Kaveri Seeds had setup an exclusive base to develop chemical-free, green pesticides, fungicides and yield enhancers. We at Kaveri believe in more benefits to our stakeholders. The Team-Kaveri exudes sheer vibrancy to react to market demands and consistently ensure its activities to be more eco and farmer centric with the steps being undertaken, the future would certainly bring in elevated performance of the Company and joy to the farming community and value for money to share holders.

Among the top 200 in Asian





**Board of Directors**

Sri G.V. Bhaskar Rao	-	Chairman & Managing Director
Smt. G. Vanaja Devi	-	Whole time Director
Sri R. Venumanohar Rao	-	Whole time Director
Sri G. Pawan	-	Non Executive Director
Sri C. Vamsheedhar	-	Whole time Director
Sri C. Mithun Chand	-	Whole time Director
Sri M. Srikanth Reddy	-	Independent Director
Dr. Yeshwant Laxman Nene	-	Independent Director
Sri K.V. D. Prasad Rao	-	Independent Director
Sri P. Vara Prasad Rao	-	Independent Director
Dr. S. Raghuvardhan Reddy	-	Independent Director
Dr. S.M. Ilyas	-	Independent Director

**Chief Financial Officer**

- Sri K.V. Chalapathi Reddy

**Company Secretary & Compliance Officer**

- Sri V.R.S. Murti

**Registered Office:**

513-B, 5th Floor, Minerva Complex, S.D. Road,  
 Secunderabad - 500 003, A.P., India.  
 Tel: +91 40 - 2772 1457 / 2784 2398 Fax: +91 40 - 2781 1237  
 Email: cs.kaveri@gmail.com web: www.kaveriseeds.in

**Statutory Auditors:**

M/s. P.R. Reddy & co., Chartered Accountants  
 7-70/41, Maheswari Nagar, Street No.8, Habsiguda, Hyderabad - 500 007.

**Bankers:**

Indian Overseas Bank, Himayat Nagar Branch  
 Axis Bank Limited, Secunderabad Branch  
 HDFC Bank Limited, Likidikapool  
 ICICI Bank Limited, Secunderabad Branch

**Registrars & Share Transfer Agents:**

M/s. Bigshare Services Pvt. Ltd.  
 G-10, Left Wing, Amruthaville, Somajiguda, Rajbhavan Road,  
 Hyderabad - 500 082. Tel No.s: +91 40 - 2337 4967 / 0295  
 Email: bsshyd@bigshareonline.com

## NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of Kaveri Seed Company Limited will be held on Tuesday the 27th day of September 2011 at 11.15 AM at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad 500 004, A.P., to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on the Equity Shares for the Financial Year 2010-11.
3. To appoint a Director in place of Dr. G.Pawan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Y.L.Nene, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sri M.Srikanth Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. P.R.Reddy & Co., (Registration No.0032685) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

**"RESOLVED THAT** Dr. S.Raghuvardhan Reddy, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 21st October 2010 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company".
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

**"RESOLVED THAT** Dr. S.M.Ilyas, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 16th May 2011 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company".
9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

**"RESOLVED THAT** pursuant to the provisions of Sections, 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (Act) read with Schedule XIII to the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment and remuneration payable to Sri G.V.Bhaskar Rao, Managing Director designated as Chairman of the Company (not liable to retire by rotation) for a further period of five years with effect from 15th November 2011 to 14th November 2016 on the terms & conditions and remuneration as set out below.



**A) SALARY** : Rs.5,45,000/- Per Month in the Pay Scale of Rs.5,45,000 - Rs1,70,000 - Rs. 8,85,000 for the Period of three years w.e.f. 1st April 2011 to 31st March 2014.

## B) PERQUISITES

### Category A

1. Housing : Rent Free Accommodation or House Rent Allowance of Rs..1,50,000 /- per month.
2. Medical Reimbursement : a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.  
b) Mediclaim Insurance as per rules of the Company.
3. Leave Travel Assistance : For self & family once in a year as per the rules of the Company.

### EXPLANATION

For the purpose of 2 & 3 above, family means, the spouse, the dependent children and dependent parents of the appointee.

### Category B

1. Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
2. Encashment of leave as per the rules of the Company.

### Category C

1. Personal Accident Insurance: Premium not exceeding Rs.25,000/- per annum.
2. Club Fees : Fees of clubs subject to a maximum of two Clubs. This will not include admission and life Membership fee.
3. Provision of Company's Car with Driver & Telephone at residence and mobile Phone for use on Company's business.

## (C) COMMISSION

In addition to the above salary and perquisites, commission will also be payable upto 1.0% of the net profits of the Company calculated in the manner referred to in Section 198 of the Companies Act, 1956, as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** subject to the above mentioned overall limit, the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Sri G.V.Bhaskar Rao.

**RESOLVED FURTHER THAT** the end of three years the appointee shall be paid such remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. G.V.Bhaskar Rao, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, commission or any other allowances as specified

above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration”.

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections, 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (Act) read with Schedule XIII to the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment and remuneration payable to Smt. G. Vanaja Devi as Whole time Director of the Company (not liable to retire by rotation) for a further period of five years with effect from 15th November 2011 to 14th November 2016 on the terms & conditions and remuneration as set out below:

**A) SALARY** : Rs.3,40,000/- Per Month in the Pay Scale of Rs.3,40,000 - Rs. 1,05,000 - Rs. 5,50,000 for the Period of three years w.e.f. 1st April 2011 to 31st March 2014.

#### **B) PERQUISITES**

##### **Category A**

1. Housing : Rent Free Accommodation or House Rent Allowance of Rs.90,000 /- per month.
- 2) Medical Reimbursement : a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.  
b) Mediclaim Insurance as per rules of the Company.
- 3) Leave Travel Assistance : For self & family once in a year as per the rules of the Company.

##### **EXPLANATION**

For the purpose of 2 & 3 above, family means, the spouse, the dependent children and dependent parents of the appointee.

##### **Category B**

- 1) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- 2) Encashment of leave as per the rules of the Company.

##### **Category C**

- 1) Personal Accident Insurance : Premium not exceeding Rs.25,000/- per annum.
- 2) Club Fees : Fees of clubs subject to a maximum of two Clubs. This will not include admission and life Membership fee.
- 3) Provision of Company's Car with Driver & Telephone at residence and mobile Phone for use on Company's business.



**(C) COMMISSION**

In addition to the above salary and perquisites, commission will also be payable upto 1.0% of the net profits of the Company calculated in the manner referred to in Section 198 of the Companies Act, 1956, as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** subject to the above mentioned overall limit, the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Smt. G. Vanaja Devi.

**RESOLVED FURTHER THAT** the end of three years the appointee shall be paid such remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Smt. G. Vanaja Devi, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration”.

11. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**\*RESOLVED THAT** pursuant to the provisions of Sections, 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (Act) read with Schedule XIII to the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment and remuneration payable to Sri R. Venu Manohar Rao as Whole time Director of the Company (not liable to retire by rotation) for a further period of five years with effect from 15th November 2011 to 14th November 2016 on the terms & conditions and remuneration as set out below:

**A) SALARY** : Rs.1,94,000/- Per Month in the Pay Scale of Rs.1,94,000 - Rs.1,00,000 - Rs. 3,94,000 for the Period of three years w.e.f. 1st April 2011 to 31st March 2014.

**B) PERQUISITES****Category A**

1. Housing : Rent Free Accommodation or House Rent Allowance of Rs.46,000 /- per month.
- 2) Medical Reimbursement : a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.  
b) Mediclaim Insurance as per rules of the Company.
- 3) Leave Travel Assistance : For self & family once in a year as per the rules of the Company.

**EXPLANATION**

For the purpose of 2 & 3 above, family means, the spouse, the dependent children and dependent parents of the appointee.

**Category B**

- 1) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- 2) Encashment of leave as per the rules of the Company.

**Category C**

- 1) Personal Accident Insurance: Premium not exceeding Rs.25,000/- per annum.
- 2) Club Fees : Fees of clubs subject to a maximum of two Clubs. This will not include admission and life Membership fee.
- 3) Provision of Company's Car with Driver & Telephone at residence and mobile Phone for use on Company's business.

**(C) COMMISSION**

In addition to the above salary and perquisites, commission will also be payable upto 1.0% of the net profits of the Company calculated in the manner referred to in Section 198 of the Companies Act, 1956, as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** subject to the above mentioned overall limit, the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Sri R. Venu Manohar Rao.

**RESOLVED FURTHER THAT** the end of three years the appointee shall be paid such remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. R.Venu Manohar Rao, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration".

12. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**\*RESOLVED THAT** pursuant to the provisions of Sections, 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (Act) read with Schedule XIII to the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment and remuneration payable to Sri C. Vamsheedhar as Whole time Director of the Company (liable to retire by rotation) for a further period of five years with effect from 15th November 2011 to 14th November 2016 on the terms & conditions and remuneration as set out below:.

**A) SALARY** : Rs.1,29,000/- Per Month in the Pay Scale of Rs.1,29,000 - Rs. 50,000 - Rs. 2,29,000/- for the Period of three years w.e.f. 1st April 2011 to 31st March 2014.

**B) PERQUISITES****Category A**

1. Housing : Rent Free Accommodation or House Rent Allowance of Rs..36,000 /- per month.



- 2) Medical Reimbursement : a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.  
b) Mediclaim Insurance as per rules of the Company.
- 3) Leave Travel Assistance : For self & family once in a year as per the rules of the Company.

**EXPLANATION**

For the purpose of 2 & 3 above, family means, the spouse, the dependent children and dependent parents of the appointee.

**Category B**

- 1) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- 2) Encashment of leave as per the rules of the Company.

**Category C**

- 1) Personal Accident Insurance: Premium not exceeding Rs.25,000/- per annum.
- 2) Club Fees : Fees of clubs subject to a maximum of two Clubs. This will not include admission and life Membership fee.
- 3) Provision of Company's Car with Driver & Telephone at residence and mobile Phone for use on Company's business.

**(C) COMMISSION**

In addition to the above salary and perquisites, commission will also be payable upto 1.0% of the net profits of the Company calculated in the manner referred to in Section 198 of the Companies Act, 1956, as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** subject to the above mentioned overall limit, the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Sri C.Vamsheedhar.

**RESOLVED FURTHER THAT** the end of three years the appointee shall be paid such remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. C. Vamsheedhar, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration".

13. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**\*RESOLVED THAT** pursuant to the provisions of Sections, 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (Act) read with Schedule XIII to the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment and remuneration payable to Sri C. Mithun Chand as Whole time Director of the Company (liable to retire by rotation) for a further period of five years with effect from 15th November 2011 to 14th November 2016 on the terms & conditions and remuneration as set out below:.

**A) SALARY** : Rs.1,29,500/- Per Month in the Pay Scale of Rs.1,29,500 - Rs.41,500 - Rs. 2,12,500/- for the Period of three years w.e.f. 1st April 2011 to 31st March 2014.

**B) PERQUISITES**

**Category A**

1. Housing : Rent Free Accommodation or House Rent Allowance of Rs.42,000 /- per month.
2. Medical Reimbursement : a)Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.  
b)Medicclaim Insurance as per rules of the Company.
- 3) Leave Travel Assistance : for self & family once in a year as per the rules of the Company.

**EXPLANATION**

For the purpose of 2 & 3 above, family means, the spouse, the dependent children and dependent parents of the appointee.

**Category B**

- 1) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- 2) Encashment of leave as per the rules of the Company.

**Category C**

- 1) Personal Accident Insurance: Premium not exceeding Rs.25,000/- per annum.
- 2) Club Fees : Fees of clubs subject to a maximum of two Clubs. This will not include admission and life Membership fee.
- 3) Provision of Company's Car with Driver & Telephone at residence and mobile Phone for use on Company's business.

**(C) COMMISSION**

In addition to the above salary and perquisites, commission will also be payable upto 1.0% of the net profits of the Company calculated in the manner referred to in Section 198 of the Companies Act, 1956, as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** subject to the above mentioned overall limit, the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Sri C.Mithun Chand.

**RESOLVED FURTHER THAT** the end of three years the appointee shall be paid such remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,



**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. C.Mithun Chand, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration".

By order of the Board  
For KAVERI SEED COMPANY LIMITED

Sd/-

G.V.BHASKAR RAO  
Managing Director

10.08.2011  
Secunderabad

#### NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** In order to become valid, the proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. The register of members and share transfer books of the Company will remain closed from **24<sup>th</sup> day of September 2011 to 27<sup>th</sup> day of September 2011** (both days inclusive).
4. The dividend on equity shares @ 25% i.e., Rs.2.50/- per share as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid to those Members whose names appear on the Company's Register of Members on **27<sup>th</sup> September 2011** in respect of shares held in electronic form, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited and Central Depository Services Limited as beneficial owners as on that date.
5. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents M/s.Bigshare Services Pvt. Ltd, G-10, Left Wing, Amrutha Ville, Opp. Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad 500082. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs). Further, requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management.
6. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the electronic clearing System (ECS). For this purpose, the details such as, name of the bank, name of the branch, 9-digit code number appearing on the MICR band of the cheque supplied by the bank, account type, account number etc., are to be furnished to your DP if the shares are in electronic form or to the Registrars & Transfer Agents if they are held in physical mode.
7. As part of the 'Green initiative in Corporate Governance' the Ministry of Corporate Affairs by its circulars dated 21st April 2011 and 29th April 2011 has permitted companies to send various notices/documents (including notice calling Annual General Meeting, Audited Financial documents, Directors' Report, Auditors' Report etc.,) to their shareholders through the electronic mode to the registered e-mail addresses of shareholders.

We encourage our Members to participate in this green initiative and update their e-mail IDs and receive the communications through the electronic mode. Those who wish to receive future communications in electronic mode are requested to send their e-mail ID to the Registrars & Transfer Agents of the Company. If the shares are held in electronic mode, kindly have your e-mail registered with your respective DP.



## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

### ITEM NO.7 & 8

The Board of Directors at its meeting held on 15th November 2010 has appointed Dr. S.Raghuvardhan Reddy as an Additional Director of the Company with effect from 21st October 2010. The Board has also appointed Dr. S.M.Ilyas as an Additional Director of the Company with effect from 16th May 2011. As per the provisions of Section 260 of the Companies Act, read with Article 141 of the Articles of Association of the Company, these two Directors hold office only upto the date of the forthcoming Annual general Meeting of the Company, and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Act, in respect of the candidates, proposing their appointment as Directors of the Company.

