kaveri seeds®

GROWING THE FUTURE

kaveri seed company limited

annual report 2013-2014

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

The Kaveri Seed Company's firm conviction is that future of agriculture is destined in the seed. Quality seed produced through innovative research is an important contributor for improvement of agriculture and global food security.

Growing The Future

The importance of quality seeds for improving agriculture yield has been recognized from time immemorial.

The Kaveri Seed Company's firm conviction is that future of agriculture is destined in the seed. Quality seed produced through innovative research is an important contributor for improvement of agriculture and global food security. Organised production of superior quality seed for the benefit of the farmers is the business motto of Kaveri Seeds since its inception. The company has come a long way to become one of the fastest growing hybrid seed companies in India with consistence in growth in all key indicators such as revenue, profit & market share.

The importance of quality seeds for improving agriculture yield has been recognized from time immemorial.

The company has been able to augment growth with focus on R&D based product development, structured business coupled with quality seed production and distribution network. The flagship seed brands of the company have been able to deliver the desired brand expectation to farmers through increased farm yields, resistance to pests and tolerance to adverse climatic conditions.

Annual Report 2013-14 reflects our commitment and responsibility to report the progress towards growing the future with value for all our stakeholders i.e. farmers, investors, customers, employees, and business partners.

Who we are

Kaveri Seed Company is a premium seed company engaged in the production and distribution of high quality hybrid seeds. The Kaveri saga began in 1976 when Mr.G.V.Bhaskar Rao, a young agriculture graduate, through his start-up – GVB Rao & Co. developed a proprietary corn hybrid which was an instant hit with the farmers owing to its improved yields. Encouraged with the success, the company got into large scale value breeding and registered as Kaveri Seed Company in 1986 and in 2007 got listed in stock exchange.

Kaveri Seeds is the second largest producer of hybrid cotton seeds in India with a y-o-y growth in its market share. Kaveri Seeds has over 60,000 acres of seed production, in states of Karnataka, Andhra Pradesh, Maharashtra, and Gujarat and across other locales of the country. The company has a pan-India presence with a strong distribution network of 15,000 distributors (direct & in-direct) and retailers across 15 key states in India. Kaveri has multiple warehouses at strategic location with a combined storage space of 500,000 sqft. The company has a dedicated marketing team of experienced professionals.

Our Seed portfolio

Milestones

2010 -12
Listed by Forbes-best under a billion in Asia Pacific

2011
Kexveg, new initiative for premium vegetables, launched

2008
Seed conditioning plant at Pamulaparthi, AP

2008
Launched premier cotton Hybrid Jadoo

2007
Public offer and listing in stock exchange

2004
Seed conditioning plants at Gundla Pochampally and Eluru Commissioned.

2001
DSIR recognition for R&D

2000
Seed conditioning Plant launched at Kandlakoi (AP)

1997
Launched first hybrid Maize

1991
Initiated R&D Program

1986
Kaveri Seed incorporated

1976
Seed production unit started by GVB Rao

Research & Development

R&D of Kaveri unifies the best of traditional breeding with cutting edge biotechnology to make its research programmes unique and farmer centric.

With more than three decades in seed industry, the company's research and development efforts are focused on developing high yielding hybrid & varietal seed of field and vegetable crops.

R&D of Kaveri unifies the best of traditional breeding with cutting edge biotechnology to make its research programmes unique and farmer centric. The investment made in Biotechnology in the recent past has started paying off in terms of accelerating the breeding programmes of cotton, Corn and rice. DNA profiling of proprietary lines, use of DNA markers in genetic purity assessment and tracking the gene of interest in breeding material are some of the activities being pursued for gainful deployment of biotechnology tools in product development.

In order to retain the leadership position and further enhance it our R&D efforts are afoot to innovate and register more lines and hybrids.

In view of the enormous scope of Biotechnology applications in agriculture and agri business, the Kaveri Seed Company has forged ahead to invest liberally in establishing the state of the art Research and Development facilities managed by qualified and trained science managers.

During the product development seed trials are conducted under varied climatic conditions spread across the country.

R&D Process@Kaveri

India was the first country to produce hybrid cotton manually. The country currently hosts one third of the world acreage of cotton (~12 million ha).

Since 2006, it is the second largest producer of cotton and accounts for 21% of the global cotton production. FY14 is set to be the year of historically high cotton production in India. Despite the total area under cotton falling to 11.73 million ha in FY14 from 11.98 million ha in FY13, the average cotton yields per hectare have gone up by nine per cent i.e. 565.36 kg per /ha. The increase in productivity is primarily due to improved hybrids and use of quality seed.

Hybrid Bt Cotton @ Kaveri

Though slightly late as licensee of the Bollgard Technology, Kaveri steered fast towards market success with two of its key cotton seed brands, 'Jaadoo' and Jackpot'. Kaveri trades different brands to cater different markets – Jaadoo and ATM in Maharashtra, ATM in Gujarat, and Jackpot in MP depending on the demand for the trait and specific adaption to the region.

Cotton - Vision to be Market Leader

With phenomenal success with hybrid cotton, Kaveri plans to launch new hybrids to bag further market share and envisions to be the unmatched market leader.

Intense breeding efforts are underway at Kaveri to restructure the cotton plant fortified against sucking pests, leaf curl virus and to withstand the onslaught of abiotic stresses.

Marketed Cotton Hybrids
Jaado, Jackpot, ATM, Singha

With phenomenal success with hybrid cotton, Kaveri plans to launch new hybrids to bag further market share and envisions to be the unmatched market leader.

Maize: Future perfect

Our R&D's thrust is on innovation. New technologies - Marker assisted recurrent selection and Doubled Haploid technology for accelerated development of inbreds are being seriously pursued

In India, maize ranks as the most important food & feed crop next to rice and wheat. Corn production has nearly doubled in the last one and half decades largely due to adoption of single cross hybrids. There is immense scope for further increase in India's maize production by breeding high yielding climate resilient hybrids tolerant to biotic and abiotic stresses . As a more profitable alternative maize can be cultivated by even small farmers in states like UP, Bihar, Andhra Pradesh and Karnataka.

Maize@Kaveri

From its inception Kaveri pioneered production and sale of of quality seed of hybrid maize. Accelerated investment on maize R&D, quality assurance, state of the art processing, and unmatched marketing capabilities helped the Company to bag a sizeable share in the present day market of maize. Based on National Evaluation process, five maize hybrids were released and notified by CVRC.

Four hybrids; are in test production and marketing. Kaveri's quest for enhancing the productivity of maize hybrids and stabilizing yields against the onslaught of wilt, drought and heat stress is yielding results. The R&D of Kaveri is partnering with CIMMYT Asia in a US AID supported project on Heat Tolerant Maize for Asia(HTMA) to evolve maize hybrids that beat the heat. Similarly a programme on breeding for drought tolerant maize-Marker -Assisted Dissection of "Genetic Basis of yield and improving yield potential under drought stress in maize supported by Biotechnology Industry Research Assistance Council (BIRAC) of Department of Biotechnology, Govt Of India is under-way.

Our R&D's thrust is on innovation. New technologies - Marker assisted recurrent selection and Doubled Haploid technology for accelerated development of inbreds are being pursued seriously.

Marketed Maize Hybrid
KMH 25K60, KMH 3712, KMH 218+, KMH 3426, KMH 25K45

Hybrid Rice: The next leg of growth

Hybrid rice has the potential to significantly increase rice yields to the tune of 15-20%. by giving more output per unit cropped area. With its ability to give better yield per unit area it can also help in saving land, soil and water. However adoption of hybrid rice in India has been slow with a coverage of only about 5% (2 - 3 m.ha) of the total area planted under hybrid rice. The low rate of adoption in India is largely due to the grain quality unable to match the consumer's taste.

Hybrid Rice @ Kaveri

At Kaveri hybrid rice is on the top of Company's growth agenda. Kaveri is investing in hybrid rice research in terms of human resource deployment as well as infrastructure. Through conjunct use of hybrid and biotechnologies- blending traditional breeding with genomics, the R&D of Kaveri is surging forward to breed the best of rice hybrids and varieties fortified with biotic stress resistance.

Varietals	Marketed Hybrids
• Sampurna • (medium slender) • Supreme sona • Super sona • KV 21 • Kaveri 888, • Chintu (super fine) • Sleek & Kaveri 264	• Kaveri 9090 • KPH 412 • KPH 53 • KPH 272 • KPH 371

Gene pyramiding for resistance to diseases and insect pats in hybrids is being carried out under a programme supported by BIRAC (DBT). A major accomplishment in this direction is the development of bacterial leaf blight resistant rice hybrid with medium slender grain. The broad portfolio of paddy seeds includes varieties and hybrids. One of rice hybrids, KPH 460 ranked first in AICRIP trials for two consecutive years. Aside this, three more hybrids of different maturity and grain types are promoted for second year testing at all India level. Kaveri rice hybrid KPH 272 is found promising in National Aerobic trials and favour with farmers in various rice growing areas of the country.

One of the rice hybrids, KPH 460 ranked first in AICRIP trials for two consecutive years.

Other Crops Growing to furture

Beyond the three major crops- cotton, maize and rice, Kaveri has strengthened its seed portfolio with vegetable & other field crops.

Beyond the three major field crops- cotton, maize and rice, Kaveri has strengthened its seed portfolio of vegetable & other field crops too. Baja, sunflower and jowar are the other field crops. Tomato, chilly, Brinjal, okra and gourds are the prominent vegetable seeds of Kaveri.

Bajra ranks third in area after rice and wheat in the country. Like jowar and maize, bajra too has high biomass but grows under most adverse agro climatic conditions. Being a rain fed crop, it thrives under extreme drought conditions when all others fail.

Adaptability to marginal lands and harsh ecology makes bajra a sought after crop in times of climate drift towards a warming world. Programmed breeding and product development efforts of the company over the years has yielded excellent hybrids of pearl millet with particular emphasis on resistance to drought, downy mildew and balancing productivity between grain and fodder. The company bred bajra hybrids Super Boss, Fouzi and KBH 563 are high yielders with attractive grain and drought enduring.

The area under jowar drastically dwindled during the last one and half decades. Nonetheless, the company continues to trade its best breed of sorghum hybrids- Colonel, White Pearl, KSH 95Y3 and KSH 361.

Sunflower is showing signs of positive growth in terms of seed demand. Development of short duration hybrids with reduced height and increased oil content with resistance to powdery mildew and bud necrosis virus has resulted in several pipeline hybrids undergoing evaluation and test marketing. Two pipeline hybrids KSFH 384 and KSFH 460 are in the advanced stage of testing in All India Coordinated Trials. KSFH 384 with high seed yield and volume weight is promising. This apart the already popular market brands -Sunkranti and Champ continue to contribute to the company's revenues.

Demand for vegetables nationwide, is increasing and concomitantly seed volume and value for business. In view of demand for higher quality and more variety in vegetables, Kaveri R&D is laying increased thrust on vegetable breeding with emphasis on tomato, hot pepper, brinjal, okra and to lesser extent on gourds. Tomato hybrids KTH 354 and KTH 304 and hot pepper hybrids KHPH 248, and KHPH 272 are in the market this year, with a good feedback for KHPH 272. The Company also introduced an eggplant hybrid KEPH 474 to the market during the year under report.

Success has also been achieved in commercialization of okra hybrids, Kaveri Nadiya KBH 909, KBH 916 and OP varieties Kaveri 49 and Kaveri 54 with some degree of resistance to yellow vein mosaic virus. Aside these, a number of gourds bred by the company are also being marketed are bitter gourd -Kaveri 67, Ridge gourd- Kaveri 63 and Kaveri 72, Bottle gourd - Nova

Chairman's Letter

Dear Shareholders,

The country has been making strides in agricultural production since last five decades by adopting high yielding varieties and hybrids developed through indigenous research and technology tie-ups.

We are growing on par with many developed countries in the use of improved seeds, crop protection and in partial farm mechanisation.

Nevertheless, the ever increasing demand for food in the back drop of increasing cost of cultivation, depleting cultivable area, deteriorating soil health and climate change remain daunting tasks as ever. Majority of Indian farmers are still unable to harvest optimal yields and benefit from improved varieties and agro technologies due to problems beset with unpredictable weather conditions, inappropriate use of agri inputs, and inaccessable extension services of agriculture value chain.

Quality seed and other inputs, diversification of crops, Soil health, irrigation, affordable mechanization, last but not the least, market linkages with proper remunerative price can make farming in India more sustainable.

For the country to achieve a GDP growth of 8%, it is estimated that agriculture sector to have a annual growth not less than 4% y- o -y basis. Greater synergy between National agricultural research system and private sector is required for surmounting the agrarian challenges being faced by the farming community.

a) Our focus

Going down the memory I go back 30 years, when an experimental seed production of public-bred varieties of corn at our family farm laid the beginning of Kaveri. Since then the unique proposition of Kaveri has been research and innovation.

Today the cornerstone of our business is our experienced research team with expertise in crop breeding and biotechnology applications.

Today the cornerstone of our business is our experienced research team with varied exposures in plant biotechnology and best breeding practises.

The estimated contribution of quality seeds to the total production is 15-20% depending upon the crop. Our focus on research to develop quality seeds have enabled us to be one of the fastest growing seed companies in India. Our R&D based wide portfolio of high quality hybrids are able to improve farm yields and augment farmer's income.

b) Our Performance

The Year 2013-14 had a good monsoon covering almost the whole country during the Kharif season. The seed industry on the whole had a good business year. Excess rains in the beginning of rabi, helped in increase of acreage of crops particularly Paddy & Pulses.

We have renewed our leadership position in 2013-14 with our flagship brands in the key crops garnering a sizable market share.

The company has already developed a large number of hybrids of field and vegetable crops – already marketed and at various stages of product development.

In our endeavour to grow in future, year 2013-14 has been significant with our continued growth in all key parameters. In FY14 Kaveri's revenues grew 41 per cent to Rs.100241 Lakhs, helped by growth in cotton, corn and paddy brands. Net profit jumped to Rs. 21056 Lakhs from Rs.12987 in FY14.

c) Growth drivers

Cotton: Kaveri's key cotton seed brands, 'Jaadoo', Jackpot and ATM continue to garner performance based brand equity among farmers. Going beyond success of cotton seed, Kaveri plans to launch new hybrids to bag further market share and consolidate leadership in the cotton seed business. Intense breeding efforts are underway at Kaveri to restructure the cotton plant and genetically fortify against sucking pests and leaf curl virus and to withstand the onslaught of abiotic stresses.

Rice: In F14 we further strengthened our R&D by investing in hybrid rice research in terms of human resources as well as infrastructure. Through conjunct use of hybrids and biotechnologies- blending traditional breeding with genomics, the R&D of Kaveri is surging forward to breed the best of rice hybrids and varieties insulated against biotic stresses. A major outcome of these efforts is the development of bacterial leaf blight resistant rice hybrid with medium slender grain. Two of our rice hybrids, KPH-371 and KPH-199 are notified recently.

Maize: Kaveri's quest for enhancing the productivity of maize hybrids and stabilizing yields against the onslaught of wilt, drought and heat stress is yielding results. The R&D of Kaveri is partnering with CIMMYT Asia in a US AID supported project on Heat Tolerant Maize for Asia (HTMA) to evolve maize hybrids that beat the heat.

Similarly a programme on breeding for drought tolerant maize- Marker -assisted dissection of genetic basis of yield and improving yield potential under drought stress in maize is being supported by Biotechnology Industry Research Council. Domestic maize demand is forecasted to grow by 36 per cent by 2017, and to double by 2022. Maize is one crop where SRR is low in certain states like Rajastan, a state with large maize acerage. With right kind of hybrids these markets can grow exponentially in these states.

Looking ahead we envisage cutting edge innovation in seeds to be the main driving force in the growth of Indian agriculture. High-density cotton planting can increase cotton market further. Hybridization of rice just at 5% with immense scope to spread further and forecasted demand for maize to double in a decade are some of the opportunities for your seed company to grow in the future.

Your company will continue to make all efforts to deliver superior quality seeds to millions of farmers in India through our intense focus on farmer centric research and commercialisation of novel products.

I would like to thank all our stakeholders i.e farmers, investors, customers, employees, and business partners for their continued support to your Company's exciting journey of growing the future.

Sincerely,

GV.Bhaskar Rao
Chairman & Managing Director

Financial Highlights

Revenue (Lakhs)

FY14	100,241
FY13	71,084
FY12	37,500
FY11	23,469
FY10	16,403

Net Profit (Lakhs)

FY14	21,056
FY13	12,987
FY12	5,810
FY11	4,248
FY10	2,907

Operating Profit (Lakhs)

FY14	22,022.86
FY13	13,943.33
FY12	7,696.67
FY11	5,383.89
FY10	3,527.06

EPS (INR)

FY14	30.50
FY13	94.78
FY12	42.40
FY11	31.00
FY10	21.21

EBIDTA (Lakhs)

FY14	22,990
FY13	14,443
FY12	7,424
FY11	5,505
FY10	3,731

Market Capitalisation (Lakhs)

FY14	43,9744
FY13	164,474
FY12	78,746
FY11	46,039
FY10	37,948

During the year ended 31st March 2014, the company has been split Rs.10/- each into 5 equity shares of Rs.2/- each.

Five Years at a Glance

(Rs. in lakhs)

Statement of Profit and Loss	2009-10	2010-11	2011-12	2012-13	2013-14
Total revenue	16,402.68	23,468.84	37,500.39	71,583.24	1,01,208.40
EBIDTA	3,715.85	5,484.11	7,952.73	14,442.98	22,989.87
Depreciation	414.52	1,019.31	1,000.94	1,060.39	1,437.03
Finance costs	182.29	434.94	327.12	150.71	15.95
Profit before exceptional items and tax	3,119.04	4,029.86	6,624.67	13,231.88	21,536.89
Exceptional items			(529.19)	133.71	
Profit before tax	3,119.04	4,029.86	6,095.48	13,365.59	21,536.89
Tax	212.51	(217.65)	285.12	378.48	480.65
Profit after tax	2,906.53	4,247.51	5,810.36	12,987.11	21,056.24
EBIDTA / Revenue	22.65%	23.37%	21.21%	20.18%	22.72%
PBT / Revenue	19.02%	17.17%	16.25%	18.67%	21.28%
PAT / Revenue	17.72%	18.10%	15.49%	18.14%	20.80%

Balance Sheet	2009-10	2010-11	2011-12	2012-13	2013-14
Share capital	1,370.22	1,370.22	1,370.22	1,370.22	1,374.84
Resesrves and surplus	13,723.32	17,572.71	22,767.92	33,214.02	50,484.94
Share Appln. money				78.64	52.36
Networth	15,093.54	18,942.93	24,138.14	34,662.88	51,912.14
Non-current liabilities					
Long-term liabilities and provisions	3,780.73	484.77	549.80	450.20	539.05
Deferred tax liability	8.61	(10.97)	(20.85)	0.13	(24.82)
Current liabilities	12,260.95	18,131.23	34,168.61	51,739.55	49,721.70
Total liabilities	31,143.83	37,547.96	58,835.70	86,852.76	1,02,148.07
Non-current assets					
Gross fixed assets	9,233.73	12,761.60	12,685.98	17,544.00	19,143.85
Accumulated depreciation	1,312.37	2,319.39	3,257.34	4,236.05	5,606.31
Capital work in progress	2,994.78	719.02	1,309.15	364.86	1,166.30
Net fixed assets	10,916.14	11,161.23	10,737.78	13,672.80	14,703.84
Investments	202.96	55.06	695.06	924.75	802.30
Other non-current assets	147.17	303.62	797.64	480.99	1,460.36
Current assets	19,877.57	26,028.05	46,605.22	71,774.22	85,181.57
Total assets	31,143.83	37,547.96	58,835.70	86,852.76	1,02,148.07
Return on capital employed	16.37%	24.10%	22.72%	37.80%	40.17%
Return on networth	19.26%	22.42%	21.88%	37.85%	40.56%
Debt / equity	0.25	0.03	0.02	0.01	0.01
Current ratio	1.62	1.44	1.36	1.39	1.71

Per share	2009-10	2010-11	2011-12	2012-13	2013-14*
Book value per share - Rs.	110.15	138.25	176.16	252.97	75.52
Earnings per share - Rs.	21.21	31.00	42.40	94.78	30.63
Dividend per share - Rs.	2.00	2.50	4.00	16.00	24.00
No. of shareholders	2,763	3,805	3,656	4,836	7,934

**During the year ended 31st March 2014, the company has been split Rs.10/- each into 5 equity shares of Rs.2/- each.*

Board of Directors

G V Bhaskar Rao
Chairman & Managing Director

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

G Vanaja Devi
Executive Director

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

R Venu Manohar Rao
Executive Director

He is an among the Company's first promoters and Company's prime interface with farmers, dealers, distributors and other statutory authorities. Mr. Venu Manohar Rao has been instrumental in establishing Kaveri's strong marketing and sales network.

C Vamsheedhar
Executive Director

Associated with the Company since 1999, C Vamsheedhar, Executive Director, is a key player and growth driver in the "Team Kaveri" and oversees the strategic aspects of Company affairs. He re-posed confidence amon farmers in the company's products at various locations.

C Mithun Chand
Executive Director

Associated with the Company since 2005. He has significantly contributed in microtek division, sales, administration and finance management by creating core team for the company's product. He envisioned new business platform and is dedicated to building the innovation side of the business.

Dr G Pawan
Non-Independent Director

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

Dr. Y L Nene
Independent Director

A PhD from the university of Illinois, Urbana, USA. A renowned agricultural scientist and science administrator, Dr. Nene served as Deputy Director General ICRISAT, Hyderabad and a member of Governing Body of ICAR. He established Asian Agri History Foundation that links Vedic culture with Agriculture.

M Srikanth Reddy
Independent Director

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

Dr. S Raghuvardhan Reddy
Independent Director

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

Dr. S M Ilyas
Independent Director

As an M.Sc, in Agricultural Engineering from Indian Agriculture Institute, New Delhi. Dr. S M Ilyas was the former Director of National Academy of Agricultural Research Management (NAARM), Hyderabad, and also former Vice Chancellor of Narendra Dev University of Agriculture and Technology, Faizabad. He has received several awards and recognitions for his outstanding contribution to Agricultural Engineering.

P Vara Prasad Rao
Independent Director

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

K. Purushotham
Independent Director

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

Indian seed Industry is one of the vibrant ones in the world. In value India is estimated at 12154 Cr. and 6th in rank after USA, China, France, Brazil and Canada.

