


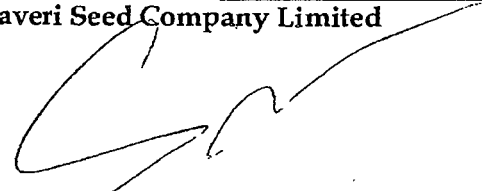


## FORM - A

1	Name of the Company	KAVERI SEED COMPANY LIMITED
2	Annual standalone and consolidated Financial Statement for the year ended	31 <sup>st</sup> March 2015
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)



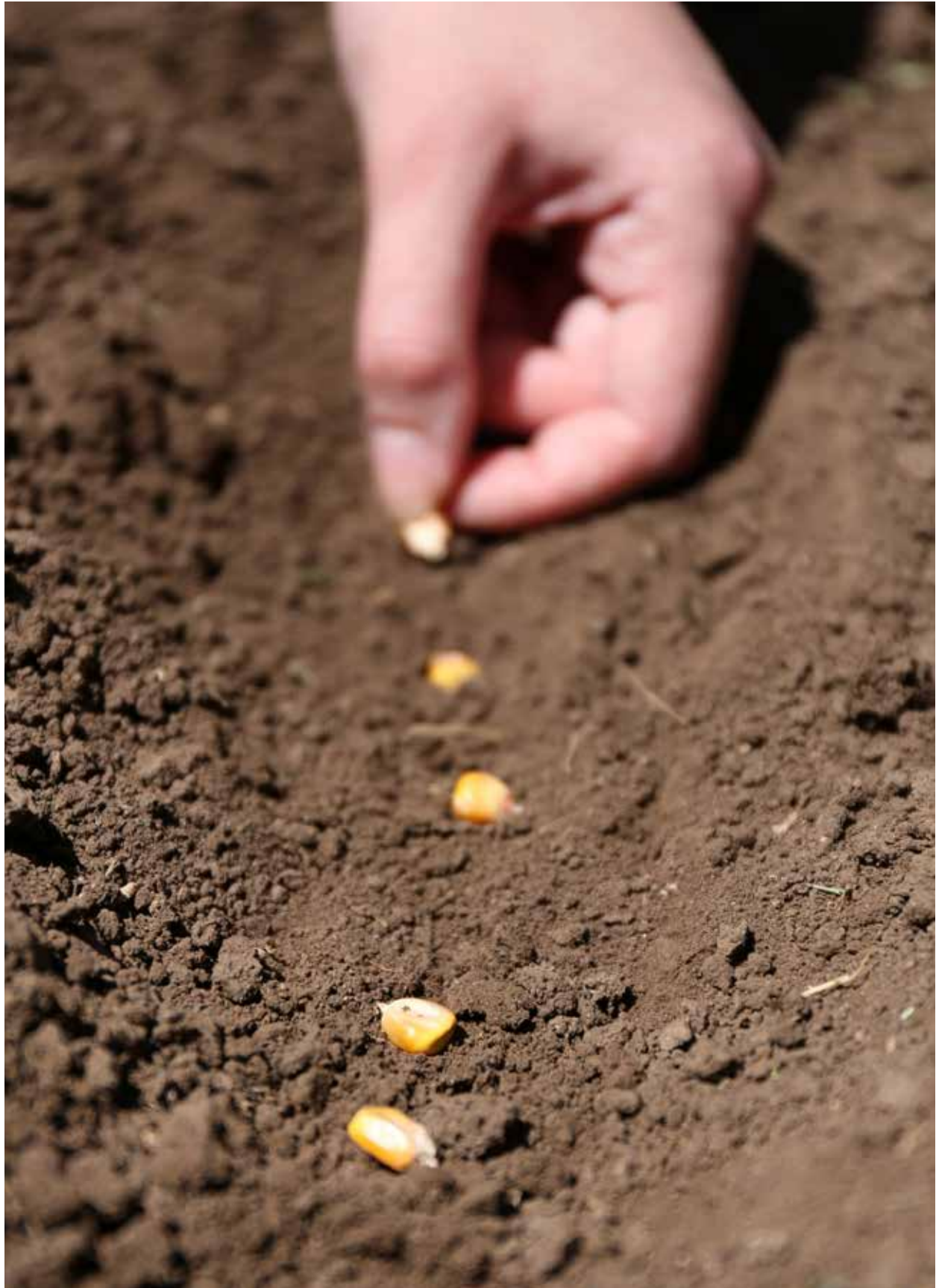


# LEAD THE FUTURE

ANNUAL REPORT 2014-2015

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kaveri seed company limited



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Though India's food grain production has more than doubled over the decades to a record 264 million tonnes in 2014, there is hardly any measurable improvement in the lives of millions of poor and marginal farmers who toil the land to fill the food basket and feed the country. Use of hybrid seeds and high-yielding varieties is one of the meaningful ways of driving farmer incomes.

Superior quality seeds supported by an advanced R&D program have been the cornerstone of our success and paving the way to 'Lead The Future'.

Kaveri Seeds is poised very favorably in the seed industry, hitting the right milestones at the right juncture, judiciously developing its human capital, R&D, infrastructure, distribution, product portfolio and skilled farmer network.

Annual Report 2014-15 showcases how our strategic initiatives and strong business model have strengthened the operational and financial levers of the Company positioning it firmly to 'Lead the Future' and create value for all our stakeholders i.e. farmers, investors, customers, employees, and business partners.

# Lead The Future



# Chairman's Letter

Dear Shareholders,

The Indian seed industry is continually transforming to become farmer centric with focus on better harvest through quality seed. The predicament facing the world today is how to feed a growing population while preserving the finite resources of planet earth. Although this poses significant challenges, they are not insurmountable. A holistic approach to sustainable agriculture which emphasizes on deployment of agricultural technologies, better farmer incomes and optimal use of arable land can mitigate these challenges.

I am pleased to report that Kaveri Seeds had another successful year in FY15 in what has been a challenging year underpinned by lower farm income, delayed monsoon and depressed crop prices. We topped KSCLs prior year performance on all operational and financial parameters by achieving higher revenue, profit, volumes and successfully launching new products. We have ended FY15 with sustained progress and look forward to deliver an improved performance in the years ahead.

Kaveri Seeds is poised very favorably in the seed industry and is partaking in an exciting growth opportunity. We continued to grow despite economic & sector headwinds and we believe that we are hitting the right milestones at the right juncture.

Over the years Kaveri Seeds has undergone a concerted growth transformation from a corn only player to one of the largest cotton seed developer and a multi-crop player. I am happy to share, that we continue to maintain our dominant position and grow our marketshare. The foundation of our model rests on highly advanced R&D program based on gene rich elite germplasm, a diversified portfolio, growing brand equity, best-in-class operating model, strong financial profile and human capital.

Farmer prosperity is central to our business objective. Right from inception we pursued seed innovation and focused on instilling confidence amongst farmers through Kaveri's high performing hybrid seed across crops. Over the years we have positioned ourselves credibly in the marketplace and that has enabled us to capture market share in newer geographies and segments. Success lies in reaching out to the farmers at the right time with the right product. Your Company entered the Indian Bt cotton seed market in 2007 and introduced - two products namely 'Jadoo' and 'Jackpot' in 2009, which have helped to garner a sizable market share, created brand equity among farmers and led to farmer prosperity. Your Company is focused equally on other non-cotton crops like Rice, Corn and Bajra, which recorded strong growth in the last 4 years.

As a Company, we are keen to introduce new products to our portfolio that de-risk against shifting cropping pattern. During the year, we launched 9 new hybrids in different crops that are progressively becoming more accepted in the market.

If you take a closer look at our model you will find that our business is built around close engagement with growers & farmers. We have strengthened our human capital and put in place dealers/distributor network in key geographies and market segments. We excel in forging deeper relationships with key stakeholder - growers, farmers, dealers and distributors and the ability of our team to work seamlessly has improved over the years.

The growth trend in our financial performance has continued. While we have maintained revenue growth we have improved our operating profitability. At a consolidated level, our Revenue in the year stood at Rs. 11,612 million as compared to Rs. 10,111 million in the previous year, an impressive growth of 15%. Our EBITDA was at Rs. 3,254 million in FY15 as compared to Rs. 2,309 million in FY14. EBITDA margins expanded 518 bps to 28% for the year over 23 % in FY14. The improvement has resulted from a better margin management. We continue to maintain strong discipline and governance around capital allocation and expenditure. Our Consolidated PAT for FY15 was at Rs. 3,010 million as compared to 2,090 million in FY14.

During FY15, free cash flow was at Rs. 315 crore as compared to Rs. 225 crore in FY2014. We expect continued improvement on this parameter as we move forward. We are cognizant of the high cash figure on our books. As far as the usage of cash is concerned, we are judiciously and cautiously looking to create long term shareholder value. Distributing value to our shareholders is a corporate philosophy. The Board declared a total dividend of Rs. 7.50 per share in FY15, amounting to a strong payout ratio of 17%.

I am pleased to state that Kaveri Seeds over the past year has been accredited with noteworthy recognition. The Company was placed successively for the fourth time in the Forbes Listing Under Top 200 Companies 'Best Under a



Billion in Asia Pacific Region'. Further, it was an honor to receive 'Best CEO: Agriculture & Allied' for Mid-sized companies by Business Today magazine. Such coveted awards are an acknowledgment of our efforts towards achieving excellence in all functional areas of our business.

To sum up, we believe we have got the right operating model in place to Lead the Future. We will continue to work through challenges and look forward to better our performance with an eye on creating value for shareholders. We remain at the forefront to capture emerging sector prospects. Our superior R&D, strong product launch capabilities, brand salience, farmer relationships, human capital efficiencies, and strong financial position have placed us on a firm ground. We have already established leadership products in key crop segments which has set us up well for the next 3-5 years. The future looks even more promising with strong product pipeline catering to the majority of the Indian Seed market.

Let me close by expressing my appreciation to the KSCL team for driving continued success and growth. I would also like to thank our growers, dealers, distributors, business associates. Finally, my gratitude to you, our shareholders, for your unwavering support. I trust you share our excitement about your Company's performance and the way KSCL is building on the Company's successful past to build a brighter future.

Sincerely,

**G V Bhaskar Rao**

Chairman & Managing Director

# Management Discussion & Analysis

## Economic Scenario:

The overall economic health of the nation improved in FY15 after the sluggish performance of the previous two years. According to Central Statistics Office (CSO), in FY15, the Indian economy reported a growth of 7.3% led by robust performance of both services as well as manufacturing sectors. This growth is based on the new series of national accounts with base year of 2011-12. Post the revision, GDP growth in FY14 and FY13 stands at 6.9% and 5.1% respectively.

Economic firmness has been brought in by decrease in inflation, increase in exports, resilience of the Rupee and shrinking of fiscal and current account deficit (CAD). The reigning in of price rise continued and noteworthy decline in inflation was registered, with Wholesale Price Index (WPI) subsiding to a 5 year low of 0.11 in December'2014 in sharp contrast to 6.40 in December'2013. Retail inflation was also clipped as Consumer Price Index (CPI) decreased to an all-time low of 5% in Q3 of 2014-15 after having been persistently static at around 9-10 percent for last 2 years. The Current Account Deficit (CAD) narrowed from 2 per cent of GDP in Q4 of 2013-14 to 1.6 per cent in Q3 of 2014-15. The government attained a fiscal deficit of 3.1 per cent of GDP on a targeted fiscal deficit at 4.1 per cent of GDP.

The focus was to boost the revenue receipts at a faster rate, make the fiscal consolidation measures more sustainable with an eye on controlling the expenditure. The Business confidence index and Consumer confidence index also showed promising signs.

The government has displayed its commitment to driving long term sustainable growth, which truly benefits the Indian public at large. Several initiatives like Expenditure Management Commission, Jan Dhan Yojana, Make in India, Digital India, Swatch Bharat and fast tracking diplomacy in foreign policy, simplified governance, introducing FDI and legislative reforms are a testament to the government's holistic economic agenda.

All these government measures have produced constructive trends in the lead economic indicators, and marked progress is expected going forward. Further, the Economic Survey of India 2015 has pegged 8% and above growth rate for India in FY16. Similarly, according to International Monetary Fund (IMF) India's growth is expected to outperform that of China, Japan and Germany combined in the near future.



# Agricultural Scenario:

Agriculture remains at the core of the Indian economy with a meaningful contribution towards GDP, being the primary source of livelihood for about 58 per cent of India's population; and comprising a fifth of the total exports of the country.

Juxtaposed with the overall economic performance, the agricultural growth was muted in FY15 at 1.1% as against the 3.7% growth in FY14. Agricultural prospects were hampered by a combination of deficient monsoon, unresponsive climatic conditions and lower than expected MSP (Minimum Support Price) increase. While the Kharif crop was impacted by an erratic monsoon which was reported at 88% of the normal, unseasonal rains in February '15 and March '15 played the spoilsport for the Rabi crop. Prices decreased during the year, depressing farmer sentiments. Globally too commodity prices were soft for key crops like Cotton, Corn and Rice.

Driving improvement in farm yields is the way forward for the sector. Focus on productivity is emanating from depleting agriculture land and water, attendant demands by burgeoning population, rising incomes, government's food security measures, changing consumption patterns and rising exports.

In the Union Budget of 2015, the government placed sharper focus on agriculture taking into cognizance agricultural and farmer concerns. Emphasis was laid on increasing agricultural productivity and bettering the lives of poor farmers with a lasting goal of retaining the farmer in farming. Three important budgetary provisions towards achieving this will positively impact agriculture:

- Financial support to extend irrigation and soil health for enhancing agricultural productivity.
- Raising the agricultural credit.
- Creation of a unified national agricultural market to fetch a fair price for the farm produce.

With an eye on increasing farm productivity, the Budget focused on investment on judicious use of water supporting watershed management and micro-irrigation. The Budget initiatives are expected to ameliorate the lives of farm families and check on urban migration in search of livelihood.

Specific to the seeds sector, which is the key to increasing agriculture productivity, extension of irrigation and improved soil health will pave the way for greater demand for quality seeds of high-yielding hybrids and varieties of three major food basket crops - rice, wheat and maize.

In the coming year, the arrival, progress and departure of the monsoon as well as its geographical spread would be crucial in assessing the growth projections of the kharif crops.





# Seed Industry Overview:

The organized Indian seed industry has been in existence since 25+ years; however the last decade has witnessed exponential and transformational growth. Farmers increasingly began to purchase branded seed, instead of using seed saved from the previous harvest. Further, the advent of genetically modified (GM) cotton changed the landscape of the Indian seed industry. According to CARE Research, the Indian seed industry is the fifth largest seed market in the world, accounting for 4.4% of global seed market after the U.S. (27%), China (20%), France (8%) and Brazil (6%).

Based on numbers reported by Food Agriculture Organization ("FAO"), India has 11% arable land, ie., second only to US. While India has more arable land than China, it is ironical the production is only half of China's. The reasons for the lower productivity are low usage of high quality seeds, fertilizers, pesticides, lower farm mechanization, weak credit facilities, shortage of water and energy.

Though seed constitutes a small proportion of the total input costs of crop production, it is the most critical input and the very foundation for sustainable agriculture. The use of nutrients (fertilizer, manures, micronutrients), crop protection inputs (insecticides and fungicides), herbicides and farm machinery have no doubt increased the productivity of agriculture, nevertheless, a crop's response to all other agricultural inputs primarily depends on the quality seed input.

## Genetic Resources-Knowledge Drives Growth:

The basic premise of high performance seed hinges on the assembly of products' diverse genetic resources. Product development starts from judicious selection of germplasm, their reshuffling through hybridization followed by careful sifting and evaluation.

Full control over each stage of the product cycle is of utmost importance: the proficiency of product developers encompasses science and art of plant breeding, production, processing, distribution and strong understanding of market demand and farmer's needs.

- Germplasm is the genetic wealth and resource capital for Company's breeding enterprise. It is imperative for any seed company to accrue extensive collection of germplasm conserved in Gene Bank. The development of a germplasm bank is an investment for future.
- Hybrid seeds are produced to surpass the yield of the varieties, with built-in genetic buffering to withstand the onslaught of a biotic stresses such as moisture stress, salinity, etc. Value addition to the genetic makeup is through introgression of source of resistance to the biotic stresses. Therefore, learning curve evolution by established companies confers a great competitive edge, translating to entry barriers of new entrants.

The competitive edge and a comprehensive R&D outfit along with the structural growth opportunity hold the key to a seed company's value proposition.

## Product is prime:

Given the importance of seed in the livelihood of millions of farming families, the quality in terms of yield and consistency in performance is paramount. Further, as the cost of seed is not considerable to the total cost of cultivation, the farmer would be willing to pay a premium for the right product.

# SWOT

## Strengths - Potent levers for growth:

### Benchmark R&D:

Most crucial to measure the success of a seed company is the product pipeline; which is a reflection of R&D's strength. Your Company over the years systematically built on this and now can boast of organized R&D, dedicated research farms and technically competent personnel.

- Valued germplasm accrued in thousands over time is the biggest asset of Company's genetic wealth.
- Conjoint use of Bio and hybrid technologies in product development.
- Deployment of frontier technologies – Doubled haploid breeding, MAS (Marker Aided Selection), MARS (Marker Assisted Recurrent Selection), RGA (Rapid Generation Advance), Inbred pool-heterotic bins, MPS (Multi-parent synthetics ) and MAGIC (Multi-parent Advanced Generation Inter-cross populations.
- Dedicated research farms under varying agro climatic conditions.
- State-of-the-art Biotech, Quality check and seed technology labs.
- Cold storage for germplasm.
- Multi-location breeding and trial stations.
- Partnering with ICRISAT, Melinda Gates Foundation's Harvest Plus program, IRRI's Hybrid Rice Development Consortium, CIMMYT and USDA program on Heat Tolerant Maize for Asia (HTMA) and DBT's Biotechnology Industry Research Assistance Program (BIRAP).
- Collaboration with NARS (National Agricultural Research System) Institutes and All India coordinated crop improvement programs of ICAR.
- Highly proficient team of over 100 personnel, including 36 scientists.

Our cotton brand 'Jadoo' has displayed our R&D expertise with farmers witnessing higher than average yield and high -stress tolerance.

### Comprehensive, Market-centric,

#### Pan India Operations:

Integrated, advanced, market centric operational strategies have enabled Kaveri to garner higher acceptance for new range of products and expand presence in newer states and geographies. Outreach centers are a key ingredient of expanding operations serving as feedback/marketing centers gauging farmer needs and educating them to grow the product in best usage techniques. Market presence is expanding beyond South and Central India, to northern, eastern and western geographies. Further, the Company has shown strong traction in new markets such as Chhattisgarh, Jharkhand, West Bengal and Odisha.

#### Dedicated grower/producer farmer network

- ~ 95,000 production growers across 12 different agro-climatic zones
- ~ 65,000 acres under seed production.
- Large production area across India with a loyal 'producer farmer' network
- High credibility with the farmers.
- Focused programmes to spread awareness amongst farming community on new products in market.

#### Focused Pan India Presence:

- Outreach centers across the country.
- Network of more than 25,000 direct/indirect distributors across the country.
- ~350 highly motivated marketing professionals on a pan India basis.

#### Strong Warehouse Capabilities:

- Warehouses across India with combined storage space of ~500,000 sqft.
- Dehumidified, climate-controlled storage facilities.
- Storage godowns of ~135,000 sqft. (cold) and ~280,000 sqft. (ambient) with holding capacity of ~25,000 MT.

### Pioneering Production/Processing set-up - Amongst The Largest Capacities:

- Cutting-edge equipment for pre- cleaning, grading, cob drying, storage, packing
- Modern biotech, QC and seed technology labs to back up R&D.
- Five Company owned plants across 5 key locations in India with a combined processing capacity of ~ 110 tonnes per hour.
- Maize cob drying facility with a capacity of 2900 tonnes per cycle.
- 300 acres of land for large-scale Grow-Out Test.
- Green houses for screening, uniform blast nursery for disease/pest screening
- Cotton delinting facility.

### Growing brand equity: Seed Producer of choice:

On the back of its R&D strength, the Company in a calibrated manner consolidated its market position by consistently launching newer hybrids and research varieties. The preference and credibility towards Kaveri brand in the market is exemplified by the phenomenal success of Jadoo, Jackpot and ATM.

The increased trust and equity earned is being successfully leveraged to establish the newer products across our key crop segments.

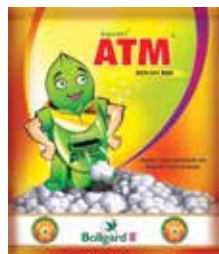
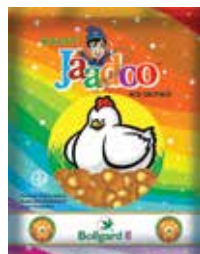
### Diverse product portfolio, stronger pipeline: Best Bet hybrids:

We have a diverse and re-risked portfolio which not only caters to all the key crop segments but also mitigates the risk of unanticipated shifts in crop rotation. The company's product portfolio includes more than 90 products – cotton (12), corn (34), paddy (17), bajra (6), sunflower (4), sorghum, mustard, wheat, gram, tomato, okra, chilies and watermelon.

Kaveri is among the top three seeds companies in the cotton, corn, sunflower, and pearl millet/ bajra segments, and top five in the paddy segment. Combined, these crops account for majority of the revenues of the Indian hybrid seed industry.

### Pursuing Innovation to ensure sustainable growth:

Innovation is at the heart of our business development initiatives – to evolve new varieties on fast-track meeting the needs of farmers and growers. We continually strive to upgrade the genetic makeup of the crop's agronomic qualities - yield, resistance to diseases and insects, drought tolerance, etc.







# Challenges, Threats:

## **Lack of patent infrastructure:**

The patenting process in India is not very robust, resulting in competitors and small time companies rushing to replicate popular seeds in the marketplace opportunistically. Nevertheless, the imitation takes at least two to three years for duplication. In the meantime, an established player like Kaveri can garner significant market share for its product.

## **Regulatory Challenges:**

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance.

The agricultural market is largely interlinked to investment and assistance provided by the governmental agencies. Cut in subsidies and/ or withdrawal of agriculture support schemes negatively impact the sector and consequently the seed business.

## **Climate risk:**

Changing climate conditions such as continuous dry spell, or excessive rainfall may drastically impact the business. The risk is primarily on two fronts - growers and farmers. The risk to growers is alleviated by the Company growing its seeds in multiple locations.

This risk to farmers is mitigated by Kaveri's diverse hybrid portfolio and quantum of seed resources with buffering capacity to endure the onslaught of weather aberrations.

## **Competition risk:**

In business, 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 accompanied by aggressive marketing serve as forte to the Company's business.

## **Dependency risk:**

Dependency on any one particular product may affect the growth prospects of the Company. The Company's several wide ranging products in the market and in the pipeline minimize its dependency on any single hybrid or crop. Additionally, the Company is strengthening its product portfolio by phasing out old products with new and value added ones.

## **Product life-cycle risk:**

Accelerated product innovation & development through technology advances impacts the shelf life of a product. The Company's continuous investment in Research & Development and an array of new products in the assembly line helps to keep ahead of peers.

# Opportunities:

## **The Surge for Food:**

The demand for agricultural raw materials is set to rise manifold given the increase in the world population and the shift in ascending lifestyles towards consumption of vegetables. According to United Nations Food and Agriculture Organization, by the year 2050, food production will consequently have to be augmented by 70% to meet the demands of 9 billion and growing world population.

## **Increased acceptance of Commercial Seed:**

Increasingly, farmers and vegetable producers are using branded seed due to their proven efficiency and higher yields over farm saved. The importance of producing more, producing better, while using less inputs is gaining prominence in the Indian context.

## **Seed Replacement Rate (SRR):**

Seed Replacement Rate is the percentage of area sown out of total area of crop planted in the season using certified/quality seeds as against the farm saved seed. The need for higher SRR emerges from the fact that the quality of a seed deteriorates in successive generations in case of farm saved seed. Hybrid seed, however, needs to be replaced every year whereas inbred variety non hybrids every three to four years. In India, there is sufficient scope for improvement as far as SRR is concerned.

## **Prospects for increased cotton market share:**

Consolidate leadership in Andhra Pradesh, Deepen Penetration in Maharashtra and Gujarat

On the back of Jadoo (having character of higher yield and stress tolerance) and Jackpot (high yield) we have managed to garner dominant share of the cotton seed market in Andhra Pradesh. We have a strong standing in the districts of Guntur, Krishna and we aim to maintain our market share there. We are progressively expanding market share in Warangal, Karimnagar and Adilabad. Together these five districts form majority of the AP & Telangana market.

We are cognizant of the opportunity that beckons in the states of Maharashtra and Gujarat and aim to garner meaningful market share in these states. Going forward, the Company plans for increase of market share in Gujarat through cotton hybrid 'ATM'. Maharashtra gains are expected from increased uptake of Jadoo and ATM.

## **High Density Planting HDP:**

HDP is a system in which higher a number of plants are accommodated per unit area. Under high density cotton plantings the number of seeds sown per acre have to be increased. High-density planting increases the cultivation cost for farmers as they have to use more seeds per acre but the increase in cultivation costs is offset by higher yields for the farmer.



We have already pre-launched an HDP product 'Three-by-One' which is also tolerant to pest. Under conventional practice, cotton farmer sows at a gap of 3 feet by 2 feet, however we are recommending 3 feet by one foot. The product has received positive feedback and hence we will be commencing commercial sale in the coming year.

**Mechanical Harvesting:**

Mechanical harvesting is on the agenda of Kaveri's advancing ways of cotton cultivation, and the Company shall be an early adopter of this practice. Kaveri will introduce mechanical harvesting on a full-fledged scale in the years ahead expecting exponential growth in cotton acreage.

**Hybrid Paddy - A bigger seed bowl:**

It is a matter of fact, that rice is the chief staple food for a significant part of the world's population. If you look at the available statistics, hybrid rice is the most under penetrated in India. The total crop area under Rice in India is ~42 million hectare, area under hybrid rice is only ~2 million hectare (hybrid seed penetration of ~5%). India's rice output is 2.9 tonnes/hectare compared to the world average of 3.9 tonnes/hectare and China's 6.0 tonnes/hectare where 65% of the rice area is planted

with hybrids. Rice hybrids are estimated to increase yields by 15-20%. Kaveri currently has portfolio of 6 hybrid rice seeds.