A brief profile of Dr. S.Raghuvardhan Reddy and Dr. S.M.Ilyas have been provided in the Report on Corporate Governance forming part of the Annual Report under Clause 49 of the Listing Agreement with the Stock Exchanges in India.

Keeping in view the experience and expertise of these persons, the Board considers it desirable that the Company should continue to avail the services of Dr. S.Raghuvardhan Reddy and Dr. S.M.Ilyas and accordingly commends the Resolutions at Item No.7 & 8 for approval by the Members.

Dr. S.Raghuvardhan Reddy and Dr. S.M.Ilyas are concerned or interested in the Resolution of the accompanying Notice relating to their own appointment.

### ITEM NO.9

Sri G.V.Bhaskar Rao was re-appointed as Managing Director of the Company at the Extra Ordinary General Meeting of the members of the Company held on 30th December 2006, for a period of five years ending 14th November 2011. As part of the initiative to create enduring guidance for the Company and the Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company, the Board of Directors at their meeting held on 10th August 2011, had approved the re-appointment of Sri G.V.Bhaskar Rao as Managing Director designated as Chairman of the Company for a further period of five years commencing 15th November 2011 on the terms and conditions and remuneration as set out in resolution No.9 of the accompanying notice.

Under the provisions of Sections 198, 269, 309, 310 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956 (Act), consent of the Members of the Company is required for the reappointment of and fixation of remuneration payable to the Managing Director. The Board of Directors, based on the recommendation of Remuneration Committee has fixed the pay scale of remuneration payable to him for a period of three years with effect from 1st April 2011 to 31st March 2014, the Committee is of the view that the remuneration package is commensurate with the operations of the Company. At the end of three years the appointee shall be paid the aforementioned remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

A brief profile of Sri G.V.Bhaskar Rao and names of companies in which he holds directorships and memberships of Board/Committees, as stipulated under clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The terms of revision of remuneration as set out in item No.9 of the Notice may be treated as an abstract of the terms of revision of remuneration of Mr. G.V.Bhaskar Rao for the purpose of Section 302 of the Act.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Sri G.V.Bhaskar Rao, Managing Director, Smt. G.Vanaja Devi, Sri R.Venu Manohar Rao, Sri C.Vamsheedhar, Sri C.Mithun, Chand, Whole time Directors and Sri G.Pawan, Director being a relative, may be deemed to be concerned or interested in the resolution.

**ITEM NO.10**

Smt. G.Vanaja Devi was re-appointed as Whole time Director of the Company at the Extra Ordinary General Meeting of the members of the Company held on 30th December 2006, for a period of five years ending 14th November 2011. The Board recognizes the significant contribution made by her in the present operations and growth of the Company, the Board of Directors of the Company, at their meeting held on 10th August 2011, had approved the re-appointment of Smt. G.Vanaja Devi as Whole time Director of the Company for a further period of five years commencing 15th November 2011 on the terms and conditions and remuneration as set out in resolution No.10 of the accompanying notice.

Under the provisions of Sections 198, 269, 309, 310 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956 (Act), consent of the Members of the Company is required for the reappointment of and fixation of remuneration payable to the Whole time Director. The Board of Directors, based on the recommendation of Remuneration Committee has fixed the pay scale of remuneration payable to her for a period of three years with effect from 1st April 2011 to 31st March 2014, the Committee is of the view that the remuneration package is commensurate with the operations of the Company. At the end of three years the appointee shall be paid the aforementioned remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

A brief profile of Smt. G.Vanaja Devi and names of companies in which he holds directorships and memberships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The terms of revision of remuneration as set out in item No.10 of the Notice may be treated as an abstract of the terms of revision of remuneration of Smt. G.Vanaja Devi for the purpose of Section 302 of the Act.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Smt. G.Vanaja Devi, Whole time Director, Sri G.V.Bhaskar Rao, Managing Director, Sri R.Venu Manohar Rao, Sri C.Vamsheedhar, Sri C.Mithun, Chand, Whole time Directors and Sri G.Pawan, Director being a relative, may be deemed to be concerned or interested in the resolution.

**ITEM NO.11**

Sri R.Venu Manohar Rao was re-appointed as Whole time Director of the Company at the Extra Ordinary General Meeting of the members of the Company held on 30th December 2006, for a period of five years ending 14th November 2011. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company, the Board of Directors at their meeting held on 10th August 2011, had approved the re-appointment of Sri R. Venu Manohar Rao as Whole time Director of the Company for a further period of five years commencing 15th November 2011 on the terms and conditions and remuneration as set out in resolution No.11 of the accompanying notice.

Under the provisions of Sections 198, 269, 309, 310 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956 (Act), consent of the Members of the Company is required for the reappointment of and fixation of remuneration payable to the Whole time Director. The Board of Directors, based on the recommendation of Remuneration Committee has fixed the pay scale of remuneration payable to him for a period of three years with effect from 1st April 2011 to 31st March 2014, the Committee is of the view that the remuneration package is commensurate with the operations of the Company. At the end of three years the appointee shall be paid the aforementioned remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,



A brief profile of Sri R.Venu Manohar Rao and names of companies in which he holds directorships and memberships of Board/Committees, as stipulated under clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The terms of revision of remuneration as set out in item No.11 of the Notice may be treated as an abstract of the terms of revision of remuneration of Mr. R.Venu Manohar Rao for the purpose of Section 302 of the Act.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Sri R.Venu Manohar Rao, Whole time Director, Sri G.V.Bhaskar Rao, Managing Director, Smt. G.Vanaja Devi, Sri C.Vamsheedhar, Sri C.Mithun, Chand, Whole time Directors and Sri G.Pawan, Director being a relative, may be deemed to be concerned or interested in the resolution.

#### ITEM NO.12

Sri C.Vamsheedhar was appointed as Whole time Director of the Company at the Extra Ordinary General Meeting of the members of the Company held on 30th December 2006, for a period of five years ending 14th November 2011. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company, the Board of Directors at their meeting held on 10th August 2011, had approved the re-appointment of Sri C.Vamsheedhar as Whole time Director of the Company for a further period of five years commencing 15th November 2011 on the terms and conditions and remuneration as set out in resolution No.12 of the accompanying notice.

Under the provisions of Sections 198, 269, 309, 310 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956 (Act), consent of the Members of the Company is required for the reappointment of and fixation of remuneration payable to the Whole time Director. The Board of Directors, based on the recommendation of Remuneration Committee has fixed the pay scale of remuneration payable to him for a period of three years with effect from 1st April 2011 to 31st March 2014, the Committee is of the view that the remuneration package is commensurate with the operations of the Company. At the end of three years the appointee shall be paid the aforementioned remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

A brief profile of Sri C.Vamsheedhar and names of companies in which he holds directorships and memberships of Board/Committees, as stipulated under clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The terms of revision of remuneration as set out in item No.12 of the Notice may be treated as an abstract of the terms of revision of remuneration of Mr. C.Vamsheedhar for the purpose of Section 302 of the Act.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Sri C.Vamsheedhar, Whole time Director, Sri G.V.Bhaskar Rao, Managing Director, Sri R.Venu Manohar Rao, Smt. G.Vanaja Devi, Sri C.Mithun, Chand, Whole time Directors and Sri G.Pawan, Director being a relative, may be deemed to be concerned or interested in the resolution.

#### ITEM NO.13

Sri C.Mithun Chand was appointed as Whole time Director of the Company at the Extra Ordinary General Meeting of the members of the Company held on 30th December 2006, for a period of five years ending 14th November 2011. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company, the Board of Directors at their meeting held on 10th August 2011, had approved the re-appointment of Sri C. Mithun Chand as Whole time Director of the Company for a further period of five years commencing 15th November 2011 on the terms and conditions and remuneration as set out in resolution No.13 of the accompanying notice.



Under the provisions of Sections 198, 269, 309, 310 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956 (Act), consent of the Members of the Company is required for the reappointment of and fixation of remuneration payable to the Whole time Director. The Board of Directors, based on the recommendation of Remuneration Committee has fixed the pay scale of remuneration payable to him for a period of three years with effect from 1st April 2011 to 31st March 2014, the Committee is of the view that the remuneration package is commensurate with the operations of the Company. At the end of three years the appointee shall be paid the aforementioned remuneration as may be decided by the Board of Directors/Shareholders in accordance with the prevailing Rules & Regulations etc.,

A brief profile of Sri C. Mithun Chand and names of companies in which he holds directorships and memberships of Board/Committees, as stipulated under clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The terms of revision of remuneration as set out in item No.13 of the Notice may be treated as an abstract of the terms of revision of remuneration of Mr. C.Mithun Chand for the purpose of Section 302 of the Act.

Accordingly, the Board recommends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Sri C.Mithun Chand, Whole time Director, Sri G.V.Bhaskar Rao, Managing Director, Sri R.Venu Manohar Rao, Smt. G.Vanaja Devi, Sri C.Vamsheedhar, Whole time Directors and Sri G.Pawan, Director being a relative, may be deemed to be concerned or interested in the resolution.

By order of the Board  
For KAVERI SEED COMPANY LIMITED

Sd/-  
G.V.BHASKAR RAO  
MANAGING DIRECTOR

Date: 10.08.2011

Place: Secunderabad

#### Cold storage facility for seed reserves at Pamulaparthi Plant



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the financial Year ended 31st March 2011.

## FINANCIAL RESULTS

(Rs. in Lakhs)

	2010-11	2009-10
Gross Turnover	23468.84	16402.68
Profit before Depreciation, Interest and Taxes.	5486.67	3715.85
Depreciation/ Amortization	1019.31	414.52
Interest	434.94	182.29
Profit before Tax	4032.42	3119.04
Provision for Tax/Deferred Tax	215.09	212.51
Net Profit	4247.51	2906.53
Balance brought forward from Previous Year	5366.68	3779.70
Balance available for appropriation	9614.19	6686.24
<b>Appropriations:</b>		
Proposed Dividend including Tax	398.13	319.55
Transfer to General Reserve	1000.00	1000.00
Balance carried to Balance Sheet	8216.07	5366.68

## FINANCIAL HIGHLIGHTS

During the year, your Company's business has significantly improved in all aspects - revenues, operating income, profit before tax, profit after tax and earnings per share. The gross turnover growth of over 43% at Rs.23468.84 lakhs was a reflection of success of our strategic initiatives for quantum jump in seed sales. Net Profit after Tax at Rs.4247.51 lakhs was higher by 46.13% over Rs.2906.53 lakhs than in the previous year. It is a new high for your Company Earning Per Share (EPS) @ Rs. 31.00 compared to Rs.21.21 of last year.

Your Company is striving hard for accelerated growth in revenues as well as earnings. Sustainable medium and long-term goals are being envisioned and pursued. Our customer focus will always be in tandem with our stakeholder's interest. Investors in Kaveri can look forward for robust growth.

Your Company will always endeavor to leverage its technological and product strength to enhance augmentation of the company. This sustainable growth model is being further augmented with innovation and initiatives that will further growth of the company.

## REVIEW OF OPERATIONS

Your Company is making all out efforts to ensure that the products developed are in tune with the needs of the farmers and initiated several steps to mark its presence in the premium markets. Reducing the marketing lag and improve the reach of Company's products are some of the current initiatives that are expected to help the Company to be a cost effective producer that enable your Company to meet the challenges of competitive markets in the future.

Your Company continues to reinvent itself in its product portfolio - both in number and performance. The Company's premier BT cotton hybrids - Jadoo and Jackpot, and bajra hybrid- Super Boss launched earlier are doing good in the seed market and in the farmer's fields. Sampada (red gram) Sampoorna (paddy) have also created niche markets. Based on National Evaluation process, the ICAR has identified Company's maize hybrid KMH 3712 for Punjab, Delhi, Haryana, Western U.P., Rajasthan, Gujarat, Madhya Pradesh, Bihar, and W. Bengal & Eastern U.P. Four of our paddy hybrids KPH216, KPH 371, KPH272 & KPH 199 excelled in National trials and advanced to next stage of evaluation. In a similar vein, X 563 (Bajra) and KSH 950 (Jowar) are the hybrids of promise and likely to hit the market soon. Some success has been achieved in vegetable breeding; Tomato hybrids- KTH 104, KTH 204, Okra hybrids - Kaveri Nadia Kaveri Leena hold promise and hope for the Company's business. Significant progress has been made in breeding yellow vein mosaic virus resistant Okra hybrids.



Germplasm or the genetic wealth is the most vital asset of the Company. The vast collection of germplasm that accrued over the years has been streamlined for conserving in "Gene Bank" built in as part of the newly commissioned cold storage unit and Seed Bank at Pamulaparty. Realizing the importance of multi environment evaluation of Company's hybrids, the Company strengthened the system of out reach evaluation through organizing multi location trials. In order to establish legal ownership of the Company's hybrids and their parental lines, efforts are underway to registering the lines with PPV&FR authority. Till date, ~140 applications were filed with PPV&FRA of which twenty cleared through DUS testing.

#### OUTLOOK

To augment finite natural resources -land and water, the Company has embarked on plans to bring more area for seed production of Foundation seed with judicious use of rain water. Towards this goal, more farm area has been brought under plough for commercial production of seed and intensified efforts on rain water harvest for use in new cropped area.

The twin challenges in current agriculture is to increase the production and productivity of field crops through a green growth strategy. Concurrently, your company is giving emphasis to high value agriculture by way of protective cultivation of premium vegetables. Demand for vegetables at home and for export is increasing. In view of the demand for higher quality and more variety in vegetables, the Company is laying new thrust on vegetable breeding with emphasis on tomato, okra and chilly. Your Company has plans to grow high value vegetables for export. Despite stiff opposition to GM technology, environmental, quality and production efficiency benefits will eventually tilt in favour of wide adoption of the transgenic crops in the country. Deregulation of Bt brinjal is on the cards. With Bt brinjal getting clearance soon for commercial planting, a host of GM crops follow suit, ushering an era of biotech crops. Biotechnology is destined to steer the breeding process in the near future. Realising this, your Company has built state of the art transgenic containment bays and put into operation at Pamulaparthly. Building of mega greenhouses for Flori and Olericulture are in progress as the Company is looking forward for business in overseas markets. Hybrid rice with huge trade off is still the major attraction for the Company's investment. Production problems of quality seed production of Hybrid paddy seed are being tackled. Your company's R&D is geared to absorb and adopt new technologies in crop breeding. Being India's leading Seed Company, the focus centers round conventional breeding and breeding by design using biotechnology to advance the yield frontier and stabilize through incorporation of genetic resistance to biotic and abiotic stresses. Your Company is striving for new and sustained levels of recognition exemplified by the performance of pipe line hybrids in All India Coordinated Trials and commercial launching of premier cotton, bajra and maize hybrids. Conjunct use of Breeding and Biotechnology is on the anvil for developing biotic resistant rice hybrids.