1. Agriculture Economic Scenario

Over 3 billion people - half the world's population live in rural areas. Agriculture is the livelihood of approximately 2.5 billion of them.

With the world population growing @ 1% a year, an estimated 752 million people are going to be added by 2022 thus putting additional demand on food while the area for farming remains static.

Against this backdrop, it's imperative that the additional food needs be met from enhancing productivity.

For many emerging economies, especially those like India, agriculture is the engine of economic growth. Agriculture in most of the developing economies is known for the larger contribution to national GDP,

Whereas in case of developed economies percentage contribution of agriculture to the national GDP is inconspicuous. Experts believe that developing countries and emerging economies will play an increasingly important role in agricultural markets in near future.

1.1 Indian Agriculture Sector

With 179.9 m.ha. under plough, India has the second largest cropped area in the world. Majority of the Indian population relies on agriculture for employment and livelihood. Steady investments in technology development, quality inputs, irrigation, infrastructure, emphasis on modern agricultural practices and provision of agricultural credit and subsidies are the major factors contributing to agriculture growth.

The country has emerged as a major player in the global agriculture market. Agriculture accounts for 14 per cent of gross domestic product (GDP) and 11 per cent of India's total exports; Currently, India is the world's largest rice exporter and second in wheat.

It is the second largest producer of cotton in the world after China accounting for about 18% of the world cotton production. Horticulture exports have also seen good growth. India's agro exports during 2013–14 touched US$ 45 billion

2.Sectoral overview – Seeds:

As per the International Seed Federation estimates of 2013 the world seed market is assessed at 45 billion USD.

Indian seed Industry is one of the vibrant ones in the world. In value India is estimated at 12154 Cr. and 6th in rank after USA, China, France, Brazil and Canada. Indian seed industry is undergoing metamorphosis with increased role of private seed companies, entry of MNCs, joint ventures of Indian companies with multinational companies and a wave of consolidations. In value terms the major growth has come from the increased adoption of Bt cotton hybrids, single cross corn hybrids and hybrid vegetables.

Area, Production and Yield of Major Crops in 2013-14 (Economy Survey – Govt of India)

Commodity	Area	Production	Yield
Rice	43.9 (2.57)*	106.3 (1.05)*	2419 (-1.75)*
Maize	9.3 (6.90)	24.2 (8.52)	2602 (1.40)
Cotton	11.7 (-2.50)	36.5 (6.73)	529 (8.85)
Bajra	7.9 (8.22)	9.2 (5.75)	1161 (-3.09)

(Area: Million ha; Prod: Million tonnes; Yield: kg/ha) *with Per Cent Change over 2012-13)

The volume growth is mainly through increased Seed Replacement Rate in crops like Paddy and Wheat. Indian seed industry is undergoing metamorphosis with increased role of private seed companies, entry of MNCs, joint ventures of Indian companies with multinational companies and a wave of consolidations.

2.1 Overview Major Crops.

FY14 is set to be the year of historically high cotton production in India. Despite the total planted area for cotton falling to 11.73 million ha in FY14 from 11.98 million ha in FY13, the average cotton yield per hectare has increased in FY14 by ninepercent.

India's maize production rose from 11.15 million tonnes in 2002-3 to 22.5 million tonnes in 2012-13. Majority of it is being used as animal feed, followed by industrial consumption of starch and other industrial products.

Hybrid paddy segment in India is highly underpenetrated with 5% area under hybrid paddy as compared to over 55% in China. Government subsidy programs are the main driver for this segment. Varied cooking quality tastes and wide ranging preferences from region to region makes hybrid rice breeding a hard task.

In FY14 horticulture production, estimated at 265 million tonnes, exceeded the production of food grains and oil seeds in FY13 owing to an 9.6% increase in productivity of horticulture crops between 2008-09 and 2012-13.

2.2 Seed Industry Outlook

Cotton, Maize and paddy are expected to be the main growth drivers.

The penetration of hybrid cotton in India is almost nearing saturation.

Further growth will be propelled by increased seed rate (high density planting). Cotton plant with compact plant type and synchronous bolls is the need for machine picking. Expansion of area under single cross maize hybrids may further boost production. It is anticipated that India's hybrid maize sector would double in the next three years, driven by demand from poultry and starch industry. The rising demand for corn as animal feed and food is the key contributor for maize hybrid penetration.

With ascendency in income levels and lifestyle, the demand for vegetables is likely to go up concomitantly subscribing to the growth of vegetable seed market

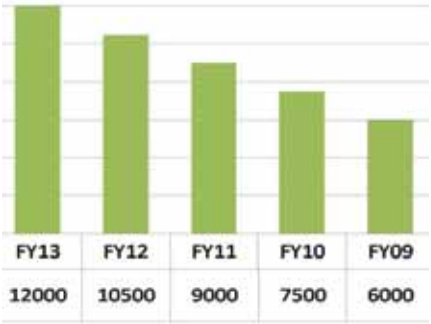
In the near future, organised players and seed companies with a strong R&D and diversified portfolio of products are expected to reap the benefits.

2.3 Seed Exports:

Seed export from India is likely to double to reach Rs 1,000 crore mark in the next 2-3 years. Close to 100 varieties from India have been registered in the OECD list and Kaveri has many of its seed brands registered in OECD.

The listing is an offer from India to the members of OECD for evaluation and adaptation in their countries.

Currently, India exports Rs 400-450 crore worth of seeds. The exports are likely to go up as countries other than OECD members may also evince similar interest.



Indian Seed Industry Growth
(In crores)

Seed export from India is likely to double to reach Rs 1,000 crore mark in the next 2-3 years. Close to 100 varieties from India have been registered in the OECD list.

Over the years, the Company has created a robust portfolio of products encompassing commercial crops – cotton and sunflower; food crops – corn, rice, bajra and jowar; vegetables – tomato, okra and chilly.

Kaveri – Business Highlights

- Founder & promoter, is a technocrat turned agri-business entrepreneur, instrumental in stepwise accretion of the Company.
- Second largest producer of hybrid cotton seeds in India
- One of the fastest growing seed companies in India, with 4.4x revenue growth since FY10
- Leading producer of hybrid seed of maize, paddy, millet, sunflower and vegetables. High market shares in almost all key products
- Three times listed by Forbes- "Best under a Billion in Asia-Pacific"
- Large network of 15,000 distributors (direct & in-direct) and retailers across 15 key states in India
- Strong presence in the Southern market and expanding distribution network in northern and western India (Chhattisgarh, Jharkhand, West Bengal and Odisha, are the next growth avenues
- High credibility with the farmers

3. Business Overview: Kaveri Seed Co Ltd

Kaveri Seed Company Ltd is not only a leading seed company engaged in the production and distribution of high quality hybrid seeds of field & vegetable crops but also micro nutrients and bio-products.

Over the years, the Company has created a robust portfolio of products encompassing commercial crops – cotton and sunflower; food crops – corn, rice, bajra and jowar; vegetables – tomato, okra and chilly. The Company's premier cotton hybrids – Jaadoo, Jackpot, ATM and Singha are in the forefront of the cotton seed market and are highly sought after by farmers. These proprietary products from Kaveri have helped cotton farmers to fetch higher returns on investment. Additionally, the Company's bajra hybrids – Super Boss and Fouzi with attractive attractive grain colour grain colour and capacity to withstand the onslaught of downy mildew are premium in the market.

3.1 Research & Development

Kaveri has a large pool of elite crop germplasm- the genetic wealth of the company. The R&D of Kaveri focuses on market oriented & need based breeding programs resulting in highly successful commercial products. The R&D infrastructure includes a 600+ acres of owned as well as leased research farms and highly motivated team of scientists and technical personnel. The R&D is recognized by Department of Science & Technology, Government of India and collaborates with all the leading NARS research centres / SAUs and CGIAR Institutes -ICRISAT, IRRI, CYMMIT.

After scoring in Cotton seed trade, the company strongly believes that next leap comes from hybrid rice and maize The acreage for hybrid paddy has doubled from 1 million hectares in 2006 to more than 2.5 million hectares in 2013.

It is well positioned to capitalize on the emerging opportunity with two of its rice hybrids recommended for release and others in the various stages of evaluation in National Trials.

In Maize, the Company from its inception pioneered production and sale of quality hybrid maize seeds. Accelerated investment on maize R&D, quality assurance, state of the art processing, and unmatched marketing capabilities helped the Company to be a significant player in maize.

4. Risk management

a. Climate risk

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

The Company's diverse product portfolio of commercial crops (cotton and sunflower) food crops (corn, rice, and millets), vegetable crops and quantum of seed reserves help de-risk from any such contingency.

Further, the Company's hybrids with buffering capacity to withstand abiotic stresses help endure the weather aberrations.

b. Competition risk

In business, competition from peers can impact the Company's trade. The Company's ability to innovate from long term investment in R&D for knowledge driven products and sustained quality assurance serve as forte to the Company's business. In addition, the Company's aggressive market network across the country help marketing the products across the country.

c. Dependency risk

Dependency on any one particular product may affect the growth prospects of the Company. The Company's several wide ranging products in the market and in the assembly line minimize its dependency on any single hybrid or crop. In addition to this, the Company is refurbishing its products by phasing out extants and focusing on new and value added ones.

d. Product life-cycle risk

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

5.Internal Control system

The Company has in place adequate and appropriate systems of internal controls commensurate with its size and the nature of its operations that stood the test of time.

The systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information complying with applicable statutes and safeguarding assets from unauthorized use, executing transactions with proper authorizations and ensuring compliance of corporate policies. The internal audit is being carried out by a firm of Chartered Accountant having considerable expertise and experience.

It is well positioned to capitalize on the emerging opportunity with two of its rice hybrids recommended for release and others in the various stages of evaluation in National Trials.

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

6.Material developments in human resources/ industrial relations front including number of people employed

Relations between the management and employees have been cordial. Employees have been imparted training to update their skills and proficiency in their areas of specialisation.

The management acknowledges the contributions made by each and every employee and records its appreciation for the cooperation extended by them at all levels.

For and on behalf of the board

Sd/-

G.V.Bhaskar Rao
Chairman & Managing Director

Secunderabad
29.05.2014

Cautionary note: Statements in the management discussion and analysis describing the company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand / supply and price conditions in the markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

Statutory & Financial Section

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of Kaveri Seed Company Limited will be held on **Thursday the 18th day of September 2014 at 11.15 AM** at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, Telangana, to transact the following business:

ORDINARY BUSINESS:

Item No.1 – Adoption of Financial Statements

To receive, consider and adopt the Balance Sheet as at 31st March 2014 and the Profit & Loss Account of the Company for the year ended on that date along with the reports of the Directors and Auditors thereon.

Item No.2 – Declaration of Dividend

To declare final dividend of Rs.2.40 per equity share and to confirm the interim dividend of Rs.2.40 per equity share, already paid for the year ended 31st March 2014.

Item No.3 – Re-Appointment of Director

To appoint a Director in place of Dr. G.Pawan, (DIN : 00768751) who retires by rotation, and being eligible, seeks re-appointment as Non-Executive and Non Independent Director of the company.

Item No.4 – Appointment of an Independent Director

To appoint a Director in place of Dr. Y.L.Nene (DIN : 01372263), who retires by rotation, and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 5 (five) years.

Item No.5 – Appointment of an Independent Director

To appoint a Director in place of Sri M. Srikanth Reddy (DIN : 00026249), who retires by rotation, and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 5 (five) years.

Item No.6 – Appointment of Auditors

To re-appoint the Statutory Auditors to hold office from the conclusion of this AGM until the conclusion of the 30th AGM and to fix their remuneration and to pass the following resolution thereof.

"**RESOLVED THAT** pursuant to the provisions of Section 139(2), 142(1) and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. P.R.Reddy & Co., Chartered Accountants (ICAI Firm Registration No. 0003268S), the retiring auditors who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 27th Annual General Meeting up to the conclusion of the 30th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

7. TO APPOINT MR. P.VARAPRASAD RAO AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTIONS 149(4),149(6) AND 152 OF THE COMPANIES ACT, 2013

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 Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. P. Varaprasad Rao (DIN: 1971782) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 32nd AGM of the Company."

8. TO APPOINT DR. S. RAGHUVARDHAN REDDY AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTIONS 149(4),149(6) AND 152 OF THE COMPANIES ACT, 2013

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 Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. S.Raghuvardhan Reddy (DIN: 1992206) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 32nd AGM of the Company."

9. TO APPOINT DR. S.M. ILYAS AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTIONS 149(4),149(6) AND 152 OF THE COMPANIES ACT, 2013

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 Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. S.M.Ilyas (DIN: 3542011) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 32nd AGM of the Company."

10. TO APPOINT MR. K. PURUSHOTHAM AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTIONS 149(4),149(6) AND 152 OF THE COMPANIES ACT, 2013

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 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. K. Purushotham (DIN: 01540645) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 32nd AGM of the Company."

11. VARIATION IN THE TERMS OF APPOINTMENT OF MR. R. VENUMANOHAR RAO, WHOLE TIME DIRECTOR

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 Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. R.Venumanohar Rao (DIN: 00637125) Whole time Director, by making his office liable to retire by rotation."

12. TO APPROVE THE INCREASE OF REMUNERATION PAYABLE TO MR. G.V.BHASKAR RAO, MANAGING DIRECTOR

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

"**RESOLVED THAT** in partial modification of the resolution passed at the 24th AGM and pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration payable to Sri G.V.Bhaskar Rao, (who was appointed as a Managing Director of the Company for a period of 5 years with effect from 15.11.2011) be and is hereby revised with effect from 01.04.2014 up to the remaining period of his tenure, which the details are given below:

a) Salary	:	Rs.7,70,400/- Per Month
b) House Rent Allowance	:	Rs.3,08,160 /- Per month
c) Other allowable allowances	:	Rs.2,05,440/- Per month
d) Medical Reimbursement	:	a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year. b) Mediclaim Insurance as per rules of the Company.
e) Personal Accident Insurance	:	Premium not exceeding Rs.25,000/- per annum.
f) Club Fees	:	Fees of clubs subject to a maximum of two clubs. This will not include admission and life Membership fee.

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

h) Provision of Company's Car with Driver.

i) Provision of free Telephone at Residence and

j) Encashment of leave as per the rules of the Company

COMMISSION:

In addition to the above salary and perquisites, commission will also be payable up to 1% (one percent) per annum on the net profits of the company calculated in the manner referred to in Section 198 of the Companies Act, 2013, as may be decided by the Board of Directors of the company.

RESOLVED FURTHER THAT subject to the above mentioned overall limit, the Board of Directors of the

Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Sri G.V.Bhaskar Rao

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. G.V.Bhaskar Rao, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites within the limits as laid down under Section 197 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act read with Schedule V of the Act as in force from time to time".

13. TO APPROVE THE INCREASE OF REMUNERATION PAYABLE TO MRS. G.VANAJA DEVI, WHOLE TIME DIRECTOR

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

"**RESOLVED THAT** in partial modification of the resolution passed at the 24th AGM and pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration payable to **Mrs. G.Vanaja Devi,** (who was appointed as a Whole time Director of the Company for a period of 5 years with effect from 15.11.2011) be and is hereby revised with effect from 01.04.2014 up to the remaining period of her tenure, which the details are given below:

a) Salary	:	Rs.4,76,400/- Per Month
b) House Rent Allowance	:	Rs.1,90,560 /- Per month
c) Other allowable allowances	:	Rs.1,27,040/- Per month
d) Medical Reimbursement	:	a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year. b) Mediclaim Insurance as per rules of the Company.
e) Personal Accident Insurance	:	Premium not exceeding Rs.25,000/- per annum.
f) Club Fees	:	Fees of clubs subject to a maximum of two clubs. This will not include admission and life Membership fee.

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

h) Provision of Company's Car with Driver.

i) Provision of free Telephone at Residence and

j) Encashment of leave as per the rules of the Company

COMMISSION:

In addition to the above salary and perquisites, commission will also be payable upto 1% (one percent) per annum on the net profits of the company calculated in the manner referred to in Section 198 of the Companies Act, 2013, as may be decided by the Board of Directors of the company.

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

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Smt. G.Vanaja Devi, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites within the limits as laid down under Section 197 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act read with Schedule V of the Act as in force from time to time".

14. TO APPROVE THE INCREASE OF REMUNERATION PAYABLE TO MR. R.VENUMANOHAR RAO, WHOLE TIME DIRECTOR

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

"**RESOLVED THAT** in partial modification of the resolution passed at the 24th AGM and pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration payable to Mr. R.Venumanohar Rao (who was appointed as a Whole time Director of the Company for a period of 5 years with effect from 15.11.2011) be and is hereby revised with effect from 01.04.2014 up to the remaining period of his tenure, which the details are given below:

a) Salary	:	Rs.3,64,800/- Per Month
b) House Rent Allowance	:	Rs.1,45,920 /- Per month
c) Other allowable allowances	:	Rs.97,280/- Per month
d) Medical Reimbursement	:	a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year. b) Mediclaim Insurance as per rules of the Company.
e) Personal Accident Insurance	:	Premium not exceeding Rs.25,000/- per annum.
f) Club Fees	:	Fees of clubs subject to a maximum of two clubs. This will not include admission and life Membership fee.

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

h) Provision of Company's Car with Driver.

i) Provision of free Telephone at Residence and

j) Encashment of leave as per the rules of the Company

COMMISSION:

In addition to the above salary and perquisites, commission will also be payable upto 1% (one percent) per annum on the net profits of the company calculated in the manner referred to in Section 198 of the Companies Act, 2013, as may be decided by the Board of Directors of the company.

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

FURTHER RESOLVED THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri R.Venu Manohar Rao, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites within the limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act as in force from time to time".

15. TO APPROVE THE INCREASE OF REMUNERATION PAYABLE TO MR. C. VAMSHEEDHAR, WHOLE TIME DIRECTOR

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

"**RESOLVED THAT** in partial modification of the resolution passed at the 24th AGM and pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration payable to Mr. C. Vamsheedhar (who was appointed as a Whole time Director of the Company for a period of 5 years with effect from 15.11.2011) be and is hereby revised with effect from 01.04.2014 up to the remaining period of his tenure, which the details are given below:

a) Salary	:	Rs.2,29,200/- Per Month
b) House Rent Allowance	:	Rs.91,680 /- Per month
c) Other allowable allowances	:	Rs.61,120/- Per month
d) Medical Reimbursement	:	a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year. b) Mediclaim Insurance as per rules of the Company.
e) Personal Accident Insurance	:	Premium not exceeding Rs.25,000/- per annum.
f) Club Fees	:	Fees of clubs subject to a maximum of two clubs. This will not include admission and life Membership fee.

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

h) Provision of Company's Car with Driver.

i) Provision of free Telephone at Residence and

j) Encashment of leave as per the rules of the Company

COMMISSION:

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

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

FURTHER RESOLVED THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. C.Vamsheedhar, the Company has no profits or its profits are inadequate,

the Company will pay remuneration by way of salary, allowances and perquisites within the limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act as in force from time to time".

16. TO APPROVE THE INCREASE OF REMUNERATION PAYABLE TO MR. C. MITHUN CHAND, WHOLE TIME DIRECTOR

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

"**RESOLVED THAT** in partial modification of the resolution passed at the 24th AGM and pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the remuneration payable to Mr. C. Mithun Chand (who was appointed as a Whole time Director of the Company for a period of 5 years with effect from 15.11.2011) be and is hereby revised with effect from 01.04.2014 up to the remaining period of his tenure, which the details are given below:

a) Salary	:	Rs.1,89,600/- Per Month
b) House Rent Allowance	:	Rs.75,840 /- Per month
c) Other allowable allowances	:	Rs.50,560/- Per month
d) Medical Reimbursement	:	a) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year. b) Mediclaim Insurance as per rules of the Company.
e) Personal Accident Insurance	:	Premium not exceeding Rs.25,000/- per annum.
f) Club Fees	:	Fees of clubs subject to a maximum of two clubs. This will not include admission and life Membership fee.

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

h) Provision of Company's Car with Driver.

i) Provision of free Telephone at Residence and

j) Encashment of leave as per the rules of the Company

COMMISSION:

In addition to the above salary and perquisites, commission will also be payable upto 1% (one percent) per annum on the net profits of the company calculated in the manner referred to in Section 198 of the Companies Act, 2013, as may be decided by the Board of Directors of the company.

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

FURTHER RESOLVED THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. C.Mithun Chand, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites within the limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act as in force from time to time".

17. APPROVAL OF THE BORRWOING LIMITS OF THE COMPANY:

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

"**RESOLVED THAT** in supersession of the Ordinary Resolution passed by the Members of the Company at the Extra Ordinary General Meeting ("EGM") held on 4th December 2006 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereto from time to time) and other applicable provisions, Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution) to borrow from time to time of such sum(s) of money(ies), secured or unsecured, as it may deem requisite for the purpose of the business of the Company, notwithstanding that money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) would exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount up to which money(ies) may be borrowed shall not exceed the sum of Rs.400.00 Crores (Rupees Four Hundred Crores Only) outstanding at any point of time.

FURTHER RESOLVED THAT the Board of Directors of the company be and are hereby authorized to execute the documents and such other agreements to sign all such forms and returns and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution"

18. AUTHORISATION TO MORTGAGE AND CHARGE FOR BORROWING UPTO RS.400.00 CRORES:

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

"**RESOLVED THAT,** in modification of the resolution passed at the Extra Ordinary General Meeting held on 4th December 2006, the consent of the Company be and is hereby accorded to the Board of Directors pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with Article 186 of the Articles of Association of the Company, (which term shall include any duly constituted committee of Directors thereof) for mortgaging and/or charging on such terms and conditions for borrowing up to Rs.400.00 Crores (Rupees Four Hundred Crores Only) at such time or times and from time to time and in such form or manner, as they may think fit the whole or the substantially the whole of the Company's any one or more of the undertakings including the present and/or future properties, whether movable or immovable comprised in any or new undertaking(s) of the Company as the case may be, in favour of financial institutions, corporation, banks, mutual funds, government/other agencies or any other person(s), entities which give, provide or extend loans to the Company or in favour of trustees of such lenders to secure the said amount of loans / debentures together with interest thereon, commitment charges, liquidated damages, premium on redemption, trustees remuneration, costs, charges, expenses and all other moneys under the agreement(s)/arrangement(s) entered into/ to be entered into by the Company in respect of the said loans as the Board may deem fit in the best interests of the Company.