Further, we got notifications for its 3 new hybrids namely KPH 199, KPH 371 and KPH 460. Notification is precursor to partaking in the Government subsidy business. The Company plans to sell in eastern states and take advantage of the Government program

**Corn (Maize) - At inflection point:**

Maize is the most widely grown crop worldwide. The global maize revolution is underpinned by new technology, consumer demand and industrial farming. Corn is an important raw material in food processing, poultry, dairy, meat and ethanol industry and along with its traditional uses makes it one of the fastest growing crops in the world. India is the world's 6th largest producer and 5<sup>th</sup> largest consumer of maize.

Over the last several years, maize production in India has leaped forward as farmers increasingly chose maize hybrids. However, based on USDA figures, India's maize yield stand at half of the world average, with yield at 2.47 tonnes per hectare in comparison to world average of 5.14 tonnes per hectare.



There are several types of corn hybrids being sown by the farmer - single cross hybrids, three-way cross, double cross and OPVs. Single cross hybrids have gained popularity for their high yield. In India, different maize hybrids are used for kharif and rabi season. Rabi maize is largely single cross market and thus high yield and value.

In India, Andhra Pradesh with a 40% share is the largest producer of corn, followed by Karnataka. Productivity of maize is high in Andhra Pradesh.

Kaveri has a portfolio of 34 corn hybrids and around 50% of them are of single cross. Some of our well known corn hybrids are Ekka, K 50, Super 224, 244, K55 to name a few. Kaveri has a dominant position in the key markets of Andhra Pradesh and Karnataka.

Looking ahead, in next 5-10 years, India's domestic demand for maize is estimated to exceed supply. Further, in India, only 30% of corn planted to Single Cross Hybrids; which highlights the opportunity available. The Indian maize scenario is expected to witness favorable transform with the use of improved hybrids, focus on rabi maize production, increasing exports and increasing adoption of promising technologies in maize value chain.

#### Vegetables:

Hybrid vegetable seed is one of the fastest growing segments in India estimated to be around Rs. 15000 - 20000 million. India has an estimated production of about 130mt from an area of 8m hectares, i.e. nearly 15% of the world's vegetables from about 2.8% of the total land. This makes India the second largest producer of vegetables in the world, after China. The market for hybrid vegetable seeds is rapidly expanding in the country. Currently Vegetables contribute to a negligible part of our business but we have been doing R&D for many years. The pipeline of products in tomato, okra and chilies crops is looking very robust and we will focus on Vegetables seed business going forward

#### Global road map:

Kaveri is looking to continually add to its growth engine with an aim at augmenting its earnings trajectory. We have identified Asia Pacific region and Africa as countries where we can gain meaningful foothold.





# Outlook:

On a near term basis the cotton sector faces headwinds in the form of lower cotton seed inventory, discounted selling by unorganized players and MRP cut by Maharashtra government. Anticipation of a weak monsoon also makes farmers hold their purchases. Further, decline in cotton prices have resulted in shifts in favor of other crops, thereby, effecting a decrease in cotton acreage under production for the coming year. However, we believe the long term cotton story remains intact with the advent of herbicide tolerance, high-density planting and mechanical harvesting.

As a Company we expect moderation in cotton volumes as a result of our planned calibrated move to offer lesser credit with an eye on managing our receivables and protecting margins. We are optimistic of maintaining our cotton market share position in Telangana and expect to make meaningful gains in the non-credit markets of MP, Gujarat and Maharashtra.

On the non-cotton side, rising demand for corn and higher seed penetration of hybrid paddy remain the key drivers. We have a sizeable portfolio which has witnessed increasing acceptance in the marketplace. Consequently, in the coming year and the period ahead we expect strong growth from our high margin non cotton portfolio of maize, paddy, bajra and vegetable seeds. We are confident of our R&D capabilities and remain focused on strengthening our robust portfolio of products across crops, which has served us well against crop shifts.

Going forward, the structural drivers of Kaveri will continue to strengthen - benchmark R&D program to successfully launch new hybrid seeds, de-risked portfolio with growing non-cotton seed sales, expansion in new geography and growing farmer acceptance across the country.





# Board of Directors



**Mr. G V Bhaskar Rao**

A graduate in agricultural science from Andhra Pradesh Agriculture University, Mr. G V 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.



**Mrs. G Vanaja Devi**

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



**Mr. R Venu Manohar Rao**

Among the Company's first promoters, Mr. 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. Venu Manohar Rao has been instrumental in establishing Kaveri's strong marketing and sales network.



**Mr. C Vamsheedhar**

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



**Mr. C Mithun Chand**

Associated with the Company since 2005, Mr. C Mithun Chand, Executive Director, in charge of Kaveri 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.



**Mr. M Srikanth Reddy**

A graduate in agricultural science from the Andhra Pradesh Agriculture University, Mr. 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.



**Mr. P Vara Prasad Rao**

A science graduate, Mr. 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.



**Mr. K Purushotham**

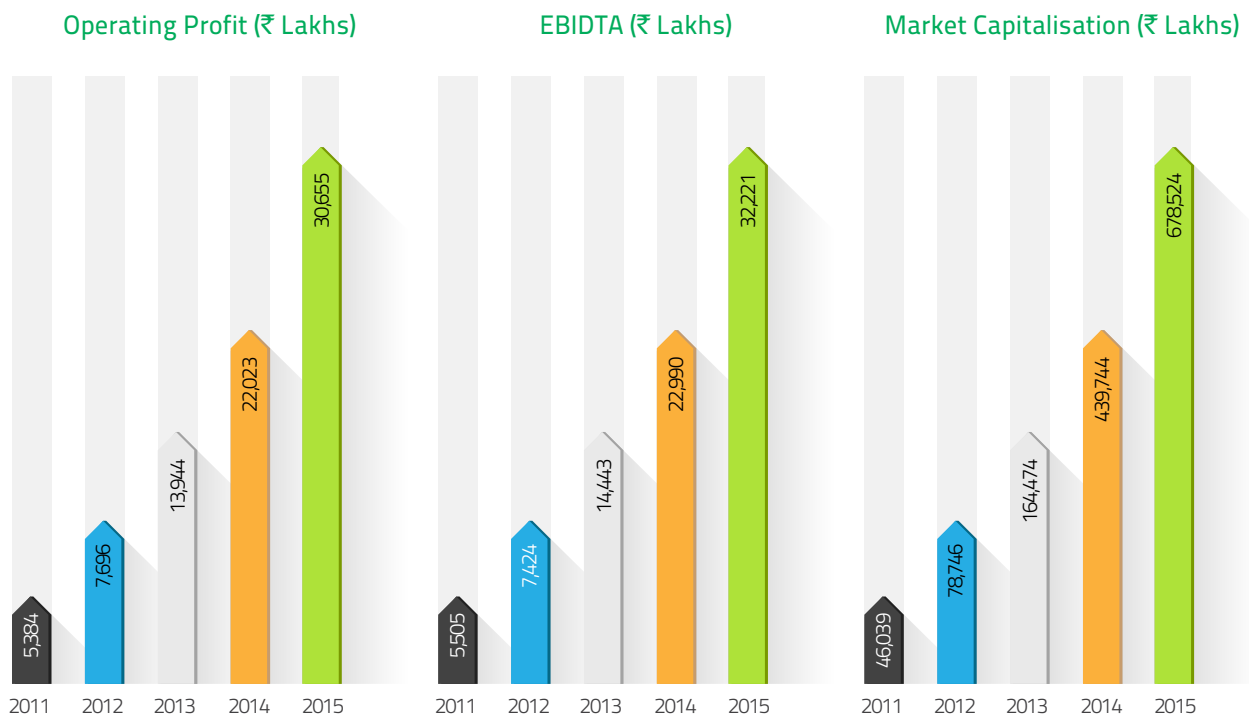
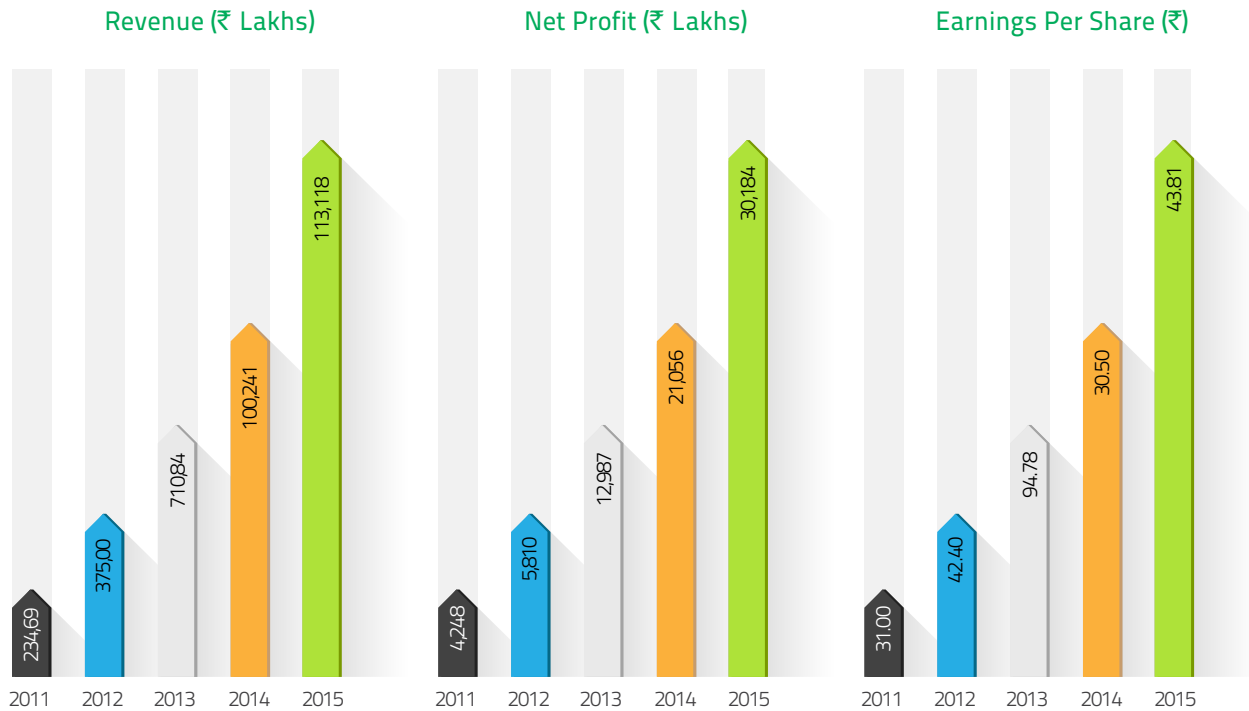
A science graduate in Agricultural and passed Banking examinations conducted by the Institute of bankers, Mumbai, retired as General Manager in the top executive cadre of Indian Overseas Bank (IOB) and has vast experience of 36 years in the Banking Sector.



**Dr. S M 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.

# Financial Highlights



# Five years at a glance

(Rs. in lakhs)

Statement of Profit and Loss	2010-11	2011-12	2012-13	2013-14	2014-15
Total revenue	23,468.84	37,500.39	71,583.24	1,01,208.40	1,13,117.74
EBIDTA	5,484.11	7,952.73	14,442.98	22,989.87	32,220.56
Depreciation	1,019.31	1,000.94	1,060.39	1,437.03	1,227.89
Finance costs	434.94	327.12	150.71	15.95	15.42
Profit before exceptional items and tax	4,029.86	6,624.67	13,231.88	21,536.89	30,977.25
Exceptional items		(529.19)	133.71		(33.25)
Profit before tax	4,029.86	6,095.48	13,365.59	21,536.89	30,944.00
Tax	(217.65)	285.12	378.48	480.65	759.69
Profit after tax	4,247.51	5,810.36	12,987.11	21,056.24	30,184.31
EBIDTA / Revenue	23.37%	21.21%	20.18%	22.72%	28.48%
PBT / Revenue	17.17%	16.25%	18.67%	21.28%	27.36%
PAT / Revenue	18.10%	15.49%	18.14%	20.80%	26.68%
Balance sheet	2010-11	2011-12	2012-13	2013-14	2014-15
Share capital	1,370.22	1,370.22	1,370.22	1,374.84	1377.92
Reserves and surplus	17,572.71	22,767.92	33,214.02	50,484.94	74,496.27
Share Appln. Money	-	-	78.64	52.36	54.03
Networth	18,942.93	24,138.14	34,662.88	51,912.14	75,928.22
Non-current liabilities					
Long-term liabilities and provisions	484.77	549.80	450.20	539.05	599.88
Deferred tax liability	(10.97)	(20.85)	0.13	(24.82)	(32.33)
Current liabilities	18,131.23	34,168.61	51,739.55	49,721.70	43,663.71
Total liabilities	37,547.96	58,835.70	86,852.76	1,02,148.07	1,20,159.48
Non-current assets					
Gross fixed assets	12,761.60	12,685.98	17,544.00	19,143.85	21,861.21
Accumulated depreciation	2,319.39	3,257.34	4,236.05	5,606.31	6,647.09
Capital work in progress	719.02	1,309.15	364.86	1,166.30	6,165.50
Net fixed assets	11,161.23	10,737.78	13,672.80	14,703.84	21,379.62
Investments	55.06	695.06	924.75	802.30	2,222.69
Other non-current assets	303.62	797.64	480.99	1,460.36	232.88
Current assets	26,028.05	46,605.22	71,774.22	85,181.57	96,324.29
Total assets	37,547.96	58,835.70	86,852.76	1,02,148.07	1,20,159.48
Return on capital employed	24.10%	22.72%	37.80%	40.17%	39.42%
Return on networth	22.42%	21.88%	37.85%	40.56%	39.71%
Debt / equity	0.03	0.02	0.01	0.01	0.01
Current ratio	1.44	1.36	1.39	1.71	2.21
Per share	2010-11	2011-12	2012-13	2013-14	2014-15
Book value per share - Rs.	138.25	176.16	252.97	75.52	110.21
Earnings per share - Rs.	31.00	42.40	94.78	30.63	43.81
Dividend per share - Rs.	2.50	4.00	16.00	**4.80	**7.50
No. of shareholders	3,805	3,656	4,836	7,934	13,477

\*\* Each Rs. 10 Share of the company has been split into 5 shares of Rs. 2 each during 2013-14

# Statutory & Financial Section

## NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of Kaveri Seed Company Limited will be held on **Tuesday the 29th day of September 2015 at 11.15 AM** at Surana Udyog Hall, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, Telangana, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone & Consolidated Balance Sheet as at 31st March 2015, Statement of Profit & Loss and Cash Flow Statement for the year ended on 31st March 2015 along with the reports of the Directors and Auditors thereon.

2. To declare final dividend of ₹ 2.50 per equity share and to confirm the 1st & 2nd Interim Dividend of ₹ 5/- per equity share, already paid for the year ended 31st March 2015.

3. To appoint a Director in place of Mr. R.Venumanohar Rao, (DIN : 00637125) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for reappointment.

4. To appoint a Director in place of Mr. C.Vamsheedhar, (DIN : 01458939) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for reappointment.

5. To appoint a Director in place of Mr. C.Mithun Chand, (DIN : '00764906) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for reappointment.

6. To ratify the appointment of the Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made there under, the appointment of M/s. P.R.Reddy & Co., Chartered Accountants (Registration No. 0003268S) as statutory auditors of the Company, approved in the 27th Annual General Meeting, until the 30th Annual General Meeting, be and is hereby ratified in this Annual General Meeting till the conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors of the Company”.

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT Mr. C. Mithun Chand, Whole time Director and Mr. V.R.S. Murti, Company Secretary of the Company be and is hereby authorized to do all such other acts, deeds, matters and things that are necessary to give effect to this resolution.”

By Order of the Board of Directors  
For KAVERI SEED COMPANY LIMITED

26.05.2015  
Secunderabad

Sd/-  
G V BHASKAR RAO  
MANAGING DIRECTOR

### NOTICE

**1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote on a poll instead of himself/herself and such a proxy/proxies need not be a member of the Company.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority as applicable. 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 commencement of the meeting.

2. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

3. The Register of Members and Share Transfer Books of the

Company will remain closed from **26th September to 29th September 2015** (both days inclusive).

4. The Board of Directors of the Company at their Meeting held on 26th May 2015 has recommended a dividend of ₹2.50 per share on equity share of ₹2/- each as final dividend for the financial year 2014-15. Dividend, if declared, at the Annual General Meeting, the same will be paid to the shareholders, whose names are on the Register of Members as on the date of Annual General Meeting viz., 29th September 2015.

5. The annual report for the financial year 2014-15 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. [www.kaveriseeds.in](http://www.kaveriseeds.in) The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2014-15, free of cost, upon sending a request to the Company Secretary at 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003.

6. The company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the financials and other communication via email.

7. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.

8. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited, if the shares are held by them in certificate form.

9. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend etc. to the members.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form

may send a request updating their bank details, to the Company Secretary at 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003.

10. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is provided the facility to its members holding shares in physical or dematerialized form as on the cut-off date, i.e., 22nd September 2015, to exercise their right to vote by electronic means on any or all of the agenda items specified in the accompanying Notice of Annual General Meeting. The E-voting period commences on **Saturday, the 26th September 2015 at 9.00 AM and ends on Monday the 28th September 2015 at 5.00 P.M.** The detailed instructions for E-voting are given as a separate attachment to this notice.

### Statement pursuant to Section 102(1) of the Companies Act, 2013

#### Item 7:

The existing Articles of Association ("Articles") of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of the Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act"). With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days (except Sundays and Public Holidays) between 11.00 a.m to 1.00 p.m up to the date of this Annual General Meeting.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested financially or otherwise, in the Special Resolution set out at item No. 7 of the Notice.

The Board recommends Special Resolution set out at item No.7 of the Notice for approval by the members.

By Order of the Board of Directors  
For KAVERI SEED COMPANY LIMITED

Sd/-  
26.05.2015  
Secunderabad

G V BHASKAR RAO  
MANAGING DIRECTOR

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 28th Annual General Meeting to be held on 29th September 2015. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the E-Voting facility.

The E-Voting facility is available at the link :

EVEN (E-VOTING EVENT NUMBER)	COMMENCEMENT OF E-VOTING	END OF E-VOTING
150821066	26.09.2015	28.09.2015

These details and instructions form an integral part of the notice for the Annual General Meeting to be held on 29th September 2015.

### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins **from 9.00 AM on Saturday the 26th day of September 2015 and ends at 5.00 PM on Monday the 28th d day of September 2015**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 22nd September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</li> </ul>



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Kaveri Seed Company Limited > on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) You are advised to cast your vote only through E-voting or through Poll at the AGM. In case you cast your votes through both the modes, votes cast through e-voting shall only be considered and votes cast at the meeting through Poll would be rejected.
- (xxi) **GENERAL INSTRUCTIONS**
  - a. The e-voting period commences on 26th September 2015 (9.00 AM) and ends on 28th September 2015 (5.00PM). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September 2015, may cast their votes electronically. The E-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - b. Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (22nd September 2015) they not casting their vote electronically, may only cast their vote at the Annual General Meeting.
  - c. Mr. L.Dhanamjai Reddy, Practicing Company Secretary, Hyderabad (Membership No.13104), has been appointed as the Scrutinizer to scrutinize the E-Voting process in a fair and transparent manner.
  - d. The Scrutinizer shall, within a period of not exceeding three days from the conclusion of the E-Voting period, unlock the votes in the presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

- e. The voting rights of the shareholders shall be in proportion to the shares held by them, of the paid-up equity share capital of the company as on the cut-off date of 22nd September 2015
- f. The results declared along with the Scrutinizer's Report shall be placed on the Company's website

www.kaveriseeds.in and on the website of CDSL within two days of passing of the resolutions at the 28th Annual General Meeting of the Company on 29th September 2015 and shall be communicated to BSE Ltd., and National Stock Exchange of India Ltd.

All documents referred to in the accompanying Notice and Statement pursuant to Schedule IV and Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the results of the 28th Annual General Meeting of the Company.

By Order of the Board of Directors  
For KAVERI SEED COMPANY LIMITED

26.05.2015  
Secunderabad

Sd/-  
G V BHASKAR RAO  
MANAGING DIRECTOR

## EXPLANATORY STATEMENT AS PER CLAUSE 49 OF LISTING AGREEMENT

Name of the Director	R. VENUMANOHAR RAO	C. VAMSHEEDHAR	C. MITHUNCHAND
<b>DIN No.</b>	00637125	01458939	00764906
<b>Date of Birth</b>	05.06.1952	13.05.1971	11.08.1976
<b>Type of appointment</b>	Whole time Director – retire by rotation	Whole time Director – retire by rotation	Whole time Director – retire by rotation
<b>Date of Appointment/ Reappointment</b>	15.11.2011	15.11.2011	15.11.2011
<b>Areas of Specialization</b>	Management, Marketing etc.,	Management, Marketing etc.,	Management, Finance, Marketing, Taxation
<b>No. of Shares Held in the Company</b>	2422910	1323255	928895
<b>List of Directorship held in outside Public Limited Companies</b>	Nil	Nil	Nil
<b>Chairman/member of the Committee of the Board of Directors of this Company</b>	Member - Shareholders Relationship Committee Member - Nomination & Remuneration Committee	Member - Shareholders Relationship Committee Member - Nomination & Remuneration Committee	Member - Audit Committee, Member - Shareholders Relationship Committee
<b>Chairman/member of the Committee of the Board of Directors of other Companies</b>	Nil	Nil	Nil
<b>Relation with Key Managerial Personnel and Directors</b>	Relative with kmp	Relative with kmp	Relative with kmp
<b>Justification for appointment</b>	Management skills and excellent knowledge in market related activities	Management skills and excellent knowledge in market related activities	Management skills and excellent knowledge in finance & market related activities

# DIRECTORS' REPORT

Dear Members,  
Kaveri Seed Company Limited

The Directors have pleasure to present their 28th Annual Report and the audited Annual Accounts for the Year ended 31st March 2015.

## FINANCIAL RESULTS:

Particulars	₹ in Lakhs	
	Year ended 31st March 2015	Year ended 31st March 2014
Total Income	1,11,552.48	1,00,241.39
Profit before Depreciation	32,171.88	22,973.92
Profit before Tax	30,944.00	21,536.89
Profit After Tax	30,184.31	21,056.23
Transfer to General Reserve	1,000.00	1,000.00

## PERFORMANCE REVIEW

Your Company achieved an all time high performance both in turnover and its profits. The Gross revenues touched ₹111552.48 Lakhs which is 11.28% is more than last year and the Profit before depreciation and taxes recorded was ₹32171.88 Lakhs which is also up by 40.04% as compared to previous year. During the year your Company's business has significantly improved in all aspects – revenues, operating income, profit before tax, and profit after tax, earnings per share. The consolidated revenue from operation was higher over the previous year by 14.85% at ₹1,16,123.25 Lakhs in the year under review as against ₹1,01,110.54 Lakhs in the previous year. Consolidated net Profit is ₹30095.77 Lakhs was higher by 44.02% over ₹20,895.60 Lakhs of the previous year. It is a new all time high for your Company translating to EPS of ₹43.68 as compared to ₹30.40 of last year.

## FUTURE PROSPECTS:

The Indian seeds industry has grown dramatically over the last decade, with farmers increasing the usage of branded seed over seed saved from the previous harvest. The future looks equally promising with significant under-penetration of hybrids and onset of productivity improving technologies - RR Flex, High Density Planting and Mechanical Harvesting.

The sector prospects are clearly visible; however, growth will have to be balanced with environmental sustainability as the available natural resources are limited. While the increasing population will result in an improved food demand, it will also lead to higher urbanization thereby

reducing arable land and placing biodiversity resources under stress. This highlights the importance of superior quality seeds, which have been a mainstay of the Kaveri success story.

Going forward, we will continue to focus on developing high quality hybrids and using frontier seed technologies with an eye on future growth as well as farmer prosperity. Our superior R&D, diversified product, strong product launch capabilities, brand salience, farmer relationships, human capital efficiencies, and strong financial position are cornerstone of a sustainable platform for long term success.

## DIVIDEND:

Your Directors have proposed a final dividend of 125% i.e., ₹2.50 per equity share and together with the 1st and 2nd Interim Dividend of 250% i.e. ₹5/- per equity share, the total dividend for the financial year 2014-15 comes to 375% i.e. ₹7.50 per share on the equity shares of ₹2/- each against 240% i.e. ₹4.80 per share paid in the previous year. An amount of ₹10.00 Crores has been transferred to General Reserve as per the existing provisions of Companies Act, 2013 and rules there under.

The Final Dividend, if approved at the ensuing 28th Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on the date of book closure.

## CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Clause 32 of the Listing Agreement entered into with the Stock Exchanges and in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards AS-21 and AS-27 on consolidated financial statements, read with the Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2015, which forms part of the Annual Report.

## SUBSIDIARY COMPANIES

The Company has 4 subsidiaries as of March 31, 2015. There was no material change in the nature of the business carried on by the subsidiaries. As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies is prepared in **Form AOC-1** and is attached to the Financial Statements of the Company.

In accordance with the provisions of the Companies Act, 2013, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are being made available on the website of the Company and are

not attached with the Annual Accounts of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any member at the Registered office of the Company and that of the respective subsidiary companies

#### STATUTORY AUDIT

M/s. P.R.Reddy & Co. Chartered Accountants (Firm Registration No. 003268S) who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and recommended for re-appointment to audit the accounts of the Company for the financial year 2015-16. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. P.R.Reddy & Co., that their appointment, if made, would be in conformity with the limits specified in the said section.

