


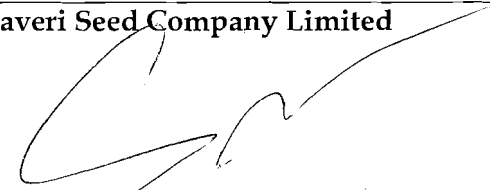


FORM - A

1	Name of the Company	KAVERI SEED COMPANY LIMITED
2	Annual standalone and consolidated Financial Statement for the year ended	31 st March 2013
3	Type of audit observation	Un-qualified
4	Frequency of observation	Not applicable
5	Signed by	
	1. Managing Director	For Kaveri Seed Company Limited  (Managing Director)
	2. Chief Financial Officer	For Kaveri Seed Company Limited  (Chief Financial Officer)
	3. Auditors of the Company	For P.R.REDDY & CO Chartered Accountants ICAI Firm Registration Number: 003268S  (P. RAGHUNADHA REDDY) Partner Membership No.23758
	4. Audit Committee Chairman	For Kaveri Seed Company Limited  (Audit Committee Chairman)





kaveri seeds®

26th Annual Report 2012-13



Seed the Future

kaveri seed company limited

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In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise



Land and water, being finite natural resources, are becoming the limiting factors in food production; the pressure on the agricultural ecosystem is mounting with escalating population, deforestation, urbanization, and increased demand for water. The only way forward is to increase factor productivity in agriculture by adopting modern agricultural practices and application of new technologies. The solution to increase productivity lies in the evolution of 'seed' of high yielding inbred varieties (HYV) and hybrids, as seed is the most critical input in agriculture. The technological advances through innovation in research have enabled farm scientists to improve the quality of seeds due to which the output has improved significantly. Adoption of HYV, shift to hybrid cultivation coupled with crop management practices and increased seed replacement rate raised farm productivity, and farmer's prosperity. Nonetheless, a challenge that looms large is sustainability of gains to ensure food security for millions of people.

Kaveri Seed, with vast experience spanning for more than three decades in the seed and agri-business, is steadfast in its resolve to advance the cause of **"Seed the Future"** by genetic up-gradation of yield, enriching soil health & ensuring eco-friendly plant-protection through innovation and exploring new vistas to expand the horizons of seed trade.



Breed the best by genetic up-gradation





Food production needs to be doubled by 2050 to meet the projected demands of more than 9 billion people. Boosting crop yields to meet the rising demand is the only option to achieve this goal. An analysis on how crop yields are changing, and, are we on the track to double production by 2050 is revealing. Yields of the top four crops - maize, wheat, rice and soybean are increasing only at the rate of 1.6%, 1.0%, 0.9%, and 1.3% per year, respectively, which is far less than the 2.4% per year required to double production by 2050. Vertical increase in yields per acre and protection of elevated yield potential from destabilizing factors such as biotic and abiotic stresses is the way forward.

Kaveri is in the agri-business of developing hybrid seed of field and vegetable crops to help farmers produce more under limiting natural resources and fragile ecologies ensuring their sustainable management. Over the years, the Company has created a robust portfolio of products encompassing commercial crops – cotton and sunflower; food crops – corn, rice, bajra and jowar; vegetables – tomato, okra and chilly. The Company's premier cotton hybrids – Jadoo, Jackpot, ATM and Singha are in the forefront of the cotton seed market and are highly preferred by farmers. Jadoo is unique among the cotton hybrids with high genetic buffering capacity to withstand moisture stress. These proprietary products from Kaveri have helped cotton farmers to fetch higher yields per acre and returns on investment. Additionally, the Company's bajra hybrids – Super Boss and Fouzi; with attractive grain colour and size and capacity to withstand the onslaught of downy mildew and blast disease fetch premium in the market. Red gram varieties – Sampada and Tatkal; paddy varieties – Sampurna, Chintu and Sleek have created a niche market and are in demand. Sampurna, Kaveri's rice brand product under medium slender grain segment, has an edge over BPT-5204. Chintu under superfine grain segment is most popular.

During the year under review, we launched two new products - one is a medium early duration hybrid - KPH-272. Another one is an inbred variety Kaveri-264, a bold grain variety preferred for poha.

Based on National Evaluation process, four maize hybrids - KMH 25K60, KMH 3712, KMH 218+ and KMH 3426 and one bajra hybrid - Super Boss were gazette notified. The Varietal Identification Committee at the recently held Annual Rice Workshop at Srinagar, identified two medium slender grain rice hybrids KPH 371 and KPH 199 prelude to notification and release. The sunflower hybrids, Sunkranti and Champ (virus resistant), are in great demand in rain-fed and irrigated areas. Success has also been achieved in vegetables specially in breeding for yellow vein mosaic virus (YVMV) resistant okra hybrids.

With its diversified portfolio of products commercialized and on the shelf, the Company is well-positioned to meet the needs of the farmers. The Company's R&D has envisioned to breed the best – genetically superior and climate resilient hybrids with built in protection against stress caused by drought, heat and a host of biotic factors through an appropriate blend of molecular and conventional breeding.



Soil & plant health care





Poor farming practices weaken the soil health and make crop vulnerable to attack from pests and weeds that destabilize the harvest potential. Farmers abuse the use of pesticides, herbicides and fertilizers in an anxiety to save the crop. Excessive use of these not only impact factor productivity but also cause ecological concerns.

At Kaveri, it is our constant endeavour to develop micronutrients and bio & organic products that enrich the soil and ensure protection to crops by providing essential and balanced nutrients required for their growth and insulation against pests.

A separate division, Microteck, produces micronutrient mixtures, organic products and bio-pesticides. Over the years, the Company has developed a wide array of such products. The Company's blockbuster products are Mazik and Energy which are used as foliar spray; Captain for soil application; Ultimax+, Kick, and Microzyme are yield maximisers; Fire and Fatafat trigger the inherent plant defense mechanism. In addition to these products, Microteck division has started production of bio-pesticides that subscribe to the green norms imposed by the government.

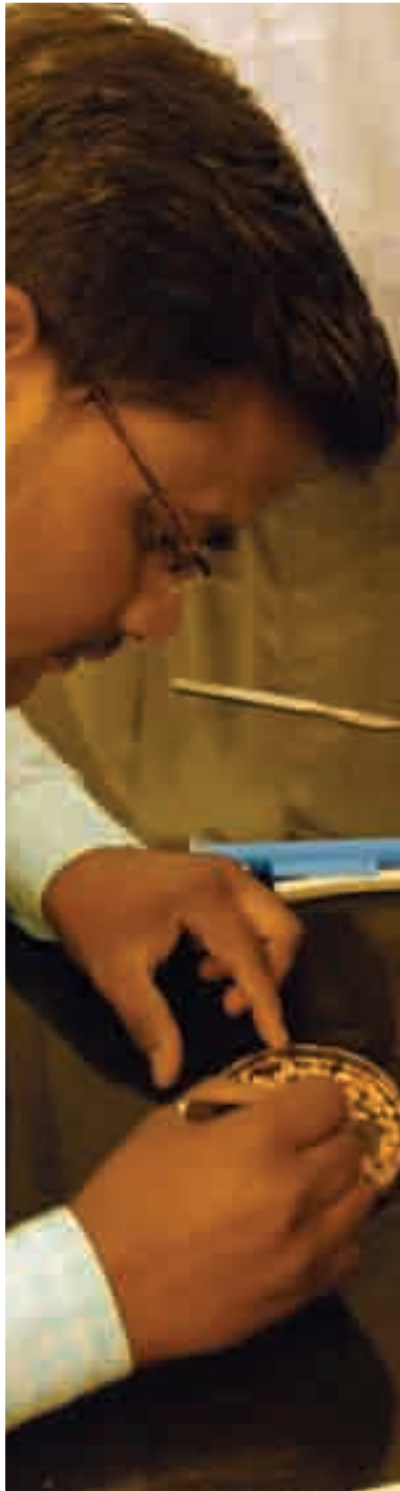
These products are sold under the brand name Bio-guard and Bio-cense. These products are marketed through its strong network of dealers and distributors across the country.

With the growing interest in application of micro-nutrients by farmers, the demand is expected to grow year by year. And Microteck is a potential contributor to Company's revenue.

The awareness for clean and green environment, thrust on green products and demand for organic products will go up. Kaveri, with its core expertise and knowledge in this sector, will focus on expanding the horizon and endeavour to develop new and novel products that facilitate improved farming practices subscribing to sustainable intensification of agriculture in the country.



Investing in innovation





Indian agriculture sector is affected by declining factor productivity and rapidly shrinking resource base, eventually leading to spikes in production and fuelling food prices. In such a scenario, it becomes imperative to harness science of genetics and principles of breeding coupled with advances in new biology to develop crop hybrids that enhance agricultural productivity in a sustained way without harming the ecosystem and the environment.

At Kaveri, our main focus is to invest in research and development to blend traditional breeding with frontier technologies like biotechnology in order to develop superior hybrids and inbred varieties that are high yielding under minimal inputs and stress environs.

We have an array of test hybrids developed through rigorous breeding process to ensure that our products excel in performance and quality in National Evaluation Trials. The Company's continuous investment in R&D has enabled to develop superior germplasm/parental lines and hybrids that are registered with Plant Varieties and Farmers' Rights Authority (PPV&FR) to establish proprietariness of the Company.

With a rich experience of more than three decades in the seed industry, the Company has consistently enhanced its investment in R&D. The Company is conscious of the farmer needs, consumer preferences and climate change and programme the product development in tune with these changing paradigms.

As the market life of a hybrid is short (less than 10 years), the Company strives hard to innovate continuously and build "on the shelf products" to meet the diverse demands of farmers. The Company has a robust pipeline of products in the specified crops of rice, corn, bajra, jowar, cotton, sunflower and vegetable Crops, which are under development and expected to be launched in the years ahead.

Encouraged by the R&D's success in delivering knowledge driven proprietary hybrids of field and a host of vegetable crops, the Company is laying more thrust on developing hybrid rice and climate resilient heat and drought tolerant maize hybrids and sunflower hybrids resistant to bud necrosis through conjunct use of hybrid and biotechnologies. With the huge potential of hybrid rice and the scope for further growth in hybrid maize, the Company will continue to invest in its R&D to capitalize on these growth opportunities.



Seizing opportunities - Breaking new grounds





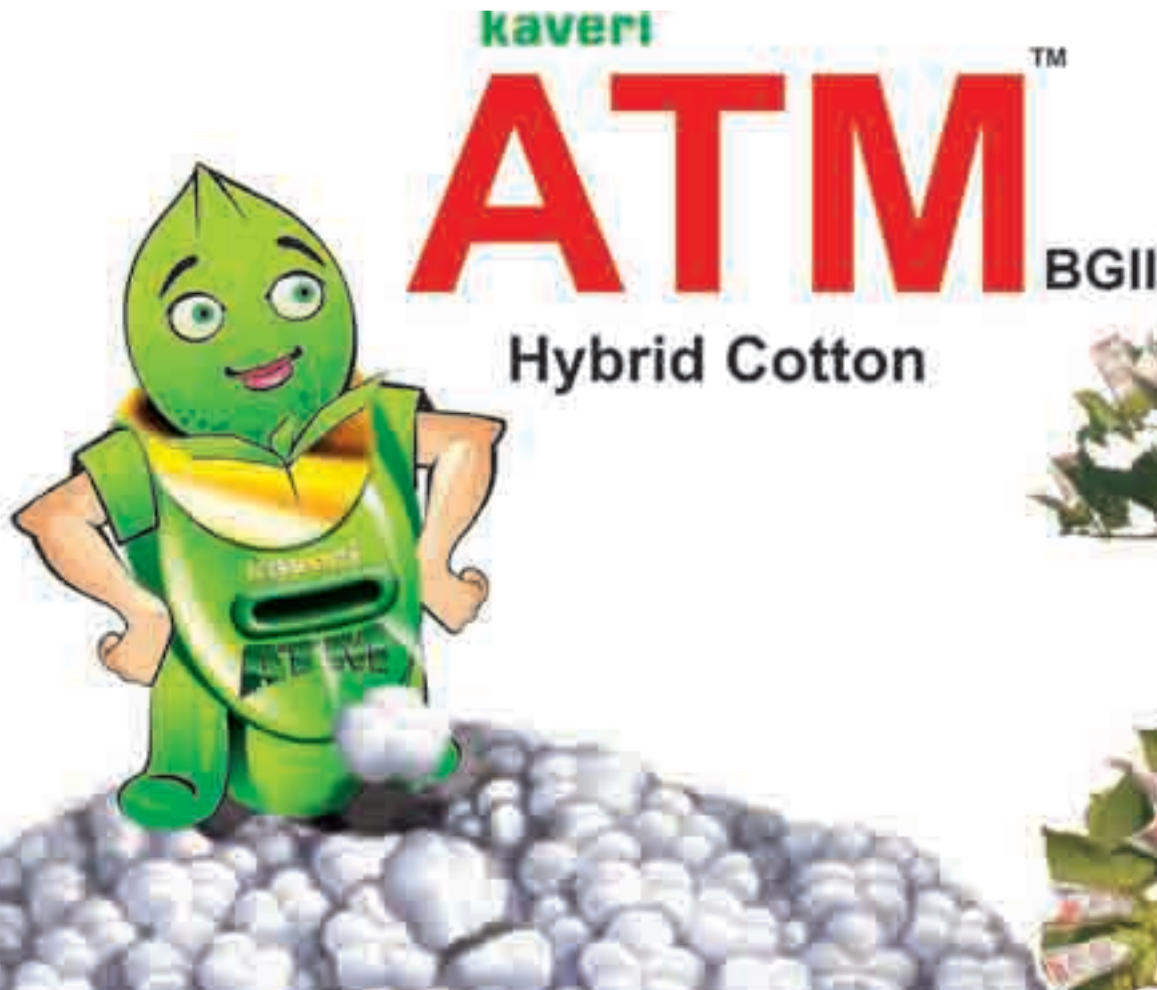
With a strong base in R&D and grip and intent to deploy the advances in biotechnology in crop improvement, success of the Company is reflected in its ability to design, develop and deliver high value premium hybrids of field and vegetable crops.

At Kaveri, we are leveraging our strength in R&D with our unmatched expertise in agri-business, to explore new opportunities in high value agriculture by way of protective cultivation of premium vegetables and herbs.

The Company has established a subsidiary company, Kexveg India Private Limited, for producing high value exotic vegetables and herbs. The subsidiary has started commercial cultivation of high value exotic Indian vegetables and European culinary herbs in an exploratory built up area of 5 hectares of mega green houses. During the year, the Company cultivated full range of Indian vegetables - tomato, cucumber, melons, and

bell pepper in its farm under drip. The Company has plans to expand cultivation of green & colour capsicums, hybrid & cherry tomatoes, parthenocarpic cucumber, leafy lettuce, iceberg lettuce and basil; and culinary herbs which include chives, sage, cilantro and parsley to cater to the European market. To improve penetration in the export market, the Company is exploring new grounds.

The Company plans to double the area under protected cultivation in the next couple of years and eventually to scale up manifold in 3 to 4 years.



About Kaveri

Kaveri Seed Company Limited is a premium National Seed Company engaged in the production and distribution of high quality hybrid seeds of field & vegetable crops, micro nutrients and bio-products. The Kaveri saga began in 1976 when Mr. G V Bhaskar Rao, a young agriculture graduate, through his startup – GVB Rao & Co, developed a proprietary corn hybrid which was an instant hit with the farmers owing to its improved yields. Encouraged with the success, the Company got into large scale value breeding and registered as Kaveri Seed Company in 1986 and subsequently got listed in the stock exchange in 2007. Since then, it has grown at a rapid pace on the strength of its knowledge driven products to emerge as one of the fastest growing companies in the country.

Vision

With consistence performance in all functional areas of the Company, our endeavour is to make Kaveri a benchmark seed company with the best of science based innovation and product development.

Mission

To realise our vision every member at Kaveri will adopt consequential values of the Company and inculcate sustainable business practices. In our endeavour to reach the goal, Team Kaveri would uphold all brand promises to its stakeholders.

Product portfolio

Seeds	Microteck	Kexveg
Field crops Cotton, corn, rice, bajra, jowar, sunflower	Foliar spray & soil application formulations, plant growth promoters, bio-pesticides	Vegetables Green Capsicum, red/yellow bell pepper, hybrid tomato, cherry tomato, parthenocarpic cucumber
Vegetables Tomato, okra, chilly, gourds		Herbs Chives, sage, cilantro, parsley

Location

Kaveri Seed Company Limited is headquartered at Secunderabad, Andhra Pradesh and its state-of-the-art Research and Development labs are located at Gundla Pochampally and Pamulpurthi village in Medak District in the outskirts of Hyderabad. Kaveri has a pan-India footprint with distributors and market outlets throughout India.





Expertise

The Company has vast experience of more than three decades in quality seed production, application of science of genetics and principles of plant breeding in the evolution of crop hybrids. And trait development. The Company's principal promoter is a technocrat turned agri-business entrepreneur who is instrumental to steer the Company in the path of ascendancy over the years.

Research and Development

The Company's R&D comprises of state-of-the-art Bio-technology lab, modern seed testing lab, company owned central research farm for generation and evaluation of breeding material and several satellite farms for crop specific research, breeder seed production and GOT. The R&D of Kaveri is recognized by the Department of Scientific and Industrial Research (DSIR) and is manned by a competent team of qualified breeders and trained technicians. The Company has large collection of crop specific germ plasm, well documented and conserved in Gene Bank.