FURTHER RESOLVED THAT the Board of Directors of the company be and are hereby authorized to finalize the terms and conditions for creating the aforesaid mortgages and / or charges and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution"

19. TO APPROVE THE CONTRACT AGREEMENT WITH M/s. ADITYA AGRI TECH PVT. LTD. A WHOLLY OWNED SUBSIDIARY OF THE COMPANY:

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

"**RESOLVED THAT** pursuant to the provisions of section 188 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby given for entering into sale contract with Aditya Agritech Private Limited, which is a wholly-owned subsidiary of the Company, for sale of seed on such terms and conditions as detailed in agreement for a period of 5 years for an estimated contract value not exceeding Rs.100.00 Crores per annum.

"**RESOLVED FURTHER THAT,** the Board of Directors (hereinafter referred to as "the Board" to alter and vary the terms and conditions of the said agreement as it may deem fit and as may be acceptable between the company to M/s. Aditya Agritech Private Limited, subject to the amount not exceeding the contract value specified above.

"**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution."

20. TO APPROVE THE CONTRACT AGREEMENT WITH M/s. GENOME AGRITECH PVT. LTD. A WHOLLY OWNED SUBSIDIARY OF THE COMPANY:

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

"**RESOLVED THAT,** pursuant to the provisions of section 188 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby given for entering into sale contract with M/s.Genome Agritech Private Limited, which is a wholly-owned subsidiary of the Company, for sale of seed on such terms and conditions as detailed in agreement for a period of 5 years for an estimated contract value up to Rs.50.00 Crores per annum.

"**RESOLVED FURTHER THAT,** the Board of Directors (hereinafter referred to as "the Board" to alter and vary the terms and conditions of the said agreement as it may deem fit and as may be acceptable between the company to M/s. Genome Agritech Private Limited, subject to the amount not exceeding the contract value specified above.

"**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution."

21. TO APPROVE THE RELATED PARTY TRANSACTION OF LAND LEASE AGREEMENTS WITH THE PROMOTERS/ DIRECTORS AND SUBSIDIARY OF THE COMPANY:

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

"**RESOLVED THAT,** pursuant to the provisions of section 188 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby given for entering into land lease agreements with the promoters/directors and subsidiary of the company for taking land on lease basis and such period of terms and conditions as detailed in the lease agreements with the respective parties for an estimated contract value up to Rs.2.00 Crores per annum.

"RESOLVED FURTHER THAT, the Board of Directors (hereinafter referred to as "the Board" to alter and vary the terms and conditions of the said agreements as it may deem fit and as may be acceptable between the company with the promoters/directors and subsidiaries of the company, subject to the amount not exceeding the contract value specified above.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution."

NOTES:

1. The statement pursuant to Schedule IV and Section 102(1) of the Companies Act, 2013 in respect of the ordinary business and special business respectively, set out in the Notice is annexed hereto.

2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the meeting.**

   A person can act as a proxy on behalf of members not exceeding fifty holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 188 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7. The Register of Members and Share Transfer Books of the Company will remain closed from **17th September to 18th September 2014 (both days inclusive).**

8. The Board of Directors of the Company at their Meeting held on 29th May 2014 has recommended a dividend of Rs.2.40 per share on equity share of Rs.2/- each as final dividend for the financial year 2013-14. Dividend, if declared, at the Annual General Meeting, will be paid within 30 days from the date of declaration, to those members whose names appear on the Register of Members as on 16th September 2014.

9. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, additional information including brief profile of each of the Independent Directors has been given in a separate sheet forming part of this notice..

10. The annual report for the financial year 2013-14 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 2013-14, 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 you the financials and other communication via email.

12. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting are given as a separate attachment to this notice.

13. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.

14. 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.

15. 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.

16. 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..

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited.

18. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.

By Order of the Board
KAVERI SEED COMPANY LIMITED
Sd/-
G.V. BHASKAR RAO
MANAGING DIRECTOR

29.05.2014,
Secunderabad.

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

Item No. 4 & 5
Appointment of Independent Directors of the Company

Dr. Y.L.Nene and Mr. M. Srikanth Reddy, Independent Directors are retiring by rotation at the ensuing AGM under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Y.L.Nene and Mr. M. Srikanth Reddy being eligible, offer themselves for re-appointment.

Section 149 of the Companies Act, 2013 inter alia stipulates the criteria of independence, should a company propose to appoint an Independent Director on its Board. As per the said Section 149, an independent director can hold office for a term of up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors considered for retirement by rotation.

Hence, it is proposed that Dr. Y.L.Nene and Mr. M. Srikanth Reddy be appointed for a term of 5 (five) years respectively, not liable to retire by rotation.

The Company has received from each of Dr. Y.L.Nene and Mr. M. Srikanth Reddy (i) consent in writing to act as 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 Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Y.L.Nene and Mr. M. Srikanth Reddy fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement. Dr. Y.L.Nene and Mr. M. Srikanth Reddy are independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Dr. Y.L.Nene and Mr. M. Srikanth Reddy available for inspection, without any fee, by the members at the Company's registered office during the normal hours on working days up to the date of AGM.

Dr. Y.L.Nene and Mr. M. Srikanth Reddy are interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice with regard to their respective appointments.

The relatives of Dr. Y.L.Nene and Mr. M. Srikanth Reddy may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice, to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 4 & 5 of the Notice for approval of the members.

Item Nos. 7, 8,9 & 10
Appointment of Independent Directors of the Company

The Company had appointed each of Mr. P.Varaparasad Rao, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas and Mr. K. Purushotham as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement. In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. P.Varaparasad Rao, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas and Mr. K. Purushotham as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

NAME	NO. OF YEARS	TERM
Mr. P. Varaprasad Rao	5	Up to the conclusion of 32nd AGM
Dr. S. Raghuvardhan Reddy	5	Up to the conclusion of 32nd AGM
Dr. S.M. Ilyas	5	Up to the conclusion of 32nd AGM
Mr. K. Purushotham	5	Up to the conclusion of 32nd AGM

The Company has received from each of Mr. P.Varaparasad Rao, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas and Mr. K. Purushotham (i) consent in writing to act as 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 Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors for the office of Directors of the Company.

In the opinion of the Board, Mr. P.Varaparasad Rao, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas and Mr. K. Purushotham fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. P.Varaparasad Rao, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas and Mr. K. Purushotham is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Mr. P.Varaparasad Rao, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas and Mr. K. Purushotham are interested in the resolutions set out respectively at Item Nos. 7, 8, 9, & 10 of the Notice with regard to their respective appointments.

The relatives of Mr. P.Varaparasad Rao, Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas and Mr. K. Purushotham may be deemed to be interested in the resolutions set out respectively at Item Nos. 7, 8, 9 & 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 7, 8, 9 & 10 of the Notice for approval of the members.

A brief profile of the Independent Directors to be appointed is given below:

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

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

Sri P.Varaprasad Rao, is a Bachelor of Science and he has vast experience in forest contract works and he has managing partner of a SSI Unit. He has been exposed to various business transactions structuring and intricacies in business negotiation. He has experience in the field of banking and finance. He actively participates, guides and advises in the various policies and functions of the Company and actively participating in advising in secretarial and financial matters of the company. His contribution to the organization is invaluable.

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

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

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

Other details of the Independent Directors whose appointment is proposed at Item Nos.4,5 and 7,8,9 & 10 of the accompanying Notice, have been given in the annexure attached.

Item No.11
Variation in the appointment terms

Mr. R.Venu Manohar Rao, was, by way of a resolution passed at the 24th Annual General Meeting of the Company held on 27th September 2011, re-appointed as Whole-time Director of the Company with effect from 15th November 2011 for a period of 5 (five) years ending on 14th November 2016 and as per the terms of such appointment, was not liable to retire by rotation.

The provisions of the Companies Act, 2013 including provisions in relation to appointment of directors have been notified with effect from 1 April 2014. In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors of the Company shall liable to determination by retirement by rotation.

Since the provisions of Section 152(6) are not applicable to Independent Directors, to ensure compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Mr. R.Venu Manohar Rao be amended to provide that he shall be liable to retire by rotation at the Annual General Meeting of the Company as per the provisions of Section 152(6) of the Companies Act, 2013.

The other terms and conditions of his appointment including remuneration approved at the AGM held on 27th September 2011 shall remain unchanged.

Mr. R.Venu Manohar Rao is interested in the resolution set out respectively at Item No. 11 of the Notice with regard to his respective appointment.

The relatives of Mr. R.Venu Manohar Rao may be deemed to be interested in the resolution set out at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/his relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolution set forth in the Item No.11 of the Notice for approval of the members.

Item Nos.12, 13, 14, 15 & 16
Increase of Remuneration payable to MD & Whole time Directors

Mr. G.V.Bhaskar Rao is a Managing Director and Mrs. G.Vanaja Devi, Mr. R. Venu Manohar Rao, Mr. C.Vamsheedhar and Mr. C.Mithunchand, are the Whole time Directors of the Company for a period of five years with effect from 15th November 2011. The Board, upon the recommendations of the Remuneration Committee at its meeting held on 29th May 2014, recognizes the significant and invaluable contribution made by Mr. G.V.Bhaskar Rao, Mrs. G.Vanaja Devi, Mr. R. Venu Manohar Rao, Mr. C.Vamsheedhar and Mr. C.Mithunchand, in the present operations and increased performance of turnover and profit of the Company. Hence, the upward revision in the remuneration is commensurate with the responsibilities shouldered by them. Therefore, the Board proposes to increase their remuneration with effect from 1st April 2014 on such terms and conditions as set out in the proposed Resolution Numbers 12, 13, 14, 15 & 16.

Under the provisions of Sections 196, 197 and all other applicable provisions read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company is required for increase in remuneration payable to Mr. G.V.Bhaskar Rao, Mrs.. G.Vanaja Devi, Mr. R. Venu Manohar Rao, Mr. C.Vamsheedhar and Mr. C.Mithunchand, in modification of the resolutions passed by the members at their 24th Annual General Meeting held on 27th September 2011. The Board of Directors, is of the view that the remuneration package is commensurate with the operations of the Company.

No director, key managerial personnel or the relative, except Mr. G.V.Bhaskar Rao, Mrs. G.Vanaja Devi, Mr. R. Venu Manohar Rao, Mr. C.Vamsheedhar and Mr. C.Mithunchand, to whom the resolution relates, is interested or concerned in the resolution.

Accordingly, the Board recommends the resolutions set forth in Item No.12, 13, 14, 15 & 16 for the approval of members.

Item No.17
Approval of the Borrowing Limits of the Company

Pursuant to Section 180 of the Act, the Board of Directors of a company can borrow money subject to consent of the shareholders by a special resolution where the money to be borrowed, together with the money already borrowed by the company will not exceed the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business. The said provision of the Act is similar to the provisions of Section 293(1)(d) of the Companies Act 1956 (Old Act), except that the approval of the shareholders is through a special resolution instead of ordinary resolution specified under the Old Act. The shareholders of the Company, at the Extra Ordinary General Meeting held on 4th December 2006, had authorized the Board to borrow up to Rs.100 Crores. The Ministry of Corporate Affairs, vide their circular dated 25th March 2014 has clarified that the resolutions passed under the provisions of the Old Act will be valid till 12th September 2014.

In view of the above it is necessary for the Company to pass a Special Resolution under the provisions of Section 180(1)(c) to ensure continuous compliance pertaining to

borrowing of funds up to Rs.400 Crores, over and above the aggregate of the paid up share capital and free reserves of the Company, to meet the funds requirement of the Company from time to time.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, in these resolutions.

The Board commends the Special Resolution set out at Item No. 17 for approval by the shareholders.

Item No.18
Authorisation to Mortgage and Charge

As per the existing limits, the Board of Directors have powers to create charge on the movable and immovable assets of the company up to an amount of Rs. 100 Crores (Rupees One Hundred Crores only) in excess of the aggregate of the paid up capital and free reserves in favour of lending Financial Institution (s) / Bank (s) etc. To meet the future requirement of the company, the Board of Directors are required to borrow funds from time to time, for which mortgages / charges / hypothecations are to be created on the movable and immovable assets of the company and hence it is considered necessary to enhance the said limit up to Rs.400 Crores (Rupees Four Hundered Crores only) in excess of the aggregate of the Company's paid up capital and free reserves.

The Directors recommends the resolution for members' approval as a Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item Nos.19 & 20
Approval of Contracts

M/s. Aditya Agri Tech Private Limited and M/s. Genome Agritech Private Limited as wholly-owned subsidiaries of the company and a "Related Party" within the meaning of Section 2(76) of the Companies Act, 2013 and Clause 49-II(B)(2) of the Listing Agreement (effective October 1, 2014) and thus the transaction requires the approval of members by a special resolution under Section 188 of the Companies Act, 2013.

The particulars of the transaction pursuant to Para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. **Name of the Related Parties :** Aditya Agri Tech Private Limited and Genome Agritech Private Limited
2. **Name of the director or key managerial personnel who is related :** Mr. G.V.Bhaskar Rao & Mr. C.Vamsheedhar
3. **Nature of relationship:** M/s. Aditya Agri Tech Private Limited and M/s. Genome Agritech Private Limited as wholly-owned subsidiaries of Kaveri Seed Company Limited, Mr. G.V.Bhaskar Rao and Mr. C.Vamsheedhar are common board members.
4. **Material terms of the contract /arrangement/ transactions:** Sale of

   Hybrid Seeds on arm's length basis to both the subsidiaries of the company
5. **Monetary value:** Estimated contract amount up to Rs.100 Crores per annum of Aditya Agri Tech Pvt. Ltd., and Rs.50.00 Crores per annum of Genome Agritech Pvt. Ltd.,
6. Any other information relevant or important for the members to make a decision on the proposed transaction : None

The above said contracts/arrangements/transactions have been approved by the Audit Committee and Board of Directors for recommending the same to the unrelated shareholders of the company for their approval.

No Director, Key Managerial personnel or their relatives, except Mr. G.V.Bhaskar Rao & Mr. C.Vamsheedhar, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item Nos.19 & 20 for the approval of the members as a special resolution.

Item No.21
Approval the Related Party Transactions of land lease agreements

As required to produce seeds, the company has been availing lands on lease basis in the ordinary course of business. Accordingly, the company has entered land lease agreements with promoters/directors and subsidiary of the company and the lease fixed to the respective land owners on the prevailing market prices. In terms of Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement the related party transaction requires the approval of unrelated shareholders of the company by a special resolution.

The particulars of the transaction pursuant to Para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. **Name of the Related Parties :** Mr.G.V.Bhaskar Rao, Mrs.G.Vanaja Devi, Dr.G.Pawan, Mrs.G.Madhshree, Mr.R.Venumanohar Rao, Mr.C. Vamsheedhar Mr.G.V.Bhaskar Rao HUF, M/s. Kaveri Infra and M/s. Kexveg India Pvt. Ltd.,

2. **Name of the director or key managerial personnel who is related :** Mr. G.V.Bhaskar Rao, Mrs.G.Vanaja Devi, Dr. G.Pawan, Mr. R.Venumanohar rao and Mr.C.Vamsheedhar

3. **Nature of relationship :** Mr.G.V. Bhaskar Rao, Mrs.G.Vanaja Devi, Dr.G.Pawan, Mr.R.Venumanohar Rao and Mr.C. Vamsheedhar are the common board members of Kaveri Seed Company Ltd.,M/s. Kaveri Infra, which is a partnership firm of Mr. G.V.Bhaskar Rao and M/s.Kexveg India Pvt. Ltd as a 100% wholly owned subsidiary of the company,

4. **Material terms of the contract /arrangement/ transactions:** The Company has entered land lease agreements with the related parties and such period and other terms as mentioned in the respective agreements.

5. **Monetary value :** Estimated the total land lease amount up to Rs.2.00 Crores per annum to be paid.

6. Any other information relevant or important for the members to make a decision on the proposed transaction : None

   The above said contracts/arrangements/transactions have been approved by the Audit Committee and Board of Directors for recommending the same to the unrelated shareholders of the company for their approval.

   No Director, Key Managerial personnel or their relatives, except Mr. G.V.Bhaskar Rao, Mrs.G.Vanaja Devi, Dr.G.Pawan, Mrs.G.Madhshree, Mr.R.Venumanohar Rao and Mr.C. Vamsheedhar, to whom the resolution relates, is interested or concerned in the resolution.

   The Board recommends the resolution set forth in Item Nos.21 for the approval of the members as a special resolution.

By Order of the Board
KAVERI SEED COMPANY LIMITED
Sd/-
G.V. BHASKAR RAO
MANAGING DIRECTOR

29.05.2014,
Secunderabad.

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 27th Annual General Meeting to be held on 18th September 2014. 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
140816019	**13.09.2014**	**15.09.2014**

These details and instructions form an integral part of the notice for the Annual General Meeting to be held on 18th September 2014.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins from **10.00 AM on Saturday the 13th day of September 2014 and ends at 5.00 PM on Monday the 15th d day of September 2014.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) 15th August 2014,** 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.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com 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 13th September 2014 (10.00 AM) and ends on 15th September 2014 (5.00PM). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th August 2014, 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 (15 August 2014) they not casting their vote electronically, may only cast their vote at the Annual General Meeting.

c. Mr. L.Dhanamjai Reddy, Practicing Company Secretary, Hyderabad (Membership No.13104), has been appointed as the Scrutinizer to scrutinize the E-Voting process in a fair and transparent manner.

d. The Scrutinizer shall, within a period of not exceeding three days from the conclusion of the E-Voting period, unlock the votes in the presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

e. The voting rights of the shareholders shall be in proportion to the shares held by them, of the paid-up equity share capital of the company as on the cut-off date of 15 August 2014

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 27th Annual General Meeting of the Company on 18 September 2014 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 availablefor inspection at the Registered Offi ce of the Company during business hours on all working days up to the date of declaration of the results of the 27th Annual General Meeting of the Company.

By Order of the Board
KAVERI SEED COMPANY LIMITED
Sd/-
G.V. BHASKAR RAO
MANAGING DIRECTOR

29.05.2014,
Secunderabad.

Additional information on Independent Directors recommended appointment as required under clause 49 of the Listing Agreement

Particulars	Dr. Y.L. Nene	Mr. M. Srikanth Reddy	Mr. P. Varaprasad Rao	Dr. S. Raghuvardhan Reddy	Dr.S.M. Ilyas	Mr. K. Purushotham
Date of Birth	24.11.1936	21.06.1951	15.12.1948	09.03.1947	25.07.1947	05.07.1946
Date of Appointment	18.01.2007	18.01.2007	31.01.2008	21.10.2010	16.05.2011	14.02.2013
Qualifications	Ph.D in Agriculture	B.Sc., Agriculture	B.Sc.,	Ph.D - Agriculture	M.Sc., Agriculture	B.Sc., Agriculture
Expertise in specific functional areas	Wide experience in Agriculture Industry and R&D activities	Vast experience in Agriculture Industry, business fields, finance and general management.	Vast experience in Agriculture, business fields and general management	Vast experience in Agricuture and Research activities	Vast experience in Agricultural & Research activities and other International assignements.	Wide experience in Banking and Financial markets
Directorships held in other companies	Nil	Ganga Kaveri Seeds Pvt Ltd., Ganga Kaveri Industries Pvt Ltd., Ganga Kaveri Health Care Pvt Ltd., Ganga Kaveri Infrastructure India Pvt Ltd., Vijay Textiles Ltd., Shravani Agri Farms Pvt Ltd., Akshara Agri Farms Pvt Ltd., Spriha Bio-sciences Pvt Ltd.,	Nil	Prathista Industries Limited	Nil	Rithwik Projects Limited, Puri Gramya Bank
Memberships/ Chairmanships of committees of other companies	Nil	Audit Committee Member in Vijaya Textiles Ltd.,	Nil	Nil	Nil	Nil
Number of shares held in the company	Nil	Nil	Nil	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report of the Company together with the Audited Accounts for the financial Year ended 31st March 2014.

FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2013-14	2012-13
Gross Turnover	100241.39	71083.58
Profit before Depreciation, Interest and Taxes.	22989.87	14576.69
Depreciation/Amortization	1437.03	1060.39
Interest	15.95	150.71
Profit before Tax	21536.89	13365.59
Provision for Tax/Deferred Tax	480.65	378.47
Net Profit	21056.23	12987.12
Balance brought forward from Previous Year	21784.64	12353.99
Balance available for appropriation	42840.88	25341.11
Appropriations:		
Proposed Dividend including Tax	3869.05	2556.47
Transfer to General Reserve	1000.00	1000.00
Balance carried to Balance Sheet	37971.83	21784.64

REVIEW OF OPERATIONS

During the year your Company's business has significantly improved in all aspects – revenues, operating income, profit before tax, and profit after tax, earnings per share. The consolidated revenue from operation was higher over the previous year by 42.38% at Rs.1020.85 Crores in the year under review as against Rs.716.97 Crores in the previous year. Consolidated net Profit is Rs.209.16 Crores was higher by 63.15% over Rs.128.07 Crores of the previous year. It is a new all time high for your Company translating to EPS of Rs.30.40 as compared to Rs.18.69 of last year.

FUTURE OUTLOOK

With the area under agriculture cultivation coming down across the world the focus is on producing more from limited land and resources. This is imperative to feed the ever increasing population in the globe. Despite growth in food production, hunger in it various forms are still prevalent in the world – a complex challenge the world is trying to overcome.

By 2050, the world requirement for food will double, driven by anticipated population of more than 9 billion and a demand for improved diets, particularly in developing countries like India. Farming community is in general under great stress to produce more from less. There is a need to increase productivity in a more accelerated way in order to ensure food and nutritional security to a growing population that is on the path of societal ascendency. Farms need to produce more year by year to provide food, feed and fiber to meet the demands of the population Anticipated and experiencing climate changes, dwindling natural resources and biodiversity pose additional challenges to improve farm productivity at required pace.

At Kaveri our relentless focus has been developing high quality seeds. Contribution of quality seeds to the total production is estimated to be 15-20% depending upon the crop. Our vision to be a benchmark seed company and our focus on research have enabled us to be one of the fastest growing seed company in India. In the long run, organised players and seed companies with a strong R&D and diversified portfolio of products will reap the benefit.

DIVIDEND:

Your Directors have proposed a final dividend of 120% i.e., Rs.2.40 per equity share and together with the interim dividend of 120% i.e. Rs.2.40 per equity share, the total dividend for the financial year 2013-14 comes to 240% i.e. Rs.4.80 per share on the equity shares of Rs.2/- each against 160% i.e. Rs.3.20 per share paid in the previous year.