#### INTERNAL AUDITORS

The Board of Directors of the Company has appointed M/s. Momchuri and Associates to conduct internal audit of the company for the financial year ended 31st March 2016.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has laid down set of standards which enables to implement internal financial control across the organization and ensure that the same are adequate and operating effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors, Statutory Auditors and Finance Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the internal Audit function reports to the Chairman of the Audit Committee.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013 your Directors confirm that:

- i) The applicable accounting standards have been followed in the preparation of the Annual Accounts.
- ii) Such Accounting policies have been selected and applied consistently and judgments and estimates made when required that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis
- v) Proper internal financial controls were in place to be followed by the Company and that the financial controls were adequate and were operating effectively.
- vi) Proper systems devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. R.Venu Manohar Rao, Mr. C.Vamsheedhar and Mr. C.Mithun Chand, Whole time Directors retires by rotation of the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the Board meeting held on 29th May 2014, Mr. G.V.Bhaskar Rao, Managing Director, Mrs. G.Vanaja Devi, Mr. R. Venu Manohar Rao, Mr. C.Vamsheedhar, C. Mithun Chand, Whole time Directors and Mr. K.V.Chalapathi Reddy, Chief Financial Officer and Mr. V.R.S.Murti, Company Secretary of the Company were designated as "Key Managerial Personnel" of the Company pursuant to Section 2(51) and 203 of the Companies act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

#### STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub section.

#### NOMINATION AND REMUNERATION COMMITTEE:

Your Company has a Nomination and Remuneration Committee and further details are set out in the Corporate Governance Report forming part of the Directors' Report. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Persons (KMP), Senior Management and their remuneration.

#### CORPORATE GOVERNANCE:

A detailed Report on Corporate Governance prepared

in substantial compliance with the provisions of Listing Agreements with the Stock Exchanges together with the Auditors' Certificate regarding the compliance of conditions of Corporate Governance, forms part of Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

Management's Discussion and analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The company has developed a Related Party Transactions framework through standard operation procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee as also to be Board for approval. The particulars of contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in **Form No. AOC – 2** and is set out as Annexure and forms part of this report.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT – 9, as required under Section 92(3) of the Companies Act, 2013, is included in this Report as **Annexure – A** and forms an integral part of this report

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. L.D.Reddy & Co., a firm of Company Secretaries in Practice (C.P.No.3725) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure – B** and forms an integral part of this Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

In compliance with Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) committee composed of Mr. G.V.Bhaskar Rao as Chairman, Mrs. G.Vanaja Devi and Mr. M. Srikanth Reddy as members. Corporate Social Responsibility Policy was adopted by The Board of Directors on the recommendation of CSR Committee and it is placed on the Company's website. The Committee is responsible for formulating and monitoring the CSR Policy of the Company Annual Report on CSR Activities forms part of this Report as "**Annexure - C**".

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

The Information on conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this report as **Annexure - D**.

#### **PARTICULARS OF EMPLOYEES:**

Details in respect of remuneration paid to employees as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company. The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – E** and forms part of this Report.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted as per the provisions of the Companies Act, 2013. The remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company. The remuneration policy as adopted by the Board is placed on the Company's website.

#### **PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2015 to the date of signing of the Director's Report.

### NUMBER OF MEETINGS OF THE BOARD

The details of the number of meeting of the Board held during the Financial Year 2014-15 forms part of the Corporate Governance Report.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

### WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the company. ([www.kaveriseeds.in](http://www.kaveriseeds.in))

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the company and its future operations.

### SHARE CAPITAL

During the year, the paid-up share capital of your Company has been increased by ₹13,77,92,390/- due to the allotment of 1,53,990 equity shares of ₹2/- each on exercise of stock options by the eligible employees under Employees Stock Option Scheme.

### EMPLOYEE STOCK OPTION SCHEME:

Pursuant to the Employee Stock Option Scheme 2010, the total options 6,85,000 options were granted by the company to the eligible Employees of the Company at a price of ₹34/- per option. Each option entitles the holder thereof to apply for and be allotted an ordinary share of the Company of the nominal value of ₹2/- each, upon payment of the exercise price during the exercise period. Some of the employees are exercised their options and 1,53,990 equity shares of ₹2/- each were allotted during the year. Details of the options up to 31st March 2015 are set out in the **Annexure F** 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.

### PUBLIC DEPOSITS:

Your Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### RISK MANAGEMENT POLICY

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary

measures in respect of the events that may pose risk for the business. Your Company's risk management is embedded in the business process. The Company has established Enterprise Risk Management process to manage risks with the objective of maximizing shareholders value.

### ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

### POLICY ON SEXUAL HARASSMENT

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of Sexual Harassment at work place with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

### HUMAN RESOURCES

Your Company is well known for its execution capabilities, marketing and manufacturing strengths, product quality, and 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.

### 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.

By Order of the Board of Directors  
For KAVERI SEED COMPANY LIMITED

26.05.2015  
Secunderabad

Sd/-  
G V BHASKAR RAO  
MANAGING DIRECTOR

## Form AOC – 1

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the companies (Accounts) Rules, 2014)

#### Part 'A' Subsidiaries

Sl. No.	Particulars	Details	Details	Details	Details
1	Name of the Subsidiary	Aditya Agritech Pvt Ltd	Kaveri Microteck Pvt Ltd	Genome Agri Tech Pvt Ltd	Kexveg India Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR	INR	INR	INR
4.	Share capital	1,10,00,000	14,53,63,600	18,00,000	6,40,00,000
5.	Reserves & Surplus	1,06,16,394	1,36,80,485	(1,05,34,509)	(6,14,08,465)
6.	Total Assets	16,82,47,027	24,24,21,287	2,64,54,095	7,18,85,301
7.	Total Liabilities	14,66,30,633	8,33,77,202	3,51,88,604	6,92,93,766
8.	Investments	47,00,000	-	-	-
9.	Turnover	43,97,57,598	26,59,05,716	4,94,88,158	3,00,89,043
10	Profit before taxation	47,39,186	2,90,16,538	(57,65,583)	(2,23,80,994)
11.	Profit for taxation	12,37,062	1,50,00,000	2,640	-
12.	Profit after taxation	35,02,124	1,40,16,538	(57,62,943)	(2,23,80,994)
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	70	100	51	100

Note:

- i) Names of subsidiaries which are yet to commence operations : NIL
- ii) Names of subsidiaries which have been liquidated or sold during the year : NIL

For and on behalf of the Board of Directors

Sd/-

Sd/-

Secunderabad  
26<sup>th</sup> May 2015

G V BHASKAR RAO  
Managing Director

G.VANAJA DEVI  
Whole time Director

## Form AOC – 2

### Particulars of contracts/arrangements entered into by the Company with Related Parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to insub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto)

1. Details of contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.V.BhaskarRao (Ind.) Chairman & MD of the Company
b)	Nature of contracts/arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/arrangements/transaction	Two years w.e.f.01.04.2013 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	37.19Acres Land on Lease for a period of 2 years at ₹ 7.67 Lacs p.a.,

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.Vanaja Devi Executive Director of the Company
b)	Nature of contracts/arrangements/transaction	Land Lease Paid and Purchase of Land
c)	Duration of the contracts/arrangements/transaction	a. Two years w.e.f.01.04.2013 respective agreements. b. Sale Deed for Purchase of 11.24 Acres of Agricultural Land
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	a. 48.16 Acres Land on Lease for a period of 2 years at ₹ 8.25 Lacs p.a., b. Agricultural Land Purchsed for ₹ 464.00 Lacs

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.Pawan Director of the Company
b)	Nature of contracts/arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/arrangements/transaction	a. Two years w.e.f.01.04.2013 respective agreements. b. Sale Deed for Purchase of 15.13 Acres of Agricultural Land
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	a. 51.22 Acres Land on Lease for a period of 2 years at ₹ 11.95 Lacs p.a., b. Agricultural Land Purchsed for ₹ 613.00 Lacs



Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.Madhushree Daughter of Managing Director of the Company
b)	Nature of contracts/arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/arrangements/transaction	Two years w.e.f.01.04.2013 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	49.38Acres Land on Lease for a period of 2 years at ₹ 9.82Lacs p.a.,

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	C.Vamsheedhar - HUF, Executive Director of the Company
b)	Nature of contracts/arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/arrangements/transaction	Two years w.e.f.01.04.2013 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	20.23Acres Land on Lease for a period of 2 years at ₹ 4.07Lacs p.a.,

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.V.BhaskarRao - HUF, MD of the Company
b)	Nature of contracts/arrangements/transaction	Land and GodownLease Paid
c)	Duration of the contracts/arrangements/transaction	a. Land lease Agreement for Two years w.e.f.01.04.2013. b. Godown Lease Agreement for 5years w.e.f.01.04.2012
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	a. 31.19 Acres Land on Lease for a period of 2 years at ₹ 7.01Lacs p.a., B. 33000SftGodown on Lease for a period of 5 years at ₹ 30.72Lacs p.a.,

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	R.VenumanoharRao.HUF Executive Director of the Company
b)	Nature of contracts/arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/arrangements/transaction	Two years w.e.f.01.04.2013 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	24Acres Land on Lease for a period of 2 years at ₹ 4.12 Lacs p.a.,

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kaveri Infra Partnership firm where our MD is partner.
b)	Nature of contracts/arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/arrangements/transaction	Two years w.e.f.01.04.2013 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	49.36Acres Land on Lease for a period of 2 years at ₹ 9.88 Lacs p.a.,

Note: Appropriate approvals have been taken for all related party transactions. No amount was paid as advance.

**Land Lease Rent Received From Related Parties for the year 2014-15**

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kexveg India Private Limited Subsidiary of the Company
b)	Nature of contracts/arrangements/transaction	Land Lease Received
c)	Duration of the contracts/arrangements/transaction	Two Agreements each for a period of Twenty years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Leased 76.11 Acres for a period of 20 years at ₹ 14.23Lacs p.a.,

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. AdityaAgritech Pvt. Ltd Subsidiary of the Company
b)	Nature of contracts/arrangements/transaction	Sale of Hybrid Seed
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Hybrid Seeds worth ₹ 2876.07 Lacs during the financial year 2014-15.

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Genome Agritech Pvt. Ltd Subsidiary of the Company
b)	Nature of contracts/arrangements/transaction	Sale of Hybrid Seed
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Hybrid Seeds worth ₹ 345.99 Lacs during the financial year 2014-15.

Sl.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. KaveriMicroteck Pvt. Ltd Subsidiary of the Company
b)	Nature of contracts/arrangements/transaction	Purchase of Micronutrients
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Purchase of Micronutrients worth ₹ 59.58 Lacs during the financial year 2014-15.

Note: Appropriate approvals have been taken for all related party transactions. No amount was paid as advance.

For and on behalf of the Board  
Sd/- Sd/-

Secunderabad  
26<sup>th</sup> May 2015

G V BHASKAR RAO  
Managing Director

G.VANAJA DEVI  
Whole time Director

## ANNEXURE - A

EXTRACTS OF ANNUAL RETURN

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L01120AP1986PLC006728
- ii) Registration Date: 27/08/1986
- iii) Name of the Company: KAVERI SEED COMPANY LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by shares/Public Company
- v) Address of the Registered office and contact details: 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad, Telangana, 500003, Tel. Ph. No.040-27842398/27842405
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
Bigshare Services Pvt Ltd., G-10, Left Wing, Amrutha Ville,  
Opp. Yashodha Hospital, Rajbhavan Road, Somajiguda,  
Hyderabad – 500 082, Tele No. : 040 – 23374967 Tele Fax : 040 – 23370295  
Contact Person : Mr. T.P.Raju/Mr. R.Amerendranadh

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Production and marketing of Hybrid Seeds	6810	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –N.A

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Kexveg India Pvt. Ltd.,	U01210AP201 1PTC077738	Subsidiary	100%	2(87)
2.	Aditya Agri Tech Pvt. Ltd.,	U01119AP201 3PTC087066	Subsidiary	70%	2(87)
3.	Genome Agritech Pvt. Ltd.,	U74999AP200 4PTC044959	Subsidiary	51%	2(87)
4.	Kaveri Microteck Pvt. Ltd.,	U01403TG201 3PTC088536	Subsidiary	100%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian	43746085	Nil	43746085	63.64	39727143	Nil	39727143	57.66	(5.98)
g) Individual/ HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.									
k) Banks/FI									
l) Any Other..									
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs - Individuals	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A) (1)+(A)( 2)	43746085	nil	43746085	63.64	39727143	nil	39727143	57.66	(5.98)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	7144600	nil	7144600	10.39	4588125	Nil	7144600	6.66	(3.73)
b) Banks/FI	31775	nil	31775	0.05	10408	Nil2	10408	0.02	(0.03)
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds	7199512	Nil	7199512	10.47	15338991	Nil	15338991	22.26	11.79
i) Others (specify)									
Sub-total (B)(1):-	14375887	Nil	14375887	20.91	19937524	Nil	19937524	28.94	8.03
2. Non-Institutions									
a) Bodies Corp.	3505045	Nil	3505045	5.10	3233489	Nil	3233489	4.69	(0.41)
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4697365	32495	4729860	6.88	3710859	25071	3735930	5.42	(1.46)

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1886685	Nil	1886685	2.74	1646031	Nil	1646031	2.39	(0.35)
c) Others (specify)									
NRIs.	323611	Nil	323611	0.47	419422	0.61	419422	0.61	0.14
Clearing members	174962	Nil	174962	0.25	119407	0.17	119407	0.17	(0.08)
Trusts	70	Nil	70	0.00	0	0	0	0	0
OCBs.	0	Nil	0	0	77249	0.11	77249	0.11	0
Sub-total (B)(2):-	10587738	32495	10652728	15.45	9206457	25071	9231528	13.40	(2.05)
Total Public Shareholding (B) = (B) (1) + (B)(2)	24963625	32495	24996120	36.36	29143981	25071	29169052	42.34	5.98
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Grand Total (A+B+C)</b>	<b>68709710</b>	<b>32495</b>	<b>68742205</b>	<b>100</b>	<b>68871124</b>	<b>25071</b>	<b>68896195</b>	<b>100</b>	<b>0.00</b>

#### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	G.V.BHASKAR RAO	6031990	8.77	0	6031990	8.76	0	0.00
2	G.V.BHASKAR RAO(HUF)	11240645	16.35	0	11240645	16.32	0	(0.03)
3	GOUTHAREDDY SHANKER REDDY*	25000	0.04	0	0	0	0	(0.04)
4	G.MADHUSHREE #	7320000	10.65	0	0	0	0	(10.65)
5	G.PAWAN	2509000	3.65	0	2509000	3.64	0	0.00
6	PADMAJA C*	102890	0.15	0	0	0	0	(0.15)
7	R.VENU MANOHAR RAO	2422910	3.52	0	2422910	3.52	0	0.00
8	G.VANAJA DEVI# *	11113000	16.17	0	15270448	22.16	0	5.99
9	MADHAVI CHENNAMANENI*	12500	0.02	0	0	0	0	(0.02)
10	C MITHUN CHAND*	1594895	2.32	0	928895	1.35	0	(0.97)
11	VAMSHEEDHAR CHENNAMANENI *	1373255	2.00	0	1323255	1.92	0	(0.08)
	<b>Total</b>	<b>43746085</b>	<b>63.64</b>	<b>0</b>	<b>39727143</b>	<b>57.66</b>	<b>0</b>	<b>-5.98</b>

# Inter-se transfer among Promoters \* sold in market.

The variation in terms of percentage is due to increase in paid up share capital of the company on account of allotment of shares under ESOP Scheme.

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change):**

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	43746085	63.64		
1	Sold on 09/06/2014	-25000	-0.04	43721085	63.46
2	Sold on 09/06/2014	-102890	-0.15	43618195	63.31
3	Sold on 09/06/2014	-12500	-0.02	43605695	63.29
4	Sold on 10/06/2014	-666000	-0.97	42939695	62.33
5	Sold on 10/06/2014	-50000	-0.07	42889695	62.25
6	Sold on 09/07/2014	-3162552	-4.60	39727143	57.66
7	Sold on 10/10/2014#	-7320000	-10.65	32407143	47.04
8	Buy on 10/10/2014#	7320000	10.65	39727143	57.66
	<b>At the end of the year</b>			<b>39727143</b>	<b>57.66</b>

# Inter-se transfer among the promoters.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	Name of the Share Holder	Shareholding at the beginning/End of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	OPPENHEIMER INTERNATIONAL SMALL COMPANY FUND	2029045	2.95	04-Apr-14			2029045	2.95
				18-Sep-14	-2924	Transfer	1976071	2.87
				30-Sep-14	-50904	Transfer	1925167	2.79
				10-Oct-14	-511167	Transfer	1414000	2.05
				07-Nov-14	-69132	Transfer	1344868	1.95
				10-Nov-14	-40000	Transfer	1304868	1.89
		1304868	1.89	31-Mar-15			1304868	1.89
2	BENGAL FINANCE & INVESTMENT PVT. LTD	649005	0.94	04-Apr-14			649005	0.94
				11-Jul-14	-49005	Transfer	600000	0.87
		600000	0.87	31-Mar-15			600000	0.87
3	SMALLCAP WORLD FUND, INC	0	0.00	04-Apr-14		Transfer	0	0.00
				04-Jul-14	90187	Transfer	90187	0.13
				11-Jul-14	3319813	Transfer	3410000	4.95
				30-Sep-14	60177	Transfer	3470177	5.04
				10-Oct-14	520793	Transfer	3990970	5.79
				28-Nov-14	140000	Transfer	4130970	6.00
		4130970	6.00	31-Mar-15			4130970	6.00
4	FRANKLIN TEMPLETON INVESTMENT FUNDS	7898	0.01	04-Apr-14			7898	0.01
				11-Apr-14	81951	Transfer	89849	0.13
				18-Apr-14	69000	Transfer	158849	0.23

				25-Apr-14	177800	Transfer	336649	0.49
				22-Aug-14	425000	Transfer	761649	1.11
				29-Aug-14	51182	Transfer	812831	1.18
				30-Sep-14	7197	Transfer	820028	1.19
				31-Oct-14	9767	Transfer	829795	1.20
				07-Nov-14	34608	Transfer	864403	1.25
				14-Nov-14	102890	Transfer	967293	1.40
				21-Nov-14	22735	Transfer	990028	1.44
		990028	1.44	31-Mar-15			990028	1.44
5	SBI DUAL ADVANTAGE FUND SERIES VII	87000	0.13	04-Apr-14			87000	0.13
				11-Apr-14	15528	Transfer	102528	0.15
				18-Apr-14	11000	Transfer	113528	0.16
				20-Jun-14	150621	Transfer	264149	0.38
				30-Jun-14	63601	Transfer	327750	0.48
				11-Jul-14	144879	Transfer	472629	0.69
				18-Jul-14	52371	Transfer	525000	0.76
				25-Jul-14	20000	Transfer	545000	0.79
				22-Aug-14	6500	Transfer	551500	0.80
				29-Aug-14	3500	Transfer	555000	0.81
				19-Sep-14	20000	Transfer	575000	0.83
				30-Sep-14	70837	Transfer	645837	0.94
				10-Oct-14	51229	Transfer	697066	1.01
				17-Oct-14	48771	Transfer	745837	1.08
				21-Nov-14	-13620	Transfer	732217	1.06
				28-Nov-14	143797	Transfer	876014	1.27
				05-Dec-14	42000	Transfer	918014	1.33
				12-Dec-14	45000	Transfer	963014	1.40
				19-Dec-14	24000	Transfer	987014	1.43
				31-Dec-14	-250000	Transfer	737014	1.07
				02-Jan-15	-7780	Transfer	729234	1.06
				09-Jan-15	-34265	Transfer	694969	1.01
				16-Jan-15	-27955	Transfer	667014	0.97
				06-Feb-15	14100	Transfer	681114	0.99
				06-Mar-15	7000	Transfer	688114	1.00
		688114	1.00	31-Mar-15			688114	1.00
6	KARVY FINANCIAL SERVICES LIMITED	830000	1.21	04-Apr-14			830000	1.20
		830000	1.20	31-Mar-15			830000	1.20
7	ASHISH KACHOLIA	538475	0.78	04-Apr-14			538475	0.78
				13-Mar-15	-25449	Transfer	513026	0.74
				20-Mar-15	-13026	Transfer	500000	0.73
		500000	0.73	31-Mar-15			500000	0.73
8	IDFC PREMIER EQUITY FUND	5465097	7.95	04-Apr-14			5465097	7.93
				11-Apr-14	-9095	Transfer	5456002	7.92
				25-Apr-14	-31725	Transfer	5424277	7.87
				02-May-14	-39277	Transfer	5385000	7.82

				09-May-14	-5000	Transfer	5380000	7.81
				30-May-14	-205000	Transfer	5175000	7.51
				06-Jun-14	-70000	Transfer	5105000	7.41
				13-Jun-14	-150000	Transfer	4955000	7.19
				04-Jul-14	-95000	Transfer	4860000	7.05
				25-Jul-14	-15000	Transfer	4845000	7.03
				01-Aug-14	-20000	Transfer	4825000	7.00
				08-Aug-14	-20000	Transfer	4805000	6.97
				15-Aug-14	-20000	Transfer	4785000	6.95
				22-Aug-14	-480000	Transfer	4305000	6.25
				12-Sep-14	-52000	Transfer	4253000	6.17
				16-Sep-14	-3000	Transfer	4250000	6.17
				21-Nov-14	-65239	Transfer	4184761	6.07
				28-Nov-14	-100761	Transfer	4084000	5.93
				16-Jan-15	-12618	Transfer	4071382	5.91
				23-Jan-15	-768211	Transfer	3303171	4.79
				06-Feb-15	-18171	Transfer	3285000	4.77
				13-Feb-15	-25000	Transfer	3260000	4.73
				20-Feb-15	-18654	Transfer	3241346	4.70
				27-Feb-15	-211346	Transfer	3030000	4.40
				06-Mar-15	-11343	Transfer	3018657	4.38
				13-Mar-15	-241422	Transfer	2777235	4.03
				27-Mar-15	-500000	Transfer	2277235	3.31
		2277235	3.31	31-Mar-15			2277235	3.31
9	RELIGARE FINVEST LTD	0	0.00	04-Apr-14		Transfer	0	0.00
				11-Apr-14	70	Transfer	70	0.00
				18-Apr-14	-35	Transfer	35	0.00
				25-Apr-14	-5	Transfer	30	0.00
				16-May-14	-20	Transfer	10	0.00
				06-Jun-14	-10	Transfer	0	0.00
				07-Nov-14	1	Transfer	1	0.00
				05-Dec-14	1	Transfer	2	0.00
				12-Dec-14	2	Transfer	4	0.00
				19-Dec-14	-1	Transfer	3	0.00
				31-Dec-14	1	Transfer	4	0.00
				30-Jan-15	2	Transfer	6	0.00
				06-Feb-15	-4	Transfer	2	0.00
				20-Feb-15	-1	Transfer	1	0.00
				27-Feb-15	-1	Transfer	0	0.00
				31-Mar-15	715000	Transfer	715000	1.04
		715000	1.04	31-Mar-15			715000	1.04
10	ASHOKA PTE LTD	0	0.00	04-Apr-14		Transfer	0	0.00
				13-Mar-15	303000	Transfer	303000	0.44
				20-Mar-15	54250	Transfer	357250	0.52
				27-Mar-15	575252	Transfer	932502	1.35
				31-Mar-15	15500	Transfer	948002	1.38
		948002	1.38	31-Mar-15			948002	1.38



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
1	G.V.BHASKAR RAO, Managing Director				
	At the beginning of the year	6031990	8.77	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	6031990	8.77	6031990	8.76
	G.V.BHASKAR RAO(HUF)				
	At the beginning of the year	11240645	16.35	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	11240645	16.35	11240645	16.32
2	G.VANAJA DEVI, Whole time Director				
	At the beginning of the year	11113000	16.17	-	-
	Increase/decrease in Promoters shareholding during the year	4157448	6.05	-	-
	At the end of the year	15270448	22.21	15270448	22.16
3	R.VENU MANOHAR RAO, Whole time Director				
	At the beginning of the year	2422910	3.52	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	2422910	3.52	2422910	3.52
4	G.PAWAN, Director				
	At the beginning of the year	2509000	3.65	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	2509000	3.65	2509000	3.64
5	C. VAMSHEEDHAR, Whole time Director				
	At the beginning of the year	1373255	2.00	-	-
	Increase/decrease in Promoters shareholding during the year	50000	0.07	-	-
	At the end of the year	1323255	1.92	1323255	1.92
6	C MITHUN CHAND, Whole time Director				
	At the beginning of the year	1594895	2.32	-	-
	Increase/decrease in Promoters shareholding during the year	666000	0.97	-	-
	At the end of the year	928895	1.35	928895	1.35

7	M.SRIKANTH REDDY, Independent Director				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Dr. Y.L NENE, Independent Director				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	PUSKAR VARA PRASAD RAO, Independent Director				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	Dr. S. RAGHUVARDHAN REDDY, Independent Director				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
11	Dr. S.M.ILYAS, Independent Director				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
12	K.PURUSHOTHAM, Independent Director				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
13	K.V.CHALAPATHI REDDY, Chief Financial Officer				
	At the beginning of the year	9000	0.01	-	-
	Increase/decrease in Promoters shareholding during the year	5000	0.01	-	-
	At the end of the year	14000	0.02	14000	0.02

## VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	83,94,000	-	-	83,94,000
i) Principal Amount				
ii) Interest due but not paid	3,29,450	-	-	3,29,450
iii) Interest accrued but not due				
Total (i+ii+iii)	87,23,450	-	-	87,23,450
Change in Indebtedness during the financial year				
• Addition	55,96,000			55,96,000
• Reduction				
Net Change	55,96,000	-	-	55,96,000
Indebtedness at the end of the financial year				
i) Principal Amount	139,90,000	-	-	139,90,000
ii) Interest due but not paid				
iii) Interest accrued but not due	5,47,312	-	-	5,47,312
<b>Total (i+ii+iii)</b>	<b>145,37,312</b>	<b>0</b>	<b>0</b>	<b>145,37,312</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount	
		G.V.Bhaskar Rao	G.Vanaja Devi	R. Venu manohar Rao	C. Vamsheedhar	C. Mithun chand	Total Amount - ₹
1.	Gross salary	1,68,85,385	1,04,96,538	82,81,847	52,56,923	43,73,539	4,52,94,232
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	
4.	Commission	Nil	Nil	Nil	Nil	Nil	
	- as % of profit						
	- others, specify...						
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil	
	Total (A)	1,68,85,385	1,04,96,538	82,81,847	52,56,923	43,73,539	4,52,94,232
	Ceiling as per the Act						30,18,43,036

Note: In terms of the provisions of the Companies Act 2013, the remuneration paid to MD & WTD is well within the said limit.

