



2011-12



kaveri seeds®

Our  
portfolio of  
rice hybrids  
has grown from  
the fringes to  
become  
a strong contributor  
to Kaveri's business

With annual revenues growing at nearly 40% year-on-year since 2007-08, our year of listing, Kaveri is India's fastest growing stock exchanges-listed plant sciences company. Our unique



## “ Business. Green. Growth ”

proposition combines traditional knowledge, biotechnology, top quality products and optimized supply chains to provide value to the entire stakeholder ecosystem and beyond: our farmers, our consumers, our shareholders, our communities, our environment.

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Disclaimer: The information and opinions contained in this document do not constitute an offer to buy any of Kaveri's securities, businesses, products, or services. The document might contain forward-looking statements qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit', and 'anticipates', that we believe to be true at the time of the preparation of the document. The actual events may differ from those anticipated in these statements because of risk, and uncertainty of the validity of our assumptions. Kaveri does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Year to 31 March	2012	2011	2010	2009	2008	CAGR	
Revenue	3,750	2,347	1,640	1,243	988	+ 40%	INR million
EBITDA	742	548	372	323	276	+ 28%	
Net profit	581	425	291	249	168	+ 36%	
Dividend payout	55	34	34	27	nil	+ 19%	
On 31 March	2012	2011	2010	2009	2008	CAGR	
Cash on hand	96	45	199	140	195	- 16%	
Issued share capital	137	137	137	137	137	--	
Owners' equity	2,414	1,894	1,509	1,251	1,054	+ 23%	
Net working capital	380	688	853	655	510	- 7%	
Net fixed assets	1,074	1,116	1,092	788	367	+ 31%	
Capital employed	2,629	2,172	1,965	1,465	1,112	+ 24%	
Market capitalization	7873	4603	3794	2042	3835	+ 15%	

In FY2012, the slowdown may have crimped the economy, however, Kaveri's growth continued unabated.

- Operating revenue was up 59% from a year ago; net profit was up 37%
- Our market capitalization rose 71% year-on-year
- Our 95-strong portfolio of hybrid seeds remained as strong as ever in the market
- We added to our R&D pipeline even as we launched new products
- For the third year in a row, we made it to the *Forbes Asia's Best Under a Billion list*—India's only listed seeds company

# QUICK INFORMATION

## Name of company

KAVERI SEED COMPANY LIMITED

## Year of incorporation

27 August 1986

## Primary business

To produce and sale of hybrid seeds, micro-nutrients, and (new initiative) premium vegetables/herbs.

## Total revenue

INR 3.72 billion

## Net profit

INR 581 million

## Number of shares issued *(as of 31 March 2012)*

1,3,702,184 of INR 10 each

## Registered office

513-B Floor 5 Minerva Complex SD Road Secunderabad 500003 Andhra Pradesh

Tel +91 40-27721457/27842398

Fax +91 40-27811237

Email [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in)

Website [www.kaveriseeds.in](http://www.kaveriseeds.in)

## Bankers

Indian Overseas Bank

Axis Bank

HDFC Bank

ICICI Bank

## Auditors

M/s PR REDDY & CO.

Chartered Accountants

7-70/41 Maheshwari Nagar Street 8 Habsiguda Hyderabad 500007 AP

## Chief Financial Officer

KV Chalapathi Reddy

## Company Secretary

VRS Murti

## BOARD

### **GV BHASKAR RAO**, *Chairman and Managing Director*

A graduate in agricultural science from Andhra Pradesh Agriculture University, GV Bhaskar Rao is the founder promoter of Kaveri Seeds. Besides being its chief strategist and its prime motivator, Mr Bhaskar Rao oversees production, R&D and business development.

### **G VANAJA DEVI**, *Wholetime Director*

Associated with Kaveri Seeds since its incorporation, Ms Vanaja Devi assists the Managing Director in the company's general functioning.

### **R VENU MANOHAR RAO**, *Wholetime Director*

Among the company's first promoters, R Venu Manohar Rao has been an Executive Director of the company since its inception. He is the company's prime interface with farmers, dealers, distributors, and other statutory authorities. Mr Manohar Rao has been instrumental in establishing Kaveri's strong marketing and sales network

### **C VAMSHEEDHAR**, *Wholetime Director*

Associated with the company since 1999, C Vamsheedhar oversees, along with Mr Manohar Rao, sales and marketing at Kaveri. He travels extensively, meets with farmers, and demonstrates the company's products to field staff/sales staff and farmers. Instrumental in the expansion of Kaveri's sales and marketing in recent years.

### **C MITHUN CHAND**, *Whole time Director*

Associated with the company since 2005, C Mithun Chand is involved with several functions including new initiatives. He heads KexVeg, the brand new division for exotic vegetables and Microteck.

### **Dr G PAWAN**, *Director*

Dr G Pawan is an MD from Illinois State University, Chicago, US, and an MBBS from Jawaharlal Nehru University, Belgaum, Karnataka.

### **Dr YESHWANT LAXMAN NENE**, *Director*

A renowned plant pathologist and science administrator, Dr Yeshwant Laxman Nene did his PhD from the University of Illinois, Urbana, US. Dr Nene has published many scientific papers in peer reviewed journals and guided several PhD students. He has been Professor and Head of the Department of Plant Pathology at GB Pant University of Agriculture, Pantnagar; has served as a member of the Governing Body of ICAR, and, established in 1994 the non-profit Asian Agri History Foundation that brings out publications linking Vedic culture with Agriculture.

### **M SRIKANTH REDDY**, *Director*

A graduate in agricultural science from the Andhra Pradesh Agriculture University, M Srikanth Reddy has worked in agri business for over 35 years. He advises Kaveri on its various policies and business functions

### **Dr S RAGHUVARDHAN REDDY**, *Director*

A PhD (Agriculture) and Ex-Vice-Chancellor of Acharya NG Ranga Agricultural University, Dr S Raghuvardhan Reddy has held several eminent professional positions and has won several awards including the "Jawaharlal Nehru Birth Centenary Award" for significant and lifetime contribution to the development of Science and Technology, especially in Agricultural Sciences.

### **Dr SM ILYAS**, *Director*

An MS in agricultural engineering from the Indian Agricultural Research Institute, New Delhi, and a DSc in agricultural engineering from the University of Novi Sad, Yugoslavia, Dr SM Ilyas has been Director of National Academy of Agricultural Research Management (NAARM), Hyderabad, Project Director (Distance Education) National Institute of Rural Development (NIRD), Hyderabad, and Vice Chancellor of Narendra Dev University of Agriculture and Technology, Faizabad. Dr Ilyas has been awarded several gold medals including the "Indian Society of Agricultural Engineers Award", the "Institution of Engineers (I) Award" in 1997 & 2002, and the "Fellowship and Commendation Medal for Outstanding Contribution" by the Indian Society of Agricultural Engineers (ISAE)".

### **P VARA PRASAD RAO**, *Director*

A science graduate, P Vara Prasad Rao has over 36 years experience in forest contract works and as a managing partner of an SSI Unit. Mr Prasad Rao is an expert in business transactions structuring and business negotiation.

### **KVD PRASAD RAO**, *Director*

A post graduate in agriculture from Andhra Pradesh Agriculture University, KVD Prasad has 35 years experience in the business of agriculture and beverages. He advises Kaveri Seeds on its various business aspects.

# BUSINESS SNAPSHOT

Kaveri delivers an integrated portfolio of farm solutions that focus on premium hybrid seeds with genetically superior traits for high yield, pest resistance, and drought tolerance; micro-nutrients such as soil enhancers and organic fungicides/pesticides; and high value vegetables/herbs for the domestic and export markets

## Seeds

### Field crops

- Corn
- Pearl millet (Bajra)
- Sorghum (Jowar)
- Rice
- Cotton
- Sunflower

### Vegetables

- Tomato
- Okra
- Chilly
- Others

## Micro-nutrients

The Microteck division provides micro-nutrients and organic bio-pesticides /fungicides to increase crop yield.

- Foliar sprays
- Soil applications
- Plant defense
- Bio-pesticides
- Bio-fungicides

## *New initiative Value produce*

Kexveg India Pvt Ltd, a wholly owned subsidiary, was launched in November 2011. Its proposition; high value exotic vegetables and herbs for the Indian and European markets.

- Green capsicum
- Red/yellow bellpepper
- Hybrid tomato
- Cherry tomato
- Parthenocarpic cucumber
- Chives
- Other herbs/vegetables

## Segment operational mix

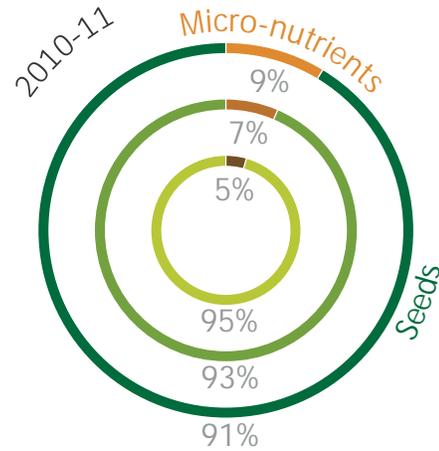
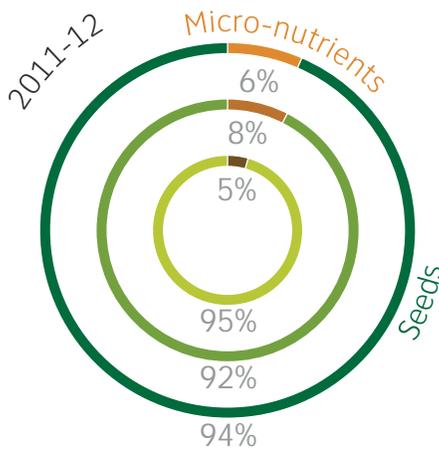
### Seeds

	FY 12	FY 11	Change
Revenue	3490	2130	64%
EBITDA	641	416	54%
Capital employed	2364	1808	31%

### Micro-nutrients

	FY 12	FY 11	Change
Revenue	235	207	14%
EBITDA	54	31	74%
Capital employed	114	87	31%

(INR in million)



A farmer takes a close look at a cotton sample at a meet organised by Kaveri Seeds' sales team.



GV Bhaskar Rao, CMD

## 25 YEARS OF KAVERI

In 1976, G Venkata Bhaskar Rao, a young agriculture scientist graduate, built on his farm in the village of Gatla Narsingapur, Andhra Pradesh, a small seed production unit for public bred varieties of rice and corn. Kaveri Seeds was incorporated in 1986. Twenty five years on, we are among India's fastest growing plant sciences companies.

- 1976 > GV Bhaskar Rao begins a seed production unit at Gatla Narsingapur Village, Andhra Pradesh
- 1986 > Kaveri Seeds incorporated as private limited co; seed processing unit commissioned at Bellary, Karnataka
- 1991 > Initiated R&D program
- 1997 > Launched first hybrid corn
- 2000 > Seed conditioning plant commissioned at Kandlkoi
- 2001 > Department of Scientific and Industrial Research recognition for R&D
- 2004 > Seed conditioning plants at Gundla Pochampally and Eluru commissioned
- 2006 > Acquired Kaveri Agriteck
- 2007 > Initial public offering INR 687mn raised at INR 170/share
- 2008 > Revenue crossed INR 1 bln
- 2009 > Ultra-modern seed conditioning plant, cob drying and dehumidified climate controlled storage facilities at Pamulaparathi, Andhra Pradesh
- 2010 > Debuted in Forbes Asia's "200 Best under a Billion" Asia-Pacific list
- 2011 > Kexveg, our new initiative for premium vegetables, launched



**Hatrick!**

C Vamsheedhar, Director, at the “Forbes Asia’s Best Under a Billion” event at Hong Kong, November 2011. Kaveri Seeds was very recently ranked again in this exclusive Asia-Pacific list—the third year in succession.

# BRIEF FINANCIALS

	2011-12	2010-11
Revenue from Operations	3,724.43	2,336.86
Other Income	25.61	10.02
Total Revenue	3,750.04	2,346.88
Expenditure	2,954.77	1,798.47
Interest	32.71	43.49
Depreciation	100.09	101.93
Tax	28.51	(21.77)
Exceptional Items	52.92	-
Net Profit	581.04	424.75
Current Assets	3,634.36	2,269.93
Fixed Assets	1,073.78	1,116.12
Investments	1,175.19	368.27
Stock in Trade	-	-
Inventory	3,033.44	1,649.24
Long Term Debt	27.76	29.22
Equity Capital	137.02	137.02
Net Worth	2,413.81	1,894.29
Cash and bank Balances	96.08	45.39
Loans and Advances	219.76	230.69

An excellent, diversified product portfolio promoted by a strong, committed sales network pushed revenue up sharply. Excellent receivables management ensured optimal utilization of cash and working capital, thus reducing interest expense and improving the bottomline.



