kaveri seed company limited

kaveri seeds®

21st September 2018

Bombay Stock Exchange Ltd.,
1st Floor New Trading Ring
Rotimda Building
P.J.Towers, Dalal Street, Fort,
MUMBAI – 400 001

Scrip Code: KSCL

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 0051

Scrip Code : 532899

Dear Sirs,

Sub:- Annual Report for the financial year 2017-18 - Reg.,

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the Financial year 2017-18. This Annual Report was adopted by the shareholders at the 31st Annual General Meeting of the Company held on 21st September, 2018.

This is for your information and record.

Thanking you,

Yours faithfully,
For KAVERI SEED COMPANY LIMITED

KAVERI SEED COMPANY LTD. SECUNDERABAD

G.V.BHASKAR RAO
CHAIRMAN & MANAGING DIRECTOR

Encl: As above

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kaveri seeds®

kaveri seed company limited
Annual Report FY 2017-18

Growth Unbounded

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For further information,
log on to www.kaveriseeds.in

About Kaveri Seed Company Limited (Kaveri Seeds)

Kaveri Seeds is one of India's largest seed companies, with a strong Research and Development (R&D) base for developing quality hybrids in key Indian crops. Multi-crop portfolio, superior R&D, strong brand equity, robust supply chain capabilities and sound financial position are pillars of Kaveri's business strategy for long-term success.

Financial achievements of 2017-18

Revenue from Operations (₹ in crores)

772.40

▲ **15.30%**

EBITDA (₹ in crores)

241.70

▲ **40.34%**

Profit Before Tax (₹ in crores)

217.95

▲ **158.32%**

Earnings Per Share (₹)

31.36

▲ **176.06%**

▲ y-o-y growth

Seed is well-being in a nutshell.

With the intervention of advanced research and technology, the potential of a seed can be enormously enhanced to contribute sustainably to India's growing demand for food and nutrition.

The country's seed sector is the world's fifth largest due to the diversity in agro-climatic conditions that help produce a large variety of field crops and vegetables. This scenario unfolds an inexhaustible genetic variability and promises further development of hybrids and varieties.

India's seed sector is growing by around 10%. Still, there is a significant gap to reach 100% Seed Replacement Rate (SRR), creating a further headroom for growth. The congenial climatic conditions also offer huge untapped opportunity for the seed sector to supply quality seeds to fulfil domestic and international demand.

We, at Kaveri, are focusing our research efforts on field crops and vegetables to develop promising hybrids or varieties in tailored environmental conditions. We have ramped up our R&D infrastructure to deliver the right products to meet the aspirations of farmers.

By unlocking the latent power of seeds through our ideas, innovation and initiatives, we are driving unbounded growth for Kaveri as well as creating value for our stakeholders and the nation.

About us

Kaveri Seeds at a glance

Our journey began in 1976 when Sri G. V. Bhaskar Rao, a young and dynamic agriculture graduate, ventured into India's agrarian sector through his start-up G. V. B. Rao & Company. In 1986, his small seed production facility transformed into Kaveri Seed Company Private Limited. In 2007, it was listed as a Public Limited Company.

Today, we are one of India's fastest growing seed companies with a wide portfolio, large network of distributors and dealers and a pan-India customer base. Our major focus is to innovate and help farmers capture market opportunities and face external challenges, leveraging our understanding of soil conditions and the needs of growers in India.

Our relentless pursuit of seed innovation has helped significantly improve the yield of farmers. We have developed a committed grower network across 12 different agro-climatic zones of India. We focus on designing suitable hybrids, keeping in mind the farmers' needs and consumers' preferences. Our diverse portfolio caters to key crop segments and mitigates the risk of unanticipated shifts in crop rotation. Our products are gaining acceptance among India's farmers and in countries where we export our seeds.

We possess a strong in-house R&D base, recognised since 2001 by the Government of India's Department of Scientific and Industrial Research (DSIR). We consistently invest in R&D as part of our sustainable growth strategy. To harness the potential of biotechnology in fostering and fortifying traditional breeding methods, we have formulated an integrated programme for molecular breeding. Our state-of-the-art biotechnology laboratory is well-equipped with sophisticated equipment and is supported by highly qualified personnel.

Vision

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

Mission

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

Reputation

Kaveri has sowed and nurtured the seeds of trust and loyalty among farmers for decades. The result is that we have now emerged as the preferred choice of the farming fraternity across India. We have steadily transformed our products, processes and innovative techniques to deliver the best of science, while enhancing farm productivity and ensuring food and nutritional security for millions of people.

Offerings

Breeding genetically enhanced hybrids and inbred varieties, thereby improving the yield and quality, resistance to various biotic and abiotic stresses (pests, diseases and conditions such as drought and heat, among others), represent the hallmark of Kaveri Seeds. We collaborate with numerous research institutions for developing products that cater to the changing requirements of customers. Today, we offer more than 125 high-quality hybrids and varieties developed across field and vegetable crops.

Accreditations

Our promising parental lines and hybrids were applied for registration with Protection Plant Varieties and Farmers Rights Authority (PPV&FRA) to safeguard our Intellectual Property Rights.

20

Hybrids were released and notified under Central Variety Release Committee (CVRC), Government of India

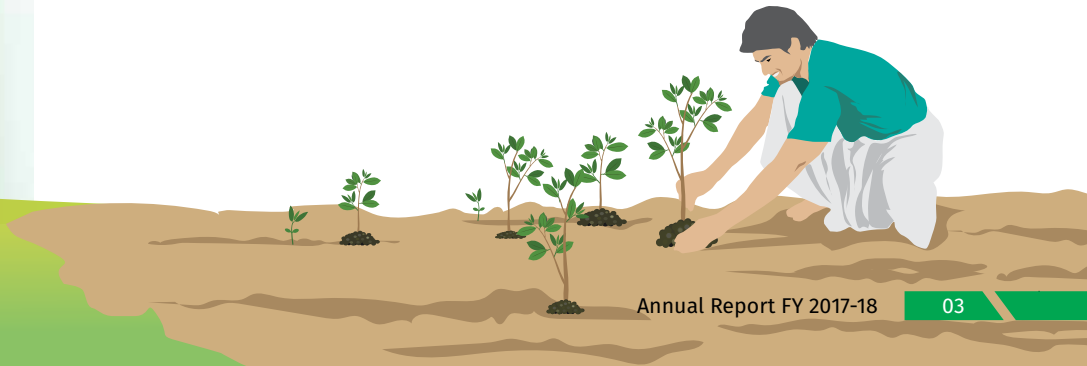
18

Hybrids were recommended for inclusion in the Organisation for Economic Co-operation and Development (OECD) Seed Scheme list, to market in other countries

Recognition

Kaveri Seeds is globally recognised as a significant player in India's agri-business landscape. Our Company has figured five times on the Forbes Asia's 200 Best Under A Billion list, from 2010 to 2013 and in 2015. We were conferred the Bio-Excellence Asia Award by Karnataka Government's Departments of Information Technology (IT), Biotechnology (BT) and Science and Technology (S&T), in 2015.

Our Chairman & Managing Director, Sri. G. V. Bhaskar Rao, was nominated as a Board member at the prestigious Professor Jayashankar Telangana State Agricultural University (PJTSAU), Hyderabad, in 2017. He became a member of the Extant Variety Recommendation Committee (EVRC) of PPV&FRA, New Delhi, in 2016 for a period of three years. He is also the Governing Council Member for the National Seed Association of India (NSAI).



Strong fundamentals

World of Kaveri

Our experience

30+ years

Rich experience in India's seed industry

Our scale

1 lakh+

Loyal production growers across 12 different agro-climatic zones

1,000+

Field promoters who work with farmers round-the-clock

2nd

Largest producer of hybrid cotton seeds in India

65,000 acres+

Land under seed production across different agro-climatic zones

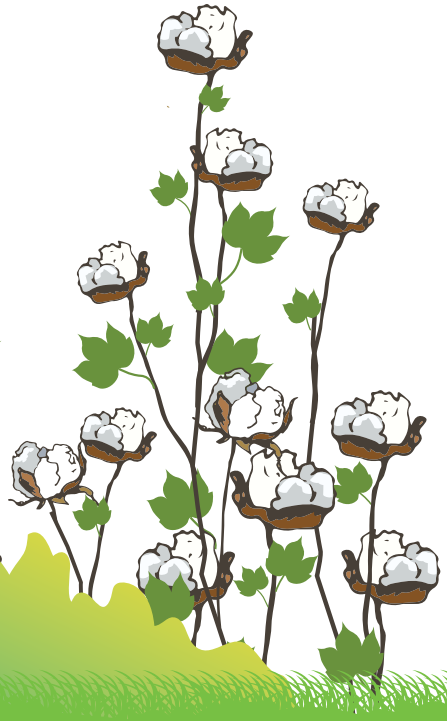
Our reach

15,000+

Customer touchpoints across 15 key states in India

10,00,000 sq. ft.

Cumulative warehouse space at multiple strategic locations across India



Our assets

850+

Motivated team members

7+

State-of-the-art seed technology, processing and storage plants

170+

Outreach trial centres

Our capabilities

115 MT/hour

Total average throughput

1,500 MT

Total cold storage capacity

3,080 MT/cycle

Maize cob drying facility

18 MT/day

Environment-friendly cotton delinting capacity

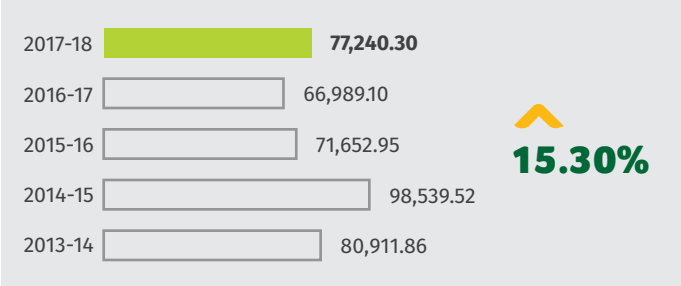
5 MT/day

Ginning capacity

Key performance indicators

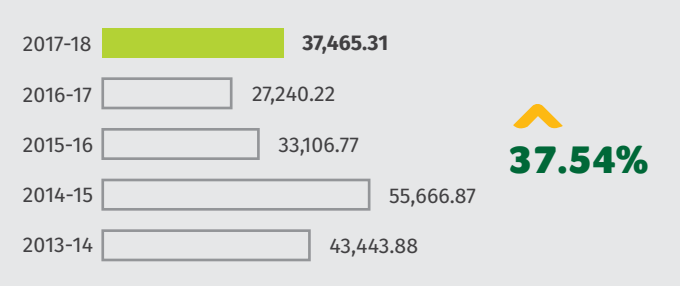
Sustainable financials

Revenue (₹ in lakhs)



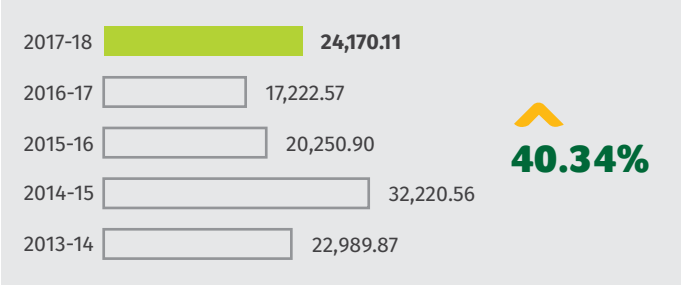
Our revenue growth was driven by sustained demand across product categories.

Operating Profit (₹ in lakhs)



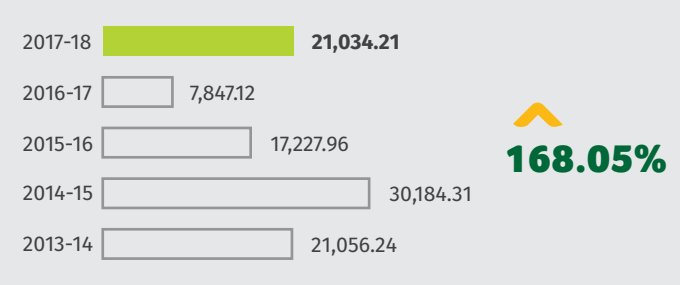
Our operating profit grew owing to our consistent drive for operational efficiencies.

EBIDTA (₹ in lakhs)



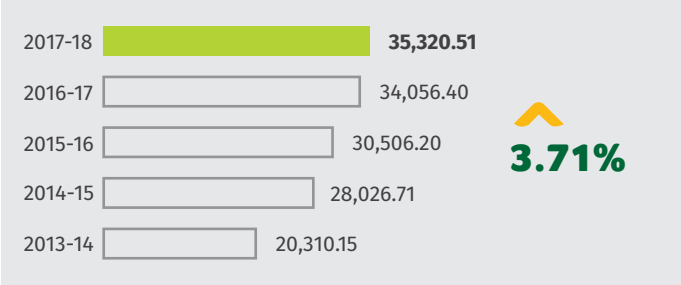
Our EBIDTA strengthened on account of robust control on direct costs.

Net Profit (₹ in lakhs)



Our net profit escalated owing to stable realisations and strengthened product portfolio.

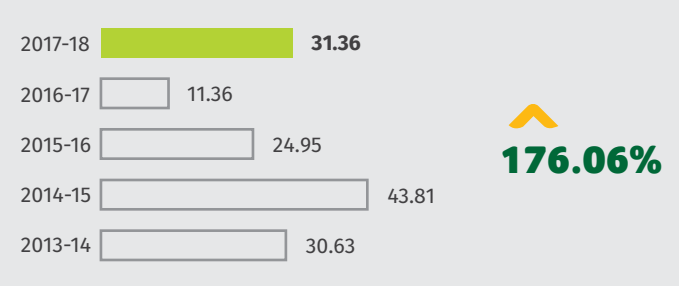
Gross Block (₹ in lakhs)



Our increasing gross block indicates our growing scale of operations.

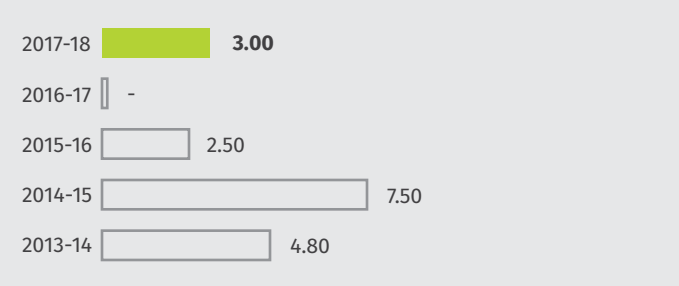
y-o-y growth

Earnings Per Share (₹)



Our Earnings Per Share grew on account of higher profitability.

Dividend Per share (₹)



We continued to reward shareholders through dividend pay-out.

Key Ratios

	2013-14	2014-15	2015-16	2016-17	**2017-18**
Liquidity					
Current ratio	1.71	2.38	2.71	2.58	**2.87**
Quick ratio	0.71	1.10	1.45	1.56	**1.68**
Asset management					
Inventory turnover	0.76	0.87	0.73	0.79	**0.82**
Fixed asset turnover	4.23	4.11	2.45	2.08	**2.23**
Receivable days	29.57	29.82	41.05	36.22	**31.60**
Profitability					
Return on assets	0.14	0.28	0.13	0.05	**0.14**
Return on equity	15.34	21.93	12.49	5.68	**15.56**
Return on sales	0.54	0.56	0.46	0.41	**0.49**
Operating margin	0.52	0.55	0.43	0.36	**0.45**
Leverage					
Debt to equity	0.01	0.01	0.01	0.01	**0.01**
Debt ratio	0.49	0.34	0.31	0.33	**0.29**

Chairman & Managing Director's insight

Growing seed potential

"We believe that innovation and strategic investment represents the cornerstone for sustainable development. To meet the growing demand our research concentrates on genetics, technology and sophisticated strategies to design and develop hybrids for multiple regions."

G. V. Bhaskar Rao
Chairman & Managing Director

Dear Shareowners,

I am delighted to share our performance for 2017-18. But before I move on to the details, it is important that we take a moment to reflect on the macro scenario unfolding around us, which makes our business relevant and value-accretive for the long term.

India's growing population (~1.3 billion people) and consequently increasing demand for food as well as urban amenities are exerting pressure on limited arable land. The area under cultivation (about 157 Mha) also remains under pressure since acquiring additional farmland through the conversion of forests entails significant environment risk. The need of the hour is to increase the use of high-yield quality seeds that enhance agricultural productivity.

Besides, agriculture in India faces a number of other concerns, central to which is diminishing crop output. Due to the rising incidence of insects, pests and diseases and climate change, crop output is declining to a great extent. There is a dire need to harness the potential of seeds to help crops combat these challenges, while maintaining focus on emerging biotech and non-biotech technologies.

The Union Government has set an ambitious goal of doubling farmer income by 2022. The agriculture sector in the country, as a result, is expected to generate better momentum in the coming years. The Government plans to increase investment in infrastructure such as irrigation facilities, warehousing and cold storage, among others.

At the same time, the growing use of biotechnology in agriculture is likely to improve the yield of crops, thus improving farmers' economic status.

Shaping a growth-oriented approach

Improved seeds are the primary reasons for agricultural growth. Kaveri Seeds is one of the premier Indian seed companies and among the top three in the Indian seed industry.

We undertake efficient and judicious planning for seed production, emphasising on a diverse set of geographies, to minimise our production-related losses and sharpen our competitive advantage. Our research concentrates on genetics, technology and sophisticated strategies

to design and develop hybrids for multiple regions. With a strong R&D base and a vibrant distribution network, we have been producing and marketing high-quality seed varieties for more than three decades. Our skills, creativity, expertise and experience, as well as the right product portfolio in different crops, help fulfil the aspirations of farmers and consumers of India.

We believe that innovation and strategic investment represents the cornerstone for sustainable development. To meet the growing demand for maize cob drying, we have created an advanced drying facility with a capacity of 1,500 tonnes per cycle, so as to achieve 9,000 tonnes in six cycles in a year. Further, we have established a 10 tonne-per-hour capacity processing plant at Mulangur.

We aspire to be the global market leader by following our vision and mission and producing world-class seeds. Our research efforts are focused on the pre-and post-harvest technologies of seed production.

Performing sustainably

During the year, India received substantial and timely rainfall. Our revenue from operations grew by 15.30%, from ₹ 669.89 crores in 2016-17 to ₹ 772.40 crores in 2017-18, on account of enhanced capacity and customer mix. Our EBITDA increased by 40.34%, from ₹ 172.23 crores in 2016-17 to ₹ 241.70 crores in 2017-18. Our PAT also witnessed a rise of 168.05%, from ₹ 78.47 crores in 2016-17to ₹ 210.34 crores in 2017-18 owing to growing portfolio of value-added products.

Our investment in product innovation, design and development has borne encouraging outcomes with the launch of new hybrids in our mandate crops. The year marked a high success rate for our product development, with the commercial launch of hybrids in the field and vegetable crop segments, including Drona, Sultan and KMH 463 in maize; Money Maker in cotton; KPH-468 and KPH-475 in rice; and Maximo, Singham and Supremo in bajra.

During the year, our new products showed encouraging results for our business. I am happy to share that six of our promising hybrids across different crop segments were notified and released by the Central Variety Release Committee (CVRC), Government of India, raising our overall tally of such CVRC-notified hybrids to 20. Our classic warhorses such as Jadoo, ATM and Super Boss, among others, continued to consolidate our position in the market. Products such as KBH 103, KBH 4252, KTH 326 and KTOH 1301 are in the pipeline.

Going forward, at Kaveri Seeds, new breeding strategies are in place to help us further increase our R&D efficiencies. We will continue to excel in the invention and development of superior products, primarily those that are suitable for India's different agro-climatic conditions.

Investing in talent

We strive hard to offer a motivating work culture to our people, where performance is recognised and rewarded. Teams are encouraged to enhance their skills and realise their true potential. We attract, develop and engage talent and manage them efficiently by formulating strategies and initiatives to achieve our goals.

Reinforcing ties with communities

As a part of our corporate citizenship agenda, we undertake several sustainability initiatives in the rural communities of Gatla Narsingapur, Ramnagar and Bollena Pally, in Telangana, to help improve their quality of life. Our intervention in the areas of education, farmer welfare and community empowerment enable the rural residents be a part of India's socio-economic progress.

Way forward

I am deeply grateful for the steadfast dedication shown by our people in the course of our journey. I thank the go-getters of Kaveri Seeds for their untiring dedication, hard work and commitment.

On behalf of my colleagues on the Board, I would like to express my sincere gratitude to you – our customers, employees, suppliers, business partners and shareholders – for embracing our vision and propelling our initiatives. I am confident that with your continued support and encouragement, Kaveri Seeds will attain greater heights in the coming years. With several new initiatives in the works, we look forward to another successful year ahead.

Warm regards

G. V. Bhaskar Rao
Chairman & Managing Director

Stakeholder value creation

How we create sustainable value

Sustainable value creation for all stakeholders is the primary reason for us to be in business. Here is a brief explanation of our value creation strategy for the medium and long-term.

Stakeholders	Objectives	Outcomes in 2017-18
Investors	Provide investors with attractive financial returns and keep them informed about our progress through regular communication	• Proposed a dividend of ₹ 3 per share in 2017-18 • Market capitalisation stood at ₹ 3,194.89 crores as on 31st March 2018. • Buyback of 2,962,963 equity shares at a price of ₹ 675 per equity share, aggregating to ₹ 200.00 crores.
Farmers/ customers	Enrich the value proposition with conventional and hybrid seeds for various climatic conditions and pest-/disease-resistant, soil conditions	• Interacted with farmers across geographies to raise awareness on new and high-yielding products • Educated them about best-in-class farming techniques • Participated in and sponsored various agricultural fairs • Provided time-critical farm assistance and quality products • Expanded presence across markets with a better product portfolio
Employees	Equip people with relevant insight and expertise to deliver on stakeholder commitments	• Organised training programmes to improve behavioural and communication skills • Invited eminent consultants to conduct knowledge sessions on plant breeding, seed science and technology, agronomy and related fields • Spearheaded product development with discussions on frontier research in agriculture and allied subjects • Conducted technical training programmes on various aspects for our R&D • Imparted effective crop management and product training for evaluation staff • Introduced quarterly 'Utkrista Puraskar' award programme for recognising top performers • Hosted various programmes such as annual day celebrations and fun events on the last Saturday of every month • Provided group insurance schemes, Mediclaim benefits and gratuity (linked to life insurance)

Stakeholders	Objectives	Outcomes in 2017-18
Seed growers/ vendors	Create a trust-based, mutually rewarding and sustainable relationship.	• Incorporated strategic planning and dedicated R&D initiatives for better production of seed yield • Addressed challenges in seed production to enhance volume and quality in seed production • Introduced data base decision-making on quality seed production • Undertook vegetable seed production with assured irrigated conditions, hedging against risk during the *kharif* and *rabi* seasons • Strengthened the regulatory compliance and management system for all associated activities in seed production • Introduced the 'Kaveri Village' concept
Dealers/ distributors	Ensure our products are the first choice of dealers	• Conducted region-wise meetings for retailers time to time • Educated distributors and retailers about our product profile • Organised loyalty trips (foreign and domestic tours) for distributors
Government	Collaborate and ensure food security, job creation and skill development	• Developed a skilled workforce with investments in training • Helped improve yield of farmers, helping India move towards food security • Partnered with several reputed international and national organisations to strengthen the R&D pipeline • Collaborated to sponsor and participate in agricultural fairs at state and district levels
Communities	Share trustworthy relationships with communities around us	• Adopted villages (Gatla Narsingapur, Ramnagar and Bollena Pally in Telangana) to strengthen rural education, agriculture and infrastructure • Contributed towards enriching cultural aspects of local communities

Exploring new growth frontiers

Innovation creates and protects value for the long-term

Our research efforts continue to show the way forward in product development. Collaborations with several national and international institutions enable us to create products that meet the requirements of farmers and consumer preferences. Our products are planned bearing in mind biotic and abiotic stresses, along with the looming threat of climate change.

Seed innovation at Kaveri Seeds has helped increase farmer yields significantly – earning us goodwill among farmers and distributors. Kaveri Seeds' premier hybrid varieties of BT cotton, maize and rice (including selection rice) are at the forefront of the seed market.

Focus on biotechnology

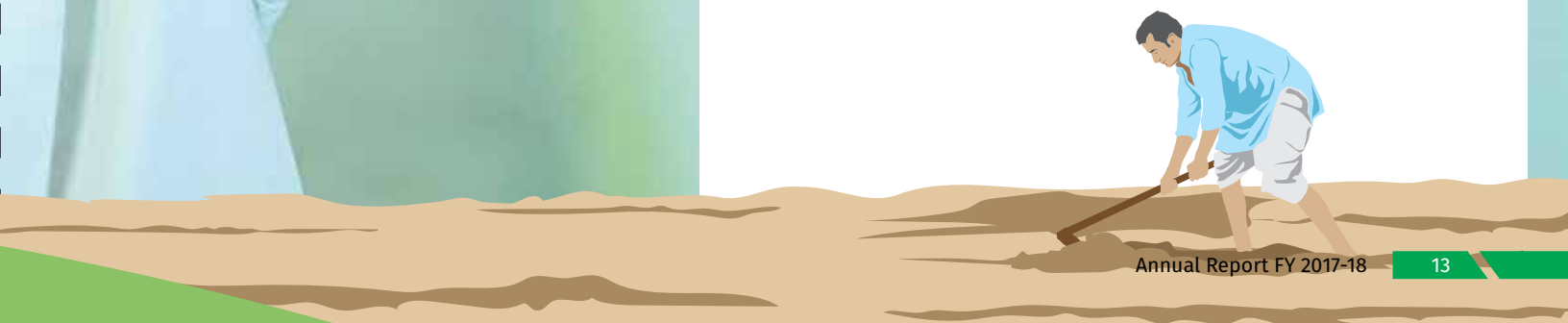
Biotechnology holds significant potential in fostering and fortifying traditional breeding methods. We employ advanced biotechnological tools, along with conventional breeding, to achieve our objective of designing the right type of products.

We have formulated an integrated programme of molecular breeding as part of our reinforced R&D efforts towards building high-yielding hybrid technology.

Emphasis on product pipeline

Product pipelines reflect the R&D strength of a seed company; they are the most important yardstick of success. Kaveri Seeds, over the years, has systematically built dedicated research farms and biotechnology laboratory, a talented pool of scientists and technically competent personnel, and workrooms for quality control. The Company engaged in the following initiatives to improve its product pipeline:

- Promising entries of different crops were tested by the Multi-Location Trial (MLT) team across 42 locations in India, before advancing them to the demo stage.
- Conducted 34 MLTs throughout India for tomato, hot pepper, eggplant, okra and bitter gourd, among others, to identify product pipelines. Based on market demand, seed production was planned on a large scale for promising products, to meet the inventory.
- Have 25 acres of research farm exclusively for vegetables, including two acres for gourds under drip irrigation and one acre of net houses area for hot pepper breeder seed increase and pollination management.
- Have satellite multi-location centres across India to understand the production adaptability performance with product development staff.



Exploring new growth frontiers

Innovation creates and protects value for the long term

New products launched in 2017-18

Field crops

During the year, two hybrids in cotton, three hybrids each in maize, rice and bajra, while in selection rice, three varieties were commercialised.

Vegetables

Two products each in okra and tomato and one hybrid in hot pepper has been commercialised.

Focus on germplasm

Germplasm acts as a reservoir for further breeding programmes in frontier line of research to carve, augment and design the plant types according to the changing needs of different farmers across various crop segments.

We deployed frontier technologies such as doubled haploid breeding, Marker Assisted Selection (MAS), Marker Assisted Recurrent Selection (MARS), Rapid Generation Advance (RGA), inbred pool heterotic bins and Multi-parent Advanced Generation Inter-Cross Populations (MAGIC) to further boost germplasm.

Road ahead

We will continue to develop products for biotic and abiotic situations. We will concentrate our research efforts for strengthening our multi-crop portfolio, particularly in segments of selection rice, maize and pearl millet. Many promising products are under pipeline in field and vegetable crops and will be launched in the near future to maintain our market prominence.

Important accreditations

Our enriched germplasm/parental lines and hybrids are registered with PPV&FRA. Two rice hybrids, KPH 459 and KPH 473; two maize hybrids, KMH 2589 (Drona) and KMH 1411 (Top Class), and one hybrid each in tomato (KTH 304) and in sunflower (Kaveri Champ), were released and notified under CVRC, GoI, in 2017-18.

Nagappa J
Maize farmer
Holeharlahalli, Davanagare,
Karnataka

Farmer speak

Maximising disease tolerance

"I grow maize across 20-25 acres annually. I have used Kaveri's seeds to sow my fields for more than a decade. I was satisfied with the yields produced by hybrids such as KMH 25K55 and Minchu. For the *kharif* season of 2017, I purchased Kaveri's Drona hybrid from Honnalli. I sowed it across five acres, while the remaining land was sowed with KMH 25K55 and other hybrid varieties. I adopted the given package of practices associated with Drona, as instructed by Kaveri's sales team. Drona demonstrated a high shelling percentage as well as high yields.

In October 2017, the Company conducted a mega field-day on my cultivation site. The field was found to be free from the wilt disease – a major menace for maize cultivation in the regions of Karnataka. Almost 300 farmers from surrounding areas participated in the event. Impressed with the results, they planned to switch over to Drona in *kharif* 2018. I wholeheartedly thank Kaveri for its breakthrough research in maize."

Success Story - Rice hybrid

Augmenting yield

"Kaveri Seeds' promising rice hybrid KPH 468 is a mid-early-duration hybrid with a long, bold grain type, a sturdy culm, a non-lodging habit and unique apiculus anthocyanin pigmentation.

It gives a very uniform stand, renders table-top performance and has demonstrated outstanding grain yield – out-yielding its competing hybrids in most of the areas grown, during *kharif* 2017.

KPH 468 has gained significant popularity in Uttar Pradesh, Bihar, Jharkhand and Chhattisgarh. In Uttar Pradesh, Kaveri Seeds is going to scale up the production of KPH 468 rice hybrid in the ensuing *kharif* 2018."

Exploring new growth frontiers

Robust supply chain ensures seamless delivery

Our untiring efforts to sustain the quality of our products through innovation, commitment and dedication have gained the trust of our growers. Our processes are differentiated, and we are well-equipped to produce best-in-class output across our production zones. We focus on Seed Production Research (SPR) in different seed production geographies and crop-specific zones.

Our unique supply chain management relies on three factors: seed quality, delivering production volumes in time and Cost of Goods Sold (COGS). With a strong base in supply chain management, we continually produce best-in-class seeds. We are supported by outstanding production processes that include planning, field production, inbound logistics, plant processing, storage, outbound logistics and seed market delivery.

Seed-growing capabilities

17

major production units

65,000+

acres of seed production, spanning different agro-climatic conditions

1,00,000+

loyal production growers

2,500+

villages under seed production

13

key production locations that undertake seed production for field and vegetable crops

Supply chain strategies

- Productivity improvement to bring down procurement rates by exploring high-productivity locations such as geno type-specific villages and implementing productivity improvement projects (through SPR for new and existing hybrids)
- Strengthen quality standards
- Value-added services for production growers through the 'Kaveri Village' concept (a win-win approach) along with rewards for high-yielding growers
- Effective inventory management
- Enhance workforce capabilities by developing balanced resources; identify training needs and conduct programmes
- Implement annual improvement projects
- Streamline operational efficiencies and logistics

Exploring new growth frontiers

Robust supply chain ensures seamless delivery

Key initiatives in 2017-18

- Incorporated strategic planning and dedicated customer relationship roles in the seed production management team to improve planning and inventory management
- Addressed the challenges in seed production with meticulous planning and execution – to realise target seed production volume
- Introduced database decision-making in quality seed production
- Hedged climate risk in multiple geographies
- Established and consolidated new geographies to undertake vegetable seed production with assured irrigation conditions, hedging against risk during the *kharif* and *rabi* seasons
- Sought favourable seed production locations for high cross ability, to realise hybrid seed and for newly developed hybrid parental combination for good seed setting
- Implemented state-of-the-art post-seed production operational practices, including the use of mechanical dryers for seed processing – to improve seed efficiency and cost effectiveness
- Proceeded to conduct trials on two-line breeding approach (Genetic Male Sterility – GMS – system) for developing cotton hybrids to reduce manual emasculation, and subsequently, the cost of seed production, for improving genetic purity and profitability
- Revamped warehouse storage space (for non-seeds inventory such as packing material and seed treatment chemicals, among others)
- Created modern seed storage facilities to ensure the supply of quality seed, hedging against risk during conditions of natural adversity
- Continued evaluation of production environment through field inspection and seed quality assurance training, with defined protocols for field personnel in genetic purity and disease and insect impact
- Enhanced operational efficiency by minimising seed quality failures, inventory write-offs, storing the seed at appropriate seed moisture and maximising the use of cold storage facilities
- Strengthened maintenance breeding to improve the lifespan of promising hybrids

Quality assurance

Quality management is a component of stewardship, which comprises processes and systems to establish and maintain quality in each phase of our product lifecycle. It is our honest endeavour to inculcate quality management across functional domains.

We have adopted the processes to ensure integrated approach to quality management in our supply chain operations. Seed purity is controlled in the field and in post-harvest handling to ensure the emergence of better seedling. We are equipped with state-of-the-art seed testing laboratory at Pamulaparthy. Seeds are checked for genetic and physical purity as well as germination, following the Indian Minimum Seed Certification Standards (IMSCS).

Road ahead

Vegetable seed production caters to 'low-volume and high-value crops'. Certain initiatives have been taken to identify best organisers. We see scope for improvement in planning and execution to deliver products well before the season.

We are expanding our production footprint further in Maharashtra and Karnataka, which will minimise production risk and enhance operations. We are also planning to scale up production of cotton hybrids under the GMS system.

We are confident that our endeavour towards delivering productivity and efficiency via investments in people, process and infrastructure will help accomplish our long-term operational goals.

Krishna Sahu
Maize farmer
Rohna, Chhindwara,
Madhya Pradesh

Farmer speak

Enhancing output

"I used Kaveri's maize hybrid KMH Profit in the *kharif* season of 2017. In addition, I followed the required set of practices, including agronomic management, proper irrigation, judicious use of fertilisers, inter-cultivation operations and plant protection measures. In my experience, KMH Profit has proven to be a promising hybrid variety. It produces an excellent plant type – with good cob size, long kernels having appreciable seed weight and low incidence of pests and disease.

It also results in the highest shelling percentage, along with a higher yield. As word spread to other farmers in our village, they started visiting my field. They were impressed that I could produce an average of 32 quintals per acre usingKMH Profit. Convinced by the appreciable rise in yield, the farmers too were keen on pursuing the cultivation of KMH Profit in *kharif* 2018."

Jeet Ram Lakhra
Paddy farmer
Murgu, Ranchi, Jharkhand

Farmer speak

Improving farming methods

"I have been cultivating hybrids in my fields since 2009. My fields are dependent on the monsoon; thus, I use hybrid seeds to mitigate the risk from erratic rainfall. My first and foremost preference, with regard to hybrids, is Kaveri. The Company produces high-yielding, high-quality seeds. Moreover, Kaveri also educates farmers in the village about improved agricultural practices and plant protection methods. Last year, our village recorded a yield of 30 quintals per acre – the highest so far. Kaveri Seeds has transformed the life of every farmer in our village."

Exploring new growth frontiers

Greater outreach and engagement strengthen brand recall

Over 15,000 direct and indirect distributors across the country, combined with 350 highly motivated marketing professionals, help us extend our market reach. We deploy marketing initiatives that are largely centred around our distributors and farmers.

Engagement

For distributors, we conducted region-wise retailers' meetings across the north and central regions of India. The retailers were educated about Kaveri Seeds' product profile so that they are well-equipped to communicate the performance of these products to farmers. We also organised loyalty trips (foreign and domestic tours) for our distributors to encourage and motivate them, prior to the *kharif* season of 2017.

Through our farmer engagement initiatives, we not only strengthened the confidence and trust of farmers in our brand, but also introduced them to emerging technologies and better farming techniques that increase yield and their income. We interacted with farmers across geographies to raise awareness about our wide product portfolio. We participated in sponsored agricultural fairs at state and district levels. These 'Krishi Melas' are organised in collaboration with the Department of Agriculture of different states, State Agricultural Universities and the Indian Council of Agricultural Research (ICAR).

Brand building

We engaged in several Below the line (BTL) and Above the Line (ATL) branding initiatives for targeted audiences.

Overseas business

India's seed export contributes less than 1% in international trade. Therefore, there is a significant scope for expanding country's seed business globally. National seed companies are putting its efforts to gain international business.

Exploring new growth frontiers

Greater outreach and engagement strengthen brand recall

We are planning to introduce our promising products in key crops across maize, rice, pearl millet, sorghum and vegetables. Product performance trials were also initiated in similar agro-climatic zones of various countries in South Asian Association for Regional Cooperation (SAARC) and in South East Asian and African countries. Our maize hybrids are becoming popular in Bangladesh, thus increasing our market share.

In the years to come, we expect to expand our footprint and sales will be increased substantially in the focused countries. We are also planning global marketing strategies. At the same time, we are aiming to meet international standards in seed quality.

Road ahead

Following the Government's decision to revise down the price of cotton seeds, we expect further pressure on the already tight margins. An additional challenge may arise from reduced availability of cotton seed and higher COGS owing to lower recovery. Hence, we will focus our efforts to enhance sales in other crops. We will dedicate our promotional efforts towards products in the growth stage, such as Drona, Godfather and Profit in maize; Maximo in bajra; and KPH 468 in hybrid rice. We will add more sales locations to improve our workforce in the market, in continuation of our strategy to expand into new geographies. We will also focus on broadening our channel network in the north-eastern regions and areas of rice, maize and millet crops in North India.

Dhananjay Singh
Distributor

Distributor speak

Trusted quality

"I have been a distributor of Kaveri Seeds for the preceding four years. The farmers in my district mostly elect to buy the Company's seeds, owing to their excellent quality and high-yielding variety. The quality of yield – whether paddy or maize – is better than other seeds available in the market. It is evident from the farmers' crop yield that the Company invests large sums of money in developing its seeds."

Sai Ram Kushtagi
Distributor

Distributor speak

Unmatched variety

"We have been working with Kaveri Seeds for over 15 years. I am pleased with our consistent business growth as a direct outcome of our association. We are fortunate to provide a full range of products for crops that are grown in our areas, including maize, cotton, bajra, pulses, jowar and rice. As a result, our retailer network is content with the field work, promotion, seed quality and packaging of Kaveri.