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount			
		M. Srikanth Reddy	P. Varaprasad Rao	Dr. Y.L.Nene	Dr.S. Raghuvardhan Reddy	Dr. S.M.Ilyas	K. Purushotham	Dr. G.Pawan	Total Amount
	Independent Directors								
	• Fee for attending board committee meetings	70,000	60,000	60,000	60,000	70,000	30,000	Nil	350,000
	• Commission								
	• Others, please specify								
	Total (1)	70,000	60,000	60,000	60,000	70,000	30,000	Nil	350,000
	4. Other Non-Executive Directors								
	• Fee for attending board committee meetings	-	-	-	-	-	-	-	-
	• Commission								
	• Others, please specify								
	Total (2)	-	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	70,000	60,000	60,000	60,000	70,000	30,000	Nil	350,000
	Total Managerial Remuneration	70,000	60,000	60,000	60,000	70,000	30,000	Nil	350,000
	Overall Ceiling as per the Act								3,01,84,304

Note: The company is paying only sitting fee to all Non-Executive and Independent Directors for attending Board/Committee meetings.

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD.**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		K.V.Chalapathi Reddy, CFO	Total
1.	Gross salary	25,73,692=00	25,73,692=00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	53,17,200=00	53,17,200=00
3.	Sweat Equity	Nil	Nil
4.	Commission	-	-
-	as % of profit	-	-
-	others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	<b>Total</b>	<b>78,90,892=00</b>	<b>78,90,892=00</b>

**VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

NO PENALTIES PAID BY THE COMPAY DURING THE FIANCIAL YEAR 2014-2015

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT-NOT APPLICABLE</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By Order of the Board of Directors

Sd/-

Sd/-

Secunderabad  
26<sup>th</sup> May 2015

**G V BHASKAR RAO**  
Managing Director

**G.VANAJA DEVI**  
Whole time Director

## ANNEXURE - B

### Form MR -3

#### Secretarial Audit Report

For the Financial Year Ended 31-03-2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

M/s. Kaveri Seed Company Ltd.

513 B, 5th Floor, Minerva Complex,

S.D.Road, Secunderabad- 500003

We have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Kaveri Seed Company Ltd (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period ended on 31-03-2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Kaveri Seed Company Ltd (**"The Company"**) for the financial year ended on 31-03-2015 according to the provisions of:
  - i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2008;
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2008;
    - vi) The Factories Act, 1948
    - vii) The Payment of Wages Act, 1936
    - viii) The Minimum Wages Act, 1948
    - ix) Employees Provident Fund And Misc. Provisions Act, 1952
    - x) Employers State Insurance Act, 1948
    - xi) The Payment of Bonus Act, 1965

- xii) The Environment (Protection) Act, 1986
- xiii) Electricity Act 2003
- xiv) Indian Stamp Act,1999
- xv) Income Tax Act 1961 and Indirect Tax Law
- xvi) Negotiable Instrument Act 1881
- xvii) The Payment of Gratuity Act,1972
- xviii) Service tax
- xix) Value Added Tax Act ,2005
- xx) Water (Prevention & Control of Pollution) Act 1974 and rules there under
- xxi) Air (Prevention & Control of Pollution) Act 1981 and rules there under
- xxii) Customs Act, 1962
- xxiii) Weekly Holidays Act, 1942
- xxiv) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
- xxv) Newspaper Publications
- xxvi) Central Excise Act, 1944
- xxvii) The Insurance Act, 1938 [As amended by Insurance Amendment)) Act, 2002]
- xxviii) The Industrial employment (Standing orders) Act 1946
- xxix) Registration Act 1908
- xxx) The Seed Act, 1996
- xxxi) Trade Mark Act 1999
- xxxii) Patents Act 1970

**We have also examined compliance with the applicable clauses of the following:**

- xxxiii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc., mentioned above subject to the following observations:

- A separate meeting of Independent Director was held during the year as per the provisions of Companies Act 2013.

- Maintenance of various statutory registers and documents and making necessary entries therein has been done as per Companies' Act-1956 and Companies Act 2013.

**2. We further report that** the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- Closure of the Register of Members.
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
- The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- The 27th Annual General Meeting held on 18th September 2014;
- Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- Payment of remuneration to Directors including the Managing Director and Whole-time Directors,

- Appointment and remuneration of Statutory Auditors;
  - Declaration and payment of dividends and Interim Dividend;
  - Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
  - Borrowings and registration, modification and satisfaction of charges wherever applicable;
  - Investment of the Company's funds including investments and loans to others;
  - Format of Balance Sheet and statement of profit and loss is as per Schedule VI to the Income tax Act
  - Report of the Board of Directors;
  - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- 3. We further report that:**
- The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
  - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- 4. We further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 5. We further Report that**
- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936.
  - The Company is paying bonus to all the eligible employees
  - The Company is paying all statutory dues like PF, ESI, Sales tax, VAT, Service tax, etc.
  - The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972.
- 6. We further Report that during the audit Period the Company has**
- No Public /Right/Preferential Issue of Shares/ Debentures/Sweat Equity etc.,
  - No Redemption/Buy-back of Securities
  - No major Decision taken by the members in pursuance of Section 180 of the Companies Act , 2013
  - No Merger/Amalgamation/Reconstruction, etc.,
  - No Foreign Technical Collaborations

For L.D.Reddy & C o.,  
Company Secretaries  
Sd/-

L. Dhanamjay Reddy  
Proprietor)  
CP. No.3752

Date : 26.05.2015  
Place : Hyderabad



## ANNEXURE - C

### Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy, including Overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or programs.

Promoting education, promoting preventive health care, eradicating hunger, poverty & malnutrition, making available safe drinking water, environmental sustainability, ecological balance and rural development etc.

The CSR Policy has been placed on the Company's website at : [http://www.kaveriseeds.in/csr\\_policy.php](http://www.kaveriseeds.in/csr_policy.php)

#### CSR Policy is stated herein below:

2.	Composition of the CSR Committee	Sri.G.V.Bhaskar Rao, Chairman Smt. G.Vanaja Devi, Member Sri.M.Srikanth Reddy, Member
3.	Average net profit of the company for last three financial years	₹138,02,43,171/-
4.	Prescribed CSR expenditure 2% of the amount in item No.3 above	₹2,76,04,863/-
5.	Details of CSR Spend for the Financial year Total amount spent for the financial year: Amount unspent if any:	₹1,01,15,105/- ₹1,74,89,758/-

#### C. Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects Sub heads: (1)Direct on projects or programs (2). Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Construction of schools and providing furniture	Education	GN Poor Village, Bheemdevarpally Mandal, Karimnagar District, Telangana.	₹1,25,75,000	₹83,00,364/-	₹83,00,364/-	Direct
2.	Construction of Public Amenities and Laying of CC Roads	Rural Development Project	GN Poor Village, Bheemdevarpally Mandal, Karimnagar District, Telangana.	₹18,50,000/-	₹18,14,741/-	₹18,14,741/-	Direct

6. The Company could not spend entire two percent of average net profits of the last three financial years. Out of the budgeted amounts some of the works are ongoing and once the works are completed the committed amounts will be released. This entire amount will be spent during the following financial years. The Company is making efforts to identify the projects for spending the unspent amount and the same will be spent during the following financial years.

7. We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Secunderabad  
26<sup>th</sup> May 2015

G V BHASKAR RAO  
Managing Director

G.VANAJA DEVI  
Whole time Director

## ANNEXURE - D

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO (Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of Directors Report

#### (A) CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy

The Company has taken adequate measures to conserve and reduce the energy consumption.

- (ii) The steps taken by the company for utilizing alternate sources of energy - Nil

- (iii) The capital investment on energy conservation equipments - Nil

#### (B) TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption:

Technology Absorption is not involved as the processing of Seeds is being developed in house by the Company and improvements in existing seed process systems.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

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

Continuous improvements in seed process mainly resulted in reduction of environmental loads and new technologies brought in new business opportunities.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) Technology imported - Nil

b) Year of import - Nil

c) Whether the technology been fully absorbed - NA -

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - NA -

- (iv) The expenditure incurred on Research and Development

₹ In Lakhs

	2014-15	2013-14
Capital	130.68	544.14
Recurring	1052.87	885.04
	1183.55	1429.20
Total R&D expenditure as percentage of total turnover.	1.06%	1.43%

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Earnings : ₹728.82 Lakhs

b) Out go : ₹913.01 Lakhs

For and on behalf of the Board of Directors

Sd/-

Sd/-

Secunderabad  
26<sup>th</sup> May 2015

G V BHASKAR RAO  
Managing Director

G.VANAJA DEVI  
Whole time Director

## ANNEXURE - E

### Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:

Sl. No.	Name & Designation of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. G.V.Bhaskar Rao – Chariman & MD	100.23:1
2.	Mrs. G.Vanaja Devi, Whole time Director	62.31:1
3.	Mr. R.Venumanohar Rao, Whole time Director	49.16:1
4.	Mr. C.Vamsheedhar, Whole time Director	31.20:1
5.	Mr. C.Mithunchand, Whole time Director	25.96:1

Dr. Y.I.Nene, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas, Mr. M.Srikanth Reddy, Mr. P.Varaparasad Rao and Mr. K. Purushotham, Independent Directors were paid only sitting fees for attending the Board Meetings.

- (ii) The percentage increase in remuneration of each Director & Chief Financial Officer, in the financial year.

Sl.No.	Name & Designation	% of Increase in Remuneration
1.	Mr. G.V.Bhaskar Rao – Chariman & MD	-48.15
2.	Mrs. G.Vanaja Devi, Whole time Director	-62.28
3.	Mr. R.Venumanohar Rao, Whole time Director	46.55
4.	Mr. C.Vamsheedhar, Whole time Director	52.10
5.	Mr. C.Mithunchand, Whole time Director	31.71
6.	Mr. K.V.Chalapathi Reddy, CFO	63.39

Dr. Y.I.Nene, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas, Mr. M.Srikanth Reddy, Mr. P.Varaparasad Rao and Mr. K. Purushotham, Independent Directors were paid only sitting fees for attending the Board Meetings.

- (iii) The percentage increase in the median remuneration of employees in the financial year was 56.30%  
 (iv) The number of permanent employees on the rolls of the Company as on March 31, 2015 was 814.  
 (v) The explanation on the relationship between average increase in remuneration and Company performance

Average Increase in Remuneration	Company performance
10.15%	47.65%

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March 2015
₹ 5,31,85,124	₹ 301,84,30,362

- (vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Particulars	As at March 31, 2015		As at March 31, 2014	
	BSE	NSE	BSE	NSE
Market capitalization	₹6789,72,00,172	₹6785,24,17,645	₹4393,3,143,215	₹4397,43,88,538
Price earnings ratio	22.49	22.48	20.86	20.88

The company had come out with initial public offer (IPO) in 2007 at the price of ₹170/- per equity share (including ₹160/- towards the share premium). As on 31st March 2015 the market quotation of the company share price (closing price) is as follows:

- BSE Limited: ₹985.50
- National Stock Exchange of India Ltd: ₹984.85

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

There are four Whole time Directors and a Managing Director. There was no revision in remuneration paid to the Whole time Directors and Managing Director except marginal incremental changes during the financial year ended 31st March 2015..

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Sl. No.	Name & Designation	Increment percentage in remuneration	Performance of the company for the year ended 31st March 2015
1.	Mr. G.V.Bhaskar Rao – Chariman & MD	-48.15	Net profit of the company increased by 47.65%
2.	Mrs. G.Vanaja Devi, Whole time Director	-62.28	
3.	Mr. R.Venumanohar Rao, Whole time Director	46.55	
4.	Mr. C.Vamsheedhar, Whole time Director	52.10	
5.	Mr. C.Mithunchand, Whole time Director	31.71	
6.	Mr. K.V.Chalapathi Reddy, CFO	63.39	

(x) The key parameters for any variable component of remuneration availed by the Directors:

No variable component of remuneration availed by the MD & Directors.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Nil

(xii) The remuneration paid to Key Managerial Persons is as per the remuneration policy of the Company : Yes.

**Statement of particulars of employees pursuant to the provision of Sec. 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended**

Sl. No.	Name & Designation	Remuneration received (₹)	Qualification and experience of the employee	Date of Commencement in employment	Age	Particulars of last employment
1.	Mr. G.V.Bhaskar Rao – Chariman & MD	1,68,85,385	B.Sc.,	27.08.1986	65	Business
2.	Mrs. G.Vanaja Devi, Whole time Director	1,04,96,538	B.A.,	27.08.1986	62	Business
3.	Mr. R.Venumanohar Rao, Whole time Director	82,81,847	B.Com.,	27.08.1986	57	Business
4.	Mr. C.Vamsheedhar, Whole time Director	52,56,923	B.A.,	14.09.2007	44	Business
5.	Mr. C.Mithunchand, Whole time Director	43,73,539	MBA	14.09.2007	39	Business
6.	Mr. K.V.Chalapathi Reddy, CFO	78,90,892	ACA	03.04.2008	54	Mega Soft Ltd.

Note: 1. Gross remuneration includes salary, taxable allowances, value of perquisites as per the Income Tax Rules, 1962 and company contribution to provident fund

2. Nature of employment and duties: Contractual and in accordance with terms and conditions as per company's rules.

3. No employee is a relative of any director or Key Managerial Personnel of the Company except Mr.G.V.Bhaskar Rao, who is relative of Smt. G.Vanaja Devi & Mr. R.Venumanohar Rao and Mr. C.Mithunchand who is relative of Mr. C.Vamsheedhar.

4. The percentage of equity shares held by each of the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5 is not applicable.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Secunderabad  
26<sup>th</sup> May 2015

G V BHASKAR RAO  
Managing Director

G.VANAJA DEVI  
Whole time Director

## ANNEXURE - F

### Details of Employee Stock Options Granted under Kaveri Seed Company Limited (ESOP-2008-09) as on 31.03.2015.

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

DESCRIPTION	ESOP 2014-15	
Number of Options available under the Scheme	6,85,000	
Total Number of Options granted	6,85,000	
Options granted during the year	Nil	
Pricing formula	Intrinsic Value	
Options vested during FY 2014-15	166500	
Options exercised during FY 2014-15	158900	
The total number of shares arising as a result of exercise of options	158900	
Options lapsed during FY 2014-15 which are subject to reissue	10825	
Variation of terms of options	Not Applicable	
Money realized by exercise of options	5402600	
Grant Price (Face value of ₹2/-)	₹ 34	
Total Number of options in force as on March 31, 2015(cumulative)	130000	
Grant details of members of senior management team during the year 2014-15	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		
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	₹ 300,95,78,000
	Less: (difference as above)	₹ 17,90,779/-
	Adjusted PAT	₹ 300,77,87,221/-
	Adjusted EPS	₹ 43.65/-
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)	=(49.65 -34) = ₹15.65	

Market price at NSE on the date of Grant (₹)	₹ 49.65
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	₹7.50/- per share

Secunderabad  
26<sup>th</sup> May 2015

For and on behalf of the Board  
Sd/- Sd/-

G V BHASKAR RAO  
Managing Director

G.VANAJA DEVI  
Whole time Director

# REPORT ON CORPORATE GOVERNANCE

## 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.

## 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, one Women Director and one non-executive non independent Director and Six are the Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges defined under Listing Agreement with the Stock Exchanges. None of the Non-Executive Independent Directors are responsible for the day to day affairs of the Company.

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:

### i) Composition of Board, their positions, relationship with other Directors, other Directorships and memberships of Committees held by each of them as on 31st March 2015:

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on 18.09.2014	Number of Directorships in other companies	Number of committee positions held in other public companies Chairman - Member
Sri G.V.Bhaskar Rao*	Chairman cum Managing Director	4	Yes	2	1 - 1
Smt. G.Vanaja Devi*	Executive Director	4	No	1	-
Sri R.Venu Manohar Rao*	Executive Director	2	No	1	- 2
Sri C.Vamsheedhar*	Executive Director	3	Yes	1	- 3
Sri C.Mithun Chand*	Executive Director	4	Yes	1	- 3
Dr. G.Pawan*	Non-Executive – Non Independent Director	1	No	1	-
Sri M.Srikanth Reddy	Non-Executive Independent Director	4	Yes	1	2 - 3
Dr. Yeshwant Laxman Nene	Non-Executive Independent Director	3	No	1	-

Sri P.Vara Prasad Rao	Non-Executive Independent Director	3	Yes	1	1 - 3
Dr. S.Raghuvardhan Reddy	Non-Executive Independent Director	3	Yes	1	-
Dr. S.M.Ilyas	Non-Executive Independent Director	4	No	1	-
Sri K.Purushotham	Non-executive Independent Director	2	No	1	- 3

**Note:**

- 1) Other directorships are exclusive of Indian Private Limited companies and foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.
- 2) For committee positions, only audit & stakeholders and nomination committees of public limited companies including Kaveri Seed Company Limited are considered as per Clause 49 of the Listing Agreement.
- 3) \*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.

None of the Directors on the Board is a member in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are Directors

The Board meets at regular intervals to discuss and decide on company/ business policy and strategy apart from other Board business. However, in case of special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The Chairman & Managing Director is assisted by the Executive director/Senior Managerial Personnel in overseeing the functional matters of the Company.

**ii) Board Committees:**

The Board has constituted Six Standing committees, namely Audit Committee, Borrowing Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

**iii) Meetings of the Board:**

The Board of Directors must meet at least four times a year, with a maximum time gap of four months between two Board meetings. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. Notices of Board Meetings were sent to the Directors as required under Section 173 of the Companies Act, 2013 well in advance. The Agenda along with the explanatory notes are sent in advance to the Directors. In special and exceptional circumstances, additional or supplementary items(s) on the agenda are permitted. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. The Company's Board met four times during the financial year under review on 29th May 2014, 13th August 2014, 21st October 2014 and 3rd February 2015.

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

Date of Meeting	Board Strength	No. of Directors Present
29.05.2014	12	6
13.08.2014	12	9
21.10.2014	12	10
03.02.2015	12	12



#### iv) 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.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued there under, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India. The company Secretary record minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Board committee members for their comments. The minutes are entered in the minutes book within 30 days from the conclusion of the meeting. The Company Secretary attends all the meetings of the Board and its Committees, advises/assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings.

#### 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.

#### i) 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.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same; Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;
- Review, with the management, the quarterly

financial statements before submission to the Board for approval;

- Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal financial control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Examine into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower mechanism;

- Carry out any other function as is mentioned in the terms of reference of the Audit Committee under the Listing Agreement and Companies Act, 2013.

#### ii) **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 Independent Directors, Executive Directors, Chief Financial Officer, Statutory Auditors and Internal Auditor 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.

During the year under report the Audit Committee has met four time on 29th May 2014, 13th August 2014, 21st October 2014 and 3rd February 2015.

The attendance at the audit Committee meetings during the financial year 2014-15 is as under:

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

#### **NOMINATION AND REMUNERATION COMMITTEE/ COMPENSATION COMMITTEE:**

The Committee specifically looks into the remuneration payable to Executive Directors, Key Managerial Personnel (KMP) of the Company.

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

Carry out evaluation of every director's performance;

Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

Formulation of the criteria for evaluation of Independent Directors and the Board;

Devising a policy on Board diversity;

To grant, issue and allot of options to eligible employees and administering the employee stock option scheme from time to time.

Any other matter as the Board may decide from time to time.

The composition of the Nomination and Remuneration/ Compensation Committee comprises of three Non-Executive Independent Directors and two Executive Directors. The Chairman of the Committee is a Non-Executive Independent Director.

During the year, the Committee met two times

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

#### i) Remuneration Policy:

The remuneration committee of Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the company and the remuneration of the Key Managerial Persons is to be recommended by the remuneration committee to the Board. The Non- Executive directors are paid sitting fees for attending meetings of Board/Committee.

The nomination and remuneration policy as adopted by the Board is placed on the Company's website at [www.kaveriseeds.in](http://www.kaveriseeds.in)

#### ii) The details of remuneration paid to the Directors during the year are as follows: (Amount in ₹)

##### a. Executive Directors:

Name of the Director	Salary per annum	Contribution to PF & Gratuity	Total
Shri G.V.Bhaskar Rao	16741385	144000	16885385
Smt. G.Vanaja Devi	10352538	144000	10496538
Shri R.Venumanohar Rao	8137847	144000	8281847
Shri C.Vamsheedar	5112923	144000	5256923
Shri C.Mithun Chand	4229539	144000	4373539
<b>TOTAL</b>	<b>44574232</b>	<b>720000</b>	<b>45294232</b>

##### b. Non-Executive Independent Directors:

(Amount in ₹)

Name	Designation	Sitting Fee
Sri M.Srikanth Reddy	Non-Executive Independent Director	70,000/-
Dr. Yeshwant Laxman Nene	Non-Executive Independent Director	60,000/-
Sri P.Vara Prasad Rao	Non-Executive Independent Director	60,000/-
Dr. S.Raghuvardhan Reddy	Non-Executive Independent Director	60,000/-
Dr. S.M.Ilyas	Non-Executive Independent Director	70,000/-
Sri K. Purushotham	Non-Executive Independent Director	30,000/-

#### ii) Independent Directors Meeting:

Pursuant to Schedule IV of the companies Act, 2013 and the rules made there under, the Independent Directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

All the independent directors of the Company shall strive to be present at such meetings. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the chairman of the board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the management and the board that is necessary for it to effectively and reasonably perform its duties. A meeting of the independent directors was held on 3rd day of February 2015 wherein all the independent directors as on that date have attended the meeting.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholder/Investor Grievance Committee" as the "Stakeholders Relationship Committee" and 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.Purushotham	Member

#### Name and designation of Compliance Officer:

Mr. V.R.S.Murti, Company Secretary & Compliance Officer  
Email ID for investor grievances: cs@kaveriseeds.in

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 has received 4 grievances from the investors and the same were resolved. As on 31st March 2015 there were no investor grievances pending and no transfers were pending for approval.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one of whom will be an independent director. Accordingly, the Board on 13th August 2014, constituted the CSR Committee comprising:

Mr. G.V.Bhaskar Rao, Chairman

Mrs. G.Vanaja Devi, Member

Mr. M. Srikanth Reddy, Member

The Committee formulated and recommended the Board, a CSR Policy, amount of expenditure and monitored the CSR Policy. The CSR Policy has been placed on the Company's website at [www.kaveriseeds.in](http://www.kaveriseeds.in)

#### RISK MANAGEMENT COMMITTEE:

The members of Risk Management Committee are as below:

Mr. G.V.Bhaskar Rao, Chairman

Mrs. G.Vanaja Devi, Member

Mr. C.Mithun Chand, Member

The role and responsibilities of the Committee are to formulate and recommend to the Board, a risk management plan, recommend the amount of expenditure to be incurred on the activities referred to in clause and implementing and monitoring the risk management plan of the company from time to time.

#### BORROWING COMMITTEE:

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 Bank related activities viz., 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.Mithun Chand, Members of the Committee. The minutes of the Borrowing Committee have been noticed to the Board on quarterly basis for confirmation by the Board..

## ANNUAL GENERAL MEETING:

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
25th 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	--
26th Annual General Meeting 2012-13	September 24, 2013	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	1
27th Annual General Meeting 2013-14	September 18, 2014	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	15

## DISCLOSURES:

### i. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2014-15.

### ii. Postal Ballot:

No special resolution is proposed to be conducted through postal ballot.

### iii) 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.

### iv) 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 and Board regularly. Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report. In terms of Clause 49 of the Listing Agreement, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at [www.kaveriseeds.in](http://www.kaveriseeds.in)

### v) Policy on Material Subsidiaries

In terms of Clause 49 of the listing agreement, the Board of Directors of the Company has adopted

a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: <http://www.kaveriseeds.in>

### vi) Whistle Blower Policy

The Board of Directors of the Company had adopted the Whistle Blower policy. 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. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is hosted on the Company's website at <http://www.kaveriseeds.in>.

### vii) 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 of the Listing Agreement is attached to this report forming part of the Annual Report.

### viii) 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.

#### **ix) 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 a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992. Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, which is effective from May 15, 2015, the Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information.

#### **x) 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.

#### **xi) 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.

#### **xii) Subsidiary Companies:**

The Audit Committee reviews the consolidated financial statements of the company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the company.

#### **xiii) Prohibition of Insider Trading:**

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a code of Conduct for Prohibition of Insider Trading.