Between the ends of fiscal 2009 and 2012, the Kaveri Seeds share sharply outperformed the NSE Nifty



Ratio	FY12	FY11	FY10	FY09	FY08
<b>Liquidity</b>					
Current ratio	1.05	1.24	1.38	1.82	2.07
Quick ratio	0.11	0.22	0.42	0.69	1.26
<b>Asset management</b>					
Inventory turnover	0.97	1.09	0.99	1.22	3.03
Fixed asset turnover	3.47	2.09	1.49	1.56	2.63
Receivable days	27.94	56.48	91.78	123.08	138.20
<b>Profitability</b>					
Return on assets	0.10	0.11	0.09	0.11	0.11
Return on Equity	0.24	0.22	0.19	0.20	0.16
Return on sales	0.16	0.18	0.18	0.20	0.17
Operating margin	0.21	0.23	0.22	0.25	0.26
<b>Leverage</b>					
Debt to equity	0.09	0.15	0.30	0.17	0.05
Debt ratio	0.04	0.07	0.15	0.09	0.04

The bulk of India's sowing happens in the first quarter of the fiscal, Distributors / Dealers pay months in advance, which swells up our current liabilities at the end of the previous fiscal—seen in this context, our low liquidity ratios actually indicate excellent fiscal health!

Our extremely low leverage, high return on equity, quick realization of receivables and a high turnover on fixed assets indicate healthy financials and shareholder value maximization.

# THE OPPORTUNITY

Shrinking land resources and an ever-rising population mean that increasing productivity is the only way to go for Indian agriculture.

The Indian hybrid seed industry is expected to grow at 12-15% annually in the coming years, with hybrid cotton consolidating its current dominant position, and sharp growth expected in the largely under-penetrated rice market as farmers become more aware and convinced of the benefit-versus-costs proposition. Currently, the acreage for hybrid rice is nearly 2 million hectares against a total rice acreage of over 40 million hectares. This represents a huge opportunity for Kaveri's portfolio of hybrid rice seeds.

Even in cotton, considered by many as a mature market, we expect to gain market share because of our differentiated and high-yielding hybrid seeds portfolio.

The renewed government thrust on the use of high-yielding varieties, helped with subsidies, have raised farm productivity and are driving demand for quality hybrid seeds.

There is a clear shift by farmers from varieties to hybrids across all crops.

Environmental and social concerns are leading to an increase in demand for organic pesticides and fungicides. Kaveri's Microteck division aims to tap this fast-rising opportunity.

The consumption of vegetables increases with rising life styles. The focus of our new initiative, Kexveg, is on high value exotic vegetables primarily for exports.

A birds eye view of integrated structure of seed processing, storage and quality assurance at Pamulaparathi



# STRENGTHS & DIFFERENTIATORS

Nearly four decades of experience in quality seed production and farmer-centric relationships.

Among India's largest producers of certified hybrid seeds.

~600 acres of company-owned farm land dedicated for R&D

Modern QA and biotech labs.

Long-standing partnerships with government research labs and global companies.

"Connected" business model that links seeds, agro-inputs, and finished farm produce.

# RISKS

The seed business is extremely competitive. Success, therefore, depends on the company's ability to harness genetic science and breeding technology for novel product generation—number and range, trait value. Our R&D produces a large volume of test hybrids through a continuous breeding process to ensure that our products excel in performance and quality in national trials.

Much of our seed production is carried out on leased land and through production growers. To avoid competition between the two, the company enlists loyal production growers—we have close to 100,000 such growers—and offers them attractive remuneration.

Climate change drastically affects the patterns of crop growth as well as cropping systems. Our wide product range help to mitigate the situation. Any shortfall in achieving targets in seed production is being compensated by seed reserves and off-season seed production.



# R&D

mission

“Commercial Green Growth” that combines innovative research, top quality products and optimized supply chains that benefit the farmer, the consumer, the environment.

update

159 lines/hybrids registered with PPV&FR, of which 39 have undergone DUS test and 15 are in line for certification.

Paddy hybrids KPH 216, KPH 371, KPH 272, and KPH 199 advanced to the second stage of national evaluation.

We made significant progress in breeding yellow vein mosaic virus (YVMV) resistant okra hybrids.

Four corn hybrids KMH 218 Plus, KMH 3426, KMH 25K60, and KMH3712, and bajra hybrid Super Boss (MH1553) have been notified.

Dedicated farm-campus of nearly 600 acres

Recently, we commissioned a cold storage and seed bank at Pamulaparty, Andhra Pradesh, to conserve our gene bank built over the years.

facilities

Large-scale grow-out test (GOT) area

Sophisticated biotech, QC, seed technology labs with the latest equipment

Multi-season trials facility

Green houses and polyhouses for hybrid screening

Cold storages for high-value germplasm and foundation seeds

Multi-season breeding and testing facilities

Recognized by the Indian government's Department of Science & Technology

Molecular work in support of ensuring quality, fast track breeding and proprietary product development.



### Products in the pipeline

Corn	3	➤
Rice	5	➤
Jowar	3	➤
Bajra	1	➤
Tomato	2	➤
Okra	5	➤
Bottle Gourd	4	➤
Ridge Gourd	6	➤
Bitter Gourd	5	➤

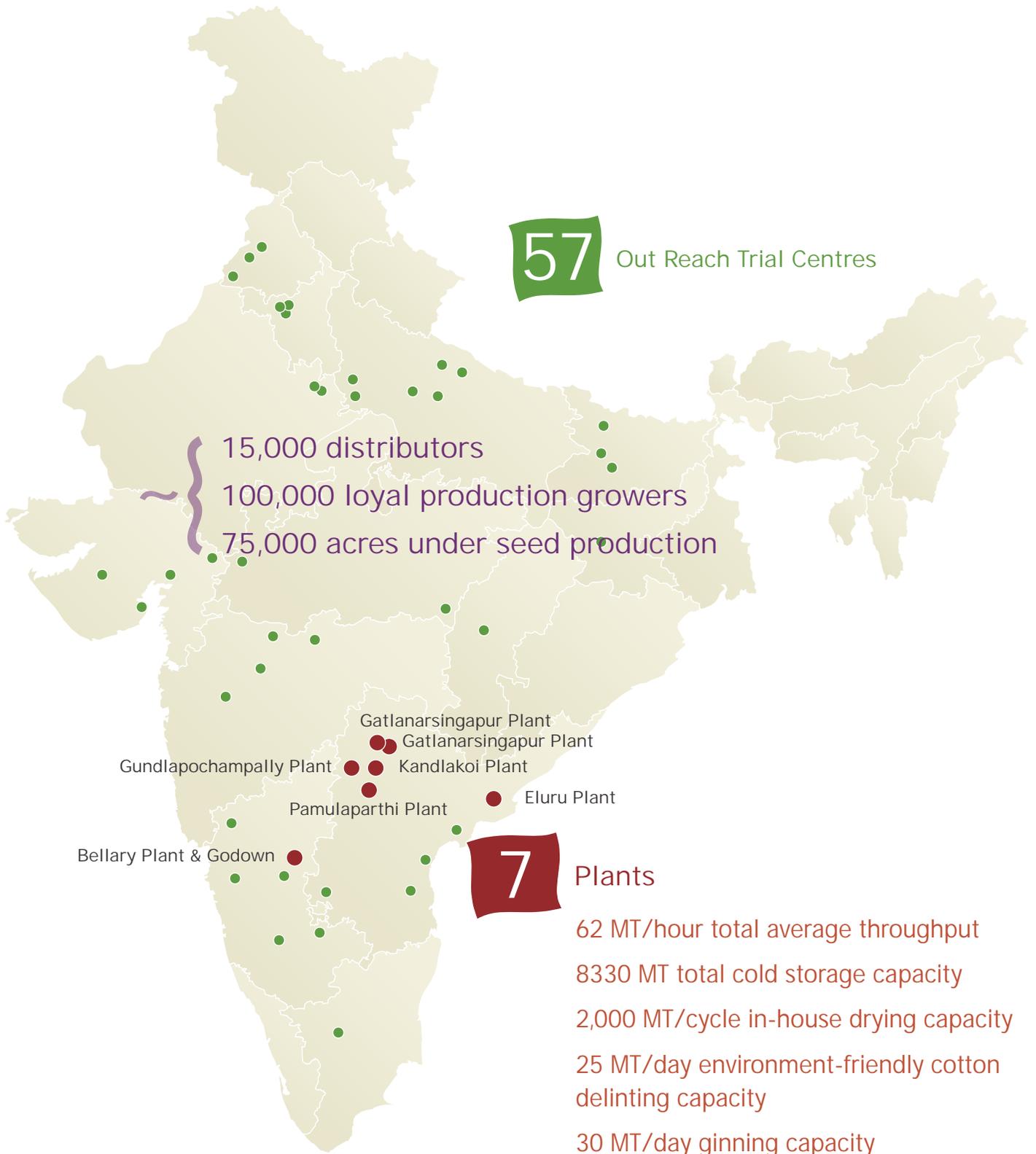
### India PPV & FRA filings

Number of filings to date	168
DUS test cleared	54
Registrations	14

Pre-marketing quality assessment



# INFRASTRUCTURE



- 
- Modern equipment for pre-cleaning, grading, cob drying, storage, packing
  - Stringent QC systems cover every process stage
  - Dehumidified, climate-controlled godowns

State of the art seed processing line at Pamulaparathi

Over view of Kexveg





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## AGM Notice



# AGM NOTICE

Notice is hereby given that the 25 Annual General Meeting of the members of Kaveri Seed Company Limited will be held on Tuesday the 25th day of September 2012 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 31 March 2012 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 2011-12.
- 3 To appoint a Director in place of Sri KVD Prasada Rao, who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Dr S Raghuvardhan Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
- 5 To appoint a Director in place of Dr SM Ilyas, who retires by rotation and being eligible, offers himself for re-appointment.
- 6 To appoint M/s PR Reddy & Co., (Registration No 0032685) as Statutory Auditors of the Company to hold office from the conclusion of the this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By order of the Board  
For KAVERI SEED COMPANY LIMITED

Sd/-  
GV BHASKAR RAO  
MANAGING DIRECTOR

Place Secunderabad  
Date 26 May 2012

## 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 register of members and share transfer books of the Company will remain closed from 21.09.2012 to 25.09.2012 (both days inclusive).
- 3 Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- 4 The dividend on equity shares @ 40% i.e., Rs.4/- 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 25.09.2012 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. Limited, 306, 3rd Floor, Right Wing, Amrutha Ville, Opposite Yashodha Hospital, Rajbhavan Road, Somajiguda, Hyderabad - 500 082. 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 Pursuant to the requirements on the Corporate Governance under the Listing Agreement entered into with Stock Exchanges, the information about the Directors proposed to be appointed/re-appointed is given in the annexure to the notice.
- 8 Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the management to reply at the meeting.
- 9 Ministry of Corporate Affairs has undertaken a "green initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual general Meeting, Audited Financial Statements, Directors' Report,

# AGM NOTICE

Auditors' Report etc., to the shareholders in electronic form instead of the paper form. Members are requested to send/update their email address with their Depository of Registrar and Transfer Agents of the Company.

## Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company [Pursuant to Clause 49 IV (G) of the Listing Agreement with the Stock Exchanges]

Director name	KVD PRASADA RAO	Dr S RAGHUVARDHAN REDDY	Dr SM ILYAS
Date of Birth	14.08.1947	09.03.1947	25.07.1947
Date of appointment on the Board	18.01.2007	21.10.2010	16.05.2011
Qualification, Experience & Expertise	<p>He is an Independent Director of the Company. He holds a Masters Degree in Agriculture from Andhra Pradesh Agricultural University. He has 35 years experience in the business of agriculture and beverages and he is advising in various aspects of our business activities.</p>	<p>He is an Independent Director of the Company. He is a PhD (Agriculture) and Ex-Vice-Chancellor of Acharya NG Ranga Agricultural University having vast experience in the Agriculture &amp; 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.</p>	<p>He is an Independent Director of the Company. He 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 reemployed as Project Director (Distance Education) National Institute of Rural Development (NIRD), Hyderabad and having vast experience in the Agriculture &amp; 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" &amp; "Institution of Engineers (I) in 1997 &amp; 2002" and "Fellowship and Commendation Medal for Outstanding Contribution by the Indian Society of Agricultural Engineers (ISAE)".</p>
Directorship in other public companies (excluding foreign companies and Section 25 companies)	Crown Beers International Limited	Prathista Industries Limited AMR Warehousing Limited	NIL
Shareholding	NIL	NIL	NIL

Place Secunderabad  
Date 26 May 2012

By order of the Board  
For KAVERI SEED COMPANY LIMITED

Sd/-  
GV BHASKAR RAO  
MANAGING DIRECTOR

Protected cultivation of Capsicum





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## Directors' report



# DIRECTORS' REPORT

## Director's Report to the Members of M/s KAVERI SEED COMPANY LIMITED

Your Directors have pleasure in presenting the 25th Annual Report of the Company together with the audited accounts for the financial year ended 31 March 2012.

