

05<sup>th</sup> September 2020

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

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

**Scrip Code: KSCL**

**Scrip Code: 532899**

Dear Sir,

**Sub:- Notice of 33<sup>rd</sup> Annual General Meeting and Annual Report for the financial year 2019-20 - Reg.,**

This is further to our letter dated 13<sup>th</sup> August, 2020 wherein it was informed that the Annual General Meeting (AGM) of the Company is scheduled to be held on 29<sup>th</sup> September, 2020.

In terms of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company for the Financial Year 2019-20 and Notice of Annual General Meeting.

The Annual Report for the Financial Year 2019-20 including Notice of AGM is being sent to the Shareholders electronically who have registered their email IDs. The same is also available on the Company's website at [www.kaveriseeds.in](http://www.kaveriseeds.in)

Brief details of AGM are as under:

|                               |   |
|-------------------------------|---|
| Date & Time                   | 29 <sup>th</sup> September, 2020 at 11.00 A.M.                            |
| Mode                          | Video Conference/ Other Audio-Visual Means                                |
| Cut-off date                  | 22 <sup>nd</sup> September, 2020  |
| e-voting start date & time    | 26 <sup>th</sup> September, 2020 (from 9:00 A.M.)                         |
| e-voting end date & time      | 28 <sup>th</sup> September, 2020 (upto 5.00 P.M.)                         |
| Website for e-voting          | <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> |
| Website for attending the AGM | <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> |

This is for your information and record.

Yours faithfully,

**For KAVERI SEED COMPANY LIMITED**



**C. MITHUN CHAND**  
**WHOLE TIME DIRECTOR**

Encl: As above



**kaveri seed company limited**

33<sup>rd</sup> Annual Report 2019-20



kaveri seeds®



# Iconic Seed Drive

WE START THE AGRICULTURE FOOD CHAIN

# Contents

## Company Overview

- 02 ..... Kaveri Seed at a Glance
- 04 ..... Products with a prospect
- 06 ..... Chairman and  
Managing Director's Message
- 10 ..... Mapping our Performance
- 12 ..... Strength in Sustainability –  
how we deliver value
- 14 ..... Innovate to Excel –  
marking our way to the future
- 18 ..... Improving our Network –  
ties to take us further
- 22 ..... Strengthening our brand recall
- 24 ..... Building a robust supply chain
- 28 ..... Compassionately Committed –  
towards people and our  
ecosystem
- 30 ..... Nurturing a stimulating workplace
- 31 ..... Five-year performance highlights
- 32 ..... Profile of Board of Directors

## Statutory Reports

- 34 ..... Management Discussion and  
Analysis
- 44 ..... Notice
- 52 ..... Directors' Report
- 89 ..... Business Responsibility Report
- 97 ..... Report on Corporate  
Governance

## Financial Statements

- 118 ..... Standalone  
Financial Statements
- 168 ..... Consolidated  
Financial Statements

### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



To know more about us in digital mode, scan this QR code in your QR mobile application.



# An inextricable link to nature, a pivotal support for life forms and a key to food security – agriculture reaffirms our relationship with life.

And we stand at the threshold of revolutionary changes, ideating and innovating solutions to feed millions while ensuring prosperity for the growers - the unsung heroes of agriculture – our farmers.

Kaveri Seed's pursuit for excellence begins with its drive to achieve remarkable feats by producing seeds that address common challenges plaguing agriculture. Developing heat, drought and disease resistant Hybrids and Varieties for ensuring

farmers' prosperity- we remain dedicated to thrive and grow along with the farm fraternity.

As a responsible organization, we believe in a holistic approach to focus on the most advanced varieties of seeds, designing solutions that are perfectly compatible with the nature. Our cutting-edge research, relentless emphasis on innovation helps us to inculcate sustainable business practices across the organization.

**Today, Kaveri Seed has successfully forged a differentiated identity as an iconic seed company, laying the foundations for a stronger and steadier tomorrow – carrying forward its zeal to support and sustain farm prosperity across the value chain.**

# Kaveri Seed at a Glance

**From our humble beginnings in 1976 with a seed production unit, Kaveri Seed Company Limited (Kaveri Seed) is today among the largest crop seeds producers in India. Started by Shri G V Bhaskar Rao, our Chairman and Managing Director, Kaveri Seed was incorporated in 1986.**

Realizing the need to ensure food security and farmer prosperity, over the last three decades we have established a broad portfolio of seeds, widened our partner network and penetrated deeper into the market. We continue to pursue excellence across our operations, backed by our strong Research & Development capabilities to address and overcome challenges faced by farmers across the country. Our focus on new varieties of seeds enable us to efficiently address issues related to productivity, crop diseases and utilization of natural resources.

At Kaveri, our innovative approach drives us to deliver modern plant breeding techniques and develop hybrids of superior quality seeds that ensure exceptional yield in diverse climatic conditions. Headquartered in Hyderabad, Kaveri Seed

has seven state-of-the-art seed processing plants and quality control lab along with a pan India distribution of network and marketing offices in 22 cities across India.

Additionally, we have strengthened our export capabilities and have forayed into markets in Egypt, Pakistan, Bangladesh, Nepal, Myanmar and Sri Lanka.