#### **xiv) Details about familiarization programme**

Senior management personnel of the Company make presentations to the Board Members on periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important

policies of the Company. The details of the familiarization program are placed on the Company's website at: <http://www.kaveriseeds.in>

#### **xv) Letter of appointment**

Each independent director upon appointment is given a letter of appointment. The terms and conditions of the appointment of the independent directors is available on the Company's website at: <http://www.kaveriseeds.in>

#### **MEANS OF COMMUNICATION:**

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

#### **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, Announcements, Corporate Governance Reports 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 are regularly dispatched to the 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](http://www.kaveriseeds.in)

**GENERAL SHAREHOLDERS INFORMATION:**

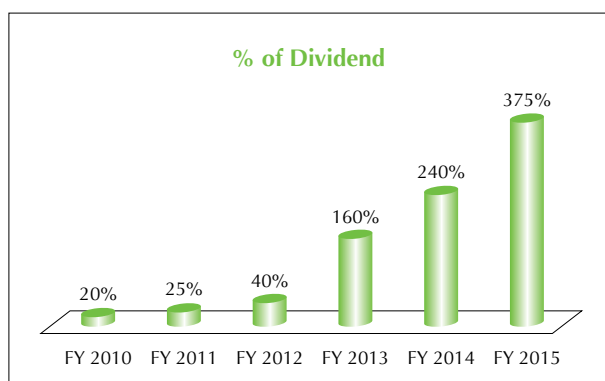
i.	28th Annual General Meeting - Date and Time - Venue	29th September 2015 at 11.15 AM Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, A.P.,
ii.	Quarterly Results: Financial Year of the Company : Financial calendar (tentative and subject to change) of the financial year 2014-15 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter	April to March  14th August 2015 14th November 2015 14th February 2016 30th May 2016 (Audited)
iii.	Date of Book Closure	26th September to 29th September 2015
iv.	Payment of Dividend	The company has paid 1st interim dividend 125% (₹2.50 per equity share of ₹2/- each) in the month of November 2014 and a second interim dividend of 125% in the month of February 2015 on the equity share capital of the company for the financial year 2014-15. The Board of Directors at its meeting held on 26th May 2015 has recommended Final Dividend of 125% (₹2.50 per equity share of ₹2/- each), subject to the approval members, the final dividend will be paid within 30 days from the date of the Annual General Meeting to the eligible shareholders.
v.	Listing on Stock Exchanges:	<b>Bombay Stock Exchange Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023. <b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, 5th floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
vi.	Listing Fees	Listing fee of both the stock Exchanges has already been paid for the year 2015-2016
vii.	Stock Code: Bombay Stock Exchange Limited National Stock Exchange of India Ltd	532899 KSCL
viii.	Dematerialization of shares and liquidity	The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.96% of the Company's share capital are dematerialized as on 31st March 2015. The Company's shares are regularly traded on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form. Under the Depository System, the ISIN allotted to the Company's Shares is INE 455101029

ix	Outstanding GDRs/ADRs/Warrants or any Convertible instruments	The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on 31st March 2015.
x	Plant Locations	<p><b>a) Kandlakoi Plant</b> Plot No.140/A/1,Kandlakoya Village, Medchal Mandal, Ranga Reddy District, A.P.</p> <p><b>b) Gundlapochampally Plant</b> Sy.No.28 Part, Gundlapochampally village, Medchal Mandal, Ranga Reddy District, A.P.</p> <p><b>c) Gatlanarsingapur Plant - 1</b> Door No.104, Gatlanarsingapur Post Bheemadevarapally Mandal Karimnagar District, A.P.</p> <p><b>d) Gatlanarsingapur Plant - 2</b> Door No.6-96/2, Gatlanarsingapur Post, Bheemadevarapally Mandal, Karimnagar District, A.P.</p> <p><b>e) Eluru Plant</b> Sy.No.853, Koppaka village, Pedavegi Mandal, West Godavari Distirct, Andhra Pradesh</p> <p><b>f) Bellary Plant &amp; Godown</b> D.No.340, NH – 63, Main Road, K.B.Halli – 583 103, Bellary District, Karnataka State</p> <p><b>g) Pamulparthy Plant</b> Sy.No.703, Part, 704 Part, 712 Part 713 to 719, Pamulaparthi Village, Wargal Mandal, Medak District</p>
xi.	Registered Office & CIN of the company	Kaveri Seed Company Limited CIN: L01120AP1986PLC006728 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
xii.	Name & Designation of Compliance Officer	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
xiii.	Registrar and Share Transfer Agents/Address for Correspondence	Bigshare Services Pvt. Ltd., 306, 3rd Floor, Right Wing, Amrutha Ville,Opp.Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082. Tel.Nos. + 91- 40– 40144967/ 23374967 Fax No. + 91-40 - 23370295 E-mail: bsshyd@bigshareonline.com



**xiv. Dividend History:**

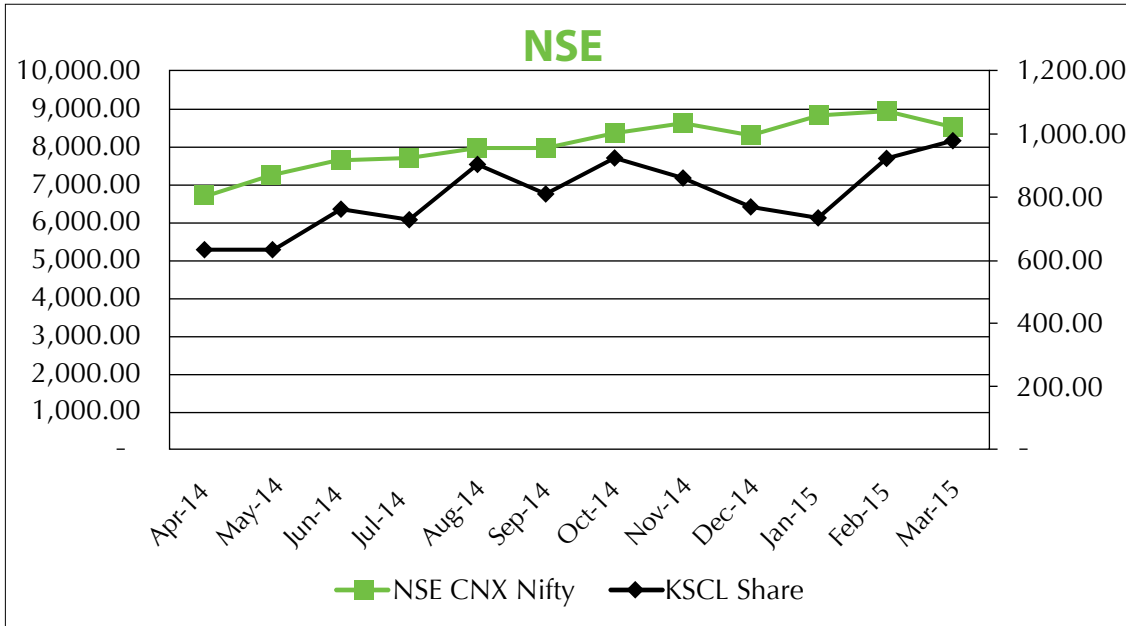
Financial Year	% of Dividend
2008-2009	20
2009-2010	20
2010-2011	25
2011-2012	40
2012-2013 – Interim & Final	160
2013-2014 - Interim & Final	240
2014-2015 – Interim & Final	375



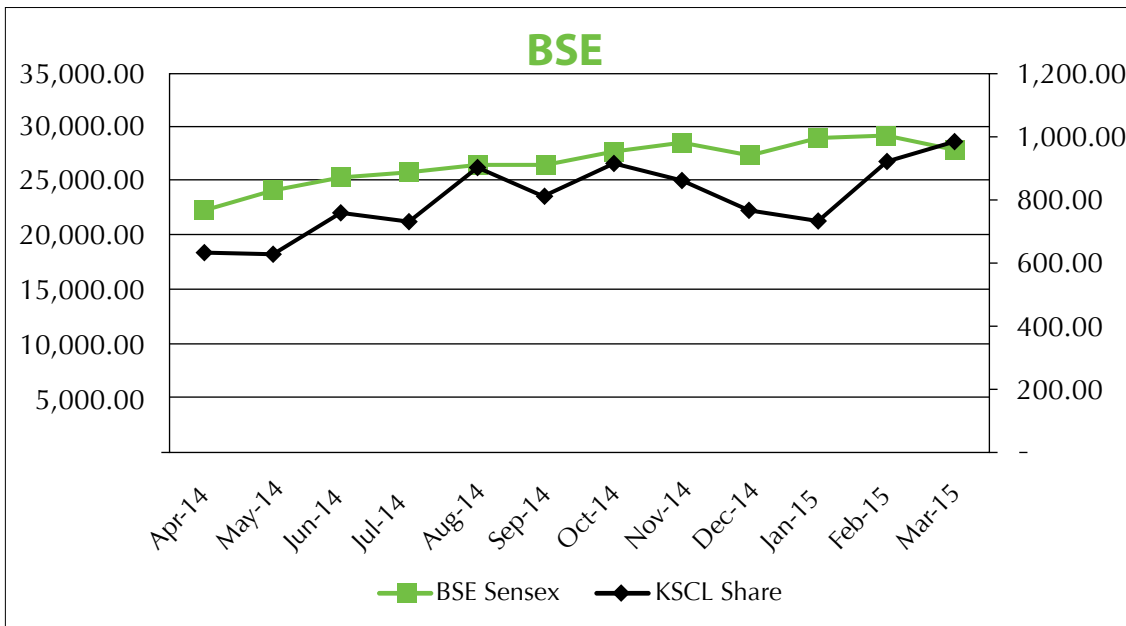
**xv. Monthly High & Low quotations and volume of shares traded on NSE & BSE during the year:**

National Stock Exchange					Bombay Stock Exchange			
Month	High	Low	Close	Volume	High	Low	Close	Volume
<b>Apr-14</b>	657.60	587.95	632.65	1738149	657.55	588.00	631.10	218,446
<b>May-14</b>	675.00	506.60	634.20	3561313	674.80	508.45	630.85	617,691
<b>Jun-14</b>	786.50	604.00	761.60	3824025	784.70	605.00	761.75	612,942
<b>Jul-14</b>	875.00	678.00	727.90	7434810	859.85	678.00	729.50	569,491
<b>Aug-14</b>	911.90	685.35	904.60	4331564	913.20	688.35	904.05	1,011,815
<b>Sep-14</b>	1,025.00	776.10	811.55	3777129	1,022.70	778.90	812.95	595,586
<b>Oct-14</b>	932.00	801.10	922.20	2868094	931.80	800.80	919.90	662,664
<b>Nov-14</b>	966.00	845.25	860.65	2078130	968.95	845.00	860.35	187,225
<b>Dec-14</b>	869.00	765.90	771.45	2469263	866.50	766.10	772.80	268,724
<b>Jan-15</b>	816.00	711.50	732.45	3436602	816.35	710.25	733.55	1,297,379
<b>Feb-15</b>	954.00	693.35	920.10	6499665	953.00	693.55	921.30	1,511,298
<b>Mar-15</b>	1,075.50	891.00	984.85	3098501	1,077.00	910.00	985.50	660,048

**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) Details of shares of the Company held by the Directors as on March 31, 2015 are as below:

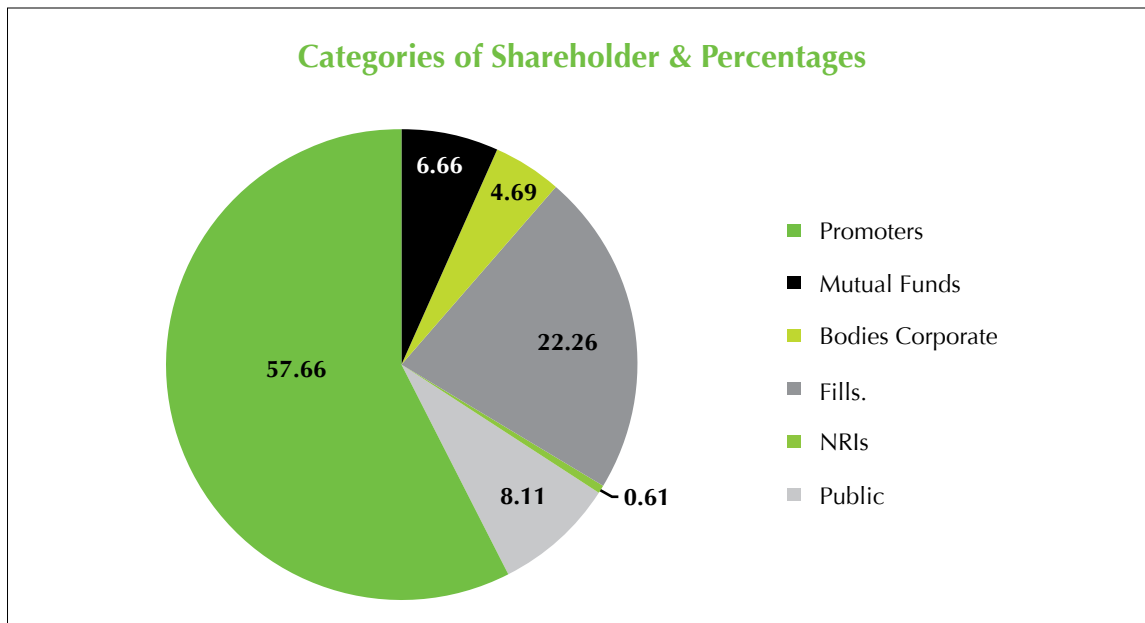
Name	No. of Shares
Sri G.V.Bhaskar Rao	6031990
Sri G.V.Bhaskar Rao – HUF	11240645
Smt. G.Vanaja Devi	15270448
Sri R.Venu Manohar Rao	2422910
Sri C.Vamsheedhar	1323255
Sri C.Mithun Chand	928895
Dr. G.Pawan	2509000
<b>TOTAL</b>	<b>39727143</b>

xvii. Distribution Schedule & Shareholding Pattern as on 31st March 2015

Category of Shares	No. of Shareholders	No. of Shares	% of total capital
1 - 500	11756	965067	1.40
501 - 1000	678	508989	0.73
1001 – 2000	378	553369	0.80
2001 – 3000	178	460030	0.67
3001 – 4000	68	241881	0.35
4001 - 5000	79	372687	0.54
5001 - 10000	103	724924	1.06
10001 – and above	237	65069248	94.45
<b>Total</b>	<b>13477</b>	<b>68896195</b>	<b>100%</b>

xviii. Categories of Equity Shareholders as on 31st March 2015:

Category	No. of Shares	%
Promoters	39727143	57.66
Mutual Funds	4588125	6.66
Bodies Corporate	3233489	4.69
FII's.	15338991	22.26
NRIs	419422	0.61
Public	5589025	8.12
<b>TOTAL</b>	<b>68896195</b>	<b>100%</b>



**xix. Top Ten Shareholders of the Company as on 31st March 2015**

Shareholders	Category	No. of Shares	%
Mrs.G. VANAJA DEVI	Promoter -Director	15270448	22.16
Mr. G.V.BHASKAR RAO(HUF)	Promoter -Director	11240645	16.31
Mr.G.V.BHASKAR RAO	Promoter -Director	6031990	8.77
SMALLCAP WORLD FUND INC	FII	4130970	6.00
Dr.PAWAN GUNDAVARAM	Promoter - Director	2509000	3.64
Mr. R. VENUMANOHAR RAO	Promoter - Director	2422910	3.52
IDFC PREMIER EQUITY FUND	FII	2277235	3.31
Mr.C. VAMSHEEDHAR	Promoter -Director	1323255	1.92
OPPENHEIMER INTERNATIONAL SMALL COMPANY	FII	1304868	1.89
FRANKLIN TEMPLETON INVESTMENT FUNDS	FII	990028	1.44

## 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 2015.

For KAVERI SEED COMPANY LTD.

Sd/-

Secunderabad  
26<sup>th</sup> May 2015

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  
M/s. 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, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Sd/-

P.RAGHUNADHA REDDY  
Partner  
Membership No.23758

Hyderabad  
26<sup>th</sup> May 2015

## CEO AND CFO CERTIFICATION

The undersigned hereby certify the following under Clause 49 of the Listing Agreement which forms part of the report on Corporate Governance.

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2015 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For KAVERI SEED COMPANY LIMITED

Sd/-

Sd/-

26<sup>th</sup> May 2015  
Secunderabad - 03

G V BHASKAR RAO  
Managing Director

K.V.CHALAPATI REDDY  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

To

The Members of

M/S. KAVERI SEED COMPANY LIMITED

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/S.KAVERI SEED COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its 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, 2015("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

**P.RAGHUNADHA REDDY**  
Partner  
Membership No.23758

Hyderabad  
26<sup>th</sup> May 2015



**Annexure referred to in the Auditors' Report to the Members of M/S.  
KAVERI SEED COMPANY LIMITED for the year ended 31st March,  
2015. 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.
- 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 has been properly dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, during the year.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system 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 and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.
- vi. According to the information and explanations given to us, the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, has not been prescribed by the Central Government for the Company.
- vii.
- a. The Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, Employees' state insurance, income-tax, sales-tax, service tax, customs duty, duty of excise, cess and other material statutory dues as applicable to it. According to the information and explanations given to us no undisputed amounts payable in respect aforesaid dues, as at 31st March, 2015 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, customs duty, duty of excise and cess, which have not been deposited on account of any dispute.
- c. According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii. According to the information and explanations given to us, the provisions of Clause (xiii) of paragraph 3 of the CARO 2015 are not applicable to the Company, since the company has no accumulated losses at the end of the financial year.
- ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
- x. 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.
- xi. In our opinion and according to the information and explanations given to us, the Company has applied the term loan for the purpose for which it has obtained.
- xii. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Sd/-

**P.RAGHUNADHA REDDY**  
Partner  
Membership No.23758

Hyderabad  
26<sup>th</sup> May 2015

## BALANCE SHEET

Particulars	Note	As at	
		31-Mar-15	31-Mar-14
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>Share Holders Funds</b>			
Share Capital	2	13,77,92,390	13,74,84,410
Share Application Money		54,02,600	52,35,660
Reserves & Surplus	3	744,96,27,243	759,28,22,233
			504,84,93,895
			519,12,13,965
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	1,39,90,000	83,94,000
Other Long Term Liabilities	5	4,59,97,910	5,99,87,910
			4,55,10,915
			5,39,04,915
<b>Current Liabilities</b>			
Trade Payables	6	148,22,75,407	228,82,23,670
Other Current Liabilities	7	264,34,06,398	245,09,32,874
Short Term Provisions	8	24,06,89,060	436,63,70,865
			23,30,13,664
			497,21,70,208
		<b>1201,91,81,008</b>	<b>1021,72,89,088</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assests	9		
Tangible Assets		151,59,21,362	134,46,35,861
Intangible Assets		54,90,326	91,18,680
Capital Work in Progress		61,65,50,457	11,66,29,992
Non Current Investments	10	22,22,68,561	8,03,30,086
Long Term Loans and Advances	11	2,32,88,039	14,60,35,726
Deferred Tax Asset		32,32,928	24,81,732
			24,81,732
		<b>238,67,51,673</b>	<b>169,92,32,077</b>
<b>Current Assests</b>			
Current Investments	12	294,30,05,000	270,30,05,000
Inventories	13	486,76,40,572	497,03,58,278
Trade Receivables	14	153,50,97,567	62,94,99,673
Cash & Cash Equivalents	15	4,06,25,011	4,94,15,196
Short Term Loans and Advances	16	90,01,450	1,28,15,260
Other Current Assets	17	23,70,59,735	963,24,29,335
			15,29,63,604
		<b>1201,91,81,008</b>	<b>1021,72,89,088</b>
<b>Notes on Financial Statements</b>	1-36		

As per our report of even date attached

For and on behalf of the Board

for P.R.REDDY & CO.,  
Firm Registration No.003268S  
CHARTERED ACCOUNTANTS

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

Place: Secunderabad  
Date: 26.05.2015

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

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

Sd/-  
G.V.BHASKAR RAO  
Managing Director

Sd/-  
G.VANAJADEVI  
Whole time Director

## PROFIT & LOSS ACCOUNT

Particulars	Note	Year ended 31-Mar-15 ₹		Year ended 31-Mar-14 ₹	
<b>INCOME</b>					
Revenue from Operations	18	1115,52,47,857		1002,41,39,240	
Other Income	19	15,65,26,442		9,67,00,298	
<b>Total Revenue</b>			<b>1131,17,74,299</b>		<b>1012,08,39,538</b>
<b>EXPENSES</b>					
Cost of Material Consumed	20	416,83,37,398		380,69,90,666	
Changes in Inventories of Finished Goods and Work in Progress	21	11,89,27,871		(6,01,92,203)	
Employee Benefit Expenses	22	25,65,86,772		27,29,61,767	
Finance Costs	23	15,42,417		15,94,529	
Depreciation & Amortisation Expenses		12,27,88,748		14,37,03,473	
Other Expenses	24	354,58,66,334		380,20,92,558	
<b>Total Expenses</b>			<b>821,40,49,540</b>		<b>796,71,50,790</b>
<b>Profit before Exceptional Items and Tax</b>			309,77,24,759		215,36,88,748
Exceptional Item - Provision for diminution in value of investments		-	(33,25,125)	-	-
<b>Profit before Tax</b>			309,43,99,634		215,36,88,748
Less : Tax expense					
Current Tax		5,00,00,000		4,16,10,892	
Tax of Earlier years		2,67,20,468		89,49,094	
Deferred Tax		(7,51,196)		(24,94,500)	
			<b>7,59,69,272</b>		<b>4,80,65,486</b>
<b>Profit after Tax</b>			<b>301,84,30,362</b>		<b>210,56,23,262</b>
<b>Earnings per share</b> (equity shares, par value ₹2 each)					
Basic			43.81		30.63
Diluted			43.71		30.56
<b>Notes on Financial Statements</b>	1-36				

As per our report of even date attached

For and on behalf of the Board

for **P.R.REDDY & CO.**,  
Firm Registration No.003268S  
CHARTERED ACCOUNTANTS

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

Sd/-  
**G.V.BHASKAR RAO**  
Managing Director

Place: Secunderabad  
Date: 26.05.2015

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

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

Sd/-  
**G.VANAJADEVI**  
Whole time Director

## NOTES ON FINANCIAL STATEMENTS

### 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, 2013, except in the case of sale of realizable scrap which is accounted for on receipt basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

#### b. Revenue Recognition

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

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

#### c. Fixed assets and Depreciation

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

v. 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 II to the Companies Act, 2013 and as per applicable Accounting standards.

vii. Further, in respect of assets whose remaining useful life is nil, their carrying amount after retaining the residual value as on 1st April 2014, i.e ₹ 11,49,774/- has been charged to the opening balance of General Reserve.

#### 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 ₹130,67,779 /-(544,16,198/-)

Revenue Expenditure ₹1052,87,128 /-(885,04,060/-)

#### 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	2014-15(₹)	2013-14(₹)
Depreciation on Fixed Assets	(751,196)	(24,94,500)

**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 ₹2.50/-(₹2.40/-) and the total dividend provided is ₹17,26,37,738/-(₹16,53,50,868/-). This is

excluding Interim Dividend of ₹5/-(₹2.40/-) per share already paid, total amounting to ₹34,44,80,976/-(₹16,49,81,292/-)

**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 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>Authorised</b>				
10,00,00,000 (10,00,00,000) Equity shares of ₹2/-(₹2/-) each		20,00,00,000		20,00,00,000
<b>Issued,Subscribed &amp; Paid up</b>				
6,88,96,195/-(6,87,42,205) Equity shares of ₹2/-(₹2/-) each		13,77,92,390		13,74,84,410
<b>TOTAL</b>		<b>13,77,92,390</b>		<b>13,74,84,410</b>

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

Name of the Shareholder	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% held	No. of Shares	% held
G Vanaja Devi	1,52,70,448	22.16%	1,11,13,000	16.17%
G V Bhaskar Rao - HUF	1,12,40,645	16.32%	1,12,40,645	16.35%
G. Madhushree	-	-	73,20,000	10.65%
G V Bhaskar Rao	60,31,990	8.76%	60,31,990	8.77%
IDFC Premier Equity Fund	22,77,235	3.31%	53,75,000	7.82%
Small Cap World Fund, INC	41,30,970	6.00%	-	-

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 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Securities Premium Reserve		65,37,12,666		64,63,76,582
<b>Employee Stock Option Scheme</b>				
Employee Stock Option Scheme Outstanding	24,85,196		50,62,903	
Less : Deferred Employee Compensation Expenses	-	24,85,196	4,34,010	46,28,893
Capital subsidy		88,400		2,88,400
<b>General Reserve</b>				
As per last Balance Sheet	60,00,17,405		50,00,17,405	
Add : Transferred from Profit and Loss Account	10,00,00,000	70,00,17,405	10,00,00,000	60,00,17,405
<b>Profit &amp; loss Account Balance</b>				
As per last Balance Sheet	379,71,82,615		217,84,64,410	
Add : Profit for the year	301,84,30,362		210,56,23,262	
	681,56,12,977		428,40,87,672	

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Less : Appropriations				
Transferred to General Reserve	10,00,00,000		10,00,00,000	
Depreciation Expenses ( Refer Note No. 1C)	11,49,774	-	-	-
Interim Dividend on Equity Shares (Dividend per share ₹5.00/(₹2.40))	34,44,80,976		16,49,81,292	
Dividend on shares issued during the year	-		3,70,056	
Tax on Dividend on shares issued during the year	-		62,890	
Tax on Interim Dividend	6,88,75,932		2,80,38,571	
Proposed Dividend on Equity Shares (Dividend per share ₹2.50/(₹2.40))	17,26,37,738		16,53,50,868	
Tax on Dividend	3,51,44,981	609,33,23,576	2,81,01,380	379,71,82,615
<b>TOTAL</b>		<b>744,96,27,243</b>		<b>504,84,93,895</b>

#### 4. LONG TERM BORROWINGS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
	Current	Non Current	Current	Non Current
<b>Secured</b>				
Term Loan from Deptt of Biotechnology, Ministry of Science & Technology		1,39,90,000		83,94,000
<b>TOTAL</b>	-	<b>1,39,90,000</b>	-	<b>83,94,000</b>

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 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Security deposits from dealers		4,59,97,910		4,55,10,915
<b>TOTAL</b>		<b>4,59,97,910</b>		<b>4,55,10,915</b>

**6. TRADE PAYABLES**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Creditors for Expenses		13,99,86,580		22,44,57,815
Sundry Creditors		134,22,88,827		206,37,65,855
Micro and Small Enterprises				
There are no micro and small enterprises, to whom the company owes dues, which are outstanding as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.				
<b>TOTAL</b>		<b>148,22,75,407</b>		<b>228,82,23,670</b>

**7. OTHER CURRENT LIABILITIES**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Advance from customers against Sales		236,16,64,719		237,73,00,508
Payable to Staff		28,17,41,679		7,36,32,366
<b>TOTAL</b>		<b>264,34,06,398</b>		<b>245,09,32,874</b>

**8. SHORT TERM PROVISIONS**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Provision for Income Tax (net of Advance Tax)		38,76,282		39,97,204
Provision for employee benefits		1,81,76,253		1,46,52,684
Provision for Wealth Tax		1,29,765		6,68,606
Provision for Dividend		17,26,37,738		16,53,50,868
Tax on Dividend		3,51,44,981		2,81,01,380
TDS Payable		1,07,24,042		2,02,42,922
<b>TOTAL</b>		<b>24,06,89,060</b>		<b>23,30,13,664</b>