The Dividend, if approved at the ensuing 27th Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on 16th September 2014. The Dividend would be tax-free in the hands of the shareholders.

SUBDIVISION OF EQUITY SHARES

During the year under review, your Company's Equity Share has subdivided bearing the face value of Rs.10/- each into 5 (five) Equity Shares of the face value of Rs.2/- (Rupees Two) each into fully paid up Equity Shares. Consequent to stock split, your company's paid up capital of 6,87,42,205 Equity Shares of Rs.2/- each.

SHARE CAPITAL

During the year, the paid-up share capital of your Company has been increased by Rs.13,74,84,410/- due to the allotment of 2,31,285 equity shares of Rs.2/- each on exercise of stock options by the eligible employees under Employees Stock Option Scheme 2010.

SUBSIDIARIES COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The company had 2 subsidiaries on 31st March 2014. There has been no material change in the nature of the business of the subsidiaries.

As required under the Listing Agreements entered into with the Stock Exchanges, consolidated financial statements of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 211(3C) of the Companies Act, 1956. The consolidated financial statements disclose the assets, liabilities, income, expenses and other details of the company and its subsidiaries.

Pursuant to the provisions of section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2014 is included in the annual report. The annual accounts of these subsidiaries and the related information will be made available to any member of the company/its subsidiaries seeking such information and are available for inspection by any member of the Company/its subsidiaries at the registered office of the company. The annual accounts of the said subsidiaries will also be available for inspection at the registered offices of the respective subsidiary companies.

ACQUISITION:

Genome Agritech Private Limited

During the year your company has acquired 51% stake in Genome Agritech Private Limited. The total cash-flow for the acquisition was Rs.30,29,400/- . The Genome Agritech has a good research facility at Kantheru Village, Tadikonda Mandal, Guntur District and having an elite germplasm lines used in breeding program. Your company is on the same line of business had shown interest in the said proposal to invest/contribute towards the further issue of equity up to 51% of total post allotment paid up capital of Genome Agritech Pvt. Ltd. The acquisition was made by way of subscribing to invest 91,800 equity shares of Rs.10/- each at a premium of Rs.23/- per share in Genome Agritech Pvt. Ltd.,

Kaveri Microteck Private Limited

As you are aware, at present your Company is carrying on business in two segments ie., Seed Division and Microteck Division, The Microteck division is producing Micronutrient mixtures, Organic Products and Bio-Pesticides. Out of the total turnover of the Company less than 5% is from the Microteck Division and the nature of business activity is also different from Seed Division.

As a part of restructuring of operations for strengthening and enhancing the scope of the business of Microteck Division and to focus more attention on the said division, your Company was obtained members approval for transfer/dispose of the said Microteck Division to M/s. Kaveri Microteck Private Limited, which is a 100% Subsidiary of the Company, together with all its assets & liabilities, licenses, brands, permits, consents and approvals whatsoever as on 31st March 2013, for such consideration at Book Value of Rs.14,52,63,600/- as per the Audited Balance Sheet and to receive the said consideration by way of allotment of 1,45,26,360 Equity Shares of Rs.10/- each at par value to Kaveri Seed Company Limited by the above said 100% Subsidiary Company ie., M/s. Kaveri Microteck Private Limited.

With effect from 1st April 2014 the Microteck Division shall start their operations separately in Kaveri Microteck Private Limited, which is 100% subsidiary of Kaveri Seed Company Ltd.,

DIRECTORS:

Sub-section (10) of Section 149 of the Companies Act, 2013 (effective 1 April 2014) provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company. Sub-section (11) of the same section states that no Independent Director shall be eligible for more than two consecutive terms of up to five years each. In addition, sub-section 13 of Section 149 states that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Act, shall not apply to such Independent Directors.

The new Clause 49 notified by the SEBI on April 17, 2014, most of which comes into effect from 1 October 2014, states in sub-clause II (B)(2) that any Independent Director "who has already served five years or more in a listed company as on 1 October 2014, shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

The appointment of Non-Executive Directors — whose sub-set comprise Independent Directors — under the Companies Act, 1956 was a defacto term of three years because one third of such fiduciaries were eligible for retirement by rotation.

Therefore, it stands to reason that those Independent Directors who would complete their present three-year term at the ensuing AGM of the Company in September 2014, and are eligible for re-appointment, may be considered by the shareholders for re-appointment for a term of up to five years. Therefore, the Board recommends reappointing the retiring Directors, Dr. Y.L.Nene and Mr. M. Srikanth Reddy for an additional period of five years each, respectively.

Further, the Board also recommends the appointment of Mr. P.Varaprasad Rao, Dr. S. Raghuvardhan Reddy,

Dr. S.M.Ilyas and Mr. K.Purushotham as Independent Directors under the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, not liable to retire by rotation and to hold office for the period as stated in their respective resolutions and the explanatory statement forming part of the Notice of the AGM.

The brief profile of all the Independent Directors is given in the accompanying notice of the annual report for reference of the shareholders.

Further, pursuant to the provisions of Section 152 of the Companies Act, 2013 (effective 1 April 2014), one-third of the retiring Board members (other than Independent Directors), shall retire every year and if eligible, can be re-appointed, by the shareholders at their meeting. Hence, approval of shareholders is also being sought for variation in terms of appointment of Mr. R.Venumanohar Rao, Whole time Director for making his office liable to retire by rotation. All other terms and conditions of his appointment shall remain unchanged.

The respective resolutions to the above referred matters are included in the notice convening the 27th Annual General Meeting scheduled on 18th September 2014.

STATUTORY AUDITORS

The statutory auditors of the Company, M/s. P.R.Reddy & Co. Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of the statutory auditors, if re-appointed.

Section 139(2) of the Companies Act, 2013 (effective 1 April 2014), mandates that a listed company or such other prescribed classes of companies shall not appoint or reappoint an audit firm as Statutory Auditors for more than two terms of five consecutive years each.

Further, the companies as aforesaid, whose Statutory Auditors has held office for a period of ten years or more are required to comply with these provisions, within three years from the date of commencement of these provisions i.e. 1 April 2014. For this purpose, the term of the audit firm before the commencement of these provisions shall be taken into account for calculating the period of ten consecutive years. Our auditors, M/s. P.R.Reddy & Co. Chartered Accountants, are holding the office as Statutory Auditors since inception. Hence, they can only be re-appointed in transitional period up to three years, i.e. up to FY2017 (subject to ratification by the members at every subsequent AGM).

The Audit Committee and the Board of Directors recommend the re-appointment of M/s. P.R.Reddy & Co. Chartered Accountants as statutory auditors of the Company up to FY2017, for shareholders' approval.

FIXED DEPOSITS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and of profit of the Company for that period;

We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

We have prepared the annual accounts on an on-going concern basis

PARTICULARS OF EMPLOYEES:

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee to monitor the CSR activities of the Company in terms of the provisions of the Companies Act, 2013.

EMPLOYEE STOCK OPTION SCHEME:

Pursuant to the Employee Stock Option Scheme, 6,85,000

options were granted by the company to the eligible Employees of the Company at a price of Rs.34/- per option, being below the market price. Each option entitles the holder thereof to apply for and be allotted an ordinary share of the Company of the nominal value of Rs.2/- each, upon payment of the exercise price during the exercise period. Some of the employees are exercised their options and 2,31,285 equity shares of Rs.2/- each were allotted during the year. Details of the options up to 31st March 2014 are set out in the annexure to this Report, as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

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

HUMAN RESOURCES

Your Company is well known for its execution capabilities, marketing and manufacturing strengths, product quality, and ability to keep to its commitment and deliver for its customers. Over the year, organisational strengths have enabled your company to grow faster than the industry average in each of the year. The momentum continued during the year under review with a new high in volume sold, highest over revenues and profit after tax. Your company has been well served by all the employees.

SAFETY, HEALTH AND ENVIRONMENT

Company's focus on Safety, Health and Environment continued during the year under review across all locations with all seed processing plants maintaining high safety standards. Company has put in place robust processes and performance indicators to track its Safety, Health and Environment performance. Your Company maintained high standards of environmental performances with all facilities operating well within norms.

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

	Sd/-	Sd/-
Secunderabad,	**G.V. Bhaskar Rao**	**G. Vanaja Devi**
29th May 2014	*Managing Director*	*Whole time Director*

Annexure – I to the Directors' Report

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

FORM - A

CONSERVATION OF ENERGY	2013-14	2012-13
Power and Fuel Consumption		
Electricity purchased		
Units (Nos.)	3098731	3156397
Total Amount (Rs. In Lakhs)	302.60	272.50
Unit Rate (Rs.)	9.77	8.63
Own Generation:		
Through Diesel Generator		
No.of Units in Litres	393429	414987
Units per litre of Diesel	3	3
Oil cost per Unit (Rs.)	18.88	16.30
Others (Gas)		
Through Gas Dryer		
Quantity in Kgs.of Gas	475687	465533
Amount (Rs. Cost per Kg)	88.51	76.35
Consumption per unit of production		
Electricity, Diesel, Gas	Since the Company produced different types of seeds and micro nutrients, it is not practicable to give consumption per unit of production.	

FORM - B

TECHNOLOGY ABSORPTION

Research and Development

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

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

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

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

Future Plan of Action:

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

Expenditure on Research and Development:

Rs. In Lakhs

CONSERVATION OF ENERGY	2013-14	2012-13
Capital	544.14	128.14
Recurring	885.04	866.87
	1429.20	995.01
Total R&D expenditure as percentage of total turnover.	1.43%	1.40%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

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

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

Particulars of Imported Technology: Nil

Foreign Exchange Earning & Outgo:

a) Earnings : Rs.390.97 Lakhs

b) Out go : Rs.484.19 Lakhs

For and on behalf of the Board

Sd/-
G.V. Bhaskar Rao
Managing Director

Sd/-
G. Vanaja Devi
Whole time Director

Secunderabad,
29th May 2014

Annexure II – to the Directors' Report

Details of Stock Options granted under Kaveri Seed Company Limited (ESOP-2008-09) as on 31.03.2014.

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

DESCRIPTION	ESOP 2013-14	
Number of Options available under the Scheme	6,85,000	
Total Number of Options granted	6,85,000	
Options granted during the year	Nil	
Pricing formula	Intrinsic Value	
Options vested during FY 2013-14	138750	
Options exercised during FY 2013-14	153990	
The total number of shares arising as a result of exercise of options	153990	
Options lapsed during FY 2013-14 which are subject to reissue	Nil	
Variation of terms of options	Not Applicable	
Money realized by exercise of options	52,35,660	
Grant Price (Face value of Rs.2/- each)	Rs. 34/-	
During the year re-issued the lapsed options	1,30.000	
Total Number of options in force as on March 31, 2014(cumulative)	2,99,725	
Grant details of members of senior management team during the year 2013-14	Nil	
Number of other employees who receives a grant in any one year options amounting to 5% or more of options granted during that year	Nil	
Number of employees who are granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	
Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20		
i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of the stock options.	
ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options (in case the company has calculated the compensation cost using the intrinsic value of the Stock Options).	(3626914 - 1836135) = 17,90,779	
iii) The impact of this difference on profit and earnings per share of the company	PAT	Rs. 2,091,694,740
	Less: (difference as above)	Rs. 17,90,779
	Adjusted PAT	Rs. 2,089,903,961
	Adjusted EPS	Rs. 30.33

iv) Weighted average exercise price fair value of stock options granted	Not Applicable
Stock Options granted on	28.01.2010
Weighted Average Exercise Price	Not Applicable
Weighted Average Net Fair Value (Fair Value-Grant Price)	=(49.65 -34) = Rs.15.65
Market price at NSE on the date of Grant (Rs.)	Rs. 49.65
v) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information	The Black-Scholes options-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since, options-pricing models require use of substantive assumptions; changes therein can materially affect the fair value of options. The options-pricing models do not necessarily provide a reliable measure of the fair value of options.
vi) the main assumptions used in the Black- Scholes option-pricing model during the year were as follows:	
Risk –free interest rate (%)	8%
Expected Life of options from the date(s) of grant (Years)	6
Expected volatility (%)	0.30%
Expected Dividend	Rs. 4.80/- per share

For and on behalf of the Board

Sd/-
G.V. Bhaskar Rao
Managing Director

Sd/-
G. Vanaja Devi
Whole time Director

Secunderabad,
29th May 2014

REPORT ON CORPORATE GOVERNANCE

A. Value of Corporate Governance:

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

The Company believes that Corporate Governance is about best practices of business to be imbibed in to the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

The Company is committed to optimizing long term value for its stakeholders with a strong emphasis on the transparency of its operations and instilling pride of association. The Company follows the best practices of Corporate Governance and reporting systems in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

B. Board of Directors

As of the date of the Report, the Board of Kaveri Seed had twelve Directors, comprising five Executive Directors, including the Chairman, one women director and one non-executive non independent Director and Six are the Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges defined under Listing Agreement with the Stock Exchanges. None of the Non-Executive Independent Directors are responsible for the day to day affairs of the Company.

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

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below:

Composition of Board, their positions, relationship with other Directors, other Directorships and memberships of Committees held by each of them as on 31st March 2014:

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on 24.09.2013	Number of Directorships in other public companies	Number of committee positions held in other public companies	
					Chairman	Member
Sri G.V.Bhaskar Rao*	Chairman cum Managing Director	4	Yes	2	1	1
Smt. G.Vanaja Devi*	Executive Director	4	No	1	-	-
Sri R.Venu Manohar Rao*	Executive Director	2	Yes	1	-	2
Sri C.Vamsheedhar*	Executive Director	3	No	1	3	-
Sri C.Mithun Chand*	Executive Director	4	Yes	1	3	-
Dr. G.Pawan*	Non-Executive – Non Independent Director	-	No	1	-	-
Sri M.Srikanth Reddy	Non-Executive Independent Director	3	Yes	1	2	2

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

Note:

1) Other directorships are exclusive of Indian Private Limited companies and foreign companies.

2) Membership/Chairmanship in Audit and Shareholders' Grievance Committees of all public limited companies, where listed or not, including Kaveri Seed Company Limited are considered, Foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956 have been excluded.

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

C. Board Committees:

i) Meetings of the Board :

The Company plans and prepares the schedule of the Board and Board Committee meetings a year in advance to assist the Directors in scheduling their program. The schedule of meetings and agenda for the meeting is finalized in consultation with Director/s of the Company. The agenda of the meeting is pre-circulated with the detailed notes, supporting documents, the Board of Directors must meet at least four time a year, with a maximum time gap of four months between two Board meetings. The Company's Board met four times during the financial year under review on 23rd May 2013, 13th August 2013, 14th November 2013 and 4th February 2014. The Company held one Board meeting in each quarter as required under the Companies Act, 2013.

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

Date	Board Strength	No. of Directors Present
23.05.2013	12	8
13.08.2013	12	10
14.11.2013	12	7
04.02.2014	12	10

ii) Information given to the Board:

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

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

- Materially important show cause, demand, prosecution and penalty notices
- Fatal or serious accidents or dangerous occurrences;
- Significant development in the human resources and industrial relations fronts.

iii) Audit Committee:

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

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

iv) Role of Audit Committee:

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

Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.

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

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

Reviewing the Company's financial and risk management policies.

Disclosure of contingent liabilities

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

Reviewing the adequacy of internal audit function;

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

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

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

v) Composition and other details of Audit Committee

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

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

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

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

The Company Secretary is the Secretary to the Committee.

During the year under report the Audit Committee has met four time on 23rd May 2013, 13th August 2013, 14th November 2013 and 4th February 2014.

The attendance at the audit Committee meetings during the financial year 2013-14 is as under:

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

Mr. K. Purushotham was inducted as a member of the Committee with effect from 23.05.2013

vi) Remuneration Committee/Compensation Committee:

i) The Company has constituted a Remuneration Committee of Directors.

ii) The broad terms of reference of the Remuneration Committee are as under:

a) To approve the Annual Remuneration Plan of the Company.

b) To recommend the remuneration, commission, incentive and compensation package and other terms and conditions of Managing Director and Executive Directors of the company. To grant, issue and allot Stock Options to eligible Employees and administers the Employee Stock Option Scheme from time to time.

c) Such other matters as the Board may from to time to time request the Remuneration Committee to examine and recommend/approve.

iii) The composition of the Compensation/Remuneration Committee comprises of three Non-Executive Independent Directors and two Executive Directors.

The Chairman of the Committee is a Non-Executive Independent Director.

During the year, the Compensation Committee met two times

Member	No.of Meetings	Attendance
Mr. P. Varaprasad Rao	2	2
Mr. M. Srikanth Reddy	2	2
Mr. K. Purushotham	2	1
Mr. R. Venu Manohar Rao	2	2
Mr. C. Vamsheedhar	2	2

Mr. K. Purushotham was inducted as a member of the Committee with effect from 23.05.2013

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

a. Executive Directors:

(Amount in ₹)

Name of the Director	Salary per annum (₹)	Contribution to PF & Gratuity (₹)	Commission	Total (₹)
Shri G.V.Bhaskar Rao	12420000	144000	20000000	32564000
Smt. G.Vanaja Devi	7680000	144000	20000000	27824000
Shri R.Venumanohar Rao	5280000	371304	-	5651304
Shri C.Vamsheedar	3180000	276120	-	3456120
Shri C.Mithun Chand	3054000	266592	-	3320592
TOTAL	**31614000**	**1202016**	**40000000**	**72816016**

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

b. Non-Executive Independent Directors:

(Amount in ₹)

Name	Designation	Sitting Fee
Sri M.Srikanth Reddy	Non-Executive Independent Director	30,000/-
Dr. Yeshwant Laxman Nene	Non-Executive Independent Director	20,000/-
Sri P.Vara Prasad Rao	Non-Executive Independent Director	20,000/-
Dr. S.Raghuvardhan Reddy	Non-Executive Independent Director	40,000/-
Dr. S.M.Ilyas	Non-Executive Independent Director	50,000/-
Sri K. Purushotham	Non-Executive Independent Director	40,000/-

viii) Details of shares of the Company held by the Directors as on March 31, 2014 are as below:

Name	No. of Shares
Sri G.V.Bhaskar Rao	6031990
Sri G.V.Bhaskar Rao – HUF	11240645
Smt. G.Vanaja Devi	11113000
Sri R.Venu Manohar Rao	2422910
Sri C.Vamsheedhar	1373255
Sri C.Mithun Chand	1594895
Dr. G.Pawan	2509000

ix) Shareholders/Investors Grievance Committee:

The main functions of the 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:

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

Mr. K. Purushotham was inducted as a member of the Committee with effect from 23.05.2013

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 3 grievances from the investors and the same were resolved. As on 31st March 2014 there were no investor grievances pending and no transfers were pending for approval.

x. Borrowing Committee of Board of Directors

The Company has Borrowing Committee of Board of Directors, which is a non-mandatory requirement as per the Listing Agreement. The Committee authorizes and approves Borrowings and opening/authorization and modification of current accounts of the Company. The Committee comprises entirely Executive Directors viz., Mr. G.V.Bhaskar Rao (Chairman) Mr. C.Vamsheedhar and Mr. C.Mithunchand, Members of the Committee. The Committee met six times during the period under review. The minutes of the Borrowing Committee have been noticed to the Board on quarterly basis for confirmation by the Board..

xi. Technical Committee of Board of Directors

The Company has constituted Technical Committee of Board of Directors, which is a non-mandatory requirement as per the Listing Agreement. The Committee comprises entirely Non-Executive Independent Directors viz., Dr. Y.L.Nene, Dr. S.Raghuvardhan Reddy and Dr. S.M.Ilyas, each member of the Committee has the relevant experience in the field of Science & Technology. The Committee of members mainly advises to implementation of new plans of R&D activities and improving the process etc., to optimize and utilization of all the resources of the company.

xii. Corporate Social Responsibility Committee:

In terms of Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee to monitor the CSR activities of the Company in terms of the provisions of the Companies Act, 2013.