#### Visit of Independent Directors to R&D Labs.





### RESEARCH & DEVELOPMENT

Three years after the food crisis in 2007, the prices of basic food items are again rising rapidly, fueling new concerns about the food security of developing countries. The international prices of maize and wheat have almost doubled in 2010 - 2011 India's biggest challenge is to ensure food and nutritional security to its masses. Investment in Agriculture R&D is the effective way of ensuring food security and economic growth. There is emphasis for another green revolution through sustainable intensification of agriculture. This implies a green growth strategy (GSS) that ensures productivity growth through a sustainable path consistent with long term environmental safety. Seed is the key player in this endeavour. Being the carrier of genetic potential, contributes to productivity increase thereby creating revenue pathways to farmers. The pressing need is for quality seed of varieties and hybrids that are not only high yielding but resilient to less inputs-water, fertilizers etc. Thus food security is interwoven with the seed security.

The Kaveri Seed Company's R&D targeted its research for developing hybrids that excel in the market with quality assurance. Genetically enhanced premium quality seed has been the hallmark of Kaveri for more than three decades, The Company with vast experience in seed production of major agricultural crops backed by a very strong in-house R&D programme for crops-maize, cotton, sunflower, bajra, sorghum, rice and several vegetable crops nurtured a competitive edge in seed and agribusiness. With over 600 acres of farm land owned by the company and dedicated team of researchers, the company is conscious of the changing needs of farmers and consumers to design and develop productive hybrids that fetch rewarding returns. Being India's leading Seed Company, the R&D focus centers round conventional breeding and breeding by design using biotechnology to advance the yield frontier and stabilize through incorporation of genetic resistance to biotic and abiotic stresses. During the year under report, our R&D strived hard to accelerate to new and sustained levels of innovation as exemplified by the performance of pipe line hybrids in All India Coordinated Trials and commercial launching of premier hybrids.

### DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.2.50/- per Equity Share of Rs.10/- each (25%) for the financial year 2010-11. The dividend, on approved at the ensuing Annual General Meeting, will be paid to the shareholders whose names appear in the register of the Company as on 24th September 2011. The dividend would be tax-free in the hands of the shareholders.

### CORPORATE GOVERNANCE

The certificate of the Statutory Auditor M/s. P.R. Reddy & Co., confirming of compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is annexed.

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided in a separate section elsewhere in this Annual Report.

### FIXED DEPOSITS

Your Company has not accepted any deposits under Section 58A of the Companies Act, 1956 and hence no amount of principal or interest was out standing as on date of this Annual Report.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Dr. G. Pawan, Dr. Y.L. Nene and Sri M. Srikanth Reddy, Directors retire by rotation at the forthcoming Annual General Meeting scheduled on 27th September 2011 will be eligible for re-appointment. The brief profiles of Dr. G. Pawan, Dr. Y.L. Nene and Sri M. Srikanth Reddy are given in the Corporate Governance section of the Annual Report for information.

The Board of Directors at their meeting held on 10th August 2011 had re-appointed Sri G.V. Bhaskar Rao, Managing Director designated as Chairman, Smt. G. Vanaja Devi, Sri R. Venu Manohar Rao, Sri C. Vamsheedhar and Sri C. Mithun Chand, Whole time Directors of the Company for a further period of five years with effect from 15th November 2011. These re-appointments are subjected to shareholder's approval and the resolutions to this effect have accordingly been included in the notice convening 24th Annual General Meeting scheduled for 27th September 2011. A brief profile of the above said Directors are provided in the section on Corporate Governance.

### AUDITORS

The term of Statutory Auditors of the Company M/s. P.R. Reddy & Co. Chartered Accountants, expires with the ensuing Annual General Meeting. However, they expressed willingness to serve as Statutory Auditors for another year. The Audit Committee and the Board of Directors recommend reappointment of M/s. P.R. Reddy & Co., Statutory Auditors of the Company for the financial year 2011-12 for shareholder's approval.

### RECONCILIATION OF SHARE CAPITAL AUDIT

A Reconciliation of Share Capital Audit for the year 2010-11 was carried out by Mr. A.N. Sarma, Practicing Company Secretary. The said Reconciliation of Share Capital audit confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1996 and all the regulations of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended, your Directors confirm as under:

- i) In preparation of Annual Accounts, the applicable Accounting Standards has been followed along with proper explanation relating to material departures;
- ii) We have 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 2010-11 and of profit 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) We have prepared the annual accounts on an on-going concern basis

### PARTICULARS OF EMPLOYEES

The particulars of employees as required to be disclosed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended are annexed to the Directors' Report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I which forms part of this Report.

### EMPLOYEE STOCK OPTION SCHEME

The Members of the Company through Postal Ballot on 9th January 2009 have approved formulation of Employee Stock Option Scheme 2009 (KSCL ESOP 2009) to the eligible employees of the Company. Further, the modification was approved by the members in their Annual General Meeting held on 22nd September 2009. Pursuant the Scheme, the Company has granted 1,37,000 options on 28th January 2010 to the eligible Employees of the Company at a price of Rs.170/- per option, being below the market price. Each option entitles the holder thereof to apply for and be allotted an ordinary share of the Company of the nominal value of Rs.10/- each, upon payment of the exercise price during the exercise period. During the year, no employee was exercised the options, hence, there is no options were allotted under the Scheme. Details of the options granted and lapsed up to 31st March 2011 are set out in the Annexure II to this Report.



as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

#### INDUSTRIAL RELATIONS

The Company enjoyed cordial relations with its employees at all levels. Your Directors record their appreciation of the support and co-operation of all employees and count on them for the accelerated growth of the Company.

#### ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for the dedication and commitment of the employees at all levels and their significant contribution to your Company's growth. Your Company is grateful to the Distributors, Dealers, and Customers for their trust, support and encouragement. Your Directors thank the Banks, Financial Institutions, Government Departments and Shareholders and look forward for renewed support in all our future endeavors.

Secunderabad,  
10th August 2011

Sd/-  
G. VANAJA DEVI  
Wholetime Director

For and on behalf of the Board  
Sd/-  
G.V. BHASKAR RAO  
Managing Director

Team Kaveri at Indian Seed Congress 2011



### Annexure I - to the Directors' Report

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988:

#### FORM - A

CONSERVATION OF ENERGY	2010-11	2009-10
<b>Power and Fuel Consumption</b>		
a) Electricity purchased Units (Nos.)	1960901	1958929
Total Amount (Rs. In Lakhs)	127.87	117.49
Unit Rate (Rs.)	6.52	5.99
b. Own Generation:		
Through Diesel Generator		
No. of Units in Litres	199559	215433
Units per litre of Diesel	3	3
Oil cost per Unit (Rs.)	13.76	12.03
Others (Gas)		
Through Gas Dryer		
Quantity in Kgs. of Gas	154537	303294.5
Amount (Rs. In Lakhs)	85.10	153.27

#### Consumption per unit of production

Electricity	} Since the Company produced different types of seeds and micro nutrients, it is not practicable to give consumption per unit of production.
Diesel	
Gas	

Hybrid's of Tomorrow





## FORM - B

**TECHNOLOGY ABSORPTION****Research and Development**

Specific Areas in which Research and Development carried out by the Company

The Company carried out process development and commercialized various seed products in the segment of Seeds and Micro Nutrients. Further, it continued process research for maximizing the yield with improved quality.

**Benefits derived as a result of the above R&D:**

The Company's continuing efforts to become a strong knowledge based R&D driven Company have yielded results by way of improved process in the production.

**Future Plan of Action:**

Your Company has ambitious plans to invest further for enhancing its R&D capabilities.

**Expenditure on Research and Development:**

	Rs. In Lakhs	
	2010-11	2009-10
Capital	178.18	721.96
Recurring	543.38	475.90
	<b>721.56</b>	<b>1197.86</b>
<b>Total R&amp;D expenditure as percentage of total turnover.</b>	<b>3.09%</b>	<b>7.39%</b>

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

Efforts in brief made towards technology absorption, adaptation and innovation;

Technology Absorption is not involved as the processing of Seeds is being developed in house by the Company. Benefits derived as a result of the above efforts i.e., product development, cost reduction, research development etc., the seed processing was simplified and mechanized and there by reduction in cost and product improvement.

**Particulars of Imported Technology: Nil****Foreign Exchange Earning & Outgo:**

- a) Earnings : Nil  
 b) Outgo : 66.78 Lakhs

Secunderabad,  
 10th August 2011

Sd/-  
 G. VANAJA DEVI  
 Wholetime Director

For and on behalf of the Board  
 Sd/-  
 G.V. BHASKAR RAO  
 Managing Director



## Annexure II - to the Directors' Report

Details of Stock Options granted under Kaveri Seed Company Limited (ESOP-2008-09) as on 31.03.2011.

Pursuant to SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

DESCRIPTION	ESOP 2010-11						
Number of Options available under the Scheme	1,37,000						
Total Number of Options granted	1,37,000						
Options granted during the year	Nil						
Pricing formula	Intrinsic Value						
Options vested during FY 2010-11	11,100						
Options exercised during FY 2010-11	Nil						
The total number of shares arising as a result of exercise of options	Nil						
Options lapsed during FY 2010-11 which are subject to reissue	26,000						
Variation of terms of options	Not Applicable						
Money realized by exercise of options	Nil						
Grant Price (Face value of Rs.10)	Rs. 170						
Total Number of options in force as on March 31, 2011 (cumulative)	1,11,000						
Grant details of members of senior management team during the year 2010-11	<table border="1"> <thead> <tr> <th>Name</th> <th>No. of options</th> </tr> </thead> <tbody> <tr> <td>Mr. K.V. Chalapathi Reddy</td> <td>4000</td> </tr> <tr> <td>Mr. Anil Vidhyadhar Khed</td> <td>3000</td> </tr> </tbody> </table>	Name	No. of options	Mr. K.V. Chalapathi Reddy	4000	Mr. Anil Vidhyadhar Khed	3000
Name	No. of options						
Mr. K.V. Chalapathi Reddy	4000						
Mr. Anil Vidhyadhar Khed	3000						
Number of other employees who receives a grant in any one year options amounting to 5% or more of options granted during that year	Nil						
Number of employees who are granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil						
Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20							
i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of the stock options.						
ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options (in case the company has calculated the compensation cost using the intrinsic value of the Stock Options).	(3626914 - 1836135) = 17,90,779						





iii) The impact of this difference on profit and earnings per share of the company	PAT Less: (difference as above) Adjusted PAT Adjusted EPS	Rs. 42,47,51,108 Rs. 17,90,779 Rs. 42,29,60,329 Rs. 30.87
iv) Weighted average exercise price fair value of stock options granted	Not Applicable	
Stock Options granted on	28.01.2010	
Weighted Average Exercise Price	Not Applicable	
Weighted Average Net Fair Value (Fair Value-Grant Price)	=(248.20-170) = Rs.78.20	
Market price at NSE on the date of Grant (Rs.)	Rs. 248.20	
v) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information	The Black-Scholes options-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since, options-pricing models require use of substantive assumptions; changes therein can materially affect the fair value of options. The options-pricing models do not necessarily provide a reliable measure of the fair value of options.	
vi) the main assumptions used in the Black-Scholes option-pricing model during the year were as follows:		
Risk-free interest rate (%)	8%	
Expected Life of options from the date(s) of grant (Years)	6	
Expected volatility (%)	0.30%	
Expected Dividend	Rs. 2.50 per share	

#### International Collabortion



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure & Development:

“Subeejam sukshetre jayate sampadyate” is a sanskrit quote meaning good seed, sown in good soil produces great wealth and sums up the importance of seed in agriculture. The developments in the seed industry in India, particularly in the last three decades, are very significant. A major re-organisation of the seed industry took place through three phases of National Seed Project that strengthened the seed infrastructure; this was the first turning point in shaping of an organized seed industry. Introduction of New Seed Development Policy was yet another significant mile stone in the Indian Seed Industry that transformed the very character of the seed industry. The policy gave access to Indian farmers of the best of seed and planting material available any where and impetus for investment by private individuals, Indian Corporate and MNCs with strong R&D base for product development of high value hybrids of cereals and vegetables and Biotech products such as Bt. Cotton. As a result, farmers have a wide choice and seed industry today is set to work with a 'farmer centric' approach and is market driven. Thus seed policy encouraged huge private investment in R&D capabilities. It also paved the way for entry of multinationals in the Indian seeds market. Currently, a new legislation on seeds is on the anvil the Seed Bill 2004. The Bill aims to enabling the private sector to play a greater role. The idea behind the Seed Bill 2004 is that effective implementation of this new law can be expected to promote private plant breeding in the country in the long run. The major rationale behind the policy is the hope that these developments would provide Indian farmers multiple choices and increased access to improved seeds. As such, the Seed Bill 2004 also appended with modification bill 2010 seeks to address the concerns of the Seed Industry.

### Economic Scenario

According to the latest numbers made available by CSO, India's GDP at factor cost at constant prices registered an increase of 8.5 percent in the year 2010-11. This revised estimate of 8.5 percent growth for GDP in 2010-11 is only a shade below the advance estimates that had pegged GDP growth for 2010-11 at 8.6 percent. In case of the agriculture and allied activities sector, the revised estimates have pegged growth in 2010-11 at 6.6 percent, which is much higher compared to the advance estimates that had put growth at 5.4 percent. In this context it is important to note that the third advance estimates of crop production released by the Ministry of Agriculture have shown a significant upward revision as compared to second advance estimates in the production of wheat [84.27 million tonnes from 81.47 million tonnes], pulses [17.29 million tonnes from 16.51 million tonnes], oilseeds [302.51 lakh tonnes from 278.48 lakh tonnes] and sugarcane [340.54 million tonnes from 336.70 million tonnes]. These revisions are responsible for lifting the GDP growth rate for agriculture and allied activities sector.