### FINANCIAL RESULTS

	(in Rs Lakh)	
	2011-12	2010-11
Gross Turnover	37244.32	23468.84
Profit before Depreciation, Interest and Taxes	7423.54	5486.67
Depreciation/Amortization	1000.94	1019.31
Interest	327.12	434.94
Profit before Tax	6095.48	4032.42
Provision for Tax/Deferred Tax	285.12	(215.09)
Net Profit	5810.36	4247.51
Balance brought forward from Previous Year	8180.63	5366.68
Balance available for appropriation	13990.99	9614.19
<b>Appropriations</b>		
Proposed Dividend including Tax	637.00	398.13
Transfer to General Reserve	1000.00	1000.00
Balance carried to Balance Sheet	12353.99	8216.07

### FINANCIAL HIGHLIGHTS

Members will be happy to know that your Company is celebrating its Silver Jubilee this Year. This eventful journey has been a period of planned growth and success, and your Directors take this opportunity to complement every one - the members, customers, dealers, distributors, business associates and employees for their encouragement, support and co-operation. Your Company shall maintain the momentum and re-dedicate itself to strive for sustained growth and thereby meet every stakeholder's expectation in the future as well.

Your Company has reached a turnover of Rs 37244.32 lakhs during the year under review. The financial year 2011-12 was a significant improvement in all parameters like revenues, operating income, profit before tax, profit after tax and earnings per share. The gross turnover grew over 59% at Rs 37244.32 lakhs which was augmented by our strategic initiatives taken by the company by high volume sale of seed. Net Profit after Tax of Rs 5810.36 lakhs was higher by 36.79% over Rs 4247.51 lakhs of the previous year. It is a new all time high for your Company translating to EPS of Rs 42.40 as compared to Rs 31 of last year.

Your Company is working towards accelerated growth, both in revenues as well as its earnings. Sustainable medium and long-term goals are being pursued. Our customer centricity will always be matched by our efforts to meet the stakeholders' interest. Investors in Kaveri can look forward to robust growth.

Your Company will always endeavor to leverage its product, technologically and people strength to enhance share owner's value. This sustainable growth model is being further augmented with new initiatives initiated and contemplated.

### REVIEW OF OPERATIONS

Your Company during the last five years has shown healthy CAGR growth of 40% and 43% in respect of revenue and PAT. Your Company has maintained and made a mark as a National player in the seed industry with substantial products. Plans are afoot to launch six more hybrids, of which two have been marching ahead already. These hybrids in conjunction with other currently marketed ones, keep the growth momentum of the company in the years ahead.

Your Company is one of the few in the industry who have more than three decades of experience and consistent track record. The experience over the years has helped in understanding every changing needs and demands of customers. The clear focus on quality, product development, manufacturing efficiencies, productivity improvements and quicker reach to market will drive to success in future. Your Company strongly believes that our future rests on continued investment in R&D with focus on breeding research and product development. As such the Company plans to invest more in R&D to further the capabilities – in terms of human resources and infrastructure.

# DIRECTORS' REPORT

Your Company's image received boost by figuring in Forbes Listing Under Top 200 Companies, Best under a Billion in Asia - Pacific Region successively for third time.

## OUTLOOK

Seed is the harbinger of change in modern agriculture and agriculture in turn is the game changer of the society. Harnessing the best of scientific knowledge and technological breakthroughs to produce seed of super green hybrids is crucial for second green revolution with world food crisis looming large, it is a foregone conclusion that future rests with those who wield grain power and the quality seed we produce through innovation hold the key in such empowerment. Technological advances and policy reforms initiated in late 1980s, greatly impacted India's seed industry by opening up new growth opportunities through investment on innovation. This is amply witnessed in case of cotton, where the introduction of Bt cotton hybrids to combat vexed problem of bollworm menace, developed by the private sector lead to stabilized and enhanced yields, extension of area and maximization of output. Less benefited from these technological advances and policy reforms are the triple cereals- rice, wheat, and maize. In general, seed industry's investment in research, development, and marketing of improved seed for these crops lagged that of cotton. Rice, wheat and maize are also key to India's food and nutritional security and their stagnant production and productivity makes the country food insecure. The falling rate of yield gain for these crops is of great concern. It is the private sector that may contribute to growth in coming years by reversing the trend. The R&D capabilities of seed Industry, as well as pro business policy environment to support their growth, will significantly contribute to productivity gains in the major cereals. After Bt. cotton, growth driver and hope for industry is hybrid rice. Hybrid rice with huge market potential is the next major attraction for your company's business too.

## RESEARCH & DEVELOPMENT

The seed industry is highly competitive and one who establishes an edge in respect of quality of launched products in the market is the front runner. The company is currently refurbishing its seed business by phasing out extant products, with an eye on new and improved, extending its entry into emerging markets to secure firm leadership in industry. The company is striving to deliver solutions from seed to agro inputs - micro nutrients and bio pesticides. The key strategy is to focus on innovation by way of increased investment in R&D, infra structure and human resources. The company has plans to consolidate its recently established lead in cotton, pearl millet and maize and carve a niche in vegetable seed and export market. It also intends to scale up their position in hybrid rice and sunflower.

Your Company continues to rein enviably in its research driven product portfolio - both in number and performance. The Company's premier BT cotton hybrids - Jaadoo, Jackpot and North Bullet and bajra hybrid - Super Boss launched in the recent past are now the envy to the competitors in the seed business. Sampada (red gram) Sampoorna (paddy) have created niche markets. Based on National Evaluation process, the ICAR has identified Company's maize hybrids KMH 25K60 for AP, Karnataka and Maharastra and KMH 3712 for Punjab, Delhi, Haryana, Western UP., Rajasthan, Gujarat, Madhya Pradesh, Bihar, and W. Bengal & Eastern UP (2011). Four paddy hybrids KPH 216, KPH 371, KPH 272 & KPH 199 excelled in National trials and advanced to second stage of national evaluation. In a similar vein, X 563 (Bajra) and KSH 950 (Jowar) are the hybrids of promise and likely to hit the market soon. Success has also been achieved in vegetable breeding; Tomato hybrids - KTH 104, KTH 204, okra hybrids - Kaveri Nadia and Kaveri Leena hold promise and hope for the Company's further growth in vegetable business. Significant progress has been made in breeding yellow vein mosaic virus (YVMV) resistant okra hybrids. The performance of proprietary hybrids at all India level is evidenced by their identification in ICAR trials and subsequent notification by the CVRC. Four maize hybrids- KMH 218 Plus; KMH 3426; KMH 25K60 & KMH3712 and Bajra hybrid Super Boss (MH1553) have been notified recently.

## PPV&FR

With increased private investment in research and knowledge-driven products, Intellectual Property Rights (IPR) are rising in importance, a trend that would affect many players in the agricultural sector. IPR regimes are expected to contribute to increasing agricultural productivity and improving food security through higher investment and better innovations by the private sector in crop genetic improvement. To encourage such an endeavour, the government enacted PPV&FR Act 2001.

Your Company has registered a number of germplasm/parental lines and hybrids evolved through its dedicated R&D team to realize investments and protect rights. To date as many as 159 lines/hybrids have been registered with PPV&FR of which 39 have undergone DUS test and 15 are in line for certification.

# DIRECTORS' REPORT

## Microteck

Your Company established Microteck division about 9 years back to provide green and organic products—micro nutrients and bio-pesticides—to farmers. Branded *Microteck*, these products help significantly in increasing crop yield. Bulk moving products under this category are *Mazik* and *Energy*, which are used as foliar spray. *Captain* is recommended for soil application. The main products under this category are *ultimax+*, *Kick*, and *microzyme*, which are yield maximizers. *Fire* and *Fatafat* stimulate the plant defence mechanism. Microteck has started production of bio-pesticides—*Bio-guard* and *Bio-cense*—that subscribe to green norms.

## The Thrust

Your Company is committed to be a front-runner in its core seed business by ensuring quality through greater focus, improved efficiency, accelerated innovation, and by remaining farmer-centric throughout the value chain. With the efforts of the last five years, your Company's business has climbed new heights and gained momentum.

## DIVIDEND

Your Directors are pleased to recommend a dividend of Rs 4 per equity share of Rs 10 each 40% for financial year 2011-12. The dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on 25 September 2012. The dividend would be tax-free in the hands of the shareholders.

## SUBSIDIARIES

During the year, your Company has incorporated 100% Wholly Owned Subsidiary Company, Kexveg India Private Limited, in the month of November 2011, with an initial investment of Rs 6.40 crore.

The subsidiary company is a new initiative for producing high value exotic Indian vegetables and European herbs for domestic and export markets. The subsidiary entered into commercial cultivation of these products in state-of-the-art and specially designed and built green houses. During the year, the Company started cultivating a five hectare area as a pilot project near Hyderabad. It is now taking steps to expand the farm by another five hectares to cultivate crops like green and coloured capsicum, hybrid tomato, cherry tomato, parthenocarpic cucumber, leafy and iceberg lettuce, basil, and other culinary herbs like chives, sage, tarragon, Rosemary, oregano, cilantro, and parsley to cater to European tastes. Apart from this, the company is growing a full range of Indian vegetables in its farms under drip irrigation. Facilities include an in-house cold room and packing facilities by punnet packing. The company plans to introduce shrink wrapping and slicing dehydration.

During the year, the financial statements of the above said subsidiary and also the consolidated statements will not be reflected in the accounts of this Annual Report. In accordance with the Companies Act, the accounts of the subsidiary will be closed within the stipulated time from the date of incorporation. Accordingly, the financial results of the subsidiary company will be made available along with the next Annual Report of the company.

## HUMAN RESOURCES

Your Company is well-known for its execution capabilities, marketing and manufacturing strengths, product quality, ability to keep to its commitment, and deliver for its customers. Over the year, organisational strengths have enabled your company to grow faster than the industry average in each year. The momentum continued during the year under review with a new high in volume sold, highest ever revenues, and profit after tax. Your company has received the support of all employees. As at 31 March 2012, your Company had 645 employees on roll, higher by 11.59% over 578 in the previous year.

## CORPORATE GOVERNANCE

The certificate of the Statutory Auditor M/s. PR Reddy & Co., confirming 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 as a separate section 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 outstanding as on the date of this Annual Report.

# DIRECTORS' REPORT

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, KVD Prasada Rao, Dr S Raghuvardhan Reddy and Dr SM Ilyas, Directors, retire by rotation at the forthcoming Annual General Meeting scheduled on 25 September 2012 and, being eligible, offer themselves for re-appointment. The brief profiles of KVD Prasada Rao, Dr S Raghuvardhan Reddy and Dr SM Ilyas are given in the Notice of the Annual Report for reference of members.

## AUDITORS

The Statutory Auditors of the Company M/s PR Reddy & Co. Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Statutory Auditors, if reappointed. The Audit Committee and the Board of Directors recommend reappointment of M/s PR Reddy & Co., Statutory Auditors of the Company for the financial year 2012-13 for shareholders' approval.

## RECONCILIATION OF SHARE CAPITAL AUDIT

A reconciliation of share capital audit for the year 2011-12 was carried out by AN Sarma, practicing Company Secretary. The said reconciliation of share capital 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 have been followed, along with a 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 2011-12 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 to the best of its knowledge and ability. There are however, inherent limitations, which should be recognised while relying on any system of internal control and records; and
- iv it has prepared the annual accounts on a 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 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 forming part of this Report.

## EMPLOYEE STOCK OPTION SCHEME

Pursuant to the Employee Stock Option Scheme, the Company has granted 1,37,000 options on 28 January 2010 to 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 exercised the options, hence, no options were allotted under the Scheme. Details of the options up to 31 March 2012 are set out in the

# DIRECTORS' REPORT

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 counts 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 distributors, dealers, and customers for their support and encouragement. Your Directors thank the banks, financial institutions, government departments, and shareholders, and look forward to having the same support in all our future endeavors.