Infrastructure

The Company has seven processing plants spread across Andhra Pradesh and Karnataka; More than 50,000 acres of land under seed production and a cold storage facility with a capacity of 8,330 metric tons for seed reserves.

Intellectual Property Rights

The Company registered its elite germplasm/parental lines and hybrids with Protection of Plant Varieties and Farmers' Rights Authority (PPV&FR).

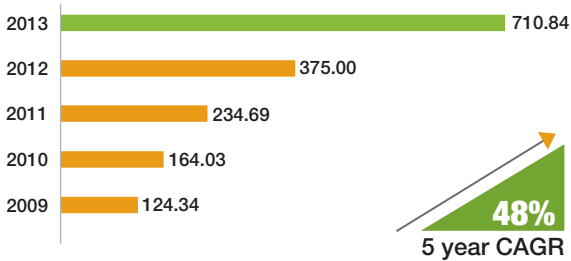
Recognition

The Company has been listed by Forbes "Best under a Billion in Asia-Pacific" three times in succession testifying the Company's sustained growth and performance.

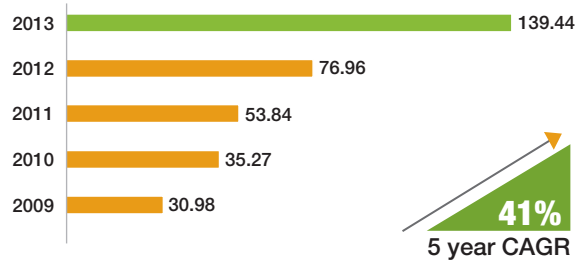


Financial Highlights

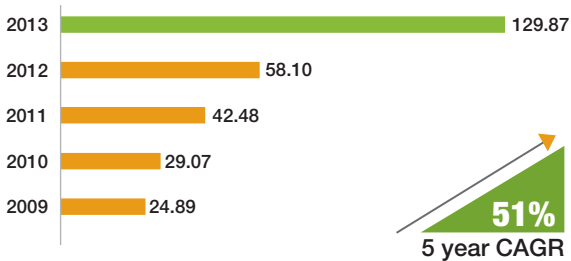
Revenue (₹ cr)



Operating Profit (₹ cr)



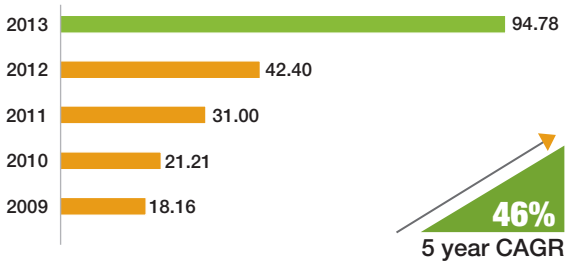
Net Profit (₹ cr)



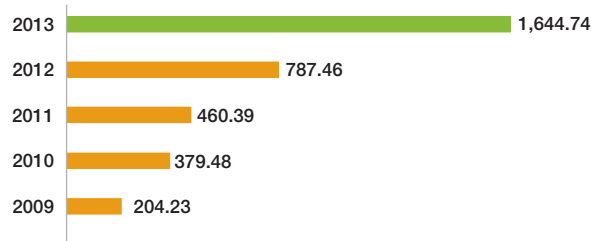
Net Profit Margin (%)



Earnings per Share (₹)



Market Capitalisation (₹ cr)





Key performance indicators

Statement of Income

Revenue

(₹ Crore)		
FY12	372.44	
FY13	710.83	+90.86%

EBIDTA

(₹ Crore)		
FY12	74.24	
FY13	145.77	+96.35%

Cash profit

(₹ Crore)		
FY12	68.11	
FY13	140.48	+106.25%

Net profit

(₹ Crore)		
FY12	58.10	
FY13	129.87	+123.53%

Cash flows

Net Debt

(₹ Crore)		
FY12	0	
FY13	0	0

Operating working capital

(₹ crore)		
FY12	326.71	
FY13	563.04	+72.34%

Net cash from operating activities

(₹ Crore)		
FY12	109.94	
FY13	109.91	-0.03%

Capital expenditures

(₹ Crore)		
FY12	10.85	
FY13	42.02	+287.28%

Return to shareholder

Earnings per share

(₹)		
FY12	42.40	
FY13	94.78	+123.54%

Dividend per share

(₹)		
FY12	4.00	
FY13	16.00	+300%

Book value per share

(₹)		
FY12	176.16	
FY13	242.40	+37.60%

Net income attributable to shareholders

(₹ Crore)		
FY12	58.10	
FY13	129.87	+123.53%

Key ratios

EBIDTA margin

(%)		
FY12	19.93	
FY13	20.51	+58 bps

Return on Capital Employed (ROCE)

(%)		
FY12	26.02	
FY13	38.49	+1,247 bps

Return on Net worth (RONW)

(%)		
FY12	24.07	
FY13	37.55	+1,348 bps

Debt Equity

(times)		
FY12	0.090 times	
FY13	0.009 times	

Letter to shareholders



GV Bhaskar Rao, Chairman and Managing Director

“ It gives me immense pleasure to inform you that the Company has registered a 90.89% growth in revenues at ₹715.83 crore, 81.19% growth in Operating profit at ₹139.44 crore and 123.51% growth in net profit at ₹129.87 crore. ”

Dear Shareholders,

The year 2012-13 was one of the difficult years for the Indian economy as it was marred by various factors such as high inflation, rising commodity prices, rupee depreciation, higher fiscal deficit, policy inaction, slowing of foreign investments, tight liquidity, higher interest rates and lower industrial productivity aside others factors. All these factors led to the decline of the GDP growth rate from 6.2% in 2011-12 to 5% in 2012-13, the lowest ever growth rate in the decade.

The year under review was a lean year for the agriculture sector owing to lower-than-normal rainfall, prolonged drought in various parts of the country and losses in acreage leading to decline in farm output. The growth of the agriculture sector contracted to just 1.9% in 2012-13 compared to the growth of 3.6% registered in the previous year.

Even as most players in the industry struggled due to deficient rainfall and subsequent decline in cropped area, Kaveri Seed bucked the trend and surged forward to grow ahead of the competition. It gives me immense pleasure to inform you that the Company has registered a 90.89% growth in revenues at ₹715.83 crore, 81.19% growth in operating profit at ₹139.44 crore and 123.51% growth in net profit at ₹129.87 crore. What pleases me the most is that despite the evident challenges, we reported profitable growth and maintained our EBIDTA margins at 20.51%.

The Company's growth can be attributed to its flagship BT cotton seed brands – Jadoo and Jackpot, which together contributed to more than 50% of the revenue. As a result, the Company doubled its market share in the hybrid cotton seed segment from 5% in 2011-12 to 10% in 2012-13. The other major hybrid brands of the Company's product portfolio which includes Ekka, 3110 and Bumper in maize; Super Boss in bajra; 272 and 412 in paddy; Sunkranti and Champ in sunflower; performed well registering significant growth.



Seed the future

With growing demand from the ever rising population to produce more and more food from depleting arable land and water, India is heading to a future in which expectancy from farming will keep increasing. The initial signs of food insecurity are visible in the form of food shortages, lingering malnutrition, rising food prices and food linked inflation. This creates a challenging task for farmers to harvest more and more from less land coupled with volatile climatic cycles and challenges in crop protection.

In such adverse conditions, improving farm productivity remains the single most important factor for increasing food production. With area under cultivation remaining stagnant, it is imperative to introduce modern agricultural practices, deploy research innovations in product development and improve the yield per acre by harnessing limited resources judiciously.

Kaveri Seed is capitalizing on this very important trend to help farmers produce more by offering quality seed of hybrids genetically superior in yield, resistance to pests and tolerance to drought. In addition to this, the Company also offers micro-nutrients and bio pesticides that fortify the soil and plant health. In doing so, we are committed to meet the needs of the farmer, enhance rural income, and improve the productivity at large to feed the growing population in a sustainable way.

Growth strategy

Going ahead, we will consolidate our ascendancy in cotton, pearl millet and maize and scale up our position in paddy and sunflower. We believe that hybrid rice will be the next big growth opportunity as the farming community has become more receptive for adoption of hybrid paddy. The acreage for hybrid paddy has doubled from 1 million hectares in 2006 to more than 2.5 million hectares in 2012. We are well-positioned to capitalize on the emerging opportunity with two of our rice

hybrids recommended for release and many in the various stages of evaluation in National Trials.

We have started focusing on high value olericulture by cultivating premium vegetables and culinary herbs through our new subsidiary company – Kexveg. These products are for the export market. We have a strong pipeline of hybrids of vegetable crops that will be ready for launching soon.

We will continue to invest in R&D to develop new and improved, stress resistant and climate resilient hybrids. Our hybrids in pipeline across field crops corn, cotton rice, bajra and sunflower, will keep us in good stead over the next 2-3 years.

With our strong presence in the southern market and a wide portfolio of products, we seek green growth through increasing sales from our existing products and penetrate into new markets of Chhattisgarh, Jharkhand, West Bengal and Odisha.

I would like to end by thanking our people, our greatest asset, who have continuously shown their dedication and commitment towards the Company. I thank all our customers, suppliers, partners, bankers and shareholders for their continued trust in us.

Sincerely,

GV Bhaskar Rao

Chairman and Managing Director

Board of Directors



GV Bhaskar Rao

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

Associated with Kaveri Seeds since its incorporation, Ms Vanaja Devi oversees the corporate social responsibility activities in addition to assisting the Managing Director in general functioning of the Company.



R Venu Manohar Rao

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

Associated with the Company since 1999, C Vamsheedhar, Executive Director, is a key player and growth driver in the "Team Kaveri" and oversees the strategic aspects of Company affairs.



C Mithun Chand

Associated with the Company since 2005, C Mithun Chand, Executive Director, in charge of Microteck and initiator of KexVeg, the subsidiary of Kaveri for exotic vegetables.



Dr. G Pawan

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



Dr. Y L Nene

A renowned agricultural scientist and science administrator, Dr. Nene served as Deputy Director General ICRISAT, Hyderabad. He established Asian Agri History Foundation that links Vedic culture with Agriculture.



M Srikanth Reddy

A graduate in agricultural science from the Andhra Pradesh Agriculture University, M Srikanth Reddy has rich experience in agri business for over 35 years. He advises Kaveri in policy matters and business affairs.



Dr. S Raghuvardhan Reddy

A PhD in Agricultural Sciences and former Vice-Chancellor of Acharya N G Ranga Agricultural University, Dr. Raghuvardhan Reddy held several eminent professional positions and won several recognitions for significant contribution to Agricultural Sciences.



Dr. SM Ilyas

An agricultural engineer of National repute Dr. Ilyas is the former Director of National Academy of Agricultural Research Management (NAARM), Hyderabad, and also former Vice Chancellor of Narendra Dev University of Agriculture and Technology, Faizabad. He has received several awards and recognitions for his outstanding contribution to Agricultural Engineering.



P Vara Prasad Rao

A science graduate, P Vara Prasad Rao has over three and half decades of experience in forest contracts and management works. Mr Prasad Rao is an expert in business transactions and negotiations.



K. Purushotham

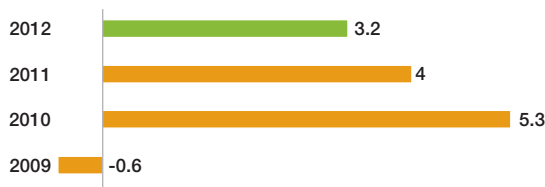
A science graduate in Agricultural and passed Banking examinations conducted by the Institute of bankers, Mumbai, retired as General Manager in the top executive cadre of Indian Overseas Bank (IOB) and has vast experience of 36 years in the Banking Sector.

Management Discussion and Analysis

Economic scenario

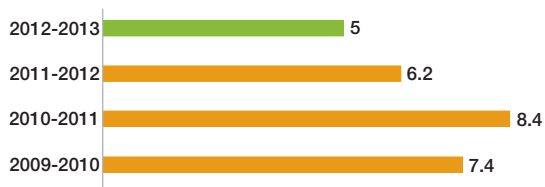
The calendar year 2012 was a difficult year for the world economy as the global GDP growth slid to 3.2% compared to 4% recorded in the previous year (Source: World Economic Outlook, IMF). The moderate growth rate in the US and rebound in Japan were set-off by contraction of the Eurozone. With the global growth slowing down, India was to fall in line. The Indian economy was marred by various factors such as high inflation, tight liquidity, rising interest rates, slowing investments, and policy inaction among others. The GDP growth rate of India slipped to a decade low of 5% during financial year 2012-13 compared to 6.2% in 2011-12.

World GDP growth (%)



Source: World Economic Outlook, IMF, April 2013

Indian GDP growth (%)



Source: Economic Survey, 2012-13

The Indian economy is mainly dominated by the agriculture sector which provides employment and livelihood to more than 65% of the population and determines the growth and sustainability of the country. During 2012-13, the growth of the agriculture sector contracted to 1.9% owing to erratic monsoon and higher input costs. The country's marginal

decline in food grain production from 259 million tonne in 2011-12 to approximately 250 million tonne in 2012-13 shows the resiliency of the Indian agricultural sector (Source: Central Statistics Office).

Seed - the harbinger of change

The global population has been growing at a faster rate and crossed the 7 billion mark. This impacts access to food and adequacy of global food production and supply dynamics. The demand for cereals for humans and animal feed is expected to grow from the current 2.1 billion tonnes a year to nearly 3 billion tonnes by 2050. In order to meet such a huge demand, the production of food grains need to be accelerated through sustainable intensification of agriculture in the back drop of multiple challenges.

The use of good quality seed of improved varieties and hybrids and enhanced seed replacement rate can bring in immediate production advance of 10-15% – a quick and readily implementable option. Thus any effort to improve agricultural productivity centres on quality seed production and supply.

Indian seed industry

The Indian seed industry is the fifth largest market in the world accounting for around 4.4% of global seed trade. The present size of the Indian seed industry is estimated at around ₹7,000 crore with a production of around 40 million quintals of various kinds of seeds (Source: ASSOCHAM report). In India, hybrid seeds account for around 20% of the total seed production; of which cotton has the biggest share followed by rice at 15%, wheat at 10% and vegetables at 10%. The production of hybrids needs to be promoted aggressively to improve productivity especially in crops like rice, maize and vegetables. A recent survey by Aasocham on the size and growth of domestic seed market estimates that the total seed production of India will reach to 63 million quintals by 2015 from the current level of 40 million quintals. The major contributors to the next leg of



growth of the industry is expected to come from corn, paddy and vegetables.

Growth drivers of Indian seed industry

With a population of 1.21 billion, India is the second-most populated country in the world. It is estimated that the population of the country will grow to 1.7 billion by 2050, increasing the demand for food grains. The per capita income of Indians (at current price) has increased at a CAGR of 15.92% from ₹38,084 in 2008-09 to ₹68,757 in 2012-13. With the increase in income levels, the consumption of food grains and vegetables has also increased manifold.

The government has allowed 100% FDI in agriculture sector in development and production of seeds and planting material, floriculture, horticulture, and cultivation of vegetables and mushrooms. This will attract foreign investment in the Indian agriculture sector, leading to higher investment in R&D and production of high quality, high yielding varieties and hybrids.

The shift to hybrids has helped to boost the yield of food grains from 1,023 kg/hectare in 1980-81 to 1,993 kg/hectare in 2011-12. Over the years, there has been a steep growth in the adoption of hybrids due to their higher yields. Further, the government has been playing a proactive role to promote the cultivation of hybrids by providing a subsidy.

Favorable government schemes:

- **Farm credit:** The government has substantially improved the availability of farm credit and increased Minimum Support Price (MSP) to improve investment in the farm sector. The annual agriculture credit target for the financial year 2013-14 has been fixed at ₹7,00,000 crore against the target of ₹5,75,000 crore in 2012-13 (*source: IBEF*)
- **Planned expenditure:** The total planned expenditure for the Department of Agriculture has increased by 18.01% from ₹17,123 crore in 2011-12 to ₹20,208 crore in 2012-13.
- **Rashtriya Krishi Vikas Yojana (RKVY):** Under RKVY, an outlay of ₹9,954 crore and ₹2,250 crore have been proposed for mobilizing higher investment in agriculture and the National Food Security Mission respectively.
- **Krishi Vigyan Kendra (KVK):** The Indian Council of Agricultural Research (ICAR) has created a network of 630 KVKs in the country to facilitate farmers' access to agricultural technology generated by the National Agricultural Research System (NARS).
- **Pulses villages:** The government has launched an initiative to spend US\$ 65.1 million to promote 60,000 'pulses villages' in rain-fed areas for increasing crop productivity and strengthening market linkages.
- **Water shed programme:** To provide relief to small and marginal farmers especially in drought prone and ecologically-stressed regions, the allocation for the Integrated Watershed Programme has been increased to ₹5,387 crore from ₹3,050 crore.

Risk management

Climate risk

Changing climate conditions such as continuous dry spell, or excessive rainfall may drastically impact commercial seed production of the Company.

The Company's diverse product portfolio of commercial crops (cotton and sunflower) food crops (corn, rice, and millets), vegetable crops and quantum of seed reserves help de-risk from any contingency. Further, the Company's hybrids with enhanced buffering capacity to withstand abiotic stress help overcome the weather aberrations.

Competition risk

In the extremely competitive seed business, cut-throat competition from peers can impact the Company's trade.