Our farmers growing maize, bajra, cotton and rice, too, prefer Kaveri. I am proud to say that we did not receive any quality-related complaints regarding Kaveri Seeds' products that we sold in our territory. Moreover, Kaveri Seeds' commercial policies are commendable, delivering a win-win proposition for every stakeholder. It comes as no surprise that Kaveri has grown year-on-year in volume and in value, across crops."

People at Kaveri

People propel our progress

We offer a work environment where our people are inspired to take advantage of opportunities to learn, grow and create a profitable career path for themselves.

At Kaveri Seeds, we work as a team by aligning employee objectives with the organisational strategy to drive business outcomes and personal motivation. We strive to on-board the right people, with the right skills and knowledge, at the right time. Our aim is to acquire, develop and engage talent by effectively managing it with strategies and initiatives directed towards the achievement of our business goals.

Our endeavour is to create an environment that allows teams to excel in their roles – building on their strengths, working towards developing their skillset and offering growth opportunities. By identifying high-potential and rewarding performers, we encourage a culture of learning and continuous development. Today, our 850+ member-strong workforce drives our growth levers.

Focused training initiatives

Along with several development programmes to enhance managerial skills, we organise training programmes to improve the behavioural and communication skills of our people as well. We invite senior consultants with vast experience in plant breeding, seed science and technology, agronomy and related fields to conduct knowledge sessions. Discussions on frontier research in agriculture and allied subjects are held to encourage our product development scientists. We organise technical training programmes on various aspects for our Research and Development (R&D) personnel. Training is also imparted to product evaluation staff for effective crop management and data collection.

Greater engagement and care

We host a variety of programmes, annual day celebrations and other activities, including sports and games. In addition, we organise fun events on the last Saturday of every month. Our Human Resource (HR) team ensures that the right benefits are provided to our employees. Group insurance schemes, Mediclaim benefits and gratuity (linked to life insurance) have been introduced.

Better incentives

Employees who have been associated with us for a long period were recognised and presented with a token of appreciation. We introduced the 'Utkrista Puraskar' award programme with the goal of incentivising employees to focus on and achieve sustainability objectives. The programme recognises top performers from various departments such as R&D, seed production and sales and marketing, among others.

Social commitments

Strengthening our citizenship efforts

We are a trusted community partner, because we work closely with stakeholders to deliver value. This trust inspires us to be more proactive in helping the community tackle societal challenges.

In our adopted villages of Gatla Narsingapur, Ramnagar and Bollena Pally in Telangana, we conducted the following programmes in 2017-18.

Agriculture

Farmers in Gatla Narsingapur were dependent on favourable monsoon every year for crop cultivation. We de-silted a water tank and drilled numerous borewells in the village to augment irrigation access in the area. As a result, farmers raise two to three crops in a calendar year, with enhanced crop intensity (from 200% to 300%), thereby improving their financial security.

Education

We constructed and furnished a new school building, complete with an air-conditioned computer room with a projector room, a solar power generation system and CCTV cameras, in Siddipet. We also planted trees within the school premises.

We constructed a dining hall with a kitchen and a parking shed, supplied textbooks and offered scholarships to students in our Gatla Narsingapur school. We also funded the expenses for the upkeep of the village's Upper Primary School (UPS) and Zilla Parishad High School (ZPHS), including electricity charges, school uniforms and maintenance of the school canteen and the school bus. We provided scholarships, school uniforms

and books to the needy students to encourage them to pursue higher studies; we have also supplied furniture to Huzurabad constituency schools of Karimnag district.

Following the construction of our advanced school building in Gatla Narsingapur, the percentage of schoolgoing children has increased substantially. The school's student strength has crossed 700+, by attracting students from neighbouring villages as well. Parents are motivated to send their children to school instead of employing them in their farm operations. The economically backward too are part of this progress. As a result, the literacy level of the village is improving significantly.

We distributed spoken English books to schoolgoing children in the villages of Sirpur Kagajnagar, Adilabad district and Siddipet and Gatla Narsingapur, Warangal Urban. We sponsored gold medals for talented students of B.Sc., Agricultural Engineering at Professor Jayashankar Telangana State Agricultural University (PJTSAU).

Other initiatives

We set up a mineral water plant in Gatla Narsingapur to ensure availability of safe drinking water for the rural poor. We also contributed to Orugallu Kala Vaibhavam, a three-day festival that celebrates the historic journey of Warangal, Telengana.

Board of Directors

Responsible governance

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1 Mr. G. V. Bhaskar Rao
Chairman and Managing Director

Mr. Rao is the Company's founder promoter and has built it from scratch. He has been the Chairman and Managing Director (CMD) of the Company since its inception, guiding the team to explore new horizons. His foresight to uplift farming communities by developing promising high-yielding varieties of hybrid seeds in crops like cotton, corn, sunflower, paddy, sorghum, bajra and other vegetable seeds has positively influenced millions of farmers and generated employment opportunities. Under his leadership, Kaveri Seeds has become a pioneer and trendsetter in India's seed industry. He is actively involved in giving back to the rural community through various development initiatives. He has a bachelor's degree in Science (Agriculture) from Andhra Pradesh Agriculture University.

2 Dr. G. Pawan
Vice-Chairman – Non-Executive

Dr. Pawan has contributed immensely to the organisation's growth. He has served as a Director for more than a decade and was appointed Vice-Chairman (Non-Executive) of the Company during 2016-17. He has been instrumental in formulating strategic and long-term business plans, assisting the CMD to do justice to his role and take vital decisions for sustainable value creation of the Company and stakeholders. His consistent focus on strategic issues and long-term business plans and operations will help elevate Kaveri Seeds to a new orbit of competitiveness. He is an MBBS from Jawaharlal Nehru Medical College, Karnataka, and holds Doctor of Medicine degree from Illinois State University, USA.

3 Mrs. G. Vanaja Devi
Whole-Time Director

Mrs. Vanaja Devi has been associated with the Company since its incorporation. She is the founder Director of the Company, regularly assisting the CMD on various aspects of the business. With her instinct to bring innovative ideas to the table, she is the ideal foil and support to the CMD in managing the Company.

She is a guiding force for the Company's Corporate Social Responsibility (CSR) initiatives in the areas of rural infrastructure development and children education. These initiatives broadly include improvement of existing irrigation facilities in the rural areas, so as to improve the area under irrigation to reap good harvest, thereby improve farm yields. Providing infrastructure facilities like construction of school buildings, books, furniture and computers etc., to various schools to improve student's soft skills. Providing scholarships to the economically backward students to pursue higher studies. The mineral water plants provided for safe drinking water. Under her able management number of social welfare activities were under taken in rural areas to improve the agriculture, education and human health etc.

4 Mr. C. Vamsheedhar
Whole-Time Director

Mr. Vamsheedhar has been part of the Company for more than a decade. He is a dynamic influence, bringing in numerous reforms and creating a valuable brand image of Kaveri Seeds' products in the market. He has a rich experience in marketing and his vision and skills have been instrumental in the exceptional growth in the Company's sales and marketing. He oversees the organisation's overall marketing activities, segment-wise product development and pan-India promotional activities.

5 Mr. C. Mithun Chand
Whole Time Director

Mr. Chand has been associated with Kaveri Seeds for over a decade as an Executive Director. He monitors the day-to-day operational aspects of administration, finance and accounts departments. He possesses a wealth of experience in marketing and finance

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and advises the management about financial issues of the Company. While his innovation drives new business platforms, he has contributed significantly in sales and marketing of Kaveri Microteck and other subsidiaries of the Company.

6 Mr. P. Vara Prasad Rao
Independent Director

Mr. Rao has over three-and-a-half decades of experience in general management. He is an expert in business transactions and negotiations and advises the Company accordingly. He is also involved in different Committees, providing his valuable advice for decision-making in key policy matters of the Company. His expertise in finance and accounts helps take Kaveri Seeds to greater heights. He is a graduate in Science.

7 Dr. S. Raghuvardhan Reddy
Independent Director

Dr. Reddy is the former Vice-Chancellor of Acharya N. G. Ranga Agricultural University, with a vast experience in scientific research. He has won several awards, including the prestigious Jawaharlal Nehru Birth Centenary Award for lifetime contribution towards the development of science and technology, especially in the field of agricultural research. His valuable guidance and suggestions are immensely useful in developing frontier research capabilities to carve the hybrids according to farmers' expectations and consumers' preferences. He has a doctorate degree in Agriculture.

8 Mr. K. Purushotham
Independent Director

Mr. Purushotham has 36 years of experience in the banking and finance sector. He has held several prominent positions in the sector, including General Manager of Indian Overseas Bank (IOB). He is actively involved in Company meetings, advising the management on the subjects of finance, accounting and taxation, among others. He is a graduate in Science (Agriculture).

9 Dr. S. M. Ilyas
Independent Director

Dr. Ilyas retired as a Director of National Academy of Agricultural Research Management (NAARM), Hyderabad. With a vast experience in agriculture and research activities as well as other international assignments, he was re-employed as Project Director (Distance Education) of National Institute of Rural Development (NIRD), Hyderabad. He has held several eminent professional positions including the Vice-Chancellor of Narendra Deva University of Agriculture and Technology, Uttar Pradesh. He has been awarded several gold medals, including Indian Society of Agricultural Engineers Award, Institution of Engineers (I) in 1997 and 2002 and Fellowship and Commendation Medal for Outstanding Contribution by the Indian Society of Agricultural Engineers (ISAE). He holds a master's degree in Science (Agricultural Engineering) from Indian Agricultural Research Institute, New Delhi, and a doctorate degree in the same subject from the University of Novi Sad, Yugoslavia.

10 Mrs. M. Chaya Ratan
Independent Director

Mrs. Ratan is a retired IAS officer (1977 batch). She was an able administrator, implementing several reforms to bring about change in various departments such as health, college and school education, family welfare and tribal welfare, among others. She worked to uplift poor and marginal sections (including the differently abled members) of society, facilitating their access to basic services. Her efforts helped establish 45 Public Healthcare Centres (PHCs) in tribal areas. She holds a master's degree in Eco-Social Policy and Planning from London School of Economics, England.

Five years at a glance

Performance highlights

(₹ in Lakhs)

Statement of Profit and Loss	2013-14	2014-15	2015-16	2016-17	2017-18
Total revenue	81,878.87	1,00,101.75	72,819.78	70,424.00	79,609.76
EBIDTA	22,989.87	32,220.56	20,250.90	17,222.57	24,170.11
Depreciation	1,437.03	1,227.89	2,498.29	2,849.21	2,335.19
Finance costs	15.95	15.42	16.90	12.27	39.96
Profit before exceptional items and tax	21,536.89	30,977.25	17,735.71	14,361.09	21,794.96
Exceptional items		(33.25)	-	5,923.80	-
Profit before tax	21,536.89	30,944.00	17,735.71	8,437.29	21,794.96
Tax	480.65	759.69	507.75	590.17	760.75
Profit after tax	21,056.24	30,184.31	17,227.96	7,847.12	21,034.21
EBIDTA / Revenue	28.08%	32.19%	27.81%	24.46%	30.36%
PBT / Revenue	26.30%	30.91%	24.36%	11.98%	27.38%
PAT / Revenue	25.72%	30.15%	23.66%	11.14%	26.42%
Balance sheet	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Share capital	1,374.84	1,377.92	1,381.10	1,381.10	1,321.84
Resesrves and surplus	50,484.94	74,496.27	92,243.41	1,01,020.30	1,00,801.29
Share Appln. Money	52.36	54.03			
Networth	51,912.14	75,928.22	93,624.51	1,02,401.40	1,02,123.13
Non-current liabilities					
Long-term liabilities and provisions	539.05	599.87	775.75	733.18	1,256.24
Deferred tax liability	(24.82)	(32.33)			
Current liabilities	49,721.70	38,120.58	41,048.71	48,569.12	40,141.74
Total liabilities	1,02,148.07	1,14,616.34	1,35,448.97	1,51,703.70	1,43,521.11
Non-current assets					
Gross fixed assets	19,143.86	21,861.22	28,555.20	31,189.82	32,160.92
Accumulated depreciation	5,606.31	6,647.09	9,075.96	11,784.00	13,859.13
Capital work in progress	1,166.30	6,165.50	1,951.00	2,866.58	3,159.59
Net fixed assets	14,703.85	21,379.63	21,430.24	22,272.40	21,461.38
Investments	802.30	2,222.69	2,272.04	3,217.76	5,977.54
Other non-current assets	1,460.36	232.88	353.79	670.29	744.17
Current assets	85,181.57	90,781.14	1,11,392.90	1,25,543.25	1,15,338.02
Total assets	1,02,148.07	1,14,616.34	1,35,448.97	1,51,703.70	1,43,521.11
Return on capital employed	41.11%	40.52%	18.81%	8.19%	21.12%
Return on networth	40.56%	39.75%	18.40%	7.66%	20.60%
Debt/Equity Ratio	0.01	0.01	0.01	0.01	0.01
Current Ratio	1.71	2.38	2.71	2.58	2.87
Per share	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Book value per share - ₹	75.52	110.21	135.58	148.29	154.52
Earnings per share - ₹	30.63	43.81	24.95	11.36	31.36
Dividend per share - ₹	**4.8	**7.5	**2.5	-	**3.00
No. of shareholders	7,934	13,477	32,821	29,167	39,826

**Each ₹ 10 Share of the Company has been split into 5shares of ₹ 2/-each during the 2013-14.

Management Discussion and Analysis

Indian Economy

India's GDP grew at 6.7% in FY 2017-18 on the back of greater spending on infrastructure, rising consumption – both urban and rural – and increased public-private investments. During the year, the country saw the introduction of a unified tax regime, the Goods and Services Tax (GST), in the same year, overcoming the initial challenges that arose from the 2016 demonetisation. Recognising the landmark measures implemented by the Government, Moody's, the international credit rating agency, upgraded India's sovereign rating for the first time in 14 years, revising the outlook from stable to positive.

India's GDP Growth (%)

2014-15	2015-16	2016-17	2017-18
7.3	7.6	7.1	6.7

Sectoral Growth (%)

Sectors	2015-16	2016-17	2017-18
Agriculture and food management	0.7	4.9	2.1
Industry	8.8	5.6	4.4
Services	9.7	7.7	8.3

[Source: Central Statistics Office (CSO)]

Data from the Economic Survey of India 2017-18 revealed that after a preliminary analysis of GST data, there has been a 50% jump in the number of indirect taxpayers and a significant increase in voluntary registrations, particularly by small enterprises. The Survey observed that the formal sector payroll was 31% (7.5 crore employees) of the entire non-agricultural workforce. Defined in terms of share in GST net, the same formal sector payroll was calculated to be around 53% (12.7 crore employees). The Survey also indicated a correlation between a state's export performance and the standard of living of its citizens. It found that the states that exported internationally and carried out inter-state trade were richer.

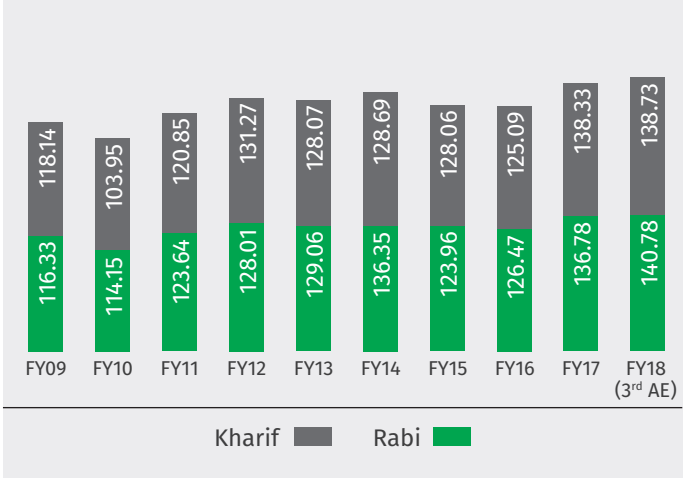
The survey states that agricultural research is the main source of innovation that is needed to sustain productivity in the sector. The sale of tractors largely reflects the level of mechanisation. Indian tractor industries have emerged as the largest in the world, accounting for about one-third of the total global tractor production. There is a need to further enhance the level of farm mechanisation in the country; it is estimated that the percentage of agricultural workers in the total workforce will fall to 25.7% by 2050 from 58.2% in 2001. With an increasing population of men migrating from rural to urban areas, a 'feminisation of the agriculture sector' – increasing number of women participating as cultivators, entrepreneurs and labourers – seems to be occurring. Climate change assumes significance since it directly affects agricultural output and performance. The Survey, in this aspect, find that the impact of increased extreme temperature and irregular rainfall was 'twice as large in unirrigated areas as in irrigated ones'.

Agricultural Sector of India

At 157 million hectares, India has the second largest agricultural land and is the largest producer of major agricultural and horticultural crops worldwide. Moreover, the country is the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds and the largest producer of various allied products such as spices, pulses, milk, tea, cashew and jute. With 20 different agro-climatic regions, India possesses 12 major global climates and 46 of the 60 soil types identified in the world. India is also one of the largest manufacturers of farm equipment such as tractors, harvesters and tillers. India accounts for almost one-third of the overall tractor production, which is estimated to reach 16 million units by 2030.

In FY 2017-18, India recorded a total food grain production of 279.51 million tonnes – a marginal improvement from 275.11 million tonnes in FY 2016-17.

Production of Food Grains in the *Kharif* and *Rabi* Seasons (in million tonnes)



[Source: Third Advance Estimates of Production of Food Grains for 2017-18 – Ministry of Agriculture and Farmers' Welfare]

Agricultural Sector – Union Budget 2018-19

The Union Budget for FY 2018-19, presented in the Parliament by Finance Minister Arun Jaitley, was guided by the Government's mission to strengthen the country's agriculture, health, education, employment and infrastructure. Various measures were announced with the objective of doubling farmer income by 2022, the year of India's 75th anniversary. Some of the significant measures initiated to help farmers produce more at a lower cost while earning higher income are:

- Minimum Support Price (MSP) for all unannounced *kharif* crops fixed at 1.5 times their production cost
- Institutional farm credit raised to ₹ 11 lakh crore in FY 2018-19 from ₹ 8.5 lakh crore in FY 2014-15
- 22,000 rural haats to be developed and upgraded into Grameen Agricultural Markets (GrAMs) to protect the interest of 86% small and marginal farmers; new Agri-Market Infrastructure Fund, with a corpus of ₹ 2,000 crores, to oversee the marketing infrastructure of the GrAMs
- 'Operation Green', with a corpus of ₹ 500 crores, to address price fluctuations in potato, tomato and onion; it will promote Farmer Producer Organisations (FPOs), agri-logistics, processing facilities and professional management
- Allocation for food processing raised to ₹ 1,400 crores in FY 2018-19 from ₹ 715 crores in FY 2017-18
- Two new funds – ₹ 10,000 crores each – announced for the Animal Husbandry and Fisheries sectors; the restructured National Bamboo Mission to receive ₹ 1,290 crores

Key Growth Drivers

Exponential Demand

India's large population primarily drives demand for agricultural products. Increasing levels of income among the rural and urban population further aids the growth in demand. Additionally, the export demand for the country's agricultural produce is growing, particularly in key markets such as the Middle East.

Greater Opportunities

Increased demand for agricultural inputs, such as hybrid seeds and fertilisers, in tandem with increased use of hybrids in various crops, facilitates agricultural growth. Promising opportunities exist in the expansion of storage capacity for agricultural produce. Rapid mechanisation witnessed in the sector, coupled with the creation of irrigation facilities through major, medium and minor irrigation projects, propel growth.

Policy Support

Agriculture plays a central role in the Indian economy. 54.6% of the population is engaged in agricultural activities (Source: Census 2011) and it contributes to 17% of the country's Gross Value Added (at current price for 2015-16 with 2011-12 series as base). Given this, the Government took several steps for continued agricultural development:

- Improve soil fertility on a sustainable basis through the Soil Health Card Scheme
- Improve access to irrigation and enhance water efficiency through Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
- Support organic farming through Paramparagat Krishi Vikas Yojana (PKVY)
- Boost farmer income with the creation of a unified national agriculture market
- Mitigate agricultural risk with crop insurance availed under Pradhan Mantri Fasal Bima Yojana (PMFBY)

Outlook

The Indian agricultural sector will gain momentum due to the impetus from increased investments to remove infrastructural bottlenecks. With enhanced irrigation facilities, warehousing and cold storages as well as augmented usage of biotechnologically improved crops, yields will significantly improve.

Seed Industry Insight

Seeds are intrinsic to agriculture, influencing production as well as development in the sector. Seeds are a vehicle of delivering enhanced technologies for farming. Currently, the global seed market is valued at an estimated US$ 45 billion and is likely to reach US$ 92 billion by 2020. Global market of 66% is concentrated in five countries – the US, France, Brazil, China and India. ~75% of the market is engaged in the production of maize, soybean and vegetables. North America and Europe lead the global seed export market worth US$ 10 billion. *(Source: Knowledge Report by Sadhguru Management Consultants)*

Indian Seed Sector

Over the years, the Indian seed market has emerged as the fifth largest in the world *(Source: IMARC Group Research)*. Bestowed with tropical, sub-tropical and temperate climatic conditions, India can grow all kinds of crops for producing seeds. All India Coordinated Research Projects (AICRPs) have so far released a good number of varieties and hybrids of different crops. India is rich in Plant Genetic Resources (PGR) in all crop species,

which could be used for trait development in crops. The country also has a well-established seed regulation framework. India's seed sector is fairly organised in major companies with good Research and Development (R&D) facilities.

Seed Hub of India

Today, around 60% of the nation's seed requirement is produced in Telangana and supplied to the rest of the states. Telengana is endowed with excellent climatic conditions, enabling the seed production of cotton, sorghum, maize, pearl millet, sunflower, forage sorghum, selection rice and hybrid rice and varieties of pulses, oilseeds and vegetables. The expertise that farmers have gained in hybrid seed production for different crops and the congenial climate of the state produces the best-quality seeds. In addition, the prevalence of desirable temperature and relative humidity levels in Telengana is conducive to seed storage under ambient situations for 9-12 months. Under the proactive policies of the Telangana government, farmers avail 24x7 power supply.

2017-18 Highlights

The reporting year was one of the best for cotton, although overall productivity in the seed industry was affected by weather fluctuations. The cotton and non-cotton segments witnessed strong top-line growth driven by sales. Redemptions were lower and the cost of production, as a result of significantly lower write-off, was also reduced. Commodity prices were lower compared to last year.

Sowing took place much earlier in Central and South India compared to FY 2016-17. Karnataka's market growth was lower than last year. September rains impacted the quality and quantity for early picking in cotton.

Rains in September, coupled with the late withdrawal of monsoon, led to a build-up of soil moisture, which helped the *rabi* season. Increased industry inventory contributed to the demand for seed production for *rabi* crops.

Seed Replacement Rate (SRR): Seed production is not a one-time affair. It has to be produced every year in the field, through meticulous planning, following pre- and post-seed production practices to realise quality seeds. At present, the national Seed Replacement Rate (SRR) is nearly 35-40%. The seed industry as well as the public sector are tasked with making relentless efforts to bridge the gap in quality seed replacement (almost 60%).

Outlook

Systematic, strong and vibrant production is necessary to achieve sustainable food security. Upgradation of the existing seed system is the need of the hour to reduce the usage of farm-saved seeds by almost 60-70%. In the coming days, the SRR is expected to increase for open-pollinated, self-pollinated and cross-pollinated crop varieties. Hybrids will double the production of food grains. Varietal replacement, following a system of notified high-yielding varieties and hybrids, will also add to the production gain.

About Kaveri Seeds

Kaveri Seeds was founded in 1976 as a small seed production facility in Gatla Narsingapur, Telengana. It has now grown to be one of the premier seed companies in India, with a large network of distributors spread across the country. The Company is among the top three seed companies in India. Kaveri Seeds has three decades of experience in the Indian seed industry, supported by a strong R&D base, helping it produce high-quality hybrids and varieties for field crops and vegetables. The Company's success is evident in its listing in the Forbes' top 200 companies in the Asia-Pacific regions from 2010 to 2013 and then in 2015.

Strong Network

The Company's relentless pursuit towards seed innovation has helped agricultural yields and earned the goodwill of farmers and distributors. Its premier BT cotton hybrids, maize hybrids and rice hybrids and selection rice varieties are at the forefront of the Indian seed market as well as in the farmers' fields. The Company has a dedicated 'grower' network of 1,00,000 production growers across 12 different agro-climatic zones.

Improved Efficiency in Operations

- Improved recovery rates of selection rice in the new Mulangoor plant; leveraged the Mulangoor plant to handle higher throughput and improve seed quality
- Reduced raw seed failure in maize and cotton, compared to last year
- Expanded footprint outside of Telangana and Andhra Pradesh to Karnataka
- Garnered significant growth in market share in Gujarat and Maharashtra
- Increased R&D efforts in cotton for North India
- Ramped up production of the cotton hybrid, Money Maker

Benchmark R&D Practices

Kaveri Seeds consistently invests in the following R&D efforts, focused on developing new hybrids that can further enhance the quality of high-yielding seeds to improve farmers' productivity:

- Comprehensive germplasm repository

- Integrated programme for molecular breeding, tapping the potential of biotechnology in fostering and fortifying traditional breeding methods

- Research collaborations with several national and international institutions, enabling development of products that meet farmers' needs, insure crops against the threat of climate change and make them tolerant to biotic and abiotic stresses

National and International Consortiums

- The Company collaborates with the International Maize and Wheat Improvement Centre – the International Maize Improvement Consortium of Asia (CIMMYT-IMIC Asia), Phase-II; CIMMYT, the Heat-stress Tolerant Maize – US Agency for International Development (HTMA-USAID) Phase-II; the International Crops Research Institute for Semi-arid Tropics (ICRISAT); Milinda Gates Foundation's Harvest Plus programme and International Rice Research Institute's (IRRI's) Hybrid Rice Development Consortium.

- The Company works on the projects of Biotechnology Industry Research Assistance Programme (BIRAP) with the Department of Biotechnology (DBT).

- The Company has signed a Memorandum of Understanding (MoU) with the Asian Vegetable Research and Development Centre – World Vegetable Centre (AVRDC-WVC), Taiwan, to receive exotic germplasm for bitter gourd.

- The Company is a part of the National Agricultural Research System (NARS) and works on All India Co-ordinated Crop Improvement programmes of the Indian Council of Agricultural Research (ICAR).

Farmer Connect and Channel Engagement

- Increased the number of demonstrations of pre-commercial products

- Increased the number of BTL activities to connect with farmers

- Mapping of retailer and focus on key retailers

- Increased the number of meetings with channel partners to deliver volumes as per FY 2017-18 plan

Crop Focus

Cotton: Cotton, also known as 'white gold', plays a dominant role in India's agricultural and industrial economy. Based on segment-wise research for south, central and north zones, the Company's efforts are focused on developing early- and medium-type hybrids. Thereafter, significant achievements were made while designing, developing and receiving approval for KCH-111 and Money Maker for commercial release from ICAR. Due to the high-yielding ability and wide adoptability, Jadoo and ATM, the Company's previously released hybrids, continue to remain popular among farmers, substantially contributing to the revenue stream.

Maize: Maize, the king of cereals, has the ability to grow in diverse climates such as the temperate hill zones in the north and north-east, the semi-arid desert margins in the west and the humid tropical zones in the south. As a result, the crop has penetrated most of the non-traditional agricultural regions, increasing cultivation area manifold.

Kaveri Seeds aims to identify a superior germplasm that is intrinsically resistant to various biotic stresses. Induction of new germplasm and a population improvement programme for line development is another important focus area for the Company. Development of new and improved hybrids is the ultimate goal of the Company's crop improvement programme. The Company develops segment-wise research hybrids that cater to the needs of core geographies, such as seeds that are resistant to the Pre-Flowering Stalk Rot (PFSR) disease and Northern Leaf Blight (NLB). The developed hybrids are compared with benchmark in-house hybrids as well as competitor hybrids.

In the year under review, the KMH 2589 (Drona) and KMH 5210 hybrids gained popularity among farmers, thereby improving sales.

Rice: Rice, the primary staple for most of India, leads the frontline in the fight against hunger and poverty. Targeted food grain production can be met through the improved hybrid variety of rice. It yields 15-25% more than the High-Yielding Variety (HYV) of seeds and is mostly preferred in the North. The Company's research initiatives resulted in the development of promising high-yielding hybrids that meet farmer needs of good grain quality. The commercial hybrid KPH 468 is gaining popularity among the farmers. The Company also lays equal emphasis on research for selection rice. Promising varieties that were developed for cultivation, based on segment-wise preferences, include Prize, Atom and Elito.

Pearl Millet: Bajra, popularly known as pearl millet, is a hardy crop as it sustains well under stressful situations and is suitable for cultivation in semi-arid and arid regions. It is used for the dual purpose of grain and fodder. It is generally grown in the *kharif* season. Rajasthan, Maharashtra, Gujarat, Uttar Pradesh and Haryana are the major pearl millet-growing states.

The Company's products – Maximo, KBH 6080 and KBH 3580 (Singham) – which were released over the last three years, continue to do well.

Tomato: Tomato, the king of vegetables, is the subject of the Company's focused research efforts. Subsequently, two promising hybrids KTH 354 and KTH 355 have been released for commercial cultivation. The hybrids are unique for their shape, colour, firmness and tolerance to NLB as well as to the Tomato Yellow Leaf Curl Virus (TYLCV). Due to their distinct performance and yielding ability, farmers increasingly prefer these hybrids.

The Company is proud to have KTH 304 released and notified by the Central Variety Release Committee (CVRC), Government of India, for respective zones of adaptation.

Okra: Okra, an important Indian vegetable, is grown in *kharif* as well as summer conditions. It is cultivated extensively round the year for its fruits for culinary purpose. The Company's research efforts, catering to the needs of the market were focused to develop lines resistant to the Yellow Vein Mosaic Virus (YVMV) and Okra Leaf Curl Virus (OLCV). KOH 712 and KOH 54 were released and commercialised during the reporting year.

Chilli: Hot pepper is one of the most important commercial crops in India. Our country is its largest producer, consumer and exporter. The Company has stepped up its vegetable research activities to penetrate different segments for chillies – red and green.

As an alternative to the tedious process of manual emasculation of crops, hybrids with Cytoplasmic Male Sterility (CMS) are being developed to reduce the cost of seed production. The breeding objective of the CLCVR screening is in progress.

Gourds: Ridge gourd and bitter gourd, in particular, from the gourds vegetable group were the subject of intensive research efforts to develop suitable hybrids segment-wise and promising lines are under pipe line.

Watermelon: Watermelon, a popular warm season crop, is widely grown in the tropical and sub-tropical regions of the world. The Company is putting its research efforts to develop suitable hybrids as per the market preference.

Biotechnology (molecular breeding): Smart breeding or Market-Assisted Selection (MAS) or Marker-Assisted Breeding (MAB) is performed using genetic markers that are linked to the desired trait(s). Owing to the speed and accuracy of MAS, smart breeding radically improves conventional breeding efforts. Resistance breeding by MAS is highly efficient as well as precise when compared to conventional approaches. It speeds up the development of varieties and provides a unique method of combining traits (pyramiding), thus achieving durable resistance to both diseases and pests. MAS, in future, can facilitate the development of crops tolerant to biotic and abiotic stresses.

Other biotechnological applications include:

- DNA fingerprinting of Kaveri hybrids in various crops through molecular approaches
- Assessing genetic purity of hybrids and parental seed lots using molecular markers
- Assessing genetic diversity of germplasm for development of commercial hybrids though molecular marker applications

Growth Strategies

- Diversify organisational capabilities for increased visibility and market share
- Reinforce leadership in the cotton sector
- Strengthen all departments to achieve organisational goals (appointment of new presidents for R&D and supply chain and marketing and General Managers for rice breeding, among others)
- Develop mid-level talent across all verticals
- Increase resourcing for R&D
- Build an exclusive and dedicated sales team for vegetables
- Implement a Human Resource Management System for efficient management
- Implement an SAP Enterprise Resource Planning (ERP) system
- Increase the number of multi-location trials in R&D for product evaluation
- Enhance infrastructure with a lease of 24 acre land in Ramayan Pally, Telangana, for R&D and future expansions
- Breeding R&D is resolutely focused on developing the new pipeline hybrids that can provide better yield under the given conditions
- The segment-wise product development acts as an important bridge between the breeding and R&D and the commercialisation wing

Risk Management

Type	Description	Mitigation
BT technology efficacy	There is a gradual reduction in the efficacy of BT to prevent target pest infestation.	The Company educates farmers on Integrated Pest Management (IPM), correct use of refuge and plant protection measures to control pink bollworm.
Weather fluctuations	Seed production can be affected by varying environmental conditions, such as erratic rainfall, a prolonged dry spell and high temperature.	The Company has established and consolidated new geographies, with assured irrigation, to pursue favourable seed production conditions.
Agro-climatic conditions	Product development can be complicated, given the diverse climate conditions for agriculture in India.	The Company's research and innovation efforts consider the varied agro-climatic conditions; segment-wise products are designed and developed for field and vegetable crops.
Quality	Seeds may not meet the farmers' expected germination and genetic purity under favourable soil conditions.	The Company maintains seed quality standards prescribed by Indian Minimum Seed Certification Standards (IMSCS), ensuring physical and genetic purity.
Climate change	Seeds may not adapt well to the global climatic change.	The Company undertakes research initiatives to develop suitable hybrids, particularly in maize and pearl millet.

Outlook

The major challenge in the world is a decline in the area under crop cultivation due to diversions for non-agricultural purposes (such as rapid urbanisation and industrialisation, among others) – effects of an ever-increasing global population.

The focus on agriculture in India has shifted from 'food security' to 'nutritional security'. The two consecutive years of drought in India – 2014 and 2015 – did not inhibit the Indian farmers from embracing this shift. In 2016 and 2017, the country received adequate rainfall.

The Company's main focus, in the year under review, was to improve the market share of hybrids launched in the recent years. The Company conducted training programmes, workshops on agronomic management techniques, result demonstrations, field-level training programmes and farmers' meets, among others, to enter markets more intensively. These efforts achieved fruitful results across the country, especially in the states that grow cotton, maize and bajra.

Going forward, Kaveri Seeds, through its strong plant breeding research, will continue to deliver innovative products and services that enable Indian farmers to prosper. The Company's major thrust is on engaging in frontier type of research and innovations in plant breeding, technology development, sales (seeking customer insights to streamline efforts) and supply chain. The Company's supply chain process is being modernised with improved quality assurance capabilities and accelerated R&D discovery and delivery to suit the products under different segments of India.

Human Resources

Kaveri Seeds is home to exceptional talent that drives its success and ensures that it moves along the growth trajectory. To commemorate the three decades of Kaveri Seeds, the Company recognised the service of its employees and presented them with tokens of appreciation.

The Company focuses on improving its talent pool by hiring scientists and technocrats as well as management students. The Company endeavours to provide a supportive work environment, where employees are motivated to embrace challenges and realise their full potential. The Company strengthens employee engagement through communication meetings and creation of cross-functional teams. Training programmes led by eminent lecturers are conducted in the areas of management and technical skills. The quarterly 'Utkrista Puraskar' award programme was introduced with the objective of incentivising employees to achieve sustainability goals. It recognises the top performers across various departments.

The Company underwent restructuring to manage the span of control, in the reporting year. Every employee was assigned a reporting authority, while the superiors were given the responsibility of conducting periodical performance reviews.

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 Board periodically reviews the findings and recommendations of the statutory and internal auditors and

suggests corrective actions whenever necessary. The Audit Committee of the Board of Directors is also 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.

The Internal Audit team prepares annual audit plans based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. 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.

The Audit Committee of the Board monitors the performance of Internal Audit team on a periodic basis through review of audit plans, audit findings and speed of issue resolution through follow-ups. Each year, there are at least four meetings in which the audit committee reviews internal audit findings assurance and advisory function, responsible for evaluating and improving the effectiveness of risk management, control and governance processes. The internal audit team helps to enhance and protect organizational value by providing risk-based objective assurance, advice, and insight.

Indian Accounting Standards – IFRS Converge Standards

The Ministry of Corporate Affairs vide its notification dated 16th February 2015 notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification your Company has prepared the financial statements to comply in all material respects in accordance with the applicability of Indian Accounting Standards.

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Notice

Notice is hereby given that the 31st Annual General Meeting of the members of Kaveri Seed Company Limited will be held on **Friday the 21st day of September 2018 at 12.00 Noon** at FTAPCCI Auditorium, Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, FTAPCCI Marg, Red Hills, Hyderabad – 500 004, Telangana, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended 31st March 2018, together with the Balance Sheet, Profit & Loss and Cash Flow Statement for the year ended on 31st March 2018 along with the reports of the Board of Directors and Auditors thereon.

2. To confirm the payment of Interim Dividend on equity shares of the Company for the financial year ended 31st March, 2018.

3. To appoint a Director in place of Mr. C. Mithun Chand (DIN :00764906) who retires by rotation and being eligible offers himself for reappointment.

Special Business

4. Appointment of Mrs. Musinipally Chaya Ratan (DIN: 08085687) as an Independent Director 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 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under read with Schedule IV of the Companies Act, 2013, and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory amendment, modification or re-enactment thereof) and Chapter IV of the SEBI (LODR) Regulations 2015 as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mrs. Musinipally Chaya Ratan (DIN: 08085687) who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years i.e., from 24th May 2018 to 23rd May 2023 and she shall not be liable to retire by rotation".

By Order of the Board of Directors
For **Kaveri Seed Company Limited**

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

Date: 24.05.2018
Secunderabad

NOTES:

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act 2013 in respect of special business of the Company is appended and forms part of the Notice.

2. **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.

3. The Register of Members and Share Transfer Books of the Company will remain closed from **19th September 2018 to 21st September 2018 (both days inclusive).**

4. The requirement to place the matter relating to appointment of statutory auditors for ratification by members at every Annual General Meeting is omitted vide notification dated 7th May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, resolution for ratification of the appointment of Statutory Auditors who were appointed for a period of five years at the 30th Annual General Meeting held on 25th September 2017, is not proposed at this Annual General Meeting.

5. Shareholders who have not claimed their dividend for the years 2010-11 are requested to claim before the due date otherwise the same has been transfer to the Investor Education and Protection Fund Pursuant to Section 124 and 125 of the Companies Act, 2013. The Company has uploaded the details of the unpaid and unclaimed dividend amounts of the previous years' on the website of the Company (www.kaveriseeds.in) and also on the website of Ministry of Corporate Affairs. The unpaid/unclaimed dividend for the year 2010-11 will be transferred to the Investor Education and Protection Fund of the Central Government on the due date. The shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124(6) of the Companies Act, 2013, and the applicable rules.