D. General Body Meetings:

Details of the last three AGMs are given as follows:

Year	Date of Meeting	Time of Meeting	Venue of Meeting	No. of Special Resolutions passed
Annual General Meeting 2010-11	September 27, 2011	11.15 AM	Surana Udyog Hall. The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004., A.p.	7
Annual General Meeting 2011-12	September 25, 2012	11.15 AM	Surana Udyog Hall. The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004., A.P	--
Annual General Meeting 2012-13	September 24, 2013	11.15 AM	Surana Udyog Hall. The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004., A.P	1

E. Disclosures:

i. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-14.

ii. Postal Ballot:

During the year ended 31st March 2014, the company has conducted postal ballots in two times, the details are given below:

a) Proposed an Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956, for Sale/Transfer of Microteck Division of the Company to Kaveri Microteck Private Limited, which is a 100% Wholly Owned Subsidiary of the Company. The notice under section 192A dated 23rd May 2013 and postal ballot papers were sent to the members of the company. The Postal Ballot results were declared on 26th July 2013 and the resolution was passed with requisite majority.

b) Proposed an Ordinary Resolution under section 94 and other applicable provisions, if any, of the Companies Act, 1956 and Article 9 and other enabling provisions of the Articles of Association of the Company for sub-division of the Company's equity share of Rs.10/- each into 5 equity shares of Rs.2/- each fully paid-up, with effect from the Record Date, consequently the amendment was made in the capital clause of memorandum and articles of association of the company. The notice under section 192A and postal ballot papers were sent to the members of the company. The Postal Ballot results were declared on 9th day January 2014 and the resolution was passed with requisite majority.

iii) CEO and CFO Certification

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

iv) Compliance Certificate of the Auditors:

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

v) 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.

vi) Code of Conduct

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

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

vii) Risk Management

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

viii) Reconciliation of Share Capital Audit

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

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

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

x) Subsidiary Companies:

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

F) Means of Communication:

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

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

The Company also filed information through NEAPS and BSE Listing Centre – a web based application provided by NSE & BSE which facilitates online filing of Financial Results, 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

G) GENERAL SHAREHOLDERS INFORMATION:

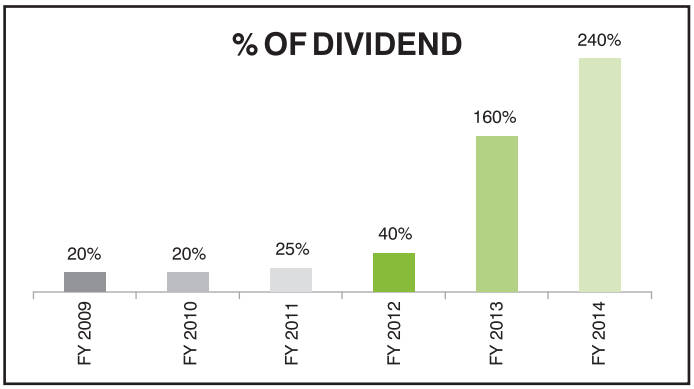
i.	**27th Annual General Meeting** - Date and Time - Venue	18th September 2014 at 11.15 AM Surana Udyog Hall, The Federation of Andhra Pradesh, Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, A.P.,
ii.	**Quarterly Results:** Financial Year of the Company : Financial calendar (tentative and subject to change) of the financial year 2014-15	April to March
	1st Quarter 2nd Quarter 3rd Quarter 4th Quarter	14th August 2014 14th November 2014 14th February 2015 30th May 2015 (Audited)
iii.	**Date of Book Closure**	17th September to 18th September 2014
iv..	**Payment of Dividend**	The Board approved interim dividend of 120% ie., Rs.2.40 per share of face value of Rs.2/- each at its meeting held on 4th February 2014 for the financial year 2013-14, which was paid to the eligible shareholders on 5th March 2014. Subject to the approval members, the Final Dividend of 120% ie., Rs.2.40 per share, if declared, will be paid within 30 days from the date of the Annual General Meeting to the eligible shareholders.
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 2014-2015
vii.	**Stock Code:** Bombay Stock Exchange Limited National Stock Exchange of India Ltd	 532899 KSCL
viii.	**Dematerialization of shares and liquidity**	The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.96% of the Company's share capital are dematerialized as on 31st March 2014. 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
ix.	**Outstanding GDRs/ADRs/Warrants or any Convertible instruments**	The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on 31st March 2014.
x.	**Plant Locations**	**a) Kandlakoi Plant** Plot No.140/A/1, Kandlakoya Village, Medchal Mandal Ranga Reddy District, A.P. **b) Gundlapochampally Plant** Sy.No.28 Part, Gundlapochampally village, Medchal Mandal Ranga Reddy District, A.P. **c) Gatlanarsingapur Plant - 1** Door No.104, Gatlanarsingapur Post, Bheemadevarapally Mandal Karimnagar District, A.P. **d) Gatlanarsingapur Plant - 2** Door No.6-96/2, Gatlanarsingapur Post, Bheemadevarapally Mandal Karimnagar District, A.P. **e) Eluru Plant** Sy.No. 853, Koppaka village, Pedavegi Mandal, West Godavari Distirct, Andhra Pradesh **f) Bellary Plant & Godown** D.No.340, NH – 63, Main Road, K.B.Halli – 583 103 Bellary District, Karnataka State **g) Pamulparthy Plant** Sy.No.703, Part, 704 Part, 712 Part 713 to 719, Pamulaparthy Village, Wargal Mandal, Medak District
xi.	**Registered Office & CIN of the company**	Kaveri Seed Company Limited CIN: L01120AP1986PLC006728 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Andhra Pradesh. Tel.Nos.+91 40-27721457/27842398 Fax No.+91 40-27811237 Email: cs@kaveriseeds.in Website: www.kaveriseeds.in

xii.	**Name & Designation of Compliance Officer**	Mr.V.R.S.Murti, Company Secretary 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Andhra Pradesh, Tel.Nos. +91 40-27721457/27842398 Fax No. +91 40-27811237 Email: cs@kaveriseeds.in Website : www.kaveriseeds.in
xiii.	**Registrar and Share Transfer Agents/ Address for Correspondence**	Bigshare Services Pvt. Ltd., 306, 3rd Floor, Right Wing, Amrutha Ville,Opp.Yashodha Hospital Somajiguda, Rajbhavan Road, Hyderabad – 500 082. Tel.Nos. + 91- 40– 40144967/ 23374967 Fax No. + 91-40 - 23370295 E-mail: bsshyd@bigshareonline.com

xiv. Dividend History:

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

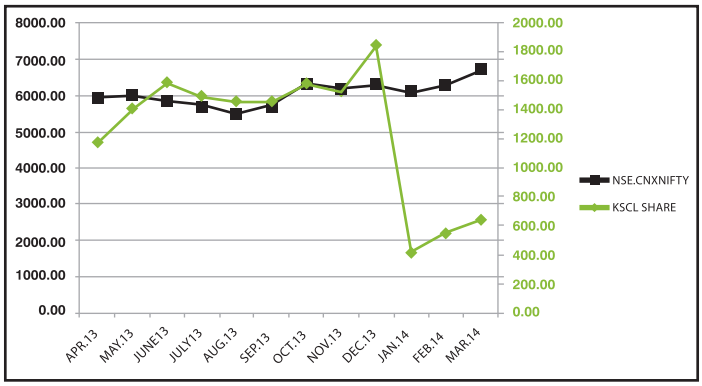


xv. Monthly High & Low quotations and volume of shares traded on NSE & BSE during the year:

	National Stock Exchange				Bombay Stock Exchange			
Month	**High**	**Low**	**Close**	**Volume**	**High**	**Low**	**Close**	**Volume**
Apr-13	1319	1166	1174	330631	1305	1167	1172	34192
May-13	1435	1152	1406	343738	1434	1155	1405	42364
Jun-13	1544	1260	15875	348710	1621	1420	1581	93624
Jul-13	1680	1450	1488	380284	1684	1460	1499	69463
Aug-13	1721	1406	1454	423620	1720	1407	1455	68389
Sep-13	1601	1410	1456	241619	1596	1415	1457	25727
Oct-13	1650	1414	1590	511840	1625	1401	1595	83219
Nov-13	1633	1470	1530	335525	1668	1512	1523	22684
Dec-13	1869	1485	1842	495537	1859	1481	1843	43619
Jan-14	2070	389	418	768734	2105	390	418	121391
Feb-14	558	421	548	3673726	559	429	550	768064
Mar-14	648	523	639	2993125	647	525	639	564453

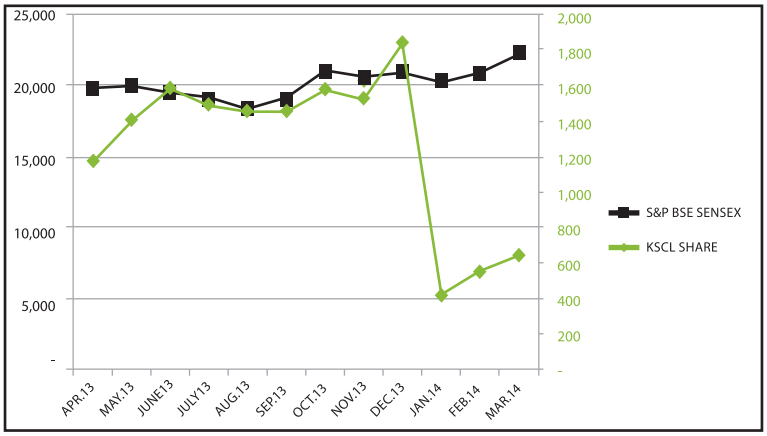
Note: The Company's equity share has been split from Rs.10/- each into 5 (five) equity shares of the face value of Rs.2/- each fully paid up equity shares with effect from 28th January 2014

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



Note: The Company's equity share has been split from Rs.10/- each into 5 (five) equity shares of the face value of Rs.2/- each fully paid up equity shares with effect from 28th January 2014

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



Note: The Company's equity share has been split from Rs.10/- each into 5 (five) equity shares of the face value of Rs.2/- each fully paid up equity shares with effect from 28th January 2014

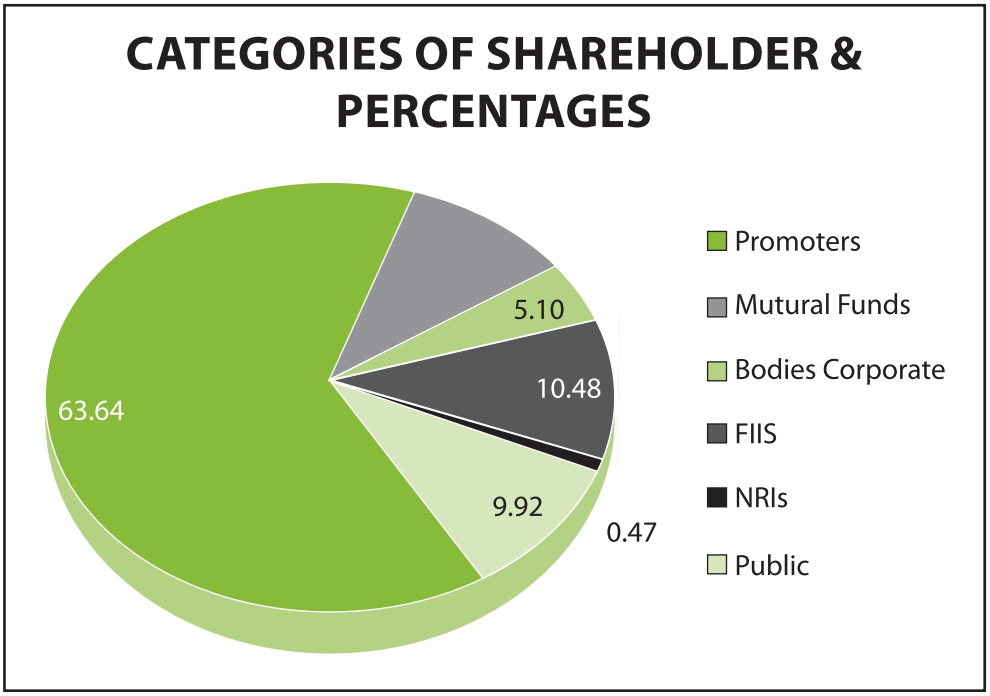
xvi. Distribution Schedule & Shareholding Pattern as on 31st March 2014

Category of Shares	No. of Shareholders	No. of Shares	% of total capital
1 - 500	6146	714484	1.03
501 - 1000	572	442619	0.64
1001 – 2000	499	704009	1.02
2001 – 3000	198	493047	0.73
3001 – 4000	89	313622	0.46
4001 - 5000	115	538580	0.78
5001 - 10000	116	829715	1.20
10001 – and above	206	64706129	94.12
Total	**7941**	**68742205**	**100%**

xvii. Categories of Equity Shareholders as on 31st March 2014:

Category	No. of Shares	%
Promoters	43746085	63.64
Mutual Funds	7144600	10.39
Bodies Corporate	3505045	5.10
FIIs.	7199512	10.48
NRIs	323611	0.47
Public	6823352	9.92
TOTAL	**68742205**	**100%**

Note: The Company's equity share has been split from Rs.10/- each into 5 (five) equity shares of the face value of Rs.2/- each fully paid up equity shares with effect from 28th January 2014



xviii. Top Ten Shareholders of the Company as on 31st March 2014

Shareholders	Category	No. of Shares	%
G.V.BHASKAR RAO(HUF)	Promoter -Director	11240645	16.35
G.VANAJA DEVI	Promoter Director	11113000	16.16
G.MADHUSHREE	Promoter	7320000	10.68
G.V.BHASKAR RAO	Promoter Director	6031990	8.77
IDFC PREMIER EQUITY FUND	FII	5375000	7.81
G.PAWAN	Promoter Director	2509000	3.65
R. VENU MANOHAR RAO	Promoter Director	2422910	3.52
OPPENHEIMER INTERNATIONAL SMALL COMPANY FUND	FII	2029045	2.95
C. MITHUNCHAND	Promoter Director	1594895	2.32
HSBC BANK (MAURITIUS) LIMITED	FII	1427770	2.07

DECLARATION

I, G.V.Bhaskar Rao, Managing Director, hereby declare that as provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2014.

For **KAVERI SEED COMPANY LTD.**

Sd/-
G.V.BHASKAR RAO
Managing Director

Secunderabad,
29th May 2014

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

To

The Members of

M/s. KAVERI SEED COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by Kaveri Seed Company Limited, ('the Company') for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

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

Place:Hyderabad.
Date: 29-05-2014.

AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of M/S. Kaveri Seed Company Limited (the "Company "), which comprise the Balance Sheet as at March 31, 2014, and the statement of profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

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

Auditors 'Responsibility

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

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

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us , the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance sheet , of the state of affairs of the company as at March 31, 2014 :

(b) In the case of the statement of profit and Loss, of the loss for the year ended on that date : and

(c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

(b) In our opinion , proper books of account as required by law have been kept by the company so far as appears from our examination of those books:

(c) The Balance Sheet , statement of Profit and Loss , and Cash Flow Statement dealt with by this Report are in agreement with the books of account:

(d) In our opinion , the Balance Sheet , Statement of Profit and Loss , and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub- section (3C) of section 211 of the Companies Act, 1956:

(e) On the basis of written representations received from the directors as on March 31 , 2014 , and taken on record by the Board of Directors , none of the directors is disqualified as on March 31 , 2014 , from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place:Hyderabad.
Date: 29-05-2014.

Annexure referred to in the Auditors' Report to the Members of M/S.KAVERI SEED COMPANY LIMITED for the year ended 31st March 2014. We report that:

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

b. The management has conducted the physical verification of fixed assets during the year.

c. The Company has not disposed off substantial part of the fixed assets during the year under audit.

ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of the account.

iii. a. The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.

b. The company has granted interest free unsecured short-term loan to its Subsidaries M/s. Kexveg India Pvt Ltd & M/s. Genome Agritech Pvt Ltd covered in the register maintained u/s 301 of the Companies Act,1956. The maximum amount involved during the year was Rs.126.47 Lakhs and the year end balance of loan paid to such party was Rs.595.00 Lakhs.

iv. a. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods.

During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

v. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained u/s.301 of the Companies Act, 1956 have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956 and exceeding the value of Rs.5 Lakhs in respect of any party during the period have been made at prices, which are reasonable, having regard to prevailing market prices at the relevant time.

vi. The Company has not accepted deposits from the public governed by Section 58A and 58AA of the Companies Act, 1956 for the year under reference.

vii. In our opinion the Company has internal audit system commensurate with the size and nature of its business.

viii. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, in respect of its products produced during the year. We are of the opinion that, prima facie, the prescribed accounts and records are properly prepared and maintained. We have not, however, carried out detailed examination of the same.

ix. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, cess and other material statutory dues as applicable to it.

b. According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of sales tax, income tax, wealth tax which have not been deposited on account of any dispute.

x. The Provisions of Clause 4(x) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company, since the Company has no accumulated losses at the end of the financial year and has not incurred cash losses during the financial year.

xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and Bank.

xii. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or Financial Institutions.

xvi. In our opinion, the term loans have been applied for the purpose for which they were obtained.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term assets except permanent working capital.

xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under u/s 301 of the companies act 1956.

xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xx. The company has not raised any money by public issue during the year.

xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

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

Place:Hyderabad.
Date: 29-05-2014.

Balance Sheet

PARTICULARS	Note	As at 31-Mar-14		As at 31-Mar-13	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Share Holders Funds					
Share Capital	2	1374,84,410		1370,21,840	
Share Application Money	2	52,35,660		78,63,690	
Reserves & Surplus	3	50484,93,895	51912,13,965	33214,01,664	34662,87,194
Non Current Liabilities					
Long Term Borrowings	4	83,94,000		83,94,000	
Deferred Tax Liability		-		12,768	
Other Long Term Liabilities	5	455,10,915	539,04,915	366,25,835	450,32,603
Current Liabilities					
Trade Payables	6	22882,23,670		24780,22,597	
Other Current Liabilities	7	24509,32,874		25389,67,116	
Short Term Provisions	8	2330,13,664	49721,70,208	1569,65,675	51739,55,388
			102172,89,088		86852,75,185
ASSETS					
Non-Current Assets					
Fixed Assests	9				
Tangible Assets		13446,35,861		13200,33,866	
Intangible Assets		91,18,680		107,60,834	
Capital Work in Progress		1166,29,992		364,85,700	
Non Current Investments	10	803,30,086		924,74,482	
Long Term Loans and Advances	11	1460,35,726		480,98,772	
Deferred Tax Asset		24,81,732			
			16992,32,077		15078,53,654
Current Assets					
Current Investments	12	27030,05,000		12900,00,000	
Inventories	13	49703,58,278		49105,75,823	
Trade Receivables	14	6294,99,673		6814,25,837	
Cash & Cash Equivalents	15	494,15,196		1336,35,742	
Short Term Loans and Advances	16	128,15,260		115,85,137	
Other Current Assets	17	1529,63,604	85180,57,011	1501,98,992	71774,21,531
			102172,89,088		86852,75,185
Notes on Financial Statements	1-33				

As per our report of even date attached

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

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

For and on behalf of the Board

Sd/-
G.V. BHASKAR RAO
Managing Director

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

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

Sd/-
G. VANAJA DEVI
Whole time Director

Profit & Loss Account

PARTICULARS	Note	As at 31-Mar-14		As at 31-Mar-13	
		₹	₹	₹	₹
Revenue from Operations	**18**	100241,39,240		71083,58,761	
Other Income	**19**	967,00,298		499,65,041	
Total Revenue			**101208,39,538**		**71583,23,803**
Expenses					
Cost of Material Consumed	**20**	38069,90,666		49451,41,706	
Changes in Inventories of Finished Goods and Work in Progress	**21**	(601,92,203)		(17961,79,674)	
Employee Benefit Expenses	**22**	2729,61,767		2006,56,977	
Finance Costs	**23**	15,94,529		150,70,651	
Depreciation & Amortisation Expenses		1437,03,473		1060,39,034	
Other Expenses	**24**	38020,92,558		23644,06,723	
Total Expenses			**79671,50,790**		**58351,35,417**
Profit before Exceptional Items and Tax			21536,88,748		13231,88,386
Exceptional Item - Profit / (Loss) on acquisition of land			-		133,70,869
Profit before Tax			21536,88,748		13365,59,255
Less : Tax expense					
Current Tax		416,10,892		357,50,000	
Tax of Earlier years		89,49,094			
Deferred Tax		(24,94,500)		20,97,536	
			480,65,486		378,47,536
Profit after Tax			21056,23,262		12987,11,719
			-		
Earnings per share (equity shares, par value Rs.2 each)					
Basic			30.63		18.96
Diluted			30.56		18.89
Notes on Financial Statements	**1-33**				

As per our report of even date attached

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

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

For and on behalf of the Board

Sd/-
G.V. BHASKAR RAO
Managing Director

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

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

Sd/-
G. VANAJA DEVI
Whole time Director

1. Statement of significant Accounting Policies

a. System of Accounting

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

b. Revenue Recognition

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

i. Revenue from sale of goods is recognized on dispatch which coincides with transfer of significant risks & rewards to customer and is net of sales returns and sales tax, wherever applicable.

ii. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

c. Fixed assets and Depreciation

Tangibles:

i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready for intended use.

ii. Expenditure directly relating to construction activity is capitalized. Indirect expenditure is capitalized to the extent it relates to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.

iii. Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.

iv. The carrying amount of fixed assets are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount.

v. Impairment loss, if any, is provided to the extent the carrying amount of Assets exceeds their recoverable amount.

vi. Depreciation is provided on written down value method, at the rate specified in schedule XIV to the Companies Act, 1956.

Intangibles:

i. Computer software is being depreciated on WDV method at the rates specified in Schedule XIV of the companies Act, 1956.

d. Research and Product Development costs:

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

Expenditure of R&D during the year.

Capital Expenditure Rs.544,16,198/-(1,28,14,179/-)

Revenue Expenditure Rs.885,04,060/-(8,66,86,947/-)

e. Investments

i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Long-term investments are carried at cost. However, provisions for diminution in value are made to recognize a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined in respect of each category of Investment.

f. Inventories

i. Raw materials, packing materials, stores, spares and consumables are valued at cost, calculated on “First-in first out” basis. Items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost.

ii. Finished goods and Work-in-process are valued at lower of cost or net realizable value. Cost includes materials, labour and a proportion of appropriate overheads.

iii. Trading goods are valued at lower of cost or net realizable value

iv. Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

v. Management has carried out physical verification of stock.

g. Retirement and other Employee Benefits

i. Contribution to Provident Fund, which is a defined contribution plan, are charged to the profit and loss account on an accrual basis.

ii. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

iii. Actuarial gains/losses are immediately taken to Profit and Loss Account.

iv. The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to revenue in the period determined.

h. Income Tax

Tax expense consists of both current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of currency year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

i. Deffered Tax Liability

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

Deferred Tax Liability in respect of timing difference:

PARTICULARS	2013-14 ₹	2012-13 ₹
Depreciation on Fixed Assets	(24,94,500)	20,97,536

j. Dividend provided on Equity Shares

Dividend provided in the books of a/c for the financial year pending approval from shareholders. Dividend Per Equity share is Rs.2.40/-(Rs.1.60/-) and the total dividend provided is Rs.16,53,50,868/-(Rs.10,96,17,472/-). This is excluding Interim Dividend of Rs.2.40/-(Rs.1.60/-) per share already paid, total amounting to Rs.16,49,81,292/-(Rs.10,96,17,472/-)

k. Earnings per Share

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

l. Provisions

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

2. SHARE CAPITAL

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Authorised				
10,00,00,000 (2,00,00,000) Equtity shares of Rs.2/- (Rs.10/-) each		2000,00,000		2000,00,000
Issued, Subscribed & Paid up				
6,87,42,205 (1,37,02,184) Equtity shares of Rs.2/-(Rs.10/-) each		1374,84,410		1370,21,840
TOTAL		**1374,84,410**		**1370,21,840**

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

Name of the Shareholder	As at 31-Mar-14		As at 31-Mar-13	
	No. of Shares	% held	No. of Shares	% held
G V Bhaskar Rao - HUF	112,40,645	16.35%	115,80,000	16.90%
G Vanaja Devi	111,13,000	16.17%	111,13,000	16.22%
G. Madhusree	73,20,000	10.65%	73,20,000	10.68%
G V Bhaskar Rao	60,31,990	8.77%	65,31,990	9.53%
IDFC Premier Equity Fund	53,75,000	7.82%	60,70,000	8.86%

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

3 RESERVES & SURPLUS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Securities Premium Reserve		6463,76,582		6353,58,165
Employee Stock Option Scheme				
Employee Stock Option Scheme Outstanding	50,62,903		86,80,200	
Less : Deferred Employee Compensation Expenses	4,34,010	46,28,893	14,06,916	72,73,284
Capital subsidy		2,88,400		2,88,400
General Reserve				
As per last Balance Sheet	5000,17,405		4000,17,405	
Add : Transferred from Profit and Loss Account	1000,00,000	6000,17,405	1000,00,000	5000,17,405
Profit & loss Account Balance				
As per last Balance Sheet	21784,64,410		12353,99,818	
Add : Profit for the year	21056,23,262		12987,11,719	
	42840,87,672		25341,11,537	
Less : Appropriations				
Transferred to General Reserve	1000,00,000		1000,00,000	
Interim Dividend on Equity Shares (Dividend per share Rs.2.40/(Rs.1.60)	1649,81,292		1096,17,472	
Dividend on shares issued during the year	3,70,056			
Tax on Dividend on shares issued during the year	62,890			
Tax on Interim Dividend	280,38,571		177,82,694	
Proposed Dividend on Equity Shares (Dividend per share Rs.2.40/(Rs.1.60)	1653,50,868		1096,17,472	
Tax on Dividend	281,01,380	37971,82,615	186,29,489	21784,64,410
TOTAL		**50484,93,895**		**33214,01,664**

4 LONG TERM BORROWINGS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	Current	Non Current	Current	Non Current
Secured				
Term Loan from Deptt of Biotechnology, Ministry of Science & Technology		83,94,000		83,94,000
TOTAL	-	**83,94,000**	-	**83,94,000**

Term Loan from Deptt of Biotechnology, Ministry of Science & Technology is secured by all equipment, Plant & Machinery and other movable assets of the company and is repayable in ten equal half yearly instalments starting from June,2018.