The Company's ability to innovate from long term investment in R&D for knowledge driven products and sustained quality assurance serves as impregnable barriers to the Company's business. In addition to this, the Company has an aggressive market network of around 15,000 distributors and retailers across the country which help in marketing the Company's products across the country.

Dependency risk

Dependency on any one particular product/seed may affect the growth prospects of the Company.

The Company has developed an array of wide ranging products with the judicious use of genetic wealth of germplasm in order to minimize its dependency on any single hybrid or single crop. In addition to this, the Company continuously refurbishes its product portfolio by phasing out extant products and focusing on new and improved products.

Product life-cycle risk

Technological advances at a fast pace are accelerating the innovative product development which in turn is shortening the shelf life of a product/seed.

The Company's continuous investment in Research & Development and the ability to develop an array of new product pipeline helps to mitigate the product life-cycle risk and keeps it ahead of competition.

Internal Control system

The Company has in place adequate and appropriate systems of internal controls commensurate with its size and the nature of its operations and these have broadly withstood the test of time. The systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorizations and ensuring compliance of corporate policies.

The internal audit is being carried out by a firm of Chartered Accountant having considerable expertise and experience. The audit is carried on a monthly basis and monthly audit reports are submitted to the management. The Audit Committee reviews the internal audit reports, statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and follow up actions arising from them. The statutory auditors of the Company also scrutinize the internal audit reports as part of their statutory audit functions.



Notice

Notice is hereby given that the 26th Annual General Meeting of the members of Kaveri Seed Company Limited will be held on **Tuesday the 24th day of September 2013 at 11.15 AM** at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, A.P., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 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 final dividend on the Equity Shares for the Financial Year 2012-13.
3. To appoint a Director in place of Sri C.Vamsheedhar, who retires by rotation, and being eligible, seeks re-appointment.
4. To appoint a Director in place of Sri C.Mithun Chand, who retires by rotation, and being eligible, seeks re-appointment.
5. To appoint a Director in place of Sri P.Varaprasad Rao, who retires by rotation, and being eligible, seeks re-appointment.
6. To appoint the Statutory Auditors and fix their remuneration. The retiring Auditors M/s. P.R.Reddy & Co., Chartered Accountants are eligible for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT Sri K.Purushotham, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th February 2013 pursuant to Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting be and is hereby

appointed as Director of the Company liable to retire by rotation”.

By order of the Board
KAVERI SEED COMPANY LIMITED

Sd/-

G.V.BHASKAR RAO

Managing Director

23.05.2013

Secunderabad

NOTES:

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. 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.
3. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
4. The register of members and share transfer books of the Company will remain closed from **20th September 2013 to 24th September 2013** (both days inclusive).
5. The Board of Directors of the Company has declared an interim dividend @ 80% i.e., ₹ 8/- per equity share of ₹ 10/- each for the year 2012-13 on 14th February 2013 and has been paid to the members on 1st March 2013.

The final dividend on equity shares @ 80% i.e., ₹ 8/- per share of ₹ 10/- each 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 19.09.2013 in respect of shares held in electronic form, the final 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.

6. 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, Opp.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.
7. 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.
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, 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.

EXPLANATORY STATEMENT

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

ITEM NO.7

Mr. K. Purushotham was appointed as an Additional Director of the Company on 14th February 2013 to fill a vacancy caused to death of Sri K.V.D.Prasada Rao. As per provisions of Section 260 of the Companies Act, 1956, Mr. K. Purushotham holds office as a Director up to the date of the ensuing Annual General Meeting of the Company. Pursuant Section 257 of the Companies Act, 1956 the Company has received a notice from one of the Members along with the requisite deposit, proposing the candidature of Mr. K. Purushotham as a Director.

A brief profile of Mr. K. Purushotham and name of the companies in which he holds directorships and memberships/ chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report. The Board, accordingly, commends the Resolution for approval of the Members as an Ordinary Resolution. None of the Directors except Sri K. Purushotham are in anyway concerned or interested in the Resolution.

By order of the Board

KAVERI SEED COMPANY LIMITED

Sd/-

G.V.BHASKAR RAO

Managing Director

23.05.2013

Secunderabad



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with the Audited Accounts for the financial Year ended 31st March 2013.

FINANCIAL RESULTS:

Particulars	₹ in Lakhs)	
	2012-13	2011-12
Gross Turnover	71083.58	37244.32
Profit before Depreciation, Interest and Taxes.	14576.69	7423.54
Depreciation/Amortization	1060.39	1000.94
Interest	150.71	327.12
Profit before Tax	13365.59	6095.48
Provision for Tax/Deferred Tax	378.47	285.12
Net Profit	12987.12	5810.36
Balance brought forward from Previous Year	12353.99	8180.63
Balance available for appropriation	25341.11	13990.99
Appropriations:		
Proposed Dividend including Tax	2556.47	637.00
Transfer to General Reserve	1000.00	1000.00
Balance carried to Balance Sheet	21784.64	12353.99

FINANCIAL HIGHLIGHTS:

Members would be happy to know that the revenues and net earnings were the highest in the history of the Company. During the year you company has reached a turnover of ₹ 71083.58 Lakhs during the year under review. The financial year 2012-13 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 90.85% at ₹ 71083.58 lakhs which was augmented by our strategic initiatives taken by the company by high volume sale of seed. Net Profit after Tax of ₹ 12987.11 lakhs was higher by 123.51% over ₹ 5810.36 lakhs of the previous year. It is a new all time high for your

Company translating to EPS of ₹ 94.78 as compared to ₹ 42.40 of last year.

REVIEW OF OPERATIONS:

Your Company made significant progress during the year under review gaining market presence, volume growth and visibility for its products in the addressable markets. Your Company has a well structured marketing team that is able to convert approvals into invoicing. The investment made in the market place and the expertise of the team will be leveraged to differentiate Kaveri from competition. Channels to market have been broadened to increase revenue.

These efforts allow the marketing team to better anticipate opportunities and shifts in the market and understand changing customer and farmer needs. With such knowledge, your company is able to effectively manage the product mix to achieve highest possible market share and margins. Your Company is pursuing the goal of becoming a leading seed company in the Indian seed market.

FUTURE OUTLOOK

The carrying capacity of spaceship earth and to sustain life on the planet is fragile and under increasing stress. Despite significant growth in food production over the past five decades more than a billion people suffer from hunger and even more from silent hunger. By 2050, the global food requirement will double, driven by anticipated population of more than 9 billion and a demand for improved diets, particularly in developing countries like India.

Agriculture ingeneral is under great pressure to produce more from less. There is a need to increase productivity in a more accelerated way in order to ensure food and nutritional security to a growing population that is on the path of societal ascendency. Farms need to produce more year by year to provide food, feed and fiber to meet the demands of the population

Anticipated and experiencing climate changes, dwindling natural resources and biodiversity pose additional challenges to improve farm productivity at required pace. Sustainable intensification of agriculture holds the key to tackle these challenges to achieve food sufficiency.As seed is the most

critical renewable input in agriculture, seed the future with production of high quality hybrid seed of field and vegetable crops is the motto of Kaveri Seeds.

At Kaveri, we are also leveraging our strength in R&D with our unmatched expertise in agribusiness, to explore new opportunities in high value agriculture by way of protective cultivation of premium vegetables and herbs. The company has established a subsidiary company, Kexveg India Private Limited, to producing high value exotic vegetables and herbs. The subsidiary has started commercial cultivation of high value exotic Indian vegetables and European culinary herbs in an exploratory built up area of 5 hectares of mega green houses. During the year, the company cultivated full range of Indian vegetables- tomato, cucumber, melons, and bell pepper in its farm under drip. The company has plans to expand cultivation of green and colour capsicums, hybrid and cherry tomatoes, parthenocarpic cucumber, leafy lettuce, Iceberg lettuce and Basil; and culinary herbs which include chives, sage, cilantro and parsley to cater to the domestic and European market. For penetration to the export market, the Company is exploring new grounds.

DIVIDEND:

Your Directors have proposed a final dividend of 80% i.e., ₹ 8/- per equity share and together with the interim dividend of 80% i.e. ₹ 8/- per equity share, the total dividend for the financial year 2012-13 comes to 160% i.e. ₹ 16/- per share on the equity shares of ₹ 10/- each against 40% i.e. ₹ 4/- per share paid in the previous year.

The Dividend, if approved at the ensuing 26th Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on 19th September 2013. The Dividend would be tax-free in the hands of the shareholders.

SUBSIDIARIES:

During the year your Company has one subsidiary as on 31st March 2013 i.e., Kexveg India Private Limited.

As per Section 212 of the Companies Act, 1956, the Company is required to attached the Directors' Report, Balance Sheet and Statement of Profit and Loss of the Subsidiary of the annual report. The Ministry of Corporate Affairs, Government of India vide its circular No.2/2011 dated 8th February 2011 has provided an exemption to companies from complying

with Section 212, provided such companies publish the audited publish the audited consolidated financial statements in their annual report. Accordingly, the annual report 2012-13 does not contain the financial statements of the subsidiary. The audited annual accounts are related information of the subsidiary, where applicable, will be made available for inspection during business hours at our registered office in Hyderabad, India.

The members, if desire, may write to the Company Secretary at Kaveri Seed Company Limited, 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Andhra Pradesh to obtain a copy of the financial of the subsidiary company.

The consolidated financial statement, in terms of Clause 32 of the Listing Agreement and prepared in accordance with Accounting Standard 21 as specified in the Companies (Accounting Standards) Rules, 2006 also forms a part of this annual report.

ACQUISITION:

During the year the Company has acquired 70% stake in Partnership firm of Aditya Agritech. The total cash-flow for the acquisition was ₹ 77.00 Lakhs. The investment utilized for the purchase of stocks and seed business. The product profile of the said firm will exactly match with our Company's products and therefore, the proposal will be more beneficial to enhance the share in the seed market. Further, the Board also proposed to convert the said firm into private limited company.

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:

During the year, Sri K. Purushotham, appointed as an Additional Director of the Company with effect from 14th February 2013 in the casual vacancy caused by the expire of Sri K.V.D.Prasad Rao, pursuant to Section 262 of the Companies Act, 1956 read with Article 140 of the Articles of Association of the Company, liable to retire by rotation and subject to approval of members of the Company in the ensuing Annual General Meeting.



The Board has expressed deep condolence for sudden demise of Sri K.V.D.Prasad Rao, Non-Executive Independent Director of the Company and noted that his valuable service rendered to the Company is highly appreciated and deeply grieved for losing an eminent Director of the Company.

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Sri C.Vamsheedhar, Sri C.Mithun Chand, Sri P.Varaprasad Rao, Directors retire by rotation at the forthcoming Annual General Meeting scheduled on 24th September 2013 and being eligible offer themselves for re-appointment. The brief profiles of Sri C.Vamsheedhar, Sri C.Mithun Chand, Sri P.Varaprasad Rao and Sri K. Purushotham provided in the Report on Corporate Governance forming part of Annual Report.

AUDITORS' & AUDITORS' REPORT:

The statutory auditors' report is annexed to this report. The notes on financial statements referred to in the Auditors' report are self explanatory and do not call for any further comments.

M/s. P.R.Reddy & Co. Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors of the Company for the financial year 2013-14.

COST AUDITORS:

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed an audit of cost accounting records in respect of seed business of the company. Based on the recommendations of the Audit Committee, and subject to the approval of the Central Government, the Board of Directors had appointed Mr.P.L.N.Sarma, Cost Accountants, as Cost Auditors of the Company for FY 2013. The cost audit report would be filed with the Central government as per timeline.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) In preparation of Annual Accounts, the applicable Accounting Standards has been followed along with proper explanation relating to material departures;

- ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and of profit of the Company for that period;
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) We have prepared the annual accounts on an on-going concern basis

PARTICULARS OF EMPLOYEES:

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

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

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I 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 28th January 2010 to the eligible Employees of the Company at a price of ₹ 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 ₹ 10/- each, upon payment of the exercise price during the exercise period. Some of the employees are exercised their options during the end of year, hence the allotment will be made in the month of April 2013 under the Scheme.

Details of the options up to 31st March 2013 are set out in the annexure 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.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

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

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 of the year. The momentum continued during the year under review with a new high in volume sold, highest over revenues and profit after tax. Your company has been well served by all the employees. Your company has appointed HR Consultants of M/s. Husys Consultants to execute and implement HR Agenda and actions within the organisation with the objective of enhance business performance and capability of employees under strong value based framework.

The consultants gives a broad direction and support initiation for talent management programs in line with short term and long term business imperative/organisational needs. As at 31st March 2013 employees on roll constituted 699 higher by 8.37% over 645 as on the previous year.

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, hard work and commitment of the employees at all levels and their significant contribution to your Company's growth. Your Company is grateful to the Distributors, Dealers, and Customers for their 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.

For and on behalf of the Board

	Sd/-	Sd/-
Secunderabad,	G.V.Bhaskar Rao	G.Vanaja Devi
23 rd May 2013	<i>Managing Director</i>	<i>Whole time Director</i>



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	2012-13	2011-12
Power and Fuel Consumption		
a. Electricity purchased		
Units (Nos.)	3156397	2495378
Total Amount (₹ In Lakhs)	272.50	189.46
Unit Rate (₹)	8.63	7.59
b. Own Generation:		
Through Diesel Generator		
No.of Units in Litres	414987	187936
Units per litre of Diesel	3	3
Oil cost per Unit (₹)	16.30	15.00
Others (Gas)		
Through Gas Dryer		
Quantity in Kgs.of Gas	465533	300783
Amount (₹ In Lakhs)	76.35	68.37

Consumption per unit of production

Electricity
Diesel
Gas

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

FORM - B

TECHNOLOGY ABSORPTION

Research and Development

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

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

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

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

Future Plan of Action:

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

Expenditure on Research and Development:

₹ In Lakhs

	2012-13	2011-12
Capital	128.14	106.93
Recurring	866.87	716.68
	995.01	823.64
Total R&D expenditure as percentage of total turnover.	1.40%	2.2%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

Technology Absorption is not involved as the processing of Seeds is being developed in house by the Company.

Benefits derived as a result of the above efforts i.e., product development, cost reduction, research development etc., the seed processing was simplified and mechanized and there by reduction in cost and product improvement.

Particulars of Imported Technology: Nil

Foreign Exchange Earning & Outgo:

- a. Earnings : 266.22 Lakhs
- b. Out go : 1229.51 Lakhs

For and on behalf of the Board

Secunderabad,
23rd May 2013

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director



Annexure – II to the Directors' Report

Details of Stock Options granted under Kaveri Seed Company Limited (ESOP-2008-09) as on 31.03.2013.

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

DESCRIPTION	ESOP 2012-13	
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 2012-13	22,200	
Options exercised during FY 2012-13	46,257	
The total number of shares arising as a result of exercise of options	46,257	
Options lapsed during FY 2012-13 which are subject to reissue	Nil	
Variation of terms of options	Not Applicable	
Money realized by exercise of options	Rs.78,63,690/-	
Grant Price (Face value of Rs.10)	Rs. 170/-	
Total Number of options in force as on March 31, 2013 (cumulative)	1,11,000	
Grant details of members of senior management team during the year 2012-13	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) 20		
The Company has calculated the employee compensation cost using the intrinsic value of the stock options.		
i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of the stock options.	
ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options (in case the company has calculated the compensation cost using the intrinsic value of the Stock Options).	(3626914 - 1836135) = 17,90,779	
iii) The impact of this difference on profit and earnings per share of the company	PAT	Rs.129,87,11,719/-
	Less: (difference as above)	Rs. 17,90,779
	Adjusted PAT	Rs.129,69,20,940/-
	Adjusted EPS	Rs. 94.65

DESCRIPTION	ESOP 2012-13
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)	= $(248.20 - 170) = \text{Rs.}78.20$
Market price at NSE on the date of Grant (Rs.)	Rs. 248.20
v) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information	The Black-Scholes options-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since, options-pricing models require use of substantive assumptions; changes therein can materially affect the fair value of options. The options-pricing models do not necessarily provide a reliable measure of the fair value of options.
vi) the main assumptions used in the Black- Scholes option-pricing model during the year were as follows:	
Risk –free interest rate (%)	8%
Expected Life of options from the date(s) of grant (Years)	6
Expected volatility (%)	0.30%
Expected Dividend	Rs.16/- per share

For and on behalf of the Board

Secunderabad,
23rd May 2013

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director



Report On Corporate Governance

A. Value of Corporate Governance:

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

The Company believes that corporate Governance is about best practices of business to be imbibed in to 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 the Stock Exchanges.

B. Board of Directors

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

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

The 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 31st March 2013:

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

Note:

- 1) Other Directorships Membership/Chairmanship in Audit and Shareholders' Grievance Committees of all public limited companies, where 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.
- 2) *Sri G.V.Bhaskar Rao, Smt. G.Vanaja Devi, Mr. G.Pawan, Sri R.Venu Manohar Rao, Mr. C. Vamsheedhar and Mr. C.Mithun Chand are related to each other.
- 3) **Sri K. Purushotham was appointed as an Additional Director with effect from 14th February 2013.
- 4) ***During the FY2013 Mr. K.V.D.Prasad Rao, Non Executive Independent Director, passed away on 17.01.2013 and thus ceased to be a Director on the Board effective that date.