6. Pursuant to the provisions of Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed dividend amounts lying with the Company as on date, at the website of the Company (www.kaveriseeds.in) and also website of Ministry of Corporate Affairs.

7. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection fund (IEPF) are given below:

Sl. No.	Dividend for the financial year	Date of Declaration	Due date for transfer to the IEPF Authority
1	Dividend Account 2010-11	27.09.2011	02.11.2018
2	Dividend Account 2011-12	25.09.2012	31.10.2019
3	Interim Dividend 2012-13	14.02.2013	22.03.2020
4	Final Dividend 2012-13	24.09.2013	30.10.2020
5	Interim Dividend 2013-14	04.02.2014	12.03.2021
6	Final Dividend 2013-14	18.09.2014	24.10.2021
7	1st Interim Dividend 2014-15	21.10.2014	26.11.2021
8	2nd Interim Dividend 2014-15	03.02.2015	11.03.2022
9	Final Dividend 2014-15	29.09.2015	04.11.2022
10	Dividend 2015-16	13.08.2015	18.09.2022
11	Dividend 2017-18	08.08.2017	13.09.2024

The Shareholders who have not encashed the aforesaid dividend are requested to make their claim to the Secretarial Department, Kaveri Seed Company Ltd., 513 B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500003, Telangana State, India, email: cs@kaveriseeds.in

8. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:

Pursuant to the provisions of Section 124 and 125 of the companies Act, 2013 and the IEPF Authority (Account, Audit Transfer and Refund Rules, 2016, all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to IEPF Authority. Under this compliance, the Company has sent letters to all the shareholders who have not claimed their dividend and also published notices in all editions of Business Standard and Nava Telengana on 27th April 2017 reminding the shareholders to claim their unclaimed dividend amounts. In compliance with the MCA notification dated 5th September 2016 and 13th October 2017, the Company has transferred the shares to Investor Education and Protection Fund Authority (IEPF) of those shareholders who have not claimed their dividends for a continuous period of 7 years, which the transfer details are provided in Corporate Governance Report forming part of this annual report and uploaded on the website of the Company.

9. Claiming of Shares and Dividends which were transferred to Investor Education and Protection fund Authority (IEPF):

The Shareholders are requested visit the website of www.iepf.gov.in to know the procedure for claiming Shares and Dividends transferred to Investor Education and Protection fund Authority.

10. The annual report for the financial year 2017-18 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 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 2017-18, free of cost, upon sending a request to the Company Secretary at 513-B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad – 500 003.

11. 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 all the communications via email.

12. 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.

13. 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.

14. 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.

15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

16. Brief resume of Director(s) of those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and membership/chairmanships of Board Committees and shareholding in the Company as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock Exchanges, are provided in separate sheet forming part of this notice.

17. Pursuant to Section 108 of the Companies Act, 2013 and the rules framed there under and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is provided the facility to its members holding shares in physical or dematerialized form as on the cut-off date, i.e., 14th September 2018, 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 **Tuesday the 18th day of September 2018 at 9.00 A.M. and ends on Thursday the 20th day of September 2018 at 5.00 P.M.** The detailed instructions for E-voting are given as a separate attachment to this notice.

18. The route map showing directions to reach the venue of the 31st AGM is available on the reverse of the attendance slip.

By Order of the Board of Directors
For **Kaveri Seed Company Limited**

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

Date: 24.05.2018
Secunderabad

Explanatory Statement

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

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee at its meeting held on May 24, 2018 appointed Mrs. Musinipally Chaya Ratan (DIN: 08085687) as an Additional Director categorized as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 24th May 2018 to 23rd May 2023, subject to approval of the members. Pursuant to the provisions of Section 161(1) of the Act and Article 112 of the Articles of Association of the Company Mrs. Musinipally Chaya Ratan shall hold office up to the date of this AGM and is eligible to be appointed as Director. The Company has received in writing a notice under section 160(1) of the Companies Act, 2013 from a member of the Company proposing her candidature for the office of Director.

The Company has received: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mrs. Musinipally Chaya Ratan to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Musinipally Chaya Ratan fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the members at the Registered office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM.

The Resolution set out at Item No.4 of the Notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mrs. Musinipally Chaya Ratan as an Independent Director.

Brief Profile of Mrs. Musinipally Chaya Ratan

Mrs. M. Chaya Ratan, (65 years) is a retired IAS Officer in 1977 batch and she is an able administrator to implement several reforms to uplift the rural mass. She pursued her MSc. Eco-Social Policy & Planning from London School of Economics, University of London, London. She is responsible for the several changes in the development in various departments such as College & School education, Health & Family Welfare, Tribal welfare etc. Her main concern was empowerment of poor and marginal society to provide access to basic services. Her thought power to implement noble idea of teacher's transfers through counseling in the state to stop corruption is still practiced. Due to her initiatives 45 PHC centers were established in tribal areas and her proposal of doctors to serve 2 years in tribal PHCs, 3 years in rural and 4 years in urban areas was implemented by the Govt. She is also instrumental for reducing the physical qualifying criteria for lady constables, revise teachers training curriculum, i.e. Diploma in Education, disabled students, hearing impaired and visually challenged to run separate classes in the school and junior colleges. Her ambition to serve the rural mass to uplift their livelihood has transformed the millions of lives on the path of progress.

Mrs. M. Chaya Ratan is an IAS (Rtd.) and MSc. Eco- Social Policy & Planning from London School of Economics, University of London.

She is not a Director of any other companies/ bodies corporates.

She is not holding any equity shares of the Company and she is not related to any Director of the Company.

Except Mrs. M. Chaya Ratan, none of the Directors and key managerial personnel of the Company or their relatives are in anyway concerned or interested, in the Resolution set out at Item No. 4 of this notice.

Your Directors recommend the resolution for your approval.

By Order of the Board of Directors
For **Kaveri Seed Company Limited**

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

Date: 24.05.2018
Secunderabad

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Name of the Director	M. CHAYA RATAN	C. MITHUNCHAND
DIN No.	08085687	00764906
Date of Birth	26.01.1953	11.08.1976
Type of appointment	Independent Director	Whole time Director – retire by rotation
Date of Appointment/ Reappointment	24.05.2018	27.09.2011
Areas of Specialization	Indian Administration and Social Development, Management and Finance etc.,	Management, Finance, Marketing, Taxation
No. of Shares Held in the Company	Nil	928895
Directorship held in outside Public Limited Companies	Nil	Nil
Chairman/member of the Committee of the Board of Directors of this Company	Member – Nomination and Remuneration Committee	Member – Audit Committee, Member - Shareholders Relationship Committee
The number of meetings of the Board attended during the year	Not applicable	4 out of 4
Chairman/member of the Committee of the Board of Directors of other Companies	Nil	Nil
Relation with Key Managerial Personnel and Directors	Not related to Directors, Manager and other Key Managerial Personnel of the Company.	Relative of Key Managerial Personnel of the Company.
Justification for appointment	Retired IAS Officer having knowledge in administration, social development and other related activities.	Management skills and excellent knowledge in finance & market related activities.

Shareholder Instructions for E-Voting

Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations 2015, 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 31st Annual General Meeting to be held on 21st September, 2018. 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
180816007	18.09.2018	20.09.2018

These details and instructions form an integral part of the notice for the Annual General Meeting to be held on 21st September 2018.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins from **Tuesday the 18th day of September 2018 at 9.00 A.M. and ends on Thursday the 20th day of September 2018 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date 14.09.2018**, 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.

(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 and voted on an earlier voting of any company, then your existing password is to be used.

	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) • 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. • 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Kaveri Seed Company Limited > on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) 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.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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 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.
- 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 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.

(ixx) 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 under help section or write an email to 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 **Tuesday the 18th day of September 2018 at 9.00 A.M. and ends on Thursday the 20th day of September 2018 at 5.00 P.M.** During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 14.09.2018, 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 14.09.2018 they not casting their vote electronically, may only cast their vote at the Annual General Meeting.

c. Mr. L.Dhanamjaya 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 14.09.2018.

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 31st Annual General Meeting of the Company on 21st September 2018 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 31st Annual General Meeting of the Company.

By Order of the Board of Directors
For **Kaveri Seed Company Limited**

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

Date: 24.05.2018
Secunderabad

Directors' Report

Dear Members,
Kaveri Seed Company Limited

The Directors have pleasure to present their 31st Annual Report and the audited Annual Accounts for the Year ended 31st March 2018.

Performance Review

Your Company's performance during the year as compared with that during the previous year is summarized below:

(₹ in Lakhs)

S.No.	Particulars	Standalone		Consolidated	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Revenue from operations	77,240.30	66,989.10	81,937.48	70,635.76
2	Profit before finance cost, depreciation and tax expense	24,170.11	17,222.57	24,548.73	17,396.90
3	Finance Cost	39.96	12.27	60.41	24.14
4	Profit before depreciation and tax expense	24,130.15	17,210.30	24,488.32	17,372.76
5	Depreciation	2,335.19	2,849.21	2,507.73	3,023.67
6	Profit before exceptional items and tax	21,794.96	14,361.09	21,980.59	14,349.09
7	Exceptional items		(5,923.80)		(5,923.80)
8	Profit before Tax Expense	21,794.96	8,437.29	21,980.59	8,425.29
9	Tax Expense	760.75	590.17	839.54	696.34
10	Profit after Tax Expense	21,034.21	7,847.12	21,141.05	7,728.95
11	Non-controlling interests			17.27	(54.39)
12	Profit after tax expense after non-controlling interests	21,034.21	7,847.12	21,123.78	7,783.34
13	Add: Surplus at the beginning of the year	84,230.30	76,383.17	83,258.89	75,475.55
14	Total Available for appropriation	1,05,264.51	84,230.30	1,04,382.67	83,258.89
	Appropriations				
15	Dividend including taxes	2,386.41		2,386.41	
16	Transfer to general reserve	1,000.00		1,000.00	
17	Utilized for Buyback	5,326.85		5,326.85	
18	Transferred to Capital Redemption Reserve	59.26		59.26	
	Total Appropriations	**8,772.51**	**-**	**8,772.51**	**-**
19	Surplus carried to Balance Sheet	96,492.00	84,230.30	95,610.16	83,258.89

State of the Company's Affairs

During the year, the Company has achieved revenue of ₹ 77,240.30 lakhs and net profit of ₹ 21,034.21 Lakhs on a standalone basis. During the same period, the consolidated revenue was ₹ 81,937.48 Lakhs and net profit after non-controlling interests was ₹ 21,123.78 Lakhs.

Future Prospects & Out Look:

The agricultural sector is the backbone of the Indian economy. Despite two consecutive favourable monsoons as well as the Indian Meteorological Department (IMD) forecast for adequate rainfall in CY 2018, rain in the year appears to be unpredictable. Agriculture in India will benefit from a higher scale of investments in agri-infrastructure, owing to the Government's focus on doubling farmers' income by 2022. As a result, the agricultural input space, including commercial seeds, will continue to expand at a robust pace in the years to come.

Growth in the Indian seed market will be facilitated by the development of modern retail channels along with the entry of large national and multi-national entities. Further, increased number of subsidies and greater awareness around the use of high-yielding hybrid variety seeds will drive growth in the market. Comparatively higher year-on-year seed replacement rate (SRR) has led farmers to consistently prefer quality seeds to obtain high yields.

While the demand for food in India is on the rise, the area of cultivable land in the country remains stagnated. Thus, quality seeds have increasingly become key to enhance agricultural output and productivity.

Kaveri Seeds is focusing its research efforts in field and vegetable crops to tailor promising hybrids and varieties that are suitable for cultivation under different environmental

situations and resilient pan-India climatic conditions. Our research collaborations with several national and international organisations help us design products that suit the needs of the market, while also being tolerant to biotic and abiotic stress factors. We are also equipped with modern R&D facilities in the advance science of biotechnology, plant breeding, quality control and seed technology innovations. We will focus our efforts to enhance sales across multiple crops and continue to improve our presence in the market, expanding our footprint into new geographies.

Research and Development

There is a lot of opportunity for unbounded growth in the seed sector; and to utilise the same, your Company is constantly focusing its R&D infrastructure development on frontier research in science together with the use of advanced biotechnological tools in conventional plant breeding of field and vegetable crops. We have also formulated an integrated programme for molecular breeding as a part of reinforced R&D efforts that are centred on high-yielding hybrid technology. Our strong in-house R&D base has been recognised by the Government of India's Department of Scientific and Industrial Research (DSIR) since 2001.

Your Company is one of India's fastest-growing seed companies with an expansive portfolio, large network of distributors and dealers and a wide pan-India customer base. Our research efforts are focused on designing and developing suitable hybrids and varieties. Our research innovations are deeply rooted in our understanding of crops and the needs of growers. Brand salience of different products represents the hallmark of Kaveri Seeds.

Your Company's research efforts continue to show the way forward. Diverse research collaborations enable us to pursue segment-wise product development as per the requirements of farmers, the market and consumer preferences. Our products are planned bearing in mind biotic and abiotic stresses, along with the looming threat of climate change. Seed innovations at Kaveri Seeds have helped farmers augment yields significantly, earning us goodwill among both farmers and distributors. The Company's premier hybrid varieties of BT cotton, maize and rice (including selection rice) are at the forefront of the seed market.

Your Company's relentless efforts to sustain product quality through innovation, commitment and dedication have gained the trust of growers. Our processes are differentiated; and we are well-equipped with best-in-class production zones. We have a state-of-the-art seed technology lab at Pamulaparthy plant. We possess seven processing plants at various strategic locations to process and supply the seed to the market well in advance.

Quality seed is the order of the day. It is your Company's honest endeavour to inculcate the highest level of quality management across functional domains. We will devote promotional efforts towards promising products in the growth stage. We will add more sales locations to improve our visibility in the market, in tandem with our strategy to explore new geographies. We are receiving positive reviews from our hybrids in various countries. In the years to come, we expect to expand our export presence in the focused countries.

Dividend

The Board of Directors at their meeting held on 8th August 2017 declared an Interim Dividend @ 150% on the paid-up Equity Share Capital i.e., ₹ 3.00/- per equity share for the financial year 31st March 2018 and same was paid to the shareholders.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Dividend Distribution Policy and the same is available on the Company's website viz. www.kaveriseeds.in

Buyback of Equity Shares

During the year 29,62,962 Equity Shares were bought back at a price of ₹ 675/- per Equity Share for an aggregate consideration of ₹ 200.00 crores. The offer size of the Buyback was 19.96% of the aggregate paid up equity share capital and free reserves of the Company for the year ended 31.03.2017 and represented 4.29% of the total issued and paid up equity share capital of the Company. The buyback process was completed and the shares were extinguished on 3rd August 2017.

Transfer of Amount to Reserve

The Company has transferred ₹ 10.00 crores to the general reserve for the financial year ended 31st March 2018 under the provisions of Companies Act, 2013 and Rules there under.

Statutory Auditors & Auditors' Report

The statutory auditors report is annexed to this annual report. There are no adverse remarks on disclosure by the statutory auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review. Pursuant to Section 139(2) of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the Company at its 30th Annual General Meeting (AGM) held on 25th September 2017, had appointed M/s. M. Bhaskar Rao & Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of 30th AGM until the conclusion of 35th AGM of the Company, subject to ratification by shareholders every year, as may be applicable. However, the Ministry of Corporate Affairs (MCA) vide its notification dated 7th May 2018 has omitted the requirement under first proviso to section 139 of the Companies Act, 2013 and rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by shareholders at every subsequent AGM.

Consequently, M/s. M. Bhaskar Rao & Co., Chartered Accountants, continues to be the Statutory Auditors of the Company till the conclusion of 35th AGM, as approved by shareholders at 30th AGM held on 25th September 2017.

Internal Auditors

The Board of Directors of the Company have appointed M/s. M. Anandam & Co., Chartered Accountants as Internal Auditors to conduct Internal Audit of the Company for the financial year ended 31st March 2019. The Internal Audit reports are being reviewed by the Audit Committee of the Company.

Secretarial Auditors Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, the Board of Directors have appointed M/s. L.D.Reddy & Co., a firm of Company Secretaries in Practice (C.P.No.3725) as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended 31st March 2018. The Secretarial Audit Report issued by M/s. L.D.Reddy & Co, Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure – B**.

The Secretarial auditors Report does not contain any qualifications, reservation or adverse remarks.

Board's response on Auditor's qualification, reservation or adverse remarks or disclaimer made:

There are no qualifications, reservation or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the Secretarial Audit Report for the year ended 31st March 2018. During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

Audit Committee

The Audit Committee of the Board of Directors consists Mr. K. Purushotham (Chairman), Mr. P. Varaprasad Rao, Dr. S. Raghuvardhan Reddy and Mr. C. Mithunchand. Dr. S. Raghuvardhan Reddy was appointed as member of Audit Committee on 24th May 2018. The Board has accepted all recommendations made by the audit committee during the year. Further details can be seen in the chapter on Corporate Governance report.

Subsidiary Companies

The Company has 5 subsidiaries as of March 31, 2018. 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.

Names of the Company which have become Company's Subsidiary during the year

During the financial year M/s. Genomix Agri Genetics Private Limited has been incorporated on 16th October 2017 as 100% Wholly Owned Subsidiary of the Company.

Consolidated Financial Statements

In compliance with the relevant provisions of Section 133 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, 2018, which forms part of the Annual Report. The Company has placed separately, the audited accounts of its subsidiaries on its website www.kaveriseeds.in in compliance with the provisions of Section 136 of the Companies Act, 2013.

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 Board periodically reviews the findings and recommendations of the statutory and internal auditors and suggests corrective actions whenever necessary. The Audit Committee of the Board of Directors is also 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.

The Internal Audit team prepares annual audit plans based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. 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.

The Audit Committee of the Board monitors the performance of Internal Audit team on a periodic basis through review of

audit plans, audit findings and speed of issue resolution through follow-ups. Each year, there are at least four meetings in which the audit committee reviews internal audit findings assurance and advisory function, responsible for evaluating and improving the effectiveness of risk management, control and governance processes. The internal audit team helps to enhance and protect organizational value by providing risk-based objective assurance, advice, and insight.

Adquacy of Internal Financial Controls With Reference to the Financial Statements

The internal financial controls (IFC) framework at Kaveri Seeds encompasses internal controls over financial reporting (ICOFR) as well as operational controls that have been put in place across all key business processes of the Company. The internal controls are designed to facilitate and support the achievement of the Company's business objectives and such controls do enable the Company to adapt to changing and operating environment, to mitigate risks to acceptable levels and to support right decision making and good governance. Details in respect of adequacy of internal financial controls with reference to the financial statements are briefly iterated below:

a. The Company maintains all its major records in ERP System.

b. The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organisation is being done through the approved policies of the Company. In every quarter, during the approval of financial statements, internal auditors present the internal audit report and the management comments on the internal audit observations; and

c. The Board of Directors of the Company has adopted various policies such as Related Party Transactions Policy, Whistle Blower Policy, Policy to Determine Material Subsidiaries, Corporate Social Responsibility Policy, Dissemination of Material Events Policy, Documents Preservation Policy, Sexual Harassment Policy, Code of Conduct under Insider Trading Regulations, Code of Conduct for Senior Management, Nomination and Remuneration Policy, Board Diversity Policy, Dividend Distribution Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Indian Accounting Standards – Ifrs Converge Standards

The Ministry of Corporate Affairs vide its notification dated 16th February 2015 notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification your Company has prepared the financial statements to comply in all material respects in accordance with the applicability of Indian Accounting Standards.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(C) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

i) that the applicable accounting standards have been followed in the preparation of the Annual Accounts.

ii) that the Directors have selected such Accounting policies 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 31st March 2018 and of the profit of the Company for that period.

iii) that the Directors have taken proper and sufficient care 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) that the Directors have prepared the annual accounts on a going concern basis.

v) that the Directors have laid down Internal Financial Controls were in place to be followed by the Company and that the financial controls were adequate and were operating effectively and

vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors

Changes in Directors and Key Managerial Personnel: Appointment of Independent Director

Mrs. M. Chaya Ratan (DIN: 08085687) was appointed as an Additional and Independent Director with effect from 24th May 2018 by the Board of Directors at their meeting held on 24th May 2018 under section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting.

A notice under Section 160 of the Companies Act, 2013 is received from a member of the Company proposing candidature of Mrs. M. Chaya Ratan. The Company has received: i) consent in

writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mrs. M. Chaya Ratan to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

Resignation of Director

Mr. M. Srikanth Reddy, tendered the resignation from the office of Independent Director of the Company due to his pre occupations with effect from 24th May 2018. The Board members of the Company profound thanks to Mr. M. Srikanth Reddy for valuable services and significant contribution to the organization in different aspects of the Company is highly appreciable the services rendered by him and the Board be instructed to convey its gratitude for the services rendered during his tenure.

The Board has expressed deep condolence for sudden demise of Dr. Yeshwant Laxman Nene, Independent Director of the Company and noted that his valuable service rendered to the Company is highly appreciated and deeply grieved for losing an eminent Director of the Company.

Resignation of Chief Operating Officer

Mr. G.S.Satish, tendered resignation as the Chief Operating Officer of the Company effective from 30th November 2017 due to his personal reasons.

In terms of Section 203 of the Companies Act 2013, the following are the Key Managerial Personnel (KMP) of the Company:

Mr. G.V. Bhaskar Rao, Chairman & MD
Mrs. G. Vanaja Devi, Whole time Director
Mr. C. Vamsheedhar, Whole time Director
Mr. C. Mithunchand, Whole time Director
Mr. G.Vijay Kumar, Chief Financial Officer
Mr. V.R.S. Murti, Company Secretary

Director(s) retiring by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. C. Mithunchand (DIN :00764906), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

There have been no other changes in the key managerial personnel during the year.

Committees of the Board

The details pertaining to the re-constitution of all Board Committees are included in the Corporate Governance Report, which is a part of this report.

Declaration from Independent Directors

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 (6) of Section 149.

Meeting of Independent Directors

A separate meeting of the Independent Directors was held under the Chairmanship of Mr. K. Purushotham, Independent Director on 7th February 2018, inter-alia, to discuss evaluation of the performance of Non- Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

Familiarization Programme for Independent Directors

The details of the familiarization programme for the Independent Directors is reported in the Report on Corporate Governance, which is attached to the Board's Report.

Number of Meetings of the Board

Four meeting of the Board were held during the year. The dates on which the Board meetings were held are 24th May 2017, 8th August 2017, 27th October 2017 and 7th February 2018. The details of attendance of Board meetings and Committee meetings held during the Financial Year 2017-18 forms part of the Corporate Governance Report.

Change in ihe Nature of Business, If Any

There has been no change in the nature of the business of the Company.

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.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance Note on Board Evaluation issued by the SEBI on 5th January 2017, 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 of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.,

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings etc.,

In a separate meeting of independent directors, performance of non-independent directors, the chairman of the Company and the board as whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the nomination and remuneration committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.,

In the board meeting that followed the meeting of the independent directors and meeting of nomination and remuneration committee, the performance of the board, its committees, and individual directors was also discussed. 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.

Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. The Board has adopted the Board Diversity Policy which sets out the approach to diversify of the Board of Directors. The Board Diversity Policy is available on the Company's website www.kaveriseeds.in

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. The Nomination and Remuneration Policy as adopted by the Board is placed on the Company's website: www.kaveriseeds.in

Corporate Governance

A detailed Report on Corporate Governance prepared in substantial compliance with the provisions of Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as a separate section forming part of this report.

The Certificate issued by M/s. L.D.Reddy & Co., Practicing Company Secretaries, Hyderabad, with regard to compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

Management Discussion and Analysis

Management's Discussion and analysis Report for the year under review, as stipulated under Regulation 34(2)(e)of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 frame work 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 of the Companies Act, 2013, is included in this Report as **Annexure – A** and forms on 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. P. Varaprasad Rao as members. The Committee is responsible for formulating and monitoring the CSR Policy of the Company, the Report on CSR Activities forms part of this Report as "**Annexure - C**."

The Company has incorporated a separate company in the name of 'Kaveri Bhaskar Rao Charitable Trust' under Section 8 of the Companies Act, 2013 to undertake CSR and other charitable activities. For other details regarding the CSR Committee, please refer to the Corporate governance Report, which is a part of this report. The policy is available on www.kaveriseeds.in

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**.

Statement of Particulars of Appointment and Remuneration of Managerial Personnel

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.

Insurance

All properties and insurable interests of the Company have been fully insured.

Business Responsibility Report

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available as a separate section in this Annual Report.

Dividend Distribution Policy

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, requires that the top 500 listed Companies based on the market capitalization to formulate Dividend Distribution Policy. In compliance with the said requirement, the Company has formulated the Dividend Distribution Policy, the details of which are available on the Company's website at www.kaveriseeds.in

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, 2018 to the date of signing of the Director's Report.

Particulars of Loans, Gurantees 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 Board of Directors has adopted the Whistle Blower Policy, which is in compliance with Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations 2015 to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company. (www.kaveriseeds.in)

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. Your Company has adequate internal control systems and procedures to combat risks. The risk management procedures are reviewed by the Audit Committee and Board of Directors from time to time.

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.

Transfer of Un-Paid and Un-Claimed Dividend Amount to IEPF

The dividends which remain un-paid/un-claimed for a period of seven years, have been transferred on due dates by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that companies shall apart from transfer of dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF), also transfer the corresponding shares with respect to the dividend, which has not been claimed

for seven consecutive years or more to IEPF. Accordingly, the dividends that remain unclaimed for seven years and also the corresponding shares would be transferred to IEPF account on due dates. The details are provided in the Corporate Governance Report forming part of the Annual Report.

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.

Human Resources

Kaveri consistently focuses on bringing talent on-board. The Company provides its people with relevant training to drive its long-term growth. The Company trains employees on several developmental programmes to enhance their managerial and behavioural skills. The Company is strengthening employee involvement through communication meetings.

The Company organises regular training programmes for its field staffs to impart them knowledge on crop production, quality control, agronomy, and plant protection, among others. New employees go through formal induction programme and given interactive sessions with their line managers. Besides, specialised training programmes are conducted for R&D and marketing staff, as well as other departments. The Company has introduced a reward programme to recognise top performers from various departments.

The leadership team of the Company has wealth of experience in seed and crop production industry. It has a team of more than 50 dedicated scientists comprising breeders, agronomists, biotechnologists and seed technologists, along with dynamic sales and marketing professionals. Currently, the workforce includes over 883 members, who are driving the levers of growth.

Policy on Sexual Harassment

Your Company has constituted an internal committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules there under. The Company has a policy on prevention of Sexual Harassment at work place with a mechanism of lodging complaints. The policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year under review, no complaints have been received under the policy.

Share Capital

During the year, there was change in the Paid-up Share Capital of your Company due to Buy-back.

During the year under review the Company bought back an aggregate of 29,62,962 Equity Shares out of 69,055,095 Equity Shares from the Shareholders of the Company. After successful Completion of Buy-back the Paid-up Share Capital of the Company was decreased from 6,90,55,095 Equity Shares to 6,60,92,133 Equity Shares of ₹ 2/- each.

Compliance With Secretarial Standards on Board and General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

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**

	Sd/-	Sd/-
Date: 24.05.2018	**G.V. BHASKAR RAO**	**G. VANAJA DEVI**
Place: Secunderabad	Managing Director	Whole time 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

(₹ in Lakhs)

S No	Particulars	Details	Details	Details	Details	Details
1	Name of the subsidiary	Kaveri Microteck Private Limited	Kexveg India Private Limited	Aditya Agritech Private Limited	Genome Agritech Private Limited	Genomix Agri Genetics Private Limited
2	Reporting Period for the Subsidiary concerned	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
3	Reporting currency	INR	INR	INR	INR	INR
4	Share capital	1,453.64	1,415.00	110.00	18.00	10.00
5	Reserves & surplus	332.51	(1,239.30)	309.39	(390.01)	-
6	Total assets	3,423.70	385.48	3,186.00	382.04	259.19
7	Total Liabilities	1,637.55	209.78	2,766.61	754.04	249.19
8	Investments	-	0.01	-	0.06	-
9	Turnover	2,407.71	220.99	5,897.81	1,137.56	-
10	Profit / (loss) before taxation	198.95	(149.88)	184.06	(47.47)	-
11	Provision for taxation	24.88	-	61.71	(7.80)	-
12	Profit /(loss) after taxation	174.07	(149.88)	122.35	(39.67)	-
13	Other Comprehensive Income	(4.16)	(0.41)	(3.19)	2.82	-
14	Total Comprehensive Income	169.91	(150.28)	119.16	(39.67)	
15	Proposed Dividend	-	-	-	-	-
16	% of shareholding	100%	100%	70%	51%	100%

Note:

i) There are no subsidiaries which are yet to commence operations

ii) There are no subsidiaries which have been liquidated or sold during the year

For and on behalf of the Board of Directors

Kaveri Seed Company Limited

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Whole time Director

Date: 24.05.2018
Place: Secunderabad

Form No. 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. Bhaskar Rao (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. 01.04.2017 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	1.20 Acres Land on Lease for a period of 2 years at ₹ 0.60 Lakhs p.a.,

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.Vanaja Devi Wholetime 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. 01.04.2017 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	37.30 Acres Land on Lease for a period of 2 years at ₹ 8.49 Lakhs p.a.,

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	Two years w.e.f. 01.04.2017 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	51.22 Acres Land on Lease for a period of 2 years at ₹ 11.03 Lakhs p.a.,

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.V.BhaskarRao (HUF), Chairman & MD of the Company
b)	Nature of contracts/ arrangements/transaction	Land and Godown Lease Paid
c)	Duration of the contracts/ arrangements/transaction	a. Land lease Agreement for Two years w.e.f.01.04.2017. b. Godown Lease Agreement for 5years w.e.f.01.04.2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	a. 26.19 Acres Land on Lease for a period of 2 years at ₹ 4.81 Lakhs p.a., b. 33171 Sft Godown on Lease for a period of 5 years at ₹ 36.26 Lakhs 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. 01.04.2017 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	20.23 Acres Land on Lease for a period of 2 years at ₹ 1.12 Lakhs p.a.,

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	R. Venumanohar Rao. (HUF) Relative of Whole time Director
b)	Nature of contracts/ arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/ arrangements/transaction	Two years w.e.f.01.04.2017 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	24 Acres Land on Lease for a period of 2 Years at ₹ 2.26 Lakhs 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. 01.04.2017 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	49.36 Acres Land on Lease for a period of 2 years at ₹ 10.87 Lakhs p.a.,

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Bhaskara Investments Partnership firm where our directors are partners
b)	Nature of contracts/ arrangements/transaction	Land Lease Paid
c)	Duration of the contracts/ arrangements/transaction	Two years w.e.f.01.04.2017 respective agreements.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	5.00 Acres Land on Lease for a period of 2 years at ₹ 2.90 Lakhs p.a.,

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 w.e.f.01.04.2012& 01.04.2014 respective agreements.
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 ₹ 14.23 Lakhs p.a.,

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Aditya Agriteck 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 ₹ 4798.60 Lakhs during the financial year 2017-18.

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Genome Agriteck 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 ₹ 826.66 Lakhs during the financial year 2017-18.

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kexveg India 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 ₹ 0.29 Lakhs during the financial year 2017-18.

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kaveri Microteck Pvt Ltd Subsidiary of the Company
b)	Nature of contracts/ arrangements/transaction	Advances paid
c)	Duration of the contracts/ arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Advances paid worth of ₹ 730.00 Lakhs during the year 2017-18

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kexveg India Pvt Ltd Subsidiary of the Company
b)	Nature of contracts/ arrangements/transaction	Advances paid
c)	Duration of the contracts/ arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Advances paid worth of ₹ 120.00 Lakhs during the year 2017-18

For and on behalf of the Board of Directors
Kaveri Seed Company Limited

	Sd/-	Sd/-
Date: 24.05.2018	**G.V. BHASKAR RAO**	**G. VANAJA DEVI**
Place: Secunderabad	Managing Director	Whole time Director

Annexure - A

Extracts of Annual Return

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2018
[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	:	**L01120TG1986PLC006728**
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., 306, Right Wing, III Floor, Amrutha Ville, Opp. Yashodha Hospital, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Tele No. : 040 – 23374967 Tele Fax : 040 – 23370295**

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, Processing 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.,	U01210TG2011PTC077738	Subsidiary	100%	2(87)
2.	Aditya Agri Tech Pvt. Ltd.,	U01119TG2013PTC087066	Subsidiary	70%	2(87)
3.	Genome Agritech Pvt. Ltd.,	U74999TG2004PTC044959	Subsidiary	51%	2(87)
4.	Kaveri Microteck Pvt. Ltd.,	U01403TG2013PTC088536	Subsidiary	100%	2(87)
5.	Genomix Agri Genetics Pvt Ltd	U01110TG2017PTC120071	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	37584900	Nil	37584900	54.43	36209966	Nil	36209966	54.79	0.36
a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks/FI									
f) 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	Nil
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)	**37584900**	**Nil**	**37584900**	**54.43**	**36209966**	**Nil**	**36209966**	**54.79**	**0.36**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4985463	Nil	4985463	7.22	4581060	Nil	4581060	6.93	(0.29)
b) Banks/FI	38854	Nil	38854	0.06	1500024	Nil	1500024	2.27	2.21
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds	10386071	Nil	10386071	15.04	10230783	Nil	10230783	15.48	0.44
i) Alternate Investment Fund	0	Nil	0	0	409103	Nil	409103	0.62	0.62
j) Others (specify)	4055410	Nil	4055410	5.87	1856142	Nil	1856142	2.81	(3.06)
Sub-total (B)(1):-	**19465798**	**Nil**	**19465798**	**28.2**	**18577112**	**Nil**	**18577112**	**28.11**	**(0.09)**
2. Non-Institutions									
a) Bodies Corp.	3661032	Nil	3661032	5.3	2276718	Nil	2276718	3.44	(1.86)
i) Indian	5892230	25021	5892230	8.53	8209990	25021	8209990	12.42	3.89
ii) Overseas	1480771	Nil	1480771	2.14	184880	Nil	184880	0.28	(1.86)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh									
c) Others (specify)									
NRIs.	286605	Nil	286605	0.42	444845	Nil	444845	0.67	0.25
Clearing members	650142	Nil	650142	0.94	131915	Nil	131915	0.20	(0.74)
Trusts	33617		33617	0.05	56317	Nil	56317	0.09	0.04
OCBs.			0	0	0	Nil	0	0	0
Sub-total (B)(2):-	**12004397**	**25021**	**12004397**	**17.38**	**11304665**	**25021**	**11304665**	**17.10**	**(0.28)**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**31470195**	**25071**	**31470195**	**45.58**	**29882167**	**25071**	**29882167**	**45.21**	**(0.37)**
C. Shares held by Custodian for GDRs & ADRs	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	Nil
Grand Total (A+B+C)	**69030074**	**25021**	**69055095**	**100**	**66067112**	**25021**	**66092133**	**100**	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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/	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	G.V.BHASKAR RAO	6031990	8.74	0	5805735	8.79	0	0.05
2	G.V.BHASKAR RAO (HUF)	11240645	16.28	0	10819018	16.37	0	0.09
3	G.VANAJA DEVI	15775050	22.84	0	15183341	22.97	0	0.13
4	G.PAWAN	2509000	3.63	0	2414890	3.65	0	0.02
5	C.VAMSHEEDHAR	1099320	1.59	0	1058087	1.60	0	0.01
6	C MITHUN CHAND	928895	1.35	0	928895	1.41	0	0.06
	Total	**37584900**	**54.43**	**0**	**36209966**	**54.79**	**0**	**(0.36)**

* Reduction in Equity Shares of the Promoters is due to Buy-back of Equity Shares of the Company. Promoters were participated in Buy-back issue and their Equity shares accepted by the Company in proportionate basis.

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

Sl. No.	Particulars	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**				
	At the beginning of the year	6031990	9.13	-	-
	Increase/decrease in Promoters shareholding during the year	(226255)	(0.35)	-	-
	At the end of the year	5805735	8.78	5805735	8.78
2	**G.V. BHASKAR RAO(HUF)**				
	At the beginning of the year	11240645	17.00	-	-
	Increase/decrease in Promoters shareholding during the year	(421627)	(0.63)	-	-
	At the end of the year	10819018	16.37	10819018	16.37
3	**G. VANAJA DEVI**				
	At the beginning of the year	15775050	23.87	-	-
	Increase/decrease in Promoters shareholding during the year	(591709)	(0.90)	-	-
	At the end of the year	15183341	22.97	15183341	22.97
4	**G.P AWAN**				
	At the beginning of the year	2509000	3.80	-	-
	Increase/decrease in Promoters shareholding during the year	(94110)	(0.15)	-	-
	At the end of the year	2414890	3.65	2414890	3.65
5	**C. VAMSHEEDHAR**				
	At the beginning of the year	1099320	1.66	-	-
	Increase/decrease in Promoters shareholding during the year	(41233)	(0.06)	-	-
	At the end of the year	1058087	1.60	1058087	1.60

* Reduction in Equity Shares of the Promoters is due to Buy-back of Equity Shares of the Company. Promoters were participated in Buy-back issue and their Equity shares accepted by the Company in proportionate basis.