Place Secunderabad  
Date 26 May 2012

For and on behalf of the Board

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
G VANAJA DEVI  
Wholetime Director

Board of Directors



# 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		2011-12	2010-11
<b>Power and Fuel Consumption</b>			
a	Electricity purchased		
	Units (Nos.)	2495378	1960901
	Total Amount	189.46	127.87
	Unit Rate (Rs)	7.59	6.52
b	Own Generation		
	Through Diesel Generator		
	No. of Units in Liters	187936	199559
	Units per liter of Diesel	3	3
	Oil cost per Unit (Rs)	15.00	13.76
<b>Others (Gas)</b>			
	Through Gas Dryer		
	Quantity in Kgs of Gas	300783	154537
	Amount (in Rs Lakh)	68.37	85.10
<b>Consumption per unit of production</b>			
	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		

## FORM - B

### TECHNOLOGY ABSORPTION

#### Research and Development

Specific areas in which Research and Development was conducted by the Company include process development and commercialization of various seed products in the segment of seeds and micro-nutrients. Further, the Company 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 in enhancing its R&D capabilities.

#### Expenditure on Research and Development

(in Rs Lakhs)

	2011-12	2010-11
Capital	106.93	178.18
Recurring	716.68	543.38
	823.61	721.56
Total R&D expenditure as percentage of total turnover	2.2%	3.09%

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Technology absorption is not involved as the processing of seeds is being developed in-house by the Company.

Due to benefits derived from the above efforts, i.e. product development, cost reduction, research development, seed processing was simplified and mechanized, and thereby enabled the Company to reduce cost and improve products.

Particulars of Imported Technology : Nil

#### Foreign Exchange Earning & Outgo

a) Earnings	: 118.33 Lakhs
b) Out go	: 38.08 Lakhs

For and on behalf of the Board

Place Secunderabad  
Date 26 May 2012

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
G VANAJA DEVI  
Wholetime Director

## Annexure–II to the Directors' Report

Details of stock options granted under Kaveri Seed Company Limited (ESOP-2008-09) as on 31 March 2012.

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

DESCRIPTION	ESOP 2011-12
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 2011-12	16650
Options exercised during FY 2011-12	Nil
The total number of shares arising as a result of exercise of options	Nil
Options lapsed during FY 2011-12 which are subject to reissue	Nil
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 31 March 2012 (cumulative)	1,11,000
Grant details of members of senior management team during the year 2011-12	Nil
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) 20I	
i Method of calculation of employee compensation cost	The Company has calculated employee compensation cost using the intrinsic value of the stock options.
ii Difference between the employee compensation cost so computed at	(3626914 - 1836135)
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).	= 17,90,779
iii The impact of this difference on profit and earnings per share of the company	PAT Rs 58,10,36,225/- Less: Rs 17,90,779 (difference as above) Adjusted PAT Rs 57,92,45,446 Adjusted EPS Rs 42.27
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

# Annexure–II to the Directors’ Report

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 4/- per share

Place Secunderabad  
Date 26 May 2012

For and on behalf of the Board

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
G VANAJA DEVI  
Wholetime Director

# REPORT ON CORPORATE GOVERNANCE

## A) Value of corporate governance

Your Company believes that corporate governance is integral to all the functions and divisions of the organization for creating value for all stakeholders. In this competitive business environment, both management and employees vigorously uphold the values of integrity, transparency, responsibility, and accountability.

The Company believes that corporate governance is about imbibing the best practices of business into the culture of the organization and complying with value systems, ethical business practices, laws, and regulations to achieve the main objectives of the Company.

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 in accordance with Clause 49 of the Listing Agreement with stock exchanges.

## B) Board of Directors

As of the date of the Report, the Board of Kaveri Seed had 12 Directors, comprising five Executive Directors, including the Chairman and seven Independent Directors as defined under the 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, and an 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 an 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 Company has complied with the provisions of Clause 49 of the Listing Agreement of the stock exchange, which deals with the compliance of corporate governance requirements as detailed below:

### Composition of Board, their positions, relationship with other Directors, other Directorships and memberships of Committees held by each of them as on 31 March 2012

Name	Category	Number of Memberships in other Companies		Attendance at	
		Board	Committees	Board	AGM Meetings
GV Bhaskar Rao*	Chairman and Managing Director	2	1	4	Yes
G Vanaja Devi*	Executive Director	1	-	3	No
R Venu Manohar Rao*	Executive Director	1	2	4	Yes
Ch Vamsheedhar*	Executive Director	1	3	3	Yes
Ch Mithun Chand*	Executive Director	1	3	4	Yes
G Pawan*	Non-Executive Director	1	-	-	No
KVD Prasad Rao	Non-Executive Independent Director	2	3	4	No
M Srikanth Reddy	Non-Executive Independent Director	2	3	4	Yes
Dr Yeshwant Laxman Nene	Non-Executive Independent Director	1	-	4	Yes
P Vara Prasad Rao	Non-Executive Independent Director	1	3	1	Yes
Dr S Raghuvardhan Reddy**	Non-Executive Independent Director	3	-	3	Yes
Dr SM Ilyas**	Non-Executive Independent Director	1	-	4	Yes

Notes: \*GV Bhaskar Rao, G Vanaja Devi, G Pawan, R Venu Manohar Rao, C Vamsheedhar, and C Mithun Chand are related to each other.

\*\*Dr SM Ilyas was appointed as Director with effect from 16 May 2011.

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.

## C) Board Committees

### I) 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

# REPORT ON CORPORATE GOVERNANCE

consultation with Director/s of the Company. The agenda of the meeting is pre-circulated with detailed notes and supporting documents. The Board of Directors must meet at least four time 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 30 May 2011, 10 August 2011, 7 November 2011, and 2 February 2012. 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 as under:

Date	Board Strength	No. of Directors Present
30.05.2011	12	10
10.08.2011	12	9
07.11.2011	12	9
02.02.2012	12	10

## ii) Information given to the Board

The Company provides the following information to the Board and 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 on the human resources and industrial relations fronts.

## iii) Audit Committee

While management is responsible for the Company's internal controls and the financial reporting process, 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.

## iv) 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, annual financial statements before submission to the Board with a focus 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;

# REPORT ON CORPORATE GOVERNANCE

- ◆ 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 shareholder (in case of non-payment of declared dividends) and creditors.

## v) Composition and other details of Audit Committee

- ◆ The Audit Committee comprises four members, three of whom 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 three Non-executive Directors, all of them being Independent Directors and one Executive Director.
- ◆ The heads of departments of Finance & Accounts, Internal Auditor, and statutory auditors are permanent invitees to the Audit Committee.
- ◆ During the year under report, the Audit Committee met four times on 30 May 2011, 10 August 2011, 7 November 2011, and 2 February 2012.

Attendance at the Audit Committee meetings during the financial year 2011-12 is as under:

Member	No of Meetings	Attendance
P Varaprasad Rao	4	1
M Srikanth Reddy	4	4
KVD Prasad Rao	4	4
C Mithun Chand	4	4

## vi) 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 administer 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 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 once on 10 August 2011.

Member	No of Meetings	Attendance
P Varaprasad Rao	1	-
M Srikanth Reddy	1	1
KVD Prasad Rao	1	1
R Venu Manohar Rao	1	1
C Vamsheedhar	1	-

# REPORT ON CORPORATE GOVERNANCE

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

a. Executive Directors:

Name of the Director	Salary per annum	Contribution to PF	(in Rs)
			Total
GV Bhaskar Rao	83,40,000	102,000	84,42,000
G Vanaja Devi	51,60,000	102,000	52,62,000
R Venumanohar Rao	28,80,000	102,000	29,82,000
C Vamsheedhar	19,80,000	102,000	20,82,000
C Mithun Chand	20,58,000	102,000	21,60,000
<b>TOTAL</b>	<b>204,18,000</b>	<b>510,000</b>	<b>209,28,000</b>

b. Non-Executive Directors:

Name	Designation	(in Rs)
		Sitting Fee
KVD Prasad Rao	Non-executive Independent Director	20,000/-
M Srikanth Reddy	Non-executive Independent Director	20,000/-
Dr Yeshwant Laxman Nene	Non-executive Independent Director	25,000/-
P Vara Prasad Rao	Non-executive Independent Director	5,000/-
Dr S Raghuvardhan Reddy	Non-executive Independent Director	15,000/-
Dr SM Ilyas	Non-executive Independent Director	25,000/-

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.

viii) Details of shares of the Company held by Directors as on 31 March 2012 are as below:

Name	No. of Shares
GV Bhaskar Rao	1306398
GV Bhaskar Rao – HUF	2316000
G Vanaja Devi	2222600
R Venu Manohar Rao	577576
C Vamsheedhar	259333
C Mithun Chand	224489
G Pawan	501800

ix) 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.,

Constitution of the Committee:

Name	Designation
P Varaprasad Rao	Chairman
R Venu Manohan Rao	Member
C Mithun Chand	Member
M Srikanth Reddy	Member
C Vamsheedhar	Member
KVD Prasad Rao	Member

# REPORT ON CORPORATE GOVERNANCE

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 investors. As on 31 March 2012 there were no investor grievances pending and no transfers were pending for approval.

## x Borrowing Committee of Board of Directors

The Company has a Borrowing Committee of Board of Directors, which is a non-mandatory requirement as per the Listing Agreement. The Committee authorizes and approves Borrowings and opening/authorization for operation of current accounts of the Company on behalf of the Board. The Committee comprises entirely Executive Directors viz., GV Bhaskar Rao, (Chairman) C Vamsheedhar and C Mithunchand. The Committee met six times during the period under review.

## xi Technical Committee of Board of Directors

The Company has constituted Technical Committee of Board of Directors, which is a non-mandatory requirement as per the Listing Agreement. The Committee comprises entirely Non-Executive Directors viz., Dr YL Nene, Dr S Raghuvardhan Reddy and Dr SM Ilyas, each member of the Committee has the relevant experience in the field of Science & Technology. The Committee of members mainly advises to implementation of new plans of R&D activities and improving the process etc., to optimize the utilization of all the resources of the Company. The Committee met one time on 16.07.2011 and visit R&D center during the period under review.

## D) General Body Meetings

Details of the last three AGMs are as follows:

Year	Date of Meeting	Time of Meeting	Venue of Meeting	No. of Special Resolutions passed
Annual General Meeting 2008-09	22 September 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 500004 AP	1
Annual General Meeting 2009-10	27 September 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 500004 AP	5
Annual General Meeting 2010-11	27 September 2011	11.15 am	Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills Hyderabad 500004 AP	7

## E) Disclosures

### i) 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.

### ii) 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.

### iii) 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 Audit Committee/Board regularly.

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

### iv) 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

# REPORT ON CORPORATE GOVERNANCE

SEBI or any other statutory authority on any matter during the last three years.

## v) Code of Conduct

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. This code is posted on the website of the company. The Company obtains an annual declaration from every person covered by the code.

Your 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 Company has communicated the mechanism appropriately to all employees and has provided them direct access to the Chairman of the Company. The mechanism also emphasises on an enquiry into whistle blower complaints received by the Company.

## vi) Risk Management

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

## vii) 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.

## viii) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with mandatory requirements of Clause 49 and is now implementing non-mandatory requirements.

## F) Means of Communication

The Company has a website [www.kaveriseeds.in](http://www.kaveriseeds.in) though quarterly and half yearly financial statements are not sent to individual households of shareholders, the information is posted on the Company's website for shareholders and the 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 posted on the Company's website. A management discussion and analysis statement is a part of the Company's Annual Report.

## I) NSE Electronic Application Processing System (NEAPS)

The Company also filed information through NEAPS – a web based application provided by NSE which facilitates online filing of the Corporate Governance Report and shareholding pattern by companies.

## ii) Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No.37/2011 dated June 7, 2011, had mandated certain companies to file their annual accounts vide this mode. The Company has filed its annual accounts on MCA through XBRL.

## iii) Ministry of Corporate Affairs (MCA)

The company has periodically filed all necessary documents with the MCA.

## iv) SEBI Complaints Redress System (SCORES)

A centralized web-based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## v) Letters

Letters reminding investors to claim their pending/unclaimed dividends and interest are regularly dispatched to investors.

## vi) 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.

## vii) Annual Report

The Annual Report containing inter alia audited accounts, Directors' Report, Auditors' Report, and other important information is circulated to investors. Pursuant to the green initiative launched by MCA, the Company also sends e-copies of the Annual Report to members who have registered for the same.