### Organization and Infrastructure

Making a modest beginning nearly three decades ago, Kaveri Seed Company Ltd as it is today, a National leader in seed and agri-input business leading producer of premium quality hybrid seed of food, fibre, oilseed and vegetable crops. With ardent philosophy to provide cost-effective, quality seed and integrated agri-inputs for improving farm productivity and farmer's prosperity, the company strictly adheres to stringent standards of product development and processing.

On date, the Company owns 8 Seed processing facilities located in the states of Andhra Pradesh, Karnataka with a processing & packing capacity of 150 tones per hour.. For effective supervision of seed production Company acquired new land area and has been brought under plough. The Company is venturing to high value vegetables for export prospect Towards this mega green houses are under way for protective cultivation. The rain water harvested and extended drip irrigation are being judiciously used to raise the crops. It is equally satisfying to place on record the significant progress made by Microteck division of your Company in the field of micronutrients, organic & Bio-products. During the year the Company enhanced its product portfolio of Microteck products and marketed through a well knit network of dealers and distributors across the length and breadth of the country.





### Segment wise Performance

The Company has not only sustained its position in the seed and agri business but also accelerated to new heights. It marked a niche in the market and favour by farmers for its high performing hybrids of cotton, pearl millet, maize and sunflower. These include successful launching of two of its premier BT cotton hybrids in the brand names of Jaadoo and Jackpot, and a pearl millet hybrid, Super Boss along with two new high yielding improved varieties Sampada (red gram) Sampoorana (paddy). On par with seeds, Microteck also excelled in performance demonstrable by the record sales of two of its products-Fire (organic plant protector) and Ultymax+ (yield enhancer).

**Risks, Concerns and Management:** The Seed agri-inputs business is highly seasonal in our country and subjected to seasonal factors, which make our operating results relatively unpredictable as the revenues are realized only after sale of our seed and agri-input products. Naturally, the revenues recorded during planting and harvesting seasons are lower compared to revenues during the period following. Due to the inherent seasonality of our business, returns of one reporting period (quarter/half year/year) may not be necessarily reflect the preceding or succeeding ones.

Nature's fury in the form of monsoon failure ravages of floods and devastating disease epidemics are the cause for concern not only to the farmers but also to the Company as they directly impact the seed production as well as turnover. Drought and crop failure is the single most important risk factor in agriculture as a whole. To minimise the damage to crops due to vagaries of weather the Company's R&D strategy is to breed for better hybrids that have in built buffering capacity to withstand the weather aberrations and perform even under abrupt climate change.

### Outlook

The Company is steadfast in its goal to adopt the profit path and sustainable growth, though maximizing operational efficiencies and striving to attain the highest standards of quality, safety and productivity. The prospects are bright as the overall outlook for the Company continues to be positive. Our Company is positioned to sustain growth earnings and strong cash flow. It is our collective endeavor to leverage the market competitive products, harness technological and people's strength and enhance share owner value. The sustainable growth model is being further augmented with new initiatives and innovations that will fortify the Company's fundamental philosophy- "excel in business and serve the farming community". Application of science based knowledge- advances in Breeding & Biotechnology, combined with improved production practices and capital investments contribute to improved quality and yield leading to increased demand for our products. We continue to explore offshore business opportunities in the seed sector and step into hitherto, untouched geographies. Towards this goal some beginning has been made Our firm stand and performance in the market is a testimony to attract investors, share holders and performing team of manpower contributing to future growth of the Company.

### Financial Performance

During the year your Company's business has significantly improved in all parameters including revenues, operating income, profit before tax, profit after tax and earnings per share. The gross turnover growth of over 43% at Rs.23468.84 Lakhs was augmented of our strategic initiatives for larger selling of Seed. Net Profit after Tax at Rs.4247.51 Lakhs was higher by 46.13% over Rs.2906.53 Lakhs in the previous year. It is a new high for your Company increasing earnings per Share @ Rs.31.00 as compared to Rs.21.21.



### Internal Control System

The internal control system though checks and balances in the Company is monitored by the Board of Directors reassuring the effectiveness and efficiency of operations, authenticity of financial reports and compliance of relevant laws and regulations. The transactions are authorized, recorded and reported in conformity with generally adopted practices. The internal auditing of the Company is conducted by an independent audit firm of repute. The observations and suggestions of the internal audit are reviewed by the Audit Committee and Board of Directors, every quarter. Adequate follow up measures are taken to overcome the pointed weaknesses, if any.

### Human Resources

Highly qualified scientific manpower is the intellectual capital of the company a critical need of R&D and similarly skilled and enterprising marketing talent for seed production and agribusiness. It requires substantial resources to hire and train human resources. The success of Company's business hinges on the ability to attract and retain high caliber scientific, technical and managerial personnel for long. Dearth of competent Agricultural scientists, graduates in agriculture and business professionals is intense, given the competing interests of seed companies. Failure to retain key and productive personnel, hamper the product design and delay development adversely effecting business interests.

A knowledge driven Company built on the strength of the technical talent, progresses fast and sustains long. In tune with this philosophy, the Kaveri has consciously added skilled and experienced professional on a regular basis. In the year under review several Masters degree holders and Ph.ds were recruited in R&D. Similarly marketing professionals with M.B.A are being recruited to man the business interests. Conscious of the need for formal human resources, system oriented planning and business strategies, the Company has initiated steps to create systems and procedures that will enhance further the work environment, productivity and performance. The Company will continue to focus on talent search and retention and working towards this objective to grant Stock Options under Employee Stock Option Scheme.

### Cautionary Statement

The statement made in this section describes the Company's objectives, projections, expectations and estimations which may be forward looking statements' within the meaning of applicable securities laws and regulations. The annual results can differ materially from those expressed or implied, depending on the economic and climatic conditions, Government policies and other incidental factors which are beyond the control of the Company.

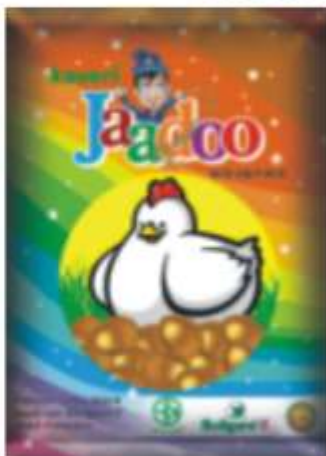
For and on behalf of the Board of Directors

Sd/-

G.V. BHASKAR RAO  
Managing Director

Secunderabad,  
10th August 2011

### Kaveri's Premium BT Cotton Hybrids





## REPORT ON CORPORATE GOVERNANCE

### Philosophy on Corporate Governance

Kaveri Seed has always attached great importance to good and responsible corporate governance. The Company belongs to all the stakeholders and corporate objective is to maximize shareholder value ethically and legally. Hence, efforts are made to raise transparency, trust and confidence of stakeholders in the way the company is run. The team at Kaveri operates as a trustee on behalf shareholders.

The Company is committed to optimizing long term value for its stakeholders with a strong emphasis on the transparency of its operations and instilling pride of association. The Company follows the best practices of Corporate Governance and reporting systems.

### Board of Directors

As of the date of the Report, the Board of Kaveri Seed had twelve Directors, comprising five Executive Directors, including the Chairman and Seven Independent Directors as defined under Listing Agreement with Stock Exchanges.

The Directors have expertise in the fields of strategy, management, production, finance, marketing and Research & Development. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. Each Director informs the Company on annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairmanships and notified changes during the term of their directorship in the Company.

The Board of Directors guides, directs and oversees the management and protects the interests of customers, shareholders, employees and the society at large. The Board also ensures the compliance of the applicable provisions, code of ethical standards.

### Battery of Bio safety Containment facilities at Pamulaparthly



### Composition of Board, their positions, relationship with other Directors, other Directorships and memberships of Committees held by each of them as on 31st March 2011:

Name	Category	No. of Memberships in other Companies		Attendance at	
		Board	Committees	Board	AGM Meetings
Sri G.V.Bhaskar Rao*	Promoter and Executive Director	4	1	3	Yes
Smt. G.Vanaja Devi*	Promoter and Executive Director	1	--	2	No
Sri R.Venu Manohar Rao*	Promoter and Executive Director	--	2	3	Yes
Sri Ch.Vamsheedhar*	Executive Director	--	3	4	Yes
Sri Ch.Mithun Chand*	Executive Director	--	3	4	Yes
Sri G.Pawan*	Non-Executive Director	1	--	--	No
Sri K.V.D.Prasad Rao	Non-Executive Independent Director	1	3	4	Yes
Sri M.Srikanth Reddy	Non-Executive Independent Director	4	3	3	Yes
Dr. Yeshwant Laxman Nene	Non-Executive Independent Director	--	--	3	Yes
Sri P.Vara Prasad Rao	Non-Executive Independent Director	--	1	2	No
Dr. I.V.Subba Rao**	Non-Executive Independent Director	--	--	--	No
Dr. S.Raghuvardhan Reddy**	Non-Executive Independent Director	--	--	1	No
Sri K.Vaman Rao***	Non-Executive Independent Director	--	--	--	No
Dr. S.M. Ilyas***	Non-Executive Independent Director	--	--	--	No

**Note:** \*Sri G.V.Bhaskar Rao, Smt. G.Vanaja Devi, Mr. G.Pawan, Sri R.Venu Manohar Rao, Mr. C.Vamsheedhar and Mr. C.Mithun Chand are related to each other.

\*\*Dr. I.V.Subba Rao was expired on 15th August 2010 in his vacancy Dr. S.Raghuvardhan Reddy was appointed as a Director.

\*\*\*Mr. K.Vaman Rao has resigned from the Board with effect from 15th November 2010 in his vacancy Dr. S.M. Ilyas was appointed as a Director

Membership in all Committees of all public limited companies, whether listed or not, including Kaveri Seed Company Limited are considered. Foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956 have been excluded.

#### Meetings of the Board

The Company plans and prepares the schedule of the Board and Board Committee meetings a year in advance to assist the Directors in scheduling their program. The schedule of meetings and agenda for the meeting is finalized in consultation with Director/s of the Company. The agenda of the meeting is pre-circulated with the detailed notes, supporting documents, the Board of Directors must meet at least four times a year, with a maximum time gap of four months between two Board meetings. The Company's Board met four time during the financial year under review on 25th May 2010, 3rd August 2010, 15th November 2010 and 14th February 2011. The Company held one Board meeting in each quarter as required under the Companies Act, 1956.

Details of Directors and their attendance in Board Meetings are given under

Date	Board Strength	No. of Directors Present
25.05.2010	12	6
03.08.2010	12	6
15.11.2010	11	7
14.02.2011	11	10

Hybrid of Tomorrow





### Information given to the Board

The Company provides the following information to the Board and the Board Committees as and when required. Such information is submitted either as part of the agenda papers in advance of the meetings or discussion material during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances;
- Quarterly, half yearly and annual results of the Company and its business segments;
- Minutes of meetings of Audit Committee and other committees;
- Information on recruitment and remuneration of key executive below the Board level;
- Contracts in which Director(s) are deemed to be interested;
- Significant labour problems and their proposed solutions;
- Materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Non-compliance of any regulatory or statutory nature or listing requirements as well as shareholder services such as shareholder's grievances and transfers etc.,
- Materially important show cause, demand, prosecution and penalty notices
- Fatal or serious accidents or dangerous occurrences;
- Significant development in the human resources and industrial relations fronts.

### Details/Profile of Directors are appointed/proposed for re-appointment

**Dr. G. Pawan, Dr. Y.L.Nene and Sri M. Srikanth Reddy retire by rotation being eligible offer themselves for re-appointment as Directors of the Company.**

**Dr. G.Pawan** is an M.B.B.S. from Jawaharlal Nehru University, Belgaum, Karnataka, and he has completed Doctor of Medicine (M.D.) from Illinois State University, Chicago, U.S.A., Currently he is practicing in USA.,

**Dr. Yeshwant Laxman Nene** is recognised internationally as an eminent Plant Pathologist and Science Administrator. He did his Ph.D from the University of Illinois, Urbana, U.S.A., Soon after his return to India, taught at college of Agriculture at Pantnagar. An outstanding researcher, Dr. Y.L.Nene published many scientific papers in peer reviewed journals and guided several students for their Ph.D. Early recognition of his research came from studies on kaira disease of rice. He is one of our well respected and honoured scientist. He has worked as the Asst. Associate, Professor and Head of the Department of Plant Pathology at GB Pant University of Agriculture, Pantnagar. He served as a member of the Governing Body of ICAR. After his superannuation started Asian Agri History Foundation, which is a non profit trust which he established in 1994 and is the Chairperson of the trust. Those of you who are aware of the publication brought out by the Foundation, on linking Vedic coulture with Agriculture appreciate the inquisitive and unique contribution he has been making to high light the culture in agriculture.

**Sri M.Srikanth Reddy** holds a Bachelor's Degree in Science, majoring in Agriculture, from Andhra Pradesh Agricultural University in 1974. He has vast experience in various agricultural and business fields for above 35 years. He actively participates, guides and advises in the various policies and functions of the Company. His contribution to the organization is invaluable.

**During the year Dr. S.Raghuvardhan Reddy and Dr. S.M.Ilyas are appointed as Directors on the Board of the Company.**

**Dr. S.Raghuvardhan Reddy** is a Ph.D (Agriculture) and Ex-Vice-Chancellor of Acharya N.G.Ranga Agricultural University having vast experience in the Agriculture & Research activities. He has held several eminent professional positions including that Vice Chancellor of ANGRAU. He has been awarded several gold medals including "Jawaharlal Nehru Birth Centenary Award" for significant and life time contribution to the development of Science and Technology specially in Agricultural Sciences.

**Dr. S.M.Iyas** is an M.Sc., Agricultural Engineering from Indian Agricultural Research Institute, New Delhi and D.Sc. Agricultural Engineering from University of Novi Sad (Yugoslavia) he was retired as a Director of National Academy of Agricultural Research Management (NAARM), Hyderabad and he has been re-employed as Project Director (Distance Education) National Institute of Rural Development (NIRD), Hyderabad and having vast experience in the Agriculture & Research activities and other International Assignments. He has held several eminent professional positions including that Vice Chancellor of Narendra Deva University of Agriculture and Technology, Faizabad (U.P). He has been awarded several gold medals including "Indian Society of Agricultural Engineers Award" & "Institution of Engineers (I) in 1997 & 2002" and "Fellowship and Commendation Medal for Outstanding Contribution by the Indian Society of Agricultural Engineers (ISAE)".