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

Sr. No	Name of the Share Holder	Shareholding at the begining/End of the year		Date	Increase/ Decrease in share-holding	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	Ashoka Pte Ltd	2156181	3.26	01-Apr -17			2156181	3.26
					-87147	Sell	2069034	3.13
					-128492	Sell	1940542	2.94
					100000	Buy	2040542	3.09
					-300000	Sell	1740542	2.63
					-150000	Sell	1590542	2.41
					-100000	Sell	1490542	2.26
		1490542	2.26	31-Mar-18			1490542	2.26
2	Macquarie Emerging Markets Asian Trading Pte. Ltd.	1959210	2.96	01-Apr -17			1959210	2.96
					84000	Buy	2043210	3.09
					-70000	Sell	1973210	2.99
					-479000	Sell	1494210	2.26
					-72000	Sell	1422210	2.15
					-13500	Sell	1408710	2.13
					-31500	Sell	1377210	2.08
					-1090	Sell	1376120	2.08
					-550000	Sell	826120	1.25
					-83598	Sell	742522	1.12
		742522	1.12	31-Mar-18			742522	1.12
3	National Westminster Bank Plc as Trustee of The Jupiter India Fund	580000	0.84	01-Apr-17			580000	0.84
					637876	Buy	1217876	1.84
					176829	Buy	1394705	2.11
					84521	Buy	1479226	2.24
					-59792	Sell	1419434	2.15
					12743	Buy	1432177	2.17
					226592	Buy	1658769	2.51
		1658769	2.51	31-Mar-18			1658769	2.51
4	Life Insurance Corporation of India	0	0	01-Apr-17			0	0
					75000	Buy	75000	1.10
					153751	Buy	228751	0.35
					150000	Buy	378751	0.57
					189500	Buy	568251	0.86
					89699	Buy	657950	1.00
					192185	Buy	850135	1.29
					349865	Buy	1200000	1.82
					100000	Buy	1300000	1.97
					103114	Buy	1403114	2.12
					73102	Buy	1476216	2.23
		1476216	2.23	31-Mar-18			1476216	2.23
5	Franklin India Smaller Companies Fund	296845	0.45	01-Apr-17			296845	0.45
					100000	Buy	396845	0.60
					200000	Buy	596845	0.90
					-47789	Sell	549056	0.83
					150000	Buy	699056	1.06
					350000	Buy	1049056	1.59
					27023	Buy	1076079	1.63
					77617	Buy	1153696	1.75
					45360	Buy	1199056	1.81
					111233	Buy	1310289	1.98
		1310289	1.98	31-Mar-18			1310289	1.98

Sr. No	Name of the Share Holder	Shareholding at the begining/End of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	HDFC Trustee Company Limited A/C HDFC Balanced Fund	687500	1.04	01-Apr-17			687500	1.04
					-25781	Sell	661719	1.00
		661719	1.00	31-Mar-18			661719	1.00
7	Suryatej Advisors LLP	450000	0.65	01-Apr-17			450000	0.65
					-37091	Sell	582909	0.88
					2091	Buy	585000	0.89
					-15000	Sell	570000	0.86
		570000	0.86	31-Mar-18			570000	0.86
8	Lakshmi Capital Investments Limited	548854	0.83	01-Apr-17				
					-23000	Sell	525854	0.80
					-14000	Sell	511854	0.77
					30000	Buy	541854	0.82
					-10000	Sell	531854	0.80
					-10000	Sell	521854	0.79
		521854	0.79	31-Mar-18			521854	0.79
9	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	410000	0.62	01-Apr-17			410000	0.62
					60000	Buy	470000	0.71
					100000	Sell	370000	0.56
					35887	Sell	334113	0.51
					170000	Sell	164113	0.25
					29300	Sell	134813	0.20
					134813	Sell	0	0.00
					260000	Buy	260000	0.39
					120000	Buy	380000	0.57
					153500	Buy	533500	0.81
					7100	Sell	526400	0.80
					204000	Sell	322400	0.49
					322400	Sell	322400	0.00
					314501	Buy	314501	0.48
					201499	Buy	516000	0.78
					35000	Buy	551000	0.83
		551000	0.83	31-Mar-18			551000	0.83
10	Societe Generale	550000	0.80	01-Apr-17			550000	0.80
					139500	Buy	213777	0.32
					1500	Buy	215277	0.33
					-24000	Sell	191277	0.29
					-19500	Buy	171777	0.26
					1500	Buy	173277	0.26
					-39000	Sell	134277	0.20
					-45000	Sell	89277	0.14
					-9000	Sell	80277	0.12
					3000	Buy	83277	0.13
					-28000	Sell	55277	0.08
					532827	Buy	588104	0.89
					4133	Buy	592237	0.90
					31500	Buy	623737	0.94
					4500	Buy	628237	0.95
					7500	Buy	635737	0.96
					-62400	Sell	573337	0.87
					12000	Buy	585337	0.89
					1500	Buy	586837	0.89
					16500	Buy	603337	0.91
					1500	Buy	604837	0.92
					-40500	Sell	564337	0.85
					-22500	Sell	541837	0.82
					-46500	Sell	495337	0.75
					-3000	Sell	492337	0.74
					-4500	Sell	487837	0.74
		487837	0.74	31-Mar-18			487837	0.74

(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	9.13	-	-
	Increase/decrease in Promoters shareholding during the year	(226255)	(0.35)	-	-
	At the end of the year	5805735	8.78	5805735	8.78
2	**G.V. Bhaskar Rao(HUF)**				
	At the beginning of the year	11240645	17.00	-	-
	Increase/decrease in Promoters shareholding during the year	(421627)	(0.63)	-	-
	At the end of the year	10819018	16.37	10819018	16.37
3	**G. Vanaja Devi, Whole time Director**				
	At the beginning of the year	15775050	23.87	-	-
	Increase/decrease in Promoters shareholding during the year	(591709)	(0.90)	-	-
	At the end of the year	15183341	22.97	15183341	22.97
4	**G. Pawan, Director**				
	At the beginning of the year	2509000	3.80	-	-
	Increase/decrease in Promoters shareholding during the year	(94110)	(0.15)	-	-
	At the end of the year	2414890	3.65	2414890	3.65
5	**C. Vamsheedhar, Whole time Director**				
	At the beginning of the year	1099320	1.66	-	-
	Increase/decrease in Promoters shareholding during the year	(41233)	(0.06)	-	-
	At the end of the year	1058087	1.60	1058087	1.60
6	**C Mithun Chand, Whole time Director**				
	At the beginning of the year	928895	1.34	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	928895	1.34	928895	1.34
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	-	-	-	-

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
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	**G. VIJAY Kumar, Chief Financial Officer**				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
14	**G. Satish, Chief Operating Officer**				
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
15	**V.R.S.Murti, Company Secretary**	-	-	-	-
	At the beginning of the year	-	-	-	-
	Increase/decrease in Promoters shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. Indebtedness

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

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	163.86			163.86
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	11.94			11.94
Total (i+ii+iii)		**175.80**	**-**	**-**	**175.80**
Change in Indebtedness during the financial year					
●	Addition	23.96	-	-	23.96
●	Reduction				
Net Change		23.96	-	-	23.96
Indebtedness at the end of the financial year					
i)	Principal Amount	187.82			187.82
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	15.44			15.44
Total (i+ii+iii)		**203.26**	**-**	**-**	**203.26**

VI. 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	C.Vamsheedhar	C.Mithun Chand	Total Amount – ₹
1.	Gross salary	19529108	12131363	5968917	4972486	42601874
	(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					
	- as % of profit					
	- others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	**19529108**	**12131363**	**5968917**	**4972486**	**42601874**
	Ceiling as per the Act					*Refer Note*

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to MD & WTD shall not exceed 10% of the net profit of the Company. 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
		.....	.....	.....	.....			
	Independent Directors	M.Srikanth Reddy	P.Varaprasad Rao	Dr. Y.L.Nene	Dr. S. Raghuvardhan Reddy	Dr. S.M.Ilyas	K. Purushotham	Total Amount
●	Fee for attending board committee meetings	120,000	90,000	90,000	90,000	90,000	120,000	6,00,000
●	Commission							
●	Others, please specify							
	Total (1)	**120,000**	**90,000**	**90,000**	**90,000**	**90,000**	**120,000**	**6,00,000**
	Other Non-Executive Directors							
●	Fee for attending board committee meetings	-	-	-	-	-	-	-
●	Commission							
●	Others, please specify							
	Total (2)	**-**	**-**		**-**	**-**	**-**	**-**
	Total (B) = (1 + 2)	**120,000**	**90,000**	**90,000**	**90,000**	**90,000**	**120,000**	**6,00,000**
	Total Managerial Remuneration	**120,000**	**90,000**	**90,000**	**90,000**	**90,000**	**120,000**	**6,00,000**
	Overall Ceiling as per the Act							*Refer Note*

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to Independent Directors shall not exceed 1% of the net profit of the Company. The Company is paying only sitting fee to all 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		
		G. Vijay Kumar, CFO	G.Satish, COO	Total
1.	Gross salary	8109873	10382612	18492485
(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
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	**8109873**	**10382612**	**18492485**

VII. Penalties/Punishment/Compounding Of Offences

No Penalities Paid by the Compay During the Fiancial Year 2017-2018

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)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers in Default-Not Applicable					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors
Kaveri Seed Company Limited

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Whole time Director

Date: 24.05.2018
Place: Secunderabad

Annexure - B

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31-03-2018

[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 Board of Directors
M/s. Kaveri Seed Company Ltd.
513B,5th Floor, Minerva Complex, S.D.Road,
Secunderabad- 500003, TS

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 31-03-2018,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 31-03-2018 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 thereunder;

   iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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;

      i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   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 Environment (Protection) Act, 1986

xii) Electricity Act 2003

xiii) Income Tax Act 1961 and Indirect Tax Law

xiv) The Payment of Gratuity Act,1972

xv) Service tax

xvi) Value Added Tax Act ,2005

xvii) Water (Prevention & Control of Pollution) Act 1974 and rules there under

xviii) Air (Prevention & Control of Pollution) Act 1981 and rules there under

xix) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.

xx) Newspaper Publications

xxi) The Seed Act, 1996 and Seed (Control) Order 1983

xxii) Trade Mark Act 1999

xxiii) Telangana Agricultural produce and Live stock Market Act 1966

xxiv) The Central Goods and Services Tax Act 2017

2. We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

3. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act 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.
- 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;
- Uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- 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 III of the Companies Act 2013 read with Companies (Indian Accounting Standard (Ind AS)) Rules 2015

- Report of the Board of Directors;
- 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;

4. 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 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.

5. We Further Report That:

- The Company is paying wages to all employees as per the provisions of The Payment of Wages Act, 1936
- The Company has obtained consent of Telangana State Pollution Control Board, as per the provision of Water (Prevention & Control of Pollution) Act, 1974 and ;
- The Company is regular in paying all statutory dues like PF, ESI, Sales tax, Service tax, etc.
- The Company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act,1972 and has provided 100% provision in the books of accounts.
- The Company is regular in publishing Audited and Unaudited Financial Result.
- The Company has renewed the Insurance Policy under Employees State Insurance Act,1948
- The Company has renewed the Policy with LIC for Gratituty under Payment of Gratuity Act,1972
- The Company website is well acquainted with Statutory required information.

6. 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.

7. **We further Report that** during the audit Period the Company has

- Buy back of 29,62,963 Fully paid up equity shares of ₹ 2/- each
- No Public /Right/Preferential Issue of Shares/ Debentures/Sweat Equity etc.,
- 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. DHANAMJAYA REDDY
(Proprietor)
CP. No.3752

Date: 24.05.2018
Place: Hyderabad

Note: This report is to be read with our letter of even date which is annexed as annexure and Forms an integral part of this report.

Annexure

To,
The Board of Directors
M/s. Kaveri Seed Company Ltd.
513B,5th Floor, Minerva Complex, S.D.Road,
Secunderabad- 500003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.

2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulations and happening of events etc.

5. The compliances of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the Company efficiency of effectiveness with which the management has conducted the affairs of the Company.

For **L.D. REDDY & C O.,**
Company Secretaries

Sd/-
L. DHANAMJAYA REDDY
(Proprietor)
CP. No.3752

Date: 24.05.2018
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 programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes are given below.

   Promoting education, promoting preventive healthcare, eradicating hunger, poverty and 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 www.kaveriseeds.in

2.	Composition of the CSR Committee	Sri G.V.BhaskarRao, Chairman Smt. G.Vanaja Devi, Member Sri M. Srikanth Reddy, Member
3.	Average net profit of the Company for last three financial years	₹ 18904.52 Lakhs
4.	Prescribed CSR expenditure 2% of the amount in item no. 3 above	₹ 378.09 Lakhs
5.	Details of CSR Spend for the financial year	
	(a) Unspent Amount at the beginning of the financial year:	₹ 0.76 Lakhs
	(b) Total amount spent during the financial year:	₹ 378.00 Lakhs
	(c) Amount unspent at the end of the year, if any:	₹ 0.85 Lakhs

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

Statement of CSR Expenditure for the Period 01.04.2017-31.03.2018

(₹ in Lakhs)

S. No	CSR Project or activity identified	Sector in which the Project is Covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects Sub heads: (1) Direct on projects or programs (2) Overheads	Accumulative expenditure upto the reporting period i. e March 31, 2018
I.	**Spent Through Kaveri Seed Company Limited (Direct)**					
A.	**Heritage & Culture Development Related Expenditure**					
1	Donation made to Orughallu Kalavaibhavam Festival	Heritage and Culture Development	District Collector, Warangal Urban, Telangana	10.00	10.00	10.00
	Total			**10.00**	**10.00**	**10.00**
II.	**Spent Through Kaveri Bhaskar Rao Charitable Foundation* (CSR Trust)**					
A.	**Education and Related Expenditure**					
1	Construction of School Building	Education	Paripally Street, Siddipet Town & District. Telangana	170.00	126.26	142.57
2	Providing Furniture to New School Building	Education	Paripally Street, Siddipet Town & District. Telangana	25.00	26.62	26.62
3	Providing Computer Lab, Projector Room & CCTV to the New School Building	Education	Paripally Street, Siddipet Town & District. Telangana	20.00	19.20	19.20
4	Providing Solar Power Generation System to the New School Building	Education	Paripally Street, Siddipet Town & District. Telangana	3.50	3.41	3.41
5	Construction of UPS School Building	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	160.00	113.28	121.94
6	Construction of Toilets for UPS School	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	12.00	0.00	0.00
7	Construction of Dining hall Building for UPS School	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	29.00	7.54	7.54
8	Providing Computers to ZPHS School	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	0.50	0.68	0.68

(₹ in Lakhs)

S. No	CSR Project or activity identified	Sector in which the Project is Covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects Sub heads: (1) Direct on projects or programs (2) Overheads	Accumulative expenditure upto the reporting period i. e March 31, 2018
9	Providing Parking Shed to the School	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	2.50	2.16	2.16
10	Salaries to Vidyavalanteers of UPS & ZPHS	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	17.50	16.87	16.87
11	Scholarships to the Students	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	4.00	3.92	3.92
12	Providing Spoken English Books to Schools	Education	Kumaram Bheem Asifabad Dist, Suryapet Dist, Siddipet Dist & Warangal Urban District, Telangana.	13.00	13.48	13.48
13	Providing Gold Medals to Agriculture Engineering Students	Education	PJTSAU Hyderabad, Telangana.	2.10	2.10	2.10
14	School Maintenance Expenses, Electricity Charges of School Building, Maintenance of School Canteen and Arranging Sports & Cultural activities of UPS & ZPHS	Education	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	10.00	8.75	8.75
B.	**Rural Development and Related Expenditure**					
15	Providing New Bore well	Rural Development	GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana	0.35	0.36	0.36
16	Donation made to Shankar Foundation	Rural Transformation and Welfare of the Poor	Khairatabad, Hyderabad, Telangana	0.50	0.50	0.50
C.	**Amount Contributed to Kaveri Bhaskar Rao Charitable Foundation during the year (Net of Actual Amount Contributed during the year and Expenditure made by the Foundation during the year i.e (₹ 368 Lakhs – ₹ 345.13 Lakhs))**				**22.87**	
	Total			**469.95**	**368.00**	**370.10**
	Grand Total			**479.95**	**378.00**	**380.10**

6. Kaveri Bhaskar Rao Charitable Foundation is a company within the meaning of section 8 of the companies act, 2013. We have contributed ₹ 368.00 Lakhs towards CSR activities to the Foundation during the year, along with the current year contribution total amount contributed to the Foundation upto 31.03.2018 is ₹ 1143.00 Lakhs. Out of total 1143.00 Lakhs contributed, the Foundation has spent ₹ 467.92 Lakhs on various CSR activities. The balance amount of ₹ 675.08 Lakhs will be spent during the financial year 2018-19.

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
Kaveri Seed Company Limited

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Whole time Director

Date: 24.05.2018
Place: Secunderabad

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)

Particulars	2017-18	2016-17
Capital	110.08	79.02
Recurring	1266.24	1166.36
Total	**1376.32**	**1245.38**
Total R&D expenditure as percentage of total turnover	1.78%	1.86%

(C) Foreign Exchange Earnings and Outgo

a) Earnings : ₹ 1308.38 (1457.49) Lakhs

b) Out go : ₹ 140.10 (136.66) Lakhs

For and on behalf of the Board of Directors
Kaveri Seed Company Limited

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Whole time Director

Date: 24.05.2018
Place: Secunderabad

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	106.09:1
2.	Mrs. G.Vanaja Devi, Whole time Director	65.90:1
3.	Mr. C.Vamsheedhar, Whole time Director	32.42:1
4.	Mr. C.Mithunchand, Whole time Director	27.01:1

Dr. Y.l.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	13.71
2.	Mrs. G.Vanaja Devi, Whole time Director	13.64
3.	Mr. C.Vamsheedhar, Whole time Director	13.29
4.	Mr. C.Mithunchand, Whole time Director	13.19
5.	Mr. G. Vijay Kumar, Chief Financial Officer	18.39

Dr. Y.l.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 (8.36)%

(iv) The number of permanent employees on the rolls of the Company as on March 31, 2018 was 883.

(v) 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 Three 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 2018.

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

Top 10 employees in terms of remuneration drawn during the year

Sl. No.	Name	Designation	Remuneration received (₹ Lakhs) Per Annum	Qualification & experience	Date of Commencement of employment	Age	The last employment held by such employee before joining the Company
1	Bhaskar Rao GV	Managing Director	1,95,29,108	-	27-Aug-86	68	
2	Vanaja Devi G	Director	1,21,31,363	-	27-Aug-86	65	
3	G S Satish	Chief Operating Officer	1,03,82,612	PGDM & 21.10	11-May-15	49	BASF, Singapore
4	Vijay Kumar G	Chief Financial Officer	81,09,873	ICAI, ICWAI & 20.1	21-Mar-16	48	Pitti Lamination Limited, Hyderabad
5	Hari Singh Chauhan	Head-Sales & Marketing	73,30,325	B.Sc(Horti) & 19	10-Feb-15	49	Savannah Seeds, Hyderabad
6	Vamsheedhar C	Executive Director	59,68,917	-	1-Apr-00	47	
7	Padmakar Reddy P	Head R&D	49,76,536	M.Sc (Ag) & 30.8	8-Jun-15	60	Monsanto India Limited
8	Mithun Chand C	Executive Director	49,72,486	MBA	15-Nov-06	42	
9	Vasudeva Rao K	Head-Supply chain	43,72,422	M.Sc & 33	8-Jun-15	60	Syngenta India, Hyderabad
10	Rajesh Varma	Head-Sales & Marketing	38,36,026	B.Sc (Ag), AGMP & 22	6-Feb-16	48	Nunhems Vegetable Seeds, Hyderabad

Employees drawing a remuneration of ₹ 1.02 crore or above per annum

Sl. No.	Emp. ID No.	Employee Name	Designation	Head Quarter	State	Department	Remuneration received (₹_____)	Qualification & experience	Date of Commencement of employment	Age	The last employment held by such employee before joining the Company
1.	100001	Bhaskar Rao GV	Managing Director	Secunderabad	Telangana	Director	1,95,29,108			68	
2.	100002	Vanaja Devi G	Director	Secunderabad	Telangana	Director	1,21,31,363			65	
3.	101398	G S Satish	Chief Operating Officer	Secunderabad	Telangana	HR&Admin.	1,03,82,612	PGDM & 21.10	11-May-15	49	BASF, Singapore

Employed for part of the year with a average salary of ₹ 8.5 Lakhs per month

Sl. No.	Name	Designation	Remuneration received (₹ In Lakhs)	Qualification & experience	Date of Commencement of employment	Age	The last employment held by such employee before joining the Company
			NIL				

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 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
Kaveri Seed Company Limited

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Whole time Director

Date: 24.05.2018
Place: Secunderabad

Business Responsibility Report

(As per Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Kaveri Seed Company Limited (www.kaveriseeds.in) headquartered at Secunderabad, Telangana, India, is one of India's premier quality seed-producing companies. It has a strong R&D base for developing quality hybrids of key Indian crops such as cotton, corn, rice, bajra, sunflower are the major crops for which the Company enjoys a strong leadership position in the seed production and marketing. The Company is also consolidating its R& D marketing in vegetables. The Company's R&D activities are recognized by the Department of Scientific and Industrial Research (DSIR), Govt., of India. The Company's R&D focused on the objective – To conceptualize, design and develop competitive hybrids and inbred varieties in different crops through conjunct use of traditional breeding with the frontier line of science Biotechnology. Across decades, we have steadily transformed our products, processes and innovation techniques to deliver the best of science to enhance farm productivity and ensure food and nutritional security for millions of people.

The Company has developed lot of infrastructure facilities viz., seven state-of-the-art processing facilities, spread over in the states of Telangana, Andhra Pradesh and Karnataka. The state-of-the-art facility of modern Biotech and Quality control laboratories. A nation wide marketing and distribution network manned by technically competent and commercially skilled marketing team is an important asset of the Company.

Section A : General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	LO1120TG1986PLC006728
2.	Name of the Company	Kaveri Seed Company Limited
3.	Registered Office address	#513-B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad-500003, Telangana, India
4.	Website	www.kaveriseeds.in
5.	e-mail id	cs@kaveriseeds.in
6.	Financial Year reported	1st April 2017 to 31st March 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC code: 011 — Description: Seed production
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Produce the Cotton, Maize and Rice
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	Nil
	ii. Number of National Locations	The Company has 9 Seed Processing, Packing and Cold storage plants including R&D Center
10.	Markets served by the Company – Local/State/National/International	The Company's operations are mainly carried out from Hyderabad with manufacturing divisions at Pamulparthy Plant and exports its seed to Bangaladesh.

Section B: Financial Details of the Company

1.	Paid up Capital (INR)	₹1321.84 Lakhs
2.	Total Turnover (INR)	₹77240.30 Lakhs (standalone) and ₹81937.48 Lakhs (consolidated)
3.	Total profit after taxes (INR):	₹21034.21 Lakhs (standalone) and ₹21141.05 Lakhs (consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	CSR spent during the financial year 2017-18 was ₹378.00 Lakhs (1.80% of standalone profit after tax)
5.	List the activities in which expenditure in 4 above has been incurred.	Education Rural Development

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies	Yes. The Kaveri has 5 subsidiary companies located in India
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The parent company undertakes majority of the BR initiatives
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business entity.

Section D : BR Information:

1.	Details of Director/Directors responsible for BR	a. Details of the Director responsible for implementation of the BR policies: Name : Mr. G.V.Bhaskar Rao Designation: Managing Director DIN Number : 00892232 Tel.No.040-49192344 Email ID: cs@kaveriseeds.in b. Details of the BR head : same as above

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3

Businesses should promote the wellbeing of all employees

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5

Businesses should respect and promote human rights

Principle 6

Business should respect, protect, and make efforts to restore the environment

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8

Businesses should support inclusive growth and equitable development

Principle 9

Businesses should engage and provide value to their customers and consumers in a responsible manner

Sl. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for					Yes				
2.	Has the policy being formulated in consultation with the relevant stakeholders?					Yes				
3.	Does the policy conform to any national /international standards?	Company Policies are in line with the best global practices.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Yes, the policies are approved by the Board and signed by the appropriate Board Director.								
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?					Yes				
6.	Indicate the link for the policy to be viewed online?	Policies can be viewed on http:/www.kaveriseeds.in								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?					Yes				
8.	Does the Company have in-house structure to implement the policy/policies.					Yes				
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes, the Company provides the redressal mechanism for all kinds of grievances.								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Maximum policies are evaluated by the internal audit team and some of the policies assessment is done by internally.								

3. Governance related to BR

   i. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**
   The Managing Director and top management periodically review the BR performance of the Company through Leadership Meetings.

   ii. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
   BR will published annually along with the Annual Report

   Web link: www.kaveriseeds.in

Section E: Principle-wise Performance

Principle 1 - Ethics

1. Does the policy relating to ethics, bribery and corruption cover only the Company?
   Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

   The Company is committed to build a strong ethical organization. As a result, the Company has adopted a Code of Conduct policy which is applicable to all the employees of the Company including the board members. The policy lays emphasis on the honesty, integrity and ethical conduct of the employees and has been communicated to the employees time to time, across all the locations.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
   During the financial year, the Company has not received any complaint from the stakeholders.

Principle 2 - Product Life Cycle Sustainability

Leading companies have made strategic investments in their supply-chain capabilities and set up efficient and effective organizations that overcome cross-functional silos. By outperforming the overall level of maturity in their sectors, they have been able to disrupt them, as Kaveri seeds has done to the seed industry. The Company has been able to redefined the customers' expectations of service and their ability to bring innovation to the market, turning its excellence in supply-chain execution into a powerful source of competitive advantage. Kaveri considered being the very best company in seed production continues to evolve and reinvent its supply chains, even if it has already achieved a leading position in their industry. By doing so, the Company has been able to manage risks; respond to changes in the economic, technological, and competitive environment; and exploit new opportunities more effectively than their competitors. It has been able to innovate and defy on the product lifecycle thereby bring in better seeds.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
   - Kaveri Plant operations team has installed & commissioned 30 mechanical conveyers to replace manual hand grading which would enhance the quality recovery, ensure the increase of per day output and also pack cotton seed within time bound.

- A centralized & dedicated stores ware house was created for non-seed inventory (primary, secondary packing material & seed treatment chemicals) which helps in systematic stacking of the products, proper tagging of the stacked products & correct physical verification of the inventory on periodical basis.

- A huge cold storage facility has been created to store the seed, safe guard the seed from High temperature and Relative humidity and also to protect the viability of the seed.

- Provided field safety shoes to the entire Breeding, Seed production and field operation personals in order to mitigate the risk of foot injuries & snake bites during the course of their regular field visits. Anti-venom is also at disposal to combat from snake bite.

- Cyclofans, Cyclones, Centrifans and Bag Filters are used at the Seed Processing, Blending, Delinting and Packing machines to avoid dust in the work place and their surroundings. We collect the processing dust in a bag and use it as manure in our R & D Farms.

- We use Dilute Sulfuric acid Delinting Plant (EMKAT) where only 12-16% diluted sulfuric Acid is used for cotton Delinting against conventional Delinting method. Also, we re-circulate excess acid and reuse the same.

- Discard of used germination papers: we do not discard used germination paper. Instead a compost pit is dug and used germination papers are decomposed and the compost used in R & D Farms.

- Rain water Harvesting has been implemented where we use water from constructed percolation tanks and storage tanks wherever possible. The stored rainwater after filtration is being used for plants and Laboratories.

- We have provided cost-free plant protection chemical (Cobalt Chloride) to several hundreds of cotton seed farmers to ward-off the leaf reddening impact which is caused by physiological disorders influenced by the adverse climatic conditions.

- The maize shanks generated during the dry cob shelling are used for heat generation process which helps to heat up the air to a desired critical temperature for drying the harvested wet cobs; delivered from the production field, thus minimizing the huge energy source requirements.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   Our strongest desire is to seek potential innovation in core crop and visualise a base that progresses us to become a market leader through our world class seed production.

   Kaveri Seeds rightly define its supply chain management by placing delivery as one of the key motion for the trust of our growers and farmers. Delivery standards are highly dictated and audited and we assure that nothing goes a miss in delivery principles. While this is at side, our cost of goods sold (COGS) remains potential throughout.

   - Taking up the challenges related to seed production scenario and with meticulous planning and execution, target production volumes were realized.

   - Introduction of certain process and matrix changes has enhanced the production volume and quality of the product

   - We assure safeguarding of seeds from unforeseen climatic conditions by organizing seed production in multiple geographies.

   - Seed's post-production operational practices are top notch while mechanical dryers were used to dry the seeds during seed processing. As a result, there has been an increase in the efficiency of the seeds, along with cost effectiveness.

   We have reduced the manpower to over 40% by introducing mechanical grading of delinted

processed cotton seed which eventually saves enough time to make the seed material available for blending, treating, Labeling & packing.

b. Reduction during usage by consumer's (energy, water) has been achieved since the previous year?
Market sales return quantities were reduced by about 25 % over previous year through efficient liquidation tracking procedures.

Reduced un-dispatched packed finished goods volume from over 2000 tons to 700 tons through improved sales forecast planning, Liquidation efforts at market places, regular tracking of indents vs. dispatches & focused logistics.

3. Does the Company have procedures in place for sustainable sourcing (including transportation) ?
   a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
   We, as an organization have made persistent efforts to retain our sourced seed suppliers by ensuring their continuous engagement in two seasons of seed production & by providing multiple crop seed production opportunities in multiple geographies. Resultantly, the grower base retention & loyalty, production reliability & sustainability have been ensured.

   We are recruiting most of the frontline employees and daily Labor from surrounding villages and providing employment to local people.

   Similar procedural efforts were made with respect to sourcing non-seed products from our reliable repeated vendors at a reasonable cost, high quality & timely supply.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company introduced direct grower procurement model in the proximity of our seed conditioning & drying facilities to effectively engage the small land holders & the neighborhood farming societies to produce quality seed for us. This initiative of ours has yielded in complete retention of these small land holders bringing hundreds of acres under seed production & we becoming their continued & most preferred seed company.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
The Company has established systems to recycle a) the seed treated chemical wash water back in to the treatment process which helps to overcome hazardous waste disposal challenges, b) the maize shanks generated the following dry cob shelling back in to the heat generation process that helps in heating up the air to a desired critical temperature to dry the harvested wet cobs delivered from the production field, minimizing the energy source requirements & c) the used chemical containers to minimize the chemical waste and help protect the environment around.

Principle 3 – Business should promote the well-being of all the Employees

1. Please indicate the Total number of employees.
The Company has 883 employees as on 31.03.2018

2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis.
The Company has no contractual employees as on 31.03.2018

3. Please indicate the Number of permanent women employees.
The Company has 33 women employees as on 31.03.2018

4. Please indicate the Number of permanent employees with disabilities
Nil

5. Do you have an employee association that is recognized by management?
Nil

6. What percentage of your permanent employees is members of this recognized employee association?
Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	Nil	Nil	Nil
Sexual harassment	Nil	Nil	Nil
Discriminatory employment	Nil	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   - Permanent employees: Employee training is a continuous process in the organization and all the employees are given mandatory safety training at the time of joining the organization.

Particulars	Safety (%)	Skill up-gradation (%)
Permanent Employees	100%	100%
Permanent Women Employees	100%	100%
Casual/Temporary/ Contractual Employees	Nil	Nil
Employees with Disabilities	NA	NA

Principle 4 - Stakeholders Engagement

1. Has the Company mapped its internal and external stakeholders?
   Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?
   There are no disadvantaged, vulnerable and marginalized stakeholders identified by the Company.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.
   The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. This is one of the corporate values that focuses on being responsive, listening to stakeholders, being proactive and transparent.

   The Company has a whistle blower policy that provides support to employees, channel partners and vendors to report significant deviations from key management policies and report any noncompliance and wrong practices. The Company also has an investor grievance cell where the investors can raise their concerns and are resolved appropriately.

Principle 5 - Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
   The policy covers the employees of the Company

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   None was received

Principle 6 - Business should respect, protect and make efforts to restore the Environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.
   The Company is committed to operate all its plants in an environmental friendly manner, while taking all pre cautionary measures and protecting the health and safety of its employees.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?
   Research initiatives were under taken to combat climatic change for developing suitable hybrids in Maize & Pearl millet.

3. Does the Company identify and assess potential environmental risks?
   Yes

4. Does the Company have any project related to Clean Development Mechanism?
   At present the Company does not have any project related to clean development mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.
   No

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
   Yes, all the processing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazard waste generation and disposal as per their regulatory authorities.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.
No pending notices as on 31.03.2018

Principle 7 - Policy Advocacy

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
The Company is associated with various trade organizations, chambers etc., as follows:

The Company is a member of various trade bodies and chamber associations in India such as,

1. Seedsmen Association
2. Confederation of Indian Industry
3. The Federation TG and AP Chambers of Commerce & Industry (FAPCCI)
4. National Seed Association of India
5. The Asia & Pacific Seed of Association, Bangkok
6. Seed Association of Madhya Pradesh
7. Seed Association of Maharashtra

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?
Yes, we do from time to time take up issues through the associations on matter of public interest.

Principle 8 - Community Development (CSR)

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
Kaveri Seed Company Limited is committed to continuously improving its social responsibilities, environment and economic practices to make positive impact on the society. The CSR Policy focuses on promoting education, promoting preventive healthcare, eradicating hunger, poverty and malnutrition, making available safe drinking water, environmental sustainability, ecological balance and rural development etc.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
Kaveri Seed Company Limited has a team for the implementation and monitoring of various CSR projects. Wherever required services of external agencies will be utilized based on project requirement. Further, the Company has established a Foundation viz. Kaveri Bhaskar Rao Charitable Foundation primarily for undertaking CSR activities. The Company has started CSR activities under the said Foundation. For, projects in villages, the Company engages persons/representatives from Villages/Gram Sabah's / Ward members. This helps in achieving the target as well as participation of the local representatives in formulating the various activities to obtain maximum benefit by community.

3. Have you done any impact assessment of your initiative?
We review our projects time to time. Each project has specific deliverables to be met. The internal teams ensure the implementation of the projects undertaken from time to time. The Company also takes feedback from the local persons/representatives from Villages/Gram Sabah's / Ward members.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
Kaveri has contributed ₹368.00 Lakhs towards CSR activities to the Foundation during the year, along with the current year contribution total amount contributed to the Foundation upto 31.03.2018 is ₹1,143.00 Lakhs. Out of total ₹1143.00 Lakhs contributed, the Foundation has spent ₹467.92 Lakhs on various CSR activities as referred in point 1. The balance amount of ₹675.08 Lakhs will be spent during the financial year 2018-19.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?
The community development program revolves around education development, rural development, health and sanitation etc. Overall, these programs have benefitted many students and villagers of Karimnagar and Siddipet Districts of Telangana during the year. All our community development initiatives are heart fully welcomed and adopted by the community and well appreciated by leaders and social activists.

Further details on the CSR projects undertaken during 2017-18 are mentioned in a separate section of the annual report.

Principle 9 - Customer value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
   The Company has mechanism to handle customer complaints. As on March 31, 2018 less than 1% of the complaints were pending beyond the acceptable timelines as per the Standard Operating Procedures (SOP).

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?
   The Company has displayed the labels on the packing products as per regulatory requirements; comply with the Seed Act, 1966; Seed Rules, 1968; Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 and other local laws from time to time.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.
   As on 31st March 2018, there are no pending cases.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
   We regularly undertake survey with farmers by internal team to understand product satisfaction and intention for coming season. We conduct crop tours by crops functional team with user farmers to understand product performance in farmer field conditions.

For and on behalf of the Board of Directors
Kaveri Seed Company Limited

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Whole time Director

Date: 24.05.2018
Place: Secunderabad

Report on Corporate Governance

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

Company's Philosophy on Code 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 into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

The Company is committed to optimizing long term value for its stakeholders with a strong emphasis on the transparency of its operations and instilling pride of association. The Company follows the best practices of Corporate Governance and reporting systems in accordance with SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

Board of Directors

As of the date of the Report, the Board of Kaveri Seed had Ten Directors, comprising Four Executive Directors including the Chairman & Women Director, one non-executive non independent Director and Five are the Independent Directors. The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into 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. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding committee positions in other public companies as on 31st March 2018 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 and Section 149(6) of the Companies Act 2013. The maximum tenure of independent directors is in compliance with the Companies Act. All the independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 149(6) of the Companies Act 2013.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable with regard to Corporate governance as detailed below:

i) Composition of Board, their positions, other Directorships and memberships of Committees held by each of them as on 31st March 2018

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on 25.09.2017	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 (Promoter)	4	Yes	12	-
Smt. G. Vanaja Devi	Executive Director (Promoter)	4	No	5	-
Dr. G.Pawan	Non-Executive – Vice Chairman	2	Yes	2	-
Sri C.Vamsheedhar	Executive Director	4	Yes	4	-
Sri C. Mithun Chand	Executive Director	4	Yes	3	-1
Sri M. Srikanth Reddy	Independent Director	4	Yes	10	1-3
*Dr. Yeshwant Laxman Nene	Independent Director	3	Yes	-	-
Sri P.Vara Prasad Rao	Independent Director	3	Yes	4	1-2
Dr. S.Raghuvardhan Reddy	Independent Director	3	Yes	1	-1
Dr. S.M.Ilyas	Independent Director	3	Yes	1	-
Sri K.Purushotham	Independent Director	4	Yes	3	1-1

Note:

1) The directorships are considered in the companies incorporated under the Companies Act, 1956/2013 including the Kaveri Seed Company Limited.
2) For committee positions, only audit & stakeholders and nomination committees of public limited companies including Kaveri Seed Company Limited are considered as per Regulation 26(1) of SEBI (LODR) Regulations, 2015.
3) Leave of absence was granted on request to those directors who could not attend the meeting(s).
4) * Dr. Yeshwant Laxman Nene, Independent Director of the Company was passed away on 15th January, 2018.
5) Mr. G.V.Bhaskar Rao, Mrs. G.Vanaja Devi and Dr. G.Pawan are related to each other.
6) 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.

Details of Equity Shares of the Company held by the Directors as on March 31, 2018 are given below

Name	Category	No. of Shares
Mr. G.V. Bhaskar Rao	MD & Chairman	5805735
Mr. G.V. Bhaskar Rao – HUF	HUF	10819018
Mrs. G. Vanaja Devi	Executive Director	15183341
Dr. G. Pawan	Vice Chairman – Non Executive	2414890
Mr. C. Vamsheedhar	Executive Director	1058087
Mr. C. Mithun Chand	Executive Director	928895
Total		**36209966**

The Company has not issued any convertible instruments.

Details of Director(s) Re-appointment by retirement by rotation

Mr. C. Mithun Chand, retire by rotation and being eligible offer himself for re-appointment as Director of the Company:

Mr. Mithun Chand is associated with Kaveri Seed for more than a decade as an Executive Director. He looks after the day-to-day activities of administration, finance and accounts departments. Mr. Chand has a wealth of experience in marketing and finance and advises the management about financial issues of the Company. His thought power envisioned new business platforms and is dedicated towards growing the business with innovations. Besides he has significantly contributed in sales and marketing of Kaveri Microteck and other subsidiaries of the Company and he holds 9,28,895 Equity Shares of ₹ 2/- each of the Company. He is related to Mr. C. Vamsheedhar, Whole time Director 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 in a year, with a maximum time gap of one hundred twenty days between two Board meetings. Dates for the Board Meetings in the ensuring 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 24th May 2017, 08th August 2017, 27th October 2017, and 07th February 2018.