## 9. Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		Amount in ₹
	As on 01-04-2014	Additions	Deletions	Up to 31-03-2015	As on 01.04.2014	Additions	Deletions	Up to 31-03-2015	As on 31-03-2015	As on 31.03.2014	
<b>A. TANGIBLE ASSETS</b>											
Land	41,48,74,338	14,03,82,823	-	55,52,57,161		-	-	-	55,52,57,161	41,48,74,338	
Buildings	48,54,92,991	3,21,49,099	-	51,76,42,090	12,98,47,390	1,62,18,426	-	14,60,65,816	37,15,76,274	36,87,70,907	
Furniture & Fixtures	3,70,21,635	74,09,991	-	4,44,31,626	1,32,73,432	71,60,972	-	2,04,34,404	2,39,97,222	2,32,80,182	
Vehicles	10,72,60,319	1,03,70,771	50,49,640	11,25,81,450	5,53,41,927	1,68,28,459	40,20,767	6,81,49,619	4,44,31,831	6,07,74,721	
Plant & Equipment	79,76,15,592	11,65,85,389	2,04,500	91,39,96,481	32,61,03,622	7,24,03,131	46,882	39,84,59,871	51,55,36,610	46,89,75,879	
Office Equipments	83,93,202	19,93,030	-	1,03,86,232	36,95,044	35,85,274	-	72,80,318	31,05,914	45,78,209	
Computers	1,20,49,866	12,38,255	-	1,32,88,121	88,27,227	24,44,544	-	1,12,71,771	20,16,350	33,81,625	
<b>Total (A)</b>	<b>186,27,07,943</b>	<b>31,01,29,358</b>	<b>52,54,140</b>	<b>216,75,83,161</b>	<b>53,70,88,642</b>	<b>11,86,40,806</b>	<b>40,67,649</b>	<b>65,16,61,799</b>	<b>151,59,21,362</b>	<b>134,46,35,861</b>	
<b>Total Previous Year (A)</b>	<b>174,10,56,003</b>	<b>16,58,21,189</b>	<b>93,60,546</b>	<b>189,75,16,646</b>	<b>42,10,22,137</b>	<b>13,85,36,519</b>	<b>66,77,871</b>	<b>55,28,80,785</b>	<b>134,46,35,861</b>	<b>132,00,33,866</b>	
<b>B. IN - TANGIBLE ASSETS</b>											
Software	1,68,68,430	16,69,362	-	1,85,37,792	77,49,750	52,97,716	-	1,30,47,466	54,90,326	91,18,680	
<b>Total (B)</b>	<b>1,68,68,430</b>	<b>16,69,362</b>	<b>-</b>	<b>1,85,37,792</b>	<b>77,49,750</b>	<b>52,97,716</b>	<b>-</b>	<b>1,30,47,466</b>	<b>54,90,326</b>	<b>91,18,680</b>	
<b>Total Previous Year (B)</b>	<b>1,33,43,630</b>	<b>35,24,800</b>	<b>-</b>	<b>1,68,68,430</b>	<b>25,82,796</b>	<b>51,66,954</b>	<b>-</b>	<b>77,49,750</b>	<b>91,18,680</b>	<b>1,07,60,834</b>	
<b>C. CAPITAL WORK IN PROGRESS</b>											
Building Under Cont.	3,93,81,784	19,59,62,228	3,51,93,740	20,01,50,272	-	-	-	-	20,01,50,272	3,93,81,784	
Other Work in Progress	7,72,48,208	41,93,24,731	8,01,72,754	41,64,00,185	-	-	-	-	41,64,00,185	7,72,48,208	
<b>Total (C)</b>	<b>11,66,29,992</b>	<b>61,52,86,959</b>	<b>11,53,66,494</b>	<b>61,65,50,457</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,65,50,457</b>	<b>11,66,29,992</b>	
<b>Total Previous Year (C)</b>	<b>3,64,85,700</b>	<b>13,92,88,884</b>	<b>5,91,44,592</b>	<b>11,66,29,992</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,66,29,992</b>	<b>3,64,85,700</b>	
<b>Total - (A+B+C)</b>	<b>199,62,06,365</b>	<b>92,70,85,679</b>	<b>12,06,20,634</b>	<b>280,26,71,410</b>	<b>54,48,38,392</b>	<b>12,39,38,522*</b>	<b>40,67,649</b>	<b>66,47,09,265</b>	<b>213,79,62,145</b>	<b>147,03,84,533</b>	
<b>Total Previous Year (A+B+C)</b>	<b>179,08,85,333</b>	<b>30,86,34,873</b>	<b>6,85,05,138</b>	<b>203,10,15,068</b>	<b>42,36,04,933</b>	<b>14,37,03,473</b>	<b>66,77,871</b>	<b>56,06,30,555</b>	<b>147,03,84,533</b>	<b>136,72,80,400</b>	

\* Includes ₹ 11,49,774/- being carrying cost (net of residual value) of assets whose useful life is nil as on 01.04.2014 and adjusted under opening retained earnings

## 10. NON - CURRENT INVESTMENTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
(Other than trade at cost)				
Investment in Equity Instruments <b>QUOTED</b>				
199425(199425) Equity Shares of Re.10 each in Vijaya Textiles Ltd - fully paid up	1,99,04,545		1,99,04,545	
1900(1900) Equity shares of ₹10 each in Bank of Maharashtra - fully paid up	43,700		43,700	
9700(9700) equity shares of ₹10 each in Indian Overseas Bank - fully paid up	2,32,800		2,32,800	
1160(1160) Equity Shares of Re.1 each in Tata Consultancy Services Ltd - full paid up	2,46,500		2,46,500	
	2,04,27,545		2,04,27,545	
Less : Provision for Diminution in Value	1,87,11,984	17,15,561	1,53,86,859	50,40,686
<b>UNQUOTED</b>				
3600(3600) Equity Shares of ₹100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,60,000		3,60,000	
700 (700) Equity Shares of ₹10 each in Swadeshi Biotechnics Ltd -fully paid up	70,000		70,000	
<b>Investment in Subsidiaries</b>				
7,70,000(7,70,000) Equity shares of ₹10 each fully paid up in Aditya Agri-tech (P) Ltd	77,00,000		77,00,000	
1,45,36,360(10,000) Equity shares of ₹10 each fully paid up in Kaveri Microtech Pvt Ltd	14,53,63,600		1,00,000	
91,800(91,800) Equity shares of ₹10 each fully paid up in Genome Agritech Pvt Ltd	30,29,400		30,29,400	
64,00,000(64,00,000) Equity shares of ₹10 each fully paid up in Kex veg India Pvt Ltd	6,40,00,000	22,05,23,000	6,40,00,000	7,52,59,400
<b>Investment in Government Securities</b>				
National Savings Certificates		30,000		30,000
<b>TOTAL</b>		<b>22,22,68,561</b>		<b>8,03,30,086</b>
Market Value of Quoted Investments		46,28,425		44,91,283
Aggregate amountof Quoted Investments		17,15,561		50,40,686
Aggregate amountof Unquoted Investments		22,05,53,000		7,52,89,400

## 11. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>Unsecured considered good</b>				
Advance for Capital Expenditure		1,34,11,928		13,08,49,394
Security Deposits		98,76,111		1,51,86,332
<b>TOTAL</b>		<b>2,32,88,039</b>		<b>14,60,35,726</b>

## 12. CURRENT INVESTMENTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
(Other than trade at cost) unquoted "Nil (95,03,625) units of ICICI Prudential Interval Fund II Quarterly Interval Plan A - Direct - Growth"			10,00,00,000	
"Nil(1,09,12,106) units of ICICI Prudential Interval Fund IV Quarterly Interval Plan B - Direct - Growth"			15,00,00,000	
3,10,225 (5,73,015) units of ICICI Prudential Money Market Fund -Direct - Growth	6,00,00,000		10,00,00,000	
30,707 (54,507) units of SBI Magnum Insta Cash Fund - Direct Plan - Growth	9,50,00,000		15,00,00,000	
1,00,00,000 (1,00,00,000) units of SBI Debt Fund Series - 366 Days 52 - Direct Plan - Growth	10,00,00,000		10,00,00,000	
Nil(1,00,00,000) units of Reliance Fixed Horizon Fund XXV - Series 29- Direct Plan - Growth			10,00,00,000	
Nil (2,18,980) units of Birla Sun Life Cash Plus - Growth - Direct Plan			4,50,00,000	
9,48,711(9,48,711) units of Birla Sun Life Trasury Optimizer Plan - Growth - Direct Plan	14,65,00,000		14,65,00,000	
Nil(2,28,000) units of Tata Money Market Fund Direct Plan- Growth			45,00,00,000	
Nil(70,00,000) units of Tata Fixed Maturity Plan Series 46 Scheme S Direct Plan- Growth			7,00,00,000	
Nil(36,68,648) units of Tata Fixed Income Portfolio Fund Scheme B2 Direct Plan- Growth			4,00,00,000	
Nil(60,00,000) units of HDFC MP 90D January 2014(1) Series 29-Direct - Growth			6,00,00,000	
1,12,41,614 (1,12,41,614) units of HDFC Floating Rate Income Fund - Long Term Plan Direct Plan- Growth Option	25,00,00,000		25,00,00,000	

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Nil(29,42,799) units of IDFC Super Saver Income Fund-Invest - Growth - Regular Plan			8,00,00,000	
Nil(1,00,00,000) units of IDFC Fixed Term Plan Series 82 - Direct Plan - Growth			10,00,00,000	
Nil(30,00,000) units of IDFC Interval Fund Directr Plan Series IV- Growth			3,00,00,000	
Nil(1,40,57,316) units of Religare Invesco Arbitrage Fund Bonus - Direct - Growth			15,00,00,000	
75,701 (1,25,627) units of Religare Invesco Credit Opportunities Fund - Direct - Growth	12,00,00,000		18,00,00,000	
Nil(60,00,000) units of Kotak FMP Series 138 Direct- Growth			6,00,00,000	
1,00,00,000 (1,00,00,000) units of DSP Blackrock FMP Series 151- 12M - Direct - Growth	10,00,00,000		10,00,00,000	
Nil(48,54,015) units of L&T Ultra Short Term Fund Direct Plan - Growth			10,00,00,000	
100 (100) Bonds of Damodar Valley Corporation	9,42,50,000		9,42,50,000	
50 (50) Bonds of Power Finance Corporation Ltd	4,72,55,000		4,72,55,000	
29,69,104 (Nil) units of UTI Short Term Income Fund -Direct- Growth	5,00,00,000			
91,123 (Nil) units of Principal Debt Opportunities Fund Conservative Plan - Direct - Growth	20,00,00,000			
46,636 (Nil) units of Principal Debt Opportunities Fund Corporate Bond Plan - Direct - Growth	10,00,00,000			
73,66,591 (Nil) units of Sundaram Income Plus Direct Plan - Growth	15,00,00,000			
26,72,898 (Nil) units of Tata Short Term Bond Fund Direct Plan - Growth	7,00,00,000			
4,37,995 (Nil) units of Birla Savings Fund - Direct Growth	11,00,00,000			
76,836 (Nil) units of Reliance Liquid Fund - Cash Plan Direct Growth	17,00,00,000			
83,06,568 (Nil) units of IDFC Money Manager Fund - Investment Direct Plan - Growth	18,00,00,000			
71,636 (Nil) units of IDFC Cash Fund Direct Growth	12,00,00,000			
14,51,390 (Nil) units of ICICI Savings Fund - DP Growth	30,00,00,000			
1,50,95,591 (Nil) units of ICICI Banking & PSU Debt Fund	23,00,00,000			
79,465 (Nil) units of Religare Invesco Short Term Fund - Direct Plan - Growth	15,00,00,000			
100 (Nil) Non Convertible Debentures of Kotak Mahindra Investments Ltd	10,00,00,000	294,30,05,000		270,30,05,000
<b>TOTAL</b>		<b>294,30,05,000</b>		<b>270,30,05,000</b>

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

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Finished Goods		361,67,63,206		350,35,84,730
Work in Process		82,87,98,198		108,75,23,224
Raw Material		42,20,79,168		37,92,50,324
<b>TOTAL</b>		<b>486,76,40,572</b>		<b>497,03,58,278</b>

### 14. TRADE RECEIVABLES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Receivables outstanding for a period exceeding six months				
Unsecured, considered good	114,45,01,498		18,56,84,514	
Considered Doubtful -unsecured	2,96,92,505		3,86,25,317	
Less : Provision for doubtful debts	(2,96,92,505)	114,45,01,498	(3,86,25,317)	18,56,84,514
<b>Other receivables</b>				
Unsecured, considered good		39,05,96,069		44,38,15,159
<b>TOTAL</b>		<b>153,50,97,567</b>		<b>62,94,99,673</b>

### 15. CASH & CASH EQUIVALENTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Cash on hand		2,94,212		13,85,060
Balance with Banks		4,03,30,799		4,80,30,136
<b>TOTAL</b>		<b>4,06,25,011</b>		<b>4,94,15,196</b>

### 16. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Advance to Staff - Unsecured and considered good		90,01,450		1,28,15,260
<b>TOTAL</b>		<b>90,01,450</b>		<b>1,28,15,260</b>

### 17. OTHER CURRENT ASSETS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
(Unsecured and considered good)				
Advance to suppliers		10,64,35,378		8,31,02,485
Loan to Subsidiaries		6,42,00,000		5,95,00,000
Prepaid expenses		63,07,797		67,01,211
Others		6,01,16,559		36,59,908
<b>TOTAL</b>		<b>23,70,59,735</b>		<b>15,29,63,604</b>

**18. REVENUE FROM OPERATIONS**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Sale of Seeds		1115,52,47,857		971,35,62,241
Sale of Micronutrients		-		31,05,76,999
<b>TOTAL</b>		<b>1115,52,47,857</b>		<b>1002,41,39,240</b>

**19. OTHER INCOME**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Capital Gain on sale of Assets		4,00,309		15,61,524
Dividend Income		91,850		21,97,487
Capital Gains from Investments		13,41,60,014		7,91,99,915
Interest Income		1,37,66,149		1,24,28,823
Others		81,08,121		13,12,549
<b>TOTAL</b>		<b>15,65,26,442</b>		<b>9,67,00,298</b>

**20. COST OF MATERIALS CONSUMED**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Raw Material Consumed/Production Expenses				
Opening Stock		34,82,46,862		37,96,60,072
Add : Purchases/Production Expenses including processing Charges**		424,21,69,704		380,65,80,918
		459,04,16,566		418,62,40,990
Less : Closing Stock		42,20,79,168		37,92,50,324
		<b>416,83,37,398</b>		<b>380,69,90,666</b>
<b>**Processing Charges</b>				
Freight Inward		13,66,60,847		8,76,56,231
Machinery Repairs & Maintenance		1,31,83,868		1,59,05,555
Seed Certification charges		1,92,749		2,80,965
Power & Fuel		7,34,54,683		7,98,73,495
Building & Godown repairs & maint.		6,40,197		1,42,167
Godown Rent		2,33,58,688		1,12,31,765
Cold Storage Maintenance		1,08,19,540		5,51,042
Factory Maintenance		9,88,68,854		8,16,54,923
Expense on processing		13,14,04,363		8,27,72,180
R&D Farm Expenses		10,52,87,128		8,85,04,060
<b>TOTAL</b>		<b>59,38,70,917</b>		<b>44,85,72,383</b>
<b>R&amp;D Farm Expenses</b>				
Cultivation Expenses		5,49,502		6,47,278
Fertilizers & Pesticides		41,11,552		41,33,295
Electricity charges		28,71,902		24,26,415
Electrical items & motor repairing charges		5,62,533		4,00,844
Farm Maintenance		1,33,16,449		1,05,15,613

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Labour charges		37,14,129		50,04,952
Postage & telephones		1,36,279		1,11,408
Printing & Stationery		68,972		1,16,293
Security charges		45,54,096		32,65,354
Staff Welfare		2,52,924		2,81,137
Travelling expenses		50,092		66,724
Vehicle Maintenance		21,06,942		21,82,600
Land Lease		1,01,83,320		1,02,61,616
Research Expenses		22,64,939		40,22,863
Testing Expenses		1,92,40,882		1,08,14,899
Professional Expenses		45,31,129		43,98,700
Salaries - Farm		3,67,71,486		2,98,54,069
<b>TOTAL</b>		<b>10,52,87,128</b>		<b>8,85,04,060</b>
Details of Raw Material consumed				
Seeds		384,59,58,531		346,66,90,430
Packing Material		20,35,21,281		19,41,88,997
Chemicals		11,88,57,586		9,37,75,331
Others		-		5,23,35,908
<b>TOTAL</b>		<b>416,83,37,398</b>		<b>380,69,90,666</b>

## 21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
(Increase)/Decrease in Finished goods				
Opening Stock	347,69,66,051		307,64,20,069	
Closing Stock	361,67,63,206	(13,97,97,155)	350,35,84,730	(42,71,64,661)
(Increase)/Decrease in Work in Process				
Opening Stock	108,75,23,224		145,44,95,682	
Closing Stock	82,87,98,198	25,87,25,026	108,75,23,224	36,69,72,458
<b>TOTAL</b>		<b>11,89,27,871</b>		<b>(6,01,92,203)</b>

## 22. EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Salaries, wages and bonus		23,55,05,372		25,58,57,939
Employee Stock option Expenses		2,64,707		9,72,906
Contribution to Provident and other funds		1,37,21,600		1,20,79,136
Staff Welfare Expenses		70,95,093		40,51,786
<b>TOTAL</b>		<b>25,65,86,772</b>		<b>27,29,61,767</b>

## 23. FINANCIAL COSTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Interest Expenses		2,17,862		5,41,626
Bank Charges		13,24,555		10,52,903
<b>TOTAL</b>		<b>15,42,417</b>		<b>15,94,529</b>

## 24. OTHER EXPENSES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>ESTABLISHMENT EXPENSES</b>				
Travelling Expenses		7,94,14,227		7,99,62,583
Postage & Telephone		90,04,057		88,48,219
Payment to Auditors		9,82,073		9,05,877
Vehicle Maintenance		33,33,281		80,05,858
Rent		78,81,958		37,57,112
Printing & Stationery		49,86,289		42,53,531
Insurance		83,02,581		58,79,582
Books & Periodicals		67,801		74,130
Rates & Taxes		41,28,801		1,11,57,701
Office Maintenance		34,19,835		61,09,366
General Expenses		37,54,703		31,99,190
Conveyance		1,15,229		1,52,653
Donations & Subscriptions		3,12,40,500		9,87,000
Legal Expenses		33,07,263		1,42,434
Professional Charges		82,11,536		1,02,33,768
Professional Tax		12,500		30,500
Sales Tax		1,86,516		4,65,377
CSR Expenditure		1,01,15,105		-
Market Cess		38,83,048		12,80,882
Security Charges		1,18,00,197		75,85,348
Service Tax		1,45,51,341		85,28,173
Computer Maintenance		24,01,240		30,31,540
Directors Sitting Fees		3,60,000		2,00,000
<b>(a) TOTAL</b>		<b>21,14,60,080</b>		<b>16,47,90,824</b>
<b>SELLING &amp; DISTRIBUTION EXP</b>				
Sales promotion expenses		17,78,13,849		22,90,36,936
Sales Schemes		130,15,98,791		193,29,53,497
Advertisement		3,84,64,311		4,50,16,636
Freight & Forwarding		15,97,99,599		10,41,45,415
Farmers Meeting Expenses		3,13,14,951		3,92,98,627
Staff & Dealers Meeting Expenses		3,91,13,187		2,60,29,087
Royalty		158,55,03,469		125,55,43,232
Bad debts Write Off		7,98,098		52,78,304
<b>(b) TOTAL</b>		<b>333,44,06,254</b>		<b>363,73,01,734</b>
<b>TOTAL of (a) &amp; (b)</b>		<b>354,58,66,334</b>		<b>380,20,92,558</b>

## 25. Capital Commitments

Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for ₹170.63Lakhs (808.37) Lakhs.

## 26. The company has made donations to the following political parties during the year

1. Telangana Rastra Samithi	- ₹	3,00,00,000/-
2. Communist Party of India	- ₹	200,000/-
3. Aam Admi Party	- ₹	100,000/-



## 27. Contingent Liabilities and Commitments

### a). Contingent Liabilities

Claims against the company not acknowledged as debts ₹159.90 Lakhs (₹ 146.65Lakhs) 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 (₹ 22.36 Lakhs)
- ii) Other matters not related to Tax aggregating to ₹10.75 Lakhs (₹10.75 Lakhs).
- iii) Bank Gurantees ₹126.79 Lakhs(₹ 113.54 Lakhs)

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

Particulars	2014-15	2013-14
Statutory Audit	₹ 6,20,730/-	₹ 5,56,182/-
Other Audit Services	₹ 1,12,360/-	₹ 1,12,360/-
For Tax Matters	₹ 2,06,910/-	₹ 1,85,394/-
Reimbursement of expenses	₹ 42,073/-	₹ 51,941/-
<b>TOTAL</b>	<b>₹ 9,82,073/-</b>	<b>₹ 9,05,877/-</b>

## 29. 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  
M/s. Aditya Agritech Pvt Ltd  
M/s. Genome Agritech Pvt Ltd  
M/s. Kaveri Microteck Pvt Ltd

### Other Related Firms:

M/s. Kaveri Infra

## 29. Transactions with related parties during the year

₹ in Lakhs

Details of Transactions	2014-15	2013-14
<b>Remuneration Paid</b>		
Mr. G.V.Bhaskar Rao	168.85	325.64
Mrs. G. Vanaja Devi	104.97	278.24
Mr. R. Venumanohar Rao	82.82	56.51
Mr. C. Vamsheedhar	52.57	34.56
Mr. C. Mithun Chand	43.74	33.21
	<b>452.95</b>	<b>728.16</b>
<b>Land and Godown Lease Paid</b>		
Mr. G.V.Bhaskar Rao	7.67	7.67
Mrs. G. Vanaja Devi	8.25	9.83
Mr. G.Pawan	11.95	14.22
Mrs. G. Madhusree	9.82	9.82
G.V.Bhaskar Rao - HUF	37.73	36.27
C. Vamsheedhar – HUF	4.07	4.07
R. Venumanohar Rao – HUF	4.12	4.12

Details of Transactions	2014-15	2013-14
M/s. Kaveri Infra	9.88	9.88
	<b>93.49</b>	<b>95.88</b>
<b>Dividend Paid</b>		
Mr. G.V.Bhaskar Rao	446.37	241.28
Mrs. G. Vanaja Devi	954.33	444.52
Mr. R. Venumanohar Rao	179.3	96.92
Mr. C. Vamsheedhar	97.92	54.93
Mr. C. Mithun Chand	68.74	63.8
Mr. G.Pawan	185.67	100.36
Mrs. G. Madhusree	175.68	292.8
G.V.Bhaskar Rao - HUF	831.81	449.63
	<b>2,939.82</b>	<b>1,744.23</b>
<b>Purchase of Land from</b>		
Mrs. G. Vanaja Devi	464.00	-
Mr G. Pawan	613.00	-
	<b>1,077.00</b>	-
<b>Investments made during the year</b>		
Equity Share Capital in M/s. Genome Agritech Pvt Ltd	-	30.29
Equity Share Capital in M/s.Kaveri Microteck Pvt Ltd	1452.64	1.00
	<b>1452.64</b>	<b>31.29</b>
<b>Loans &amp; Advances Paid during the year</b>		
M/s. Kexveg India Pvt Ltd	67.00	86.13
M/s. Genome Agritech Pvt Ltd	-	20.00
	<b>67.00</b>	<b>106.13</b>
<b>Land Lease Received</b>		
M/s. Kexveg India Pvt Ltd	14.23	8.62
<b>Purchases made during the year</b>		
M/s. Aditya Agritech Pvt Ltd	-	423.33
M/s.Kaveri Microteck Pvt Ltd	59.58	-
<b>Sales made during the year</b>		
M/s. Aditya Agritech Pvt Ltd	2,876.07	1,035.65
M/s. Genome Agritech Pvt Ltd	345.99	-
	<b>3,222.06</b>	<b>1,035.65</b>

### 30. Foreign Currency/Exchange transactions:

PARTICULARS	2014-15 (₹)	2013-14 (₹)
a. Import of Capital Goods	8,45,25,332	4,45,92,106
b. Earnings in foreign Exchange (Export of goods on FOB basis)	7,28,82,969	3,90,96,580
c. Expenditure in Foreign Currency for Travel	67,76,091	38,26,685

### 31. 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 2015			For the Year ended 31st March 2014		
	Unit	Quantity	Value(₹)	Unit	Quantity	Value(₹)
Seeds	MT	44,058	1,11,552.48	MT	36,564	97,160.78
Micronutrients	MT	-	-	MT	4,885	3,080.60
			<b>1,11,552.48</b>			<b>1,00,241.38</b>

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

Particulars	As at 31st March 2015				As at 31st March 2014			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity (MT)	Value(₹)	Quantity (MT)	Value(₹)	Quantity (MT)	Value(₹)	Quantity (MT)	Value(₹)
Seeds	11,951.67	34,769.66	21,038.64	36,167.63	10,653.29	30,554.05	11,951.67	34,769.66
Micronutrients	616.08	266.19	-	-	704.52	210.15	616.08	266.19
	<b>12,567.75</b>	<b>35,035.85</b>	<b>21,038.64</b>	<b>36,167.63</b>	<b>11,357.81</b>	<b>30,764.20</b>	<b>12,567.75</b>	<b>35,035.85</b>

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

₹ in Lakhs

Particulars	Value as on 31.03.2015	%	Value as on 31.03.2014	%
<b>IMPORTED</b>				
Seeds	NIL		NIL	
Micronutrients	NIL		NIL	
	NIL		NIL	
<b>INDIGENOUS</b>				
Seeds	41,683	100	37,197	100
Micronutrients	-		872	100
	<b>41,683</b>	<b>100</b>	<b>38,069</b>	<b>100</b>

34. The Company spent ₹1,01,15,105/- (Nil) towards CSR Expenditure for the year as against the spendable amount of ₹2,76,04,863/-. The details of expenditure are as follows.