Your Company's Annual Reports are also available on its web site [www.kaveriseeds.in](http://www.kaveriseeds.in)

# REPORT ON CORPORATE GOVERNANCE

## G) General shareholder information

i.	Annual General Meeting - Date and Time - Venue	25 September 2012 at 11.15 am Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841 Red Hills Hyderabad 500004 AP
ii.	Financial Year of the Company Financial calendar 2012-2013 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter (Tentative and subject to change)	1 April to 31 March  15 August 2012 15 November 2012 15 February 2012 30 May 2012 (Audited)
iii.	Date of book closure	21 September to 25 September 2012
iv.	Payment of dividend	Subject to the approval members, the Dividend of 40% i.e., Rs 4.00 per share, if declared, will be paid within 30 days from the date of the Annual General Meeting to all eligible shareholders.
v.	Listing on Stock Exchanges:	Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400023 National Stock Exchange of India Ltd. Exchange Plaza 5th floor Plot No.C/1 G-Block Bandra-Kurla Complex Bandra (East) Mumbai 400051
vi.	Listing Fees	Listing fee of both the stock exchanges has already been paid for the year 2012-2013
vii.	Stock Code: Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd.	532899 KSCL
viii.	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 99.72% of the Company's share capital are dematerialized as on 31 March 2012.  The Company's shares are regularly traded on National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd in electronic form.  Under the depository system, the ISIN allotted to the Company's shares is INE 455I01011
ix.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments	The Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on 31 March 2012.
x.	Plant locations	(i) Kandlakoi Plant Plot No.140/A/1 Kandlakoya village Medchal Mandal Ranga Reddy District AP  (ii) Gundlapochampally Plant Sy. No. 28 Part Gundlapochampally village Medchal Mandal Ranga Reddy District AP  (iii) Gatlanarsingapur Plant-1 Door No. 104 Gatlanarsingapur Post Bheemadevarapally Mandal Karimnagar District AP  (iv) Gatlanarsingapur Plant-2 Door No. 6-96/2 Gatlanarsingapur Post Bheemadevarapally Mandal Karimnagar District AP

# REPORT ON CORPORATE GOVERNANCE

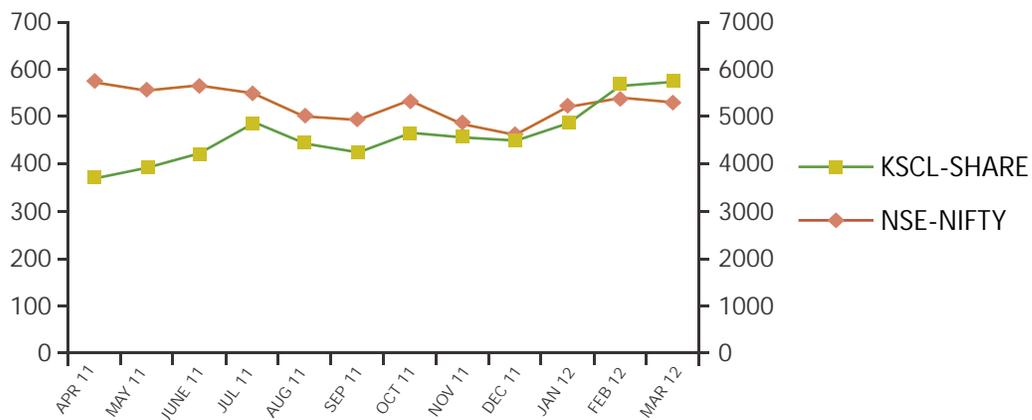
		(v) Eluru Plant Sy. No. 853 Koppaka village Pedavegi Mandal West Godavari District AP
		(vi) Bellary Plant & Godown D.No.340 Nh-63 Main Road K B Halli 583103 Bellary District Karnataka
		(vii) Pamulparthy Plant Sy. No. 703 Part 704 Part 712 Part 713 to 719 Pamulparthy village Wargal Mandal Medak District
xi	Registered Office	513-B 5th Floor Minerva Complex SD Road Secunderabad 500003 AP Tel: +91 40 27721457/27842398 Fax: +91 40 27811237 Email: cs.kaveri@gmail.com Website: www.kaveriseeds.in
xii.	Name & Designation of Compliance Officer	Mr. V R S Murti Company Secretary 513-B 5th Floor Minerva Complex SD Road Secunderabad 500003 AP Tel: +91 40 27721457/27842398 Fax: +91 40 27811237 Email: cs@kaveriseeds.in Website: www.kaveriseeds.in
xiii.	Registrar and Share Transfer Agents/address for correspondence	Bigshare Services Pvt. Ltd., 306 3rd Floor Right Wing Amrutha Ville (Opp. Yashodha Hospital) Somajiguda Rajbhavan Road Hyderabad 500082 Tel: + 91 40 39123837/23374967 Fax: +91 40 23370295 E-mail: bsshyd@bigshareonline.com

## xiv. Monthly high and low quotations and volume of shares traded on NSE and BSE during the year

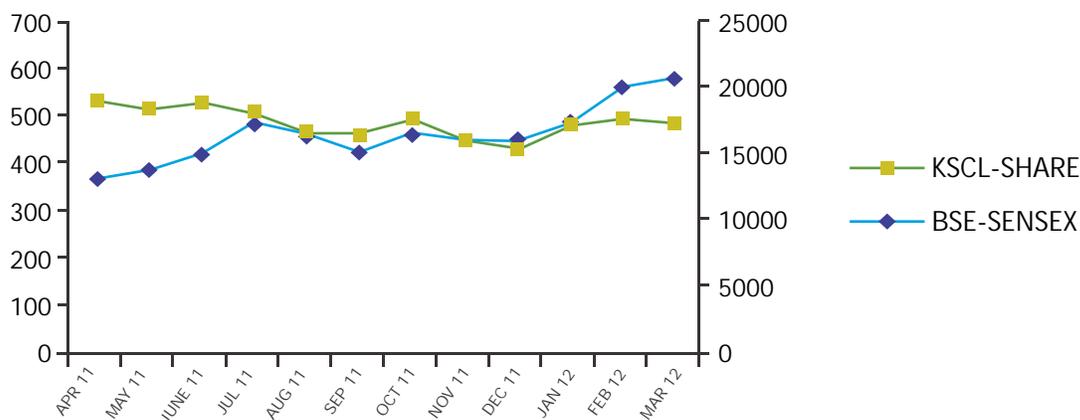
Month	National Stock Exchange				Bombay Stock Exchange			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-11	381	330	369.15	432174	382	329	367.95	228140
May-11	400	359.5	390.75	430022	400	359	388.65	171349
Jun-11	434	370.1	420.05	527175	434.4	371	419.95	246685
Jul-11	493.9	411	485.05	838584	494	412.55	485.55	647504
Aug-11	494	389.95	443.05	666257	492	366.65	463.2	331093
Sep-11	490	418.5	424.3	566568	487.70	410.5	423.80	177067
Oct-11	497	415.25	464.85	452384	497	418	463.90	177571
Nov-11	488.4	407	457.85	351857	484.95	400	452.15	125128
Dec-11	498.7	422	447.9	284080	489.90	420.25	448.20	178429
Jan-12	489	446.4	485.7	222325	489.75	420.25	448.20	178429
Feb-12	605	475	566.65	370409	614.95	480	564.75	185753
Mar-12	622.95	517	574.7	148702	624	519.60	580.90	82251

# REPORT ON CORPORATE GOVERNANCE

Stock performance of Kaveri Seed Company Ltd vs. National Stock Exchange - Nifty



Stock performance of Kaveri Seed Company Ltd vs. Mumbai Stock Exchange - Sensex



xv. Distribution schedule and shareholding pattern as on 31 March 2012

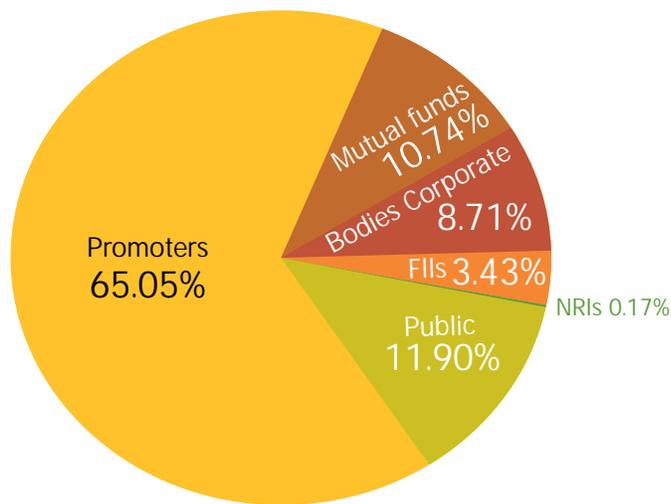
Category	No. of Shareholders	No. of Shares	% of total capital
1 - 5000	3,571	9,29,154	6.78
5001 - 10,000	25	1,93,918	1.42
10001 – 20000	14	2,24,291	1.64
20001 – 30000	10	2,49,358	1.82
30001 – 40000	6	2,14,529	1.57
40001 - 50000	3	1,26,739	0.92
50001 - 100000	9	5,59,551	4.08
100001 – and above	18	1,12,04,644	81.77
<b>Total</b>	<b>3,656</b>	<b>1,37,02,184</b>	<b>100%</b>

# REPORT ON CORPORATE GOVERNANCE

xvi. Category of shareholders as on 31 March 2012

Category	No. of Shares	%
Promoters	8912774	65.05
Mutual Funds	1471419	10.74
Bodies Corporate	1193947	8.71
FII's	469789	3.43
NRIs	23645	0.17
Public	1630610	11.90
<b>TOTAL</b>	<b>13702184</b>	<b>100%</b>

## SHAREHOLDER PERCENTAGES



xvii. Top 10 shareholders of the Company as on 31 March 2012

Shareholders	Category	No. of shares	%
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# 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 Chalapati 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 31 March 2012 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

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
K V CHALAPATI REDDY  
Chief Financial Officer

Place Secunderabad

Date 26 May 2012

## DECLARATION

I, GV Bhaskar Rao, Managing Director, hereby declare that as provided under Clause 49 of the Listing Agreements with the stock exchanges, the Board Members and senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31 March 2012.

For KAVERI SEED COMPANY LIMITED

Sd/-  
GV BHASKAR RAO  
Managing Director

Place Secunderabad

Date 26 May 2012

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

To the Members

M/s. Kaveri Seed Company Ltd.

We have examined the compliance of conditions of Corporate Governance by Kaveri Seed Company Ltd, ('the Company') for the year ended on March 31, 2012, 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 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 above mentioned 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.

Place Secunderabad

Date 26 May 2012

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

Sd/-

P RAGHUNADHA REDDY  
Partner  
Membership No.23758

# AUDITOR'S REPORT

## Auditor's Report to the Members of M/s KAVERI SEED COMPANY LIMITED

We have audited the attached Balance Sheet of Kaveri Seed Company Limited, as at 31 March 2012 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 2012 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 31 March 2012.
  - 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 and on behalf of the Board  
For PR REDDY & CO.,  
Firm Registration No 003268S  
Chartered Accounts

Sd/-  
(P RAGHUNADHA REDDY)  
Partner  
Membership No 23758

Place Hyderabad  
Date 26 May 2012

# AUDITOR'S REPORT

## Annexure referred to in the Auditors' Report to the Members of KAVERI SEED COMPANY LIMITED for the year ended 31 March 2012, 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. a. 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 31 March, 2012 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.