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

Date of Meeting	Board Strength	No. of Directors Present
24.05.2017	11	9
08.08.2017	11	10
27.10.2017	11	9
07.02.2018	10	10

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 Secretarial Department, 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/Manager of Secretarial department 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.

v) Details about familiarization program

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 including the Code of Conduct for Directors and senior management personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on Material Subsidiaries, Whistle Blower Policy, Corporate Social Responsibility Policy etc.,

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

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 Regulation 18 of the SEBI (LODR) Regulations, 2015.

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;
- Modified Opinion(s) 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;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the Candidate.
- 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 Directors.

Mr. K. Purushotham, Chairman of Audit Committee, is an Independent Director having expertise in accounting and financial management. Mr. M. Srikanth Reddy, Mr. P. Varaprasad Rao and Mr. C. Mithun Chand are the members of the Committee as on 31st March 2018.

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

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 times on 24th May 2017, 08th August 2017, 27th October 2017, and 07th February 2018.

The attendance at the Audit Committee meetings during the financial year 2017-18 is as under:

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

Nomination and Remuneration Committee

Brief description of terms of reference of Nomination and Remuneration Committee

- 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 on the 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 of the Directors and Key Managerial Personnel;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Grant, issue and allot of options to eligible employees and administering the various Employee Stock Option Scheme(s) from time to time and

- Undertake any other matter as the Board may decide from time to time.

The composition of the Nomination and Remuneration/ Compensation Committee comprises of three Independent Directors. Mr. P. Varaprasad Rao, Chairman of the Committee and Mr. M. Srikanth Reddy and Dr. S. Raghuvardhan Reddy are the members of the Committee as on 31st March 2018. During the year, the Nomination and Remuneration Committee met one time on 27.10.2017.

The attendance at the Nomination and Remuneration meeting(s) during the financial year 2017-18 is as under:

Member	No. of Meetings	Attendance
Mr. P. Varaprasad Rao	1	1
Mr. M. Srikanth Reddy	1	1
Dr. S. Raghuvardhan Reddy	1	1

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

ii) Performance evaluation of Directors & Formulation of the criteria for evaluation of Independent Directors and the Board

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance Note on Board Evaluation issued by the SEBI on 5th January 2017, 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 of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.,

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings etc.,

In a separate meeting of independent directors, performance of non-independent directors, the chairman of the Company and the board as whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the nomination and remuneration committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.,

In the board meeting that followed the meeting of the independent directors and meeting of nomination and remuneration committee, the performance of the board, its committees, and individual directors was also discussed. 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.

iii) Remuneration Of Directors

a. Executive Directors

(Amount in ₹)

Name of the Director	Salary per annum	Contribution to PF & Gratuity	Total
Sri G.V. Bhaskar Rao	19385108	144000	19529108
Smt. G. Vanaja Devi	11987363	144000	12131363
Sri C. Vamsheedar	5767221	201696	5968917
Sri C. Mithun Chand	4770790	201696	4972486
Total	**41910482**	**691392**	**42601874**

b. Non-Executive Independent Directors

(Amount in ₹)

Name	Designation	Sitting Fee
Sri M.Srikanth Reddy	Independent Director	120000
Dr. Yeshwant Laxman Nene	Independent Director	90000
Sri P.Vara Prasad Rao	Independent Director	90000
Dr. S.Raghuvardhan Reddy	Independent Director	90000
Dr. S.M.Ilyas	Independent Director	90000
Sri K. Purushotham	Independent Director	120000

iv) 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 7th day of February 2018 wherein all the independent directors as on that date have attended the meeting.

Stakeholders Relationship Committee

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

a. Transfer, transmission, split and consolidation of investors holding

b. Dematerialisation/rematerialisation of shares

c. Non-receipt of dividends and other corporate benefits

d. Replacement of lost/mutilated/stolen share certificates

e. Non-receipt of Annual Reports and change of addresses, etc.,

Constitution of the Committee as on 31st March 2018

Name	Designation
Mr. M.Srikanth Reddy	Chairman
Mr. C.Vamsheedhar	Member
Mr. C.Mithun Chand	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 0+0+0+0 grievances from the investors and the same were resolved. As on 31st March 2018 there were no investor grievances pending and no transfers were pending for approval.

Dividend Distribution Policy

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, requires that the top 500 listed Companies based on the market capitalization to formulate Dividend Distribution Policy. In compliance with the said requirement, the Company has formulated the Dividend Distribution Policy, the details of which are available on the Company's website at www.kaveriseeds.in

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. The constitution of CSR Committee is as under:

Mr. G.V.Bhaskar Rao, Chairman

Mrs. G.Vanaja Devi, Member

Mr. M. Srikanth Reddy, Member

The purpose of the Committee is to formulate CSR Policy of the Company and monitor its implementation. In this regard, the Company has incorporated a separate Company on 29th July 2016 under Section 8 of the Companies Act, 2013 in the name and style of "Kaveri Bhaskar Rao Charitable Foundation" to undertake CSR and other charitable activities. The CSR Policy has been placed on the Company's website at: http://www.kaveriseeds.in

General Body Meetings

Details of the last three AGMs are given as follows:

Year	Date of Meeting	Time of Meeting	Venue of Meeting	No. of Special Resolutions passed
28th Annual General Meeting 2014-15	September 29, 2015	11.15 AM	Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana	1
29th Annual General Meeting 2015-16	September 27, 2016	11.15 AM	Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana	5
30th Annual General Meeting 2016-17	September 25, 2017	12.15 PM	Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana	Nil

i. Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the year 2017-18.

ii. Details of special resolution passed through Postal Ballot

During the year financial year 2017-18, the Company has conducted Postal Ballot and Special Resolution was passed, the details are given below:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of Postal Ballot dated 27th March 2017 for Buy-back of 29,62,962 Equity Shares of ₹ 2/- each at a price of ₹ 675 /- per Equity Share, which was duly passed and the postal ballot results were announced on 2nd June 2017. Mr. L.Dhanamjaya Reddy (Membership No.13104) of L.D.Reddy & Co.,Practicing company Secretaries, was appointed as the Scrutinizer to scrutinize the Postal Ballot and evoting process in a fair and transparent manner.

iii. Details of special resolution proposed to be conducted through postal ballot

None of the business proposed to be transacted at the ensuing AGM requires passing of s special resolution through postal ballot.

Means of Communication

The Quarterly, Half yearly and Annually Financial Results of the Company are published in leading newspapers in English and Telugu (Regional Language). The results are also displayed on the Company's website www.kaveriseeds.in for the information of shareholders and general public. Financial Results, Presentation, Con call Transcripts made to the institutional investors/analysts after the declaration of quarterly; half yearly and annual results are submitted to the National Stock Exchange of India Limited and BSE Limited as well as uploaded on the Company's website. 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. If 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

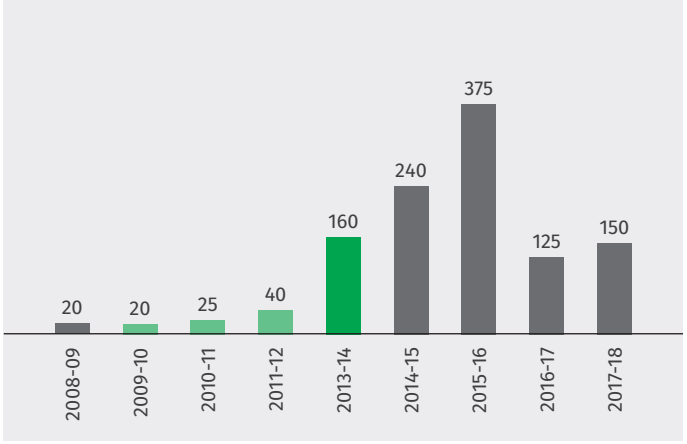
General Shareholders Information

i.	31st Annual General Meeting - Date and Time - Venue	**21.09.2018 at 12.00 Noon** FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI House), 11-6-841, Red Hills, Hyderabad – 500 004, Telangana.
ii.	Quarterly Results:	
	Financial Year of the Company :	April to March
	1st Quarter	14th August 2018
	2nd Quarter	14th November 2018
	3rd Quarter	14th February 2019
	4th Quarter	30th May 2019 (Audited)
iii.	Date of Book Closure	19.09.2018 to 21.09.2018 (both days inclusive)
iv.	Payment of Dividend	The Company has paid Interim Dividend during the year 2017-18.
v.	Listing on Stock Exchanges:	**Bombay Stock Exchange Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023. **National Stock Exchange of India Ltd.,** Exchange Plaza, 5th floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
vi.	Listing Fees	Listing fee of both the Stock Exchanges has already been paid for the year 2018-2019
vii.	Stock Code:	
	Bombay Stock Exchange Limited	532899
	National Stock Exchange of India Ltd	KSCL

viii. Dividend History

Financial Year	% of Dividend
2008-2009	20
2009-2010	20
2010-2011	25
2011-2012	40
2012-2013	160
2013-2014	240
2014-2015	375
2015-2016	125
2017-2018	150

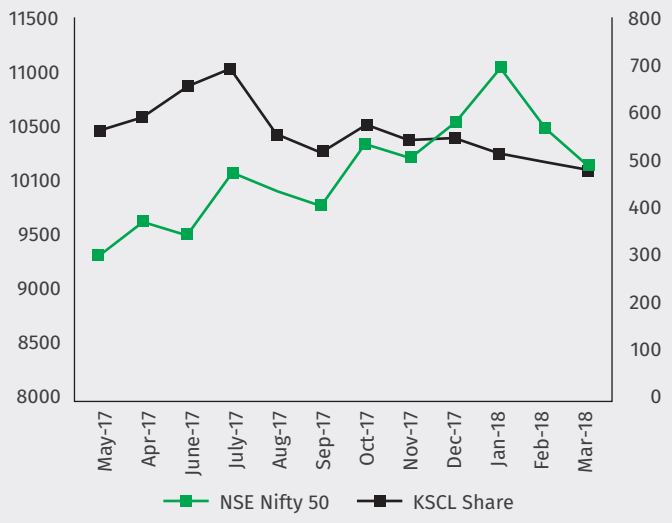
% Of Dividend



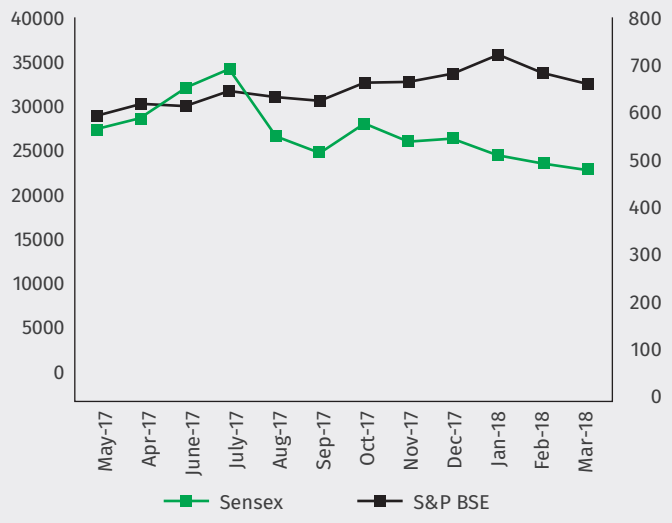
ix. Monthly High & Low quotations and volume of shares traded on NSE & BSE during the year

	National Stock Exchange				Bombay Stock Exchange			
Month	High	Low	Close	Volume	High	Low	Close	Volume
Apr-17	573.95	561.20	564.50	284367	589.90	540.05	564.40	1181379
May-17	599.00	580.05	589.60	1005059	599.95	472.85	589.75	1294770
Jun-17	671.30	651.45	653.35	452047	681.90	586.00	653.80	1925753
Jul-17	704.00	685.50	692.35	1274075	703.00	611.55	691.55	1352091
Aug-17	564.40	540.00	556.30	723979	708.10	498.15	557.45	1890728
Sep-17	530.25	514.30	517.25	367053	591.00	505.35	518.40	760193
Oct-17	577.85	560.40	574.70	483399	608.00	510.10	574.65	1013751
Nov-17	552.15	540.65	543.25	286605	586.00	494.25	544.65	860240
Dec-17	550.10	538.75	547.65	549550	573.30	506.05	549.00	481897
Jan-18	518.65	480.45	515.50	1146592	555.00	475.10	515.45	1248184
Feb-18	508.80	497.00	500.30	379064	533.00	433.00	499.55	935777
Mar-18	491.45	467.45	483.40	913985	504.25	448.00	484.85	893180

Stock Performance of Kaveri Seed Company Limited Vs. Nifty 50



Stock Performance Of Kaveri Seed Company Limited Vs. Bombay Stock Exchange Sensex



x. There was no suspension of trading in securities of the Company during the year under review.

xi. Registrar to an issue and Share Transfer Agents:

M/s. Bigshare Services Pvt. Ltd., is the Registrars and Share Transfer Agents and Depository Transfer Agents of the Company. Any request pertaining to investor relations may be forwarded to the following address:

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

xii. Share Transfer System and 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 2018.

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 455I01029

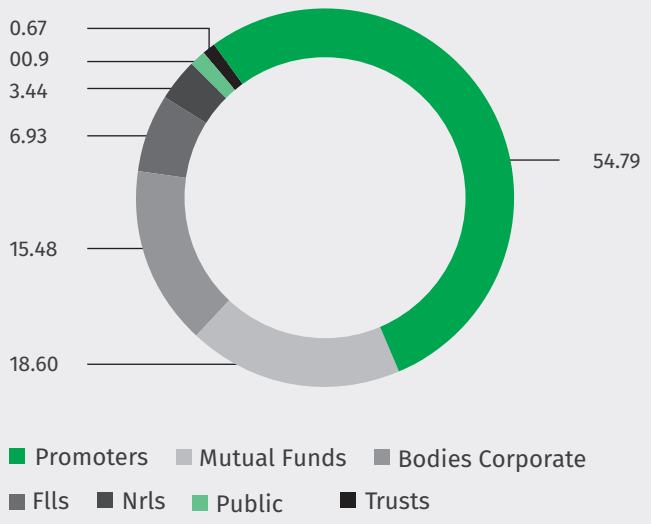
xiii. Distribution Schedule & Shareholding Pattern as on 31st March 2018

Category of Shares	No. of Shareholders	No. of Shares	% of total capital
1 - 500	36555	3009106	4.55
501 - 1000	1407	1058822	1.60
1001 – 2000	950	1403963	2.13
2001 – 3000	283	709723	1.07
3001 – 4000	173	606584	0.92
4001 - 5000	90	409075	0.62
5001 - 10000	173	1177980	1.78
10001 – and above	195	57716880	87.33
Total	**39826**	**66092133**	**100**

Categories of Equity Shareholders as on 31st March 2018

Category	No. of Shares	Percentage (%)
Promoters	36209966	54.79
Mutual Funds	4581060	6.93
Bodies Corporate	2276718	3.44
FIIs.	10230783	15.48
NRIs	444845	0.67
Public	12292444	18.60
Trusts	56317	0.09
Total	**66092133**	**100%**

Categories of Shareholder & Percentages



xiv. 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 2018.

xv. Commodity price risk or foreign exchange risk and hedging activities

The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

xvi. Plant Locations:

S. No.	Units
1.	**Gatlanarsingapur Plant - 1** Door No.104, Gatlanarsingapur Post, Bheemadevarapally Mandal Warangal Urban District, Telangana State.
2.	**Gatlanarsingapur Plant - 2** Door No.6-96/2, Gatlanarsingapur Post, Bheemadevarapally Mandal Warangal Urban District, Telangana State.
3.	**Eluru Plant** Sy.No.853, Koppaka village, Pedavegi Mandal West Godavari Distirct, Andhra Pradesh State.
4.	**Eluru Plant** Sy.No.154/5, Akannagudem village, Pedavegi Mandal West Godavari Distirct, Andhra Pradesh State.
5.	**Bellary Plant** D.No.340, NH – 63, Main Road, K.B.Halli – 583 103 Bellary District, Karnataka State.
6.	**Pamulparthy Plant** Sy.No.703, Part, 707 Part, 712 Part 713 to 719, Pamulaparthy Village, Markook Mandal, Siddipet District, Telangana State.
7.	**Molangur Plant** Sy.No.708, 709/A and 712A Molangur village, Shankarapatnam Mandal, Karimnagar District, Telangana State.
8.	**Gowraram Plant** Sy.No.72 & 73 Part, Gowraram Village, Wargal Mandal, Medak Dist.,
9.	**Pamulparthy Cold Storage Unit** Sy.No.712, 743, Pamulaparthy Village, Markook Mandal, Siddipet District, Telangana State.

xvii. Registered Office & CIN of the Company

Kaveri Seed Company Limited
CIN: L01120TG1986PLC006728
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

xviii. Name & Designation of Compliance Officer

Mr.V.R.S.Murti
Company Secretary
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

Other Disclosures

i) 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 SEBI (LODR) Regulations, 2015, 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

ii) 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.

iii) 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.

iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 of the listing agreement and is in the process of implementation of non-mandatory requirements.

v) Policy on Material Subsidiaries

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015 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) The Policy on dealing with **Related Party Transactions** is available on the website of the Company : www.kaveriseeds.in

vii) The Company has adopted the **Policy on Dissemination of Information** on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company: http://www.kaveriseeds.in

viii) The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The **Documents Preservation Policy** is available on the website of the Company: http://www.kaveriseeds.in

ix) The Company has adopted **Policy on Dividend Distribution. Policy** on Dividend Distribution is available on the website of the Company: http://www.kaveriseeds.in

x) The Board has adopted the Board Diversity Policy which sets out the approach to diversify of the Board of Directors. The **Board Diversity Policy** is available on the Company's website www.kaveriseeds.in

xi) Noncompliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V:

The Company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

xii) Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Reporting of Inernal Auditor: Internal auditor reports directly to the Audit Committee.

xiii) The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Functional Website	Yes

xiv) Compliance Certificate of Corporate Governance

Certificate issued by M/s. L.D.Reddy & Co., Practicing Company Secretaries, (Mem.No.13104) confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V - E of SEBI (LODR) Regulations, 2015 is attached to this report forming part of the Annual Report.

xv) Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended 31st March 2018, there were no proceeds from public issues, rights issues, preferential issues, etc.

xvi) Disclosure with respect to Demat suspense account/ unclaimed suspense account

In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account:

S. No.	Particulars	Number of shareholders	Number of equity shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2017.	0	0
2	Shareholders who approached the Company for transfer of shares from Unclaimed Suspense account during the year.	0	0
3	Shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.	0	0
4	Shareholders whose shares are transferred to the demat account of the IEPF Authority pursuant to the provisions of Section 124 of the Companies Act, 2013.	3	390
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year i.e., as on March 31, 2018.	3	390

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claim the shares.

xvii) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the circular dated October 16, 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from September 7, 2016 to October 31, 2017, the due date of transfer for such shares was October 31, 2017.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/ shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website (www.kaveriseeds.in).

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

In view of the above said Circular, during the year the Company has transferred 390 Equity Shares of ₹ 2/- each to the Investor Education and Protection Fund Authority account, the shareholders who have not claimed dividends for a continuous period of 7 consecutive years of the Company.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by

submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

xviii) 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, 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.

xix) 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 Regulation 17(8) of SEBI (LODR) Regulations, 2015.

For and on behalf of the Board of Directors
Kaveri Seed Company Limited

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Whole time Director

Date: 24.05.2018
Place: Secunderabad

Declaration

I, G.V.Bhaskar Rao, Managing Director, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2018.

For and on behalf of the Board of Directors
Kaveri Seed Company Limited
Sd/-
G.V. BHASKAR RAO
Managing Director

Date: 24.05.2018
Place: Secunderabad

CEO/CFO Certification

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

We hereby certify that:

a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2018 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 that there are no:

   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 disclosing 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 significant role in the Company's internal control system over financial reporting.

For **Kaveri Seed Company Limited**

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Date: 24.05.2018
Place: Secunderabad

Certificate on compliance with the conditions of Corporate Governance under Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 financial year ended March 31, 2018, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 above Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **L.D. REDDY & CO.**
Company Secretaries
Sd/-
L. DHANAMJAYA REDDY
C.P.No.3752
M.No.13104

Date: 24.05.2018
Place: Hyderabad

Independent Auditor's Report

To
The Members of

Kaveri Seed Company Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Kaveri Seed Company Limited("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant Rules made thereunder. 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 standalone Ind AS 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 Ind AS 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 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31 March 2018, and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit;

    b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the balance sheet, the statement of profit and loss, including other comprehensive income, the cash flow statement and the statement of changes in equity dealt by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules made thereunder;

e. On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g. 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. The standalone Ind AS financial statements disclose the impact of pending litigations on the standalone financial position of the Company- Refer Note No.51 to the standalone Ind AS financial statements;

ii. the company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts as at 31 March 2018; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **M. BHASKARA RAO & CO.**
Chartered Accountants
Firm Registration No.000459S
Sd/-
M.V. RAMANA MURTHY
Partner
Membership No.206439

Hyderabad, 24 May 2018

Annexure A

to the Independent Auditors' Report

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kaveri Seed Company Limited ("the Company") as of 31 March 2018, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **M. BHASKARA RAO & CO.**
Chartered Accountants
Firm Registration No.000459S
Sd/-
M.V. RAMANA MURTHY
Partner
Membership No.206439

Hyderabad, 24 May 2018

Annexure B

to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Kaveri Seed Company Limited)

(i) In respect of its Fixed Assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties shown in fixed asset schedule are held in the name of Company as at the balance sheet date.

(ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals. The discrepancies noticed on physical verification between the physical stocks and the book records are not material and they have been properly dealt within the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the Order are not applicable, at present.

(iv) According to the information and explanations given to us, the Company has not given any loans, made any investments, given any guarantee and securities to any person to which provisions of the section 185 and 186 of the Act are applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year to which the directions issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provision of the Act and the Rules framed there under, were applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) (d) of the Act for the Company.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales-tax, service tax, custom duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.

(b) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, customs duty, value added tax and cess which were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(c) The details of statutory dues which have not been deposited as on 31 March 2018 on account of disputes are given below:

(₹ in Lakhs)

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved
Central Excise Act	Excise Duty	Commissioner of Customs & Central Excise, Hyderabad	April 2010 to March 2014	276.59
APGST Act	Purchase Tax	Hon'ble High Court of Andhra Pradesh	April 2003 to March 2004	22.37
Karnataka VAT Act	VAT & Interest	Jt. Commissioner of Commercial Taxes, Davangere	April 2011 to March 2012	1.83
Karnataka VAT Act	VAT & Interest	Jt. Commissioner of Commercial Taxes, Davangere	April 2012 to March 2013	0.45

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and government. The company has not availed any loans or debentures from financial institution.

(ix) According to the information and explanations given to us, the company has utilized the money raised by way of term loans for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) During the course of our examination of the books and other records of the Company in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided with requisite approvals mandated in accordance with the provisions of section 197 read with schedule V to the Companies Act, 2013.

(xii) According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or directors of its subsidiaries or persons connected with them and hence provisions of Section 192 of the Act, are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934

for **M. BHASKARA RAO & CO.**
Chartered Accountants
Firm Registration No.000459S
Sd/-
M.V. RAMANA MURTHY
Partner
Membership No.206439

Hyderabad, 24 May 2018

Balance Sheet
as on March 31, 2018

(₹ in Lakhs)

S No	Particulars	Note	As at March 31, 2018	As at March 31, 2017
Assets				
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	3	18,251.57	19,365.54
	(b) Capital work-in-progress	4	2,889.85	2,737.18
	(c) Other Intangible assets	5	50.22	40.28
	(d) Intangible assets under development	6	269.74	129.40
	(e) Financial Assets			
	(i) Investments	7	5,977.54	3,217.76
	(ii) Others	8	-	375.00
	(f) Deferred tax assets (net)	9	44.26	32.39
	(g) Other non-current assets	10	699.91	262.90
	Total Non-current assets		**28,183.09**	**26,160.45**
(2)	**Current assets**			
	(a) Inventories	11	43,404.01	43,997.22
	(b) Bio-logical Assets	12	4,574.62	5,556.82
	(c) Financial Assets			
	(i) Investments	7	57,548.28	65,447.28
	(ii) Trade receivables	13	6,393.34	6,982.67
	(iii) Cash and cash equivalents	14	859.52	1,692.31
	(iv) Bank balances other than (iii) above	15	13.54	12.49
	(d) Current Tax Assets (Net)	16	397.61	397.61
	(e) Other current assets	17	2,147.10	1,456.85
	Total Current assets		**1,15,338.02**	**1,25,543.25**
	Total Assets		**1,43,521.11**	**1,51,703.70**
Equity and Liabilities				
Equity				
	(a) Equity Share capital	18	1,321.84	1,381.10
	(b) Other Equity	19	1,00,801.29	1,01,020.30
	Total Equity		**1,02,123.13**	**1,02,401.40**
Liabilities				
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	20	187.82	163.86
	(b) Provisions	21	444.59	22.90
	(c) Other non-current liabilities	22	623.83	546.42
	Total Non Current liabilities		**1,256.24**	**733.18**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	23	21,433.37	29,647.32
	(ii) Other financial liabilities	24	28.98	24.43
	(b) Other current liabilities	25	18,034.75	18,877.82
	(c) Provisions	26	564.29	19.55
	(d) Current Tax Liabilities (Net)	27	80.35	-
	Total Current liabilities		**40,141.74**	**48,569.12**
	Total Equity and Liabilities		**1,43,521.11**	**1,51,703.70**
See accompanying notes to the financial statements		1-54		

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS

Sd/-
M.V. RAMANA MURTHY
PARTNER
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V.BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G.VANAJA DEVI
Wholetime Director
DIN: 00328947

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Lakhs)

S No	Particulars	Note	Year Ended March 31, 2018		Year Ended March 31, 2017	
I	**Income**					
	a) Revenue from Operations	28	77,240.30		66,989.10	
	b) Other Income	29	2,369.46		3,434.90	
	Total Income			**79,609.76**		**70,424.00**
II	**Expenses**					
	a) Cost of Material Consumed	30	37,753.19		37,842.31	
	b) Changes in Inventories of Finished Goods and Work in Progress	31	2,021.80		1,906.57	
	c) Employee Benefit Expenses	32	4,485.33		3,245.18	
	d) Finance Costs	33	39.96		12.27	
	e) Depreciation & Amortisation Expenses	34	2,335.19		2,849.21	
	f) Other Expenses	35	11,179.33		10,207.37	
	Total Expenses			**57,814.80**		**56,062.91**
III	**Profit before Exceptional Items and Tax (I-II)**			21,794.96		14,361.09
IV	Exceptional Item (Refer Note No.40)			-		(5,923.80)
V	**Profit before Tax (III-IV)**			21,794.96		8,437.29
VI	**Less : Tax expense**					
	Current Tax		763.43		1,159.84	
	Earlier Years Tax		9.19		(375.59)	
	Mat Credit Entitlement		-		(177.18)	
	Deferred Tax		(11.87)	760.75	(16.89)	590.17
VII	**Profit for the Year (V-VI)**			**21,034.21**		**7,847.12**
VIII	**Other Comprehensive Income**					
	A (i) Items that will not be reclassfied to Profit or loss					
	Fair value of Investments through OCI		1,963.65		1,452.44	
	Acturial gain/(loss) on employee benefits through OCI		(290.09)		(43.91)	
			1,673.56		1,408.53	
	(ii) Income tax relating to items that will not be reclassfied to profit or loss					
	Current tax on Fair value of Investments throguh OCI		599.66		478.76	
				1,073.90		**929.77**
IX	**Total Comprehensive Income for the period (VII+VIII) Comprising Profit (loss) and Other Comprehensive Income for the Period**			**22,108.11**		**8,776.89**
X	**Earnings Per Equity Share (for continuing operations)**					
	(1) Basic (equity shares, par value ₹ 2 each)			31.36		11.36
	(2) Diluted (equity shares, par value ₹ 2 each)			31.36		11.36
XI	**Earnings Per Equity Share (for discontinued operations)**					
	(1) Basic (equity shares, par value ₹ 2 each)			-		-
	(2) Diluted (equity shares, par value ₹ 2 each)			-		-
XII	**Earnings Per Equity Share (Total)**					
	(1) Basic (equity shares, par value ₹ 2 each)			31.36		11.36
	(2) Diluted (equity shares, par value ₹ 2 each)			31.36		11.36
Notes on Financial Statements		1-54				

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS

Sd/-
M.V. RAMANA MURTHY
PARTNER
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V.BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G.VANAJA DEVI
Wholetime Director
DIN: 00328947

Statement of Changes in Equity

A. Equity Share Capital

(₹ in Lakhs)

	Amount
Issued and paid up equity share capital	
Balance as at 31st March, 2016	1,381.10
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**1,381.10**
Changes in equity share capital during the year	(59.26)
Balance as at 31st March, 2018	**1,321.84**

B. Other Equity

(₹ in Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period as on 1st April, 2016	**-**	**6,612.83**	**8,001.05**	**76,383.18**	**1,246.36**	**92,243.41**
Other Comprehensive Income for the year	-	-	-	-	929.77	929.77
Profit for the Year	-	-	-	7,847.12	-	7,847.12
Balance at the end of the reporting period as on 31st March, 2017	**-**	**6,612.83**	**8,001.05**	**84,230.30**	**2,176.13**	**1,01,020.30**

(₹ in Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period as on 1st April, 2017	**-**	**6,612.83**	**8,001.05**	**84,230.30**	**2,176.13**	**1,01,020.30**
Other Comprehensive Income for the year	-	-	-	-	1,073.90	1,073.90
Profit for the Year	-	-	-	21,034.21	-	21,034.21
Buyback of Equity Shares	-	(6,612.83)	(8,001.05)	(5,326.85)	-	(19,940.73)
Dividend and Dividend Tax	-	-		(2,386.41)	-	(2,386.41)
Transferred to General Reserve	-	-	1,000.00	(1,000.00)	-	-
Transferred to Capital Redemption Reserve	59.26	-	-	(59.26)	-	-
Balance at the end of the reporting period as on 31st March, 2018	**59.26**	**-**	**1,000.00**	**96,492.00**	**3,250.03**	**1,00,801.29**

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS

Sd/-
M.V. RAMANA MURTHY
PARTNER
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V.BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G.VANAJA DEVI
Wholetime Director
DIN: 00328947

Cash Flow Statement

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash flows from operating activities		
Profit before taxation and exceptional items	21,794.96	14,361.09
Adjustments for:		
Depreciation & Amortisation	2,335.19	2,849.21
(Profit)/Loss on sale of Fixed Assets	(304.05)	(23.33)
Dividend Received	(0.56)	(0.54)
Gain from Investments	(2,053.97)	(3,250.81)
Interest received	(19.57)	(118.07)
Finance charges	39.96	12.27
Operating profit before working capital changes	**21,791.96**	**13,829.82**
(Increase) / Decrease in Inventories and Biological Assets	1,575.41	1,869.24
(Increase)/Decrease in Trade Receivables and other receivables	589.34	(672.09)
(Increase)/Decrease in Loans & Advances (Other assets)	85.87	(510.24)
Increase/(Decrease) in Trade Payables	(8,213.96)	7,850.96
Increase/(Decrease) in Provisions	966.43	(81.29)
Increase/(Decrease) in Other liabilities	(680.76)	(291.85)
Taxes paid during the year	(760.75)	(590.17)
Net cash provided by operating activities	**15,353.54**	**21,404.38**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,843.95)	(3,564.38)
Proceeds from disposal of property, plant and equipment	792.47	47.02
Payments for investment	(45,698.82)	(88,178.97)
Proceeds from disposal of investments	51,921.94	74,057.25
Payments for intangible assets	(168.64)	(150.70)
Proceeds from earmarked deposits with Bank	(1.05)	1.18
Loans given to subsidaries	(855.71)	(44.60)
Loans repaid by subsidaries	5.71	784.60
Investment in subsidaries	(10.00)	(775.00)
Dividend Received	0.56	0.54
Gain from Investments	2,053.97	3,250.81
Interest received	19.57	118.07
Net Cash used for investing activities	**6,216.06**	**(14,454.17)**
Cash flows from Exceptional Items	**-**	**(5,923.80)**
Cash flows from financing activities		
Buyback of Equity Shares	(19,999.99)	-
Proceeds from borrowings	23.96	-
Dividend including Tax on Dividend	(2,386.41)	-
Finance charges	(39.96)	(12.27)
Net cash provided by financing activities	**(22,402.40)**	**(12.27)**
Net increase in cash & cash equivalents	(832.79)	1,014.16
Cash & Cash equivalents at the beginning of the year	1,692.31	678.15
Cash & Cash equivalents at the end of the year	**859.52**	**1,692.31**

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS

Sd/-
M.V. RAMANA MURTHY
PARTNER
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V.BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G.VANAJA DEVI
Wholetime Director
DIN: 00328947

Notes

forming part of Financial Statements for the year ended March 31, 2018

1 Corporate Information

Kaveri Seed Company Limited ("the Company") has been incorporated on August 27, 1986, as private limited company and converted into public limited company on November 07, 2006. The company has been listed on 04.10.2007 on the Bombay Stock Exchange and the National Stock Exchange in India. The company is into research, production, processing and marketing of various high quality hybrid seeds.

The financial statements reflect the results of its operations carried on by the company.

2 Summary of significant accounting policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other Accounting priniples generally accepted in india. The Company has adopted Indian Accounting Standards from the financial year 2016-17 and the date of transition to Ind AS is April 1, 2015.

The standalone financial statements have been authorised for issue by the board of directors of the company on 24th May 2018.

2.2 Basis for preparation of financial statements

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Use of Estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the financial statements.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Depreciation is provided on a pro-rata basis on the WDV method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

Separately purchased intangible assets are initially measured at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any.

2.5 Biological Asset

Recognition and measurement

The company recognises the biological asset (agricultural produce) when:

(a) the company controls the asset as a result of past events;

(b) it is probable that future economic benefits associated with the asset will flow to the company; and

(c) the fair value or cost of the asset can be measured reliably.

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The biological asset are measured at the end of each reporting period at its fair value less costs to sell.

2.6 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case the same are recognised as an expense in line with the contractual term.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Government Grants

Government Grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related cost for which the grants are intended to compensate. Specifically government grants whose primary condition is that the company purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.9 Impairment of Assets

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a company of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. In a subsequent period if the amount of impairment loss decreases and the decreases can be related objectively to an event the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with definite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.10 Revenue recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of

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the consideration received or receivable, after deduction of any trade discounts, schemes, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc

Income from export incentives such as duty drawback and premium on sale of import licenses and lease license fee are recognised on accrual basis.

2.11 Dividend and Interest Income

Dividend income from investments is recognised when the shareholders right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.12 Foreign currency transactions

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Gains and losses arising on settlement are included in the profit or loss.

2.13 Financial Instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments

Cash and cash equivalents

The company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of prinicipal and interest on the prinicipal amount outstanding and selling financial assets.

The company has made an irrevocable election to present subsequent changes in fair value of investments not held for trading in other comprehensive income.

Financial assets at fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisiton of financial assets and liabilities at fair value through profit or loss are immediately recognised in statemet of profit or loss

Financial assets at cost

Investment in subsidiaries are measured at cost.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date the carrying amounts approximate fair value due to the short maturity of these instruments.

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2.14 Employee Benefits

a) Gratuity:

The company accounts for its gratuity liability a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund a defined contribution plan in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences:

The company provides for the encashment of leave subject to certain company's rules. The employees are entitled to accumulate leave subject to certain limits for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) Other short term employee benefits:

Other short-term employee benefits such as performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.15 Share Based Payment Arrangements

Employees of the Company receive remuneration in the form of sharebased payments in consideration of the services rendered.

Under the equity settled share based payment the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independant valuer basis Black Scholes model. At the end of each reporting period apart from the non market vesting condition the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised the Company issues fresh equity shares.

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities over the period of non market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to and including the settlement date with changes in fair value recognised in employee benefits expenses.

2.16 Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods(Manufactured and Traded). Inventories are valued at the lower of cost or the net realisable value after providing for obsolescence and other losses where considered necessary. Cost is determined on FIFO basis. Cost includes all charges in bringing the goods to their present location and condition including octroi and other levies, transit insurance and receiving charges. The cost of work-in-progress and finished goods comprises of materials, direct labour, other direct costs and related production overheads. Net realizable value

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is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Trade Receivables

Trade receivables are stated at net of advances. Ageing of receivable are considered as tool to determine the degree of liquidity. Receivable due for more than two years and balance considered doubtful, referred for recovery through legal proceeding are considered for provision.