Particulars of CSR Activity	Amount ₹
Education Development activity in GN Poor Village, Bheemdevarpally Mandal, Karimnagar District. (Including Construction of School Buildings and Providing Furniture).	83,00,364
Rural Development activity in GN Poor Village, Bheemdevarpally Mandal, Karimnagar District. (Including Laying of CC Roads and Drainages).	18,14,741
<b>Total Amount Spent ₹</b>	<b>1,01,15,105</b>

35. During the year the company transferred its Micronutrients business to its wholly owned subsidiary M/s. Kaveri Microteck Pvt Ltd against allotment of 1,45,26,360 Nos equity shares of ₹10/- each.
36. Previous year's figures have been regrouped/rearranged wherever necessary to conform to those of current year.

As per our report of even date attached

for **P.R.REDDY & CO.,**  
CHARTERED ACCOUNTANTS  
Firm Registration No.003268S

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

Place: Secunderabad  
Date: 26.05.2015

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

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

For and on behalf of the Board  
For KAVERI SEED COMPANY LIMITED

Sd/-  
**G.V.BHASKAR RAO**  
Managing Director

Sd/-  
**G.VANAJADEVI**  
Whole time Director

## Cash Flow Statement

Particulars	As at 31-Mar-15 ₹	As at 31-Mar-14 ₹
Cash flows from operating activities		
Profit before taxation	309,43,99,634	215,36,88,747
Adjustments for:		
Depreciation & Amortisation	12,27,88,748	14,37,03,473
Profit/Loss on sale of Fixed Assets	4,00,309	15,61,524
Dividend Received	(91,850)	(21,97,487)
Gain from Investments	(13,41,60,014)	(7,91,99,915)
Interest received	(1,37,66,149)	(1,24,28,823)
Finance charges	15,42,417	15,94,529
<b>Operating profit before working capital changes</b>	<b>307,11,13,095</b>	<b>220,67,22,048</b>
(Increase) / Decrease in Inventories	10,27,17,706	(5,97,82,456)
(Increase)/Decrease in Sundry Debtors	(90,55,97,894)	5,19,26,164
(Increase)/Decrease in Loans & Advances	4,17,14,170	(10,77,23,882)
Increase/(Decrease) in Trade Liabilities	(80,59,48,262)	(18,97,98,927)
Increase/(Decrease) in Other Current Liabilities	18,27,41,799	(31,13,941)
Taxes paid during the year	(7,67,20,468)	(5,05,59,986)
<b>Net cash provided by operating activities</b>	<b>161,00,20,146</b>	<b>184,76,69,019</b>
Cash flows from investing activities		
(Purchase)/Sale of Fixed Assets	(77,32,06,425)	(24,16,91,260)
(Purchase)/Sale of Investments	(38,19,38,475)	(140,07,60,604)
Dividend Received	91,850	21,97,487
Gain from Investments	13,41,60,014	7,91,99,915
Interest received	1,37,66,149	1,24,28,823
<b>Net Cash used for investing activities</b>	<b>(100,71,26,887)</b>	<b>(154,86,25,639)</b>
Cash flows from financing activities		
Dividend including Tax on Dividend	(62,11,39,627)	(38,69,05,058)
Share Application Money	54,02,600	52,35,660
Long Term Loans	55,96,000	-
Finance charges	(15,42,417)	(15,94,529)
<b>Net cash provided by financing activities</b>	<b>(61,16,83,444)</b>	<b>(38,32,63,927)</b>
Net increase in cash & cash equivalents	(87,90,185)	(8,42,20,546)
Cash & Cash equivalents at the beginning of the period	4,94,15,196	13,36,35,742
Cash & Cash equivalents at the end of the period	4,06,25,011	4,94,15,196

As per our report of even date attached

For and on behalf of the Board

for P.R.REDDY & CO.,  
Firm Registration No.003268S  
CHARTERED ACCOUNTANTS

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

Place: Hyderabad  
Date: 26.05.2015

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

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

Sd/-  
G.V.BHASKAR RAO  
Managing Director

Sd/-  
G.VANAJADEVI  
Whole time Director

## INDEPENDENT AUDITOR'S REPORT - CONSOLIDATED

### TO THE MEMBERS OF M/S. KAVERI SEED COMPANY LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/S.KAVERI SEED COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

(a).We did not audit the financial statements / financial information of M/S. GENOME AGRITECH PRIVATE LIMITED, the subsidiary, whose financial statements / financial information reflect total assets of ₹2,64,54,095 as at 31st March, 2015, total revenues of ₹4,94,88,158 and net cash flows amounting to ₹ 41,02,576/- for the year ended on that date, as considered in the consolidated

financial statements. The consolidated financial statements also include the Group's share of net loss of ₹29,39,101 for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of M/S. GENOME AGRITECH PRIVATE LIMITED, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company,

none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group Companies.
  - ii. The Group Companies did not have any Long term Contracts including Derivative Contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

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

**P.RAGHUNADHA REDDY**  
Partner  
Membership No.23758

Hyderabad  
26<sup>th</sup> May 2015

## CONSOLIDATED BALANCE SHEET

Particulars	Note	As at 31-Mar-15 ₹		As at 31-Mar-14 ₹	
<b>EQUITY AND LIABILITIES</b>					
<b>Share Holders Funds</b>					
Share Capital	2	13,77,92,390		13,74,84,410	
Share Application Money		54,02,600		52,35,660	
Reserves & Surplus	3	740,45,15,492	754,77,10,482	501,25,71,444	515,52,91,514
Minority Interest			22,06,509		39,78,214
<b>Non Current Liabilities</b>					
Long Term Borrowings	4	1,43,53,836		91,03,358	
Other Long Term Liabilities	5	6,38,77,967	7,82,31,803	5,06,87,921	5,97,91,279
<b>Current Liabilities</b>					
Short Term Borrowings	6	-		3,00,000	
Trade Payables	7	155,15,66,070		229,51,19,454	
Other Current Liabilities	8	274,70,20,839		253,57,78,059	
Short Term Provisions	9	24,51,67,201	454,37,54,110	23,27,43,120	506,39,40,633
			<b>1217,19,02,904</b>		<b>1028,30,01,640</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assests</b>					
Tangible Assets	10	160,01,92,854		142,44,93,516	
Intangible Assets		81,60,258		1,18,58,506	
Capital Work in Progress		61,65,50,456		11,66,29,992	
Non Current Investments	11	21,76,561		55,01,686	
Long Term Loans and Advances	12	2,43,49,195		14,60,45,226	
Deferred Tax Asset		32,29,567		24,75,731	
Other Non Current Assets	13	27,30,794		6,22,834	
			<b>225,73,89,685</b>		<b>170,76,27,491</b>
<b>Current Assests</b>					
Current Investments	14	294,77,05,000		277,73,05,000	
Inventories	15	494,34,92,569		497,15,45,982	
Trade Receivables	16	176,84,33,003		65,32,22,171	
Cash & Cash Equivalents	17	6,56,03,993		6,65,59,940	
Short Term Loans and Advances	18	1,00,95,243		1,29,77,242	
Other Current Assets	19	17,91,83,411	991,45,13,219	9,37,63,814	857,53,74,149
			<b>1217,19,02,904</b>		<b>1028,30,01,640</b>
<b>Notes on Financial Statements</b>	1-38				

As per our report of even date attached

For and on behalf of the Board

for **P.R.REDDY & CO.**,  
Firm Registration No.003268S  
CHARTERED ACCOUNTANTS

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

Place: Secunderabad  
Date: 26.05.2015

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

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

Sd/-  
**G.V.BHASKAR RAO**  
Managing Director

Sd/-  
**G.VANAJADEVI**  
Whole time Director



## CONSOLIDATED PROFIT & LOSS ACCOUNT

Particulars	Note	Year ended 31-Mar-15 ₹		Year ended 31-Mar-14 ₹	
<b>INCOME</b>					
Revenue from Operations	20	1161,23,25,327		1011,10,54,742	
Other Income	21	15,74,64,134		9,74,86,952	
<b>Total Revenue</b>			<b>1176,97,89,461</b>		<b>1020,85,41,694</b>
<b>EXPENSES</b>					
Cost of Material Consumed	22	429,44,46,171		381,07,61,294	
Changes in Inventories of Finished Goods and Work in Progress	23	8,99,70,738		(5,96,11,021)	
Employee Benefit Expenses	24	30,90,29,820		28,15,89,980	
Finance Costs	25	17,02,117		24,41,854	
Depreciation & Amortisation Expenses		14,90,68,944		16,41,84,980	
Other Expenses	26	382,22,37,163		386,59,14,381	
<b>Total Expenses</b>			<b>866,64,54,953</b>		<b>806,52,81,468</b>
<b>Profit before Exceptional Items and Tax</b>			310,33,34,508		214,32,60,226
Exceptional Item - Provision for diminution in value of investments			(33,25,125)		-
<b>Profit before Tax</b>			310,00,09,383		214,32,60,226
Less : Tax expense					
Current Tax		6,66,00,000		4,51,10,892	
Tax of Earlier years		2,67,20,468		89,49,094	
Deferred Tax		(7,48,556)		(24,94,500)	
Add : Excess Provision of earlier years		3,67,938		-	
			<b>9,22,03,974</b>		<b>5,15,65,486</b>
<b>Profit after Tax</b>			300,78,05,409		209,16,94,740
<b>Less : Share of Minority Interest</b>			(17,71,705)		21,34,281
<b>Profit after Tax (consolidated)</b>			<b>300,95,77,114</b>		<b>208,95,60,459</b>
<b>Earnings per share</b> (equity shares, par value ₹2 each)					
Basic			43.68		30.40
Diluted			43.68		30.33
<b>Notes on Financial Statements</b>	1-38				

As per our report of even date attached

For and on behalf of the Board

for **P.R.REDDY & CO.**,  
Firm Registration No.003268S  
CHARTERED ACCOUNTANTS

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

Sd/-  
**G.V.BHASKAR RAO**  
Managing Director

Place: Secunderabad  
Date: 26.05.2015

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

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

Sd/-  
**G.VANAJADEVI**  
Whole time Director

## Consolidated Notes on financial statements

### 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, 2013, except in the case of sale of realizable scrap which is accounted for on receipt basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

#### b. Revenue Recognition

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

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

#### c. Fixed assets and Depreciation

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

are written down to their recoverable amount.

- v. 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 II to the Companies Act, 2013 and as per applicable Accounting standards.
- vii. Further, in respect of assets whose remaining useful life is nil, their carrying amount after retaining the residual value as on 1st April 2014, i.e ₹ 16,85,827/- has been charged to the opening balance of General Reserve.

#### 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 ₹130,67,779 /-(544,16,198/-)

Revenue Expenditure ₹1052,87,128 /-(885,04,060/-)

#### 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	2014-15(₹)	2013-14(₹)
Depreciation on Fixed Assets	(748,556)	(24,94,500)

**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 ₹2.50/-(₹2.40/-) and the total dividend provided is ₹17,26,37,738/-(₹16,53,50,868/-). This is

excluding Interim Dividend of ₹5/-(₹2.40/-) per share already paid, total amounting to ₹34,44,80,976/-(₹16,49,81,292/-)

**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 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>Authorised</b>				
10,00,00,000 (10,00,00,000) Equity shares of ₹2/-(₹2/-) each		20,00,00,000		20,00,00,000
<b>Issued,Subscribed &amp; Paid up</b>				
6,88,96,195/-(6,87,42,205) Equity shares of ₹2/-(₹2/-) each		13,77,92,390		13,74,84,410
<b>TOTAL</b>		<b>13,77,92,390</b>		<b>13,74,84,410</b>

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

Name of the Shareholder	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% held	No. of Shares	% held
G Vanaja Devi	1,52,70,448	22.16%	1,11,13,000	16.17%
G V Bhaskar Rao - HUF	1,12,40,645	16.32%	1,12,40,645	16.35%
G. Madhushree	-	-	73,20,000	10.65%
G V Bhaskar Rao	60,31,990	8.76%	60,31,990	8.77%
IDFC Premier Equity Fund	22,77,235	3.31%	53,75,000	7.82%
Small Cap World Fund, INC	41,30,970	6.00%	-	-

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 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Securities Premium Reserve		65,37,12,666		64,63,76,582
<b>Employee Stock Option Scheme</b>				
Employee Stock Option Scheme Outstanding	24,85,196		50,62,903	
Less : Deferred Employee Compensation Expenses	-	24,85,196	4,34,010	46,28,893
Capital subsidy		2,88,400		2,88,400
<b>General Reserve</b>				
As per last Balance Sheet	60,00,17,405		50,00,17,405	
Add : Transferred from Profit and Loss Account	10,00,00,000	70,00,17,405	10,00,00,000	60,00,17,405
<b>Profit &amp; loss Account Balance</b>				
As per last Balance Sheet	376,12,60,165		216,04,79,729	
Add : Profit for the year	300,95,77,114		208,76,85,492	
	677,08,37,279		424,81,65,221	

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Less : Appropriations				
Transferred to General Reserve	10,00,00,000		10,00,00,000	
Depreciation Expenses ( Refer Note No. 1C)	16,85,827			-
Interim Dividend on Equity Shares (Dividend per share ₹5.00/(₹2.40))	34,44,80,976		16,49,81,292	
Dividend on shares issued during the year	-		3,70,056	
Tax on Dividend on shares issued during the year	-		62,890	
Tax on Interim Dividend	6,88,75,932		2,80,38,571	
Proposed Dividend on Equity Shares (Dividend per share ₹2.50/(₹2.40))	17,26,37,738		16,53,50,868	
Tax on Dividend	3,51,44,981	604,80,11,825	2,81,01,380	376,12,60,165
<b>TOTAL</b>		<b>740,45,15,492</b>		<b>501,25,71,444</b>

#### 4. LONG TERM BORROWINGS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
	Current	Non Current	Current	Non Current
<b>Secured</b>				
Term Loan from Deptt of Biotechnology, Ministry of Science & Technology		1,39,90,000		83,94,000
Vehicle Loans from Banks		3,63,836		7,09,358
<b>TOTAL</b>	-	<b>1,43,53,836</b>	-	<b>91,03,358</b>

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 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Security deposits from dealers		6,38,77,967		5,06,87,921
<b>TOTAL</b>		<b>6,38,77,967</b>		<b>5,06,87,921</b>

#### 6. SHORT TERM BORROWINGS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Loan From Neeladri Chit Fund Pvt Ltd		-		3,00,000
<b>TOTAL</b>		<b>-</b>		<b>3,00,000</b>

## 7. TRADE PAYABLES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Creditors for Expenses				
Sundry Creditors		15,42,98,999		22,57,30,459
Micro and Small Enterprises		139,72,67,071		206,93,88,995
There are no micro and small enterprises, to whom the company owes dues, which are outstanding as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.				
<b>TOTAL</b>		<b>155,15,66,070</b>		<b>229,51,19,454</b>

## 8. OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Advance from customers against Sales		245,42,89,070		245,97,82,571
Payable to Staff		29,27,31,769		7,59,95,488
<b>TOTAL</b>		<b>274,70,20,839</b>		<b>253,57,78,059</b>

## 9. SHORT TERM PROVISIONS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Provision for Income Tax (net of Advance Tax)		54,76,282		35,33,849
Provision for employee benefits		2,01,15,751		1,46,52,684
Provision for Wealth Tax		1,29,765		6,68,606
Provision for Dividend		17,26,37,738		16,53,50,868
Tax on Dividend		3,51,44,981		2,81,01,380
TDS Payable		1,13,11,174		2,04,15,733
Sales Tax Payable		3,51,510		20,000
<b>TOTAL</b>		<b>24,51,67,201</b>		<b>23,27,43,120</b>

## 10. Fixed Assets

Amount in ₹

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01-04-2014	Additions	Deletions	Up to 31-03-2015	As on 01.04.2014	Additions	Deletions	Up to 31-03-2015	As on 31-03-2015	As on 31.03.2014
<b>A. TANGIBLE ASSETS</b>										
Land	41,88,92,887	14,03,82,823	-	55,92,75,710	-	-	-	-	55,92,75,710	41,88,92,887
Buildings	49,22,52,559	3,21,49,099	-	52,44,01,658	13,08,11,619	1,67,67,748	-	14,75,79,367	37,68,22,291	37,45,66,246
Furniture & Fixtures	3,74,09,799	79,82,889	-	4,53,92,688	1,34,15,784	72,99,933	-	2,07,15,717	2,46,76,972	2,34,14,052
Vehicles	13,10,95,681	1,19,08,549	50,74,729	13,79,29,501	6,62,89,201	1,95,80,800	40,43,467	8,18,26,534	5,61,02,967	6,48,06,481
Plant & Equipment	91,20,25,378	12,65,12,250	2,04,500	1,03,83,33,128	36,50,29,347	9,54,24,340	46,882	46,04,06,805	57,79,26,323	53,46,60,447
Office Equipments	86,15,413	20,17,030	-	1,06,32,443	38,01,384	36,69,570	-	74,70,954	31,61,490	46,04,270
Computers	1,28,25,356	13,22,739	-	1,41,48,095	92,76,224	26,94,825	-	1,19,71,049	21,77,046	35,49,133
<b>Total (A)</b>	<b>201,31,17,074</b>	<b>32,22,75,379</b>	<b>52,79,229</b>	<b>233,01,13,224</b>	<b>58,86,23,558</b>	<b>14,54,37,216</b>	<b>40,90,349</b>	<b>72,99,70,425</b>	<b>160,01,42,799</b>	<b>142,44,93,516</b>
<b>Total Previous Year (A)</b>	<b>179,95,92,127</b>	<b>22,28,85,493</b>	<b>93,60,546</b>	<b>201,31,17,074</b>	<b>43,62,83,403</b>	<b>15,90,18,026</b>	<b>66,77,871</b>	<b>58,86,23,558</b>	<b>142,44,93,516</b>	<b>136,33,08,724</b>
<b>B. IN - TANGIBLE ASSETS</b>										
Software	1,68,68,430	16,69,362	-	1,85,37,792	77,49,750	52,97,716	-	1,30,47,466	54,90,326	91,18,680
Patents	1,35,055	-	-	1,35,055	65,161	19,839	-	85,000	50,055	69,894
Goodwill	26,69,932	-	-	26,69,932	-	-	-	-	26,69,932	26,69,932
<b>Total (B)</b>	<b>1,96,73,417</b>	<b>16,69,362</b>	<b>-</b>	<b>2,13,42,779</b>	<b>78,14,911</b>	<b>53,17,555</b>	<b>-</b>	<b>1,31,32,466</b>	<b>82,10,313</b>	<b>1,18,58,506</b>
<b>Total Previous Year (B)</b>	<b>1,34,78,685</b>	<b>61,94,732</b>	<b>-</b>	<b>1,96,73,417</b>	<b>26,47,957</b>	<b>51,66,954</b>	<b>-</b>	<b>78,14,911</b>	<b>1,18,58,506</b>	<b>1,08,30,728</b>
<b>C. CAPITAL WORK IN PROGRESS</b>										
Building Under Cont.	3,93,81,784	19,59,62,228	3,51,93,740	20,01,50,272	-	-	-	-	20,01,50,272	3,93,81,784
Other Work in Progress	7,72,48,207	41,93,24,731	8,01,72,754	41,64,00,184	-	-	-	-	41,64,00,184	7,72,48,208
<b>Total (C)</b>	<b>11,66,29,992</b>	<b>61,52,86,959</b>	<b>11,53,66,494</b>	<b>61,65,50,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,65,50,456</b>	<b>11,66,29,992</b>
<b>Total Previous Year (C)</b>	<b>8,12,63,658</b>	<b>14,60,70,998</b>	<b>11,07,04,663</b>	<b>11,66,29,992</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,66,29,992</b>	<b>8,12,63,658</b>
<b>Total - (A+B+C)</b>	<b>214,94,20,482</b>	<b>93,92,31,700</b>	<b>12,06,45,723</b>	<b>296,80,06,459</b>	<b>59,64,38,469</b>	<b>15,07,54,771*</b>	<b>40,90,349</b>	<b>74,31,02,891</b>	<b>222,49,03,568</b>	<b>155,29,82,014</b>
<b>Total Previous Year (A+B+C)</b>	<b>189,43,34,469</b>	<b>37,51,51,223</b>	<b>12,00,65,209</b>	<b>214,94,20,482</b>	<b>43,89,31,360</b>	<b>16,41,84,980</b>	<b>66,77,871</b>	<b>59,64,38,469</b>	<b>155,29,82,014</b>	<b>145,54,03,109</b>

\*Includes ₹ 16,85,827/- being carrying cost (net of residual value) of assets whose useful life is nil as on 01.04.2014 and adjusted under opening retained earnings

## 11. NON - CURRENT INVESTMENTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
(Other than trade at cost)				
Investment in Equity Instruments				
<b>QUOTED</b>				
199425(199425) Equity Shares of Re.10 each in Vijaya Textiles Ltd - fully paid up	1,99,04,545		1,99,04,545	
1900(1900) Equity shares of ₹10 each in Bank of Maharashtra - fully paid up	43,700		43,700	
9700(9700) equity shares of ₹10 each in Indian Overseas Bank - fully paid up	2,32,800		2,32,800	
1160(1160) Equity Shares of Re.1 each in Tata Consultancy Services Ltd - full paid up	2,46,500		2,46,500	
	2,04,27,545		2,04,27,545	
Less : Provision for Diminution in Value	1,87,11,984	17,15,561	1,53,86,859	50,40,686
<b>UNQUOTED</b>				
3600(3600) Equity Shares of ₹100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,60,000		3,60,000	
700 (700) Equity Shares of ₹10 each in Swadeshi Biotechnics Ltd -fully paid up	70,000	4,30,000	70,000	4,30,000
<b>Investment in Government Securities</b>				
National Savings Certificates		31,000		31,000
<b>TOTAL</b>		<b>21,76,561</b>		<b>55,01,686</b>
Market Value of Quoted Investments		46,28,425		44,91,283
Aggregate amount of Quoted Investments		17,15,561		50,40,686
Aggregate amount of Unquoted Investments		4,61,000		4,61,000

## 12. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>Unsecured considered good</b>				
Advance for Capital Expenditure		1,34,18,929		13,08,49,394
Security Deposits		1,09,30,266		1,51,95,832
<b>TOTAL</b>		<b>2,43,49,195</b>		<b>14,60,45,226</b>

## 13. OTHER NON CURRENT ASSETS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>Unamortised Preliminary Expenses</b>		27,30,794		6,22,834
<b>TOTAL</b>		<b>27,30,794</b>		<b>6,22,834</b>



## 14. CURRENT INVESTMENTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>(Other than trade at cost) unquoted</b>				
(Other than trade at cost) unquoted				
"Nil (95,03,625) units of ICICI Prudential Interval Fund II Quarterly Interval Plan A - Direct - Growth"			10,00,00,000	
"Nil(1,09,12,106) units of ICICI Prudential Interval Fund IV Quarterly Interval Plan B - Direct - Growth"			15,00,00,000	
3,10,225 (5,73,015) units of ICICI Prudential Money Market Fund -Direct - Growth	6,00,00,000		10,00,00,000	
30,707 (54,507) units of SBI Magnum Insta Cash Fund - Direct Plan - Growth	9,50,00,000		15,00,00,000	
1,00,00,000 (1,00,00,000) units of SBI Debt Fund Series - 366 Days 52 - Direct Plan - Growth	10,00,00,000		10,00,00,000	
Nil(1,00,00,000) units of Reliance Fixed Horizon Fund XXV - Series 29- Direct Plan - Growth			10,00,00,000	
Nil (2,18,980) units of Birla Sun Life Cash Plus - Growth - Direct Plan			4,50,00,000	
9,48,711(9,48,711) units of Birla Sun Life Trasury Optimizer Plan - Growth - Direct Plan	14,65,00,000		14,65,00,000	
Nil(2,28,000) units of Tata Money Market Fund Direct Plan- Growth			45,00,00,000	
Nil(70,00,000) units of Tata Fixed Maturity Plan Series 46 Scheme S Direct Plan- Growth			7,00,00,000	
Nil(36,68,648) units of Tata Fixed Income Portfolio Fund Scheme B2 Direct Plan- Growth			4,00,00,000	
Nil(60,00,000) units of HDFC MP 90D January 2014(1) Series 29-Direct - Growth			6,00,00,000	
1,12,41,614 (1,12,41,614) units of HDFC Floating Rate Income Fund - Long Term Plan Direct Plan- Growth Option	25,00,00,000		25,00,00,000	
Nil(29,42,799) units of IDFC Super Saver Income Fund-Invest - Growth - Regular Plan			8,00,00,000	
Nil(1,00,00,000) units of IDFC Fixed Term Plan Series 82 - Direct Plan - Growth			10,00,00,000	
Nil(30,00,000) units of IDFC Interval Fund Directr Plan Series IV- Growth			3,00,00,000	