Details of Directors proposed for appointment/re-appointment:

Mr. C. Vamsheedhar, Mr. C. Mithunchand and Mr. P. Varaprasad Rao retire by rotation and being eligible offer themselves for re-appointment as Directors of the Company:

Sri C.Vamsheedhar aged about 41 years is a Graduate. He is experienced in marketing and advises in general management of the company. He has been associated with our Company for the past ten years. He has been instrumental in the exceptional growth of sale and marketing of the company. He looks after south zone of marketing and product development & quality management of the company. He is not a director in any other Company and he holds 3,14,333 Equity Shares of Rs.10/- each of the Company.

Sri C.Mithun Chand aged about 37 years is an Post Graduate in MBA., He has significantly contributed in Sales and Marketing of Microteck Division and Kexveg India Private Limited, which is a subsidiary of the Company. He looks after day to day activities of Administration, Finance and Secretarial Departments of the Company. He is experienced in marketing and finance and he advises to the management about the financial issues of the company. He has been instrumental in the exceptional growth of the Company. He is not a director in any other Company and he holds 3,41,224 Equity Shares of Rs.10/- each of the Company

Mr. P.Vara Prasad Rao, aged about 64 years is a Bachelor of Science and he has over 36 years experience in forest contract works and he has managing partner of a SSI Unit. He has been exposed to various business transaction structuring and intricacies in business negotiation. He is not a director in any other Company and he does not hold any shares in the Company.

During the year Mr. K. Purushotham was appointed as an Additional Director on the Board of the Company:

Mr. K. Purushotham is a B.Sc., (Agricultural) from A.P. Agricultural University and passed Banking examinations conducted by the Institute of bankers, Mumbai, retired as General Manager in the top executive cadre of Indian Overseas Bank (IOB). He has held several eminent professional positions including that General Manager of IOB and having vast experience of 36 years in the Banking Sector. He was deputed by IOB to Bradford University, London for specialized Programme on Agricultural Development.

He was held Directorships in other companies of M/s. Puri Gramya Bank, M/s. Poshak Oils and Fats Limited and M/s. Rithwik Projects Limited. He does not hold any shares in the Company.

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 consultation with Director/s of the Company. The agenda of the meeting is pre-circulated with the detailed notes, supporting documents, the Board of Directors must meet at least four 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 26th May 2012, 14th August 2012, 9th November 2012 and 14th February 2013. The Company held one Board meeting in each quarter as required under the Companies Act, 1956.



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

Date	Board Strength	No. of Directors Present
26.05.2012	12	7
14.08.2012	12	8
09.11.2012	12	8
14.02.2013	12	9

II. Information given to the Board:

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

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

III. Audit Committee:

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

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

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 the annual financial statements before submission to the Board focusing primarily on:

- Any changes in accounting policies and practices;
- Major accounting entries based on exercise of judgment by management;

- Qualifications in draft audit report;
- Significant adjustments arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with stock exchange and legal requirements concerning financial statements;
- Any related party transactions as per Accounting Standard 18

Reviewing the Company's financial and risk management policies.

Disclosure of contingent liabilities

Reviewing with management, external and internal auditors, the adequacy of internal control systems.

Reviewing the adequacy of internal audit function;

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

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

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

V. Composition and other details of Audit Committee

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

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

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

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

The Company Secretary is the Secretary to the Committee.

During the year under report the Audit Committee has met four time on 26th May 2012, 14th August 2012, 9th November 2012 and 14th February 2013.

The attendance at the audit Committee meetings during the financial year 2012-13 is as under:

Member	No.of Meetings	Attendance
Mr. P.Varaprasad Rao	4	3
Mr. M.Srikanth Reddy	4	3
Mr. K.V.D.Prasad Rao	4	2
Mr. C.Mithun Chand	4	4

During the FY2013 Mr. K.V.D.Prasad Rao, Member of the Committee, passed away on 17.01.2013 and thus ceased to be a Member on the Committee effective that date.



VI. Remuneration Committee/Compensation Committee:

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

During the year, the Compensation Committee met two times

Member	No. of Meetings	Attendance
Mr. P.Varaprasad Rao	2	2
Mr. M.Srikanth Reddy	2	2
Mr. K.V.D.Prasad Rao	-	-
Mr.R.Venu Manohar Rao	2	2
Mr. C.Vamsheedhar	2	2

During the FY2013 Mr. K.V.D.Prasad Rao, Member of the Committee, passed away on 17.01.2013 and thus ceased to be a Member on the Committee effective that date.

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 & Gratuity (₹)	Total ₹
Shri G.V.Bhaskar Rao	10,380,000	144,000	10,524,000
Smt. G.Vanaja Devi	6,420,000	144,000	6,564,000
Shri R.Venumanohar Rao	4,080,000	313,620	4,393,620
Shri C.Vamsheedar	2,580,000	247,272	2,827,272
Shri C.Mithun Chand	2,556,000	242,652	2,798,652
TOTAL	26,016,000	10,91,544	27,107,544

b. **Non-Executive Directors:**

(Amount in ₹)

Name	Designation	Sitting Fee
Sri K.V.D.Prasad Rao	Non-executive Independent Director	20,000/-
Sri M.Srikanth Reddy	Non-executive Independent Director	30,000/-
Dr. Yeshwant Laxman Nene	Non-executive Independent Director	30,000/-
Sri P.Vara Prasad Rao	Non-executive Independent Director	30,000/-
Dr. S.Raghuvardhan Reddy	Non-executive Independent Director	40,000/-
Dr. S.M.Ilyas	Non-executive Independent Director	40,000/-
Sri K. Purushotham	Non-executive Independent Director	10,000/-

The above figures do not include provisions for encashable leave 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 the Directors as on March 31, 2013 are as below:**

Name	No. of Shares
Sri G.V.Bhaskar Rao	1206398
Sri G.V.Bhaskar Rao – HUF	2248129
Smt. G.Vanaja Devi	2222600
Sri R.Venu Manohar Rao	572576
Sri C.Vamsheedhar	314333
Sri C.Mithun Chand	341224
Dr. 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
Mr. P.Varaprasad Rao	Chairman
Mr. R.Venu Manohan Rao	Member
Mr. C.Mithun Chand	Member
Mr. M.Srikanth Reddy	Member
Mr. C.Vamsheedhar	Member
Mr. K.V.D.Prasad Rao	Member

During the FY2013 Mr. K.V.D.Prasad Rao, Member of the Committee, passed away on 17.01.2013 and thus ceased to be a Member on the Committee effective that date.



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

During the year the Company did not receive any complaints from the investors. As on 31st March 2013 there were no investor grievances pending and no transfers were pending for approval.

X. Borrowing Committee of Board of Directors

The Company has 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 and modification of current accounts of the Company. The Committee comprises entirely Executive Directors viz., Mr. G.V.Bhaskar Rao (Chairman) Mr. C.Vamsheedhar and Mr. C.Mithunchand, Members of the Committee. The Committee met three times during the period under review. The minutes of the Borrowing Committee have been noticed to the Board on quarterly basis for confirmation by the Board..

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. Y.L.Nene, Dr. S.Raghuvardhan Reddy and Dr. S.M.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 and utilization of all the resources of the company.

D. General Body Meetings:

Details of the last three AGMs are given as follows:

Year	Date of Meeting	Time of Meeting	Venue of Meeting	No. of Special Resolutions passed
Annual General Meeting 2009-10	September 27, 2010	10.30 AM	Surana Udyog Hall. The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004., A.p.	5
Annual General Meeting 2010-11	September 27, 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 – 500 004., A.p.	7
Annual General Meeting 2011-12	September 25, 2012	11.15 AM	Surana Udyog Hall. The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004., A.P	--

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 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' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

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

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 the non-mandatory requirements:

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

F. Means of Communication:

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

I. NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre

The Company also filed information through NEAPS and BSE Listing Centre – a web based application provided by NSE & BSE which facilitates online filing of Financial Results, Corporate Governance Report and Shareholding Pattern etc., by the company.



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 analyze 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 the 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 the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

V. Letters

Letters reminding the 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. The Annual Report

The Annual Report containing inter alia the Audited Accounts, Directors Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and analysis forms part of the Annual Report. Pursuant to the Green initiative launched by the 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 the Company's web site www.kaveriseeds.in

G. GENERAL SHAREHOLDERS INFORMATION:

<p>I. 26th Annual General Meeting</p> <ul style="list-style-type: none"> - Date and Time - Venue 	<p>24th September 2013 at 11.15 AM</p> <p>Surana Udyog Hall,</p> <p>The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, A.P.,</p>
<p>II. Quarterly Results:</p> <p>Financial Year of the Company :</p> <p>Financial calendar (tentative and subject to change) of the financial year 2013-14</p> <p>1st Quarter</p> <p>2nd Quarter</p> <p>3rd Quarter</p> <p>4th Quarter</p>	<p>April to March</p> <p>14th August 2013</p> <p>14th November 2013</p> <p>14th February 2014</p> <p>30th May 2014 (Audited)</p>
<p>III. Date of Book Closure</p>	<p>20th September to 24th September 2013</p>

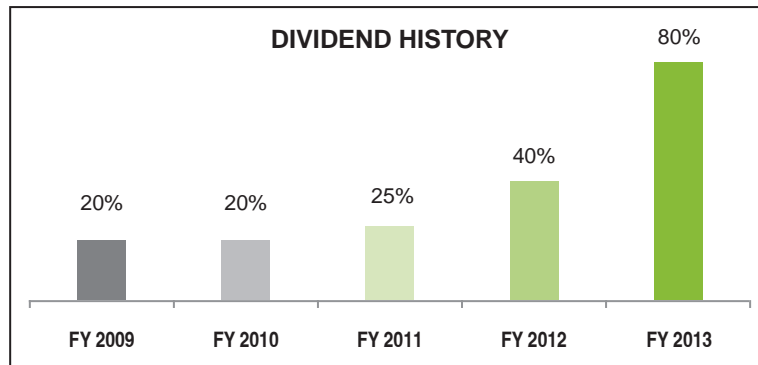
<p>IV. Payment of Dividend</p>	<p>The Board approved interim dividend of 80% ie., Rs.8/- per share of face value of Rs.10/- each at its meeting held on 14th February 2013 for the financial year 2012-13, which was paid to the eligible shareholders on 1st March 2013. Subject to the approval members, the Final Dividend of 80% ie., Rs.8/- per share, if declared, will be paid within 30 days from the date of the Annual General Meeting to the eligible shareholders.</p>
<p>V. Listing on Stock Exchanges:</p>	<p>Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023.</p> <p>National Stock Exchange of India Ltd., Exchange Plaza, 5th floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.</p>
<p>VI. Listing Fees</p>	<p>Listing fee of both the stock Exchanges has already been paid for the year 2013-2014</p>
<p>VII. Stock Code: Bombay Stock Exchange Limited National Stock Exchange of India Ltd</p>	<p>532899 KSCL</p>
<p>VIII. Dematerialization of shares and liquidity</p>	<p>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 99.73% of the Company's share capital are dematerialized as on 31st March 2013.</p> <p>The Company's shares are regularly traded on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited , in electronic form.</p> <p>Under the Depository System, the ISIN allotted to the Company's Shares is INE 455I01011</p>
<p>IX. Outstanding GDRs/ADRs/Warrants or any Convertible instruments</p>	<p>The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on 31st March 2013.</p>
<p>X. Plant Locations</p>	<p>a) Kandlakoi Plant Plot No.140/A/1, Kandlakoya Village, Medchal Mandal Ranga Reddy District, A.P.</p> <p>b) Gundlapochampally Plant Sy.No.28 Part, Gundlapochampally village Medchal Mandal Ranga Reddy District, A.P.</p> <p>c) Gatlanarsingapur Plant - 1 Door No.104, Gatlanarsingapur Post Bheemadevarapally Mandal Karimnagar District, A.P.</p>



	<p>d) Gatlanarsingapur Plant - 2 Door No.6-96/2, Gatlanarsingapur Post Bheemadevarapally Mandal Karimnagar District, A.P.</p> <p>e) Eluru Plant Sy.No.853, Koppaka village, Pedavegi Mandal, West Godavari Distirct, Andhra Pradesh</p> <p>f) Bellary Plant & Godown D.No.340, NH – 63, Main Road, K.B.Halli – 583 103 Bellary District, Karnataka State</p> <p>g) Pamulparthy Plant Sy.No.703, Part, 704 Part, 712 Part 713 to 719, Pamulaparthu Village, Wargal Mandal, Medak District</p>
XI. Registered Office	<p>513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Andhra Pradesh. Tel.Nos.+91 40-27721457/27842398 Fax No.+91 40-27811237 Email: cs@kaveriseeds.in Website: www.kaveriseeds.in</p>
XII. Name & Designation of Compliance Officer	<p>Mr.V.R.S.Murti Company Secretary 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Andhra Pradesh, Tel.Nos. +91 40-27721457/27842398 Fax No. +91 40-27811237 Email: cs@kaveriseeds.in Website : www.kaveriseeds.in</p>
XIII. Registrar and Share Transfer Agents/ Address for Correspondence	<p>Bigshare Services Pvt. Ltd., 306, 3rd Floor, Right Wing, Amrutha Ville, Opp.Yashodha Hospital Somajiguda, Rajbhavan Road, Hyderabad – 500 082. Tel.Nos. + 91- 40– 39123837/ 23374967 Fax No. + 91-40 - 23370295 E-mail: bsshyd@bigshareonline.com</p>

XIV. Dividend History:

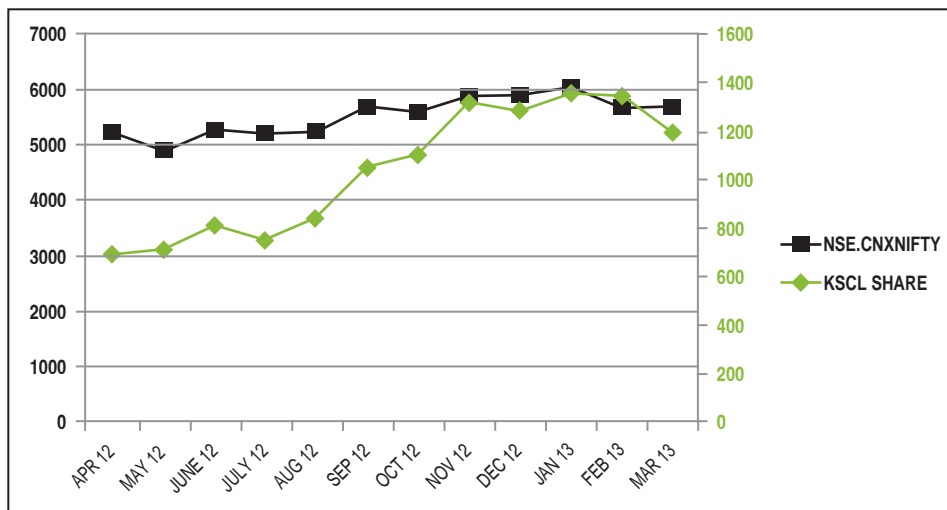
Year	Rate of Dividend %
2008-2009	20
2009-2010	20
2010-2011	25
2011-2012	40
2012-2013 - Interim	80



XV. Monthly High & Low quotations and volume of shares traded on NSE & BSE during the year:

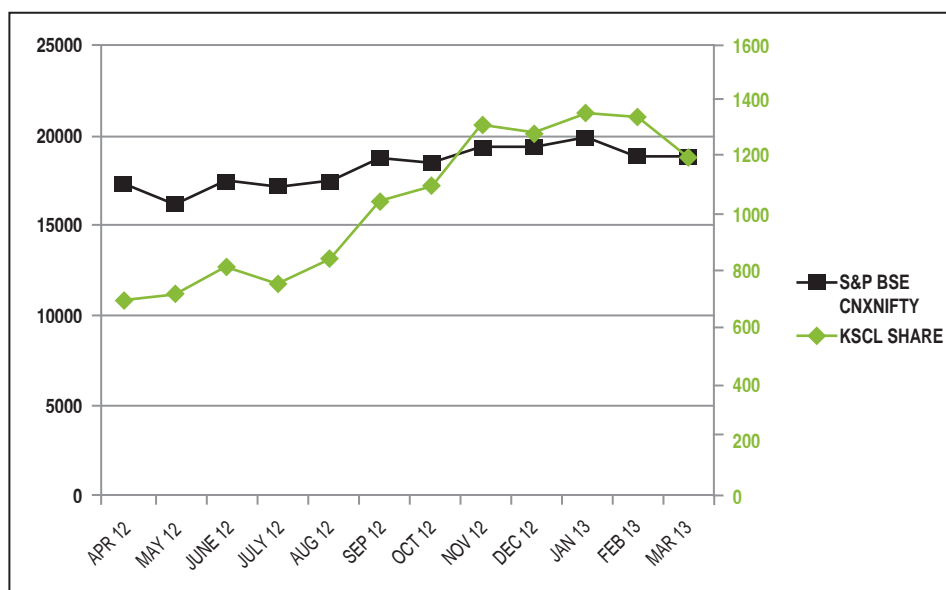
Month	National Stock Exchange				Bombay Stock Exchange			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-12	749.70	575.15	693.70	268058	744.00	556.55	696.25	118569
May-12	761.90	640.00	717.45	247196	749.95	640.00	718.10	87178
Jun-12	847.90	664.00	818.75	467176	849.20	662.00	818.20	168583
Jul-12	854.00	741.10	758.15	429183	861.35	740.00	755.40	106005
Aug-12	853.60	742.60	842.45	506172	855.00	722.95	845.75	258357
Sep-12	1098.95	825.20	1051.00	408190	1284.10	830.05	1052.15	109524
Oct-12	1169.80	925.55	1101.05	367699	1168.95	1005.00	1104.40	153580
Nov-12	1414.15	1095.10	1322.95	327781	1334.90	1095.00	1319.80	89079
Dec-12	1420.00	1150.00	1285.90	597733	1418.00	1140.05	1290.45	206348
Jan-13	1490.00	1275.00	1364.85	442940	1491.00	1278.50	1360.40	91710
Feb-13	1550.00	1265.00	1355.05	288056	1412.00	1290.20	1348.85	29897
Mar-13	1360.00	1099.90	1200.35	444316	1365.00	1100.00	1197.40	49796