5 OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Security deposits from dealers		455,10,915		366,25,835
TOTAL		**455,10,915**		**366,25,835**

6 TRADE PAYABLES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Creditors for Expenses		2244,57,815		1113,44,752
Sundry Creditors		20637,65,855		23666,77,845
Micro and Small Enterprises				
There are no micro and small enterprises, to whom the company owes dues,which are outstanding as at 31st March,2014.This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company.				
TOTAL		**22882,23,670**		**24780,22,597**

7 OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Current maturities of long term debt		-		225,00,000
Advance from customers against Sales		23773,00,508		24829,04,877
Payable to Staff		736,32,366		335,62,239
TOTAL		**24509,32,874**		**25389,67,116**

8 SHORT TERM PROVISIONS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Provision for Income Tax (net of Advance Tax)		39,97,204		120,90,317
Provision for employee benefits		146,52,684		96,53,463
Provision for Wealth Tax		6,68,606		4,60,138
Provision for Dividend		1653,50,868		1096,17,472
Tax on Dividend		281,01,380		186,29,489
TDS Payable		202,42,922		64,31,923
Sales Tax Payable				82,874
TOTAL		**2330,13,664**		**1569,65,675**

9. SCHEDULE

Amount in ₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2013	Additions	Deletions	Up to 31-03-2014	As on 01.04.2013	Additions	Deletions	Up to 31-03-2014	As on 31-03-2014	As on 31.03.2013
A. TANGIBLE ASSETS										
Land	3593,26,700	555,47,638	-	4148,74,338	-	-	-	-	4148,74,338	3593,26,700
Buildings	4652,05,191	453,98,904	-	5106,04,095	1048,65,570	369,67,618	-	1418,33,188	3687,70,907	3603,39,621
Furniture & Fixtures	252,30,986	118,74,664	-	371,05,650	100,03,768	38,21,700	-	138,25,468	232,80,182	152,27,218
Vehicles	1080,88,243	250,63,116	67,69,804	1263,81,555	541,66,210	171,52,283	57,11,659	656,06,834	607,74,721	539,22,033
Plant & Equipment	7642,42,569	258,87,714	25,90,742	7875,39,541	2413,84,505	781,45,369	9,66,212	3185,63,662	4689,75,879	5228,58,064
Office Equipments	80,61,212	3,75,174	-	84,36,386	31,39,801	7,18,376	-	38,58,177	45,78,209	49,21,411
Computers	109,01,102	16,73,979	-	125,75,081	74,62,283	17,31,173	-	91,93,456	33,81,625	34,38,819
Total (A)	**17410,56,003**	**1658,21,189**	**93,60,546**	**18975,16,646**	**4210,22,137**	**1385,36,519**	**66,77,871**	**5528,80,785**	**13446,35,861**	**13200,33,866**
Total Previous Year (A)	**12592,82,291**	**4930,35,859**	**112,62,145**	**17410,56,003**	**3238,49,067**	**1053,41,641**	**81,68,571**	**4210,22,137**	**13200,33,866**	**9354,33,224**
B. INTANGIBLE ASSETS										
Software	133,43,630	35,24,800	-	168,68,430	25,82,796	51,66,954	-	77,49,750	91,18,680	107,60,834
Total (B)	**133,43,630**	**35,24,800**	**-**	**168,68,430**	**25,82,796**	**51,66,954**	**-**	**77,49,750**	**91,18,680**	**107,60,834**
Total Total Previous Year (B)	**93,15,692**	**40,27,938**	**-**	**133,43,630**	**18,85,403**	**6,97,393**	**-**	**25,82,796**	**107,60,834**	**74,30,289**
C. CAPITAL WORK IN PROGRESS										
Building Under Cont.	321,83,405	620,40,676	548,42,297	393,81,784	-	-	-	-	393,81,784	321,83,405
Other Work in Progress	43,02,295	772,48,208	43,02,295	772,48,208	-	-	-	-	772,48,208	43,02,295
Total (C)	**364,85,700**	**1392,88,884**	**591,44,592**	**1166,29,992**	**-**	**-**	**-**	**-**	**1166,29,992**	**364,85,700**
Total Total Previous Year (C)	**1309,14,560**	**2269,32,376**	**3213,61,237**	**364,85,700**					**364,85,700**	**1309,14,560**
Total - A+B+C	**17908,85,333**	**3086,34,873**	**685,05,138**	**20310,15,068**	**4236,04,933**	**1437,03,473**	**66,77,871**	**5606,30,535**	**14703,84,533**	**13672,80,400**
Total Previous Year A+B+C	**13995,12,544**	**7239,96,173**	**3326,23,382**	**17908,85,333**	**3257,34,470**	**1060,39,034**	**81,68,571**	**4236,04,933**	**13672,80,400**	**10737,78,073**

10 NON - CURRENT INVESTMENTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Other than trade at cost)				
Investment in Equity Instruments				
QUOTED				
199425 Equity Shares of Re.10 each in Vijaya Textiles Ltd - fully paid up	199,04,545		199,04,545	
1900 Equity shares of Rs.10 each in Bank of Maharastra - fully paid up	43,700		43,700	
9700 equity shares of Rs.10 each in Indian Overseas Bank - fully paid up	2,32,800		2,32,800	
1160 Equity Shares of Re.1 each in Tata Consultancy Services Ltd - full paid up	2,46,500		2,46,500	
	204,27,545		204,27,545	
Less : Provision for Diminution in Value	153,86,859	50,40,686	153,86,859	50,40,686
UNQUOTED				
3600 Equity Shares of Rs.100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,60,000		3,60,000	
700 Equity Shares of Rs.10 each in Swadeshi Biotechnics Ltd -fully paid up	70,000		70,000	
Investment in Subsidiaries				
7,70,000 Equity shares of Rs.10 each fully paid up in Aditya Agritech (P) Ltd	77,00,000			
10,000 Nos Equity Shares of Rs. 10 each fully paid up in Kaveri Microtech Pvt. Ltd.	1,00,000			
91,800 Equity shares of Rs.10 each fully paid up in Genome Agritech Pvt Ltd	30,29,400			
64,00,000 Equity shares of Rs.10 each fully paid up in Kex veg India Pvt Ltd	640,00,000	752,59,400	640,00,000	644,30,000
Investment in Government Securities				
National Savings Certificates		30,000		35,000
Investment in Mutual Funds				
Nil (2,02.840) units of ABN Amro Equity Fund - Dividend			50,00,000	
Nil (4,18.831) units of ABN Amro Opportunities Fund - Dividend			100,00,000	
Nil (1,26.040) units of Birla Midcap Fund - Dividend			50,00,000	
Nil (6,987) units of Birla Top 100 Fund - Dividend			1,05,477	
Nil (1,49,961)units of DSP Merrill Lynch India Tiger Fund			50,00,000	
Nil (1,04,353)units of HSBC Equity Fund Nil - Dividend			50,00,000	
Nil (3,91,212)units of JM Balanced Fund - Dividend Plan			100,00,000	
Nil (3,04,037)units of JM Basic Fund - Dividend Plan			100,00,000	
	-		501,05,477	
Less : Provision for Diminution in Value		-	348,36,681	152,68,796
Investment in Partnership Firm				77,00,000
TOTAL		**803,30,086**		**924,74,482**
Market Value of Quoted Investments		44,91,283		44,07,091
Aggregate amountof Quoted Investments		50,40,686		50,40,686
Aggregate amountof Unquoted Investments		752,89,400		874,33,796

11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Unsecured considered good				
Advance for Capital Expenditure		1308,49,394		351,29,709
Security Deposits		151,86,332		129,69,063
		1460,35,726		480,98,772

12 CURRENT INVESTMENTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Other than trade at cost) unquoted				
Nil (1,90,00,000) units of ICICI Prudential FMP Series 63- 376 Days Plan J Cumulative			1900,00,000	
95,03,625(Nil) units of ICICI Prudential Interval Fund II Quarterly Interval Plan A - Direct - Growth	1000,00,000			
1,09,12,106(Nil) units of ICICI Prudential Interval Fund IV Quarterly Interval Plan B - Direct - Growth	1500,00,000			
5,73,015(Nil) units of ICICI Prudential Money Market Fund -Direct - Growth	1000,00,000			
Nil (49,882) units of SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth			1000,00,000	
54.507 (Nil) units of SBI Magnum Insta Cash Fund - Direct Plan - Growth	1500,00,000			
1,00,00,000 (Nil) units of SBI Debt Fund Series - 366 Days 52 - Direct Plan - Growth	1000,00,000			
Nil (57,10,664) units of Reliance Income Fund - Growth Plan- Bonus Option			1000,00,000	
1,00,00,000 (Nil) units of Reliance Fixed Horizon Fund XXV - Series 29- Direct Plan - Growth	1000,00,000			
Nil (23,34,153) units of Birla Sun Life Short Term Fund - Growth - Direct Plan			1000,00,000	
2,18,980 (3,25,551) units of Birla Sun Life Cash Plus - Growth - Direct Plan	450,00,000		600,00,000	
9,48,711(Nil) units of Birla Sun Life Trasury Optimizer Plan - Growth - Direct Plan	1465,00,000			
Nil (58,28,899) units of Tata Dynamic Bond Fund Direct Plan - Growth			1000,00,000	
Nil (11,58,749) units of Tata Income Fund Plan A - Appreciation Option - Bonus			200,00,000	
Nil (67,294) units of Tata Liquid Fund Direct Plan- Daily Dividend			750,00,000	
Nil (9,398) units of Tata Liquid Fund Direct Plan- Growth			200,00,000	
2,28,000 (Nil)) units of Tata Money Market Fund Direct Plan- Growth	4500,00,000			
70,00,000 (Nil)) units of Tata Fixed Maturity Plan Series 46 Scheme S Direct Plan- Growth	700,00,000			
36,68,648 (Nil)) units of Tata Fixed Income Portfolio Fund Scheme B2 Direct Plan- Growth	400,00,000			

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Nil (43,72,502) units of HDFC Interest Fund - Direct Plan Short Term - Growth			1000,00,000	
Nil (22,06,882) units of HDFC Liquid Fund - Direct Plan - Growth			500,00,000	
60,00,000 (Nil)) units of HDFC MP 90D January 2014(1) Series 29-Direct - Growth	600,00,000			
1,12,41,614 (Nil)) units of HDFC Floating Rate Income Fund - Long Term Plan Direct Plan-Growth Option	2500,00,000			
Nil (72,06,065) units of IDFC Dynamic Bond Fund Direct Plan - Growth			1000,00,000	
29,42,799(29,42,799) units of IDFC Super Saver Income Fund-Invest - Growth - Regular Plan	800,00,000		800,00,000	
Nil (81,852) units of IDFC Cash Fund Growth - Growth - Direct Plan			1150,00,000	
Nil (49,31,909) units of IDFC Ultra Short Term Fund - Growth - Direct Plan			800,00,000	
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 82 - Direct Plan - Growth	1000,00,000			
30,00,000 (Nil) units of IDFC Interval Fund Direct Plan Series IV- Growth	300,00,000			
1,40,57,316 (Nil) units of Religare Invesco Arbitrage Fund Bonus - Direct - Growth	1500,00,000			
1,25,627(Nil) units of Religare Invesco Credit Opportunities Fund - Direct - Growth	1800,00,000			
60,00,000 (Nil) units of Kotak FMP Series 138 Direct- Growth	600,00,000			
1,00,00,000 (Nil) units of DSP Blackrock FMP Series 151- 12M - Direct - Growth	1000,00,000			
48,54,015 (Nil) units of L&T Ultra Short Term Fund Direct Plan - Growth	1000,00,000			
100 (Nil) Bonds of Damodar Valley Corporation	942,50,000			
50 (Nil) Bonds of Power Finance Corporation Ltd	472,55,000	27030,05,000		12900,00,000
		27030,05,000		**12900,00,000**

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

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Finished Goods		35035,84,730		30764,20,069
Work in Process		10875,23,224		14544,95,682
Raw Material		3792,50,324		3796,60,072
TOTAL		**49703,58,278**		**49105,75,823**

14 TRADE RECEIVABLES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Receivables outstanding for a period exceeding six months				
Unsecured, considered good	1856,84,514		2308,91,151	
Considered Doubtful -unsecured	386,25,317		386,25,317	
Less : Provision for doubtful debts	(386,25,317)	1856,84,514	(386,25,317)	2308,91,151
Other receivables				
Unsecured, considered good		4438,15,159		4505,34,686
TOTAL		**6294,99,673**		**6814,25,837**

15 CASH & CASH EQUIVALENTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Cash on hand		13,85,060		32,05,638
Balance with Banks		480,30,136		1287,73,947
Fixed Deposits with Banks		-		16,56,157
TOTAL		**494,15,196**		**1336,35,742**

16 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Advance to Staff - Unsecured and considered good		128,15,260		115,85,137
TOTAL		**128,15,260**		**115,85,137**

17 OTHER CURRENT ASSETS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Unsecured and considered good)				
Advance to suppliers		831,02,485		961,04,678
Advance to Subsidiaries		595,00,000		494,27,883
Prepaid expenses		67,01,211		43,42,653
Others		36,59,908		3,23,778
TOTAL		**1529,63,604**		**1501,98,992**

18 REVENUE FROM OPERATIONS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Sale of Seeds		97135,62,241		68600,02,890
Sale of Micronutrients		3105,76,999		2483,55,872
TOTAL		**100241,39,240**		**71083,58,762**

19 OTHER INCOME

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Capital Gain on sale of Assets		15,61,524		21,17,712
Dividend Income from - Current Investments		540,52,723		335,32,602
- Long Term Investments		273,44,679		5,62,389
Interest Income		124,28,823		114,95,749
Others		13,12,549		22,56,589
TOTAL		**967,00,298**		**499,65,041**

20 COST OF MATERIALS CONSUMED

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Raw Material Consumed/Production Expenses				
Opening Stock		3796,60,072		2987,05,249
Add : Purchasses/Production Expenses including processing Charges**		38065,80,918		50260,96,529
		41862,40,990		53248,01,778
Less : Closing Stock		3792,50,324		3796,60,072
		38069,90,666		**49451,41,706**
**** Processing Charges**				
Freight Inward		876,56,231		546,54,508
Machinery Repairs & Maintenance		159,05,555		85,27,020
Seed Certification charges		2,80,965		4,26,685
Power & Fuel		798,73,495		658,40,556
Building & Godown repairs & maint.		1,42,167		1,03,571
Godown Rent		112,31,766		51,73,552
Cold Storage Maintenance		5,51,042		14,60,199
Factory Maintenance		816,54,923		419,36,825
Expense on processing		827,72,180		1963,63,539
R&D Farm Expenses		885,04,060		866,86,947
Total		**4485,72,383**		**4611,73,401**
R&D Farm Expenses				
Cultivation Expenses		6,47,278		3,03,638
Fertilizers & Pesticides		41,33,295		27,66,786
Electricity charges		24,26,415		22,91,652
Electrical items & motor repairing charges		4,00,844		3,18,948
Farm Maintenance		105,15,612		45,50,739
Labour charges		50,04,952		100,08,857
Postage & telephones		1,11,408		3,53,706
Printing & Stationery		1,16,293		1,03,483
Security charges		32,65,354		12,93,289
Staff Welfare		2,81,137		33,322
Travelling expenses		66,724		4,99,515
Vehicle Maintenance		21,82,600		16,08,820
Land Lease		102,61,616		104,62,943
Research Expenses		40,22,863		138,38,542
Testing Expenses		108,14,899		88,65,724
Professional Expenses		43,98,700		36,00,000
Salaries - Farm		298,54,069		257,86,985
		885,04,060		**866,86,947**
Details of Raw Material consumed				
Seeds		34666,90,430		46780,52,577
Packing Material		1941,88,997		1452,86,041
Chemicals		937,75,331		724,50,664
Others		523,35,908		493,52,424
		38069,90,666		**49451,41,706**

21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Increase)/Decrease in Finished goods				
Opening Stock	30764,20,069		18469,20,665	
Closing Stock	35035,84,730	(4271,64,661)	30764,20,069	(12294,99,404)
(Increase)/Decrease in Work in Process				
Opening Stock	14544,95,682		8878,15,412	
Closing Stock	10875,23,224	3669,72,458	14544,95,682	(5666,80,270)
		(601,92,203)		**(17961,79,674)**

22 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
M.D's Remuneration		324,20,000		103,80,000
Directors Remuneration		391,94,000		156,36,000
Salaries to Staff		1842,43,939		1586,75,401
Employee Stock option Expenses		9,72,906		15,45,558
Contribution to Provident and other funds		120,79,136		101,32,750
Staff Welfare Expenses		40,51,786		42,87,268
		2729,61,767		**2006,56,977**

23 FINANCIAL COSTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Interest Expenses		5,41,626		129,36,127
Bank Charges		10,52,903		21,34,525
		15,94,529		**150,70,651**

24 OTHER EXPENSES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
ESTABLISHMENT EXPENSES				
Travelling Expenses		799,62,583		326,90,060
Postage & Telephone		88,48,219		72,22,162
Payment to Auditors		9,05,877		9,01,638
Vehicle Maintenance		80,05,858		425,07,838
Rent		37,57,112		31,54,100
Printing & Stationery		42,53,531		38,50,953
Insurance		58,79,582		57,25,094
Books & Periodicals		74,130		62,737
Rates & Taxes		111,57,701		30,63,473
Office Maintenance		61,09,366		24,35,267
General Expenses		31,99,190		115,75,097
Conveyance		1,52,653		4,86,815
Donations & Subscriptions		9,87,000		8,23,900
Legal Expenses		1,42,434		1,68,613
Professional Charges		102,33,768		63,04,242
Profeesional Tax		30,500		27,500
Sales Tax		4,65,377		7,71,787
Market Cess		12,80,882		1,79,342

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Security Charges		75,85,348		78,13,536
Service Tax		85,28,173		62,62,675
Computer Maintenance		30,31,540		12,32,624
Directors Sitting Fees		2,00,000		2,00,000
(a) Total		**1647,90,824**		**1374,59,452**
SELLING & DISTRIBUTION EXP				
Sales promotion expenses		2290,36,936		1930,34,129
Sales Schemes		19329,53,497		10944,46,723
Advertisement		450,16,636		37,05,376
Freight & Forwarding		1041,45,415		959,28,045
Farmers Meeting Expenses		392,98,627		381,47,613
Staff & Dealers Meeting Expenses		260,29,087		195,33,570
Royalty		12555,43,232		7821,51,815
Bad debts Write Off		52,78,304		-
(b) Total		**36373,01,734**		**22269,47,271**
Total of (a) & (b)		**38020,92,558**		**23644,06,723**

25. Capital Commitments

Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for Rs.808.37 (282.25)Lakhs.