# AUDITOR'S REPORT

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- 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 and on behalf of the Board  
For PR REDDY & CO.,  
Firm Registration No 003268S  
Chartered Accounts

Sd/-  
(P RAGHUNADHA REDDY)  
Partner  
Membership No 23758

Place Hyderabad  
Date 26 May 2012

# BALANCE SHEET AS AT 31 MARCH 2012

(in Rs)

	Note	As at 31 Mar 2012		As at 31 Mar 2011	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders Funds</b>					
Share Capital	2	137,021,840		137,021,840	
Reserves & Surplus	3	<u>2,276,791,514</u>	2,413,813,354	<u>1,757,270,855</u>	1,894,292,695
<b>Non Current Liabilities</b>					
Long Term Borrowings	4	26,094,000		26,520,799	
Other Long Term Liabilities	5	<u>28,885,772</u>	54,979,772	<u>21,955,772</u>	48,476,571
<b>Current Liabilities</b>					
Short Term Borrowings	6	190,000,000		250,000,000	
Trade Payables	7	1,099,853,208		382,905,612	
Other Current Liabilities	8	2,032,309,963		1,124,689,150	
Short Term Provisions	9	<u>94,697,954</u>	3,416,861,125	<u>55,528,605</u>	1,813,123,367
			<u>5,885,654,251</u>		<u>3,755,892,633</u>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	10				
Tangible Assets		935,433,224		1,038,061,286	
Intangible Assets		7,430,289		6,159,807	
Capital Work in Progress		130,914,560		71,901,924	
Non Current Investments	11	69,505,686		5,505,686	
Long Term Loans and Advances	12	79,523,822		29,893,709	
Deferred Tax Asset		2,084,768		1,096,924	
Other Non -Current Assets	13	<u>240,333</u>		<u>468,720</u>	
			<u>1,225,132,682</u>		<u>1,153,088,056</u>
<b>Current Assets</b>					
Current Investments	14	1,105,686,036		362,768,796	
Inventories	15	3,033,441,326		1,649,235,211	
Trade Receivables	16	285,072,169		361,608,737	
Cash & Cash Equivalents	17	96,083,472		45,394,557	
Short Term Loans and Advances	18	7,962,392		7,778,280	
Other Current Assets	19	<u>132,276,174</u>	4,660,521,569	<u>176,018,996</u>	2,602,804,577
			<u>5,885,654,251</u>		<u>3,755,892,633</u>
Notes on Financial Statements	1-36				

As per our report of even date attached

For PR REDDY & CO.,  
Firm Registration No 003268S  
Chartered Accountants

Sd/-  
P RAGHUNADHA REDDY  
Partner  
Membership No 23758

Place Secunderabad  
Date 26 May 2012

Sd/-  
KV CHALAPATHI REDDY  
Chief Financial Officer

Sd/-  
VRS MURTI  
Company Secretary

For and on behalf of the Board

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
G VANAJA DEVI  
Wholtime Director

# PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

(in Rs)

	Note	As at 31 Mar 2012	As at 31 Mar 2011
Revenue from Operations	20	3,724,432,388	2,336,862,314
Other Income	21	25,606,615	10,021,867
Total Revenue		3,750,039,003	2,346,884,181
<b>EXPENSES</b>			
Cost of Material Consumed	22	2,694,602,748	1,047,305,088
Changes in Inventories of Finished Goods and Work in Progress	23	(1,285,470,000)	(280,090,388)
Employee Benefit Expenses	24	156,815,434	109,479,229
Finance Costs	25	32,711,689	43,493,989
Depreciation & Amortisation Expenses		100,094,226	101,931,173
Other Expenses	26	1,388,817,335	921,779,276
Total Expenses		3,087,571,432	1,943,898,367
Profit before Exceptional Items and Tax		662,467,571	402,985,814
Exceptional Item - Loss on acquisition of land		52,919,190	
Profit before Tax		609,548,381	402,985,814
Less: Tax expense			
Current Tax		29,500,000	28,500,000
Deferred Tax		(987,844)	(1,957,887)
Add: Excess Provision for earlier years			48,307,407
		28,512,156	(21,765,294)
Profit after Tax		581,036,225	424,751,108
Earnings per share (equity shares, par value Rs 10 each)			
Basic & Diluted		42.40	31.00
Notes on Financial Statements	1-36		

As per our report of even date attached

For PR REDDY & CO.,  
Firm Registration No 003268S  
Chartered Accountants

Sd/-  
P RAGHUNADHA REDDY  
Partner  
Membership No 23758

Place Secunderabad  
Date 26 May 2012

Sd/-  
KV CHALAPATHI REDDY  
Chief Financial Officer

Sd/-  
VRS MURTI  
Company Secretary

For and on behalf of the Board

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
G VANAJA DEVI  
Wholetime Director

# Notes to the Financial Statements for the Year ended 31 March 2012

## 1 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

Tangibles:

- 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. Impairment loss, if any, is provided to the extent the carrying amount of Assets exceeds their recoverable amount.
- vi. Depreciation is provided on written down value method, at the rate specified in schedule XIV to the Companies Act, 1956.

Intangibles:

- I. Computer software is being depreciated on WDV method at the rates specified in Schedule XIV of 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.

Expenditure of R&D during the Year

Capital Expenditure Rs 7,16,67,784/-

Revenue Expenditure Rs 1,06,93 683/-

### 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 in respect of each category of Investment.

## Notes on Financial Statements for the Year ended 31 March 2012

### 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.
- iii. Actuarial gains/losses are immediately taken to Profit and Loss Account.
- iv. The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to revenue in the period determined.

### 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. 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	2011-12	2010-11 (Rs)
Depreciation on Fixed Assets	(987,844)	(19,57,887)

### j. Dividend provided on Equity Shares

Dividend provided in the books of a/c for the financial year pending approval from shareholders. Dividend for Equity share is Rs.4/- (Rs.2.50/-) and the total dividend provided is Rs.5,48,08,736/- (Rs.3,42,55,460/-).

### k. 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.

### l. 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.

# Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

	As at 31 Mar 2012	As at 31 Mar 2011
<b>2 SHARE CAPITAL</b>		
<b>Authorised</b>		
2,00,00,000 (2,00,00,000) Equity shares of Rs 10/- each	200,000,000	200,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
1,37,02,184 (1,37,02,184) Equity shares of Rs 10/- each	137,021,840	137,021,840
<b>TOTAL</b>	<u>137,021,840</u>	<u>137,021,840</u>

## Notes

- 22,50,000 (22,50,000) shares out of the issued subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of balance in Profit & Loss Account.
- 500,000 (5,00,000) shares out of the issued, subscribed and paid up share capital were allotted as fully paid up for consideration other than cash.
- The details of Shareholders holding more than 5% Shares:

Name of the Shareholder	As at 31 Mar 12		As at 31 Mar 11	
	No of Shares	% held	No of Shares	% held
GV Bhaskar Rao - HUF	2,316,000	16.90%	2,316,000	16.90%
G Vanaja Devi	2,222,600	16.22%	2,222,600	16.22%
G Madhushree	1,464,000	10.68%	1,464,000	10.68%
GV Bhaskar Rao	1,306,398	9.53%	1,306,398	9.53%
IDFC Premier Equity Fund	1,214,000	8.86%	1,200,000	8.76%

## Notes

- The company has reserved issuance of 1,37,000 (1,37,000) Equity shares of Rs 10 each for offering to eligible employees of the company under Employee Stock Option Scheme (ESOS) at the rate of Rs 170 per share. The options would vest over a period of five years from the date of grant based on specified criteria.

## 3 RESERVES & SURPLUS

	As at 31 Mar 12		As at 31 Mar 11	
Securities Premium Reserve		635,358,165		635,358,165
Employee Stock Option Scheme				
Employee Stock Option Scheme Outstanding	8,680,200		8,680,200	
Less: Deferred Employee Compensation Expenses	<u>2,952,474</u>	5,727,726	<u>5,136,991</u>	3,543,209
Capital subsidy		288,400		288,400
<b>General Reserve</b>				
As per last Balance Sheet	300,017,405		200,017,405	
Add: Transferred from Profit and Loss Account	<u>100,000,000</u>	400,017,405	<u>100,000,000</u>	300,017,405
<b>Profit &amp; loss Account Balance</b>				
As per last Balance Sheet	818,063,676		536,668,329	
Add: Profit for the year	<u>581,036,225</u>		<u>421,207,899</u>	
	1,399,099,901		957,876,228	
Less: Appropriations				
Transferred to General Reserve	100,000,000		100,000,000	
Proposed Dividend on Equity Shares (Dividend per share Rs 4/ (Rs 2.50)	54,808,736		34,255,460	
Tax on Dividend	<u>8,891,347</u>	1,235,399,818	<u>5,557,092</u>	818,063,676
<b>TOTAL</b>		<u>2,276,791,514</u>		<u>1,757,270,855</u>

# Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

Particulars	Year ended 31 Mar 12		Year ended 31 Mar 11	
<b>4 LONG TERM BORROWINGS</b>				
	Current	Non Current	Current	Non Current
<b>Secured</b>				
From Banks				
Term Loan from Axis Bank Ltd - Vehicle	1,666,785		2,694,446	1,666,785
Term Loan from Axis Bank Ltd		22,500,000		24,854,014
From Others				
Term Loan from Deptt of Biotechnology, Ministry of Science & Technology		3,594,000		-
<b>TOTAL</b>	<u>1,666,785</u>	<u>26,094,000</u>	<u>2,694,446</u>	<u>26,520,799</u>
<b>Notes</b>				
1 Term Loan from Bank - (Vehicle) is secured by hypothecation of the vehicle in favour of the bank.				
2 Term Loan from Bank is secured by first mortgage/charge on Land, Plant & Machinery & other Fixed assets of the company situated at Pamulaparthu Plant of the company and is repayable during the quarter ending March 2014.				
3 Term Loan from Department of Biotechnology, Ministry of Science & Technology is secured by all equipment, Plant & Machinery and other movable assets of the company and is repayable in ten equal half yearly instalments starting from June 2018.				
<b>5 OTHER LONG TERM LIABILITIES</b>				
Security deposits from dealers		28,885,772		21,955,772
<b>TOTAL</b>		<u>28,885,772</u>		<u>21,955,772</u>
<b>6 SHORT TERM BORROWINGS</b>				
Loans from Banks - Unsecured		190,000,000		250,000,000
<b>TOTAL</b>		<u>190,000,000</u>		<u>250,000,000</u>
<b>7 TRADE PAYABLES</b>				
Creditors for Expenses		104,889,706		194,683,552
Sundry Creditors		994,963,502		188,222,060
Micro and Small Enterprises				
"There are no micro and small enterprises, to whom the company owes dues, which are outstanding as at 31 March 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company."				
<b>TOTAL</b>		<u>1,099,853,208</u>		<u>382,905,612</u>
<b>8 OTHER CURRENT LIABILITIES</b>				
Current maturities of long term debt (Refer Note No 4)		1,666,785		2,694,446
Advance from customers against Sales		2,004,912,550		1,100,977,090
Payable to Staff		25,730,628		21,017,614
<b>TOTAL</b>		<u>2,032,309,963</u>		<u>1,124,689,150</u>
<b>9 SHORT TERM PROVISIONS</b>				
Provision for Income Tax (net of Advance Tax)		16,543,417		11,500,000
Provision for employee benefits		11,369,991		3,028,956
Provision for Wealth Tax		353,507		246,070
Provision for Dividend		54,808,736		34,255,460
Tax on Dividend		8,891,347		5,557,092
TDS Payable		2,695,461		917,927
Sales Tax Payable		35,495		23,100
<b>TOTAL</b>		<u>94,697,954</u>		<u>55,528,605</u>

# Notes on Financial Statements for the Year ended 31 March 2012

## 10 FIXED ASSETS

(in Rs)

PARTICULARS	Gross Block			Depreciation			Net Block			
	As on 01.04.11	Additions	Deletions	Up to 31.03.12	As on 01.04.11	Additions	Deletions	Up to 31.03.12	As on 31.03.12	As on 31.03.11
<b>A. TANGIBLE ASSETS</b>										
Land	363,637,727	1,566,580	79,087,815*	286,116,492	-	-	-	-	286,116,492	363,637,727
Buildings	297,824,955	9,648,870	-	307,473,825	53,993,022	25,909,401	-	79,902,423	227,571,402	243,831,933
Furniture & Fixtures	13,940,380	3,395,403	-	17,335,783	6,133,701	1,461,104	-	7,594,805	9,740,978	7,806,679
Vehicles	82,400,974	20,299,029	8,086,273	94,613,730	42,208,593	12,045,482	6,060,486	48,193,589	46,420,141	40,192,381
Plant & Equipment	498,903,005	40,177,443	310,000	538,770,448	121,574,736	58,254,060	215,172	179,613,624	359,156,824	377,328,269
Office Equipments	5,057,218	1,162,003	-	6,219,221	2,053,331	476,378	-	2,529,709	3,689,512	3,003,887
Computers	7,023,680	1,754,110	25,000	8,752,790	4,763,271	1,274,758	23,112	6,014,917	2,737,874	2,260,410
Total (A)	1,268,787,940	78,003,438	87,509,088	1,259,282,291	230,726,654	99,421,183	6,298,770	323,849,067	935,433,224	1,038,061,286
<b>B. INTANGIBLE ASSETS</b>										
Software	7,372,167	1,943,525	-	9,315,692	1,212,360	673,043	-	1,885,403	7,430,289	6,159,807
Total (B)	7,372,167	1,943,525	-	9,315,692	1,212,360	673,043	-	1,885,403	7,430,289	6,159,807
<b>C. CAPITAL WORK IN PROGRESS</b>										
Building Under Cont.	71,901,924	76,232,505	38,945,145	109,189,284	-	-	-	-	109,189,284	71,901,924
Other Work in Progress	-	54,919,438	33,194,162	21,725,276	-	-	-	-	21,725,276	-
Total (C)	71,901,924	131,151,943	72,139,307	130,914,560	-	-	-	-	130,914,560	71,901,924
Total - A+B+C	1,348,062,032	211,098,906	159,648,395	1,399,512,544	231,939,014	100,094,226	6,298,770	325,734,470	1,073,778,073	1,116,123,017
Previous Year	1,222,850,169	442,467,914	317,256,052	1,348,062,031	131,236,553	101,931,173	1,228,712	231,939,014	1,116,123,017	1,091,613,616

\*being the cost of land under acquisition by Government of Andhra Pradesh

NOTES:

The Government of Andhra Pradesh vide notification proposed to acquire land (for the purpose of balancing reservoir) belonging to the company, admeasuring to acres 124 and 24.5 guntas situated at Gagillapur Village, Bejjanki Mandal, Karimnagar District, Andhra Pradesh, for a compensation of Rs.2.61,68,625/-. This resulted in loss of Rs.5,29,19,190/- which is shown as exceptional item in Profit and Loss Account. We already received compensation for acres 9-30 guntas of land and the balance is expected to be received during 2012-13.

## Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

Particulars	Year ended 31 Mar 2012	Year ended 31 Mar 2011
<b>11 NON - CURRENT INVESTMENTS</b>		
(Other than trade at cost)		
Investment in Equity Instruments		
<b>QUOTED</b>		
199425 Equity Shares of Rs 10 each (previous year 1994255 Equity Shares of Rs 1 each) in Vijaya Textiles Ltd - fully paid up	19,904,545	19,904,545
1900 Equity shares of Rs 10 each in Bank of Maharashtra - fully paid up	43,700	43,700
9700 equity shares of Rs 10 each in Indian Overseas Bank - fully paid up	232,800	232,800
1160 Equity Shares of Rs 1 each in Tata Consultancy Services Ltd - full paid up	246,500	246,500
	<u>20,427,545</u>	<u>20,427,545</u>
Less: Provision for Diminution in Value	<u>15,386,859</u>	<u>15,386,859</u>
	5,040,686	5,040,686
<b>UNQUOTED</b>		
3600 Equity Shares of Rs 100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	360,000	360,000
700 Equity Shares of Rs 10 each in Swadeshi Biotechnics Ltd - fully paid up	70,000	70,000
<b>Investment in Subsidiaries</b>		
64,00,000 Equity shares of Rs 10 each fully paid up in Kexveg India Pvt Ltd	<u>64,000,000</u>	<u>430,000</u>
64,430,000		
<b>Investment in Government Securities</b>		
National Savings Certificates	35,000	35,000
<b>TOTAL</b>	<u>69,505,686</u>	<u>5,505,686</u>
Market Value of Quoted Investments	7,256,580	10,734,845
Aggregate amount of Quoted Investments	5,040,686	5,040,686
Aggregate amount of Unquoted Investments	64,465,000	465,000
<b>12 LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good		
Advance for Capital Expenditure	72,509,114	22,373,319
Security Deposits	7,014,708	7,520,390
<b>TOTAL</b>	<u>79,523,822</u>	<u>29,893,709</u>
<b>13 OTHER NON CURRENT ASSETS</b>		
Un-amortised Preliminary Expenses	240,333	468,720
<b>TOTAL</b>	<u>240,333</u>	<u>468,720</u>

# Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

Particulars	Year ended 31 Mar 2012		Year ended 31 Mar 2011	
<b>14 CURRENT INVESTMENTS</b>				
(Other than trade at cost) unquoted				
2,02,840 (2,02,840) units of ABN Amro Equity Fund - Dividend	5,000,000		5,000,000	
4,18,831 (4,18,831) units of ABN Amro Opportunities Fund - Dividend	10,000,000		10,000,000	
1,26,040 (1,26,040) units of Birla Midcap Fund - Dividend	5,000,000		5,000,000	
6,987 (6,987) units of Birla Top 100 Fund - Dividend	105,477		105,477	
1,49,961 (1,49,961) units of DSP Merrill Lynch India Tiger Fund	5,000,000		5,000,000	
1,04,353 (1,04,353) units of HSBC Equity Fund - Dividend	5,000,000		5,000,000	
3,91,212 (3,91,212) units of JM Balanced Fund - Dividend Plan	10,000,000		10,000,000	
3,04,037 (3,04,037) units of JM Basic Fund - Dividend Plan	10,000,000		10,000,000	
100,00,000 (-) units of IDFC Fixed Maturity Plan QS 68 Dividend	100,000,000			
200,00,000 (-) units of IDFC Fixed Maturity Plan QS 70 Dividend	200,000,000			
50,00,000 (-) units of IDFC Fixed Maturity Plan QS 71 Dividend	50,000,000			
29,508,100 (-) units of IDFC Money Manager Fund - Investment Plan - Daily Dividend	300,000,000			
Nil (50,00,000) units of IDFC Fixed Maturity Plan YS 42 Growth			50,000,000	
Nil (2,95,07,413) units of IDFC Money Manager Fund			297,500,000	
49,870 (-) units of Tata Liquid Management Fund Daily Dividend	50,000,000			
99,99,190 (-) units of Tata Fixed Income Portfolio Fund Scheme A3 Institutional Monthly Dividend	100,000,000			
49,96,592 (-) units of JM Short Term Fund - Institutional Plan - Daily Dividend	50,000,000			
50,41,725 (-) units of Birla Sun Life Short Term FMP Series 30 Dividend	50,417,240			
1,90,00,000 (-) units of ICICI Prudential FMP Series 63-376 Days Plan J Cumulative	190,000,000	1,140,522,717		397,605,477
Less: Provision for Diminution in Value		34,836,681		34,836,681
Aggregate amount of Unquoted Investments		<u>1,105,686,036</u>		<u>362,768,796</u>

## Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

Particulars	Year ended 31 Mar 2012	Year ended 31 Mar 2011
<b>15 INVENTORIES</b> (at lower of cost or net realisable value)		
Finished Goods	1,846,920,665	620,368,316
Work in Process	887,815,412	828,897,761
Raw Material	298,705,249	199,969,134
<b>TOTAL</b>	<b>3,033,441,326</b>	<b>1,649,235,211</b>
<b>16 TRADE RECEIVABLES</b>		
Receivables outstanding for a period exceeding six months		
Unsecured, considered good	93,246,564	124,966,564
Considered Doubtful -unsecured	38,625,317	24,761,528
Less: Provision for doubtful debts	<u>(38,625,317)</u>	<u>(24,761,528)</u>
Other receivables		
Unsecured, considered good	191,825,605	236,642,173
<b>TOTAL</b>	<b>285,072,169</b>	<b>361,608,737</b>
<b>17 CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	1,442,290	299,607
Balance with Banks	87,306,635	34,624,648
Fixed Deposits with Banks	7,334,547	10,470,302
<b>TOTAL</b>	<b>96,083,472</b>	<b>45,394,557</b>
<b>18 SHORT TERM LOANS AND ADVANCES</b>		
Advance to Staff - Unsecured and considered good	7,962,392	7,778,280
<b>TOTAL</b>	<b>7,962,392</b>	<b>7,778,280</b>
<b>19 OTHER CURRENT ASSETS</b> (Unsecured and considered good)		
Advance to suppliers	103,130,920	172,829,676
Land Acquisition Amount Receivable	24,033,847	
Prepaid expenses	4,646,767	3,111,730
Others	464,640	77,590
<b>TOTAL</b>	<b>132,276,174</b>	<b>176,018,996</b>
<b>20 REVENUE FROM OPERATIONS</b>		
Sale of Seeds	3,489,604,424	2,129,973,927
Sale of Micro nutrients	234,827,963	206,888,387
<b>TOTAL</b>	<b>3,724,432,388</b>	<b>2,336,862,314</b>
<b>21 OTHER INCOME</b>		
Capital Gain on sale of Assets	1,311,227	247,629
Dividend Income from - Current Investments	18,356,872	1,418,655
- Long Term Investments	272,446	226,990
Interest on fixed deposits	4,894,335	6,760,945
Others	771,735	1,367,648
<b>TOTAL</b>	<b>25,606,615</b>	<b>10,021,867</b>

# Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

Particulars	Year ended 31 Mar 2012	Year ended 31 Mar 2011
-------------	------------------------	------------------------

## 22 COST OF MATERIALS CONSUMED

Raw Material Consumed/Production Expenses		
Opening Stock	199,969,134	113,187,453
Add: Purchases/Production Expenses including processing Charges**	2,793,338,863	1,134,086,769
	2,993,307,997	1,247,274,222
Less: Closing Stock	298,705,249	199,969,134
	2,694,602,748	1,047,305,088

### \*\*Processing Charges

Freight Inward	40,309,215	29,799,220
Machinery Repairs & Maintenance	5,719,896	581,340
Chemicals	56,068,713	26,562,696
Seed Certification charges	344,006	185,264
Power & Fuel	41,130,071	23,288,782
Building & Godown repairs & maintenance	882,966	4,102,267
Godown Rent	1,713,279	2,739,875
Cold Storage Maintenance	3,820,720	3,731,083
Factory Maintenance	30,446,421	19,721,660
Expense on Drying	571,833	10,038,670
R&D Farm Expenses	71,667,784	54,338,448
TOTAL	252,674,904	175,089,305

### R&D Farm Expenses

Cultivation Expenses	338,301	3,220,639
Fertilizers & Pesticides	3,153,478	2,130,738
Electricity charges	1,777,282	1,782,804
Electrical items & motor repairing charges	891,420	420,868
Farm Maintenance	2,731,942	6,394,060
Labour charges	10,096,306	8,421,688
Postage & telephones	460,740	323,579
Printing & Stationery	79,406	87,908
Rent		15,800
Security charges	373,100	
Staff Welfare	215,803	235,658
Traveling expenses	823,659	744,384
Vehicle Maintenance	1,898,175	1,479,354
Land Lease	4,722,043	2,897,842
Research Expenses	12,179,396	6,609,010
Testing Expenses	8,361,586	2,744,090
RCGM Trial Expenses	76,493	216,929
Professional Expenses	3,292,800	1,764,000
Salaries - Farm	20,195,854	14,849,097
	71,667,784	54,338,448

### Details of Raw Material consumed

Seeds	2,506,420,729	939,224,720
Packing Material	98,304,982	46,997,362
Chemicals	45,624,926	24,917,757
Others	44,252,111	36,165,249
	2,694,602,748	1,047,305,088

# Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

## 23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(Increase)/Decrease in Finished goods				
Opening Stock	620,368,316		310,957,853	
Closing Stock	<u>1,846,920,665</u>	(1,226,552,349)	<u>620,368,316</u>	(309,410,463)
(Increase)/Decrease in Work in Process				
Opening Stock	828,897,761		858,217,836	
Closing Stock	<u>887,815,412</u>	(58,917,651)	<u>828,897,761</u>	29,320,075
		<u>(1,285,470,000)</u>		<u>(280,090,388)</u>

## 24 EMPLOYEE BENEFIT EXPENSES

MD's Salary		8,340,000		6,300,000
Directors Salary		12,078,000		8,520,000
Salaries to Staff		124,400,151		82,678,292
Employee Stock option Expenses		2,184,517		3,543,209
Contribution to Provident and other funds		7,157,719		4,965,658
Staff Welfare Expenses		<u>2,655,047</u>		<u>3,472,070</u>
		<u>156,815,434</u>		<u>109,479,229</u>

## 25 FINANCIAL COSTS

Interest Expenses		28,823,513		40,180,273
Bank Charges		<u>3,888,176</u>		<u>3,313,716</u>
		<u>32,711,689</u>		<u>43,493,989</u>

## 26 OTHER EXPENSES

### ESTABLISHMENT EXPENSES

Traveling Expenses		28,487,909		21,016,134
Postage & Telephone		5,569,352		5,240,675
Payment to Auditors		812,570		806,422
Vehicle Maintenances		32,891,386		22,398,101
Rent		2,663,345		1,784,298
Printing & Stationery		3,058,131		2,418,581
Insurance		5,213,610		3,956,844
Books & Periodicals		42,388		50,922
Rates & Taxes		4,911,570		1,833,070
Office Maintenance		1,277,791		1,429,160
General Expenses		3,343,300		5,590,225
Conveyance		327,477		320,654
Donations & Subscriptions		120,000		1,406,250
Legal Expenses		99,308		26,760
Professional Charges		4,989,573		2,548,145
Professional Tax		12,500		15,000
Sales Tax		342,152		2,473,610
Market Cess		560,546		71,264
Security Charges		3,302,688		3,204,501
Service Tax		2,710,610		1,888,200
Computer Maintenance		679,955		351,882
Directors Sitting Fees		110,000		45,000
(a) Total		<u>101,526,161</u>		<u>78,875,698</u>

## Notes on Financial Statements for the Year ended 31 March 2012

(in Rs)

Particulars	Year ended 31 Mar 2012	Year ended 31 Mar 2011
<b>SELLING &amp; DISTRIBUTION EXP</b>		
Sales promotion expenses	130,151,190	116,287,554
Sales Schemes	651,526,124	393,821,975
Advertisement	2,075,186	2,413,768
Freight & Forwarding	80,417,906	63,364,239
Farmers Meeting Expenses	26,394,082	16,191,225
Staff & Dealers Meeting Expenses	5,370,107	7,407,443
Royalty	367,221,225	234,997,107
Bad debts Write Off	8,910,081	3,014,009
Provision for Doubtful Debts	15,225,273	5,406,258
(b) Total	<u>1,287,291,174</u>	<u>842,903,578</u>
Total of (a) & (b)	<u>1,388,817,335</u>	<u>921,779,276</u>

### 27 Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs 683.78 (Rs 178.02) Lakhs.

### 28 Contingent Liabilities and Commitments

#### a. Contingent Liabilities

Claims against the company not acknowledged as debts Rs 164.85 Lakhs (Rs 125.33 Lakhs) This comprise.