2.18 Taxation

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the tax laws applicable in India.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal tax in future periods. Accordingly it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.19 Earnings per Share

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

2.20 Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

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2.21 Critical accounting estimates and judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainty and judgements in applying accounting policies that have the most significant effect on standalone financial statements are as follows.

a) Provision for doubtful debts - Refer note no. 13.
b) Provision for schemes - Refer note no. 23
c) Provision for returns - Refer note no. 26
d) Biological assets - Refer note no. 12
e) Measurement of useful life and residual values of property, plant and equipments and useful life of intangible assets - Refer note no. 3

3 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Gross Carrying Amount								
Balance as at 01-04-2017	5,591.62	9,052.15	14,260.33	547.43	1,185.97	137.47	194.88	30,969.87
Additions	1,276.74	112.02	188.36	36.67	37.37	14.18	25.93	1,691.27
Deletions	388.60	128.57	13.50	-	217.83	-	-	748.49
Balance as at 31-03-2018	**6,479.77**	**9,035.61**	**14,435.19**	**584.10**	**1,005.52**	**151.66**	**220.81**	**31,912.65**
Accumulated Depreciation/Amortisation								
Balance as at 01-04-2017	-	2,564.30	7,612.30	335.40	851.48	101.51	139.34	11,604.32
Additions	-	585.94	1,513.97	58.08	105.16	15.62	38.06	2,316.82
Deletions	-	64.74	10.81	-	184.52	-	-	260.07
Balance as at 31-03-2018	**-**	**3,085.51**	**9,115.46**	**393.48**	**772.12**	**117.12**	**177.40**	**13,661.08**
Net Carrying Amount								
Balance as at 31-03-2018	**6,479.77**	**5,950.10**	**5,319.73**	**190.63**	**233.40**	**34.53**	**43.42**	**18,251.57**
Balance as at 31-03-2017	5,591.62	6,487.85	6,648.02	212.04	334.50	35.97	55.55	19,365.54

4 Capital work-in-progress

(₹ in Lakhs)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Carrying Amount								
Balance as at 01-04-2017	-	2,718.62	12.35	6.21	-	-	-	2,737.18
Additions	-	98.30	158.90	14.52	-	8.49	10.78	290.99
Deletions	-	89.55	18.42	19.57	-	-	10.78	138.32
Balance as at 31-03-2018	**-**	**2,727.37**	**152.84**	**1.15**	**-**	**8.49**	**-**	**2,889.85**
Balance as at 31-03-2017	-	2,718.62	12.35	6.21	-	-	-	2,737.18

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forming part of Financial Statements for the year ended March 31, 2018

5 Other Intangible assets

Software (₹ in Lakhs)

Particulars	Amount
Gross Carrying Amount	
Balance as at 01-04-2017	219.97
Additions	28.30
Deletions	-
Balance as at 31-03-2018	**248.27**
Accumulated Depreciation/Amortisation	
Balance as at 01-04-2017	179.68
Additions	18.37
Deletions	-
Balance as at 31-03-2018	**198.05**
Net Carrying Amount	
Balance as at 31-03-2018	**50.22**
Balance as at 31-03-2017	40.28

6 Intangible assets under development

Software (₹ in Lakhs)

Particulars	Amount
Carrying Amount	
Balance as at 01-04-2017	129.40
Additions	140.34
Deletions	-
Balance as at 31-03-2018	**269.74**
Balance as at 31-03-2017	129.40

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forming part of Financial Statements for the year ended March 31, 2018

7 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current Investments		
Equity Investments of Subsidaries	2,985.93	2,975.93
Equity Investments of Associates	0.10	0.54
Equity Investments - Others	114.77	115.99
Investment in Government Securities	0.30	0.30
Investment in Real Estate Portfolio Management Fund	2,876.44	125.00
	5,977.54	**3,217.76**
Current Investments		
Liquid Mutual Fund Units	1,621.05	9,872.42
Fixed Matured Plan Mutual Fund Units	17,130.69	7,058.78
Other Debt Mutual Fund Units	40,516.73	49,636.61
	59,268.47	**66,567.81**
Less; Provision for Tax on OCI	1,720.19	1,120.53
	57,548.28	**65,447.28**

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty Nos	Amount	Qty Nos	Amount
Non Current Investments				
Unquoted				
Equity Investment in Subsidiaries				
(Investments Carried at Cost)				
Equity shares of ₹ 10 each fully paid up in Aditya Agritech (P) Ltd	7,70,000	77.00	7,70,000	77.00
Equity shares of ₹ 10 each fully paid up in Kaveri Microtech Pvt Ltd	1,45,36,360	1,453.64	1,45,36,360	1,453.64
Equity shares of ₹ 10 each fully paid up in Genome Agritech Pvt Ltd	91,800	30.29	91,800	30.29
Equity shares of ₹ 10 each fully paid up in Kex veg India Pvt Ltd	1,41,50,000	1,415.00	1,41,50,000	1,415.00
Equity shares of ₹ 10 each fully paid up in Genomix Agri Genetics Pvt. Ltd	99,999	10.00	-	-
		2,985.93		**2,975.93**
Equity Investments of Associates				
(Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹ 100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,600	-	3,600	0.54
Equity Shares of ₹ 10 each in Swadeshi Biotechnics Ltd -fully paid up	700	0.10	700	-
		0.10		**0.54**
Investment in Government Securities				
(Investments Carried at Cost)				
National Savings Certificates	2	0.30	2	0.30
		0.30		**0.30**
Investment in Real Estate Portfolio Management Fund				
(Investments Carried at Fair Value through Profit & Loss Statement)				
ASK Real Estate Special Situations Mutual Fund	375	357.63	-	-
ASK Real Estate Special Situations MF III (ASK Investment managers Private Limited Real Estate PMS Pool Account)	-	2,399.60	-	-
		2,757.23		**-**

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(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty Nos	Amount	Qty Nos	Amount
(Investments Carried at Fair Value through Other Comprehensive Income)				
ASK Real Estate Special Situations Mutual Fund	125	119.21	125	125.00
		119.21		125.00
Investment in Real Estate Portfolio Management Fund - Total		**2,876.44**		**125.00**
Quoted				
Equity Investments - Others				
(Other than trade)				
(Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹ 10 each in Vijaya Textiles Ltd - fully paid up	1,99,425	79.77	1,99,425	84.56
Equity shares of ₹ 10 each in Bank of Maharastra - fully paid up	1,900	0.26	1,900	0.64
Equity shares of ₹ 10 each in Indian Overseas Bank - fully paid up	9,700	1.69	9,700	2.59
Equity Shares of ₹ 1 each in Tata Consultancy Services Ltd - full paid up	1,160	33.05	1,160	28.21
		114.77		**115.99**
Current Investments				
Unquoted				
(Other than trade)				
Liquid Mutual Fund Units				
(Investments Carried at Fair Value through Other Comprehensive Income)				
BSL Cash Plus - Growth - Direct Plan	-	-	4,66,126	1,218.03
IDFC Cash Fund-Growth-(Direct Plan)	-	-	29	0.57
ICICI Prudential Liquid - Direct Plan - Growth	-	-	5,50,425	1,324.97
Kotak Liquid Direct Plan Growth	-	-	41,629	1,373.24
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option	-	-	26,403	1,047.93
Tata Money Market Fund Direct Plan-Growth-ISI	-	-	65,310	1,673.91
HDFC Floating Rate IF-LT-DP-Growth	-	-	1,12,41,614	3,233.76
		-		**9,872.42**
(Investments Carried at Fair Value through Profit & Loss Statement)				
DSP Blackrock Liquidity Fund - Direct Plan - Growth	24,547	610.08	-	-
Axis Liquid Fund - Direct Growth (CFDGG)	52,449	1,010.97	-	-
		1,621.05		-
Liquid Mutual Fund Units - Total		**1,621.05**		**9,872.42**
Fixed Matured Plan Mutual Fund Units				
(Investments Carried at Fair Value through Other Comprehensive Income)				
BSL Fixed Term Plan - Series PB (1190 Days) - Direct Growth	30,00,000	304.46	-	-
BSL Fixed Term Plan - Series PE (1159 Days) - Direct Growth	30,00,000	303.39	-	-
DSP Blackrock FMP S151-12M-Dir-G-Mat Dt 20.03.17	-	-	1,00,00,000	1,292.70
HDFC FMP Feb,2017 Direct Growth -Series 37	2,40,48,573	2,637.70	2,40,48,573	2,430.66
HDFC FMP 92D Feb,2018 Direct Growth -Series 39	1,50,92,530	1,520.30	-	-
ICICI Prudential Fixed Maturity Plan Series 80-1150 Days Plan N Direct Plan Cumulative	78,04,662	854.35	78,04,662	784.32
ICICI Prudential Fixed Maturity Plan Series 82-103 Days Plan N Direct Plan Cumulative	1,00,00,000	1,006.50	-	-
Kotak FMP Series 218 Direct - Growth	1,27,00,000	1,279.49	-	-
Reliance Fixed Horizon Fund - Series 4 - Direct Growth Plan	1,61,19,549	1,625.03	-	-

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(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty Nos	Amount	Qty Nos	Amount
HDFC FMP 1302 D SEPTEMBER 2016 (1) - SERIES 37 REG - G	2,42,73,023	2,764.70	2,42,73,023	2,551.09
Barclays Investments &Loans (India) Ltd CP	500	2,412.73	-	-
Reliance Capital Limited CP	500	2,422.06	-	-
		17,130.69		**7,058.78**
Other Debt Mutual Fund Units				
(Investments Carried at Fair Value through Other Comprehensive Income)				
BSL Floating Rate Fund STP Gr.-Direct	-	-	1,87,896	407.46
BSL Treasury Optimizer Plan-Gr.-Direct	13,34,170	2,995.51	13,34,170	2,806.33
BSL Dynamic Bond Fund-Retail-Growth-Direct	-	-	1,42,99,891	4,249.58
BSL Medium Term Plan-Growth-Direct	1,33,69,214	3,037.38	1,33,69,214	2,798.94
HDFC Corporate Debt Opportunities Fund - DG	2,85,10,870	4,257.76	2,85,10,870	3,969.94
IDFC Corporate Bond Fund Direct Plan-Growth	1,01,80,095	1,218.59	1,01,80,095	1,141.79
IDFC Ultra Short Term Fund-Growth-(Direct Plan)	-	-	8,90,856	206.26
IDFC Credit Opportunities Fund Direct Plan -Growth	78,23,282	848.53	78,23,282	789.46
IDFC Credit Opportunities Fund Direct Plan -Growth	50,36,080	546.22	50,36,080	508.20
ICICI Saving Fund-DP Growth-P8089	-	-	3,31,443	834.52
ICICI Banking & PSU Debt Plan-Drt Growth-P8104	1,78,26,158	3,604.02	1,78,26,158	3,374.38
ICICI Prudential Corporate Bond Fund	1,46,91,815	4,156.33	1,46,91,815	3,865.62
ICICI Prudential Income Opportunities Fund	29,72,407	735.97	1,77,40,169	4,138.11
Kotak Low Duration Fund Direct Growth-255G	-	-	1,25,143	2,541.13
Kotak Income Opp.Fund-Direct Plan-Growth	2,23,63,110	4,489.06	2,23,63,110	4,174.66
Kotak Low Duration Fund Standard Growth (Regular Plan)	-	-	30,265	600.00
Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan Growth Option	55,72,899	1,411.62	88,98,578	2,090.47
Reliance Corporate Bond Fund-Direct Growth Plan	4,08,18,805	5,910.36	4,08,18,805	5,498.09
Sundaram Income Plus Direct Plan-Growth	-	-	70,18,628	1,706.09
Tata Short Term Bond Fund Direct Plan-Growth	11,34,934	380.59	26,72,898	841.54
UTI Short Term Income Fund-Institutional Option-Direct Plan-Growth	29,69,104	642.39	29,69,104	603.41
IIFL Wealth Finance Limited	2,500	2,707.47	2,500	2,490.64
		36,941.79		**49,636.61**
(Investments Carried at Fair Value through Profit & Loss Statement)				
BSL Short Term Opportunities Fund - Growth - Direct Plan	80,53,176	2,393.39	-	-
DSP Blackrock Bond Fund - Direct Plan - Growth	8,94,072	509.16	-	-
ICICI Prudential Flexible Income - Direct Plan - Growth	46,541	155.95	-	-
Tata Corporate Bond Fund Direct Plan - Growth	21,480	507.06	-	-
Tata Ultra Short Term Fund Direct Plan - Growth	353	9.38	-	-
		3,574.94		**-**
Other Debt Mutual Fund Units - Total		**40,516.73**		**49,636.61**
Market Value of Quoted Investments		114.77		115.99
Aggregate amount of Quoted Investments		204.27		204.27
Aggregate amount of Unquoted Investments		59,690.06		65,802.65
Aggregate amount of Impairment in value of investments		-		-
(Investments Carried at Cost)		2,986.23		2,976.23
(Investments Carried at Fair Value through Other Comprehensive Income)		54,306.57		66,809.34
(Investments Carried at Fair Value through Profit & Loss)		7,953.22		-

Notes
forming part of Financial Statements for the year ended March 31, 2018

Investments in Mutual Funds
Mutual funds - Under Ind AS, the Company has designated these investments at fair value through Other Comprehensive Income (OCI) or Profit & loss . Accordingly Fair value changes are recognised in the Statement of Other Comprehensive Income (OCI) or Profit & loss statement for the year ended as the case may be.

Investments in Subsidaries
Investments in Subsidaries - The Company has designated these investments at cost .

Investments in Associates & Other Equities
Investment in Associates & Other Equities - Under Ind AS, the Company has designated these investments at fair value through Other Comprehensive Income (OCI). Accordingly, these investments are required to be measured at fair value. Fair value changes are recognised in the Statement of Other Comprehensive Income (OCI).

Equity Investment in Subsidiaries

Particulars	Nature of Business	Proportion (%) of equity interest	
		31st March, 2018	31st March, 2017
Equity shares of ₹ 10 each fully paid up in Aditya Agritech (P) Ltd	Seeds	70	70
Equity shares of ₹ 10 each fully paid up in Kaveri Microtech Pvt Ltd	Micronutrients	100	100
Equity shares of ₹ 10 each fully paid up in Genome Agritech Pvt Ltd	Seeds	51	51
Equity shares of ₹ 10 each fully paid up in Kex veg India Pvt Ltd	Vegetables	100	100
Equity shares of ₹ 10 each fully paid up in Genomix Agri Genetics Pvt Ltd	Seeds	100	-

8 Other Financial Assets (Non-Current)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance paid to ASK Real Estate Fund	-	375.00
	-	**375.00**

During FY 2016-17 ₹ 500.00 Lakhs paid to M/s. ASK Real Estate Fund, out of this 125 units of ASK Real Estate Special Situation Mutual Fund has been allotted for ₹ 125.00 Lakhs. The balance amount of ₹ 375.00 Lakhs was kept as advance for further allottment of Real Estate Fund units as on 31.03.2017. During FY 2017-18 another 375 units of ASK Real Estate Special Situation Mutual Fund has been allotted for the balance advance amount of ₹ 375.00 Lakhs.

9 Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liability on account of differences in depreciation		
as per tax books and financial books.	9.87	6.15
Deferred tax asset arising on account of timing differences relating to:		
Provision for Bad and doubtful trade receivables	30.71	25.80
Employee Benefits	3.68	0.44
	44.26	**32.39**

Notes

forming part of Financial Statements for the year ended March 31, 2018

10 Other non-current assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good		
Security deposits	163.28	147.55
Advances for Capital Expenses	536.63	115.35
	699.91	**262.90**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw Materials	4,773.27	4,326.87
Work in Process	6,155.31	3,474.75
Finished Goods	32,475.43	36,195.59
	43,404.01	**43,997.22**

12 Biological Asset

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Standing Crop	4,574.62	5,556.82
	4,574.62	**5,556.82**

13 Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
Unsecured				
Considered good	6,393.34		6,982.67	
Considered Doubtful	2,957.35		2,530.61	
Less : Provision for doubtful debts	(2,957.35)		(2,530.61)	
		6,393.34		**6,982.67**
Trade Receivables				
Debts due from Subsidaries and Associates		675.03		358.38

Of the Trade Receivables balances, top 3 customers represent a balance of ₹ 2411.28 Lakhs as at 31st March 2018 and ₹ 3219.97 Lakhs as at 31st March 2017, and 3 customers represent more than 5% of the total balance of Trade Receivables as at 31st March 2018 and 3 Customers as at 31st March 2017.

The Average Credit period on sales of goods is 60 days.

The Company maintains a provison for doubtful debts based on ageing of receivable as tool to determine the degree of liquidity. Receivable due for more than two years and referred for recovery through legal proceeding are considered for provision.

Notes
forming part of Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Movement in the Provision for doubtful debts		
Balance at the beginning of the year	2,530.61	1,460.58
Movement in Provision for doubtful debts based on ageing	426.74	1070.03
Balance at the end of the year	**2,957.35**	**2,530.61**

14 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
1. Cash on hand	6.09	5.24
2. Balances with Banks - Current Accounts	853.43	1,687.07
	859.52	**1,692.31**

15 Bank balances other than above

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Earmarked balances with banks		
- Deposit Accounts	13.54	12.49
	13.54	**12.49**

Deposit in Earmarked balance with banks represents bank balance in unclaimed dividend accounts.

16 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Income Tax Refund due	397.61	397.61
	397.61	**397.61**

17 Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good		
Advance to suppliers	1,146.06	1,237.58
Advance to Related Parties	850.00	-
Advance to Staff	59.34	46.29
Prepaid expenses	85.95	70.91
Others	5.75	11.61
Gratuity Advance	-	90.46
	2,147.10	**1,456.85**

Notes

forming part of Financial Statements for the year ended March 31, 2018

18 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
SHARE CAPITAL		
Authorised		
10,00,00,000 (10,00,00,000) Equtity shares of ₹ 2/- each	2,000.00	2,000.00
Issued,Subscribed & Paid up		
6,60,92,133/-(6,90,55,095) Equtity shares of ₹ 2/-each	1,321.84	1,381.10
	1,321.84	**1,381.10**

a) Reconciliation of number of Shares at the beginning and at the end of the reporting period.

Equity Shares of ₹ 2/- each

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	₹	No of shares	₹
At the beginning of the year	6,90,55,095	1,381.10	6,90,55,095	1,381.10
Add: Issued during the year	-	-	-	-
Less: Shares Cancelled during the year	29,62,962	59.26	-	-
At the end of the year	6,60,92,133	1,321.84	6,90,55,095	1,381.10

b) Details of Shareholders holding more than 5% shares in the company

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	% of Shares	No of shares	% of Shares
G Vanaja Devi	1,51,83,341	22.97%	1,57,75,050	22.84%
G V Bhaskar Rao - HUF	1,08,19,018	16.37%	1,12,40,645	16.28%
G V Bhaskar Rao	58,05,735	8.78%	60,31,990	8.74%

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

Notes

forming part of Financial Statements for the year ended March 31, 2018

19 Other Equity

(₹ in Lakhs)

Particulars		As at March 31, 2018		As at March 31, 2017	
a)	**Securities Premium**				
	Opening Balance	6,612.83		6,612.83	
	Less: Utilized for Buyback	(6,612.83)	**-**	-	**6,612.83**
b)	**General Reserve**				
	Opening Balance	8,001.05		8,001.05	
	Less: Utilized for Buyback	(8,001.05)		-	
	Add: Transfer from Retained Earnings	1,000.00	**1,000.00**	-	**8,001.05**
c)	**Other Comprehensive Income**				
	Opening Balance	2,176.13		1,246.36	
	(i) Items that will not be reclassfied to Profit or loss				
	Fair value of Investments through OCI	1,963.65		1,452.44	
	Acturial (gain)/loss on employee benefits through OCI	(290.09)		(43.91)	
	(ii) Income tax relating to items that will not be reclassfied to profit or loss				
	Current tax on Fair value of Investments through OCI	(599.66)	**3,250.03**	(478.76)	**2,176.13**
d)	**Retained Earnings**				
	Opening Balance	84,230.30		76,383.17	
	Add:				
	Profit for the year	21,034.21		7,847.12	
	Less:				
	Transferred to General Reserve	1,000.00		-	
	Payment of Dividend & Dividend Tax	2,386.41		-	
	Utilized for Buyback	5,326.85		-	
	Transferred to Capital Redemption Reserve	59.26	**96,492.00**	-	**84,230.30**
e)	**Capital Redemption Reserve**				
	Opening Balance	-			
	Add:			-	
	Transfer from Retained Earnings	59.26	59.26	-	-
			1,00,801.29	**-**	**1,01,020.30**

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

Retained Earnings: Retained earnings are the profits that the Company has earned till date less any transfers to general reserve, dividends, utilisations or other distributions paid to shareholders.

Other Comprehensive Income: The fair value change of the investments measured at fair value through other comprehensive income recognised through Other Comprehensive Income. Upon derecognition the cumulative fair value changes on the said investments are reclassified to the Statement of Profit and Loss. Accumulated gain or loss on employee benifits also recognised through other comprehensive income.

Capital Redemption Reserve: Face value of the No. of Shares cancelled through buyback is transferred to Capital Redemption Reserve.

Notes
forming part of Financial Statements for the year ended March 31, 2018

Financial Liabilities

20 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Term Loan from Deptt of Biotechnology, Ministry of Science & Technology	187.82	163.86
	187.82	**163.86**

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,2019.

21 Provisions (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee benefits	444.59	22.90
	444.59	**22.90**

22 Other non-current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits from dealers	591.23	510.68
Grant/Subsidy	32.60	35.73
	623.83	**546.42**

23 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Creditors for Expenses	6,973.92	15,979.41
Sundry Creditors	11,458.92	11,736.24
Provision for Schemes	3,000.53	1,931.67
	21,433.37	**29,647.32**

24 Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Un Claimed Dividend	13.54	12.49
Interest Accured but not due	15.44	11.94
	28.98	**24.43**

There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at 31st March 2018 and 31st March 2017.

Notes
forming part of Financial Statements for the year ended March 31, 2018

25 Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers against Sales	17,180.61	17,991.84
Payable to Staff	797.23	321.82
Statutory Payables	56.91	564.16
	18,034.75	**18,877.82**

26 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee benefits	37.56	19.55
Provision for Returns	526.73	-
	564.29	**19.55**

27 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Taxes	80.35	-
	80.35	**-**
Adjustments in Provision for Income Tax		
Advance Income Tax	690.00	1,000.00
TDS/TCS Receivable	2.27	0.52
Mat Credit	-	177.18
	692.27	**1,177.70**

28 Revenue from Operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of Seeds	77,240.30	66,989.10
	77,240.30	**66,989.10**

29 Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Capital Gain on sale of Assets	304.05	23.33
Dividend Income	0.56	0.54
Capital Gains from Investments	2,053.97	3,250.81
Interest Income	19.57	118.07
Others	29.74	39.02
Grant/Subsidy written Back	3.13	3.13
Baddebts Recovered	2.40	-
Fair value gain on Investments	(43.96)	-
	2,369.46	**3,434.90**

Notes

forming part of Financial Statements for the year ended March 31, 2018

30 Cost of Material Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Raw Material Consumed/Production Expenses		
Opening Stock	4,326.87	4,289.55
Add : Purchases/Production Expenses including processing Charges**	38,199.59	37,879.64
	42,526.46	**42,169.19**
Less : Closing Stock	4,773.27	4,326.87
	37,753.19	**37,842.31**
**** Processing Charges**		
Freight Inward	1,037.12	826.59
Machinery Repairs & Maintenance	214.11	221.16
Seed Certification charges	0.33	0.75
Power & Fuel	771.72	700.82
Building & Godown repairs & maint.	182.82	0.72
Godown Rent	119.78	101.95
Cold Storage Maintenance	39.10	32.05
Factory Maintenance	858.71	749.78
Expense on processing	848.71	718.20
Other Farm & Cultivation expenses	46.18	-
R&D Expenses ***	1,266.24	1,166.36
	5,384.82	**4,518.39**
***** R&D Farm Expenses**		
Cultivation Expenses	6.34	8.07
Fertilizers & Pesticides	27.40	33.04
Electricity charges	17.89	36.99
Electrical items & motor repairing charges	3.76	2.54
Farm Maintenance	42.78	50.74
Labour charges	193.29	165.12
Postage & telephones	5.88	2.24
Printing & Stationery	13.10	12.64
Security charges	47.43	43.79
Staff Welfare	3.17	2.65
Travelling expenses	1.70	2.75
Vehicle Maintenance	19.25	20.18
Land Lease	84.63	126.62
Research Expenses	45.16	114.71
Testing Expenses	195.27	99.99
Professional Expenses	32.62	51.26
Salaries to R&D Staff	526.58	393.03
	1,266.24	**1,166.36**

Notes

forming part of Financial Statements for the year ended March 31, 2018

31 Changes in Inventories of Finished Goods and Work in Progress

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
(Increase)/Decrease in Finished goods				
Opening Stock	36,195.59		40,931.17	
Closing Stock	32,475.43	3,720.16	36,195.59	4,735.58
(Increase)/Decrease in Work in Process				
Opening Stock	3,474.75		4,528.39	
Closing Stock	6,155.31	(2,680.56)	3,474.75	1,053.63
(Increase)/Decrease in Biological Assets				
Opening Stock	5,556.82		1,674.17	
Closing Stock	4,574.62	982.20	5,556.82	(3,882.65)
		2,021.80		**1,906.57**

32 Employee Benefit Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries to Staff	4,168.85	2,994.26
Contribution to Provident and other funds	249.73	191.28
Staff Welfare Expenses	66.75	59.64
	4,485.33	**3,245.18**

33 Finance Costs

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest on Termloans	3.50	5.34
Interest on Others	29.52	
Bank Charges	6.94	6.92
	39.96	**12.27**

34 Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Depreciation on Property, Plant and Equipment	2,316.82	2,829.98
Depreciation on Intangible Assets	18.37	19.23
	2,335.19	**2,849.21**

Notes

forming part of Financial Statements for the year ended March 31, 2018

35 Other Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Establishment Expenses		
Travelling Expenses	1,012.19	833.88
Postage & Telephone	113.57	107.69
Payment to Auditors (Refer Note No.36)	23.90	12.36
Vehicle Maintenance	62.74	42.85
Rent	31.03	32.08
Printing & Stationery	59.73	45.59
Insurance	74.72	81.41
Books & Periodicals	1.06	0.83
Rates & Taxes	216.69	84.71
Office Maintenance	84.92	48.90
General Expenses	32.84	71.52
Conveyance	1.68	1.14
Donations & Subscriptions	20.48	19.38
Legal Expenses	164.90	156.29
Professional Charges	226.59	282.85
Professional Tax	0.20	0.18
GST Expense	83.75	-
CSR Expenditure	378.00	839.94
Market Cess	38.52	28.67
Security Charges	112.26	97.64
Service Tax	82.30	170.71
Computer Maintenance	52.11	20.65
Directors Sitting Fees	6.00	7.20
Foreign Exchange Loss	5.63	15.48
(a) Total	**2,885.81**	**3,001.94**
Selling & Distribution Expenses		
Sales promotion expenses	2,315.49	1,579.53
Advertisement	114.68	236.97
Freight & Forwarding	1,459.41	1,176.70
Farmers Meeting Expenses	343.90	235.86
Staff & Dealers Meeting Expenses	163.81	105.93
Royalty	3,409.35	2,666.23
Bad debts Write Off	60.14	134.17
Provision for Bad Debts	426.74	1,070.03
(b) Total	**8,293.52**	**7,205.43**
Total of (a) & (b)	**11,179.33**	**10,207.37**

Notes
forming part of Financial Statements for the year ended March 31, 2018

36 Audit Fees

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) For statutory audit	23.60	7.18
b) For taxation matters	-	3.05
c) For other services	-	1.84
d) For reimbursement of expenses	0.30	0.29
	23.90	**12.36**

37 Expenditure incurred for corporate social responsibilty

The Company spent ₹ 378.00 Lakhs and ₹ 839.94 Lakhs towards CSR Expenditure for the year ended 31st March 2018 and 31st March 2017. The details of expenditure upto 31-03-2018 are as follows.

(₹ in Lakhs)

Particulars of CSR Activity	For the year ended March 31, 2018	For the year ended March 31, 2017
Amount unspent at the Starting of the year	0.76	393.24
CSR Expenditure Spendable for the year	378.09	447.46
Total Amount to be spent for the year	**378.85**	**840.70**
Direct Expenses made by company		
Education development activities		
Construction of School Buildings, Providing Furniture to Schools, Providing Books and Bags to Students and Scholarships to Students in Karimnagar District.	-	53.72
Rural development activities		
Conservation of Water Resources, Providing Street Lights, Providing Cycle Rikshaw for Cleaning of Garbage in Karminagar and Siddipet Districts.	-	11.22
Donation made towards CSR Activites	10.00	-
Contribution made to Kaveri Bhaskar Rao Charitable Foundation	368.00	775.00
Total Amount Spent during the year	**378.00**	**839.94**
Unspent amount at the End of the year	**0.85**	**0.76**

38 Income Taxes

The reconciliation between the statutory income tax rate applicable to the company and the effective income tax rate of the company is as follows:

Income tax recognised in profit or loss	As at March 31, 2018	As at March 31, 2017
Statutory Income tax rate	**34.61%**	**34.61%**
Differences due to:		
Income Exempt from Tax	-30.99%	-20.98%
Effect of expenses that are not deductible in determining taxable profit (permanent disallowances)	0.02%	-3.55%
Tax Income at Different Rates	-0.18%	-0.11%
Others	-0.04%	3.78%
Effective tax rate	**3.50%**	**13.75%**

Notes

forming part of Financial Statements for the year ended March 31, 2018

39 Movement in Defered Tax Assets/(Liabilities)

Movement during the Year ended March 31st, 2017

(₹ in Lakhs)

Deferred Tax Asset/Liabilities	As at April 1, 2016	Credit/(charge) in the statement of Profit and Loss	Directly recognised in Equity	As at March 31, 2017
Provision for employee benefits	1.26	(0.82)	-	0.44
Provision for bad and doubtful trade receivables	14.89	10.91	-	25.80
Depreciation	(0.65)	6.80	-	6.15
	15.50	**16.89**	**-**	**32.39**

Movement during the Year ended March 31st, 2018

(₹ in Lakhs)

Deferred Tax Asset/Liabilities	As at April 1, 2017	Credit/(charge) in the statement of Profit and Loss	Directly recognised in Equity	As at March 31, 2018
Provision for employee benefits	0.44	3.24	-	3.68
Provision for bad and doubtful trade receivables	25.80	4.91	-	30.71
Depreciation	6.15	3.72	-	9.87
	32.39	**11.87**	**-**	**44.26**

40 Exceptional Items

For the financial year 2016-17 company had provided ₹ 5923.80 Lakhs as Exceptional Item towards the settlement of legal issue related to royalty payment with M/s. Mahyco Monsanto Biotech India Ltd related to Royalty payment in arbitration.

41 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain or if necessary adjust its capital structure.

42 Earning Per Equity Share

Earnings per Share has been computed as under

(₹ in Lakhs)

Income tax recognised in profit or loss	As at March 31, 2018	As at March 31, 2017
Profit for the Year	21,034.21	7,847.12
Weighted average Equity Shares outstanding (in no.s)	6,70,79,787	6,90,55,095
Earnings Per Share (Face Value of ₹ 2/- each)	31.36	11.36

43 Dividend on Equity Share

Dividend on Equity Shares paid during the year

(₹ in Lakhs)

Income tax recognised in profit or loss	As at March 31, 2018	As at March 31, 2017
Final Dividend ₹ Nil Per share for FY 2017-18 (₹ Nil per share for FY 2016-17)	-	-
Dividend Distribution Tax on Final Dividend	-	-
Interim Dividend ₹ 3 Per share for FY 2017-18 (₹ Nil per share for FY 2016-17)	1,982.76	-
Dividend Distribution Tax on Final Dividend	403.65	-
	2,386.41	**-**

Notes
forming part of Financial Statements for the year ended March 31, 2018

44 Financial Instruments
Refer Note 2.13 for accounting policy on Financial Instruments.

A. Accounting Classification and Fair Values
The carrying amounts and fair values of financial instruments by class are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
FINANCIAL ASSETS		
Financial assets measured at fair value		
Investments measured at (Note 7)		
i. Fair value through Other Comprehensive Income	54,306.57	66,809.34
	54,306.57	**66,809.34**
ii. Fair value through Profit & Loss Statement	7,953.22	-
	7,953.22	**-**
FINANCIAL LIABILITIES	-	-
	-	**-**

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, current account balances with group companies, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B. Income, Expenses, Gains or Losses on Financial Instruments
Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Financial assets measured at fair value through other comprehensive income		
Investment in equity & debt instruments	1,363.99	973.68
Financial assets measured at fair value through Profit & Loss Statement		
Investment in equity & debt instruments	(43.96)	-

C. Fair Value Hierarchy
The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted Prices for identical Instruments in an active Market
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs, and
Level 3: Inputs which are not based on observable market data

Notes

forming part of Financial Statements for the year ended March 31, 2018

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
As at 31st March, 2018				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	114.77	54,191.70	0.10	54,306.57
ii. Fair Value through Profit or Loss		7,953.22		7,953.22
As at 31st March, 2017				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	115.99	66,692.81	0.54	66,809.34
ii. Fair Value through Profit or Loss	-	-	-	-

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

2. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Other financial assets and liabilities

Cash and cash equivalents (except for investments in mutual funds), trade receivables, investments in term deposits, other financial assets , trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

45 Financial Risk Management

The Company's business activities are exposed to a variety of financial risks namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

A. Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Notes
forming part of Financial Statements for the year ended March 31, 2018

The Company maintained a cautious liquidity strategy with a positive cash balance throughout the year ended 31st March, 2018 and 31st March, 2017. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated over and above the amount required for working capital management and other operational requirements is retained as cash and cash equivalents (to the extent required) and any excess is invested in highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(₹ in Lakhs)

	Carrying amount	Payable within 1 year	More than 1 years	Total
As at 31st March, 2018				
Financial liabilities				
Trade payables (including acceptances)	21,433.37	21,433.37	-	21,433.37
Borrowings	187.82	-	187.82	187.82
Unpaid dividend	13.54	13.54	-	13.54
Other Payables	15.44	15.44	-	15.44
As at 31st March, 2017				
Financial liabilities				
Trade payables (including acceptances)	29,647.32	29,647.32	-	29,647.32
Borrowings	163.86	-	163.86	163.86
Unpaid dividend	12.49	12.49	-	12.49
Other Payables	11.94	11.94	-	11.94

B. Management of Market Risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

Currency Risk
Price Risk
Interest Rate Risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

1. CURRENCY RISK

POTENTIAL IMPACT OF RISK

The impact of risk due to change in foreign currency value is very minute on the company as the company's exposure to foreign currency is very low.

As at 31st March, 2018, the net unhedged exposure to the Company on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹ 13.01 Lakhs receivable (31st March, 2017 ₹ Nil Lakhs.

Notes

forming part of Financial Statements for the year ended March 31, 2018

MANAGEMENT POLICY

The Company is not majorly exposed to foreign currency exchange risk because of its low volume foreign currency transactions, even though management exercises proper precautions to minute the currency risk in foreign exchange transactions. The company deals with US Dollar and Euro for its foreign currency transactions.

The Company makes its exports against advance irrevocable LC to mitigate the risk of currency exchange due to delay in remittances. The company does not opt for forward exchange contracts. Foreign exchange transactions are closely monitored to reduce the risk.

The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

SENSITIVITY TO RISK

A 5% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹ 0.65 Lakhs gain in the Statement of Profit and Loss (2016-17: ₹ Nil Lakhs). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

2. PRICE RISK

POTENTIAL IMPACT OF RISK

The Company is exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2018, the investments in debt mutual funds amounts to ₹ 53708.50 Lakhs (31st March, 2017 ₹ 62697.12 Lakhs). These are exposed to price risk.

MANAGEMENT POLICY

The Company takes all the precautions to minimise price risk arising from investments in debt mutual funds. The company is investing mainly in debt mutual funds through leading mutual fund companies and in best mutual funds where price risk is very low. The company examins fund performance, rating, liquidty and risk aspects before investing.

SENSITIVITY TO RISK

A 0.5% increase in prices would have led to approximately an additional ₹ 268.54 Lakhs gain in the Statement of Profit and Loss Or Other Comprehensive Income (2016-17 ₹ 313.49 Lakhs gain). A 0.5 % decrease in prices would have led to an equal but opposite effect.

3. INTEREST RATE RISK

POTENTIAL IMPACT OF RISK

The impact of interest rate risk is very minute on the company as the company does not have exposure to any interest rate sensitive investments or securities.

The company does not have any investment in interest sensitive securities/bonds as on 31st March 2018 and 2017.

MANAGEMENT POLICY

The Company makes maximum of the investments in non interest sensitive sectors to mitigate interest rate risk

SENSITIVITY TO RISK

A 0.25% or 0.50% increase/decrease in interest rates will not make any difference to the company profit or loss as there are no interest rate sensitive investments.

C. Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentration of credit risk with respect to trade receivables is moderate due to the Company's customer base being large and diverse and also company receives good amount of receipts towards advances. All trade receivables are reviewed and assessed for default on a quarterly basis based on collections and ageing.

Our historical experience of collecting receivables is that credit risk is moderate. Hence trade receivables are considered to be a single class of financial assets.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments

Notes
forming part of Financial Statements for the year ended March 31, 2018

money market liquid mutual funds and derivative instrument with financial institutions. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc. The Company has given inter-corporate deposits (ICD) only to its subsidiaries amounting ₹ 850 Lakhs (31st March, 2017 ₹ Nil Lakhs).

The Company's maximum exposure to credit risk as at 31st March, 2018 and 2017 is the carrying value of each class of financial assets.

46 Disclosures Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of The Companies Act, 2013

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Advances to subsidiaries		
Kexveg India Pvt Ltd		
Balance as at the year end	120.00	-
Maximum amount outstanding at any time during the year	125.41	784.60
Kaveri Microteck Pvt Ltd		
Balance as at the year end	730.00	-
Maximum amount outstanding at any time during the year	**730.00**	**-**

47 Related Party Transactions

47.1 Following is the list of related parties and their relationships

A. Key managerial persons and their relatives

1 Mr. G.V. Bhaskar Rao
2 Mrs. G. Vanaja Devi
3 Mr. R. Venumanohar Rao
4 Mr. C. Vamsheedhar
5 Mr. C. Mithun Chand
6 Mr. G. Pawan
7 Mrs. G. Madhusree
8 G.V. Bhaskar Rao - HUF
9 C. Vamsheedhar - HUF
10 R. Venumanohar Rao - HUF

B. Subsidary Companies:

11 M/s. Kexveg India Pvt Ltd
12 M/s. Aditya Agritech Pvt Ltd
13 M/s. Genome Agritech Pvt Ltd
14 M/s. Kaveri Microteck Pvt Ltd
15 M/s. Genomix Agri Genetics Pvt Ltd

C Other related firms

16 M/s. Kaveri Infra
17 M/s. Bhaskara Investments

Notes

forming part of Financial Statements for the year ended March 31, 2018

47.2 Related party transactions for the year ended 31st March, 2018 are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration paid		
Mr. G.V. Bhaskar Rao	195.29	171.75
Mrs. G. Vanaja Devi	121.31	106.75
Mr. C. Vamsheedhar	59.69	52.68
Mr. C. Mithun Chand	49.72	43.93
	426.01	**375.11**
Land and godown lease paid		
Mr. G.V. Bhaskar Rao	0.60	0.60
Mrs. G. Vanaja Devi	8.49	8.49
Mr. G.Pawan	11.03	12.31
Mrs. G. Madhusree	-	10.80
G.V. Bhaskar Rao - HUF	4.81	41.58
C. Vamsheedhar - HUF	1.12	4.48
R. Venumanohar Rao - HUF	2.26	4.52
M/s. Kaveri Infra	10.87	10.87
M/s. Bhaskara Investments	2.90	-
	42.08	**93.65**
Dividend paid		
Mr. G.V. Bhaskar Rao	174.17	-
Mrs. G. Vanaja Devi	455.50	-
Mr. R. Venumanohar Rao	6.64	-
Mr. C. Vamsheedhar	31.74	-
Mr. C. Mithun Chand	27.87	-
Mr. G.Pawan	72.45	-
G.V. Bhaskar Rao - HUF	324.57	-
	1,092.94	**-**
Investments made during the year		
Equity Share Capital in M/s. Kexveg India Pvt Ltd	-	775.00
Equity Share Capital in M/s. Genomix Agri Genetics Pvt Ltd	10.00	-
Loans & Advances Paid during the year		
M/s. Kexveg India Pvt Ltd	120.00	-
M/s. Kaveri Microteck Pvt Ltd	730.00	-
Land Lease Received		
M/s. Kexveg India Pvt Ltd	14.23	14.23
Sales made during the year		
M/s. Aditya Agritech Pvt Ltd	4,798.60	2,796.16
M/s. Genome Agritech Pvt Ltd	826.66	598.35
M/s. Kexveg India Pvt Ltd	0.29	-
	5,625.55	**3,394.51**

Notes
forming part of Financial Statements for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017
Debit balances outstanding		
M/s. Genome Agritech Pvt Ltd	675.03	358.38
	675.03	**358.38**
Credit balances outstanding		
M/s. Aditya Agritech Pvt Ltd	1,803.45	893.44
	1,803.45	**893.44**

48 Employee Benefit plans

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benfits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design meand the risks commonly affecting the liabilities and the financial results are expected to: A97

a) **Interest rate risk :** the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) **Salary inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.

c) **Demographic risk :** For example, as plan is open to new entrants an increase in membership will increase the defined benefit obligation. Also the plan only provides benefits upon completion of a vesting criteria. Therefore if tunover rates increase then the liability will tend to fall as fewer employees reach vesting period.