26. Contingent Liabilities and Commitments.

a) Contingent Liabilities

Claims against the company not acknowledged as debts Rs.146.65 Lakhs (Rs. 150.57 Lakhs) This comprise.

i) Tax demands disputed by the Company relating to disallowances/additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to Rs. 22.36 Lakhs (Rs. 22.36 Lakhs)

ii) Other matters not related to Tax aggregating to Rs.10.75 Lakhs (Rs.10.75 Lakhs).

iii) Bank Gurantees Rs.113.54 Lakhs(Rs.117.46 Lakhs)

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

Particulars	2013-14 (₹)	2012-13 (₹)
Statutory Audit	Rs.5,56,182/-	Rs.5,56,182/-
Other Audit Services	Rs.1,12,360/-	Rs.1,01,124/-
For Tax Matters	Rs.1,85,394/-	Rs.1,85,394/-
Reimbursement of expenses	Rs. 51,941/-	Rs. 58,938/-
TOTAL	**Rs 9,05,877/-**	**Rs 9,01,638/-**

28. Related Parties Disclosure:

Key Managerial Persons and their relatives

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

Subsidary Companies:

M/s. Kexveg India Pvt Ltd
M/s. Aditya Agritech Pvt Ltd
M/s. Genome Agritech Pvt Ltd

Other Related Firms:

M/s. Kaveri Infra

Transactions with related parties during the year

₹ in Lakhs

Details of Transactions	2013-14	2012-13
Remunaration Paid		
Mr. G.V.Bhaskar Rao	325.64	105.24
Mrs. G. Vanaja Devi	278.24	65.64
Mr. R. Venumanohar Rao	56.51	42.24
Mr. C. Vamsheedhar	34.56	27.24
Mr. C. Mithun Chand	33.21	27.00
	728.16	**267.36**
Land and Godown Lease Paid		
Mr. G.V.Bhaskar Rao	7.67	6.97
Mrs. G. Vanaja Devi	9.83	2.41
Mr. G.Pawan	14.22	12.93
Mrs. G. Madhusree	9.82	8.92
G.V.Bhaskar Rao - HUF	36.27	34.23
C. Vamsheedhar – HUF	4.07	3.70
R. Venumanohar Rao – HUF	4.12	3.74
M/s. Kaveri Infra	9.88	
	95.88	**72.92**
Dividend Paid		
Mr. G.V.Bhaskar Rao	241.28	144.77
Mrs. G. Vanaja Devi	444.52	266.71
Mr. R. Venumanohar Rao	96.92	68.91
Mr. C. Vamsheedhar	54.93	37.52
Mr. C. Mithun Chand	63.80	38.40

Mr. G.Pawan	100.36	60.22
Mrs. G. Madhusree	292.80	175.68
G.V.Bhaskar Rao - HUF	449.63	272.49
	1,744.24	**1064.70**
Investments made during the year		
Equity Share Capital in M/s. Genome Agriteck Pvt Ltd	30.29	Nil
Equity Share Capital in M/s. Aditya Agritech Pvt Ltd	-	77.00
Equity Share Capital in M/s.Kaveri Microteck Pvt Ltd	1.00	
	31.29	**77.00**
Loans & Advances Paid during the year		
M/s. Kexveg India Pvt Ltd	86.13	488.87
M/s. Aditya Agritech Pvt Ltd		3.00
M/s. Genome Agritech Pvt Ltd	20.00	
	106.13	**491.87**
Land Lease Received		
M/s. Kexveg India Pvt Ltd	8.62	5.41
Purchases made during the year		
M/s. Aditya Agritech Pvt Ltd	423.33	
Sales made during the year		
M/s. Aditya Agritech Pvt Ltd	1,035.65	

29. Foreign Currency/Exchange transactions:

PARTICULARS	2013-14 (₹)	2012-13 (₹)
a. Import of Capital Goods	445,92,106	12,07,15,342
b. Earnings in foreign Exchange (Export of goods on FOB basis)	390,96,580	266,22,297
c. Expenditure in Foreign Currency for Travel	38,26,685	22,35,640

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

₹ in Lakhs

Particulars	For the Year ended 31st March 2014			For the Year ended 31st March 2013		
	Unit	Quantity	Value (₹)	Unit	Quantity	Value (₹)
Seeds	MT	36564	97160.79	MT	25239	68600.03
Micronutrients	MT	4885	3080.60	MT	5738	2483.55
			100241.39			**71083.58**

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

₹ in Lakhs

Particulars	As at 31st March 2014				As at 31st March 2013			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)
Seeds	10,653.29	30554.05	11951.67	34769.66	8,915	18282.06	10,653.29	30554.05
Micronutrients	704.52	210.15	616.08	266.19	522	187.14	704.52	210.15
	11,357.81	**30764.20**	**12567.75**	**35035.85**	**9,437**	**18,469.20**	**11,357.81**	**30764.20**

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

₹ in Lakhs

Particulars	Value as on 31.03.2014	%	Value as on 31.03.2013	%
IMPORTED				
Seeds	NIL		NIL	
Micronutrients	NIL		NIL	
	NIL	0	NIL	0
INDIGENOUS				
Seeds	37,197	100	48,687	100
Micronutrients	872	100	764	100
	38,069	**100**	**49,451**	**100**

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

As per our report of even date attached

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

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

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

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G. VANAJA DEVI
Whole time Director

Cash Flow Statement

Particulars	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
Cash flows from operating activities		
Profit before taxation	21536,88,747	13365,59,255
Adjustments for:		
Depreciation & Amortisation	1437,03,473	1060,39,034
(Profit)/Loss on sale of Fixed Assets	15,61,524	(133,70,869)
Dividend Received	(813,97,402)	(340,94,991)
Interest received	(124,28,823)	(114,95,749)
Finance charges	15,94,529	150,70,651
Operating profit before working capital changes	**22067,22,048**	**13987,07,331**
(Increase) / Decrease in Inventories	(597,82,456)	(18771,34,497)
(Increase)/Decrease in Sundry Debtors	519,26,164	(3963,53,669)
(Increase)/Decrease in Loans & Advances	(1077,23,882)	1108,14,267
Miscellaneous Expenditure	-	
Increase/(Decrease) in Trade Liabilities	(1897,98,927)	12849,74,670
Increase/(Decrease) in Other Current Liabilities	(31,13,941)	5625,42,197
Taxes paid during the year	(505,59,986)	(357,50,000)
Net cash provided by operating activities	**18476,69,019**	**10478,00,299**
Cash flows from investing activities		
(Purchase)/Sale of Fixed Assets	(2416,91,260)	(3780,01,921)
(Purchase)/Sale of Investments	(14007,60,604)	(2072,82,760)
Dividend Received	813,97,402	340,94,991
Interest received	124,28,823	114,95,749
Net Cash used for investing activities	**(15486,25,639)**	**(5396,93,941)**
Cash flows from financing activities		
Dividend including Tax on Dividend	(3869,05,058)	(2556,47,127)
Share Application Money	52,35,660	78,63,690
Short Term Loans	-	(1900,00,000)
Long Term Loans	-	(177,00,000)
Finance charges	(15,94,529)	(150,70,651)
Net cash provided by financing activities	**(3832,63,927)**	**(4705,54,088)**
Net increase in cash & cash equivalents	(842,20,546)	375,52,270
Cash & Cash equivalents at the beginning of the period	1336,35,742	960,83,472
Cash & Cash equivalents at the end of the period	**494,15,196**	**1336,35,742**

As per our report of even date attached

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

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

For and on behalf of the Board

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G. VANAJA DEVI
Whole time Director

Consolidated Auditors' Report

To
The Board of Directors of
Kaveri Seed Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Kaveri Seed Company Limited (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

Opinion

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

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

   (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

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

Place:Hyderabad.
Date: 29-05-2014.

Consolidated Balance Sheet

PARTICULARS	Note	As at 31-Mar-14 ₹		As at 31-Mar-13 ₹	
EQUITY AND LIABILITIES					
Share Holders Funds					
Share Capital	2	1374,84,410		1370,21,840	
Share Application Money	2	52,35,660		78,63,690	
Reserves & Surplus	3	50125,71,444	51552,91,514	33034,16,983	34483,02,513
Minority Interest			39,78,214		
Non Current Liabilities					
Long Term Borrowings	4	91,03,358		83,94,000	
Deferred Tax Liability		-		12,768	
Other Long Term Liabilities	5	506,87,921	597,91,279	366,25,835	450,32,603
Current Liabilities					
Short Term Borrowings	6	3,00,000			
Trade Payables	7	22951,19,454		24860,85,398	
Other Current Liabilities	8	25357,78,059		25391,58,560	
Short Term Provisions	9	2327,43,120	50639,40,633	1570,07,894	51822,51,852
			102830,01,640		**86755,86,968**
ASSETS					
Non-Current Assets					
Fixed Assests	10				
Tangible Assets		14244,93,516		13632,89,363	
Intangible Assets		118,58,506		107,60,834	
Capital Work in Progress		1166,29,992		812,63,658	
Non Current Investments	11	55,01,686		284,75,482	
Long Term Loans and Advances	12	1460,45,226		480,98,772	
Deferred Tax Asset		24,75,731			
Other Non Current Assets	13	6,22,834		6,27,758	
			17076,27,491		15325,15,867
Current Assets					
Current Investments	14	27773,05,000		12900,00,000	
Inventories	15	49715,45,982		49118,75,093	
Trade Receivables	16	6532,22,171		6858,56,383	
Cash & Cash Equivalents	17	665,59,940		1426,44,189	
Short Term Loans and Advances	18	129,77,242		118,61,437	
Other Current Assets	19	937,63,814	85753,74,149	1008,33,999	71430,71,101
			102830,01,640		**86755,86,968**
Notes on Financial Statements	1-35				

As per our report of even date attached

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

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

For and on behalf of the Board

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G. VANAJA DEVI
Whole time Director

Consolidated Profit & Loss Account

PARTICULARS	Note	As at 31-Mar-14 ₹		As at 31-Mar-13 ₹	
Revenue from Operations	**20**	101110,54,742		71203,12,061	
Other Income	**21**	974,86,952		494,24,541	
Total Revenue			**102085,41,694**		**71697,36,602**
Expenses					
Cost of Material Consumed	**22**	38107,61,294		49509,04,703	
Changes in Inventories of Finished Goods and Work in Progress	**23**	(596,11,021)		(17967,60,856)	
Employee Benefit Expenses	**24**	2815,89,980		2030,62,417	
Finance Costs	**25**	24,41,854		150,76,082	
Depreciation & Amortisation Expenses		1641,84,980		1224,34,503	
Other Expenses	**26**	38659,14,381		23698,16,048	
Total Expenses			**80652,81,468**		**58645,32,897**
Profit/(Loss) before Exceptional Items and Tax			**21432,60,226**		**13052,03,705**
Exceptional Item - Profit / (Loss) on acquisition of land			-		133,70,869
Profit before Tax			21432,60,226		13185,74,574
Less : Tax expense					
Current Tax		451,10,892		357,50,000	
Tax of Earlier years		89,49,094			
Deferred Tax		(24,94,500)		20,97,536	
			515,65,486		378,47,536
Profit after Tax			20916,94,740		12807,27,038
Less : Share of Minority Interest			21,34,281		
Profit after Tax (consolidated)			**20895,60,459**		**12807,27,038**
Earnings per share (equity shares, par value Rs.2 each)					
Basic			30.40		18.69
Diluted			30.33		18.63
Notes on Financial Statements	**1-35**				

As per our report of even date attached

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

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

For and on behalf of the Board

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G. VANAJA DEVI
Whole time Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1. Statement of significant Accounting Policies

a. System of Accounting

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

b. Revenue Recognition

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

i. Revenue from sale of goods is recognized on dispatch which coincides with transfer of significant risks & rewards to customer and is net of sales returns and sales tax, wherever applicable.

ii. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

c. Fixed assets and Depreciation

Tangibles:

i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready for intended use.

ii. Expenditure directly relating to construction activity is capitalized. Indirect expenditure is capitalized to the extent it relates to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.

iii. Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.

iv. The carrying amount of fixed assets are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount.

v. Impairment loss, if any, is provided to the extent the carrying amount of Assets exceeds their recoverable amount.

vi. Depreciation is provided on written down value method, at the rate specified in schedule XIV to the Companies Act, 1956.

Intangibles:

i. Computer software is being depreciated on WDV method at the rates specified in Schedule XIV of the companies Act, 1956.

d. Research and Product Development costs:

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

Expenditure of R&D during the year.

Capital Expenditure Rs.544,16,198/-(1,28,14,179/-)

Revenue Expenditure Rs.885,04,060/-(8,66,86,947/-)

e. Investments

i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

ii. Long-term investments are carried at cost. However, provisions for diminution in value are made to recognize a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined in respect of each category of Investment.

f. Inventories

i. Raw materials, packing materials, stores, spares and consumables are valued at cost, calculated on “First-in first out” basis. Items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost.

ii. Finished goods and Work-in-process are valued at lower of cost or net realizable value. Cost includes materials, labour and a proportion of appropriate overheads.

iii. Trading goods are valued at lower of cost or net realizable value

iv. Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

v. Management has carried out physical verification of stock.

g. Retirement and other Employee Benefits

i. Contribution to Provident Fund, which is a defined contribution plan, are charged to the profit and loss account on an accrual basis.

ii. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

iii. Actuarial gains/losses are immediately taken to Profit and Loss Account.

iv. The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to revenue in the period determined.

h. Income Tax

Tax expense consists of both current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of currency year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

i. Deffered Tax Liability

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

Deferred Tax Liability in respect of timing difference:

PARTICULARS	2013-14 (₹)	2012-13 (₹)
Depreciation on Fixed Assets	(24,94,500)	20,97,536

j. Dividend provided on Equity Shares

Dividend provided in the books of a/c for the financial year pending approval from shareholders. Dividend Per Equity share is Rs.2.40/-(Rs.1.60/-) and the total dividend provided is Rs.16,53,50,868/-(Rs.10,96,17,472/-). This is excluding Interim Dividend of Rs.2.40/-(Rs.1.60/-) per share already paid, total amounting to Rs.16,49,81,292/-(Rs.10,96,17,472/-)

k. Earnings per Share

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

l. Provisions

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

2. SHARE CAPITAL

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Authorised				
10,00,00,000 (2,00,00,000) Equtity shares of Rs.2/- (Rs.10/-) each		2000,00,000		2000,00,000
Issued, Subscribed & Paid up				
6,87,42,205 (1,37,02,184) Equtity shares of Rs.2/- (Rs.10/-) each		1374,84,410		1370,21,840
TOTAL		**1374,84,410**		**1370,21,840**

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

Name of the Shareholder	As at 31-Mar-14		As at 31-Mar-13	
	No. of Shares	% held	No. of Shares	% held
G V Bhaskar Rao - HUF	112,40,645	16.35%	115,80,000	16.90%
G Vanaja Devi	111,13,000	16.17%	111,13,000	16.22%
G. Madhusree	73,20,000	10.65%	73,20,000	10.68%
G V Bhaskar Rao	60,31,990	8.77%	65,31,990	9.53%
IDFC Premier Equity Fund	53,75,000	7.82%	60,70,000	8.86%

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

3 RESERVES & SURPLUS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Securities Premium Reserve		6463,76,582		6353,58,165
Employee Stock Option Scheme				
Employee Stock Option Scheme Outstanding	50,62,903		86,80,200	
Less : Deferred Employee Compensation Expenses	4,34,010	46,28,893	14,06,916	72,73,284
Capital subsidy		2,88,400		2,88,400
General Reserve				
As per last Balance Sheet	5000,17,405		4000,17,405	
Add : Transferred from Profit and Loss Account	1000,00,000	6000,17,405	1000,00,000	5000,17,405
Profit & loss Account Balance				
As per last Balance Sheet	21604,79,729		12353,99,818	
Add : Profit for the year	20876,85,492		12807,27,038	
	42481,65,221		25161,26,856	
Less : Appropriations				
Transferred to General Reserve	1000,00,000		1000,00,000	
Interim Dividend on Equity Shares (Dividend per share Rs.2.40/(Rs.1.60)	1649,81,292		1096,17,472	
Dividend on shares issued during the year	3,70,056			
Tax on Dividend on shares issued during the year	62,890			
Tax on Interim Dividend	280,38,571		177,82,694	
Proposed Dividend on Equity Shares (Dividend per share Rs.2.40/(Rs.1.60)	1653,50,868		1096,17,472	
Tax on Dividend	281,01,380	37971,82,615	186,29,489	21604,79,729
TOTAL		**50484,93,895**		**33034,16,983**

4 LONG TERM BORROWINGS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Secured				
Term Loan from Deptt of Biotechnology, Ministry of Science & Technology		83,94,000		83,94,000
Vehicle Loans from Banks		7,09,358		
TOTAL	**-**	**91,03,358**	**-**	**83,94,000**

Term Loan from Deptt of Biotechnology, Ministry of Science & Technology is secured by all equipment, Plant & Machinery and other movable assets of the company and is repayable in ten equal half yearly instalments starting from June,2018.

5 OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Security deposits from dealers		506,87,921		366,25,835
TOTAL		**506,87,921**		**366,25,835**

6 SHORT TERM BORROWINGS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Loan From Neeladri Chit Fund Pvt Ltd		3,00,000		
TOTAL		**3,00,000**		

7 TRADE PAYABLES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Creditors for Expenses		2257,30,459		1113,45,552
Sundry Creditors		20693,88,995		23747,39,846
Micro and Small Enterprises				

"There are no micro and small enterprises, to whom the company owes dues,which are outstanding as at 31st March,2014.This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company."

TOTAL		**22951,19,454**		**24860,85,398**

8 OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Current maturities of long term debt		-		225,00,000
Advance from customers against Sales		24597,82,571		24829,10,282
Payable to Staff		759,95,488		337,48,278
TOTAL		**25357,78,059**		**25391,58,560**

9 SHORT TERM PROVISIONS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Provision for Income Tax (net of Advance Tax)		35,33,849		120,90,317
Provision for employee benefits		146,52,684		96,53,463
Provision for Wealth Tax		6,68,606		4,60,138
Provision for Dividend		1653,50,868		1096,17,472
Tax on Dividend		281,01,380		186,29,489
TDS Payable		204,15,733		64,74,141
Sales Tax Payable		20,000		82,874
TOTAL		**2327,43,120**		**1570,07,894**

10 SCHEDULE

Amount in ₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2013	Additions	Deletions	Up to 31-03-2014	As on 01.04.2013	Additions	Deletions	Up to 31-03-2014	As on 31-03-2014	As on 31.03.2013
A. TANGIBLE ASSETS										
Land	3593,26,700	595,66,187	-	4188,92,887	-	-	-	-	4188,92,887	3593,26,700
Buildings	4693,66,379	479,97,284	-	5173,63,663	1052,81,581	375,15,836	-	1427,97,417	3745,66,246	3640,84,798
Furniture & Fixtures	254,04,916	118,92,764	-	372,97,680	100,34,227	38,49,401	-	138,83,628	234,14,052	153,70,689
Vehicles	1080,88,243	297,77,242	67,69,804	1310,95,681	541,66,210	178,34,649	57,11,659	662,89,200	648,06,481	539,22,033
Plant & Equipment	8183,35,325	714,33,111	25,90,742	8871,77,694	2561,83,583	972,99,876	9,66,212	3525,17,247	5346,60,447	5621,51,742
Office Equipments	80,61,212	4,02,901	-	84,64,113	31,39,801	7,20,042	-	38,59,843	46,04,270	49,21,411
Computers	110,09,352	18,16,004	-	128,25,356	74,78,001	17,98,222	-	92,76,223	35,49,133	35,31,351
Total (A)	**17995,92,127**	**2228,85,493**	**93,60,546**	**20131,17,074**	**4362,83,403**	**1590,18,026**	**66,77,871**	**5886,23,558**	**14244,93,516**	**13633,08,724**
Total Previous Year (A)	**12592,82,291**	**5569,66,988**	**166,77,350**	**17995,71,927**	**3238,49,067**	**1217,37,110**	**93,03,613**	**4362,82,564**	**13632,89,363**	**-**
B. INTANGIBLE ASSETS										
Software	133,43,630	35,24,800	-	168,68,430	25,82,796	51,66,954	-	77,49,750	91,18,680	107,60,834
Patents	1,35,055	-	-	1,35,055	65,161	-	-	65,161	69,894	69,894
Goodwill		26,69,932		26,69,932					26,69,932	-
Total (B)	**134,78,685**	**61,94,732**	**-**	**196,73,417**	**26,47,957**	**51,66,954**	**-**	**78,14,911**	**118,58,506**	**108,30,728**
Total Total Previous Year (B)	**93,15,692**	**40,27,938**	**-**	**133,43,630**	**18,85,403**	**6,97,393**	**-**	**25,82,796**	**107,60,834**	
C. CAPITAL WORK IN PROGRESS										
Building Under Cont.	321,83,405	620,40,676	548,42,297	393,81,784	-	-	-	-	393,81,784	321,83,405
Other Work in Progress	490,80,253	840,30,321	558,62,366	772,48,208	-	-	-	-	772,48,208	490,80,253
Total (C)	**812,63,658**	**1460,70,998**	**1107,04,663**	**1166,29,992**	**-**	**-**	**-**	**-**	**1166,29,992**	**812,63,658**
Total Total Previous Year (C)	**1309,14,560**	**2717,10,334**	**3213,61,237**	**812,63,658**					**812,63,658**	
Total - A+B+C	**18943,34,469**	**3751,51,223**	**1200,65,209**	**21494,20,482**	**4389,31,360**	**1641,84,980**	**66,77,871**	**5964,38,469**	**15529,82,014**	**14554,03,109**
Total Previous Year A+B+C	**13995,12,544**	**8327,05,260**	**3380,38,587**	**18941,79,215**	**3257,34,470**	**1224,34,503**	**93,03,613**	**4388,65,360**	**14553,13,855**	**-**

11 NON - CURRENT INVESTMENTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Other than trade at cost)				
Investment in Equity Instruments				
QUOTED				
199425 Equity Shares of Re.10 each in Vijaya Textiles Ltd - fully paid up	199,04,545		199,04,545	
1900 Equity shares of Rs.10 each in Bank of Maharastra - fully paid up	43,700		43,700	
9700 equity shares of Rs.10 each in Indian Overseas Bank - fully paid up	2,32,800		2,32,800	
1160 Equity Shares of Re.1 each in Tata Consultancy Services Ltd - full paid up	2,46,500		2,46,500	
	204,27,545		204,27,545	
Less : Provision for Diminution in Value	153,86,859	50,40,686	153,86,859	50,40,686
UNQUOTED				
3600 Equity Shares of Rs.100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,60,000		3,60,000	
700 Equity Shares of Rs.10 each in Swadeshi Biotechnics Ltd -fully paid up	70,000	4,30,000	70,000	4,30,000
Investment in Government Securities				
National Savings Certificates		31,000		36,000
Investment in Mutual Funds				
Nil (2,02.840) units of ABN Amro Equity Fund - Dividend			50,00,000	
Nil (4,18.831) units of ABN Amro Opportunities Fund - Dividend			100,00,000	
Nil (1,26.040) units of Birla Midcap Fund - Dividend			50,00,000	
Nil (6,987) units of Birla Top 100 Fund - Dividend			1,05,477	
Nil (1,49,961)units of DSP Merrill Lynch India Tiger Fund			50,00,000	
Nil (1,04,353)units of HSBC Equity Fund -Dividend			50,00,000	
Nil (3,91,212)units of JM Balanced Fund - Dividend Plan			100,00,000	
Nil (3,04,037)units of JM Basic Fund - Dividend Plan			100,00,000	
	-		501,05,477	
Less : Provision for Diminution in Value		-	348,36,681	152,68,796
Investment in Partnership Firm				77,00,000
TOTAL		**55,01,686**		**284,75,482**
Market Value of Quoted Investments		44,91,283		44,07,091
Aggregate amountof Quoted Investments		50,40,686		50,40,686
Aggregate amountof Unquoted Investments		4,61,000		234,34,796

12 LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Unsecured considered good				
Advance for Capital Expenditure		1308,49,394		351,29,709
Security Deposits		151,95,832		129,69,063
		1460,45,226		**480,98,772**

13 OTHER NON CURRENT ASSETS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Unamortised Preliminary Expenses		6,22,834		6,27,758
		6,22,834		**6,27,758**