**Sri G.V.Bhaskar Rao, Chairman & Managing Director, Smt. G.Vanaja Devi, Sri R.Venu Manohar Rao, Sri C.Vamsheedhar and Sri C.Mithun Chand, Whole time Directors are proposed to be re-appointed.**

**Sri G.V. Bhaskar Rao** is a Science graduate majoring in agriculture from Andhra Pradesh Agriculture University. He is our founder Promoter and has motivated our Company to succeed in this business. He has been the Chairman-cum-Managing Director of our Company since its inception and has taken our Company to its current levels of stature and recognition with his rich experience and vision. His efforts towards growth and development have also ripened through introduction of high yielding varieties of hybrid seeds in agricultural crops like corn, sunflower, paddy, grain sorghum, bajra, cotton and other vegetable seeds. Through his encouragement of research and development activity for the seeds of various crops such as corn, sunflower, cotton, pearl millet, jowar, fruits and vegetables and hybrid paddy and bio products and micronutrients he has been able to diversify our Company's portfolio. These steps have helped our Company establish a solid base in major parts of India. Under his leadership, the Kaveri has become a pioneer and a trendsetter in the Indian seed industry.

**Smt. G.Vanaja Devi** is an Arts Graduate from Osmania University, Andhra Pradesh. She is associated with the Company since incorporation of the Company and has been assisting the Managing Director for the cause and development in all administrative aspects and processing Units of the plants. She is instrumental for guiding quality in production and establishing good qualitative products with her instinct to develop new things for augmentation of the Company.

**Sri. R.Venu Manohar Rao** is a Commerce Graduate from Osmania University, Andhra Pradesh. He is one of the first Promoters of our Company and has been an Executive Director of our Company since its inception. He has good experience in dealing with farmers, dealers, distributors and other statutory authorities. He is instrumental in boosting the commercial activities of the Company and is inevitable to the organization. As a result of his unstinted efforts, our Company has been able to establish a presence in a wide array of markets and thereby extend our product reach to the core level of farmers. He has established a strong marketing network and sales management in our Company.

**Sri C. Vamsheedhar** is an Arts Graduate and he has been associated with our Company for the past ten years. He joined our Company as "Marketing Officer" and has risen through the ranks and was appointed as Whole time Director of the Company. He travels extensively, meets with dealers, distributors, farmers and demonstrates our Company's products by means of holding meetings with field staff / sales staff and farmers. The confidence re-posed by farmers in the Company's products at various locations tells about the success story of his performance. He has been instrumental in the expansion of sales and marketing efforts of our Company.

**Sri. C. Mithun Chand** is an M.B.A. and he has been associated with our Company for the past 6 years. He joined our Company as 'President' in Agriteck Division and has risen through the ranks and was appointed as Whole time Director of the Company and he has significantly contributed in Microteck Division, sales, administration and finance management by creating a core team for our Company's products. Being an young and energetic, he travels extensively and directly deals with Field Staff, dealers and tackles all their problems and creates a 'Thrust' amongst sales team. He is an asset to the management and instrumental for marketing and sales development of the Company. He envisioned new business platforms and is dedicated to building the innovation side of the business.



### Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's Financial Statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee to supervise these process and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Clause 49 of the Listing Agreement.

The primary objective is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate timely and proper disclosures and transparency integrity and quality financial reporting.

### Role of Audit Committee

Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible information is disclosed.

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 primarily on:

- Any changes in accounting policies and practices;
- Major accounting entries based on exercise of judgment by management;
- Qualifications in draft audit report;
- Significant adjustments arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with stock exchange and legal requirements concerning financial statements;
- Any related party transactions as per Accounting Standard 18

Reviewing the Company's financial and risk management 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;

Discussing with internal auditors any significant findings and follow-up thereon;

Reviewing the findings of internal investigation by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the Board;

Reviewing the Company's financial and risk management policies; and, examining reasons or substantial default, if any in the payment to depositors, debenture holders, shareholder (in case of non-payment of declared dividends) and creditors.

### Composition and other details of Audit Committee

The Audit Committee comprises of four members, out of four, three members are Independent Non - Executive Directors.

The Audit Committee Meetings are usually held at the Registered Office of the Company and are usually attended by the Managing Director, Executive Directors, Chief Financial Officer and Statutory Auditors of the Company. The Company Secretary acts as Secretary of the Audit Committee.

The Audit Committee comprises of three Non-Executive Directors all of them being Independent Directors and one Executive Director.

The heads of departments of Finance & Accounts, Internal Auditor and the Statutory Auditors are the permanent invitees to the Audit Committee.

The Company Secretary is the Secretary to the Committee.

During the year under report the Audit Committee has met four times on 25th May 2010, 3rd August 2010, 15th November 2010 and 14th February 2011.

The attendance at the Audit Committee meetings during the financial year 2010-11 is as under:

Member	No.of Meetings	Attendance
Mr. K.Vaman Rao	4	-
Mr. P.Varaprasad Rao	4	1
Mr. M.Srikanth Reddy	4	3
Mr. K.V.D.Prasad Rao	4	4
Mr. C.Mithun Chand	4	4

Note: a) Mr. K.Vaman Rao has ceased to be a member of the Committee consequent to his resignation from the Board with effect from 15.11.2010.

b) Mr. P. Varaprasad Rao was inducted as a member of the Committee with effect from 03.08.2010.

#### Remuneration Committee/Compensation Committee

- i) The Company has constituted a Remuneration Committee of Directors.
- ii) The broad terms of reference of the Remuneration Committee are as under:
  - a) To approve the Annual Remuneration Plan of the Company.
  - b) To approve the remuneration and commission/incentive remuneration payable to the Managing Director and Executive Directors for each financial year including grant of Options to eligible Employees and Directors and administers the Employee Stock Option Scheme from time to time.
  - c) Such other matters as the Board may from to time request the Remuneration Committee to examine and recommend/approve.
- iii) The composition of the Compensation/Remuneration Committee comprises of three Non-Executive Directors and two Executive Directors. The Chairman of the Committee is a Non-Executive Director.

During the year, the Compensation Committee met one time on 3rd August 2010

Member	No.of Meetings	Attendance
Mr. P.Varaprasad Rao	1	-
Mr. M.Srikanth Reddy	1	0
Mr. K.V.D.Prasad Rao	1	1
Mr.R.Venu Manohar Rao	1	1
Mr. C.Vamsheedhar	1	1
Mr. K.Vaman Rao	1	-

Note: a) Mr. K.Vaman Rao has ceased to be a member of the Committee consequent to his resignation from the Board with effect from 15.11.2010.

b) Mr. P. Varaprasad Rao was inducted as a member of the Committee with effect from 03.08.2010.



The details of remuneration to the Directors during the year are as follows:

a. Executive Directors:

Name of Director & Period of Appointment	Salary	Benefits, Perquisites & Allowances	Total
Sri G.V.Bhaskar Rao	63,00,000	72,000	63,72,000
Smt. G.Vanaja Devi	39,00,000	72,000	39,72,000
Sri R.Venu Manohar Rao	16,80,000	72,000	17,52,000
Sri C.Vamsheedhar	13,80,000	72,000	14,52,000
Sri C.Mithun Chand	15,60,000	72,000	16,32,000
<b>TOTAL</b>	<b>1,48,20,000</b>	<b>3,60,000</b>	<b>1,51,80,000</b>

b. Non-Executive Directors:

Name	Designation	Sitting Fee in Rs.
Sri K.V.D.Prasad Rao	Non-Executive Independent	12,500/-
Sri M.Srikanth Reddy	Non-Executive Independent	10,000/-
Dr. Yeshwant Laxman Nene	Non-Executive Independent	10,000/-
Sri P.Vara Prasad Rao	Non-Executive Independent	7,500/-
Dr. S.Raghuvardhan Reddy	Non-Executive Independent	5,000/-

The above figures do not include provisions for encashable leave and gratuity, and premiums paid for group Health Insurance as separate actuarial valuations/premiums paid are not available for Managing Director and Executive Directors.

Details of shares of the Company held by the Directors as on March 31, 2011 are as below:

Name	No. of Shares
Sri G.V.Bhaskar Rao	1306398
Sri G.V.Bhaskar Rao - HUF	2316000
Smt. G.Vanaja Devi	2222600
Sri R.Venu Manohar Rao	587063
Sri C.Vamsheedhar	152060
Sri C.Mithun Chand	130175
Dr. G.Pawan	501800

**Shareholders/Investors Grievance Committee**

The main functions of the committee are to review and redress shareholders'/investors' grievance pertaining to:

- Transfer, transmission, split and consolidation of investors holding
- Dematerialisation/rematerialisation of shares
- Non-receipt of dividends and other corporate benefits
- Replacement of lost/mutilated/stolen share certificates
- Non-receipt of Annual Reports and change of addresses, etc.,

Hybrid of Tomorrow



## Constitution of the Committee:

Name	Designation
Mr. P.Varaprasad Rao	Chairman
Mr. R.Venu Manohan Rao	Member
Mr. C.Mithun Chand	Member
Mr. M.Srikanth Reddy	Member
Mr. C.Vamsheedhar	Member
Mr. K.V.D.Prasad Rao	Member

- Note: a) Mr. K.Vaman Rao has ceased to be a member of the Committee consequent to his resignation from the Board with effect from 15.11.2010.
- b) Mr. P.Varaprasad Rao was inducted as a member of the Committee with effect from 03.08.2010.

The Committee meets every fortnight for effecting transfers, transmissions, split, consolidation, etc and also for review of the redressal of investor complaints. The Committee expresses its satisfaction with the Company's performance in dealing with investor grievances and its share transfer system.

During the year the Company did not receive any complaints from the investors. As on 31st March 2011 there were no investor grievances pending and no transfers were pending for approval.

## General Body Meetings

Details of the last three AGMs are given as follows:

Year	Date of Meeting	Time of Meeting	Venue of Meeting	No. of Special Resolutions passed
Annual General Meeting 2007-08	September 30, 2008	10.30 AM	Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad - 500 004., A.p.	1
Annual General Meeting 2008-09	September 22, 2009	10.30 AM	Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad - 500 004., A.P	1
Annual General Meeting 2009-10	September 27, 2010	10.30 AM	Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad - 500 004., A.p.	5

## Disclosures

## CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company have given the annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of Listing Agreement. The Chairman and Managing Director and the Chief Financial Officer of the Company have also given the quarterly certification on financial results while placing the same before the Board in terms of Clause 41 of the Listing Agreement.

## Compliance Certificate of the Auditors

Certificate from the Auditors of the Company M/s.P.R.Reddy & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to this report forming part of the Annual Report.



#### Related Party Transactions

No transaction of material nature has been entered into by the Company with its Directors/Management and their relatives, etc., that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

Transactions with related parties were disclosed in the Schedule on Notes to Accounts in the Annual Report.

#### Details of Non Compliance and Penalties

No penalties have been imposed on the Company by the Stock Exchanges where the Company's shares are listed or SEBI or any other statutory authority on any matter during the last three years.

#### Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

The Company has established a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Company. The mechanism also emphasis on making enquiry into whistle blower complaint received by the Company.

#### Risk Management

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.

#### Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of non-mandatory requirements.

#### Means of Communication:

The Company has a website viz., [www.kaveriseeds.in](http://www.kaveriseeds.in). The quarterly and half yearly financial statements are not sent to the individual house holds of the shareholders, however the same are placed on the Company's website for the information of shareholders and general public and also published in leading news papers in English and Telugu (Regional Language). Further all material information which will have some bearing on the operation of the Company is sent to all Stock Exchanges concerned and also placed on the Company's website. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

#### The Management Discussion and Analysis Report forms part of the Directors' Report:

The Management discussion and analysis forms part of this Report and is provided separately elsewhere in this report.

## GENERAL SHAREHOLDERS INFORMATION

a. Annual General Meeting Date and Time	27th September 2011 at 11.15 AM
Venue	Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad - 500004, A.P.,
b. Financial Year of the Company:	1st April to 31st March
Financial calendar (Tentative and Subject to change) 2011-2012	1st Quarter 15th August 2011 2nd Quarter 15th November 2011 3rd Quarter 15th February 2012 4th Quarter 30th May 2012 (Audited)
c. Date of Book Closure	24th September to 27th September 2011
d. Payment of Dividend	Subject to the approval members, the Dividend of 25% ie., Rs.2.50 per share, if declared, will be paid within 30 days from the date of the Annual General Meeting to all eligible shareholders.
e. Listing on Stock Exchanges:	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023. National Stock Exchange of India Ltd., Exchange Plaza, 5th floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.
f. Listing Fees	Listing fee of both the stock Exchanges has already been paid for the year 2011-2012
g. Stock Code: Bombay Stock Exchange Limited National Stock Exchange of India Ltd	532899 KSCL
h. Dematerialization of shares and liquidity	The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 51.33% of the Company's share capital are dematerialized as on 31st March 2011. The Company's shares are regularly traded on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form. Under the Depository System, the ISIN allotted to the Company's Shares is INE455101011
i. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments	The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on 31st March 2011.
j. Plant Locations	a) Kandlakoi Plant Plot No.140/A/1, Kandlakoya Village, Medchal Mandal, Ranga Reddy District, A.P. b) Gundlapochampally Plant Sy.No.28 Part, Gundlapochampally village, Medchal Mandal, Ranga Reddy District, A.P. c) Gatlanarsingapur Plant - 1 Door No.104, Gatlanarsingapur Post, Bheemadevarapally Mandal, Karimnagar District, A.P. d) Gatlanarsingapur Plant - 2 Door No.6-96/2, Gatlanarsingapur Post, Bheemadevarapally Mandal, Karimnagar District, A.P.