STOCK PERFORMANCE OF KAVERI SEED COMPANY LIMITED Vs. NATIONAL STOCK EXCHANGE CNXNIFTY





STOCK PERFORMANCE OF KAVERI SEED COMPANY LIMITED Vs. BOMBAY STOCK EXCHANGE SENSEX



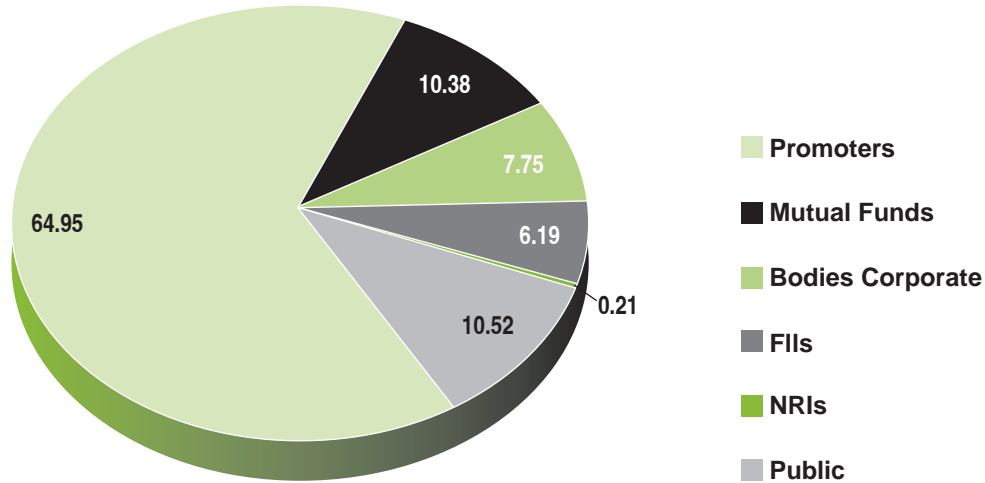
XVI. Distribution Schedule & Shareholding Pattern as on 31st March 2013

Category of Shares	No. of Shareholders	No. of Shares	% of total capital
1 – 500	4,305	3,05,447	2.22
501 – 1000	211	1,65,991	1.21
1001 – 2000	101	1,44,723	1.06
2001 – 3000	60	1,50,958	1.10
3001 – 4000	29	1,06,633	0.78
4001 – 5000	21	97,854	0.72
5001 – 10000	35	2,54,011	1.85
10001 – and above	74	1,24,76,567	91.06
TOTAL	4836	1,37,02,184	100%

XVII. Category of Shareholders as on 31st March 2013:

Category	No. of Shares	%
Promoters	88,99,138	64.95
Mutual Funds	14,22,302	10.38
Bodies Corporate	10,62,305	7.75
FIs	8,48,334	6.19
NRIs	28,308	0.21
Public	14,41,797	10.52
TOTAL	13702184	100%

SHAREHOLDER PERCENTAGES



XVIII. Top Ten Shareholders of the Company as on 31st March 2013

Shareholders	Category	No. of Shares	%
G.V.BHASKAR RAO(HUF)	Promoter	2248129	16.41
G.VANAJA DEVI	Promoter	2222600	16.22
G.MADHUSHREE	Promoter	1464000	10.68
IDFC PREMIER EQUITY FUND	FII	1235500	9.01
G.V.BHASKAR RAO	Promoter	1206398	8.80
R. VENU MANOHAR RAO	Promoter	572576	4.18
G.PAWAN	Director	501800	3.66
C. MITHUNCHAND	Promoter	341224	2.49
C. VAMSHEEDHAR	Promoter	314333	2.29
RELIGARE FINVEST LTD.	Bodies Corporate	180275	1.31

Declaration

I, G.V.Bhaskar Rao, Managing Director, hereby declare that as provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2013.

For **KAVERI SEED COMPANY LTD.**

Secunderabad,
23rd May 2013

Sd/-
G.V.Bhaskar Rao
Managing Director



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

To

The Members of

KAVERI SEED COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by Kaveri Seed Company Limited, ('the Company') for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

Hyderabad,
23rd May 2013

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

Sd/-
P. Raghunadha Reddy
Partner
Membership No.23758

Auditors' Report

To the Members of M/S.KAVERI SEED COMPANY LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of M/S. Kaveri Seed Company Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the statement of profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the companies Act, 1956 of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on Our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by

Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act 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 March 31, 2013:
- (b) In the case of the statement of profit and Loss, of the loss for the year ended on that date: and
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by 'the companies (Auditor's Report) Order, 2003', as amended by 'the companies (Auditor's Report) (Amendment) Order, 2004', issued by the central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- (b) 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 those books:
- (c) The Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account:
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, 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:

- (e) On the basis of written representations received from the directors as on March 31 , 2013 , and taken on record by the Board of Directors , none of the directors is disqualified as on March 31 , 2013 , from being appointed as a director in terms of clause (g) of sub- section (1) of section 274 of the Companies Act, 1956.

For **P R REDDY & CO**
Firm Reg.No.003268S
Chartered Accountants

Sd/-

(P.RAGHUNADHA REDDY)

Partner

M.No.023758

Place:Hyderabad.

Date: 23-05-2013.

**Annexure referred to in the Auditors' Report to the Members of
M/S.KAVERI SEED COMPANY LIMITED for the year ended 31st March 2013. 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 and the same have been properly dealt with in the books of the account.
- 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, 1956.
- b. The company has granted interest free unsecured short-term loan to its Subsidiary M/s. Kexveg India Pvt Ltd, covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of loan paid to such party was ₹ 494.28Lakhs.
- 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 ₹ 5 Lakhs in respect of any party during the period have been made at prices, which are reasonable, having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted deposits from the public governed by Section 58A and 58AA of the Companies Act, 1956 for the year under reference.
- vii. In our opinion the Company has internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, in respect of its products produced during the year. We are of the opinion that, prima facie, the prescribed accounts and records are properly prepared and maintained. We have not, however, carried out detailed examination of the same.
- ix. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, cess and other material statutory dues as applicable to it.
- b. According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, and cess were in arrears, as at 31st March, 2013 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 and has not incurred cash losses during 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. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or Financial Institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term assets except permanent working capital.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under u/s 301 of the companies act 1956.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. The company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **P R REDDY & CO**
Firm Reg.No.003268S
Chartered Accountants

Sd/-
(P.RAGHUNADHA REDDY)
Partner
M.No.023758

Place:Hyderabad.
Date: 23-05-2013.

Balance Sheet

Particulars	Note	As at 31st March, 2013		As at 31st March, 2012	
		₹		₹	
EQUITY AND LIABILITIES					
Share Holders Funds					
Share Capital	2	137,021,840		137,021,840	
Reserves & Surplus	3	3,321,401,664	3,458,423,504	2,276,791,514	2,413,813,354
Share Application Money Pending Allotment	2		7,863,690		
Non Current Liabilities					
Long Term Borrowings	4	8,394,000		26,094,000	
Deferred Tax Liability		12,768			
Other Long Term Liabilities	5	36,625,835	45,032,603	28,885,772	54,979,772
Current Liabilities					
Short Term Borrowings	6	-		190,000,000	
Trade Payables	7	2,478,022,597		1,099,853,208	
Other Current Liabilities	8	2,538,967,116		2,032,309,963	
Short Term Provisions	9	156,965,675	5,173,955,388	94,697,954	3,416,861,125
			8,685,275,185		5,885,654,251
ASSETS					
Non-Current Assets					
Fixed Assests	10				
Tangible Assets		1,320,033,866		935,433,224	
Intangible Assets		10,760,834		7,430,289	
Capital Work in Progress		36,485,700		130,914,560	
Non Current Investments	11	92,474,482		69,505,686	
Long Term Loans and Advances	12	48,098,772		79,523,822	
Deferred Tax Asset				2,084,768	
Other Non -Current Assets	13	-		240,333	
			1,507,853,654		1,225,132,682
Current Assests					
Current Investments	14	1,290,000,000		1,105,686,036	
Inventories	15	4,910,575,823		3,033,441,326	
Trade Receivables	16	681,425,837		285,072,169	
Cash & Cash Equivalents	17	133,635,742		96,083,472	
Short Term Loans and Advances	18	11,585,137		7,962,392	
Other Current Assets	19	150,198,992	7,177,421,531	132,276,174	4,660,521,569
			8,685,275,185		5,885,654,251
Notes on Financial Statements	1-36				

As per our report of even date attached
 For **P.R.REDDY & CO.,**
 Firm Registration No.003268S
 Chartered Accountants

Sd/-
P. RAGHUNADHA REDDY
 Partner
 Membership No.23758
 Place: Secunderabad
 Date: 23.05.2013

Sd/-
KV CHALAPATHI REDDY
 Chief Financial Officer

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

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

Sd/-
G.VANAJA DEVI
 Whole time Director



Profit & Loss Account

Particulars	Note	Year ended 31st March, 2013		Year ended 31st March, 2012	
		₹		₹	
INCOME					
Revenue from Operations	20	7,108,358,762		3,724,432,388	
Other Income	21	49,965,041		25,606,615	
Total Revenue			7,158,323,803		3,750,039,002
EXPENSES					
Cost of Material Consumed	22	4,945,141,706		2,694,602,748	
Changes in Inventories of Finished Goods and Work in Progress	23	(1,796,179,674)		(1,285,470,000)	
Employee Benefit Expenses	24	200,656,977		156,815,434	
Finance Costs	25	15,070,651		32,711,689	
Depreciation & Amortisation Expenses		106,039,034		100,094,226	
Other Expenses	26	2,364,406,723		1,388,817,335	
Total Expenses			5,835,135,417		3,087,571,432
Profit before Exceptional Items and Tax			1,323,188,386		662,467,571
Exceptional Item - Profit/(Loss) on acquisition of land			13,370,869		(52,919,190)
Profit before Tax			1,336,559,255		609,548,381
Less : Tax expense					
Current Tax		35,750,000		29,500,000	
Deferred Tax		2,097,536		(987,844)	
			37,847,536		28,512,156
Profit after Tax			1,298,711,719		581,036,225
Earnings per share (Equity Shares, par value ₹ 10 each)					
Basic			94.78		42.40
Diluted			94.44		42.40
Notes on Financial Statements	1-36				

As per our report of even date attached
For **P.R.REDDY & CO.,**
Firm Registration No.003268S
Chartered Accountants

For and on behalf of the Board
Sd/-

G.V.BHASKAR RAO
Managing Director

Sd/-
P. RAGHUNADHA REDDY
Partner
Membership No.23758
Place: Secunderabad
Date: 23.05.2013

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G.VANAJA DEVI
Whole time Director

Notes on Financial Statements for the year ended 31st March,2013

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 are 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 ₹ 1,28,14,179/-(1,06,93,683/-)

Revenue Expenditure ₹ 8,66,86,947/-(7,16,67,784/-)

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 are 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.



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	2012-13 ₹	2011-12 ₹
Depreciation on Fixed Assets	20,97,536	(987,844)

j. Dividend provided on Equity Shares

Dividend provided in the books of a/c for the financial year pending approval from shareholders. Dividend Per Equity share is ₹ 8/- (₹ 4/-) and the total dividend provided is ₹ 10,96,17,472/- (₹ 5,48,08,736/-). This is excluding Interim Dividend of ₹ 8/- per share already paid, total amounting to ₹ 10,96,17,472/-.

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.

2. SHARE CAPITAL

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Authorised 2,00,00,000 (2,00,00,000) Equity shares of ₹ 10/- each		200,000,000		200,000,000
Issued,Subscribed & Paid up 1,37,02,184 (1,37,02,184) Equity shares of ₹ 10/- each		137,021,840		137,021,840
TOTAL		137,021,840		137,021,840

1. The details of Shareholders holding more than 5% Shares :

Name of the Shareholder	As at 31st March, 13		As at 31st March, 12	
	No. of Shares	% held	No. of Shares	% held
G V Bhaskar Rao - HUF	2,248,129	16.41%	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%
G V Bhaskar Rao	1,206,938	8.80%	1,306,398	9.53%
IDFC Premier Equity Fund	1,235,500	9.02%	1,214,000	8.86%

- 2 The company has reserved issuance of 1,37,000/(1,37,000) Equity shares of ₹ 10/-each for offering to eligible employees of the company under Employee Stock Option Scheme(ESOS) at the rate of ₹ 170 per share. The options would vest over a period of five years from the date of grant based on specified criteria.
- 3 Share application money pending allotment represents application money received on account of employee stock option scheme.

3. RESERVES & SURPLUS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
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	1,406,916	7,273,284	2,952,474	5,727,726
Capital subsidy		288,400		288,400
General Reserve				
As per last Balance Sheet	400,017,405		300,017,405	
Add : Transferred from Profit and Loss Account	100,000,000	500,017,405	100,000,000	400,017,405
Profit & loss Account Balance				
As per last Balance Sheet	1,235,399,818		818,063,676	
Add : Profit for the year	1,298,711,719		581,036,225	
	2,534,111,537		1,399,099,901	
Less : Appropriations				
Transferred to General Reserve	100,000,000		100,000,000	
Interim Dividend on Equity Shares (Dividend per share ₹ 8/- (₹ 0.00)	109,617,472			
Tax on Interim Dividend	17,782,694			
Proposed Dividend on Equity Shares (Dividend per share ₹ 8/- (₹ 4.00)	109,617,472		54,808,736	
Tax on Dividend	18,629,489	2,178,464,410	8,891,347	1,235,399,818
TOTAL		3,321,401,664		2,276,791,514



4. LONG TERM BORROWINGS

Particulars	As at 31st March, 13		As at 31st March, 12	
	Current ₹	Non Current ₹	Current ₹	Non Current ₹
Secured				
From Banks				
Term Loan from Axis Bank Ltd - Vehicle	-		1,666,785	
Term Loan from Axis Bank Ltd	22,500,000			22,500,000
From Others				
Term Loan from Dept. of Biotechnology, Ministry of Science & Technology		8,394,000		3,594,000
TOTAL	22,500,000	8,394,000	1,666,785	26,094,000

1. Term Loan from Bank is secured by first mortgage/charge on Land, Plant & Machinery & other Fixed assets of the company situated at Pamulaparthi Plant of the company and is repayable during the quarter ending June 2013.
2. Term Loan from Deptt 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.

5. OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Security deposits from dealers		36,625,835		28,885,772
TOTAL		36,625,835		28,885,772

6. SHORT TERM BORROWINGS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Loans from Banks - Unsecured		-		190,000,000
TOTAL		-		190,000,000

7. TRADE PAYABLES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Creditors for Expenses		111,344,752		104,889,705
Sundry Creditors		2,366,677,845		994,963,502
Micro and Small Enterprises				
There are no micro and small enterprises, to whom the company owes dues, which are outstanding as at 31st March, 2013. 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.				
TOTAL		2,478,022,597		1,099,853,208

8. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Current maturities of long term debt (Refer Note No. 4)		22,500,000		1,666,785
Advance from customers against Sales		2,482,904,877		2,004,912,550
Payable to Staff		33,562,239		25,730,628
TOTAL		2,538,967,116		2,032,309,963

9. SHORT TERM PROVISIONS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Provision for Income Tax (net of Advance Tax)		12,090,317		16,543,417
Provision for employee benefits		9,653,463		11,369,992
Provision for Wealth Tax		460,138		353,507
Provision for Dividend		109,617,472		54,808,736
Tax on Dividend		18,629,489		8,891,347
TDS Payable		6,431,923		2,695,461
Sales Tax Payable		82,874		35,495
TOTAL		156,965,675		94,697,954



SCHEDULE :10

Amount in ₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01-04-2012	Additions	Deletions	Up to 31-03-2013	As on 01.04.2012	Additions.	Deletions.	Up to 31-03-2013	As on 31-03-2013	As on 31.03.2012	
A. TANGIBLE ASSETS											
Land	286,116,492	73,210,208	-	359,326,700	-	-	-	-	359,326,700	286,116,492	
Buildings	307,473,825	157,731,366	-	465,205,191	79,902,423	24,963,147	-	104,865,570	360,339,621	227,571,402	
Furniture & Fixtures	17,335,783	7,895,203	-	25,230,986	7,594,805	2,408,963	-	10,003,768	15,227,218	9,740,978	
Vehicles	94,613,730	22,145,917	8,671,404	108,088,243	48,193,589	13,201,588	7,228,967	54,166,210	53,922,033	46,420,141	
Plant & Equipment	538,770,448	228,062,862	2,590,741	764,242,569	179,613,624	62,710,485	939,604	241,384,505	522,858,064	359,156,824	
Office Equipments	6,219,221	1,841,991	-	8,061,212	2,529,709	610,092	-	3,139,801	4,921,411	3,689,512	
Computers	8,752,790	2,148,312	-	10,901,102	6,014,917	1,447,366	-	7,462,283	3,438,819	2,737,874	
Total (A)	1,259,282,291	493,035,859	11,262,145	1,741,056,003	323,849,067	105,341,641	8,168,571	421,022,137	1,320,033,866	935,433,224	
B. INTANGIBLE ASSETS											
Software	9,315,692	4,027,938	-	13,343,630	1,885,403	697,393	-	2,582,796	10,760,834	7,430,289	
Total (B)	9,315,692	4,027,938	-	13,343,630	1,885,403	697,393	-	2,582,796	10,760,834	7,430,289	
C. CAPITAL WORK IN PROGRESS											
Building Under Cont.	109,189,284	81,668,917	158,674,796	32,183,405	-	-	-	-	32,183,405	109,189,284	
Other Work in Progress	21,725,276	145,263,459	162,686,441	4,302,295	-	-	-	-	4,302,295	21,725,276	
Total (C)	130,914,560	226,932,376	321,361,237	36,485,700	-	-	-	-	36,485,700	130,914,560	
Total - A+B+C	1,399,512,544	723,996,173	332,623,382	1,790,885,333	325,734,470	106,039,034	8,168,571	423,604,933	1,367,280,400	1,073,778,073	
Previous Year	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	

11. NON - CURRENT INVESTMENTS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
(Other than trade at cost)				
Investment in Equity Instruments				
QUOTED				
199425 Equity Shares of ₹ 10 each (previous year 199425 Equity Shares of ₹ 10 each) in Vijaya Textiles Ltd - fully paid up	19,904,545		19,904,545	
1900 Equity shares of ₹ 10 each in Bank of Maharashtra - fully paid up	43,700		43,700	
9700 equity shares of ₹ 10 each in Indian Overseas Bank - fully paid up	232,800		232,800	
1160 Equity Shares of ₹ 1 each in Tata Consultancy Services Ltd - full paid up	246,500		246,500	
	20,427,545		20,427,545	
Less : Provision for Diminution in Value	15,386,859	5,040,686	15,386,859	5,040,686
UNQUOTED				
3600 Equity Shares of ₹ 100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	360,000		360,000	
700 Equity Shares of ₹ 10 each in Swadeshi Biotechnics Ltd -fully paid up	70,000		70,000	
Investment in Subsidiaries				
64,00,000 Equity shares of ₹ 10 each fully paid up in Kex veg India Pvt Ltd	64,000,000	64,430,000	64,000,000	64,430,000
Investment in Government Securities				
National Savings Certificates		35,000		35,000
Investment in Mutual Funds				
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	
5,62,389 (5,62,389) units of BNP Paribas Equity Fund - Dividend	15,000,000		15,000,000	
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	
	50,105,477		50,105,477	
Less : Provision for Diminution in Value	34,836,681	15,268,796	34,836,681	15,268,796
Investment in Partnership Firm (Trade at Cost)		7,700,000		
TOTAL		92,474,482		84,774,482
Market Value of Quoted Investments		4,407,091		7,256,580
Aggregate amountof Quoted Investments		5,040,686		5,040,686
Aggregate amountof Unquoted Investments		87,433,796		79,733,796

- Investment in Partnership firm is towards 70% share with capital of ₹ 77,00,000/ in the firm M/s Aditya Agritech, the other partners being Mr T Venkateshwarulu having 15% share with capital of ₹ 15,00,000/- and Mrs T Shailaja having 15% share with a capital of ₹ 18,00,000.



12. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Unsecured considered good				
Advance for Capital Expenditure		35,129,709		72,509,114
Security Deposits		12,969,063		7,014,708
		48,098,772		79,523,822

13. OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Unamortised Preliminary Expenses				240,333
		-		240,333

14. CURRENT INVESTMENTS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
(Other than trade at cost) unquoted				
(Nil) 100,00,000 units of IDFC Fixed Maturity Plan QS 68 Dividend			100,000,000	
(Nil) 200,00,000 units of IDFC Fixed Maturity Plan QS 70 Dividend			200,000,000	
(Nil) 50,00,000 units of IDFC Fixed Maturity Plan QS 71 Dividend			50,000,000	
(Nil) 29,508,100 units of IDFC Money Manager Fund -Investment Plan - Daily Dividend			300,000,000	
(Nil) 49,870 units of Tata Liquid Management Fund Daily Dividend			50,000,000	
(Nil) 99,99,190 units of Tata Fixed Income Portfolio Fund Scheme A3 Institutional Monthly Dividend			100,000,000	
(Nil) 49,96,592 units of JM Short Term Fund -Institutional Plan - Daily Dividend			50,000,000	
(Nil) 50,41,725 units of Birla Sun Life Short Term FMP Series 30 Dividend			50,417,240	
1,90,00,000 (1,90,00,000) units of ICICI Prudential FMP Series 63- 376 Days Plan J Cumulative	190,000,000		190,000,000	
49,882(-) units of SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth	100,000,000			
57,10,664(-) units of Reliance Income Fund - Growth Plan-Bonus Option	100,000,000			
23,34,153(-) units of Birla Sun Life Short Term Fund - Growth - Direct Plan	100,000,000			
3,25,551(-) units of Birla Sun Life Cash Plus - Growth - Direct Plan	60,000,000			
58,28,899(-) units of Tata Dynamic Bond Fund Direct Plan - Growth	100,000,000			
11,58,749(-) units of Tata Income Fund Plan A - Appreciation Option - Bonus	20,000,000			

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
67,294(-) units of Tata Liquid Fund Direct Plan- Daily Dividend	75,000,000			
9,398(-) units of Tata Liquid Fund Direct Plan- Growth	20,000,000			
43,72,502(-) units of HDFC Interest Fund - Direct Plan Short Term - Growth	100,000,000			
22,06,882(-) units of HDFC Liquid Fund - Direct Plan - Growth	50,000,000			
72,06,065(-) units of IDFC Dynamic Bond Fund Direct Plan - Growth	100,000,000			
29,42,799(-) units of IDFC Super Saver Income Fund-Invest - Growth - Regular Plan	80,000,000			
81,852(-) units of IDFC Cash Fund Growth - Direct Plan	115,000,000			
49,31,909 (-) units of IDFC Ultra Short Term Fund - Growth - Direct Plan	80,000,000			
		1,290,000,000		1,090,417,240
Aggregate amount of Unquoted Investments		1,290,000,000		1,090,417,240

15. INVENTORIES (at lower of cost or net realisable value)

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Finished Goods		3,076,420,069		1,846,920,665
Work in Process		1,454,495,682		887,815,412
Raw Material		379,660,072		298,705,249
TOTAL		4,910,575,823		3,033,441,326

16. TRADE RECEIVABLES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Receivables outstanding for a period exceeding six months				
Unsecured, considered good	230,891,151		93,246,564	
Considered Doubtful -unsecured	38,625,317		38,625,317	
Less : Provision for doubtful debts	(38,625,317)	230,891,151	(38,625,317)	93,246,564
Other receivables				
Unsecured, considered good		450,534,686		191,825,605
TOTAL		681,425,837		285,072,169

17. CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Cash on hand		3,205,638		1,442,290
Balance with Banks		128,773,947		87,306,635
Fixed Deposits with Banks		1,656,157		7,334,548
TOTAL		133,635,742		96,083,472



18. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Advance to Staff - Unsecured and considered good		11,585,137		7,962,392
TOTAL		11,585,137		7,962,392

19. OTHER CURRENT ASSETS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
(Unsecured and considered good)				
Advance to suppliers		96,104,678		103,130,920
Land Acquisition Amount Receivable		-		24,033,847
Advance to Kexveg India Pvt Ltd (Subsidiary)		49,427,883		
Prepaid expenses		4,342,653		4,646,767
Others		323,778		464,640
TOTAL		150,198,992		132,276,174

20. REVENUE FROM OPERATIONS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Sale of Seeds		6,860,002,890		3,489,604,424
Sale of Micronutrients		248,355,872		234,827,963
TOTAL		7,108,358,762		3,724,432,388

21. OTHER INCOME

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Capital Gain on sale of Assets		2,117,712		1,311,227
Dividend Income from - Current Investments		33,532,602		18,356,872
- Long Term Investments		562,389		272,446
Interest Income		11,495,749		4,894,335
Others		2,256,589		771,735
TOTAL		49,965,041		25,606,615

22. COST OF MATERIALS CONSUMED

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Raw Material Consumed/Production Expenses				
Opening Stock		298,705,249		199,969,134
Add: Purchases/Production Expenses including processing Charges**		5,026,096,529		2,793,338,863
		5,324,801,778		2,993,307,997
Less : Closing Stock		379,660,072		298,705,249
		4,945,141,706		2,694,602,748

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
** Processing Charges				
Freight Inward		54,654,508		40,309,215
Machinery Repairs & Maintenance		8,527,020		5,719,896
Chemicals		114,014,947		56,068,713
Seed Certification charges		426,685		344,006
Power & Fuel		65,840,556		41,130,071
Building & Godown repairs & maintenance		103,571		882,966
Godown Rent		5,173,552		1,713,279
Cold Storage Maintenance		1,460,199		3,820,720
Factory Maintenance		41,936,825		30,446,421
Expense on processing		82,348,592		571,833
R&D Farm Expenses		86,686,947		71,667,784
Total		461,173,401		252,674,904
R&D Farm Expenses				
Cultivation Expenses		303,638		338,301
Fertilizers & Pesticides		2,766,786		3,153,478
Electricity charges		2,291,652		1,777,282
Electrical items & motor repairing charges		318,948		891,420
Farm Maintenance		4,550,739		2,731,942
Labour charges		10,008,857		10,096,306
Postage & telephones		353,706		460,740
Printing & Stationery		103,483		79,406
Security charges		1,293,289		373,100
Staff Welfare		33,322		215,803
Travelling expenses		499,515		823,659
Vehicle Maintenance		1,608,820		1,898,175
Land Lease		10,462,943		4,722,043
Research Expenses		13,838,542		12,179,396
Testing Expenses		8,865,724		8,438,079
Professional Expenses		3,600,000		3,292,800
Salaries - Farm		25,786,985		20,195,854
		86,686,947		71,667,784
Details of Raw Material consumed				
Seeds		4,678,052,577		2,506,420,729
Packing Material		145,286,041		98,304,982
Chemicals		72,450,664		45,624,926
Others		49,352,424		44,252,111
		4,945,141,706		2,694,602,748



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

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
(Increase)/Decrease in Finished goods				
Opening Stock	1,846,920,665		620,368,316	
Closing Stock	3,076,420,069	(1,229,499,404)	1,846,920,665	(1,226,552,349)
(Increase)/Decrease in Work in Process				
Opening Stock	887,815,412		828,897,761	
Closing Stock	1,454,495,682	(566,680,270)	887,815,412	(58,917,651)
		(1,796,179,674)		(1,285,470,000)

24. EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
M.D's Salary		10,380,000		8,340,000
Directors Salary		15,636,000		12,078,000
Salaries to Staff		158,675,401		124,400,151
Employee Stock option Expenses		1,545,558		2,184,517
Contribution to Provident and other funds		10,132,750		7,157,719
Staff Welfare Expenses		4,287,268		2,655,047
		200,656,977		156,815,434

25. FINANCIAL COSTS

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Interest Expenses		12,936,127		28,823,513
Bank Charges		2,134,525		3,888,175
		15,070,651		32,711,689

26. OTHER EXPENSES

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
ESTABLISHMENT EXPENSES				
Travelling Expenses		32,690,060		28,487,909
Postage & Telephone		7,222,162		5,569,352
Payment to Auditors		901,638		812,570
Vehicle Maintenance		42,507,838		32,891,386
Rent		3,154,100		2,663,345
Printing & Stationery		3,850,953		3,058,131
Insurance		5,725,094		5,213,610
Books & Periodicals		62,737		42,388
Rates & Taxes		3,063,473		4,911,570
Office Maintenance		2,435,267		1,277,791
General Expenses		11,575,097		3,343,300
Conveyance		486,815		327,477
Donations & Subscriptions		823,900		120,000
Legal Expenses		168,613		99,308
Professional Charges		6,304,242		4,989,573
Professional Tax		27,500		12,500

Particulars	As at 31st March, 13		As at 31st March, 12	
	₹	₹	₹	₹
Sales Tax		771,787		342,152
Market Cess		179,342		560,546
Security Charges		7,813,536		3,302,688
Service Tax		6,262,675		2,710,610
Computer Maintenance		1,232,624		679,956
Directors Sitting Fees		200,000		110,000
(a) Total		137,459,452		101,526,161
SELLING & DISTRIBUTION EXP				
Sales promotion expenses		193,034,129		130,151,190
Sales Schemes		1,094,446,723		651,526,124
Advertisement		3,705,376		2,075,186
Freight & Forwarding		95,928,045		80,417,906
Farmers Meeting Expenses		38,147,613		26,394,082
Staff & Dealers Meeting Expenses		19,533,570		5,370,107
Royalty		782,151,815		367,221,225
Bad debts Write Off		-		8,910,081
Provision for Doubtful Debts		-		15,225,273
(b) Total		2,226,947,271		1,287,291,174
Total of (a) & (b)		2,364,406,723		1,388,817,335

27. Capital Commitments

Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for ₹ 282.25 (683.78) Lakhs.

28. Contingent Liabilities and Commitments

a. Contingent Liabilities

Claims against the company not acknowledged as debts ₹ 150.57 Lakhs (₹ 164.85 Lakhs) This comprise.

- Tax demands disputed by the Company relating to disallowances/additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to ₹ 22.36 Lakhs (₹ 53.08 Lakhs).
- Other matters not related to Tax aggregating to ₹ 10.75 Lakhs (₹ 14.20 Lakhs).
- Bank Gurantees ₹ 117.46 Lakhs (₹ 97.57 Lakhs)

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

Particulars	2012-13 ₹	2011-12 ₹
Statutory Audit	5,56,182/-	5,05,620/-
Other Audit Services	1,01,124/-	82,725/-
For Tax Matters	1,85,394/-	1,68,540/-
Reimbursement of expenses	58,938/-	55,685/-
TOTAL	9,01,638/-	8,12,570/-



30. Related Parties Disclosure:

Key Managerial Persons and their relatives

Mr. G.V.Bhaskar Rao
 Mrs. G. Vanaja Devi
 Mr. R. Venumanohar Rao
 Mr. C. Vamsheedhar
 Mr. C. Mithun Chand
 Mr. G.Pawan
 Mrs. G. Madhusree
 G.V.Bhaskar Rao - HUF
 C. Vamsheedhar – HUF
 R. Venumanohar Rao - HUF

Subsidiary Companies:

M/s. Kexveg India Pvt Ltd

Partnership Firms In which company is partner:

M/s. Aditya Agriteck

Transactions with related parties during the year

	(₹ in Lakhs)	
Details of Transactions	2012-13	2011-12
Remuneration Paid		
Mr. G.V.Bhaskar Rao	105.24	84.42
Mrs. G. Vanaja Devi	65.64	52.62
Mr. R. Venumanohar Rao	42.24	29.82
Mr. C. Vamsheedhar	27.24	20.82
Mr. C. Mithun Chand	27.00	21.60
	267.36	209.28
Land and Godown Lease Paid		
Mr. G.V.Bhaskar Rao	6.97	2.99
Mrs. G. Vanaja Devi	2.41	0.50
Mr. G.Pawan	12.93	4.80
Mrs. G. Madhusree	8.92	8.56
G.V.Bhaskar Rao - HUF	34.23	5.88
C. Vamsheedhar – HUF	3.70	3.70
R. Venumanohar Rao – HUF	3.74	3.74
	72.92	30.17
Dividend Paid		
Mr. G.V.Bhaskar Rao	144.77	32.66
Mrs. G. Vanaja Devi	266.71	55.56
Mr. R. Venumanohar Rao	68.91	14.69
Mr. C. Vamsheedhar	37.52	5.05
Mr. C. Mithun Chand	38.40	3.98
Mr. G.Pawan	60.22	12.54
Mrs. G. Madhusree	175.68	36.60
G.V.Bhaskar Rao - HUF	272.49	57.90
	1064.70	218.98
Investments made during the year		
Equity Share Capital in M/s. Kexveg India Pvt Ltd	Nil	640.00
Capital in M/s. Aditya Agriteck	77.00	Nil

(₹ in Lakhs)

Details of Transactions	2012-13	2011-12
Loans & Advances Paid during the year	77.00	640.00
M/s. Kexveg India Pvt Ltd	488.87	Nil
M/s. Aditya Agriteck	3.00	Nil
	491.87	Nil
Land Lease Received		
M/s. Kexveg India Pvt Ltd	5.41	1.24

31. Foreign Currency/Exchange transactions:

Particulars	2012-13 ₹	2011-12 ₹
a. Import of Capital Goods	12,07,15,342	10,49,826
b. Earnings in foreign Exchange (Export of goods on FOB basis)	266,22,297	118,33,897
c. Expenditure in Foreign Currency for Travel	22,35,640	27,59,013

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

₹ in Lakhs

Particulars	For the Year ended 31st March 2013			For the Year ended 31st March 2012		
	Unit	Quantity	Value	Unit	Quantity	Value
Seeds	MT	25,239	68,600.03	MT	18,486	34,896.04
Micronutrients	MT	5,738	2,483.55	MT	4,452	2,348.28
		30,977	71,083.58		22,938	37,244.32