1 - Reconciliation of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening of defined benefit obligation	120.26	111.80
Current service cost	68.70	17.18
Past service cost	48.49	-
Interest on defined benefit obligation	8.36	8.94
Remeasurements due to:	-	-
Actuarial loss / (gain) arising from change in financial assumptions	(113.17)	-
Actuarial loss / (gain) arising from change in demographic assumptions	82.72	-
Actuarial loss / (gain) arising on account of experience changes	307.11	43.91
Benefits paid	(29.59)	(61.59)
Closing of defined benefit obligation	**492.87**	**120.26**

2 - Reconciliation of Plan Assets

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of plan assets	210.72	197.90
Employer contributions	33.33	57.10
Interest on plan assets	19.59	18.27
Administration expenses	-	(0.97)
Remeasurements due to:	-	-
Actual return on plan assets less interest on plan assets	(13.43)	-
Benefits paid	(29.59)	(61.59)
Closing fair value of plan assets	**220.61**	**210.72**

Notes

forming part of Financial Statements for the year ended March 31, 2018

3 - Amount recognized in Balance Sheet

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Present value of funded defined benefit obligation	492.87	120.26
Fair value of plan assets	220.61	210.72
Net funded obligation	272.26	(90.46)
Net defined benefit liability / (asset) recognized in balance sheet	272.26	(90.46)
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	-	-
Non-current	272.26	(90.46)

4 - Current Year Expense Charged to Profit & Loss Account

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	68.70	17.18
Past service cost	48.49	-
Administration expenses.	-	0.97
Interest on net defined benefit liability / (asset)	(11.24)	(9.33)
Total expense charged to profit and loss account	**105.95**	**8.83**

5 - Amount Recorded as Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening amount recognized in OCI outside profit and loss account	43.91	-
Remeasurements during the period due to		
Changes in financial assumptions	(113.17)	-
Changes in demographic assumptions	82.72	-
Experience adjustments	307.11	43.91
Actual return on plan assets less interest on plan assets	13.43	-
Closing amount recognized in OCI outside profit and loss account	**334.00**	**43.91**

6 - Disaggregation of Assets

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Category of Assets		
Non Quoted Value		
Insurer managed funds.	220.61	210.72
Others	-	-
	220.61	**210.72**

7 - Results of Sensitivity Analysis

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate		
Impact of increase in 50 bps on DBO.	-6.17%	-3.59%
Impact of decrease in 50 bps on DBO.	6.73%	4.06%
Salary escalation rate		
Impact of increase in 50 bps on DBO	5.85%	1.73%
Impact of decrease in 50 bps on DBO	-5.46%	-2.02%

Notes
forming part of Financial Statements for the year ended March 31, 2018

8 - Summary of Actuarial Assumptions Adopted

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate (p.a.)	7.75%	8.00%
Salary escalation rate (p.a.)	10.00% until year 5 inclusive, then 7.00%	10.00%

9 - Maturity Profile

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expected benefits for year 1	15.06	14.84
Expected benefits for year 2	14.79	17.69
Expected benefits for year 3	16.50	20.71
Expected benefits for year 4	21.11	23.28
Expected benefits for year 5	21.38	26.00
Expected benefits for year 6	33.39	28.88

The Principal Assumptions used for the purposes of the acturial valuation as follows

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions while the Plan's sensitivity to such changes can vary over time.

49 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Principle amount due to suppliers registered under the MSMED Act and Remaining unpaid as at year end	273.34	521.82
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.07	2.08
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	161.73	132.39
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	1.07	2.08
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further Interest remaining due and payable for earlier years	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

50 Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for:	40.59	137.53

Notes

forming part of Financial Statements for the year ended March 31, 2018

51 Contingent Liabilities

(₹ in Lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts. This comprises of		**394.65**	**954.08**
i.	Tax demands disputed by the Company relating to disallowances / additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to	301.24	860.50
ii.	Other matters not related to tax	10.75	10.75
iii.	Bank guarantees	82.66	82.83

52 Operating Leases

The Company's significant leasing arrangements are in respect of operating leases for lands and premises (Agricultural lands, office, stores, godown etc.). These leasing arrangements which are cancellable range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.

The company does not have any non-cancellable agreements.

53 Segment Information

53.1 The Company has only one business segment i.e, Seeds.

53.2 Geographical information

The Company operates in single principal geographical area i.e., India. Though the Company has operations across various geographies within India, the same are considered as a single operating segment considering the following factors .

- These operating segements have similar long term gross profit margins.
- The nature of the products and production processes are similar and the methods used to distribute the products to the customers are the same.

53.3 In view of the above mentioned classification of business and geographical segments the particulars relating to Segment revenue and results, Segment assets and liabilities, Other segment information, revenue from major products and services, geographical information are not furnished herewith.

54 Previous year figures are regrouped wherever considered necessary to conform to current year classification.

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS

Sd/-
M.V. RAMANA MURTHY
PARTNER
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V.BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G.VANAJA DEVI
Wholetime Director
DIN: 00328947

Independent Auditor's Report – Consolidated

To
The Members of

Kaveri Seed Company Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Kaveri Seed Company Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in the 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 (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules made thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision 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 judgements 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements / financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 31 March 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of five subsidiaries whose financial statements / financial information reflect total assets of ₹ 7,636.42 Lakhs as at 31 March 2018, total revenues of ₹ 9,675.91 Lakhs and net cash inflows amounting to ₹ 125.78 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS 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 Section143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, referred in the 'Other Matters' paragraph, 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 Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules made thereunder;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's incorporated in India internal financial controls over financial reporting. and

   (g) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note No.50 to the consolidated Ind AS financial statements;

      ii. the group has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

for **M. BHASKARA RAO & CO.**
Chartered Accountants
Firm Registration No.000459S

M.V. RAMANA MURTHY
Partner
Membership No.206439

Hyderabad, 24 May 2018

Annexure A

to the Independent Auditor's Report

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Kaveri Seed Company Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **M. BHASKARA RAO & CO.**
Chartered Accountants
Firm Registration No.000459S

M.V. RAMANA MURTHY
Partner
Membership No.206439

Hyderabad, 24 May 2018

Consolidated Balance Sheet

as on March 31, 2018

(₹ in Lakhs)

S No	Particulars	Note	As at March 31, 2018	As at March 31, 2017
Assets				
(1)	**Non-current assets**			
(a)	Property, Plant and Equipment	3	18,871.05	19,956.44
(b)	Capital work-in-progress	4	3,465.26	3,267.87
(c)	Good Will	5	26.70	26.70
(d)	Other Intangible assets	6	50.22	40.28
(e)	Intangible assets under development	7	269.74	129.40
(f)	Financial Assets			
	(i) Investments	8	2,991.68	241.90
	(ii) Others	9	-	375.00
(g)	Deferred tax assets (net)	10	112.43	83.00
(h)	Other non-current assets	11	842.04	289.84
	Total Non-current assets		**26,629.12**	**24,410.43**
(2)	**Current assets**			
(a)	Inventories	12	44,281.99	44,781.55
(b)	Biological Assets	13	4,576.31	5,556.82
(c)	Financial Assets			
	(i) Investments	8	57,548.28	65,447.28
	(ii) Trade receivables	14	8,593.03	8,539.94
	(iii) Cash and cash equivalents	15	1,377.12	2,084.12
	(iv) Bank balances other than (iii) above	16	13.54	12.49
(d)	Current Tax Assets (Net)	17	399.03	397.61
(e)	Other current assets	18	1,451.40	1,546.24
	Total Current assets		**1,18,240.69**	**1,28,366.05**
	Total Assets		**1,44,869.81**	**1,52,776.48**
Equity and Liabilities				
Equity				
(a)	Equity Share capital	19	1,321.84	1,381.10
(b)	Other Equity	20	99,918.14	1,00,052.53
(c)	Non-Controlling Interest	21	(56.86)	(74.13)
	Total Equity		**1,01,183.12**	**1,01,359.50**
Liabilities				
(1)	**Non-current liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	22	287.82	463.86
(b)	Provisions	23	487.03	44.94
(c)	Other non-current liabilities	24	921.95	822.89
	Total Non Current liabilities		**1,696.80**	**1,331.68**
(2)	**Current liabilities**			
(a)	Financial Liabilities			
	(i) Trade payables	25	22,186.83	30,263.13
	(ii) Other financial liabilities	26	28.98	24.43
(b)	Other current liabilities	27	19,018.15	19,715.79
(c)	Provisions	28	670.84	40.80
(d)	Current Tax Liabilities (Net)	29	85.08	41.15
	Total Current liabilities		**41,989.89**	**50,085.29**
	Total Equity and Liabilities		**1,44,869.81**	**1,52,776.48**
	See accompanying notes to the financial statements	1-55		

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
Chartered Accountants

Sd/-
M.V. RAMANA MURTHY
Partner
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V. BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G. VANAJA DEVI
Wholetime Director
DIN: 00328947

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Lakhs)

S No	Particulars	Note	Year Ended March 31, 2018		Year Ended March 31, 2017	
I	**Income**					
	a) Revenue from Operations	30	81,937.48		70,635.76	
	b) Other Income	31	2,367.07		3,442.23	
	Total Income			**84,304.55**		**74,077.99**
II	**Expenses**					
	a) Cost of Material Consumed	32	39,732.59		39,123.84	
	b) Changes in Inventories of Finished Goods and Work in Progress	33	2,087.79		1,805.48	
	c) Excise Duty		13.99		136.69	
	d) Employee Benefit Expenses	34	5,439.26		3,990.98	
	e) Finance Costs	35	60.41		24.14	
	f) Depreciation & Amortisation Expenses	36	2,507.73		3,023.67	
	g) Other Expenses	37	12,482.19		11,624.10	
	Total Expenses			**62,323.96**		**59,728.90**
III	**Profit before Exceptional Items and Tax (I-II)**			21,980.59		14,349.09
IV	Exceptional Item - Legal Settlement (Ref Note No.41)			-		(5,923.80)
V	**Profit before Tax (III-IV)**			21,980.59		8,425.29
VI	**Less : Tax expense**					
	Current Tax		891.92		1,290.99	
	Earlier Years Tax		(22.91)		(366.28)	
	Mat Credit Entitlement		-		(177.18)	
	Deferred Tax		(29.47)	839.54	(51.18)	696.34
VII	**Profit for the Year (V-VI)**			**21,141.05**		**7,728.95**
VIII	**Non Controlling Interest**					
	Aditya		36.71		17.46	
	Genome		(19.44)		(71.85)	
	Total			17.27		(54.39)
IX	**Profit after Non Controlling Interest (VII-VIII)**			21,123.78		7,783.34
X	**Other Comprehensive Income**					
	A (i) Items that will not be reclassfied to Profit or loss					
	Fair value of Investments through OCI		1,963.65		1,452.44	
	Acturial gain/(loss) on employee benefits through OCI		(295.02)		(41.56)	
			1,668.63		1,410.88	
	(ii) Income tax relating to items that will not be reclassfied to profit or loss					
	Current tax on Fair value of Investments through OCI		599.66		479.49	
				1,068.97		**931.39**
XI	**Total Comprehensive Income for the period (IX+X) Comprising Profit (loss) and Other Comprehensive Income for the Period**			**22,192.75**		**8,714.73**
XII	**Earnings Per Equity Share (for continuing operations)**					
	(1) Basic (equity shares, par value ₹ 2 each)			31.49		11.27
	(2) Diluted (equity shares, par value ₹ 2 each)			31.49		11.27
XIII	**Earnings Per Equity Share (for discontinued operations)**					
	(1) Basic (equity shares, par value ₹ 2 each)			-		-
	(2) Diluted (equity shares, par value ₹ 2 each)			-		-
XIV	**Earnings Per Equity Share (Total)**					
	(1) Basic (equity shares, par value ₹ 2 each)			31.49		11.27
	(2) Diluted (equity shares, par value ₹ 2 each)			31.49		11.27
	Notes on Financial Statements	1-55				

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
Chartered Accountants

Sd/-
M.V. RAMANA MURTHY
Partner
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V. BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G. VANAJA DEVI
Wholetime Director
DIN: 00328947

Consolidated Statement of Changes in Equity

A. Equity Share Capital

(₹ in Lakhs)

	Amount
Issued and paid up equity share capital	
Balance as at 31st March, 2016	**1,381.10**
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**1,381.10**
Changes in equity share capital during the year	(59.26)
Balance as at 31st March, 2018	**1,321.84**

B. Other Equity

(₹ in Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period as on 1st April, 2016	**-**	**6,612.83**	**8,003.05**	**75,475.55**	**1,246.36**	**91,337.80**
Other Comprehensive Income for the year	-	-	-	-	931.39	931.39
Profit for the Year	-	-	-	7,783.34	-	7,783.34
Balance at the end of the reporting period as on 31st March, 2017	**-**	**6,612.83**	**8,003.05**	**83,258.89**	**2,177.75**	**100,052.53**

(₹ in Lakhs)

Particulars	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance at the beginning of the reporting period as on 1st April, 2017	**-**	**6,612.83**	**8,003.05**	**83,258.89**	**2,177.75**	**100,052.53**
Other Comprehensive Income for the year	-	-	-	-	1,068.97	1,068.97
Profit for the Year	-	-	-	21,123.78	-	21,123.78
Buyback of Equity Shares	-	(6,612.83)	(8,001.05)	(5,326.85)	-	(19,940.73)
Dividend and Dividend Tax	-	-	-	(2,386.41)	-	(2,386.41)
Transfer from/to General Reserve	-	-	1,000.00	(1,000.00)	-	-
Transferred from/to Capital Redemption Reserve	59.26	-	-	(59.26)	-	-
Balance at the end of the reporting period as on 31st March, 2018	**59.26**	**-**	**1,002.00**	**95,610.16**	**3,246.71**	**99,918.14**

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
Chartered Accountants

Sd/-
M.V. RAMANA MURTHY
Partner
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V. BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G. VANAJA DEVI
Wholetime Director
DIN: 00328947

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash flows from operating activities		
Profit before taxation	21,980.59	14,349.09
Adjustments for:		
Depreciation & Amortisation	2,507.73	3,023.67
(Profit)/Loss on sale of Fixed Assets	(304.50)	(44.75)
Dividend Received	(0.56)	(0.54)
Gain from Investments	(2,053.97)	(3,250.81)
Interest received	(26.64)	(118.07)
Finance charges	60.41	24.14
Operating profit before working capital changes	**22,163.07**	**13,982.73**
(Increase) / Decrease in Inventories and Biological Assets	1,480.08	1,780.68
(Increase)/Decrease in Trade Receivables and other receivables	(53.09)	(504.30)
(Increase)/Decrease in Loans & Advances (Other assets)	(113.21)	(489.78)
Increase/(Decrease) in Trade Payables	(8,076.30)	8,646.93
Increase/(Decrease) in Provisions	1,072.13	(749.05)
Increase/(Decrease) in Other liabilities	(554.64)	(148.53)
Taxes paid during the year	(839.54)	(696.34)
Net cash provided by operating activities	**15,078.50**	**21,822.33**
Cash flows from investing activities		
Payments for property, plant and equipment	(2,097.87)	(4,202.32)
Proceeds from disposal of property, plant and equipment	801.01	77.04
Payments for investment	(45,703.75)	(88,177.33)
Proceeds from disposal of investment	51,921.94	74,057.25
Payments for intangible assets	(168.64)	(150.70)
Proceeds from earmarked deposits with Bank	(1.05)	1.18
Dividend Received	0.56	0.54
Gain from Investments	2,053.97	3,250.81
Interest received	26.64	118.07
Net Cash used for investing activities	**6,832.80**	**(15,025.46)**
Cash flows from Exceptional Items	-	(5,923.80)
Cash flows from financing activities		
Repayments of borrowings	(171.49)	-
Proceeds from Borrowings	-	300.00
Buyback of Equity Shares	(19,999.99)	-
Dividend including Tax on Dividend	(2,386.41)	-
Finance charges	(60.41)	(24.14)
Net cash provided by financing activities	**(22,618.30)**	**275.86**
Net increase in cash & cash equivalents	(707.00)	1,148.92
Cash & Cash equivalents at the beginning of the period	2,084.12	935.20
Cash & Cash equivalents at the end of the period	**1,377.12**	**2,084.12**

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
Chartered Accountants

Sd/-
M.V. RAMANA MURTHY
Partner
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V. BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G. VANAJA DEVI
Wholetime Director
DIN: 00328947

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

1 Group Information

Kaveri Seed Company Limited ("the Company") has been incorporated on August 27, 1986, as private limited Company and converted into public limited Company on November 07, 2006. The Company has been listed on 04.10.2007 on the Bombay Stock Exchange and the National Stock Exchange in India. The Company is into research, production, processing and marketing of various high quality hybrid seeds.

The Company and its subsidiaries (jointly referred as the "Group") considered in the consolidated financial statements.

a) Subsidiaries considered for consolidation

Name of the subsidiary	Nature of Business	Place of incorporation	Proportion of ownership interest and voting power held by the Company	
			As at Mar 31, 2018	As at Mar 31, 2017
Kaveri Microteck Private Limited	Micronutrients	India	100%	100%
Kexveg India Private Limited	Vegtables	India	100%	100%
Aditya Agri Tech Private Limited	Seeds	India	70%	70%
Genome Agritech Private Limited	Seeds	India	51%	51%
Genomix Agri Genetics Private Limited	Seeds	India	100%	-

b) Disclosure of additional information as required by the Schedule III as at and for the year ended 31.03.2018

(₹ in Lakhs)

Name of the Group Company	Net assets, i.e. total assets minus total liabilities		Share in Sale of Products		Share in profit or loss		Share in other comprehensive income(attributable to share holders)		Share in total comprehensive income(attributable to share holders)	
	As % of net assets	Amount	As % of Sales	Amount	As % of profit or loss	Amount Amounts in Rupees	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent										
Kaveri Seed Company Limited	98.28%	99,442.31	88.21%	72,273.41	99.58%	21,034.21	100.46%	1,073.90	99.62%	22,108.11
Subsidiaries										
Kaveri Microteck Private Limited	2.49%	2,516.15	2.94%	2,407.71	0.82%	174.07	-0.39%	(4.16)	0.77%	169.91
Kexveg India Private Limited	0.29%	295.70	0.27%	220.99	-0.71%	(149.89)	-0.04%	(0.41)	-0.68%	(150.30)
Aditya Agri Tech Private Limited	-1.37%	(1,384.06)	7.20%	5,897.81	0.41%	85.63	-0.30%	(3.19)	0.37%	82.44
Genome Agritech Private Limited	0.30%	303.02	1.39%	1,137.56	-0.10%	(20.24)	0.26%	2.82	-0.08%	(17.42)
Genomix Agri Genetics Pvt. Ltd.	0.01%	10.00								
Total	**100%**	**1,01,183.12**	**100%**	**81,937.48**	**100%**	**21,123.78**	**100%**	**1,068.97**	**100%**	**22,192.75**

2 Summary of significant accounting policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other Accounting priniples generally accepted in india. The Group has adopted Indian Accounting Standards from the financial year 2016-17 and the date of transition to Ind AS is April 1, 2015.

The Consolidated financial statements have been authorised for issue by the board of directors of the company on 24th May 2018.

2.2 Basis for preparation of financial statements

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria asset out in the

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

Division II of Schedule III of Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has accertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Use of Estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Depreciation is provided on a pro-rata basis on the WDV method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

Separately purchased intangible assets are initially measured at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

2.5 Biological Asset

Recognition and measurement

The Group recognises the biological asset (agricultural produce) when:

(a) the Group controls the asset as a result of past events;

(b) it is probable that future economic benefits associated with the asset will flow to the Group; and

(c) the fair value or cost of the asset can be measured reliably.

The biological asset are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell.

2.6 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Government Grants

Government Grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related cost for which the grants are intended to compensate. Specifically government grants whose primary condition is that the Group purchase, construct or otherwise acquire non-current assets are

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recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.9 Impairment of Assets

i) Financial assets

Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. In a subsequent period if the amount of impairment loss decreases and the decreases can be related objectively to an event the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with definite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.10 Revenue recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade discounts, schemes, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

Income from export incentives such as duty drawback and premium on sale of import licenses and lease license fee are recognised on accrual basis.

2.11 Dividend and Interest Income

Dividend income from investments is recognised when the shareholders right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.12 Foreign currency transactions

The functional currency of the Group is Indian Rupees (INR).

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Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Gains and losses arising on settlement are included in the profit or loss.

2.13 Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments

Cash and cash equivalents

The Group considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present the changes in fair value of investments not held for trading in other comprehensive income.

Financial assets at fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at cost or at fair value through other comprehensive income.

The transaction costs directly attributable to the acquisiton of financial assets and liabilities at fair value through profit or loss are immediately recognised in statemet of profit or loss.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date the carrying amounts approximate fair value due to the short maturity of these instruments.

2.14 Employee Benefits

a) Gratuity:

The Group accounts for its gratuity liability a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Group.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Group are entitled to receive the benefits of Provident fund a defined contribution plan in which both employees and the Company and its subsidiaries make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company and its subsidiaries.

The Group has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

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c) Compensated absences:

The Group provides for the encashment of leave subject to certain Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company and its subsidiaries.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) Other short term employee benefits:

Other short-term employee benefits such as performance incentives expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

2.15 Share Based Payment Arrangements

Employees of the Group receive remuneration in the form of sharebased payments in consideration of the services rendered.

Under the equity settled share based payment the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period apart from the non market vesting condition the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised the Group issues fresh equity shares.

For cash-settled share based payments the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities over the period of non market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to and including the settlement date with changes in fair value recognised in employee benefits expenses.

2.16 Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods(Manufactured and Traded). Inventories are valued at the lower of cost or the net realisable value after providing for obsolescence and other losses where considered necessary. Cost is deteremined on FIFO basis. Cost includes all charges in bringing the goods to their present location and condition including octroi and other levies, transit insurance and receiving charges. The cost of work-in-progress and finished goods comprises of materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Trade Receivables

Trade receivables are stated at net of advances. Ageing of receivable are considered as tool to determine the degree of liquidity. Receivable due for more than two years and balance considered doubtful, referred for recovery through legal proceeding are considered for provision.

2.18 Taxation

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the tax laws applicable in India.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Group will pay normal tax in future periods.

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Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.19 Earnings per Share

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings / (loss) per share the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

2.20 Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. If the effect of the time value of money is material provisions are discounted using a current pre-tax rate that reflects when appropriate the risks specific to the liability. When discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.21 Critical accounting estimates and judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and judgements in applying accounting policies that have the most significant effect on Consolidated financial statements are as follows.

a) Provision for doubtful debts - Refer note no.14

b) Provision for schemes - Refer note no.25

c) Provision for returns - Refer note no.28

d) Biological assets - Refer note no.13

e) Measurement of useful life and residual values of property, plant and equipments and useful life of intangible assets - Refer note no.3

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3 Property, Plant and Equipment

(₹ In Lakhs)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Gross Carrying Amount								
Balance as at 01-04-2017	5,631.81	9,198.79	15,564.88	557.38	1,365.90	143.78	211.60	32,674.14
Additions	1,276.74	112.02	254.71	41.31	162.98	15.58	37.15	1,900.48
Deletions	388.60	128.57	13.50	-	259.70	-	-	790.36
Balance as at 31.03.2018	**6,519.95**	**9,182.24**	**15,806.09**	**598.68**	**1,269.18**	**159.36**	**248.75**	**33,784.26**
Accumulated Depreciation/ Amortisation								
Balance as at 01-04-2017	-	2,590.20	8,552.83	341.46	975.15	105.04	153.01	12,717.69
Additions	-	597.27	1,621.74	60.09	149.01	17.30	43.97	2,489.37
Deletions	-	64.74	10.81	-	218.30	-	-	293.85
Balance as at 31.03.2018	**-**	**3,122.73**	**10,163.76**	**401.55**	**905.86**	**122.34**	**196.98**	**14,913.21**
Net Carrying Amount								
Balance as at 31-03-2018	**6,519.95**	**6,059.51**	**5,642.33**	**197.14**	**363.32**	**37.02**	**51.77**	**18,871.05**
Balance as at 31-03-2017	5,631.81	6,608.59	7,012.05	215.92	390.75	38.74	58.59	19,956.44

4 Capital work-in-progress

(₹ In Lakhs)

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Carrying Amount								
Balance as at 01-04-2017	-	3,249.31	12.35	6.21	-	-	-	3,267.87
Additions	-	143.01	158.90	14.52	-	8.49	10.78	335.71
Deletions	-	89.55	18.42	19.57	-	-	10.78	138.32
Balance as at 31.03.2018	**-**	**3,302.78**	**152.84**	**1.15**	**-**	**8.49**	**-**	**3,465.26**
Balance as at 31-03-2017	-	3,249.31	12.35	6.21	-	-	-	3,267.87

5 Goodwill

(₹ In Lakhs)

Particulars	Goodwill
Gross Carrying Amount	
Balance as at 01-04-2017	26.70
Additions	-
Deletions	-
Balance as at 31.03.2018	**26.70**
Accumulated Depreciation/Amortisation	
Balance as at 01-04-2017	-
Additions	-
Deletions	-
Balance as at 31.03.2018	**-**
Net Carrying Amount	
Balance as at 31.03.2018	**26.70**
Balance as at 31.03.2017	26.70

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6 Other Intangible assets

(₹ In Lakhs)

Particulars	Software	Patents	Total
Gross Carrying Amount			
Balance as at 01-04-2017	219.97	-	219.97
Additions	28.30	-	28.30
Deletions	-	-	-
Balance as at 31.03.2018	**248.27**	**-**	**248.27**
Accumulated Depreciation/Amortisation			
Balance as at 01-04-2017	179.68	-	179.68
Additions	18.37	-	18.37
Deletions	-	-	-
Balance as at 31.03.2018	**198.05**	**-**	**198.05**
Net Carrying Amount			
Balance as at 31.03.2018	**50.22**	**-**	**50.22**
Balance as at 31.03.2017	40.28	-	40.28

7 Intangible assets under development

(₹ In Lakhs)

Particulars	Software	Patents	Goodwill	Total
Carrying Amount				
Balance as at 01-04-2017	129.40	-	-	129.40
Additions	140.34	-	-	140.34
Deletions	-	-	-	-
Balance as at 31.03.2018	**269.74**	**-**	**-**	**269.74**
Balance as at 31.03.2017	**129.40**	**-**	**-**	**129.40**

8 Investments

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty Nos	₹	Qty Nos	₹
Non Current Investments				
Equity Investments of Associates		0.10		0.54
Equity Investments - Others		114.77		115.99
Investment in Government Securities		0.37		0.37
Investment in Real Estate Portfolio Management Fund		2,876.44		125.00
		2,991.68		**241.90**
Current Investments				
Liquid Mutual Fund Units		1,621.05		9,872.42
Fixed Matured Plan Mutual Fund Units		17,130.69		7,058.78
Other Debt Mutual Fund Units		40,516.73		49,636.61
		59,268.47		**66,567.81**
Less; Provision for Tax on OCI		1,720.19		1,120.53
		57,548.28		**65,447.28**

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(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty Nos	₹	Qty Nos	₹
Non Current Investments				
Unquoted				
Equity Investments of Associates				
(Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹ 100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,600	-	3,600	0.54
Equity Shares of ₹ 10 each in Swadeshi Biotechnics Ltd -fully paid up	700	0.10	700	-
		0.10		**0.54**
Investment in Government Securities				
(Investments Carried at Cost)				
National Savings Certificates	-	0.37	-	0.37
		0.37		**0.37**
Investment in Real Estate Portfolio Management Fund				
(Investments Carried at Fair Value through Profit & Loss Statement)				
ASK Real Estate Special Situations Mutual Fund	375	357.63	-	-
ASK Real Estate Special Situations MF III (ASK Investment managers Private Limited Real Estate PMS Pool Account)	-	2,399.60	-	-
		2,757.23		**-**
(Investments Carried at Fair Value through Other Comprehensive Income)				
ASK Real Estate Special Situations Mutual Fund	125	119.21	125	125.00
		119.21		**125.00**
Investment in Real Estate Portfolio Management Fund - Total		**2,876.44**		**125.00**
QUOTED				
Equity Investments - Others				
(Other than trade)				
(Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹10 each in Vijaya Textiles Ltd - fully paid up	1,99,425	79.77	1,99,425	84.56
Equity shares of ₹10 each in Bank of Maharastra - fully paid up	1,900	0.26	1,900	0.64
Equity shares of ₹10 each in Indian Overseas Bank - fully paid up	9,700	1.69	9,700	2.59
Equity Shares of ₹1 each in Tata Consultancy Services Ltd - full paid up	1,160	33.05	1,160	28.21
		114.77		**115.99**
Current Investments				
Unquoted				
(Other than trade)				
Liquid Mutual Fund Units				
(Investments Carried at Fair Value through Other Comprehensive Income)				
BSL Cash Plus - Growth - Direct Plan	-	-	4,66,126	1,218.03
IDFC Cash Fund-Growth-(Direct Plan)	-	-	29	0.57
ICICI Prudential Liquid - Direct Plan - Growth	-	-	5,50,425	1,324.97
Kotak Liquid Direct Plan Growth	-	-	41,629	1,373.24
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option	-	-	26,403	1,047.93
Tata Money Market Fund Direct Plan-Growth-ISI	-	-	65,310	1,673.91
HDFC Floating Rate IF-LT-DP-Growth	-	-	112,41,614	3,233.76
		-		**9,872.42**

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(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty Nos	₹	Qty Nos	₹
(Investments Carried at Fair Value through Profit & Loss Statement)				
DSP Blackrock Liquidity Fund - Direct Plan - Growth	24,547	610.08	-	-
Axis Liquid Fund - Direct Growth (CFDGG)	52,449	1,010.97	-	-
		1,621.05		**-**
Liquid Mutual Fund Units - Total		**1,621.05**		**9,872.42**
Fixed Matured Plan Mutual Fund Units				
(Investments Carried at Fair Value through Other Comprehensive Income)				
BSL Fixed Term Plan - Series PB (1190 Days) - Direct Growth	30,00,000	304.46	-	-
BSL Fixed Term Plan - Series PE (1159 Days) - Direct Growth	30,00,000	303.39	-	-
DSP Blackrock FMP S151-12M-Dir-G-Mat Dt 20.03.17	-	-	100,00,000	1,292.70
HDFC FMP Feb,2017 Direct Growth -Series 37	240,48,573	2,637.70	240,48,573	2,430.66
HDFC FMP 92D Feb,2018 Direct Growth -Series 39	150,92,530	1,520.30	-	-
ICICI Prudential Fixed Maturity Plan Series 80-1150 Days Plan N Direct Plan Cumulative	78,04,662	854.35	78,04,662	784.32
ICICI Prudential Fixed Maturity Plan Series 82-103 Days Plan N Direct Plan Cumulative	100,00,000	1,006.50	-	-
Kotak FMP Series 218 Direct - Growth	127,00,000	1,279.49	-	-
Reliance Fixed Horizon Fund - Series 4 - Direct Growth Plan	161,19,549	1,625.03	-	-
HDFC FMP 1302 D SEPTEMBER 2016 (1) - SERIES 37 REG - G	242,73,023	2,764.70	242,73,023	2,551.09
Barclays Investments &Loans (India) Ltd CP	500	2,412.73	-	-
Reliance Capital Limited CP	500	2,422.06	-	-
		17,130.69		**7,058.78**
Other Debt Mutual Fund Units				
(Investments Carried at Fair Value through Other Comprehensive Income)				
BSL Floating Rate Fund STP Gr.-Direct	-	-	1,87,896	407.46
BSL Treasury Optimizer Plan-Gr.-Direct	13,34,170	2,995.51	13,34,170	2,806.33
BSL Dynamic Bond Fund-Retail-Growth-Direct	-	-	142,99,891	4,249.58
BSL Medium Term Plan-Growth-Direct	133,69,214	3,037.38	133,69,214	2,798.94
HDFC Corporate Debt Opportunities Fund - DG	285,10,870	4,257.76	285,10,870	3,969.94
IDFC Corporate Bond Fund Direct Plan-Growth	101,80,095	1,218.59	101,80,095	1,141.79
IDFC Ultra Short Term Fund-Growth-(Direct Plan)	-	-	8,90,856	206.26
IDFC Credit Opportunities Fund Direct Plan -Growth	78,23,282	848.53	78,23,282	789.46
IDFC Credit Opportunities Fund Direct Plan -Growth	50,36,080	546.22	50,36,080	508.20
ICICI Saving Fund-DP Growth-P8089	-	-	3,31,443	834.52
ICICI Banking & PSU Debt Plan-Drt Growth-P8104	178,26,158	3,604.02	178,26,158	3,374.38
ICICI Prudential Corporate Bond Fund	146,91,815	4,156.33	146,91,815	3,865.62
ICICI Prudential Income Opportunities Fund	29,72,407	735.97	177,40,169	4,138.11
Kotak Low Duration Fund Direct Growth-255G	-	-	1,25,143	2,541.13
Kotak Income Opp.Fund-Direct Plan-Growth	223,63,110	4,489.06	223,63,110	4,174.66
Kotak Low Duration Fund Standard Growth (Regular Plan)	-	-	30,265	600.00
Reliance Regular Savings Fund-Debt Plan-Direct Growth Plan Growth Option	55,72,899	1,411.62	88,98,578	2,090.47
Reliance Corporate Bond Fund-Direct Growth Plan	408,18,805	5,910.36	408,18,805	5,498.09
Sundaram Income Plus Direct Plan-Growth	-	-	70,18,628	1,706.09
Tata Short Term Bond Fund Direct Plan-Growth	11,34,934	380.59	26,72,898	841.54

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(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Qty Nos	₹	Qty Nos	₹
UTI Short Term Income Fund-Institutional Option-Direct Plan-Growth	29,69,104	642.39	29,69,104	603.41
IIFL Wealth Finance Limited	2,500	2,707.47	2,500	2,490.64
		36,941.79		**49,636.61**
(Investments Carried at Fair Value through Profit & Loss Statement)				
BSL Short Term Opportunities Fund - Growth - Direct Plan	80,53,176	2,393.39	-	-
DSP Blackrock Bond Fund - Direct Plan - Growth	8,94,072	509.16	-	-
ICICI Prudential Flexible Income - Direct Plan - Growth	46,541	155.95	-	-
Tata Corporate Bond Fund Direct Plan - Growth	21,480	507.06	-	-
Tata Ultra Short Term Fund Direct Plan - Growth	353	9.38	-	-
		3,574.94		
Other Debt Mutual Fund Units - Total		**40,516.73**		**49,636.61**
Market Value of Quoted Investments		114.77		115.99
Aggregate amount of Quoted Investments		204.27		204.27
Aggregate amount of Unquoted Investments		56,704.13		62,826.80
Aggregate amount of Impairment in value of investments		-		-
(Investments Carried at Cost)		0.37		0.37
(Investments Carried at Fair Value through Other Comprehensive Income)		54,306.57		66,809.34
(Investments Carried at Fair Value through Profit & Loss)		7,953.22		-

Investments in Mutual Funds

Mutual funds - Under Ind AS, the Company has designated these investments at fair value through Other Comprehensive Income (OCI) or Profit & loss. Accordingly Fair value changes are recognised in the Statement of Other Comprehensive Income (OCI) or Profit & loss statement for the year ended as the case may be.

Investments in Associates & Other Equities

Investment in Associates & Other Equities - Under Ind AS, the Group has designated these investments at fair value through Other Comprehensive Income (OCI). Accordingly these investments are required to be measured at fair value. Fair value changes are recognised in the Statement of Other Comprehensive Income (OCI).

9 Other Financial Assets (Non-Current)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Advance paid to ASK Real Estate Fund	-	375.00
	-	**375.00**

During FY 2016-17 ₹500.00 Lakhs paid to M/s. ASK Real Estate Fund, out of this 125 units of ASK Real Estate Special Situation Mutual Fund has been allotted for ₹125.00 Lakhs. The balance amount of ₹375.00 Lakhs was kept as advance for further allottment of Real Estate Fund units as on 31.03.2017. During FY 2017-18 another 375 units of ASK Real Estate Special Situation Mutual Fund has been allotted for the balance advance amount of ₹375.00 Lakhs.

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10 Deferred tax assets (net)

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Deferred Tax Liability on account of differences indepreciation		
as per tax books and financial books.	28.51	21.87
Deferred tax asset arising on account of timing differences relating to:		
Provision for Bad and doubtful trade receivables	60.01	44.36
Employee Benefits	23.91	16.77
	112.43	**83.00**

11 Other non-current assets

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Unsecured and considered good		
Security deposits	175.93	158.53
Advances for Capital Expenses	663.18	131.31
Pre-Operative Expenses	2.93	-
	842.04	**289.84**

12 Inventories

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Raw Materials	5,183.55	4,602.87
Work in Process	6,155.31	3,474.75
Finished Goods	32,943.13	36,703.92
	44,281.99	**44,781.55**

13 Biological Asset

(₹ In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Standing Crop	4,576.31	5,556.82
	4,576.31	**5,556.82**

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2018

14 Trade receivables

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	₹	₹	₹	₹
Unsecured				
Considered good	8,593.03		8,539.94	
Considered Doubtful	3,419.59		2,939.10	
Less : Provision for doubtful debts	(3,419.59)		(2,939.10)	
		8,593.03		**8,539.94**

Trade Receivables

Of the Trade Receivables balances, top 3 customers represent a balance of ₹2411.28 Lakhs as at 31st March 2018 and ₹3219.97 Lakhs as at 31st March 2017, and 3 customers represent more than 5% of the total balance of Trade Receivables as at 31st March 2018 and 3 Customers as at 31st March 2017.