14 CURRENT INVESTMENTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Other than trade at cost) unquoted				
Nil (1,90,00,000) units of ICICI Prudential FMP Series 63- 376 Days Plan J Cumulative			1900,00,000	
95,03,625(Nil) units of ICICI Prudential Interval Fund II Quarterly Interval Plan A -Direct - Growth	1000,00,000			
1,09,12,106(Nil) units of ICICI Prudential Interval Fund IV Quarterly Interval Plan B -Direct - Growth	1500,00,000			
5,73,015(Nil) units of ICICI Prudential Money Market Fund -Direct - Growth	1000,00,000			
Nil (49,882) units of SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth			1000,00,000	
54.507 (Nil) units of SBI Magnum Insta Cash Fund - Direct Plan - Growth	1500,00,000			
1,00,00,000 (Nil) units of SBI Debt Fund Series - 366 Days 52 - Direct Plan - Growth	1000,00,000			
Nil (57,10,664) units of Reliance Income Fund - Growth Plan- Bonus Option			1000,00,000	
1,00,00,000 (Nil) units of Reliance Fixed Horizon Fund XXV - Series 29- Direct Plan - Growth	1000,00,000			
Nil (23,34,153) units of Birla Sun Life Short Term Fund - Growth - Direct Plan			1000,00,000	
2,18,980 (3,25,551) units of Birla Sun Life Cash Plus - Growth - Direct Plan	450,00,000		600,00,000	
9,48,711(Nil) units of Birla Sun Life Trasury Optimizer Plan - Growth - Direct Plan	1465,00,000			
Nil (58,28,899) units of Tata Dynamic Bond Fund Direct Plan - Growth			1000,00,000	
Nil (11,58,749) units of Tata Income Fund Plan A - Appreciation Option - Bonus			200,00,000	
Nil (67,294) units of Tata Liquid Fund Direct Plan- Daily Dividend			750,00,000	
Nil (9,398) units of Tata Liquid Fund Direct Plan- Growth			200,00,000	
2,28,000 (Nil)) units of Tata Money Market Fund Direct Plan- Growth	4500,00,000			
70,00,000 (Nil)) units of Tata Fixed Maturity Plan Series 46 Scheme S Direct Plan- Growth	700,00,000			
36,68,648 (Nil)) units of Tata Fixed Income Portfolio Fund Scheme B2 Direct Plan- Growth	400,00,000			
Nil (43,72,502) units of HDFC Interest Fund - Direct Plan Short Term - Growth			1000,00,000	
Nil (22,06,882) units of HDFC Liquid Fund - Direct Plan - Growth			500,00,000	

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
60,00,000 (Nil)) units of HDFC MP 90D January 2014(1) Series 29-Direct - Growth	600,00,000			
1,12,41,614 (Nil)) units of HDFC Floating Rate Income Fund - Long Term Plan Direct Plan-Growth Option	2500,00,000			
Nil (72,06,065) units of IDFC Dynamic Bond Fund Direct Plan - Growth			1000,00,000	
29,42,799(29,42,799) units of IDFC Super Saver Income Fund-Invest - Growth - Regular Plan	800,00,000		1150,00,000	
Nil (49,31,909) units of IDFC Ultra Short Term Fund - Growth - Direct Plan			800,00,000	
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 82 - Direct Plan - Growth	1000,00,000			
30,00,000 (Nil) units of IDFC Interval Fund Direct Plan Series IV- Growth	300,00,000			
67,477 (Nil) units of IDFC Cash Fund - Daily Dividend - Directr Plan	675,00,000			
1,40,57,316 (Nil) units of Religare Invesco Arbitrage Fund Bonus - Direct - Growth	1500,00,000			
1,25,627(Nil) units of Religare Invesco Credit Opportunities Fund - Direct - Growth	1800,00,000			
60,00,000 (Nil) units of Kotak FMP Series 138 Direct- Growth	600,00,000			
1,00,00,000 (Nil) units of DSP Blackrock FMP Series 151- 12M - Direct - Growth	1000,00,000			
48,54,015 (Nil) units of L&T Ultra Short Term Fund Direct Plan - Growth	1000,00,000			
100 (Nil) Bonds of Damodar Valley Corporation	942,50,000			
50 (Nil) Bonds of Power Finance Corporation Ltd	472,55,000	27705,05,000		12900,00,000
Chitts with Neeladri Chit Fund Pvt Ltd		34,00,000		
Chitts with Margadarsi Chit Fund Pvt Ltd		34,00,000		
		27773,05,000		**12900,00,000**

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

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Finished Goods		35035,84,730		30764,20,069
Work in Process		10875,23,224		14550,76,864
Raw Material		3804,38,028		3803,78,160
TOTAL		**49715,45,982**		**49118,75,093**

16 TRADE RECEIVABLES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Receivables outstanding for a period exceeding six months				
Unsecured, considered good	1857,80,548		2308,91,151	
Considered Doubtful -unsecured	386,25,317		386,25,317	
Less : Provision for doubtful debts	(386,25,317)	1857,80,548	(386,25,317)	2308,91,151
Other receivables				
Unsecured, considered good		4674,41,623		4549,65,232
TOTAL		**6532,22,171**		**6858,56,383**

17 CASH & CASH EQUIVALENTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Cash on hand		14,45,670		32,05,868
Balance with Banks		651,14,270		1377,82,164
Fixed Deposits with Banks				16,56,157
TOTAL		**665,59,940**		**1426,44,189**

18 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Advance to Staff - Unsecured and considered good		129,77,242		118,61,437
TOTAL		**129,77,242**		**118,61,437**

19 OTHER CURRENT ASSETS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Unsecured and considered good)				
Advance to suppliers		83,102,485		961,04,678
Prepaid expenses		67,01,211		43,42,653
Others		39,60,118		3,86,668
TOTAL		**937,63,814**		**1008,33,999**

20 REVENUE FROM OPERATIONS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Sale of Seeds		97831,74,460		68600,02,890
Sale of Micronutrients		3080,60,954		2483,55,872
Sale of Vegetables		198,19,328		119,53,299
TOTAL		**101110,54,742**		**71203,12,061**

21 OTHER INCOME

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Capital Gain on sale of Assets		15,61,524		21,17,712
Dividend Income -Current Investments		557,01,627		335,32,602
- Long Term Investments		273,44,679		5,62,389
Interest Income		124,28,823		114,95,749
Others		4,50,299		17,16,089
TOTAL		**974,86,952**		**494,24,541**

22 COST OF MATERIALS CONSUMED

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Raw Material Consumed/Production Expenses				
Opening Stock		3803,78,160		2987,05,249
Add : Purchasses/Production Expenses including processing Charges**		38108,21,162		50325,77,614
		41911,99,322		53312,82,863
Less : Closing Stock		3804,38,028		3803,78,160
		38107,61,294		49509,04,703
**** Processing Charges**				
Freight Inward		876,61,342		546,54,508
Machinery Repairs & Maintenance		159,05,555		85,27,020
Seed Certification charges		2,80,965		4,26,685
Power & Fuel		805,36,884		667,90,956
Building & Godown repairs & maint.		1,42,167		1,03,571
Godown Rent		112,31,766		51,73,552
Cold Storage Maintenance		5,51,042		14,91,349
Factory Maintenance		871,08,850		447,38,949
Expense on processing		843,72,463		1972,95,338
R&D Farm Expenses		885,04,060		866,86,947
Total		**4562,95,093**		**4658,88,875**
R&D Farm Expenses				
Cultivation Expenses		6,47,278		3,03,638
Fertilizers & Pesticides		41,33,295		27,66,786
Electricity charges		24,26,415		22,91,652
Electrical items & motor repairing charges		4,00,844		3,18,948
Farm Maintenance		105,15,612		45,50,739
Labour charges		50,04,952		100,08,857
Postage & telephones		1,11,408		3,53,706
Printing & Stationery		1,16,293		1,03,483
Security charges		32,65,354		12,93,289
Staff Welfare		2,81,137		33,322
Travelling expenses		66,724		4,99,515
Vehicle Maintenance		21,82,600		16,08,820
Land Lease		102,61,616		104,62,943
Research Expenses		40,22,863		138,38,542
Testing Expenses		108,14,899		88,65,724
Professional Expenses		43,98,700		36,00,000
Salaries - Farm		298,54,069		257,86,985
		885,04,060		**866,86,947**
Details of Raw Material consumed				
Seeds		34616,92,258		46780,52,577
Packing Material		1941,88,997		1452,86,041
Chemicals		937,75,331		724,50,664
Others		611,04,708		551,15,421
		38107,61,294		**49509,04,703**

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
(Increase)/Decrease in Finished goods				
Opening Stock	30770,01,251		18469,20,665	
Closing Stock	35035,84,730	(4265,83,479)	30764,20,069	(12294,99,404)
(Increase)/Decrease in Work in Process				
Opening Stock	14544,95,682		8878,15,412	
Closing Stock	10875,23,224	3669,72,458	14550,76,864	(5672,61,452)
		(596,11,021)		(17967,60,856)

24 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
M.D's Remuneration		324,20,000		103,80,000
Directors Remuneration		391,94,000		156,36,000
Salaries to Staff		1925,49,934		1610,61,367
Employee Stock option Expenses		11,88,821		15,45,558
Contribution to Provident and other funds		120,79,136		101,32,750
Staff Welfare Expenses		41,58,089		43,06,742
		2815,89,980		**2030,62,417**

25 FINANCIAL COSTS

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Interest Expenses		6,53,634		129,36,127
Loss on Chits		6,64,333		
Bank Charges		11,23,887		21,39,956
		24,41,854		**150,76,083**

26 OTHER EXPENSES

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
ESTABLISHMENT EXPENSES				
Travelling Expenses		819,76,471		327,21,190
Postage & Telephone		90,92,121		72,52,808
Payment to Auditors		10,07,001		9,31,638
Vehicle Maintenance		85,16,718		426,79,443
Rent		37,57,112		31,54,100
Printing & Stationery		43,23,980		38,62,863
Insurance		60,64,835		57,53,746
Books & Periodicals		74,130		62,737
Rates & Taxes		112,41,370		31,57,846
Office Maintenance		61,10,885		25,45,585
General Expenses		35,58,453		117,68,470
Conveyance		15,38,137		5,00,534
Donations & Subscriptions		9,87,000		8,23,900
Legal Expenses		1,42,434		1,68,613
Professional Charges		110,59,086		63,14,074
Profeesional Tax		35,500		27,500
Sales Tax		4,65,377		7,71,787
Market Cess		12,83,268		1,86,133

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	₹	₹	₹	₹
Security Charges		80,71,254		85,72,651
Service Tax		85,28,173		62,62,675
Computer Maintenance		30,33,890		12,33,299
Directors Sitting Fees		2,00,000		2,00,000
(a) Total		**1710,67,195**		**1389,51,592**
SELLING & DISTRIBUTION EXP				
Sales promotion expenses		2341,22,406		1930,34,129
Sales Schemes		19757,54,908		10944,46,723
Advertisement		451,32,136		37,05,376
Freight & Forwarding		1110,38,076		959,28,045
Farmers Meeting Expenses		409,12,152		420,64,799
Staff & Dealers Meeting Expenses		261,09,610		195,33,570
Royalty		12555,43,232		7821,51,815
Bad debts Write Off		62,34,666		-
(b) Total		**36948,47,186**		**22308,64,457**
Total of (a) & (b)		**38659,14,381**		**23698,16,049**

27. Capital Commitments

Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for Rs. 808.37 (413.26)Lakhs.

28. Contingent Liabilities and Commitments.

a) Contingent Liabilities

Claims against the company not acknowledged as debts Rs.146.65 Lakhs (Rs. 150.57 Lakhs) This comprise.

i) Tax demands disputed by the Company relating to disallowances/additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to Rs. 22.36 Lakhs (Rs. 22.36 Lakhs)

ii) Other matters not related to Tax aggregating to Rs.10.75 Lakhs (Rs.10.75 Lakhs).

iii) Bank Gurantees Rs.113.54 Lakhs(Rs.117.46 Lakhs)

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

₹

Particulars	2013-14	2012-13
Statutory Audit	Rs.6,32,025/-	Rs.5,76,182/-
Other Audit Services	Rs.1,12,360/-	Rs.1,01,124/-
For Tax Matters	Rs.2,10,675/-	Rs.1,95,394/-
Reimbursement of expenses	Rs. 51,941/-	Rs. 58,938/-
TOTAL	**Rs 10,07,001/-**	**Rs 9,31,638/-**

30. Related Parties Disclosure:

Key Managerial Persons and their relatives

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

Other Related Firms:

M/s. Kaveri Infra

Transactions with related parties during the year

₹ in Lakhs

Details of Transactions	2013-14	2012-13
Remunaration Paid		
Mr. G.V.Bhaskar Rao	325.64	105.24
Mrs. G. Vanaja Devi	278.24	65.64
Mr. R. Venumanohar Rao	56.51	42.24
Mr. C. Vamsheedhar	34.56	27.24
Mr. C. Mithun Chand	33.21	27.00
Mr. T. Venkateswarlu	6.00	
	734.16	**267.36**
Land and Godown Lease Paid		
Mr. G.V.Bhaskar Rao	7.67	6.97
Mrs. G. Vanaja Devi	9.83	2.41
Mr. G.Pawan	14.22	12.93
Mrs. G. Madhusree	9.82	8.92
G.V.Bhaskar Rao - HUF	36.27	34.23
C. Vamsheedhar – HUF	4.07	3.70
R. Venumanohar Rao – HUF	4.12	3.74
M/s. Kaveri Infra	9.88	
	95.88	**72.92**
Dividend Paid		
Mr. G.V.Bhaskar Rao	241.28	144.77
Mrs. G. Vanaja Devi	444.52	266.71
Mr. R. Venumanohar Rao	96.92	68.91
Mr. C. Vamsheedhar	54.93	37.52
Mr. C. Mithun Chand	63.80	38.40
Mr. G.Pawan	100.36	60.22
Mrs. G. Madhusree	292.80	175.68
G.V.Bhaskar Rao - HUF	449.63	272.49
	1,744.24	**1064.70**

31. Foreign Currency/Exchange transactions:

PARTICULARS	2013-14 ₹	2012-13 ₹
a. Import of Capital Goods	445,92,106	12,07,15,342
b. Earnings in foreign Exchange (Export of goods on FOB basis)	548,61,808	3,44,88,641
c. Expenditure in Foreign Currency for Travel	38,26,685	22,35,640

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

₹ in Lakhs

Particulars	For the Year ended 31st March 2014			For the Year ended 31st March 2013		
	Unit	Quantity	Value (Rs.)	Unit	Quantity	Value (Rs.)
Seeds	MT	36505	97831.76	MT	25239	68600.03
Micronutrients	MT	4885	3080.60	MT	5738	2483.55
Vegetables	MT	324	198.19	MT	242	119.53
			101,110.55			**71,203.11**

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

₹ in Lakhs

Particulars	As at 31st March 2014				As at 31st March 2013			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Quantity (MT)	Value (Rs.)	Quantity (MT)	Value (Rs.)	Quantity (MT)	Value (Rs.)	Quantity (MT)	Value (Rs.)
Seeds	10,653.29	30554.05	11951.67	34769.66	8,915	18282.06	10,653.29	30554.05
Micronutrients	704.52	210.15	616.08	266.19	522	187.14	704.52	210.15
Vegetables	0.05	1.63	0.02	0.43			0.05	1.63
	11,357.86	**30765.83**	**12,567.77**	**35036.28**	**9,437**	**18,469.20**	**11,357.86**	**30765.83**

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

₹ in Lakhs

Particulars	Value as on 31.03.2014	%	Value as on 31.03.2013	%
IMPORTED				
Seeds	NIL		NIL	
Micronutrients	NIL		NIL	
	NIL	0	NIL	0
INDIGENOUS				
Seeds	37,147	100	48,687	100
Micronutrients	872	100	764	100
Vegetables	88	100	63	100
	38,107	100	49,451	100

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

As per our report of even date attached

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

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

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

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G. VANAJA DEVI
Whole time Director

Cash Flow Statement (Consolidated)

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	₹	₹
Cash flows from operating activities		
Profit before taxation	21432,60,226	13185,74,574
Adjustments for:		
Depreciation & Amortisation	1641,86,980	1224,34,503
(Profit)/Loss on sale of Fixed Assets	15,61,524	(133,70,869)
Dividend Received	(830,46,306)	(340,94,991)
Interest received	(124,28,823)	(114,95,749)
Finance charges	24,41,854	150,76,082
Operating profit before working capital changes	**22159,75,455**	**13971,23,550**
(Increase) / Decrease in Inventories	(596,70,889)	(18784,33,767)
(Increase)/Decrease in Sundry Debtors	326,34,212	(4007,84,215)
(Increase)/Decrease in Loans & Advances	(944,80,753)	1604,55,457
Miscellaneous Expenditure	-	6,27,758
Increase/(Decrease) in Trade Liabilities	(1018,56,883)	12930,37,471
Increase/(Decrease) in Other Current Liabilities	(64,16,811)	5627,75,860
Taxes paid during the year	(540,59,986)	(357,50,000)
Net cash provided by operating activities	**19321,24,345**	**10990,52,114**
Cash flows from investing activities		
(Purchase)/Sale of Fixed Assets	(2552,41,267)	(4202,38,858)
(Purchase)/Sale of Investments	(14643,31,204)	(2072,83,760)
Dividend Received	830,46,306	340,94,991
Interest received	124,28,823	114,95,749
Net Cash used for investing activities	**(16240,97,342)**	**(5819,31,878)**
Cash flows from financing activities		
Dividend including Tax on Dividend	(3869,05,058)	(2556,47,127)
Share Application Money	52,35,660	78,63,690
Short Term Loans	-	(1900,00,000)
Long Term Loans	-	(177,00,000)
Finance charges	(24,41,854)	(150,76,082)
Net cash provided by financing activities	**(3841,11,252)**	**(4705,59,519)**
Net increase in cash & cash equivalents	(760,84,249)	465,60,717
Cash & Cash equivalents at the beginning of the period	1426,44,189	960,83,472
Cash & Cash equivalents at the end of the period	**665,59,940**	**1426,44,189**

As per our report of even date attached

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

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

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
P. RAGHUNADHA REDDY
PARTNER
Membership No.23758
Place: Secunderabad
Date: 29.05.2014

Sd/-
KV CHALAPATHI REDDY
Chief Financial Officer

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

Sd/-
G. VANAJA DEVI
Whole time Director

kaveri seed company limited

CIN: L01120AP1986PLC006728
Regd. Office: 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003,.
Email: cs@kaveriseeds.in Website : www.kaveriseeds.in

27th Annual General Meeting – Thursday, 18th September 2014

ATTENDANCE SLIP

Folio No./Client Id:		**No. of Shares:**	
Name and address of First/Sole Shareholder :			

I, hereby record my presence at the 27th Annual General Meeting of the Company to be held on Thursday, 18th September 2014 at 11.15 AM at the Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, 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.

kaveri seed company limited

CIN: L01120AP1986PLC006728
Regd. Office: 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003,.
Email: cs@kaveriseeds.in Website : www.kaveriseeds.in

27th Annual General Meeting – Thursday, 18th September 2014

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 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.....

as my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the **27th Annual General Meeting of the Company to be held on Thursday, 18th September 2014 at 11.15 AM** at the Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad – 500 004, Telangana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Approval of the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss of the Company for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. Confirmation of payment of Interim Dividends and declaration of final dividend on the equity shares for the financial year 2013-14.
3. Re-appointment of Dr.G.Pawan as Director of the company.
4. Appoint a Director in place of Dr. Y.L.Nene, who retires by rotation, and being eligible, seeks reappointment as non-retiring Independent Director for a period of five years.
5. Appoint a Director in place of Mr. M.Srikanth Reddy, who retires by rotation, and being eligible, seeks reappointment as non-retiring Independent Director for a period of five years.
6. Appoint the retiring Auditors M/s. P.R.Reddy & Co. Chartered Accountants as Statutory Auditors and fix their remuneration.

Special Business:

7. Appoint Mr. P.Varaprasad Rao, as an Independent Director in terms of Section 149 of the Companies Act, 2013.
8. Appoint Dr. S.Raghuvardhan Reddy, as an Independent Director in terms of Section 149 of the Companies Act, 2013.
9. Appoint Dr. S.M.Ilyas, as an Independent Director in terms of Section 149 of the Companies Act, 2013.
10. Appoint Mr. K.Purushotham, as an Independent Director in terms of Section 149 of the Companies Act, 2013.
11. Approval of variation in the terms of appointment of Mr.R.Venumanohar Rao, Whole time Director of the company.
12. Approval the increase of remuneration payable to Mr. G.V.Bhaskar Rao, Managing Director of the company.
13. Approval the increase of remuneration payable to Mrs. G.Vanaja Devi, Whole time Director of the company.
14. Approval the increase of remuneration payable to Mr. R.Venumanohar Rao, Whole time Director of the company
15. Approval the increase of remuneration payable to Mr.C.Vamsheedhar, Whole time Director of the company
16. Approval the increase of remuneration payable to Mr.C.Mithunchand, Whole time Director of the company
17. Approval the Borrowing limits up to Rs.400 Crores of the company
18. Authorization to mortgage and charge for borrowing upto Rs.400 Crores.
19. Approval the contract agreement with M/s. Aditya Agri Tech Pvt. Ltd., as wholly owned subsidiary of the company.
20. Approval the contract agreement with M/s. Genome Agritech Pvt. Ltd., as wholly owned subsidiary of the company
21. Approval the land lease agreements with the promoters/directors and subsidiary of the company.

Signed this _____day of _____ 2014

Revenue Stamp

Signature of the Shareholder_____Signature of the Proxyholder(s) _____

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

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

Company Secretary

VRS Murthy

Chief Financial Officer

KV Chalapathi Reddy

Audit Committee

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

Compensation Committee

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

Shareholders/Investors Grievance Committee

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

Statutory Auditors

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

Bankers

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

Registrars and Share Transfer Agents

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

Listing

NSE, & BSE

Registered Office & CIN of the company

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

Plants

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

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

Gatlanarsingapur Plant - 1
Door No.104,
Gatlanarsingapur Post
Bheemadevarapally Mandal
Karimnagar District, Telangana.

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

Eluru Plant
Sy.No.853,
Koppaka village
Pedavegi Mandal
West Godavari Distirct, AP

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

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

kaveri seeds®

kaveri seed company limited

Registered Office

513 B, 5th Floor, Minerva Complex, S.D.Road, Secundrabad -500 003 INDIA
Ph: 040 - 27899833, 27721457. E-mail : info@kaveriseeds.in
Website : www.kaveriseeds.in