	e) Eluru Plant Sy.No.853, Koppaka village, Pedavegi Mandal, West Godavari Distirct, Andhra Pradesh
	f) Bellary Plant & Godown D.No.340, NH - 63, Main Road, K.B.Halli - 583 103 Bellary District, Karnataka State
	g) Pamulparthy Plant Sy.No.703, Part, 704 Part, 712 Part 713 to 719, Pamulaparthi Village, Wargal Mandal, Medak District
k. Registered Office	513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad - 500003, Andhra Pradesh. Tel.Nos.+91 40-27721457 / 27842398 Fax No.+91 40-27811237 Email: cs.kaveri@gmail.com Website: www.kaveriseeds.in
l. Name & Designation of Compliance Officer	Mr.V.R.S.Murti Company Secretary 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad - 500003, Andhra Pradesh, Tel.Nos. +91 40-27721457 / 27842398 Fax No. +91 40-27811237 Email: cs.kaveri@gamil.com Website : www.kaveriseeds.in
m. Registrar and Share Transfer Agents/ Address for Correspondence	Bigshare Services Pvt. Ltd., G-10, Left Wing, Amrutha Ville, Opp.Yashodha Hospital Somajiguda, Rajbhavan Road, Hyderabad - 500082. Tel.Nos. +91-40- 23374967 Fax No. +91-40- 23370295 E-mail: bsshyd@bigshareonline.com

## l. Monthly High &amp; Low quotations and volume of shares traded on NSE &amp; BSE during the year:

Month	National Stock Exchange				Bombay Stock Exchange			
	High	Low	Close	Volume	High	Low	Close	Volume
April 2010	313.90	277.50	295.60	392659	313.90	275.30	294.805	229197
May 2010	309.10	260.00	274.10	220758	302.00	265.00	275.55	152408
June 2010	293.90	237.20	276.25	1041338	286.90	235.10	276.10	723331
July 2010	303.35	268.00	299.75	922930	304.80	268.50	299.25	657829
August 2010	322.00	264.05	269.45	1195981	321.00	263.50	270.30	986556
September 2010	340.00	265.10	337.65	967292	342.00	266.05	338.65	710427
October 2010	356.35	323.95	337.40	382312	357.00	322.00	339.80	275463
November 2010	434.00	337.00	381.20	691552	429.95	335.00	379.30	511868
December 2010	414.16	332.65	360.00	205745	416.00	350.00	358.95	135452
January 2011	365.00	296.00	302.80	279029	365.45	299.00	302.20	278207
February 2011	344.00	275.00	322.40	321410	344.00	275.10	324.85	202834
March 2011	361.75	302.00	336.00	628678	362.50	301.00	334.25	463558

## m. Distribution Schedule &amp; Shareholding Pattern as on 31st March 2011

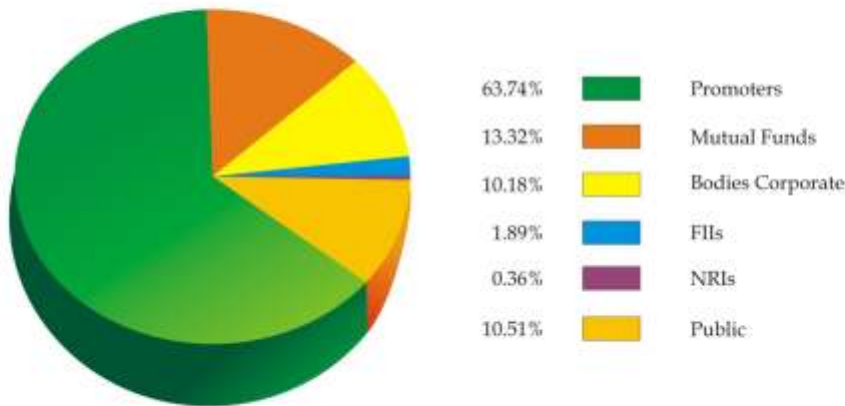
Category	No. of Shareholders	No. of Shares	%
1 - 5000	3,184	301995	2.20
5001 - 10,000	305	237289	1.73
10001 - 20000	129	191072	1.40
20001 - 30000	49	124357	0.91
30001 - 40000	24	85334	0.62
40001 - 50000	15	70652	0.52
50001 - 100000	35	283364	2.06
100001 - and above	64	12408121	90.56
Total	3,805	13702184	100%

STOCK PERFORMANCE OF KAVERI SEED COMPANY LIMITED  
Vs. NATIONAL STOCK EXCHANGE INDEXSTOCK PERFORMANCE OF KAVERI SEED COMPANY LIMITED  
Vs. MUMBAI STOCK EXCHANGE INDEX



## Category of Shareholders as on 31st March 2011

Category	No. of Shares	%
Promoters	8733174	63.74
Mutual Funds	1825339	13.32
Bodies Corporate	1394761	10.18
FII's	258711	1.89
NRIs	49096	0.36
Public	1441103	10.51
TOTAL	13702184	100%



## Top Ten Shareholders of the Company as on 31st March 2011

Shareholders	Category	No. of Shares	%
G.V.BHASKAR RAO(HUF)	Promoter	2316000	16.90
G.VANAJA DEVI	Promoter	2222600	16.22
G.MADHUSHREE	Promoter	1464000	10.68
G.V.BHASKAR RAO	Promoter	1306398	9.53
IDFC PREMIER EQUITY FUND	FII	1200000	8.75
R. VENU MANOHAR RAO	Promoter	587063	4.28
G.PAWAN	Director	501800	3.66
RELIGARE FINVEST LTD.	Bodies Corporate	353441	2.57
RELIANCE CAPITAL TRUSTEE CO. LTD.	Bodies Corporate	310700	2.26
KOTAK MAHINDRA INVESTMENTS LTD.	Bodies Corporate	251022	1.83

### CEO & CFO Certificate to the Board pursuant to Clause 49 of the Listing Agreement.

The Board of Directors,  
M/s. KAVERI SEED COMPANY LTD.,

We, G.V.Bhaskar Rao, Chairman and Managing Director and K.V.Chalapathi Reddy, Chief Financial Officer of the Company hereby certify to the Board that:-

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2011 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our 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.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For KAVERI SEED COMPANY LIMITED

10th August 2011  
Secunderabad 03.

Sd/-  
G.V.BHASKAR RAO  
MANAGING DIRECTOR

Sd/-  
K.V.CHALAPATI REDDY  
CHIEF FINANCIAL OFFICER

### DECLARATION

I, G.V.Bhaskar Rao, Managing Director, hereby declare that as provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2011.

For KAVERI SEED COMPANY LTD.

Secunderabad,  
10th August 2011

Sd/-  
G.V.BHASKAR RAO  
Managing Director



### Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To  
The Members of  
KAVERI SEED COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by Kaveri Seed Company Limited, ('the Company') for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P.R.REDDY & CO.  
Firm Regn., No.003268S  
Chartered Accountants

Sd/-  
P.RAGHUNADHA REDDY  
Partner  
Membership No.23758

Hyderabad,  
10th August 2011



## AUDITORS' REPORT

To  
 The Members of  
 KAVERISEED COMPANY LIMITED

We have audited the attached Balance Sheet of Kaveri Seed Company Limited, as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account, as required by Law have been kept by the company, so far as appears from our examination of such books.
- iii. The balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- iv. In our opinion, the Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as director in terms of clause(g) of sub-section (1) Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a. In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2011
  - b. In the case of the Profit & Loss Account, of the Profit for the year ended on that date and.
  - c. In the case of Cash Flow Statement, the cash flows of the Company for the year ended on that date.

For **P.R.REDDY & CO.**,  
 Firm Registration No.003268S  
 CHARTERED ACCOUNTANTS  
 Sd/-  
**P.RAGHUNADHA REDDY**  
 Partner  
 Membership No.23758

Place: Hyderabad  
 Date: 30th May 2011



Annexure referred to in the Auditors' Report to the Members of KAVERI SEED COMPANY LIMITED for the year ended 31st March 2011, we report that:

- i.
  - a. The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
  - b. The management has conducted the physical verification of fixed assets during the year.
  - c. The Company has not disposed off substantial part of the fixed assets during the year under audit.
- ii.
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii.
  - a. The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act.
  - b. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act
- iv.
  - i. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods.  
During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v.
  - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained u/s.301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956 and exceeding the value of Rs.5 Lakhs in respect of any party during the year have been made at prices, which are reasonable, having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion the Company has internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanations given to us, maintenance of cost records u/s.209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government for the Company.
- ix.
  - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, cess and other material statutory dues as applicable to it.
  - b. According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, and cess were in arrears, as at 31st March, 2011 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 dues of sales tax, income tax, wealth tax which have not been deposited on account of any dispute.

- x. The Provisions of Clause 4(x) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company, since the Company has no accumulated losses at the end of the financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and Bank.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or Financial Institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term assets except permanent working capital.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained u/s.301 of the companies Act, 1956.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. The company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **P.R.REDDY & CO.,**  
 Firm Registration No.0032685  
 CHARTERED ACCOUNTANTS  
 Sd/-  
**P.RAGHUNADHA REDDY**  
 Partner  
 Membership No.23758

Place: Hyderabad  
 Date: 30th May 2011



## BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at 31-Mar-11 Rs.		As at 31-Mar-10 Rs.	
<b>SOURCES OF FUNDS</b>					
<b>Share Holders Funds</b>					
Equity Share Capital	1	137,021,840		137,021,840	
Reserves & Surplus	2	1,757,270,855	1,894,292,695	1,372,332,300	1,509,354,140
<b>Loan Funds</b>					
Secured Loans	3		29,215,245		305,236,378
Unsecured Loans	4		250,000,000		150,000,000
<b>Deferred Tax Liability (Net)</b>			(1,096,924)		860,963
			<b>2,172,411,016</b>		<b>1,965,451,481</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	5	1,284,771,144		923,372,619	
Less: Depreciation		231,939,014		131,236,553	
Net Block		1,052,832,130		792,136,066	
Capital Work in Progress		63,290,887	1,116,123,017	299,477,550	1,091,613,616
<b>Investments</b>					
Current Assets, Loans & Advances	6		368,274,482		20,295,959
Inventories	7	1,649,235,211		1,282,363,142	
Sundry Debtors	8	361,608,737		407,686,993	
Cash & Bank Balances	9	45,394,557		199,473,260	
Loans & Advances	10	230,690,986		112,246,979	
		<b>2,286,929,491</b>		<b>2,001,770,374</b>	
<b>Less: Current Liabilities &amp; Provisions</b>					
Current Liabilities	11	1,529,885,046		1,076,094,838	
Provisions	12	69,499,648		72,836,710	
			687,544,797		852,838,826
<b>MISCELLANEOUS EXPENDITURE</b>					
Deferred Revenue Expenditure			468,720		703,080
			<b>2,172,411,016</b>		<b>1,965,451,481</b>
Significant Accounting Policies and Notes on Accounts	19				

As per our report of even date attached for P.R.REDDY & CO.,  
firm Registration No. 003268S  
CHARTERED ACCOUNTANTS

Sd/-  
P. RAGHUNADHA REDDY  
Partner  
membership No. 23758  
Place : Secunderabad  
Date : 30.05.2011

Sd/-  
K.V.CHALAPATHI REDDY  
Chief Financial Officer

Sd/-  
V.R.S. MURTI  
Company Secretary

For and on behalf of the Board  
Sd/-  
G.V. BHASKAR RAO  
Managing Director

Sd/-  
G. VANAJA DEVI  
Wholtime Director

## PROFIT &amp; LOSS ACCOUNT



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## PROFIT &amp; LOSS ACCOUNT AS AT MARCH 31, 2011

	Schedule	Year ended 31-Mar-11 Rs.	Year ended 31-Mar-10 Rs.
<b>INCOME</b>			
Sales less Return		2,336,862,314	1,621,388,972
Dividend from Mutual Fund Units		1,645,645	2,221,919
Capital Gains	13	247,629	364,262
Other Income	14	8,128,593	16,292,822
		<b>2,346,884,181</b>	<b>1,640,267,975</b>
<b>EXPENDITURE</b>			
Cost of goods sold	15	767,214,700	653,780,941
Establishment Expenses	16	188,098,841	157,662,326
Selling & Distribution Exp.	17	842,903,579	457,239,451
Financial Expenses	18	43,493,989	18,228,618
Depreciation		101,931,173	41,451,651
		1,943,642,282	1,328,362,987
<b>Profit before Tax</b>		<b>403,241,899</b>	<b>311,904,989</b>
Less : Tax expense			
Income Tax		28,500,000	20,597,324
Wealth Tax		256,085	116,841
Deferred Tax		(1,957,887)	537,233
Add : Excess Provision of earlier years		48,307,407	(21,509,209)
<b>Profit after Tax</b>		<b>424,751,108</b>	<b>290,653,591</b>
Add : Balance brought forward		536,668,329	377,970,629
<b>Appropriations:</b>			
Proposed Dividend		34,255,460	27,404,368
Corporate Tax on Dividend		5,557,092	4,551,523
Transfer to General Reserve		100,000,000	100,000,000
<b>Profit carried to Balance Sheet</b>		<b>821,606,885</b>	<b>536,668,329</b>
<b>Earnings per share</b> (equity shares, par value Rs.10 each)			
Basic & Diluted		31.00	21.21
Significant Accounting Policies and Notes on Accounts	19		

As per our report of even date attached  
for P.R.REDDY & CO.,  
firm Registration No. 0032685  
CHARTERED ACCOUNTANTS

Sd/-

P. RAGHUNADHA REDDY

Partner

membership No. 23758

Place : Secunderabad

Date : 30.05.2011

Sd/-

K.V.CHALAPATHI REDDY

Chief Financial Officer

Sd/-

V.R.S. MURTI

Company Secretary

Sd/-

G. VANAJA DEVI

Wholetime Director

For and on behalf of the Board

Sd/-

G.V. BHASKAR RAO

Managing Director



## CASH FLOW STATEMENT



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## CASH FLOW STATEMENT AS AT MARCH 31, 2011