The Average Credit period on sales of goods is 60 days.

The Company maintains a provison for doubtful debts based on ageing of receivable are considered as tool to determine the degree of liquidity. Receivable due for more than two years and balance considered doubtful, referred for recovery through legal proceeding are considered for provision.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Movement in the expected credit loss allowance		
Balance at the beginning of the year	2,939.10	1,838.22
Movement in expected credit loss allowance on trade receivables at lifetime expected credit losses.	480.49	1100.88
Balance at the end of the year	**3,419.59**	**2,939.10**

15 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
1. Cash on hand	8.59	8.20
2. Balances with Banks - Current Accounts	1,368.53	2,075.92
	1,377.12	**2,084.12**

16 Bank balances other than above

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Earmarked balances with banks		
- Deposit Accounts	13.54	12.49
	13.54	**12.49**

Deposit in Earmarked balance with banks represents bank balance in unclaimed dividend accounts.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

17 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Income Tax Refund due	399.03	397.61
	399.03	**397.61**

18 Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good		
Advance to suppliers	1,240.05	1,293.54
Advance to Staff	80.61	70.32
Prepaid expenses	91.77	75.37
Others	6.95	16.55
Gratuity Advance	-	90.46
GST Input Credit	32.02	-
	1,451.40	**1,546.24**

19 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Share Capital		
Authorised		
10,00,00,000 (10,00,00,000) Equtity shares of ₹2/- each	2,000.00	2,000.00
Issued,Subscribed & Paid up		
6,60,92,133/-(6,90,55,095) Equtity shares of ₹2/-each	1,321.84	1,381.10
	1,321.84	**1,381.10**

a) Reconciliation of number of Shares at the beginning and at the end of the reporting period.

Equity Shares of ₹2/- each

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	₹	No of shares	₹
At the beginning of the year	690,55,095	1,381.10	690,55,095	1,381.10
Add: Issued during the year				
Less: Shares Cancelled during the year	29,62,962	59.26		
At the end of the year	660,92,133	1,321.84	690,55,095	1,381.10

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

b) Details of Shareholders holding more than 5% shares in the company

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	% of Shares	No of shares	% of Shares
G Vanaja Devi	151,83,341	22.97%	157,75,050	22.84%
G V Bhaskar Rao - HUF	108,19,018	16.37%	112,40,645	16.28%
G V Bhaskar Rao	58,05,735	8.78%	60,31,990	8.74%

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹2 per share. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20 Other Equity

(₹ in Lakhs)

	As at March 31, 2018		As at March 31, 2017	
a) Securities Premium				
Opening Balance	6,612.83		6,612.83	
Less: Utilized for Buyback	(6,612.83)	-	-	**6,612.83**
b) General Reserve				
Opening Balance	8,003.05		8,003.05	
Less: Utilized for Buyback	(8,001.05)		-	
Add: Transfer from Retained Earnings	1,000.00	**1,002.00**	-	**8,003.05**
c) Other Comprehensive Income				
Opening Balance	2,177.75		1,246.36	
(i) Items that will not be reclassfied to Profit or loss				
Fair value of Investments through OCI	1,963.65		1,452.44	
Acturial (gain)/loss on employee benefits through OCI	(295.02)		(41.56)	
(ii) Income tax relating to items that will not be reclassfied to profit or loss				
Current tax on Fair value of Investments through OCI	(599.66)		(479.49)	
		3,246.71		**2,177.75**
d) Retained Earnings				
Opening Balance	83,258.89		75,475.55	
Add:				
Recognition of Biological assets	-		-	
Dividend Adjustments	-		-	
Profit for the year	21,123.78		7,783.34	
Fair Value adjustments of Investments				
Less:				
Transferred to General Reserve	1,000.00		-	
Payment of Dividend & Dividend Tax	2,386.41		-	
Utilized for Buyback	5,326.85		-	
Transferred to Capital Redemption Reserve	59.26	**95,610.16**	-	**83,258.89**
e) Capital Redemption Reserve				
Opening Balance	-		-	
Add:				
Transfer from Retained Earnings	59.26	**59.26**	-	**-**
		99,918.14		**1,00,052.53**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

Retained Earnings: Retained earnings are the profits that the Company has earned till date less any transfers to general reserve, dividends, utilisations or other distributions paid to shareholders.

Other Comprehensive Income: The fair value change of the investments measured at fair value through other comprehensive income recognised through Other Comprehensive Income. Upon derecognition the cumulative fair value changes on the said investments are reclassified to the Statement of Profit and Loss. Accumulated gain or loss on employee benifits also recognised through other comprehensive income.

Capital Redemption Reserve: Face value of the No. of Shares cancelled through buyback is transferred to Capital Redemption Reserve.

21 Non-Controlling Interest

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	(74.13)	(19.75)
Add: Issued during the year	17.27	(54.39)
At the end of the year	**(56.86)**	**(74.13)**

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests :

Name of Subsidiary	principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests as At 31st March, 2018	Accumulated non-controlling interests as At 31st March, 2018
Aditya Agritech Private Limited	Secunderabad	30	93.78
Genome Agritech Private Limited	Secunderabad	49	(150.64)

Summarised financial information in respect of each of the subsidary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Aditya Agritech Private Limited

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current assets	55.03	35.45
Current assets	3,130.98	1,849.03
Non-current liabilities	(216.48)	(152.58)
Current liabilities	(2,550.13)	(1,431.67)
Net Assets	419.39	300.23
Carrying amount of Non-controlling interest	93.78	57.07

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue	5,897.97	3,781.17
Expenses	5,713.91	3,722.96
Profit(Loss) for the year	119.16	58.21
Profit(loss) attributable to owners of the Company	82.45	40.75
Profit(loss) attributable to non-controlling interests	36.71	17.46
Profit(Loss) for the year	119.16	58.21

Genome Agritech Private Limited

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current assets	27.21	23.43
Current assets	354.83	364.21
Non-current liabilities	(7.60)	(36.72)
Current liabilities	(746.45)	(686.07)
Net Assets	(372.01)	(335.16)
Carrying amount of Non-controlling interest	(150.64)	(131.20)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue	1,137.56	753.42
Expenses	1,177.23	900.05
Profit(Loss) for the year	(39.67)	(146.63)
Profit(loss) attributable to owners of the Company	(20.23)	(74.78)
Profit(loss) attributable to non-controlling interests	(19.44)	(71.85)
Profit(Loss) for the year	(39.67)	(146.63)

Financial Liabilities

22 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
* Term Loan from Deptt of Biotechnology, Ministry of Science & Technology	187.82	163.86
From Banks		
$ Term Loan from Yes Bank Ltd	100.00	300.00
	287.82	**463.86**

* 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,2019.

$ Term loan is secured on movable fixed asssets and second charge on current assets of the company and personal guarantee of the Director.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

23 Provisions (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee benefits	487.03	44.94
	487.03	**44.94**

24 Other non-current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits from dealers	889.35	787.15
Grant/Subsidy	32.60	35.73
	921.95	**822.89**

25 Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Creditors for Expenses	7,119.88	16,079.39
Sundry Creditors	11,662.06	12,081.76
Provision for Schemes	3,404.89	2,101.98
	22,186.83	**30,263.13**

26 Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Un Claimed Dividend	13.54	12.49
Interest Accured but not due	15.44	11.94
	28.98	**24.43**

There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at 31st March 2018 and 31st March 2017.

27 Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers against Sales	17,973.30	18,725.14
Payable to Staff	973.82	417.14
Statutory Payables	71.03	573.51
	19,018.15	**19,715.79**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

28 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee benefits	77.33	40.80
Provision for Returns	593.51	-
	670.84	**40.80**

29 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Income Tax (Net of Advance tax)	85.08	41.15
	85.08	**41.15**
Adjustments in Provision for Income Tax		
Advance Income Tax	815.00	1,090.00
TDS/TCS Receivable	2.27	0.52
Mat Credit	-	177.18

30 Revenue from Operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of Seeds	79,308.78	68,129.19
Sale of Micronutrients	2,407.71	2,237.47
Sale of Vegetables	220.99	269.10
	81,937.48	**70,635.76**

31 Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Capital Gain on sale of Assets	304.50	44.75
Dividend Income	0.56	0.54
Capital Gains from Investments	2,053.97	3,250.81
Interest Income	26.64	118.07
Others	15.51	24.79
Grant/Subsidy written Back	3.13	3.13
Baddebts Recovered	2.40	-
Fair value gain on Investments	(43.96)	-
Foreign Exchange Fluctuations	4.33	0.13
	2,367.07	**3,442.23**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

32 Cost of Material Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March, 31 2017
Raw Material Consumed/Production Expenses		
Opening Stock	4,575.61	4,551.02
Add : Purchases/Production Expenses including processing Charges**	**40,340.53**	39,148.43
	44,916.14	43,699.45
Less : Closing Stock	5,183.55	4,575.61
	39,732.59	**39,123.84**
**** Processing Charges**		
Freight Inward	1,042.33	830.55
Machinery Repairs & Maintenance	233.04	230.62
Seed Certification charges	0.33	0.75
Power & Fuel	806.34	738.56
Building & Godown repairs & maintenance	186.18	1.05
Godown Rent	119.78	102.98
Cold Storage Maintenance	39.10	32.17
Factory Maintenance	1,019.18	860.63
Expense on processing	1,020.92	845.19
Other Farm & Cultivation expenses	107.53	107.04
R&D Expenses ***	1,353.22	1,241.80
Total	**5,927.95**	**4,991.34**
***** R&D Farm Expenses**		
Cultivation Expenses	11.78	13.26
Fertilizers & Pesticides	33.38	39.14
Electricity charges	17.89	36.99
Electrical items & motor repairing charges	3.76	2.54
Farm Maintenance	45.60	52.94
Labour charges	201.92	172.34
Postage & telephones	6.17	2.52
Printing & Stationery	13.82	13.15
Security charges	47.43	43.79
Staff Welfare	3.45	2.97
Travelling expenses	4.07	4.46
Vehicle Maintenance	22.84	23.15
Land Lease	84.63	126.62
Research Expenses	45.16	114.71
Testing Expenses	208.37	109.11
Professional Expenses	33.61	52.08
Salaries to R&D Staff	569.34	432.03
	1,353.22	**1,241.80**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

33 Changes in Inventories of Finished Goods and Work in Progress

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
(Increase)/Decrease in Finished goods				
Opening Stock	36,730.97		41,365.47	
Closing Stock	32,943.13	**3,787.84**	36,730.97	**4,634.50**
(Increase)/Decrease in Work in Process				
Opening Stock	3,474.75		4,528.39	
Closing Stock	6,155.31	**(2,680.56)**	3,474.75	**1,053.63**
(Increase)/Decrease in Biological Assets				
Opening Stock	5,556.82		1,674.17	
Closing Stock	4,576.31	**980.51**	5,556.82	**(3,882.65)**
		2,087.79		**1,805.48**

34 Employee Benefit Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries to Staff	5,060.77	3,687.54
Contribution to Provident and other funds	306.64	230.50
Staff Welfare Expenses	71.85	72.94
	5,439.26	**3,990.98**

35 Finance Costs

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest on Termloans	18.01	9.71
Interest on Others	29.52	1.33
Bank Charges	12.88	13.10
	60.41	**24.14**

36 Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Depreciation on Property, Plant and Equipment	2,489.36	3,004.44
Depreciation on Intangible Assets	18.37	19.23
	2,507.73	**3,023.67**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

37 Other Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Establishment Expenses		
Travelling Expenses	1,343.45	1,092.44
Postage & Telephone	126.60	127.93
Payment to Auditors (Refer Note 38)	27.70	15.72
Vehicle Maintenance	79.99	56.30
Rent	57.67	47.70
Printing & Stationery	65.99	50.05
Insurance	88.06	92.42
Books & Periodicals	1.16	0.93
Rates & Taxes	233.13	96.26
Office Maintenance	103.52	65.66
General Expenses	45.84	77.00
Conveyance	2.41	2.01
Donations & Subscriptions	20.48	19.53
Legal Expenses	166.34	156.29
Professional Charges	229.96	286.14
Professional Tax	0.35	0.33
GST Expense	87.87	0.64
CSR Expenditure	378.00	839.94
Market Cess	38.52	28.67
Security Charges	144.71	128.84
Service Tax	87.48	189.50
Computer Maintenance	52.37	21.40
Directors Sitting Fees	6.00	7.20
Foreign Exchange Loss	5.63	15.48
Capital Loss on sale of Assets	1.07	-
(a) Total	**3,394.30**	**3,418.37**
Selling & Distribution Expenses		
Sales promotion expenses	2,602.57	1,815.25
Advertisement	118.91	306.71
Freight & Forwarding	1,795.17	1,506.33
Farmers Meeting Expenses	376.25	268.15
Staff & Dealers Meeting Expenses	243.56	166.67
Royalty	3,409.35	2,666.23
Bad debts Write Off	60.70	375.53
Provision for Bad Debts	481.38	1,100.88
(b) Total	**9,087.89**	**8,205.73**
Total of (a) & (b)	**12,482.19**	**11,624.10**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

38 Audit Fees

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) For statutory audit	26.45	9.69
b) For taxation matters	0.95	3.89
c) For other services	-	1.85
d) For reimbursement of expenses	0.30	0.29
	27.70	**15.72**

39 Expenditure incurred for corporate social responsibilty

The Group spent ₹ 378.00 Lakhs and ₹ 839.94 Lakhs towards CSR Expenditure for the year ended 31st March 2018 and 31st March 2017. The details of expenditure upto 31-03-2018 are as follows.

(₹ in Lakhs)

Particulars of CSR Activity	For the year ended March 31, 2018	For the year ended March 31, 2017
Amount unspent at the Starting of the year	0.76	393.24
CSR Expenditure Spendable for the year	378.09	447.46
Total Amount to be spent for the year	**378.85**	**840.70**
Direct Expenses made by company		
Education development activities		
Construction of School Buildings, Providing Furniture to Schools, Providing Books and Bags to Students and Scholarships to Students in Karimnagar District.		53.72
Rural development activities		
Conservation of Water Resources, Providing Street Lights, Providing Cycle Rikshaw for Cleaning of Garbage in Karminagar and Siddipet Districts.		11.22
Donations made towards CSR Activities	10.00	
Contribution made to Kaveri Bhaskar Rao Charitable Foundation	368.00	775.00
Total Amount Spent during the year	**378.00**	**839.94**
Unspent amount at the End of the year	**0.85**	**0.76**

40 Income Taxes

The reconciliation between the statutory income tax rate applicable to the company and the effective income tax rate of the company is as follows:

Income tax recognised in profit or loss	As at March 31, 2018	As at March 31, 2017
Statutory Income tax rate	**34.55%**	**34.61%**
Differences due to:		
Income Exempt from Tax	-30.50%	-19.62%
Effect of expenses that are not deductible in determining taxable profit (permanent disallowances)	-0.02%	-3.54%
Tax Income at Different Rates	0.18%	-0.11%
Others	-0.16%	3.99%
Effective tax rate	**4.05%**	**15.32%**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

Movement in Defered Tax Assets/(Liabilities)

Movement during the Year ended March 31st, 2017

(₹ In Lakhs)

Deferred Tax Asset/Liabilities	As at April 1, 2016	Credit/(charge) in the statement of Profit and Loss	Directly recognised in Equity	As at March 31, 2017
Provision for employee benefits	1.26	15.51	-	16.77
Provision for bad and doubtful trade receivables	14.89	29.44	-	44.36
Depreciation	15.64	6.23	-	21.87
	31.79	**51.18**	**-**	**83.00**

Movement during the Year ended March 31st, 2018

(₹ In Lakhs)

Deferred Tax Asset/Liabilities	As at April 1, 2017	Credit/(charge) in the statement of Profit and Loss	Directly recognised in Equity	As at March 31, 2018
Provision for employee benefits	16.77	7.14	-	23.91
Provision for bad and doubtful trade receivables	44.36	15.65	-	60.01
Depreciation	21.87	6.64	-	28.51
	83.00	**29.43**	**-**	**112.43**

41 Exceptional Items

For the financial year 2016-17 company had provided ₹5923.80 Lakhs as Exceptional Item towards the settlement of legal issue related to royalty payment with M/s. Mahyco Monsanto Biotech India Ltd related to Royalty payment in arbitration.

42 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain or if necessary adjust its capital structure.

43 Earning Per Equity Share

Earnings per Share has been computed as under

(₹ in Lakhs)

Income tax recognised in profit or loss	As at March 31, 2018	As at March 31, 2017
Profit for the Year	21,123.78	7,783.34
Weighted average Equity Shares outstanding (in no.s)	670,79,787	690,55,095
Earnings Per Share (Face Value of ₹2/- each)	31.49	11.27

Notes
forming part of Consolidated Financial Statements for the year ended March 31, 2018

44 Dividend on Equity Share

Dividend on Equity Shares paid during the year

(₹ in Lakhs)

Income tax recognised in profit or loss	As at March 31, 2018	As at March 31, 2017
Final Dividend ₹Nil Per share for FY 2017-18 (₹Nil per share for FY 2016-17)	-	-
Dividend Distribution Tax on Final Dividend	-	-
Interim Dividend ₹3 Per share for FY 2017-18 (₹Nil per share for FY 2016-17)	1,982.76	-
Dividend Distribution Tax on Final Dividend	403.65	-
	2,386.41	**-**

45 Financial Instruments

Refer Note 2.13 for accounting policy on Financial Instruments.

A. Accounting Classification and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
FINANCIAL ASSETS		
Financial assets measured at fair value		
Investments measured at (Note 8)		
i. Fair value through other comprehensive income	54306.57	66809.34
	54,306.57	**66,809.34**
ii. Fair value through Profit & Loss Statement	7,953.22	-
	7,953.22	**-**
FINANCIAL LIABILITIES	-	-
	-	**-**

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, current account balances with group companies, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B. Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Financial assets measured at fair value through other comprehensive income		
Investment in equity & debt instruments	1,363.99	973.68
Financial assets measured at fair value through Profit & Loss Statement		
Investment in equity & debt instruments	(43.96)	-

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

C. Fair Value Hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted Prices for identical Instruments in an active Market
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs, and
Level 3: Inputs which are not based on observable market data

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2018 Assets at fair value				
Investments measured at: i. Fair Value through OCI	114.77	54,191.70	0.10	54,306.57
ii. Fair Value through Profit or Loss	-	7,953.22	-	7,953.22
As at 31st March, 2017 Assets at fair value				
Investments measured at: i. Fair Value through OCI	115.99	66,692.81	0.54	66,809.34
ii. Fair Value through Profit or Loss	-	-	-	-

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

2. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

   Other financial assets and liabilities

   - Cash and cash equivalents (except for investments in mutual funds), trade receivables, investments in term deposits, other financial assets trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

   - Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

46 Financial Risk Management

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group to set and monitor appropriate risk limits and controls periodically review the changes in market conditions and reflect the changes in the policy accordingly.

A. Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

The Group maintained a cautious liquidity strategy with a positive cash balance throughout the year ended 31st March, 2018 and 31st March, 2017. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated over and above the amount required for working capital management and other operational requirements is retained as cash and cash equivalents (to the extent required) and any excess is invested in highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(₹ in Lakhs)

	Carrying amount	Payable within 1 year	More than 1 years	Total
As at 31st March, 2018				
Financial liabilities				
Trade payables (including acceptances)	22,186.83	22,186.83	-	22,186.83
Borrowings	287.82		287.82	287.82
Unpaid dividend	13.54	13.54	-	13.54
Other Payables	15.44	15.44	-	15.44
As at 31st March, 2017				
Financial liabilities				
Trade payables (including acceptances)	30,263.13	30,263.13	-	30,263.13
Borrowings	463.86	-	463.86	463.86
Unpaid dividend	12.49	12.49	-	12.49
Other Payables	11.94	11.94	-	11.94

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

B. Management of Market Risk

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

Currency Risk
Price Risk
Interest Rate Risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

1. Currency Risk

Potential Impact of Risk

The impact of risk due to change in foreign currency value is very minute on the Group as the Group's exposure to foreign currency is very low.

As at 31st March, 2018 the net unhedged exposure to the Group on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹ 110.65 Lakhs payable (31st March, 2017 ₹ Nil Lakhs)

Management Policy

The Group is not majorly exposed to foreign currency exchange risk because of its low volume foreign currency transactions even though management exercises proper precautions to minute the currency risk in foreign exchange transactions. The Group deals with US Dollar and Euro for its foreign currency transactions.

The Group makes its exports mainly against advance irrevocable LC to mitigate the risk of currency exchange due to delay in remittances. The Group does not opt for forward exchange contracts. Foreign exchange transactions are closely monitored to reduce the risk.

The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.

Sensitivity to Risk

A 5% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to approximately an additional ₹5.53 Lakhs gain in the Statement of Profit and Loss (2016-17: ₹Nil Lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

2. Price Risk

Potential Impact of Risk

The Group is exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2018, the investments in debt mutual funds amounts to ₹53708.50 Lakhs (31st March, 2017 ₹ 62697.12 Lakhs). These are exposed to price risk.

Management Policy

The Group takes all the precautions to minimise price risk arising from investments in debt mutual funds. The Group is investing mainly in debt mutual funds through leading mutual fund companies and in best mutual funds where price risk is very low. The Group examines fund performance, rating, liquidty and risk aspects before investing.

Sensitivity To Risk

A 0.5% increase in prices would have led to approximately an additional ₹ 268.54 Lakhs gain in the Statement of Profit and Loss (2016-17 ₹ 313.49 Lakhs gain). A 0.5% decrease in prices would have led to an equal but opposite effect.

3. Interest Rate Risk

Potential Impact Of Risk

The impact of interest rate risk is very minute on the Group as the Group does not have exposure to any interest rate sensitive investments or securities.

The Group does not have any investment in interest sensitive securities/bonds as on 31st March 2018, and 2017.

Management Policy

The Group makes maximum of the investments in non interest sensitive sectors to mitigate interest rate risk.

Sensitivity to Risk

A 0.25% or 0.50% increase/decrease in interest rates will not make any difference to the Group profit or loss as there are no interest rate sensitive investments.

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

C. Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentration of credit risk with respect to trade receivables is moderate due to the Group's customer base being large and diverse and also Group receives good amount of receipts towards advances. All trade receivables are reviewed and assessed for default on a quarterly basis based on collections and ageing.

Our historical experience of collecting receivables is that credit risk is moderate. Hence trade receivables are considered to be a single class of financial assets.

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and investments in money market liquid mutual funds with financial institutions. The Group has set counter-parties limits based on multiple factors including financial position, credit rating, etc.

The Group's maximum exposure to credit risk as at 31st March, 2018 and 2017 is the carrying value of each class of financial assets.

47 Related Party Transactions

47.1 Following is the list of related parties and their relationships

A. Key managerial persons and their relatives

1 Mr. G. V. Bhaskar Rao
2 Mrs. G. Vanaja Devi
3 Mr. R. Venumanohar Rao
4 Mr. C. Vamsheedhar
5 Mr. C. Mithun Chand
6 Mr. G. Pawan
7 Mrs. G. Madhusree
8 G.V. Bhaskar Rao - HUF
9 C. Vamsheedhar - HUF
10 R. Venumanohar Rao - HUF
11 Mr. T Venkateswarlu
12 Mr. N Papa Rao
13 Mr. N Venkateswara Rao

B Other related firms

14 M/s. Kaveri Infra
15 M/s. Bhaskara Investments

47.2 Related party transactions for the year ended 31st March, 2018 are as follows:

(₹ in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration paid		
Mr. G.V. Bhaskar Rao	195.29	171.75
Mrs. G. Vanaja Devi	121.31	106.75
Mr. C. Vamsheedhar	59.69	52.68
Mr. C. Mithun Chand	49.72	43.93
Mr. T. Venkateswarlu	18.36	15.78
Mr. N. Papa Rao	6.00	12.00
Mr. N. Venkateswara Rao	6.00	12.00
	456.37	414.89
Land and godown lease paid		
Mr. G.V. Bhaskar Rao	0.60	0.60
Mrs. G. Vanaja Devi	8.49	8.49
Mr. G. Pawan	11.03	12.31
Mrs. G. Madhusree	-	10.80
G.V. Bhaskar Rao - HUF	4.81	41.58
C. Vamsheedhar - HUF	1.12	4.48
R. Venumanohar Rao - HUF	2.26	4.52
M/s. Kaveri Infra	10.87	10.87
M/s. Bhaskara Investments	2.90	
	42.08	**93.65**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend paid		
Mr. G.V. Bhaskar Rao	174.17	-
Mrs. G. Vanaja Devi	455.50	-
Mr. R. Venumanohar Rao	6.64	-
Mr. C. Vamsheedhar	31.74	-
Mr. C. Mithun Chand	27.87	-
Mr. G.Pawan	72.45	-
G.V. Bhaskar Rao - HUF	324.57	-
	1,092.94	**-**

48 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Principle amount due to suppliers registered under the MSMED Act and Remaining unpaid as at year end	294.55	563.71
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.07	3.37
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	161.73	169.00
Interest paid other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act beyond the appointed day during the year.	1.07	3.37
Interest due and payable towards suppliers registered under MSMED Act for payments already made	-	-
Further Interest remaining due and payable for earlier years	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

49 Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for:	48.52	241.96

50 Contingent Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts. This comprises of	**683.08**	**1,081.00**
i. Tax demands disputed by the Company relating to disallowances / additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to	589.67	987.42
ii. Other matters not related to tax	10.75	10.75
iii. Bank guarantees	82.66	82.83

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

51 Operating Leases

The Company's significant leasing arrangements are in respect of operating leases for lands and premises (residential, office, stores, godown etc.). These leasing arrangements which are cancellable (other than those specified below) range between 11 months and 10 years generally, or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.

The company does not have any non-cancellable agreements.

52 Employee benefit plans

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benfits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design meand the risks commonly affecting the liabilities and the financial results are expected to:

a) **Interest rate risk:** the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

c) **Demographic risk:** For example as plan is open to new entrants an increase in membership will increase the defined benefit obligation. Also the plan only provides benefits upon completion of a vesting criteria. Therefore if tunover rates increase then the liability will tend to fall as fewer employees reach vesting period.

1 - Reconciliation of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening of defined benefit obligation	155.85	137.12
Current service cost	87.14	25.36
Past service cost	48.52	-
Interest on defined benefit obligation	11.00	10.92
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	(120.42)	1.02
Actuarial loss / (gain) arising from change in demographic assumptions	82.72	-
Actuarial loss / (gain) arising on account of experience changes	317.28	43.02
Benefits paid	(29.59)	(61.59)
Closing of defined benefit obligation	**552.49**	**155.85**

2 - Reconciliation of Plan Assets

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of plan assets	213.02	197.90
Employer contributions	53.73	59.71
Interest on plan assets	20.15	18.45
Administration expenses	-	(1.45)
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(13.42)	-
Benefits paid	(29.59)	(61.59)
Closing fair value of plan assets	**243.88**	**213.02**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

3 - Amount recognized in Balance Sheet

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Present value of funded defined benefit obligation	523.00	135.04
Fair value of plan assets	243.88	213.02
Net funded obligation	279.12	(77.98)
Present value of unfunded defined benefit obligation	29.49	20.80
Amount not recognized due to asset limit	-	-
Net defined benefit liability / (asset) recognized in balance sheet	308.61	(57.17)
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	0.51	0.13
Non-current	308.10	(57.30)

4 - Current Year Expense Charged to Profit & Loss Account

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	87.14	25.36
Past service cost	48.52	-
Administration expenses.	-	1.45
Interest on net defined benefit liability / (asset)	(9.16)	(7.53)
(Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	**126.51**	**19.28**

5 - Amount Recorded as Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening amount recognized in OCI outside profit and loss account	44.03	-
Remeasurements during the period due to		
Changes in financial assumptions	(120.42)	1.02
Changes in demographic assumptions	82.72	-
Experience adjustments	317.28	43.02
Actual return on plan assets less interest on plan assets	13.42	-
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	**337.04**	**44.03**

6 - Disaggregation of Assets

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Category of Assets		
Non Quoted Value	-	-
Insurer managed funds.	243.88	213.02
Others.	-	-
	243.88	**213.02**

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

The Principal Assumptions used for the purposes of the acturial valuation as follows

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions while the Plan's sensitivity to such changes can vary over time.

53 Segment Information

The Group has identified and reported three reportable segments viz., Seeds, Micronutrients and Vegetables based on the nature of products and service, the differing risks and returns and the internal reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Group.

Segment information is as follows:

(₹ in Lakhs)

S.No	Particulars	Segment						Total	
		Seeds		Micronutrients		Vegetables			
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	**Segment Revenue**	79,308.78	68,129.18	2,407.71	2,237.47	220.99	269.10	81,937.48	70,635.76
2	**Segmengt results before interest and taxes and Other Income**	19,616.18	10,868.22	210.50	238.41	(152.74)	(175.63)	19,673.93	10,931.00
	Interest Expenses	40.06	13.72	18.89	8.63	1.46	1.79	60.41	24.14
	Other Income	2,355.40	3,420.68	7.34	21.43	4.33	0.13	2,367.07	3,442.23
3	**Profit before Exceptional Item and tax**	21,931.52	14,275.18	198.95	251.21	(149.88)	(177.29)	21,980.59	14,349.09
	Exceptional Item	-	5,923.80	-	-	-	-	-	5,923.80
	Current Tax	838.12	641.21	30.89	106.32	-	-	869.01	747.53
	Deferred Tax	(23.46)	(48.56)	(6.01)	(2.62)	-	-	(29.47)	(51.18)
4	**Net Profit after Tax**	21,116.86	7,758.74	174.07	147.51	(149.88)	(177.29)	21,141.05	7,728.95
5	**Other Information**								
	Segment Assets	1,41,060.63	1,49,774.73	3,423.70	2,607.42	385.48	394.32	1,44,869.81	1,52,776.48
	Segment Liabilities	42,689.36	50,357.46	907.55	991.18	89.78	68.34	43,686.69	51,416.98
	Capital Expenditure	2,034.70	3,716.56	230.90	636.46	0.91	-	2,266.51	4,353.02
	Depreciation	2,343.32	2,860.73	84.88	48.10	79.53	114.84	2,507.73	3,023.67

Notes

forming part of Consolidated Financial Statements for the year ended March 31, 2018

54 Form AOC-1

Statement containing salient features of the consolidated financial statements of subsidiaries

(₹ in Lakhs)

	Name of the subsidiary	Kaveri Microteck Private Limited	Kexveg India Private Limited	Aditya Agritech Private Limited	Genome Agritech Private Limited	Genomix Agri Genetics Private Limited
1	The date since when subsidiary was acquired	24-06-2013	30-11-2011	18-04-2013	13-09-2013	16-10-2017
2	Reporting period	31-03-2018	31-03-2018	31-03-2018	31-03-2018	31-03-2018
3	Share capital	1,453.64	1,415.00	110.00	18.00	10.00
4	Reserves & surplus	332.51	(1,239.30)	309.39	(390.01)	-
5	Total assets	3,423.70	385.48	3,186.00	382.04	259.19
6	Total Liabilities	1,637.55	209.78	2,766.61	754.04	249.19
7	Investments	-	0.01	-	0.06	-
8	Turnover	2,407.71	220.99	5,897.81	1,137.56	-
9	Profit / (loss) before taxation	198.95	(149.88)	184.06	(47.47)	-
10	Provision for taxation	24.88	-	61.71	(7.80)	-
11	Profit /(loss) after taxation	174.07	(149.88)	122.35	(39.67)	-
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100%	100%	70%	51%	100%

55 Previous year figures are regrouped wherever considered necessary to conform to current year classification.

As per our report of even date attached

Firm Registration No.000459S
for M. BHASKARA RAO & CO.
Chartered Accountants

Sd/-
M.V. RAMANA MURTHY
Partner
Membership No. 206439

Place: Secunderabad
Date: 24.05.2018

For and on behalf of the Board

Sd/-
G. VIJAY KUMAR
Chief Financial Officer

Sd/-
G.V. BHASKAR RAO
Managing Director
DIN: 00892232

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

Sd/-
G. VANAJA DEVI
Wholetime Director
DIN: 00328947

NOTES

kaveri seeds®

kaveri seed company limited

CIN: L01120TG1986PLC006728
Regd. Office: 513-B, 5th Floor, Minerva Complex, S.D.Road,
Secunderabad – 500 003, Telangana State.
Email: cs@kaveriseeds.in Website : www.kaveriseeds.in

31st Annual General Meeting – Friday, 21st day of September, 2018.

ATTENDANCE SLIP

Folio No./Client Id: ..... No. of Shares: .....

Name and address of .....

First/Sole Shareholder: .....

I, hereby record my presence at the 31st Annual General Meeting of the Company to be held on **Friday the 21st day of September 2018 at 12.00 Noon** at the FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, FTAPCCI Marg, Red Hills, Hyderabad – 500 004, Telangana.

Name of the Member/Proxy
(Block Letters)

Signature of the Member/Proxy

Notes:

a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.

b) Member/Proxy 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.

c) Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

Route Map

FTAPCCI Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry

kaveri seed company limited

CIN: L01120TG1986PLC006728
Regd. Office: 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Telangana.
Email: cs@kaveriseeds.in Website : www.kaveriseeds.in

31st Annual General Meeting – Friday, 21st day of September, 2018.

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: .....

Folio No./Client ID No. .....DP ID No. .....

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

A. Name: .....E-mail id .....

Address: .....

.....Signature.....

or failing him

B. Name: .....E-mail id .....

Address: .....

.....Signature.....

or failing him

C. Name: .....E-mail id .....

Address: .....

.....Signature.....

or failing him

as my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the 31st Annual General Meeting of the Company to be held on **Friday the 21st day of September 2018 at 12.00 Noon** at the FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, FTAPCCI Marg, Red Hills, Hyderabad – 500 004, Telangana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Approval Audited Standalone & Consolidated Balance Sheet as at 31st March 2018, Statement of Profit & Loss and Cash Flow Statement for the year ended on 31st March 2018 along with the reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares of the Company for the financial year ended 31st March, 2018.
3. Re-appointment of Mr. C. Mithun Chand (DIN: 00764906) as Director of the company.

Special Business:

4. Appointment of Mrs. Musinipally Chaya Ratan (DIN: 08085687) as an Independent Director of the Company.

Revenue Stamp

Signature of the Shareholder.....

Signature of the Proxyholder(s) .....

Signed this .....day .....of 2018

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.

Corporate Information

Board of Directors

Mr. G.V. Bhaskar Rao
Chairman cum Managing Director

Dr. G. Pawan
Vice Chairman (Non-Executive)

Mrs. G. Vanaja Devi
Executive Director

Mr. C. Vamsheedhar
Executive Director

Mr. C. Mithun Chand
Executive Director

Mr. P. Varaprasad Rao
Independent Director

Dr. S. Raghuvardhan Reddy
Independent Director

Dr. S M Ilyas
Independent Director

Mr. K. Purushotham
Independent Director

Mrs. M. Chaya Ratan
Independent Director

Company Secretary

Mr. V R S Murthy

Chief Financial Officer

Mr. G. Vijay Kumar

Audit Committee

Mr. K. Purushotham
Dr. S. Raghuvardhan Reddy
Mr. P. Varaprasad Rao
Mr. C. Mithun Chand

Nomination & Remuneration Committee

Mr. P. Varaprasad Rao
Dr. S. Raghuvardhan Reddy
Mrs. M. Chaya Ratan

Shareholders' Relationship Committee

Mr. P. Varaprasad Rao
Mr. C. Vamsheedhar
Mr. C. Mithun Chand

CSR Committee

Mr. G.V. Bhaskar Rao
Mrs. G. Vanaja Devi
Mr. P. Varaprasad Rao

Bankers

Kotak Mahindra Bank Ltd.
Axis Bank
HDFC Bank
ICICI Bank Ltd.

Listing

NSE & BSE

Registered Office & CIN of the Company

Kaveri Seed Company Limited
CIN: L01120TG1986PLC006728
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

Statutory Auditors

M/s. M. Bhaskara Rao & Co.,
Chartered Accountants
5-D, Fifth Floor, "Kautilya"
6-3-652, Somajiguda,
Hyderabad – 500082, Telangana.
Tel. Nos. +91 -40-23311245/ 233939000
Fax No. +91-40 -23399248
E-mail: mbr_co@mbrc.co.in

Internal Auditors

M/s. M. Anandam & Co.
Chartered Accountants,
7 'A' Surya Towers, S.P. Road,
Secunderabad – 500003, Telangana.
Tel. Nos. +91 -40-27812377/27812034
Fax No. +91-40 - 27812091
Website: www.anandam.in

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, Telangana.
Tel. Nos. +91 -40-40144967/23374967
Fax No. +91-40 -23370295
E-mail: bsshyd@bigshareonline.com

PLANTS

Gatlanarsingapur Plant – 1
Door No.104,
Gatlanarsingapur Post,
Bheemadevarapally Mandal,
Warangal Urban District,
Telangana State.

Gatlanarsingapur Plant – 2
Door No.6-96/2,
Gatlanarsingapur Post,
Bheemadevarapally Mandal,
Warangal Urban District,
Telangana State.

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

Pamulparthy Plant
Sy.No.703, Part, 707 Part, 712
Part 713 to 719,
Pamulaparthy Village, Markook Mandal,
Siddipet District, Telangana State.

Eluru Plant
Sy.No.853, Koppaka village,
Pedavegi Mandal, West Godavari Distirct,
Andhra Pradesh State.

Eluru Plant
Sy.No.154/5,
Akannagudem village,
Pedavegi Mandal, West Godavari Distirct,
Andhra Pradesh State.

Pamulparthy Cold Storage Unit
Sy.No.712, 743,
Pamulaparthy Village, Markook Mandal,
Siddipet District, Telangana State.

Molangur Plant
Sy.No.708, 709/A and 712A
Molangur village, Shankarapatnam
Mandal, Karimnagar District,
Telangana State.

Gowraram Plant
Sy.No.72 & 73 Part,
Gowraram Village,
Wargal Mandal, Medak District,
Telangana State.

kaveri seeds®

kaveri seed company limited

Registered Office

kaveri seed company limited
CIN: L01120AP1986PLC006728
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Email: cs@kaveriseeds.in Website: www.kaveriseeds.in

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