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

₹ in Lakhs

Particulars	As at 31st March 2013				As at 31st March 2012			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity (MT)	Value	Quantity (MT)	Value	Quantity (MT)	Value	Quantity (MT)	Value
Seeds	8,915	18,282.06	10,653	30,554.05	6,105	6,107.15	8,915	18,282.06
Micronutrients	522	187.14	704	210.15	486	96.53	522	187.14
	9,437	18,469.20	11,357	30,764.20	6,591	6,203.68	9,437	18,469.20

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

₹ in Lakhs

Particulars	Value as on 31.03.2013	%	Value as on 31.03.2012	%
IMPORTED				
Seeds	NIL		NIL	
Micronutrients	NIL		NIL	
Vegetables	NIL		NIL	
INDIGENOUS				
Seeds	48,687	100	26,181	100
Micronutrients	764	100	765	100
	49,451	100	26,946	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 Lakhs

Particulars	Seeds Division		Microteck Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue						
1 Inter Segment Turnover	68,600.03	34,896.04	2,483.56	2,348.28	71,083.59	37,244.32
Less: Excise Duty, Service Tax recovered						
Net Turnover	68,600.03	34,896.04	2,483.56	2,348.28	71,083.59	37,244.32
2 Segment result before interest and taxes	12,758.67	5,836.18	642.81	537.48	13,401.34	6,373.66
Less: Interest Expense	148.78	307.97	1.93	19.15	150.71	327.12
Add: Interest Income	114.82	48.94	0.14		114.96	48.94
Profit before tax	12,724.71	5,577.15	640.88	518.33	13,365.59	6,095.48
Current tax	149.53	118.82	207.97	176.18	357.50	295.00
Deffered Tax	20.98	(9.87)			20.98	(9.87)
Excess Provision of Earlier years Written back						-
Net Profit after tax	12,554.20	5,468.20	432.91	342.15	12,987.11	5,810.35
3 Other Information						-
Segment Assets	84,024.60	56,848.94	1,818.82	2,007.61	85,843.42	58,856.55
Segment Liabilities	50,850.58	34,390.44	329.96	327.98	51,180.54	34,718.42
Capital Expenditure	3,919.34	1,353.54	107.01	36.06	4,026.35	1,389.60
Depreciation	1,023.23	975.60	37.16	25.34	1,060.39	1,000.94

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

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

Sd/-
P. RAGHUNADHA REDDY
Partner
Membership No.23758
Place: Secunderabad
Date: 23.05.2013

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G.VANAJA DEVI
Whole time Director

Cash Flow Statement

Particulars	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Cash flows from operating activities		
Profit before taxation	1,336,559,255	609,548,381
Adjustments for:		
Depreciation & Amortisation	106,039,034	100,094,226
(Profit)/Loss on sale of Fixed Assets	(13,370,869)	52,919,190
Dividend Received	(34,094,991)	(18,629,318)
Interest received	(11,495,749)	(4,894,335)
Finance charges	15,070,651	32,711,689
Operating profit before working capital changes	1,398,707,331	771,749,832
(Increase) / Decrease in Inventories	(1,877,134,497)	(1,384,206,115)
(Increase)/Decrease in Sundry Debtors	(396,353,669)	76,536,567
(Increase)/Decrease in Loans & Advances	110,814,267	(6,071,405)
Miscellaneous Expenditure		228,387
Increase/(Decrease) in Trade Liabilities	1,284,974,670	723,877,594
Increase/(Decrease) in Other Current Liabilities	562,542,197	946,790,162
Taxes paid during the year	(35,750,000)	(29,500,000)
Net cash provided by operating activities	1,047,800,299	1,099,405,022
Cash flows from investing activities		
(Purchase)/Sale of Fixed Assets	(378,001,921)	(108,483,949)
(Purchase)/Sale of Investments	(207,282,760)	(806,917,240)
Dividend Received	34,094,991	18,629,318
Interest received	11,495,749	4,894,335
Net Cash used for investing activities	(539,693,941)	(891,877,536)
Cash flows from financing activities		
Dividend including Tax on Dividend	(255,647,127)	(63,700,083)
Share Application Money	7,863,690	
Short Term Loans	(190,000,000)	(60,000,000)
Long Term Loans	(17,700,000)	(426,799)
Finance charges	(15,070,651)	(32,711,689)
Net cash provided by financing activities	(470,554,088)	(156,838,571)
Net increase in cash & cash equivalents	37,552,270	50,688,915
Cash & Cash equivalents at the beginning of the period	96,083,472	45,394,557
Cash & Cash equivalents at the end of the period	133,635,742	96,083,472

As per our report of even date attached

For **P.R.REDDY & CO.,**

Firm Registration No.003268S

Chartered Accountants

Sd/-

P. RAGHUNADHA REDDY

Partner

Membership No.23758

Place: Secunderabad

Date: 23.05.2013

Sd/-

KV CHALAPATHI REDDY

Chief Financial Officer

Sd/-

V.R.S. MURTI

Company Secretary

Sd/-

G.VANAJA DEVI

Whole time Director

For and on behalf of the Board

Sd/-

G.V.BHASKAR RAO

Managing Director



Consolidated Auditors' Report

To The Board of Directors of

Kaveri Seed Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Kaveri Seed Company Limited** (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **P R REDDY & CO**
Firm Reg.No.003268S
Chartered Accountants

Sd/-
(P.RAGHUNADHA REDDY)

Place:Hyderabad.
Date: 23-05-2013.

Partner
M.No.023758

Consolidated Balance Sheet

Particulars	Note	As at 31st March, 2013 Rs.	
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	2	137,021,840	
Reserves & Surplus	3	3,303,416,983	3,440,438,823
Share Application Money Pending Allotment	2		7,863,690
Non Current Liabilities			
Long Term Borrowings	4	8,394,000	
Deferred Tax Liability		12,768	
Other Long Term Liabilities	5	36,625,835	45,032,603
Current Liabilities			
Short Term Borrowings	6	-	
Trade Payables	7	2,486,085,398	
Other Current Liabilities	8	2,539,158,560	
Short Term Provisions	9	157,007,894	5,182,251,852
			8,675,586,968
ASSETS			
Non-Current Assets			
Fixed Assests	10		
Tangible Assets		1,363,289,363	
Intangible Assets		10,760,834	
Capital Work in Progress		81,263,658	
Non Current Investments	11	28,475,482	
Long Term Loans and Advances	12	48,098,772	
Deferred Tax Asset			
Other Non -Current Assets	13	627,758	
			1,532,515,867
Current Assests			
Current Investments	14	1,290,000,000	
Inventories	15	4,911,875,093	
Trade Receivables	16	685,856,383	
Cash & Cash Equivalents	17	142,644,189	
Short Term Loans and Advances	18	11,861,437	
Other Current Assets	19	100,833,999	7,143,071,101
			8,675,586,968
Notes on Financial Statements	1-36		

As per our report of even date attached
For **P.R.REDDY & CO.,**
Firm Registration No.003268S
Chartered Accountants

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

Sd/-
P. RAGHUNADHA REDDY
Partner
Membership No.23758
Place: Secunderabad
Date: 23.05.2013

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G.VANAJA DEVI
Whole time Director



Consolidated Profit & Loss Account

Particulars	Note	Year ended 31st March, 2013	
		₹	
Revenue from Operations	20	7,120,312,061	
Other Income	21	49,424,541	
Total Revenue			7,169,736,602
EXPENSES			
Cost of Material Consumed	22	4,950,904,703	
Changes in Inventories of Finished Goods and Work in Progress	23	(1,796,760,856)	
Employee Benefit Expenses	24	203,062,417	
Finance Costs	25	15,076,082	
Depreciation & Amortisation Expenses		122,434,503	
Other Expenses	26	2,369,816,048	
Total Expenses			5,864,532,897
Profit before Exceptional Items and Tax			1,305,203,705
Exceptional Item - Profit/(Loss) on acquisition of land			13,370,869
Profit before Tax			1,318,574,574
Less : Tax expense			
Current Tax		35,750,000	
Deferred Tax		2,097,536	
			37,847,536
Profit after Tax			1,280,727,038
Earnings per share (Equity Shares, par value ₹ 10 each)			
Basic			93.47
Diluted			93.13
Notes on Financial Statements	1-36		

As per our report of even date attached
For **P.R.REDDY & CO.,**
Firm Registration No.003268S
Chartered Accountants

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

Sd/-
P. RAGHUNADHA REDDY
Partner
Membership No.23758
Place: Secunderabad
Date: 23.05.2013

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G.VANAJA DEVI
Whole time Director

Consolidated Notes on Financial Statements for the Year ended 31st March, 2013

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 are 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 ₹ 1,28,14,179/-

Revenue Expenditure ₹ 8,66,86,947/-

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 are 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.



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	2012-13 ₹
Depreciation on Fixed Assets	20,97,536

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 ₹ 8/- and the total dividend provided is ₹ 10,96,17,472/-. This is excluding Interim Dividend of ₹ 8/- per share already paid total amounting to ₹ 10,96,17,472/-.

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.

2. SHARE CAPITAL

Particulars	As at 31st March, 2013	
	₹	₹
Authorised		
2,00,00,000 (2,00,00,000) Equity shares of ₹ 10/- each		200,000,000
Issued,Subscribed & Paid up		
1,37,02,184 (1,37,02,184) Equity shares of ₹ 10/- each		137,021,840
TOTAL		137,021,840

1. The details of Shareholders holding more than 5% Shares :

Name of the Shareholder	As at 31st March, 2013	
	No. of Shares	% held
G V Bhaskar Rao - HUF	2,248,129	16.41%
G Vanaja Devi	2,222,600	16.22%
G. Madhushree	1,464,000	10.68%
G V Bhaskar Rao	1,206,938	8.80%
IDFC Premier Equity Fund	1,235,500	9.02%

2. The company has reserved issuance of 1,37,000/-(1,37,000) Equity shares of ₹ 10/-each for offering to eligible employees of the company under Employee Stock Option Scheme(ESOS) at the rate of ₹ 170 per share.The options would vest over a period of five years from the date of grant based on specified criteria.
3. Share application money pending allotment represents application money received on account of employee stock option scheme.

3. RESERVES & SURPLUS

Particulars	As at 31st March, 2013	
	₹	₹
Securities Premium Reserve		635,358,165
Employee Stock Option Scheme		
Employee Stock Option Scheme Outstanding	8,680,200	
Less : Deferred Employee Compensation Expenses	1,406,916	7,273,284
Capital subsidy		288,400
General Reserve		
As per last Balance Sheet	400,017,405	
Add : Transferred from Profit and Loss Account	100,000,000	500,017,405
Profit & loss Account Balance		
As per last Balance Sheet	1,235,399,818	
Add : Profit for the year	1,280,727,038	
	<u>2,516,126,856</u>	



Particulars	As at 31st March, 2013	
	₹	₹
Less : Appropriations		
Transferred to General Reserve	100,000,000	
Interim Dividend on Equity Shares (Dividend per share ₹ 8/ (₹ 0.00)	109,617,472	
Tax on Interim Dividend	17,782,694	
Proposed Dividend on Equity Shares (Dividend per share ₹ 8/ (₹ 4.00)	109,617,472	
Tax on Dividend	18,629,489	2,160,479,729
TOTAL		3,303,416,983

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2013	
	Current ₹	Non Current ₹
Secured		
From Banks		
Term Loan from Axis Bank Ltd - Vehicle	-	
Term Loan from Axis Bank Ltd	22,500,000	
From Others		
Term Loan from Dept. of Biotechnology, Ministry of Science & Technology		8,394,000
TOTAL	22,500,000	8,394,000

1. Term Loan from Bank is secured by first mortgage/charge on Land , Plant & Machinery & other Fixed assets of the company situated at Pamulaparthi Plant of the company and is repayable during the quarter ending June 2013.
2. Term Loan from Dept. 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.

5. OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2013	
	₹	₹
Security deposits from dealers	-	36,625,835
TOTAL	-	36,625,835

6. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2013	
	₹	₹
Loans from Banks - Unsecured	-	-
	-	-

7. TRADE PAYABLES

Particulars	As at 31st March, 2013	
	₹	₹
Creditors for Expenses		111,345,552
Sundry Creditors		2,374,739,846
Micro and Small Enterprises		
There are no micro and small enterprises, to whom the company owes dues, which are outstanding as at 31st March, 2013. 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.		
TOTAL		2,486,085,398

8. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2013	
	₹	₹
Current maturities of long term debt (Refer Note No.4)		22,500,000
Advance from customers against Sales		2,482,910,282
Payable to Staff		33,748,278
TOTAL		2,539,158,560

9. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2013	
	₹	₹
Provision for Income Tax (net of Advance Tax)		12,090,317
Provision for employee benefits		9,653,463
Provision for Wealth Tax		460,138
Provision for Dividend		109,617,472
Tax on Dividend		18,629,489
TDS Payable		6,474,142
Sales Tax Payable		82,874
TOTAL		157,007,894


SCHEDULE : 10

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01-04-2012	Additions	Deletions	Up to 31-03-2013	As on 01.04.2012	Additions.	Deletions.	Up to 31-03-2013	As on 31-03-2013
A. TANGIBLE ASSETS									
Land	286,116,492	73,210,208	-	359,326,700	-	-	-	-	359,326,700
Buildings	307,473,825	161,892,554	-	469,366,379	79,902,423	25,379,158	-	105,281,581	364,084,798
Furniture & Fixtures	17,335,783	8,069,133	-	25,404,916	7,594,805	2,439,422	-	10,034,227	15,370,689
Vehicles	94,613,730	22,145,917	8,671,404	108,088,243	48,193,589	13,201,588	7,228,967	54,166,210	53,922,033
Plant & Equipment	538,770,448	287,550,623	8,005,946	818,315,125	179,613,624	78,643,766	2,074,646	256,182,744	562,132,381
Office Equipments	6,219,221	1,841,991	-	8,061,212	2,529,709	610,092	-	3,139,801	4,921,411
Computers	8,752,790	2,256,562	-	11,009,352	6,014,917	1,463,084	-	7,478,001	3,531,351
Total (A)	1,259,282,291	556,966,988	16,677,350	1,799,571,927	323,849,067	121,737,110	9,303,613	436,282,564	1,363,289,363
B. INTANGIBLE ASSETS									
Software	9,315,692	4,027,938	-	13,343,630	1,885,403	697,393	-	2,582,796	10,760,834
Total (B)	9,315,692	4,027,938	-	13,343,630	1,885,403	697,393	-	2,582,796	10,760,834
C. CAPITAL WORK IN PROGRESS									
Building Under Cont.	109,189,284	81,668,917	158,674,796	32,183,405	-	-	-	-	32,183,405
Other Work in Progress	21,725,276	190,041,417	162,686,441	49,080,253	-	-	-	-	49,080,253
Total (C)	130,914,560	271,710,334	321,361,237	81,263,658	-	-	-	-	81,263,658
Total - A+B+C	1,399,512,544	832,705,260	338,038,587	1,894,179,215	325,734,470	122,434,503	9,303,613	438,865,360	1,455,313,855

11. NON - CURRENT INVESTMENTS

Particulars	As at 31st March, 2013	
	₹	₹
(Other than trade at cost)		
Investment in Equity Instruments		
QUOTED		
199425 Equity Shares of ₹ 10 each (previous year 199425 Equity Shares of ₹ 10 each) in Vijaya Textiles Ltd - fully paid up	19,904,545	
1900 Equity shares of ₹ 10 each in Bank of Maharashtra - fully paid up	43,700	
9700 equity shares of ₹ 10 each in Indian Overseas Bank - fully paid up	232,800	
1160 Equity Shares of ₹ 1 each in Tata Consultancy Services Ltd - full paid up	246,500	
	20,427,545	
Less : Provision for Diminution in Value	15,386,859	5,040,686
UNQUOTED		
3600 Equity Shares of ₹ 100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	360,000	
700 Equity Shares of ₹ 10 each in Swadeshi Biotechnics Ltd -fully paid up	70,000	
		430,000
Investment in Government Securities		
National Savings Certificates		36,000
Investment in Mutual Funds		
1,26,040 (1,26,040) units of Birla Midcap Fund - Dividend	5,000,000	
6,987 (6,987) units of Birla Top 100 Fund - Dividend	105,477	
1,49,961(1,49,961)units of DSP Merrill Lynch India Tiger Fund	5,000,000	
1,04,353(1,04,353)units of HSBC Equity Fund -Dividend	5,000,000	
5,62,389 (5,62,389) units of BNP Paribas Equity Fund - Dividend	15,000,000	
3,91,212(3,91,212)units of JM Balanced Fund - Dividend Plan	10,000,000	
3,04,037(3,04,037)units of JM Basic Fund - Dividend Plan	10,000,000	
	50,105,477	
Less : Provision for Diminution in Value	34,836,681	15,268,796
Investment in Partnership Firm (Trade at Cost)		7,700,000
TOTAL		28,475,482
Market Value of Quoted Investments		4,407,091
Aggregate amountof Quoted Investments		5,040,686
Aggregate amountof Unquoted Investments		23,434,796

- Investment in Partnership firm is towards 70% share with capital of ₹ 77,00,000/ in the firm M/ Aditya Agritech, the other partners being Mr T Venkateshwarulu having 15% share with capital of ₹ 15,00,000/- and Mrs T Shailaja having 15% share with a capital of ₹ 18,00,000.

12. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2013	
	₹	₹
Unsecured considered good		
Advance for Capital Expenditure		35,129,709
Security Deposits		12,969,063
		48,098,772



13. OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2013	
	₹	₹
Unamortised Preliminary Expenses		627,758
		627,758

14. CURRENT INVESTMENTS

Particulars	As at 31st March, 2013	
	₹	₹
1,90,00,000(-) units of ICICI Prudential FMP Series 63- 376 Days Plan J Cumulative	190,000,000	
49,882(-) units of SBI Magnum Insta Cash Fund Liquid - Direct Plan - Growth	100,000,000	
57,10,664(-) units of Reliance Income Fund - Growth Plan- Bonus Option	100,000,000	
23,34,153(-) units of Birla Sun Life Short Term Fund - Growth - Direct Plan	100,000,000	
3,25,551(-) units of Birla Sun Life Cash Plus - Growth - Direct Plan	60,000,000	
58,28,899(-) units of Tata Dynamic Bond Fund Direct Plan - Growth	100,000,000	
11,58,749(-) units of Tata Income Fund Plan A - Appreciation Option - Bonus	20,000,000	
67,294(-) units of Tata Liquid Fund Direct Plan- Daily Dividend	75,000,000	
9,398(-) units of Tata Liquid Fund Direct Plan- Growth	20,000,000	
43,72,502(-) units of HDFC Interest Fund - Direct Plan Short Term - Growth	100,000,000	
22,06,882(-) units of HDFC Liquid Fund - Direct Plan - Growth	50,000,000	
72,06,065(-) units of IDFC Dynamic Bond Fund Direct Plan - Growth	100,000,000	
29,42,799(-) units of IDFC Super Saver Income Fund-Invest - Growth - Regular Plan	80,000,000	
81,852(-) units of IDFC Cash Fund Growth - Direct Plan	115,000,000	
49,31,909 (-) units of IDFC Ultra Short Term Fund - Growth - Direct Plan	80,000,000	
		1,290,000,000
Aggregate amount of Unquoted Investments		1,290,000,000

15. INVENTORIES (at lower of cost or net realisable value)

Particulars	As at 31st March, 2013
	₹
Finished Goods	3,076,420,069
Work in Process	1,455,076,864
Raw Material	380,378,160
TOTAL	4,911,875,093

16. TRADE RECEIVABLES

Particulars	As at 31st March, 2013	
	₹	₹
Receivables outstanding for a period exceeding six months		
Unsecured, considered good	230,891,151	
Considered Doubtful -unsecured	38,625,317	
Less : Provision for doubtful debts	(38,625,317)	230,891,151
Other receivables		
Unsecured, considered good		454,965,232
TOTAL		685,856,383

17. CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2013	
	₹	₹
Cash on hand		3,205,868
Balance with Banks		137,782,164
Fixed Deposits with Banks		1,656,157
TOTAL		142,644,189

18. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2013	
	₹	₹
Advance to Staff - Unsecured and considered good		11,861,437
TOTAL		11,861,437

19. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2013	
	₹	₹
(Unsecured and considered good)		
Advance to suppliers		96,104,678
Land Acquisition Amount Receivable		-
Prepaid expenses		4,342,653
Others		386,668
TOTAL		100,833,999



20. REVENUE FROM OPERATIONS

Particulars	As at 31st March, 2013	
	₹	₹
Sale of Seeds		6,860,002,890
Sale of Micronutrients		248,355,872
Sale of Vegetables		11,953,299
TOTAL		7,120,312,061

21. OTHER INCOME

Particulars	As at 31st March, 2013	
	₹	₹
Capital Gain on sale of Assets		2,117,712
Dividend Income from - Current Investments		33,532,602
- Long Term Investments		562,389
Interest Income		11,495,749
Others		1,716,089
TOTAL		49,424,541

22. COST OF MATERIALS CONSUMED

Particulars	As at 31st March, 2013	
	₹	₹
Raw Material Consumed/Production Expenses		
Opening Stock		298,705,249
Add : Purchases/Production Expenses including processing Charges**		5,032,577,614
		5,331,282,863
Less : Closing Stock		380,378,160
		4,950,904,703
** Processing Charges		
Freight Inward		54,654,508
Machinery Repairs & Maintenance		8,527,020
Chemicals		114,014,947
Seed Certification charges		426,685
Power & Fuel		66,790,956
Building & Godown repairs & maint.		103,571
Godown Rent		5,173,552
Cold Storage Maintenance		1,491,349
Factory Maintenance		44,738,949
Expense on processing		83,280,391
R&D Farm Expenses		86,686,947
Total		465,888,874

Particulars	As at 31st March, 2013	
	₹	₹
R&D Farm Expenses		
Cultivation Expenses		303,638
Fertilizers & Pesticides		2,766,786
Electricity charges		2,291,652
Electrical items & motor repairing charges		318,948
Farm Maintenance		4,550,739
Labour charges		10,008,857
Postage & telephones		353,706
Printing & Stationery		103,483
Security charges		1,293,289
Staff Welfare		33,322
Travelling expenses		499,515
Vehicle Maintenance		1,608,820
Land Lease		10,462,943
Research Expenses		13,838,542
Testing Expenses		8,865,724
Professional Expenses		3,600,000
Salaries - Farm		25,786,985
		86,686,947
Details of Raw Material consumed		
Seeds		4,678,052,577
Packing Material		145,286,041
Chemicals		72,450,664
Others		49,352,424
		4,945,141,706

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

Particulars	As at 31st March, 2013	
	₹	₹
(Increase)/Decrease in Finished goods		
Opening Stock	1,846,920,665	
Closing Stock	3,076,420,069	(1,229,499,404)
(Increase)/Decrease in Work in Process		
Opening Stock	887,815,412	
Closing Stock	1,455,076,864	(567,261,452)
		(1,796,760,856)



24. EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31st March, 2013	
	₹	₹
M.D's Salary		10,380,000
Directors Salary		15,636,000
Salaries to Staff		161,061,367
Employee Stock option Expenses		1,545,558
Contribution to Provident and other funds		10,132,750
Staff Welfare Expenses		4,306,742
		203,062,417

25. FINANCIAL COSTS

Particulars	As at 31st March, 2013	
	₹	₹
Interest Expenses		12,936,127
Bank Charges		2,139,956
		15,076,082

26. OTHER EXPENSES

Particulars	As at 31st March, 2013	
	₹	₹
ESTABLISHMENT EXPENSES		
Travelling Expenses		32,721,190
Postage & Telephone		7,252,808
Payment to Auditors		931,638
Vehicle Maintenance		42,679,443
Rent		3,154,100
Printing & Stationery		3,862,863
Insurance		5,753,746
Books & Periodicals		62,737
Rates & Taxes		3,157,846
Office Maintenance		2,545,585
General Expenses		11,768,470
Conveyance		500,534
Donations & Subscriptions		823,900
Legal Expenses		168,613
Professional Charges		6,314,074
Professional Tax		27,500
Sales Tax		771,787
Market Cess		186,133

Particulars	As at 31st March, 2013	
	₹	₹
Security Charges		8,572,651
Service Tax		6,262,675
Computer Maintenance		1,233,299
Directors Sitting Fees		200,000
(a) Total		138,951,591
SELLING & DISTRIBUTION EXP		
Sales promotion expenses		193,034,129
Sales Schemes		1,094,446,723
Advertisement		3,705,376
Freight & Forwarding		95,928,045
Farmers Meeting Expenses		42,064,799
Staff & Dealers Meeting Expenses		19,533,570
Royalty		782,151,815
(b) Total		2,230,864,457
Total of (a) & (b)		2,369,816,048

27. CAPITAL COMMITMENTS

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹ 413.26 Lakhs.

28. CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent Liabilities

Claims against the company not acknowledged as debts ₹ 150.57 Lakhs This comprise.

- i. Tax demands disputed by the Company relating to disallowances/additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to ₹ 22.36 Lakhs.
- ii. Other matters not related to Tax aggregating to ₹ 10.75 Lakhs.
- iii. Bank Gurantees ₹ 117.46 Lakhs.

29. REMUNERATION TO STATUTORY AUDITORS (including service tax where applicable)

Particulars	2012-13 ₹
Statutory Audit	5,76,182
Other Audit Services	1,01,124
For Tax Matters	1,95,394
Reimbursement of expenses	58,938
TOTAL	9,31,638



30. RELATED PARTIES DISCLOSURE:

Key Managerial Persons and their relatives

Mr. G.V.Bhaskar Rao

Mrs. G. Vanaja Devi

Mr. R. Venumanohar Rao

Mr. C. Vamsheedhar

Mr. C. Mithun Chand

Mr. G.Pawan

Mrs. G. Madhusree

G.V.Bhaskar Rao - HUF

C. Vamsheedhar – HUF

R. Venumanohar Rao - HUF

Subsidiary Companies:

M/s. Aditya Agriteck

Transactions with related parties during the year

Details of Transactions	2012-13
Remuneration Paid	
Mr. G.V.Bhaskar Rao	105.24
Mrs. G. Vanaja Devi	65.64
Mr. R. Venumanohar Rao	42.24
Mr. C. Vamsheedhar	27.24
Mr. C. Mithun Chand	27.00
	267.36
Land Lease Paid	
Mr. G.V.Bhaskar Rao	6.97
Mrs. G. Vanaja Devi	2.41
Mr. G.Pawan	12.93
Mrs. G. Madhusree	8.92
G.V.Bhaskar Rao - HUF	34.23
C. Vamsheedhar – HUF	3.70
R. Venumanohar Rao – HUF	3.74
	72.92
Dividend Paid	
Mr. G.V.Bhaskar Rao	144.77
Mrs. G. Vanaja Devi	266.71
Mr. R. Venumanohar Rao	68.91
Mr. C. Vamsheedhar	37.52
Mr. C. Mithun Chand	38.40
Mr. G.Pawan	60.22
Mrs. G. Madhusree	175.68
G.V.Bhaskar Rao - HUF	272.49
	1064.70
Investments made during the year	
Capital in M/s. Aditya Agriteck	77.00
Loans & Advances Paid during the year	
M/s. Aditya Agriteck	3.00
	3.00

31. FOREIGN CURRENCY/EXCHANGE TRANSACTIONS:

Particulars	2012-13 ₹
a. Import of Capital Goods	12,07,15,342
b. Earnings in foreign Exchange (Export of goods on FOB basis)	3,44,88,641
c. Expenditure in Foreign Currency for Travel	22,35,640

32. PARTICULARS IN RESPECT OF SALES TURNOVER(GROSS) FOR EACH CLASS OF GOODS DEALT BY THE COMPANY.

₹ in Lakhs

Particulars	For the Year ended 31st March 2013		
	Unit	Quantity	Value
Seeds	MT	25239	68600.03
Micronutrients	MT	5738	2483.55
Vegetables	MT	242	119.53
		31,219	71203.11

33. PARTICULARS IN RESPECT OF OPENING AND CLOSING STOCKS FOR EACH CLASS OF GOODS DEALT BY THE COMPANY.

₹ in Lakhs

Particulars	As at 31st March 2013			
	Opening Stock		Closing Stock	
	Quantity (MT)	Value	Quantity (MT)	Value
Seeds	8,915	18282.06	10,653	30554.05
Micronutrients	522	187.14	704	210.15
Vegetables				1.63
	9,437	18,469.20	11,357	30765.83

34. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED DURING THE YEAR

Particulars	Value as on 31.03.2013	%
IMPORTED		
Seeds	NIL	
Micronutrients	NIL	
Vegetables	NIL	
INDIGENOUS		
Seeds	48,687	100
Micronutrients	764	100
Vegetables	63	100
	49,451	100



35. SEGMENT INFORMATION:

The Consolidated results have three reportable segments viz., Seed Division and Micro Nutrients Division in Kaveri Seed Company Ltd. and Vegetable Division in Kexveg India Pvt. Ltd. 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 Lakhs

Particulars	Kaveri Seed Co. Ltd.		Kexveg India Private Limited	Total
	Seeds Division	Microteck Division	Vegetable Division	
	2012-13	2012-13	2012-13	
Segment Revenue				
1 Inter Segment Turnover	68,600.03	2,483.56	119.53	71,203.12
Less: Excise Duty, Service Tax recovered				
Net Turnover	68,600.03	2,483.56		71,083.59
2 Segment result before interest and taxes	12,758.67	642.81	(179.84)	13,221.64
Less: Interest Expense	148.78	1.93		150.71
Add: Interest Income	114.82	0.14		114.96
Profit before tax	12,724.71	640.88	(179.84)	13,185.75
Current tax	149.53	207.97		357.50
Deffered Tax	20.98			20.98
Net Profit after tax	12,554.20	432.91	(179.84)	12,807.27
3 Other Information				
Segment Assets	82,890.33	1,818.82	1,037.40	85,746.55
Segment Liabilities	50,850.58	329.96	82.96	51,263.50
Capital Expenditure	3,919.34	107.01	1,089.07	5,115.42
Depreciation	1,023.23	37.16	163.95	1,224.34

36. Since this is the first year of operation of subsidiary the corresponding consolidated figures of the previous year are not furnished.

As per our report of even date attached

For **P.R.REDDY & CO.,**

Firm Registration No.003268S

Chartered Accountants

Sd/-

P. RAGHUNADHA REDDY

Partner

Membership No.23758

Place: Secunderabad

Date: 23.05.2013

For and on behalf of the Board

Sd/-

G.V.BHASKAR RAO

Managing Director

Sd/-

KV CHALAPATHI REDDY

Chief Financial Officer

Sd/-

V.R.S. MURTI

Company Secretary

Sd/-

G.VANAJA DEVI

Whole time Director

Consolidated Cash Flow Statement

Particulars	As at 31st March, 2013 ₹
Cash flows from operating activities	
Profit before taxation	1,318,574,574
Adjustments for:	
Depreciation & Amortisation	122,434,503
(Profit)/Loss on sale of Fixed Assets	(13,370,869)
Dividend Received	(34,094,991)
Interest received	(11,495,749)
Finance charges	15,076,082
Operating profit before working capital changes	1,397,123,550
(Increase) / Decrease in Inventories	(1,878,433,767)
(Increase)/Decrease in Sundry Debtors	(400,784,215)
(Increase)/Decrease in Loans & Advances	160,455,457
Miscellaneous Expenditure	627,758
Increase/(Decrease) in Trade Liabilities	1,293,037,471
Increase/(Decrease) in Other Current Liabilities	562,775,860
Taxes paid during the year	(35,750,000)
Net cash provided by operating activities	1,099,052,114
Cash flows from investing activities	
(Purchase)/Sale of Fixed Assets	(420,238,858)
(Purchase)/Sale of Investments	(207,283,760)
Dividend Received	34,094,991
Interest received	11,495,749
Net Cash used for investing activities	(581,931,878)
Cash flows from financing activities	
Dividend including Tax on Dividend	(255,647,127)
Share Application Money	7,863,690
Short Term Loans	(190,000,000)
Long Term Loans	(17,700,000)
Finance charges	(15,076,082)
Net cash provided by financing activities	(470,559,519)
Net increase in cash & cash equivalents	46,560,717
Cash & Cash equivalents at the beginning of the period	96,083,472
Cash & Cash equivalents at the end of the period	142,644,189

As per our report of even date attached

For **P.R.REDDY & CO.,**

Firm Registration No.003268S

Chartered Accountants

Sd/-

P. RAGHUNADHA REDDY

Partner

Membership No.23758

Place: Secunderabad

Date: 23.05.2013

Sd/-

KV CHALAPATHI REDDY

Chief Financial Officer

Sd/-

V.R.S. MURTI

Company Secretary

Sd/-

G.VANAJA DEVI

Whole time Director

For and on behalf of the Board

Sd/-

G.V.BHASKAR RAO

Managing Director

Kaveri Seed Company Limited

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company held on **Tuesday, the 24th day of September 2013 at 11.15 AM** at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004 (A.P.)

Signature of the Member / Proxy

Notes :

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



Kaveri Seed Company Limited

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

PROXY FORM

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

I / We _____
of _____ being a member / members of the named Company, hereby
appoint _____ of _____ failing his/her _____
of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the
Twenty Sixth Annual General Meeting of the Company held on **Tuesday, the 24th day of September 2013 at 11.15 AM** at
Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841,
Red Hills, Hyderabad – 500 004 (A.P.).

Revenue
Stamp

Signed this _____ day of _____ 2013

Notes :

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



Corporate Information

Board of Directors

GV Bhaskar Rao, *Chairman and Managing Director*

G Vanaja Devi, *Wholetime Director*

R Venu Manohar Rao, *Wholetime Director*

C Vamsheedhar, *Wholetime Director*

C Mithun Chand, *Whole time Director*

Dr. G Pawan, *Director*

Dr. Yeshwant Laxman Nene, *Director*

M Srikanth Reddy, *Director*

Dr. S Raghuvardhan Reddy, *Director*

Dr. SM Ilyas, *Director*

P Vara Prasad Rao, *Director*

K. Purushotham, *Director*

Company Secretary

VRS Murti

Chief Financial Officer

KV Chalapathi Reddy

Statutory Auditors

M/s PR Reddy & Co.

Chartered Accountants

7-70/41, Maheshwari Nagar, Street 8, Habsiguda,

Hyderabad - 500007, Andhra Pradesh

Bankers

Indian Overseas Bank

Axis Bank

HDFC Bank

Kotak Mahindra Bank

Yes Bank

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

Website www.kaveriseeds.in

Registrar and Share Transfer Agents

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



kaveri seed company limited

Registered office

513 B, 5th Floor, Minerva Complex, S.D.Road, Secundrabad -500 003 INDIA

Ph: 040 - 27899833, 27721457 E-mail : info@kaveriseeds.in

Website : www.kaveriseeds.in