	As at 31-Mar-2011 Rs	As at 31-Mar-2010 Rs
<b>Cash flows from operating activities</b>		
Profit before taxation	403,241,899	311,904,989
Adjustments for:		
Depreciation & Amortisation	101,931,173	41,451,651
(Profit)/Loss on sale of Fixed Assets		
(Profit)/Loss on sale of mutual funds and other investments		
Dividend Received		
Interest received	(6,760,945)	(855,134)
Finance charges	43,493,989	18,228,618
<b>Operating profit before working capital changes</b>	<b>541,906,115</b>	<b>370,730,123</b>
(Increase) / Decrease in Inventories	(366,872,069)	(525,043,368)
(Increase) in Sundry Debtors	46,078,256	7,271,158 "
(Increase)/Decrease in Loans & Advances	(118,444,007)	29,767,644
Miscellaneous Expenditure	234,360	234,360
Increase/(Decrease) in Trade Liabilities	(150,830,438)	52,252,312
Increase/(Decrease) in Other Current Liabilities	600,054,872	292,149,439
Taxes paid during the year	19,551,322	(20,714,165)
<b>Net cash provided by operating activities</b>	<b>571,678,412</b>	<b>206,647,503</b>
Cash flows from investing activities		
Purchase of Fixed Assets	(125,211,862)	(339,259,102)
(Purchase)/Sale of Investments	(347,978,523)	-
Dividend Received	-	-
Interest received	6,760,945	855,134
<b>Net Cash used for investing activities</b>	<b>(466,429,439)</b>	<b>(338,403,968)</b>
Cash flows from financing activities		
Dividend including Tax on Dividend	(39,812,552)	(31,955,891)
Short Term Loans	(55,875,521)	296,453,063
Long Term Loans	(120,145,612)	(55,000,374)
Finance charges	(43,493,989)	(18,228,618)
<b>Net cash provided by financing activities</b>	<b>(259,327,674)</b>	<b>191,268,180</b>
Net increase in cash & cash equivalents	(154,078,702)	59,511,715
Cash & Cash equivalents at the beginning of the period	199,473,259	139,961,544
Cash & Cash equivalents at the end of the period	45,394,557	199,473,259

As per our report of even date attached  
for P.R.REDDY & CO.,  
firm Registration No. 003268S  
CHARTERED ACCOUNTANTS

Sd/-  
P. RAGHUNADHA REDDY  
Partner  
membership No. 23758  
Place : Secunderabad  
Date : 30.05.2011

Sd/-  
K.V.CHALAPATHI REDDY  
Chief Financial Officer

Sd/-  
V.R.S. MURTI  
Company Secretary

For and on behalf of the Board  
Sd/-  
G.V. BHASKAR RAO  
Managing Director

Sd/-  
G. VANAJA DEVI  
Wholtime Director

## SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 Rs	As at 31-Mar-2010 Rs
<b>1 SHARE CAPITAL</b>		
Authorised		
2,00,00,000 (2,00,00,000) Equity shares of Rs.10/- each	200,000,000	200,000,000
Issued, Subscribed & Paid up		
1,37,02,184 (1,37,02,184) Equity shares of Rs.10/- each [Of the above 22,50,000 (22,50,000) equity shares, fully paid up, have been allotted as bonus shares by utilising the balance in Profit & Loss Account and 5,00,000 (5,00,000) equity shares, fully paid up, have been allotted for consideration other than cash]	137,021,840	137,021,840
	137,021,840	137,021,840
<b>2 RESERVES &amp; SURPLUS</b>		
Capital subsidy	288,400	288,400
Investment allowance Reserve	-	17,405
Share Premium (As per last Balance Sheet)	635,358,165	635,358,165
General Reserve	300,017,405	200,000,000
Employee Stock Option Scheme :		
Employee Stock Option Scheme Outstanding 8,680,200.00		
Less : Deferred Employee Compensation Expense : 5,136,991.00	3,543,209	
Profit & loss Account Balance	818,063,676	536,668,330
	1,757,270,855	1,372,332,300
<b>3 SECURED LOANS</b>		
Term Loan from HDFC Bank Ltd (Secured on Vehicles)	-	7,040,545
Term Loan from Axis Bank Ltd (Secured on Vehicles)	4,361,231	-
Term Loan from Reliance Capital (Secured on Vehicles)	-	1,139,731
Term Loan from Axis Bank Ltd (Secured on Land , Plant & Machinery & other Fixed/Assets)	24,854,014	144,999,626
Cash Credit from Indian Overseas Bank (Secured on Inventory & Bookdebts)	-	152,056,476
	29,215,245	305,236,378
<b>4 UNSECURED LOANS</b>		
Short Term Loans from Banks	250,000,000	150,000,000
	250,000,000	150,000,000



Amount in Rs.

## 5. FIXED ASSETS

S. No. Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01-04-2010	Additions	Deletions	up to 31-03-2011	As on 01-04-2010	For the Year	Deletions	up to 31-03-2011	As on 31-03-2011	As on 31-03-2011
1 Land	356,793,987	6,843,740	-	363,637,727	-	-	-	-	363,637,727	356,793,987
2 BUILDINGS										
a) Factory	145,310,326	142,294,785	-	287,605,111	26,051,810	24,841,741	-	50,893,551	236,711,560	119,258,516
b) Office	10,219,844	-	-	10,219,844	2,724,714	374,757	-	3,099,471	7,120,373	7,495,130
3 Furniture & Fixtures	10,211,854	3,728,526	-	13,940,380	4,786,428	1,347,273	-	6,133,701	7,806,679	5,425,426
4 Vehicles	17,706,239	1,642,172	910,653	18,437,758	8,576,617	2,436,750	799,769	10,213,598	8,224,160	9,129,622
Motor Cars	49,036,443	15,403,203	476,430	63,963,216	25,170,597	7,253,341	428,943	31,994,995	31,968,221	23,865,846
5 Plant & Machinery	226,594,393	156,014,693	-	382,609,086	47,848,083	43,775,525	-	91,623,608	290,985,479	178,746,310
6 Equipments	48,451,871	14,506,106	-	62,957,977	7,600,231	7,071,097	-	14,671,328	48,286,649	40,851,641
7 Computers	5,747,491	1,276,189	-	7,023,680	3,721,158	1,042,113	-	4,763,271	2,260,409	2,026,333
Software	1,431,888	5,940,279	-	7,372,167	915,647	296,713	-	1,212,360	6,159,807	516,241
8 Cold Storage	47,120,160	2,212,232	-	49,332,392	2,614,753	12,847,889	-	15,462,642	33,869,750	44,505,407
9 Lab Equipments	4,748,122	4,312,646	-	9,060,768	1,226,516	643,974	-	1,870,490	7,190,278	3,521,606
10 Building Under Cont.	-	8,611,037	-	8,611,037	-	-	-	-	8,611,037	-
Total >>>	923,372,619	362,785,608	1,387,083	1,284,771,144	131,236,553	101,931,173	1,228,712	231,939,014	1,052,832,130	792,136,066
Previous Year	578,057,455	386,980,654	41,665,490	923,372,619	95,185,061	41,451,652	5,400,160	131,236,553	792,136,066	482,872,394

## 5A. CAPITAL WORK-IN-PROGRESS

S.No.	Description of the Asset	As at 01.04.2010	Additions	Gross Block Adjusts/ Transfer	Balance as at 31.03.2011
1	Green Field Project at Pamulaparthy Village, Wargal Mandal, Medak District.				
	i) Advance for Capital Items	138,280,696	34,258,176	172,538,872	-
	ii) Building Under Construction	144,742,822	45,424,130	126,876,065	63,290,887
	iii) Unallocated project expenditure	16,454,032	-	16,454,032	-
	Total:	299,477,550	79,682,306	315,868,969	63,290,887
	Previous Year	305,533,612	226,767,386	232,823,448	299,477,550

## SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011	As at 31-Mar-2010
	Rs	Rs
<b>6 INVESTMENTS (at cost)</b>		
<b>Quoted - Non Trade (Fully paid-up) - Current</b>		
1900 Equity Shares of Rs.10 each in Bank of Maharashtra	43,700	43,700
9700 Equity Shares of Rs.10 each in Indian Overseas Bank	232,800	232,800
1160 Equity Shares of Re.1 each in Tata Consultancy Services Ltd	246,500	246,500
1994255 Equity Shares of Re.1 each in Vijay Textiles Ltd	19,904,545	19,904,545
<b>Unquoted - Non Trade - Current</b>		
Investment in Mutual Funds	397,605,477	50,076,954
3600 Equity Shares of Rs. 100 each in Swarna Bharat Biotechnics Pvt Ltd	360,000	-
7000 Equity Shares of Rs. 10 each in Swadeshi Biotechnics Ltd	70,000	-
Investment in Govt. Securities - National Savings Certificates	35,000	15,000
	418,498,022	70,519,499
Less : Diminution in Value	50,223,540	50,223,540
	<b>368,274,482</b>	<b>20,295,959</b>

## INVESTMENTS IN MUTUAL FUNDS

Name of the Fund	Balance		Purchases		Sold		Balance	
	As on 01-04-2010		during the year		during the year		As on 31-03-2011	
	No. of Units	Amount Rs	No. of Units	Amount Rs	No. of Units	Amount Rs	No. of Units	Amount Rs
ABN AMRO								
Equity Fund - Dividend	202,840	5,000,000					202,840	5,000,000
ABN AMRO								
Opportunities Fund								
- Dividend	418,831	10,000,000					418,831	10,000,000
Birla Midcap Fund								
- Dividend Payout	126,040	5,000,000					126,040	5,000,000
Birla Top 100 Fund	6,131	76,954	856	28,523			6,987	105,477
DSP Merrill Lynch								
India Tiger Fund	149,961	5,000,000					149,961	5,000,000
HSBC Equity Fund								
- Dividend	104,353	5,000,000					104,353	5,000,000
JM Balanced Fund								
- Dividend Plan	391,212	10,000,000					391,212	10,000,000
JM Basic Fund - Dividend Plan	304,037	10,000,000					304,037	10,000,000
IDFC Money Manager Fund				347,500,000				347,500,000
		<b>50,076,954</b>		<b>347,528,523</b>				<b>397,605,477</b>

## 7 INVENTORIES

Finished Goods	620,368,316	310,957,893
Foundation seeds	137,958,035	57,017,895
Standing Crops	187,975,465	190,100,103
Raw Material	647,149,618	673,093,237
Packing Material	55,783,777	51,193,964
	<b>1,649,235,211</b>	<b>1,282,363,092</b>



## SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2011

	As at 31-Mar-2011 Rs	As at 31-Mar-2010 Rs
<b>8 SUNDRY DEBTORS</b>		
a. Over Six Months - considered good	124,966,564	120,106,159
b. Others - considered good	236,642,173	287,580,834
	<b>361,608,737</b>	<b>407,686,993</b>
<b>9 CASH &amp; BANK BALANCES</b>		
a. Cash Balance	299,607	1,451,741
b. Balance with schedule Banks		
in current Accounts	34,624,648	187,584,507
in fixed Deposits	10,470,302	10,437,012
	<b>45,394,557</b>	<b>199,473,260</b>
<b>10 LOANS &amp; ADVANCES</b>		
Advance to Staff	7,778,280	7,611,834
Deposits - others	7,520,390	6,057,534
Advance for Capital Expenditure	22,373,319	7,956,340
Other Advances	193,018,996	90,621,271
	<b>230,690,986</b>	<b>112,246,979</b>
<b>11 CURRENT LIABILITIES</b>		
Advance against Sales	1,100,977,090	549,982,319
Payable to Staff	24,046,570	16,496,476
Creditor for Expenses	194,683,555	152,597,774
Security deposits	21,955,772	17,965,771
Sundry Creditors	188,222,060	339,052,498
	<b>1,529,885,046</b>	<b>1,076,094,838</b>
<b>12 PROVISIONS</b>		
Provision for Income Tax	28,500,000	38,888,676
Provision for Wealth Tax	246,070	116,840
Provision for Dividend	34,255,460	27,404,368
Corporate Tax on Dividend	5,557,092	4,551,523
TDS Payable	917,927	1,789,070
Sales Tax Payable	23,100	86,233
	<b>69,499,648</b>	<b>72,836,710</b>

## SCHEDULES TO THE PROFIT &amp; LOSS ACCOUNT AS AT MARCH 31, 2011

	As at 31-Mar-2011 Rs	As at 31-Mar-2010 Rs
<b>13 CAPITAL GAINS</b>		
Short Term Capital Gain	247,629	364,262
	<b>247,629</b>	<b>364,262</b>
<b>14 OTHER INCOME</b>		
Interest on deposits	6,760,945	855,134
Job Works	-	15,376,683
Others	1,367,648	61,005
	<b>8,128,593</b>	<b>16,292,822</b>
<b>15 COST OF GOODS SOLD</b>		
Opening Stock - Finished Goods	310,957,853	147,929,017
Raw Material	673,093,327	470,106,645
Standing Crops	190,100,103	40,010,054
Foundation Seeds	57,017,895	60,649,530
Packing Material	51,193,964	38,624,528
Add: Purchase/Production Expenses	869,160,457	949,300,449
Add: Packing Material	89,837,007	77,828,051
Add: Processing Charges	175,089,305	151,695,808
	<b>2,416,449,911</b>	<b>1,936,144,082</b>
Less: Closing Stock		
Finished Goods	620,368,316	310,957,853
Foundation Seeds	137,958,035	57,017,895
Standing Crops	187,975,465	190,100,103
Raw Material	647,149,618	673,093,327
Packing Material	55,783,777	51,193,964
	<b>1,649,235,211</b>	<b>1,282,363,142</b>
	<b>767,214,700</b>	<b>653,780,940</b>
Processing charges		
Freight Inward	29,799,220	25,828,448
Machinery Repairs & Maintenance	581,340	2,866,117
Chemicals	26,562,696	15,174,176
Seed Certification charges	185,264	316,538
Power & Fuel	23,288,782	28,105,729
Building & Godown repairs & maint.	4,102,267	1,073,230
Godown Rent	2,739,875	6,189,706
Cold Storage Maintenance	3,731,083	6,491,647
Factory Maintenance	19,721,660	11,903,342
Expense on Drying	10,038,670	6,155,901
R&D Farm Expenses	54,338,448	47,590,974
	<b>175,089,305</b>	<b>151,695,808</b>