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Nil(1,40,57,316) units of Religare Invesco Arbitrage Fund Bonus - Direct - Growth			15,00,00,000	
75,701 (1,25,627) units of Religare Invesco Credit Opportunities Fund - Direct - Growth	12,00,00,000		18,00,00,000	
Nil(60,00,000) units of Kotak FMP Series 138 Direct- Growth			6,00,00,000	
1,00,00,000 (1,00,00,000) units of DSP Blackrock FMP Series 151- 12M - Direct - Growth	10,00,00,000		10,00,00,000	
Nil(48,54,015) units of L&T Ultra Short Term Fund Direct Plan - Growth			10,00,00,000	
100 (100) Bonds of Damodar Valley Corporation	9,42,50,000		9,42,50,000	
50 (50) Bonds of Power Finance Corporation Ltd	4,72,55,000		4,72,55,000	
29,69,104 (Nil) units of UTI Short Term Income Fund -Direct- Growth	5,00,00,000			
91,123 (Nil) units of Principal Debt Opportunities Fund Conservative Plan - Direct - Growth	20,00,00,000			
46,636 (Nil) units of Principal Debt Opportunities Fund Corporate Bond Plan - Direct - Growth	10,00,00,000			
73,66,591 (Nil) units of Sundaram Income Plus Direct Plan - Growth	15,00,00,000			
26,72,898 (Nil) units of Tata Short Term Bond Fund Direct Plan - Growth	7,00,00,000			
4,37,995 (Nil) units of Birla Savings Fund - Direct Growth	11,00,00,000			
76,836 (Nil) units of Reliance Liquid Fund - Cash Plan Direct Growth	17,00,00,000			
83,06,568 (Nil) units of IDFC Money Manager Fund - Investment Direct Plan - Growth	18,00,00,000			
71,636 (Nil) units of IDFC Cash Fund Direct Growth	12,00,00,000			
14,51,390 (Nil) units of ICICI Savings Fund - DP Growth	30,00,00,000			
1,50,95,591 (Nil) units of ICICI Banking & PSU Debt Fund	23,00,00,000			
79,465 (Nil) units of Religare Invesco Short Term Fund - Direct Plan - Growth	15,00,00,000			
Nil (67,477) units of IDFC Cash Fund - Daily Dividend - Direct Plan			6,75,00,000	
100 (Nil) Non Convertible Debentures of Kotak Mahindra Investments Ltd	10,00,00,000	294,30,05,000		277,05,05,000
Chitts with Neeladri Chit Fund Pvt Ltd		47,00,000		34,00,000
Chitts with Margadarsi Chit Fund Pvt Ltd				34,00,000
<b>TOTAL</b>		<b>294,77,05,000</b>		<b>277,73,05,000</b>

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

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Finished Goods		367,08,14,055		350,35,84,730
Work in Process		83,03,23,161		108,75,23,224
Raw Material		44,23,55,353		38,04,38,028
<b>TOTAL</b>		<b>494,34,92,569</b>		<b>497,15,45,982</b>

### 16. TRADE RECEIVABLES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Receivables outstanding for a period exceeding six months				
Unsecured, considered good	120,00,36,583		18,57,80,548	
Considered Doubtful -unsecured	4,49,24,767		3,86,25,317	
Less : Provision for doubtful debts	(4,49,24,767)	120,00,36,583	(3,86,25,317)	18,57,80,548
<b>Other receivables</b>				
Unsecured, considered good		56,83,96,420		46,74,41,623
<b>TOTAL</b>		<b>176,84,33,003</b>		<b>65,32,22,171</b>

### 17. CASH & CASH EQUIVALENTS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Cash on hand		10,27,799		14,45,670
Balance with Banks		6,45,76,194		6,51,14,270
<b>TOTAL</b>		<b>6,56,03,993</b>		<b>6,65,59,940</b>

### 18. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Advance to Staff - Unsecured and considered good		1,00,95,243		1,29,77,242
<b>TOTAL</b>		<b>1,00,95,243</b>		<b>1,29,77,242</b>

### 19. OTHER CURRENT ASSETS

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
(Unsecured and considered good)				
Advance to suppliers		11,15,56,749		8,31,02,485
Prepaid expenses		63,33,170		67,01,211
Others		6,12,93,492		39,60,118
<b>TOTAL</b>		<b>17,91,83,411</b>		<b>9,37,63,814</b>

**20. REVENUE FROM OPERATIONS**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Sale of Seeds		1132,22,89,005		978,31,74,460
Sale of Micronutrients		25,99,47,279		30,80,60,954
Sale of Vegetables		3,00,89,043		1,98,19,328
<b>TOTAL</b>		<b>1161,23,25,327</b>		<b>1011,10,54,742</b>

**21. OTHER INCOME**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Capital Gain on sale of Assets		4,74,661		15,61,524
Dividend Income		23,40,563		38,46,391
Capital Gains from Investments		13,41,60,014		7,91,99,915
Interest Income		1,38,04,275		1,24,28,823
Others		66,84,621		4,50,299
<b>TOTAL</b>		<b>15,74,64,134</b>		<b>9,74,86,952</b>

**22. COST OF MATERIALS CONSUMED**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Raw Material Consumed/Production Expenses				
Opening Stock		38,04,38,028		38,03,78,160
Add : Purchases/Production Expenses including processing Charges**		435,63,63,496		381,08,21,162
		473,68,01,524		419,11,99,322
Less : Closing Stock		44,23,55,353		38,04,38,028
		<b>429,44,46,171</b>		<b>381,07,61,294</b>
<b>**Processing Charges</b>				
Freight Inward		13,67,81,160		8,76,61,342
Machinery Repairs & Maintenance		1,37,23,176		1,59,05,555
Seed Certification charges		1,92,749		2,80,965
Power & Fuel		7,61,24,193		8,05,36,884
Building & Godown repairs & maint.		6,40,197		1,42,167
Godown Rent		2,38,46,780		1,12,31,766
Cold Storage Maintenance		1,64,58,643		5,51,042
Factory Maintenance		11,00,44,067		8,71,08,850
Expense on processing		13,79,99,157		8,43,72,463
R&D Farm Expenses		10,52,87,128		8,85,04,060
<b>Total</b>		<b>62,10,97,250</b>		<b>45,62,95,093</b>
<b>R&amp;D Farm Expenses</b>				
Cultivation Expenses		5,49,502		6,47,278
Fertilizers & Pesticides		41,11,552		41,33,295
Electricity charges		28,71,902		24,26,415
Electrical items & motor repairing charges		5,62,533		4,00,844

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Farm Maintenance		133,16,449		1,05,15,613
Labour charges		37,14,129		50,04,952
Postage & telephones		1,36,279		1,11,408
Printing & Stationery		68,972		1,16,293
Security charges		45,54,096		32,65,354
Staff Welfare		2,52,924		2,81,137
Travelling expenses		50,092		66,724
Vehicle Maintenance		21,06,942		21,82,600
Land Lease		1,01,83,320		1,02,61,616
Research Expenses		22,64,939		40,22,863
Testing Expenses		1,92,40,882		1,08,14,899
Professional Expenses		45,31,129		43,98,700
Salaries - Farm		3,67,71,486		2,98,54,069
		<b>10,52,87,128</b>		<b>8,85,04,060</b>
Details of Raw Material consumed				
Seeds		3,85,34,64,414		3,46,16,92,258
Packing Material		20,35,21,281		19,41,88,997
Chemicals		11,88,57,586		9,37,75,331
Others		11,86,02,890		6,11,04,708
		<b>429,44,46,171</b>		<b>381,07,61,294</b>

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

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
(Increase)/Decrease in Finished goods				
Opening Stock	350,35,84,730		307,70,01,251	
Closing Stock	367,08,14,055	(16,72,29,325)	350,35,84,730	(42,65,83,479)
(Increase)/Decrease in Work in Process				
Opening Stock	108,75,23,224		145,44,95,682	
Closing Stock	83,03,23,161	25,72,00,063	108,75,23,224	36,69,72,458
<b>TOTAL</b>		<b>8,99,70,738</b>		<b>(5,96,11,021)</b>

### 24. EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Salaries, wages and bonus		28,49,39,907		26,41,63,934
Employee Stock option Expenses		2,64,707		11,88,821
Contribution to Provident and other funds		1,60,99,296		1,20,79,136
Staff Welfare Expenses		77,25,910		41,58,089
<b>TOTAL</b>		<b>30,90,29,820</b>		<b>28,15,89,980</b>

**25. FINANCIAL COSTS**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
Interest Expenses		2,90,200		6,53,634
Loss on Chits		-		6,64,333
Bank Charges		14,11,917		11,23,887
<b>TOTAL</b>		<b>17,02,117</b>		<b>24,41,854</b>

**26. OTHER EXPENSES**

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	₹	₹	₹	₹
<b>ESTABLISHMENT EXPENSES</b>				
Travelling Expenses		9,77,89,912		8,19,76,471
Postage & Telephone		1,08,36,368		90,92,121
Payment to Auditors		12,28,673		10,07,001
Vehicle Maintenance		55,84,567		85,16,718
Rent		78,81,958		37,57,112
Printing & Stationery		56,30,513		43,23,980
Insurance		90,71,345		60,64,835
Books & Periodicals		69,541		74,130
Rates & Taxes		1,07,32,189		1,12,41,370
Office Maintenance		35,70,956		61,10,885
General Expenses		76,85,905		35,58,453
Conveyance		2,13,746		15,38,137
Donations & Subscriptions		3,12,40,500		9,87,000
Legal Expenses		33,92,263		1,42,434
Professional Charges		84,45,421		1,10,59,086
Professional Tax		20,000		35,500
Sales Tax		1,86,516		4,65,377
CSR Expenditure		1,01,15,105		-
Market Cess		46,78,225		12,83,268
Security Charges		1,18,00,197		80,71,254
Service Tax		1,54,69,028		85,28,173
Computer Maintenance		24,04,240		30,33,890
Directors Sitting Fees		3,66,170		2,00,000
(a) Total		24,84,13,338		17,10,67,195
<b>SELLING &amp; DISTRIBUTION EXP</b>				
Sales promotion expenses		19,92,64,990		23,41,22,406
Sales Schemes		146,79,29,726		197,57,54,908
Advertisement		3,85,37,311		4,51,32,136
Freight & Forwarding		19,11,69,479		11,10,38,076
Farmers Meeting Expenses		3,55,32,602		4,09,12,152
Staff & Dealers Meeting Expenses		4,95,92,119		2,61,09,610
Royalty		158,55,03,469		125,55,43,232
Bad debts Write Off		9,50,941		62,34,666
Provision for Doubtful Debts		53,43,188		-
(b) Total		357,38,23,825		369,48,47,186
<b>Total of (a) &amp; (b)</b>		<b>382,22,37,163</b>		<b>386,59,14,381</b>

## 27. Capital Commitments

Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for ₹170.63Lakhs (808.37) Lakhs.

## 28. The company has made donations to the following political parties during the year

1. Telangana Rastra Samithi	- ₹	3,00,00,000/-
2. Communist Party of India	- ₹	200,000/-
3. Aam Admi Party	- ₹	100,000/-

## 29. Contingent Liabilities and Commitments

### a). Contingent Liabilities

Claims against the company not acknowledged as debts ₹159.90 Lakhs (₹ 146.65Lakhs) 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 (₹ 22.36 Lakhs)
- Other matters not related to Tax aggregating to ₹10.75 Lakhs (₹10.75 Lakhs).
- Bank Gurantees ₹126.79 Lakhs(₹ 113.54 Lakhs)

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

Particulars	2014-15	2013-14
Statutory Audit	₹ 813,180/-	₹ 6,32,025/-
Other Audit Services	₹ 1,12,360/-	₹ 1,12,360/-
For Tax Matters	₹ 2,61,060/-	₹ 2,10,675/-
Reimbursement of expenses	₹ 42,073/-	₹ 51,941/-
<b>TOTAL</b>	<b>₹ 12,28,673/-</b>	<b>₹10,07,001/-</b>

## 31. 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  
Mr. T. Venkateswarlu  
Mr. N. Papa Rao  
Mr. N. Venkateswara Rao

### Other Related Firms:

M/s. Kaveri Infra

## 31. Transactions with related parties during the year

₹ in Lakhs

Details of Transactions	2014-15	2013-14
<b>Remuneration Paid</b>		
Mr. G.V.Bhaskar Rao	168.85	325.64
Mrs. G. Vanaja Devi	104.97	278.24
Mr. R. Venumanohar Rao	82.82	56.51
Mr. C. Vamsheedhar	52.57	34.56
Mr. C. Mithun Chand	43.74	33.21
Mr. T.Venkateswarlu	9.40	6.00

Details of Transactions	2014-15	2013-14
Mr. N.Venkateswara Rao	12.00	-
Mr. N.Papa Rao	12.00	-
	<b>486.35</b>	<b>734.16</b>
<b>Land and Godown Lease Paid</b>		
Mr. G.V.Bhaskar Rao	7.67	7.67
Mrs. G. Vanaja Devi	8.25	9.83
Mr. G.Pawan	11.95	14.22
Mrs. G. Madhusree	9.82	9.82
G.V.Bhaskar Rao - HUF	37.73	36.27
C. Vamsheedhar – HUF	4.07	4.07
R. Venumanohar Rao – HUF	4.12	4.12
M/s. Kaveri Infra	9.88	9.88
	<b>93.49</b>	<b>95.88</b>
<b>Dividend Paid</b>		
Mr. G.V.Bhaskar Rao	446.37	241.28
Mrs. G. Vanaja Devi	954.33	444.52
Mr. R. Venumanohar Rao	179.3	96.92
Mr. C. Vamsheedhar	97.92	54.93
Mr. C. Mithun Chand	68.74	63.8
Mr. G.Pawan	185.67	100.36
Mrs. G. Madhusree	175.68	292.8
G.V.Bhaskar Rao - HUF	831.81	449.63
	<b>2,939.82</b>	<b>1,744.23</b>
<b>Purchase of Land from</b>		
Mrs. G. Vanaja Devi	464.00	-
Mr G. Pawan	613.00	-
	<b>1,077.00</b>	-

### 32. Foreign Currency/Exchange transactions:

Particulars	2014-15 (₹)	2013-14 (₹)
a. Import of Capital Goods	8,45,25,332	4,45,92,106
b. Earnings in foreign Exchange (Export of goods on FOB basis)	9,80,11,356	5,48,61,808
c. Expenditure in Foreign Currency for Travel	67,76,091	38,26,685



**33. 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 2015			For the Year ended 31st March 2014		
	Unit	Quantity	Value(₹)	Unit	Quantity	Value(₹)
Seeds	MT	44,904	1,13,223	MT	36,505	97,831
Micronutrients	MT	3,699	2,599	MT	4,885	3,081
Vegetables	MT	232	301	MT	324	198
			<b>1,16,123</b>			<b>1,01,110</b>

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

₹ in Lakhs

Particulars	As at 31st March 2015				As at 31st March 2014			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity (MT)	Value(₹)	Quantity (MT)	Value(₹)	Quantity (MT)	Value(₹)	Quantity (MT)	Value(₹)
Seeds	11,951.67	34,769.66	21148.64	36313.06	10,653.29	30554.05	11,951.67	34,769.66
Minconutrients	616.08	266.19	1111.93	395.08	704.52	210.15	616.08	266.19
Vegetables	0.02	0.43	-	-	0.05	1.63	0.02	0.43
	<b>12,567.77</b>	<b>35,036.28</b>	<b>22,260.57</b>	<b>36,708.14</b>	<b>11,357.86</b>	<b>30,765.83</b>	<b>12,567.77</b>	<b>35,036.28</b>

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

₹ in Lakhs

Particulars	Value as on 31.03.2015	%	Value as on 31.03.2014	%
<b>IMPORTED</b>				
Seeds	NIL		NIL	
Micronutrients	NIL		NIL	
	NIL		NIL	
<b>INDIGENOUS</b>				
Seeds	41,758	100	37,147	100
Micronutrients	1,069	100	872	100
Vegetables	117	100	88	100
	<b>42,944</b>	<b>100</b>	<b>38,107</b>	<b>100</b>

36. The Company spent ₹101,15,105/- (Nil) towards CSR Expenditure for the year as against the spendable amount of ₹2,76,04,863/-. The details of expenditure are as follows.

Particulars of CSR Activity	Amount ₹
Education Development activity in GNPoor Village, Bheemdevarpally Mandal, Karimnagar District. (Including Construction of School Buildings and Providing Furniture).	83,00,364
Rural Development activity in GNPoor Village, Bheemdevarpally Mandal, Karimnagar District. (Including Laying of CC Roads and Drainages).	18,14,741
<b>Total Amount Spent ₹</b>	<b>1,01,15,105</b>

37. During the year the company transferred its Micronutrients business to its wholly owned subsidiary M/s. Kaveri Microteck Pvt Ltd against allotment of 145,26,360 Nos equity shares of ₹10/- each.
38. Previous year's figures have been regrouped/rearranged wherever necessary to conform to those of current year.

As per our report of even date attached

for **P.R.REDDY & CO.,**  
CHARTERED ACCOUNTANTS  
Firm Registration No.003268S

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

Place: Secunderabad  
Date: 26.05.2015

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

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

For and on behalf of the Board  
For KAVERI SEED COMPANY LIMITED

Sd/-  
**G.V.BHASKAR RAO**  
Managing Director

Sd/-  
**G.VANAJADEVI**  
Whole time Director

## Consolidated Cash Flow Statement

Particulars	As at 31/03/2015 ₹	As at 31/03/2014 ₹
Cash flows from operating activities		
Profit before taxation	310,00,09,383	214,32,60,226
<b>Adjustments for:</b>		
Depreciation & Amortisation	14,90,68,944	16,41,86,980
(Profit)/Loss on sale of Fixed Assets	4,74,661	15,61,524
Dividend Received	(23,40,563)	(38,46,391)
Gain from Investments	(13,41,60,014)	(7,91,99,915)
Interest received	(1,38,04,275)	(1,24,28,823)
Finance charges	17,02,117	24,41,854
<b>Operating profit before working capital changes</b>	<b>310,09,50,253</b>	<b>221,59,75,455</b>
(Increase) / Decrease in Inventories	2,80,53,413	(5,96,70,889)
(Increase)/Decrease in Sundry Debtors	(111,52,10,832)	3,26,34,212
(Increase)/Decrease in Loans & Advances	(3,91,58,434)	(9,44,80,753)
Increase/(Decrease) in Trade Liabilities	(65,79,85,351)	(10,18,56,883)
Increase/(Decrease) in Other Current Liabilities	22,33,66,861	(64,16,811)
Taxes paid during the year	(9,29,52,530)	(5,40,59,986)
<b>Net cash provided by operating activities</b>	<b>144,70,63,380</b>	<b>193,21,24,345</b>
<b>Cash flows from investing activities</b>		
(Purchase)/Sale of Fixed Assets	(81,90,60,638)	(25,52,41,267)
(Purchase)/Sale of Investments	(16,70,74,875)	(146,43,31,204)
Dividend Received	23,40,563	8,30,46,306
Gain from Investments	13,41,60,014	-
Interest received	1,38,04,275	1,24,28,823
<b>Net Cash used for investing activities</b>	<b>(83,58,30,661)</b>	<b>(162,40,97,342)</b>
<b>Cash flows from financing activities</b>		
Dividend including Tax on Dividend	(62,11,39,627)	(38,69,05,058)
Share Application Money	54,02,600	52,35,660
Long Term Loans	52,50,478	-
Finance charges	(17,02,117)	(24,41,854)
<b>Net cash provided by financing activities</b>	<b>(61,21,88,666)</b>	<b>(38,41,11,252)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>(9,55,947)</b>	<b>(7,60,84,249)</b>
<b>Cash &amp; Cash equivalents at the beginning of the period</b>	<b>6,65,59,940</b>	<b>14,26,44,189</b>
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>6,56,03,993</b>	<b>6,65,59,940</b>

As per our report of even date attached

For and on behalf of the Board

for P.R.REDDY & CO.,  
Firm Registration No.003268S  
CHARTERED ACCOUNTANTS

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

Place: Secunderabad  
Date: 26.05.2015

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

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

Sd/-  
G.V.BHASKAR RAO  
Managing Director

Sd/-  
G.VANAJADEVI  
Whole time Director



# kaveri seed company limited

CIN: L01120AP1986PLC006728

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

Email: cs@kaveriseeds.in Website : www.kaveriseeds.in

## 28<sup>th</sup> Annual General Meeting - Tuesday, 29<sup>th</sup> September 2015

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Shareholder(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Folio No. /Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being member(s) of Kaveri Seed Company Limited, holding \_\_\_\_\_ shares of the Company, hereby appoint:

**A.** Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

**B.** Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

**C.** Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the 28th Annual General Meeting of the Company to be held on **Tuesday, 29th September 2015 at 11.15 AM** at the Surana Udyog Hall, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, Telangana, and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Ordinary Business:

1. To receive, consider and adopt the Audited Standalone & Consolidated Balance Sheet as at 31st March 2015, Statement of Profit & Loss and Cash Flow Statement for the year ended on 31st March 2015 along with the reports of the Directors and Auditors thereon.
2. To declare final dividend of ₹2.50 per equity share and to confirm the 1st & 2nd Interim Dividend of ₹5/- per equity share, already paid for the year ended 31st March 2015.
3. To appoint a Director in place of Mr. R.Venumanohar Rao, (DIN : 00637125) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. C.Vamsheedhar, (DIN : 01458939) who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Mr. C.Mithun Chand, (DIN : '00764906) who retires by rotation and being eligible offers himself for reappointment.
6. To ratify the appointment of M/s.P.R.Reddy & Co., Chartered Accountants as Statutory Auditors of the company and fix their remuneration

#### Special Business:

7. To amend, alteration and/or deletion of the existing Articles of Association of the Company and insert by a new set of Articles under the Companies Act, 2013

Signature of the Shareholder \_\_\_\_\_

Signature of the Proxyholder(s) \_\_\_\_\_

Revenue Stamp

Signed this \_\_\_\_\_ day \_\_\_\_\_ of 2015

#### Notes:

- a) Proxy need not be a member of the Company.
- b) The Proxy Form duly filled in and signed by the member(s) across Revenue Stamp should reach the Company's Registered Office: 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Telangana, at least 48 hours before the commencement of the meeting.
- c) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.



# kaveri seed company limited

CIN: L01120AP1986PLC006728

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

Email: cs@kaveriseeds.in Website : www.kaveriseeds.in

## 28th Annual General Meeting - Tuesday, 29<sup>th</sup> September 2015

### ATTENDANCE SLIP

Folio No./Client ID:

No. of Shares:

DP ID:

Name and address of  
First / Sole Shareholder:

I, hereby record my presence at the 28th Annual General Meeting of the Company to be held on **Tuesday, 29th September 2015 at 11.15 AM** at the Surana Udyog Hall, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, Telangana.

\_\_\_\_\_  
Name of the Member/Proxy  
(Block Letters)

\_\_\_\_\_  
Signature of the Member/Proxy

#### Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member/Proxy who 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.

# Corporate Information



## Board of Directors

Mr. G V Bhaskar Rao	Chairman cum Managing Director
Mrs. G Vanaja Devi	Executive Director
Mr. R Venu Manohar Rao	Executive Director
Mr. C Vamsheedhar	Executive Director
Mr. C Mithun Chand	Executive Director
Dr. G Pawan	Non Executive Director
Mr. M Srikanth Reddy	Independent Director
Dr. Yeshwant Laxman Nene	Independent Director
Mr. P Vara Prasad Rao	Independent Director
Dr. S Raghuvardhan Reddy	Independent Director
Dr. S M Ilyas	Independent Director
Mr. K Purushotham	Independent Director

## Company Secretary

Mr. V R S Murthy

## Chief Financial Officer

Mr. K V Chalapathi Reddy

## Audit Committee

Mr. P Varaprasad Rao  
Mr. M Srikanth Reddy  
Mr. K Purushotham  
Mr. C Mithun Chand

## Nomination &

### Remuneration Committee

Mr. P Varaprasad Rao  
Mr. M Srikanth Reddy  
Mr. K Purushotham  
Mr. R Venu Manohar Rao  
Mr. C Vamsheedhar

## Shareholders' Relationship Committee

Mr. P Varaprasad Rao  
Mr. R Venu Manohar Rao  
Mr. C Mithun Chand  
Mr. M Srikanth Reddy  
Mr. C Vamsheedhar  
Mr. K Purushotham

## CSR Committee

Mr. G V Bhaskar Rao  
Mrs. G Vanaja Devi  
Mr. M Srikanth Reddy

## Risk Management Committee

Mr. G V Bhaskar Rao  
Mrs. G Vanaja Devi  
Mr. C Mithun Chand

## Statutory Auditors

M/s. P R Reddy & Co  
Chartered Accountants  
7-70/41, Maheshwari Nagar, Street 8,  
Habsiguda, Hyderabad – 500007  
Telangana.

## Bankers

Indian Overseas Bank  
Axis Bank  
HDFC Bank  
ICICI Bank  
Kotak Mahindra Bank  
Yes Bank

## Registrars and Share Transfer

### Agents

Bigshare Services Pvt. Ltd.,  
306, 3rd Floor, Right Wing,  
Amrutha Ville, Opp. Yashodha Hospital  
Somajiguda, Rajbhavan Road,  
Hyderabad – 500 082.  
Tel.Nos. + 91- 40- 40144967/ 23374967  
Fax No. + 91-40 - 23370295  
E-mail: bsshyd@bigshareonline.com

## Listing

NSE & BSE

## Registered Office & CIN of the company

Kaveri Seed Company Limited  
CIN: L01120AP1986PLC006728  
513-B, 5th Floor, Minerva Complex,  
S.D.Road, Secunderabad – 500 003,  
Telangana  
Tel.Nos.+91 40-27721457/27842398  
Fax No.+91 40-27811237  
Email: cs@kaveriseeds.in  
Website: www.kaveriseeds.in

## Plants

### Kandlakoi Plant

Plot No.140/A/1,  
Kandlakoya Village,  
Medchal Mandal  
Ranga Reddy District, Telangana.

### Gundlapochampally Plant

Sy.No.28 Part,  
Gundlapochampally village  
Medchal Mandal  
Ranga Reddy District, Telangana.

### Gatlanarsingapur Plant - 1

Door No.104,  
Gatlanarsingapur Post  
Bheemadevarapally Mandal  
Karimnagar District, Telangana.

### Gatlanarsingapur Plant - 2

Door No.6-96/2,  
Gatlanarsingapur Post  
Bheemadevarapally Mandal  
Karimnagar District, Telangana.

### Eluru Plant

Sy.No.853,  
Koppaka village  
Pedavegi Mandal  
West Godavari District, AP

### Bellary Plant & Godown

D.No.340, NH – 63, Main Road,  
K.B.Halli – 583 103  
Bellary District  
Karnataka State

### Pamulparthy Plant

Sy.No.703, Part, 704 Part, 712 Part 713 to 719,  
Pamulparthy Village, Wargal Mandal,  
Medak District, Telangana

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.



kaveri seed company limited

**Registered Office**

kaveri seed company limited

CIN: L01120AP1986PLC006728

513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Telangana

Tel.Nos.+91 40-27721457/27842398, Fax No.+91 40-27811237

Email: [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in) Website: [www.kaveriseeds.in](http://www.kaveriseeds.in)