- Tax demands disputed by the Company relating to dis-allowances/additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to Rs 53.08 Lakhs (Rs 25.38 Lakhs)
- Other matters not related to Tax aggregating Rs 14.20 Lakhs (Rs 14.20 Lakhs).
- Bank Gaurantees Rs 97.57 Lakhs (Rs 85.95 Lakhs)

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

PARTICULARS	(in Rs)	
	2011-12	2010-11
Statutory Audit	5,05,620	4,96,350
Other Audit Services	82,725	82,725
For Tax Matters	1,68,540	1,65,450
Reimbursement of expenses	55,685	61,897
TOTAL	8,12,570	8,06,422

### 30 Related Parties Disclosure

#### Key Managerial Persons and their relatives

GV Bhaskar Rao  
 G Vanaja Devi  
 R Venumanohar Rao  
 C Vamsheedhar  
 C Mithun Chand  
 G Pawan  
 G Madhusree  
 GV Bhaskar Rao - HUF  
 C Vamsheedhar - HUF  
 R Venumanohar Rao - HUF

## Notes on Financial Statements for the Year ended 31 March 2012

### Subsidiary Companies

M/s Kexveg India Pvt Ltd

Transactions with related parties during the year

(Rs in lakhs)

Details of Transactions	2011-12	2010-11
Remuneration Paid		
GV Bhaskar Rao	84.42	63.72
G Vanaja Devi	52.62	39.72
R Venumanohar Rao	29.82	17.52
C Vamsheedhar	20.82	14.52
C Mithun Chand	21.60	16.32
	209.28	151.80

(in Rs lakhs)

Details of Transactions	2011-12	2010-11
<b>Land Lease Paid</b>		
GV Bhaskar Rao	2.99	2.49
G Vanaja Devi	0.50	0.41
G Pawan	4.80	4.01
G Madhusree	8.56	6.22
GV Bhaskar Rao - HUF	5.88	2.41
C Vamsheedhar - HUF	3.70	3.09
R Venumanohar Rao - HUF	3.74	3.12
	30.17	21.75

### Dividend Paid

GV Bhaskar Rao	32.66	28.12
G Vanaja Devi	55.56	44.45
R Venumanohar Rao	14.69	11.66
C Vamsheedhar	5.05	2.04
C Mithun Chand	3.98	1.60
G Pawan	12.54	10.03
G Madhusree	36.60	29.28
GV Bhaskar Rao - HUF	57.90	46.32
C Vamsheedhar – HUF	-	-
R Venumanohar Rao – HUF	-	-
	218.98	173.50

Investments made during the year

Equity Share Capital in M/s Kexveg India Pvt Ltd	640.00
Land Lease Received M/s Kexveg India Pvt Ltd	1.24

### 31 Foreign Currency/Exchange transactions

(in Rs)

PARTICULARS	2011-12	2010-11
a Import of Capital Goods	10,49,826	49,11,553
b Earnings in foreign Exchange (Export of goods on FOB basis)	118,33,897	NIL
c Expenditure in Foreign Currency for Travel	27,59,013	17,66,706

## Notes on Financial Statements for the Year ended 31 March 2012

### 32 Particulars in respect of sales turnover(gross) for each class of goods dealt by the company.

(in Rs lakhs)

Particulars	For the Year ended 31 March 2012			For the Year ended 31 March 2011		
	Unit	Quantity	Value	Unit	Quantity	Value
Seeds	MT	18486	34896.04	MT	16468	21,299.74
Minconutrients	MT	4452	2348.28	MT	3650	2,068.88
		22938	37244.32		20118	23,368.62

### 33 Particulars in respect of opening and closing stocks for each class of goods dealt by the company.

(in Rs Lakh)

Particulars	2011-2012				2010-2011			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity (MT)	Value	Quantity (MT)	Value	Quantity (MT)	Value	Quantity (MT)	Value
Seeds	6,105	6,107.15	8,915	18282.06	5,913	2,989.20	6,105	6,107.15
Micro nutrients	486	96.53	522	187.14	560	120.37	486	96.53
	6,591	6,203.68	9,437	18,469.20	6,473	3,109.57	6,591	6,203.68

### 34 Value of Imported and Indigenous raw materials consumed during the year

(in Rs Lakh)

Particulars	Value as on 31.03.2012		%	Value as on 31.03.2011		%
	Value	Quantity		Value	Quantity	
<b>IMPORTED</b>						
Seeds	NIL			NIL		
Micro nutrients	NIL			NIL		
	NIL			NIL		
<b>INDIGENOUS</b>						
Seeds	26,181		100	9,991		100
Micro nutrients	765		100	482		100
	26,946		100	10,473		100

### 35 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.

(in Rs Lakh)

Particulars	Seeds Division		Microteck Division		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue						
Inter Segment Turnover	34,896.04	21,299.74	2,348.28	2,068.88	37,244.32	23,368.62
Less: Excise Duty, Service Tax recovered						
Net Turnover	34,896.04	21,299.74	2,348.28	2,068.88	37,244.32	23,368.62
Segment result before interest and taxes						
Less: Interest Expense	307.97	396.43	19.15	38.51	327.12	434.94

## Notes on Financial Statements for the Year ended 31 March 2012

Add: Interest Income	48.94	67.61			48.94	67.61
Profit before tax	5,577.15	3,556.19	518.33	473.67	6,095.48	4,029.86
Current tax	118.82	126.12	176.18	158.88	295.00	285.00
Deffered Tax	(9.87)	(19.58)			(9.87)	(19.58)
Excess Provision of Earlier years Written back		(483.07)			-	(483.07)
Net Profit after tax	5,468.20	3,932.72	342.15	314.79	5,810.35	4,247.51
Other Information					-	
Segment Assets	57,757.07	36,190.20	2,007.61	1,357.50	59,764.68	37,547.70
Segment Liabilities	35,298.57	18,114.66	327.98	490.11	35,626.55	18,604.77
Capital Expenditure	1,353.54	1,261.74	36.06	4.24	1,389.60	1,265.98
Depreciation	975.60	987.60	25.34	31.71	1,000.94	1,019.31

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

As per our report of even date attached  
of the Board

For and on behalf

For PR REDDY & CO.,  
Firm Registration No 003268S  
Chartered Accountants

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
P RAGHUNADHA REDDY  
Partner  
Membership No 23758

Sd/-  
KV CHALAPATHI REDDY  
Chief Financial Officer

Sd/-  
VRS MURTI  
Company Secretary

Sd/-  
G VANAJA DEVI  
Wholetime Director

Place Secunderabad  
Date 26 May 2012

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	As at 31 Mar 2012	As at 31 Mar 2011
(in Rs)		
Cash flows from operating activities		
Profit before taxation	609,548,381	399,698,690
Adjustments for:		
Depreciation & Amortisation	100,094,226	101,931,173
(Profit)/Loss on sale of Fixed Assets	52,919,190	-
Dividend Received	(18,629,318)	(1,645,645)
Interest received	(4,894,335)	(6,760,945)
Finance charges	32,711,689	43,493,989
<b>Operating profit before working capital changes</b>	<b>771,749,832</b>	<b>536,717,261</b>
(Increase)/Decrease in Inventories	(1,384,206,115)	(366,872,069)
(Increase)/Decrease in Sundry Debtors	76,536,567	46,078,256
(Increase)/Decrease in Loans & Advances	(6,071,405)	(118,444,007)
Miscellaneous Expenditure	228,387	234,360
Increase/(Decrease) in Trade Liabilities	723,877,596	(150,830,438)
Increase/(Decrease) in Other Current Liabilities	946,790,162	600,054,872
Taxes paid during the year	(29,500,000)	19,551,322
<b>Net cash provided by operating activities</b>	<b>1,099,405,024</b>	<b>566,489,557</b>
Cash flows from investing activities		
(Purchase)/Sale of Fixed Assets	(108,483,949)	(125,211,862)
(Purchase)/Sale of Investments	(806,917,240)	(347,978,523)
Dividend Received	18,629,318	1,645,645
Interest received	4,894,335	6,760,945
<b>Net Cash used for investing activities</b>	<b>(891,877,536)</b>	<b>(464,783,795)</b>
Cash flows from financing activities		
Dividend including Tax on Dividend	(63,700,083)	(39,812,552)
Short Term Loans	(60,000,000)	(55,875,521)
Long Term Loans	(426,799)	(120,145,612)
Finance charges	(32,711,689)	(43,493,989)
<b>Net cash provided by financing activities</b>	<b>(156,838,571)</b>	<b>(259,327,674)</b>
Net increase in cash & cash equivalents	50,688,918	(157,621,912)
Cash & Cash equivalents at the beginning of the period	45,394,557	199,473,259
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>96,083,475</b>	<b>45,394,557</b>

As per our report of even date attached

For PR REDDY & CO.,  
Firm Registration No 003268S  
Chartered Accountants

Sd/-  
P RAGHUNADHA REDDY  
Partner  
Membership No 23758

Place Secunderabad  
Date 26 May 2012

Sd/-  
KV CHALAPATHI REDDY  
Chief Financial Officer

Sd/-  
VRS MURTI  
Company Secretary

For and on behalf of the Board

Sd/-  
GV BHASKAR RAO  
Managing Director

Sd/-  
G VANAJA DEVI  
Wholtime Director

Kaveri - Pearl millet (Super Boss)



Kaveri - Maize (Bumper)



# Kaveri Seed Company Limited

Registered Office: #513 B Floor 5 Minerva Complex SD Road Secundrabad 500003 INDIA

## ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall

Registered Folio No/Client ID \_\_\_\_\_

Number of Shares held \_\_\_\_\_

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company held on Tuesday, the 25 September 2012 at 11.15am at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad 500004 (A.P.)

Signature of the Member/Proxy

Notes

- a Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- b 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.
- c Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

# Kaveri Seed Company Limited

Registered Office: #513 B Floor 5 Minerva Complex SD Road Secundrabad 500003 INDIA

## PROXY FORM

Registered Folio No/Client ID \_\_\_\_\_

Number of Shares held \_\_\_\_\_

I / We \_\_\_\_\_

of \_\_\_\_\_ being a member/members of the named Company, hereby appoint

of \_\_\_\_\_ failing his/her \_\_\_\_\_

of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company held on Tuesday, the 25 September 2012 at 11.15am at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad 500004 (A.P.).

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Notes

- a Proxy need not be a member of the Company.
- b 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.
- c 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.

Affix  
Re 1.00  
revenue  
stamp



‘The seed we sow – kindness that  
fed the hungry world’

Gary Beene



kaveri seed company ltd

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Tel +91 40 27899833 +91 40 27721457

[info@kaveriseeds.in](mailto:info@kaveriseeds.in)