	As at 31-Mar-2011 Rs	As at 31-Mar-2010 Rs
<b>R&amp;D Farm Expenses</b>		
Cultivation Expenses	3,220,639	2,428,057
Fertilizers & Pesticides	2,130,738	1,374,614
Electricity charges	1,782,804	1,455,765
Electrical items & motor repairing charges	420,868	491,754
Farm Maintenance	6,394,060	4,651,354
Labour charges	8,421,688	8,244,037
Postage & telephones	323,579	155,788
Printing & Stationery	87,908	88,281
Rent	15,800	36,900
Staff Welfare	235,658	233,240
Travelling expenses	744,384	602,300
Vehicle Maintenance	1,479,354	1,335,657
Land Lease	2,897,842	2,587,800
Research Expenses	6,564,010	8,482,609
Testing Expenses	2,744,090	939,335
RCGM Trial Expenses	216,929	177,833
Professional Expenses	1,764,000	960,000
Salaries - Farm	14,849,097	13,168,004
	<b>54,338,448</b>	<b>47,590,974</b>
<b>16 ESTABLISHMENT EXPENSES</b>		
M.D's Salary	6,300,000	6,000,000
Directors Salary	8,520,000	7,320,000
Salaries to Staff	86,221,501	72,794,426
ESI	268,288	102,811
Travelling Expenses	21,016,134	23,022,799
Postage & Telephone	5,240,675	5,061,890
Audit Fee	744,525	545,985
Audit Expenses	61,897	40,592
Vehicle Maintenances	22,398,101	20,366,611
Provident Fund	4,697,370	3,718,193
Rent	1,784,298	1,030,599
Printing & Stationery	2,418,581	2,655,096
Insurance	3,956,844	2,276,636
Books & Periodicals	50,922	33,366

	As at 31-Mar-2011 Rs	As at 31-Mar-2010 Rs
Staff welfare	3,472,070	1,612,620
Rates & Taxes	1,576,985	1,105,752
Office Maintenance	1,429,160	1,519,205
General Expenses	5,590,225	2,915,839
Conveyance	320,654	302,984
Donations & Subscriptions	1,406,250	306,500
Legal Expenses	26,760	121,724
Professional Charges	2,548,145	1,457,558
Professional Tax	15,000	15,000
Sales Tax	2,473,608	93,612
Market Cess	71,264	501,454
Security Charges	3,204,501	982,309
Service Tax	1,888,200	1,449,340
Computer Maintenance	351,883	276,925
Directors Sitting Fees	45,000	32,500
	<b>188,098,841</b>	<b>157,662,326</b>
<b>17 SELLING &amp; DISTRIBUTION EXP</b>		
Sales promotion expenses	116,287,554	89,555,962
Sales Schemes	393,821,975	139,237,644
Advertisement	2,413,768	2,374,164
Freight & Forwarding	63,364,239	53,979,944
Farmers Meeting Expenses	16,191,225	18,059,243
Staff & Dealers Meeting Expenses	7,407,443	12,443,667
Royalty	234,997,107	114,387,707
Bad debts Write Off	3,014,009	6,730
Provision for Doubtful Debts	5,406,258	27,194,390
	<b>842,903,579</b>	<b>457,239,451</b>
<b>18 FINANCIAL CHARGES</b>		
Bank charges	3,313,716	3,999,385
Interest	40,180,273	14,229,233
	<b>43,493,989</b>	<b>18,228,618</b>



## Schedule - 19

### NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

#### I. Statement of significant Accounting Policies

##### a. System of Accounting

The Financial Statements of the Company have been prepared under the historical cost convention, on accrual basis, to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, except in the case of sale of realizable scrap which is accounted for on receipt basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

##### b. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured

- i. Revenue from sale of goods is recognized on dispatch which coincides with transfer of significant risks & rewards to customer and is net of sales returns and sales tax, wherever applicable.
- ii. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

##### c. Fixed assets and Depreciation

- i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready for intended use.
- ii. Expenditure directly relating to construction activity is capitalized. Indirect expenditure is capitalized to the extent it relates to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.
- iii. Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.
- iv. The carrying amount of fixed assets are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount.
- v. Depreciation is provided on written down value method, at the rate specified in schedule XIV to the Companies Act, 1956.

##### d. Research and Product Development costs:

Research costs which is of revenue nature is charged to revenue, while capital expenditure is included in the respective heads under fixed assets.

##### e. Investments

- i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- ii. Long-term investments are carried at cost. However, provisions for diminution in value is made to recognize a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.

#### f. Inventories

- i. Raw materials, packing materials, stores, spares and consumables are valued at cost, calculated on "First-in first out" basis. Items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost.
- ii. Finished goods and Work-in-process are valued at lower of cost or net realizable value. Cost includes materials, labour and a proportion of appropriate overheads.
- iii. Trading goods are valued at lower of cost or net realizable value
- iv. Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.
- v. Management has carried out physical verification of stock.

#### g. Retirement and other Employee Benefits

- i. Contribution to Provident Fund, which is a defined contribution plan, are charged to the profit and loss account on an accrual basis.
- ii. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.
- i. Actuarial gains/losses are immediately taken to Profit and Loss Account.

#### h. Income Tax

Tax expense consists of both current and deferred taxes. 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. Deferred income taxes reflect the impact of currency year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

#### i. Earnings per Share

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

#### j. Provisions

A provision is recognized when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 2. Capital Commitments

Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for Rs. 178.02 (Rs.228.11) Lakhs.

## 3. Contingent Liabilities not Provided for

(Rs. in Lacs)

S.No	Particulars	2010-11	2009-10
a	Bank Guarantees	96.70	120.89
b	Claims against the company not acknowledged as debts	28.83	36.74

## 4. Remuneration to Whole time Directors

### Particulars

Name of the Director	Salary per annum (Rs.)	Contribution to PF (Rs.)	Total Rs.
Shri G.V.Bhaskar Rao	63,00,000	72,000	63,72,000
Smt. G. Vanaja Devi	39,00,000	72,000	39,72,000
Shri R. Venumanohar Rao	16,80,000	72,000	17,52,000
Shri C. Vamsheedar	13,80,000	72,000	14,52,000
Shri C. Mithun Chand	15,60,000	72,000	16,32,000
<b>TOTAL</b>	<b>148,20,000</b>	<b>360,000</b>	<b>151,80,000</b>

## 5. Sundry Creditors

i. In respect of the amounts mentioned under section 205C of the Companies Act, 1956 no dues are to be credited to the Investor Education and Protection Fund as at March 31st, 2011.

ii. Disclosure as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006.

### Details of dues to Micro, Small and Medium Enterprises as per MSMED Parties

	2010-11	2009-10
a The Principal amount remaining unpaid as at the end of the year	-	-
b The amount of interest accrued and remaining unpaid at the end of the year	-	-
c Amount of interest paid by the company in terms of section 16, of Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year	-	-
d Amount of Interest due and payable for the period of delay in making payment without the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
e The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-



## 6. Remuneration to Statutory Auditors (including service tax where applicable)

Particulars	Amount in Rs.
Statutory Audit	Rs.4,96,350/-
Other Audit Services	Rs. 82,725/-
For Tax Matters	Rs. 1,65,450/-
<b>TOTAL</b>	<b>Rs. 7,44,525/-</b>

## 7. The Company had the following transactions with related parties during the year

Sl.No.	Name of Party	Nature of transaction	Amount in lacs
1	G.V. Bhaskar Rao H.U.F	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 27500 per acre per annum for a total land of 1.20 acres (one acre= 40guntas) ie 0.20 acres means 20 guntas	0.41
2	G.V. Bhaskar Rao H.U.F	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 40000 per acre per annum for a total land of 5 acres	2.00
3	G.V. Bhaskar Rao	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 15000 per acre per annum for a total land of 16.25 acres (one acre= 40guntas) ie 0.25 acres means 25 guntas	2.49
4	G. Madhusree	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 15000 per acre per annum for a total land of 38.28 acres (one acre= 40guntas) ie 0.28 acres means 28 guntas	5.81
5	G. Vanaja Devi	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 27500 per acre per annum for a total land of 1.20 acres (one acre= 40guntas) ie 0.20 acres means 20 guntas	0.41
6	G. Pawan	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 27500 per acre per annum for a total land of 1.20 acres (one acre= 40guntas) ie 0.20 acres means 20 guntas	0.41
7	G. Pawan	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 40000 per acre per annum for a total land of 2.09 acres (one acre= 40guntas) ie 0.09 acres means 9 guntas	0.89
8	G. Madhusree	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 27500 per acre per annum for a total land of 1.20 acres (one acre= 40guntas) ie 0.20 acres means 20 guntas	0.41

9	C. Vamsheedhar - HUF	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 15000 per acre per annum for a total land of 20.23 acres (one acre= 40guntas) ie 0.23 acres means 23 guntas	3.09
10	R. Venumanohar Rao - HUF	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 13000 per acre per annum for a total land of 24 acres	3.12
11	G.Pawan	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2009 for a period of 2 years for an amount of Rs. 15000 per acre per annum for a total land of 18.01 acres (one acre= 40guntas) ie 0.01 acres means 01 guntas	2.71
<b>Total</b>			<b>21.75</b>

## 8. Deferred Tax Liability:

In conformity with Accounting Standards 22 on Accounting for Taxes on Income issued by Institute of Chartered Accountants of India, the Company has provided for the Deferred Tax Liability in the books of Accounts.

Deferred Tax Liability in respect of timing difference:

PARTICULARS	2010-11	2009-10
Depreciation on Fixed Assets	Rs. 19,57,887	Rs. 5,37,233

## 9. Foreign Currency/Exchange transactions:

PARTICULARS	2010-11	2009-10
a. Import of Capital Goods	Rs.49,11,553/-	Rs.179,00,734/-
b. Earnings in foreign Exchange	Rs. NIL	Rs. 20,90,094/-
c. Expenditure in Foreign Currency for Travel	Rs.17,66,706/-	Rs. 28,47,128/-

## 10. Opening Stock, Production, Closing Stock and Sales of Finished Goods:

Finished goods Quantity in Kgs.

Particulars	Opening Stock	Production	Issues	Closing Stock
Seeds	59,13,175	185,47,303	183,55,776	61,04,702
Micronutrient	560,385	65,14,438	65,88,491	486,332

## 11. Raw Material Consumed

Value of Imported and indigenous material consumed

Particulars	Quantity in Kgs.	Amount in Rs.
Indigenous		
Seeds	216,22,516	74,72,46,322
Micronutrients	38,63,993	3,49,13,510

Hybrid of Tomorrow



**12. Segment Information:**

The Company has identified two reportable segments viz., Seed Division and Micro Nutrients Division. Segment have been identified and reported taking into account nature of products and service, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

13. Some of the balances under sundry debtors, sundry creditors, deposits, loans and advances payable / receivable are subject to confirmation and reconciliation.

14. Previous year's figures have been regrouped/rearranged wherever necessary, to conform to those of the current year.

**SIGNATURES TO SCHEDULES 1 TO 14**

As per our report of even date attached  
for P.R.REDDY & CO.,  
firm Registration No. 0032685  
CHARTERED ACCOUNTANTS

Sd/-

**P. RAGHUNADHA REDDY**  
Partner  
membership No. 23758  
Place : Secunderabad  
Date : 30.05.2011

Sd/-

**K.V.CHALAPATHI REDDY**  
Chief Financial Officer

Sd/-

**V.R.S. MURTI**  
Company Secretary

Sd/-

**G. VANAJA DEVI**  
Wholetime Director

For and on behalf of the Board  
Sd/-

**G.V. BHASKAR RAO**  
Managing Director





### Balance Sheet abstract & Company's General Business Profile

#### I Registration Details

Registration No.	: 06728
Balance Sheet Date	: 31-Mar-11
State Code	: 01

#### II Capital raised during the year (Amount in Rupees Thousands)

Public Issue	0	Rights Issue	0
Private Placement *	0	Bonus Issue	0
Preferential issue of shares under Employee Stock Option Schemes	0		

#### III Position of Mobilisation & Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities	2172411	Total Assets	2172411
<b>Source of Funds</b>		<b>Application of Funds</b>	
Paid-up capital	137022	Net Fixed Assets	1116123
Reserves & Surplus	1757271	Investments	368274
Secured Loans	29215	Net Current Assets	687545
Unsecured Loans	250000	Miscellaneous Expenditure	469
Deferred tax liability	(1097)		

#### IV Performance of Company (Amount in Rupees Thousands)

Turnover	2336862	Total Expenditure	1943642
Profit before Tax	403242	Profit after Tax	424751
Earnings per Share (Rs)	31.00	Dividend Rate %	25

#### V Generic name of principal products of the Company

(as per monetary terms)

Item Code No.(ITC Code)	: 010-100510 012-1206
Product Description	: Corn Sunflower
Item Code No.(ITC Code)	: 012-120720
Product Description	: Cotton Seeds

As per our report of even date attached for P.R.REDDY & CO.,  
firm Registration No. 0032685  
CHARTERED ACCOUNTANTS

Sd/-

P. RAGHUNADHA REDDY  
Partner  
membership No. 23758  
Place : Secunderabad  
Date : 30.05.2011

Sd/-

K.V.CHALAPATHI REDDY  
Chief Financial Officer

Sd/-

V.R.S. MURTI  
Company Secretary

Sd/-

G. VANAJA DEVI  
Wholetime Director

For and on behalf of the Board  
Sd/-  
G.V. BHASKAR RAO  
Managing Director

## Kaveri Seed Company Limited

Registered Office : 513B, 5th Floor, Minerva complex, S.D.Road, Secunderabad 500 003

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Regd. Folio No. / Client ID:		No. of Shares held:	
Name & Address of First/ Sole Shareholder:			

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company held on Tuesday, the 27th day of September 2011 at 11.15 AM at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad 500 004 (A.P.)

Signature of the Member / Proxy

Notes:

- Only Member / Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- Member / Proxy should bring his/her copy of the Annual Report for reference at the meeting.



## Kaveri Seed Company Limited

Registered Office : 513B, 5th Floor, Minerva complex, S.D.Road, Secunderabad 500 003

### PROXY FORM

Regd. Folio No. / Client ID:		No. of Shares held:	
------------------------------	--	---------------------	--

I / We .....  
Of ..... being a member / members of the named Company, hereby  
appoint ..... of failing his/he ..... of ..... as my / our  
Proxy to attend and vote for me / us on my / our behalf at the Twenty Fourth Annual General Meeting of the Company held on  
Tuesday, the 27th day of September 2011 at 11.15 AM at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of  
Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad 500 004 (A.P.).

Revenue  
Stamp

Signed this ..... day of ..... 2011

Notes:

- Proxy need not be a member of the Company.
- The Proxy Form duly filled in and signed by the member(s) across Revenue Stamp should reach the Company's Registered Office not less than 48 hours before the time fixed or the meeting.
- Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.







kaveri seeds®

**kaveri seed company limited**

# 513-B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad - 500 003. Andhra Pradesh, India.

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e-mail : [info@kaveriseeds.in](mailto:info@kaveriseeds.in) web : [www.kaveriseeds.in](http://www.kaveriseeds.in)