## Product offerings

We provide farmers with seeds that meet constantly evolving customer demands. To significantly improve yield and enable farmers to earn more on their produce, we have developed seeds backed by modern biotech innovations. Our range of hybrids and other varieties of superior quality seeds are resistant to various biotic and abiotic stresses (pests, diseases and climate challenges like drought, heat etc) and are designed to deliver exceptional quality products to farmers across the nation.



## Vision

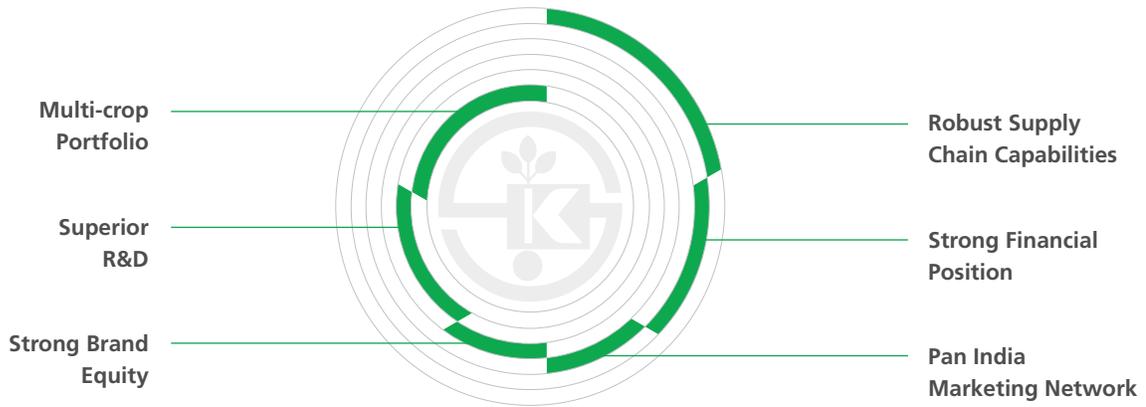
**With consistent performance in all functional areas of the Company, our endeavour is to make Kaveri a benchmark seed company with the best of research, innovation and product development.**



## Mission

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

### Pillars of Kaveri's Business Strategy



### Charting progress - year after year

Revenue from operations (₹ Lakh)

**88,326**

EBITDA margin

**30.77**

Employees

**1,073**

Countries cater through export

**6**

Total seed processing plants in India

**7**

Cumulative warehouse space across six locations in India (sq.ft)

**10,00,000**

Retail and distributor touch points across the country

**40,000**

Land under seed production across India with different Agri-climatic conditions

**65,000+**

Seed growers across 12 different Agro-climatic zones in India

**1,00,000+**

Site promoters working with farmers 24x7

**1,000+**

Members in the R&D unit working towards innovating futuristic product development

**145**

Total trial centres to conduct seed tests under different conditions

**~120**

— FY 2020

# Products with a prospect



## Cotton

### Promising products developed in 2019-2020

KCH 307 BG II  
(Suitable for North  
Zone Cotton Wheat  
crop rotation)

KCH 9323 BG II  
(Suitable for North  
Zone Cotton Wheat  
crop rotation)

KCH 9333 BGII  
(Suitable for North  
Zone Cotton Wheat  
crop rotation)

KCH 9292 BGII (Suitable for South & Central Zone, wide adaptability, good boll opening, suitable under rainfed and irrigated conditions)

KCH9494 BGII (HXB ELS suitable for Karnataka & MP)



## Rice

### Promising products developed in 2019-2020

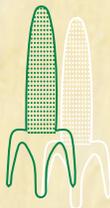
KRH7299 | KRH7317 | KRH7425 | KRH7623 |  
KAVERI 9090 | KAVERI 468 | KRV7155 & KRV7434



## Maize

### Promising products developed in 2019-2020

KMH 8333 and KMH 8322 suitable for central and south zone Kharif and South Rabi



## Pearl Millet

### Promising products developed in 2019-2020

KPH6266 (Kharif Season) | KPH6277 (Kharif Season) |  
KPH6155 (Kharif Season) | KPH6310 (Summer Season) |  
KPH6350 (Summer Season) | KPH6499 (Summer Season)



## Tomato

### Promising products developed in 2019-2020

Kaveri 055 (TOMSTAR) | KTOH 1303 | KTOH 1305 | KTOH 453

Note: There are number of hybrids under pipeline in the advance stage and demo across Field and Vegetable crops

## Hot Pepper



### Promising products developed in 2019-2020

KHPH 1225 | KHPH 1217 | KHPH 1213 | KHPH 1227 |  
KHPH 1218 | KHPH 1221 | KHPH 1230

## Okra



### Promising products developed in 2019-2020

KOKH1108 & KOKH1102

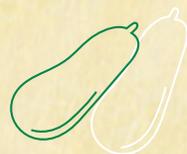
## Bitter Gourd



### Promising products developed in 2019-2020

BADELAL | CHOTELAL | PARAM | KBIH1714 | KBIH1715

## Bottle Gourd



### Promising products developed in 2019-2020

AGRANI | AMBER | ADVIKA | KRITIKA

## Cucumber



### Promising products developed in 2019-2020

AAFIYA | RAIMA | HAIMI

## Sponge Gourd



### Promising products developed in 2019-2020

ALIYA | KOMAL

*Note: There are number of hybrids under pipeline in the advance stage and demo across Field and Vegetable crops*

# Chairman and Managing Director's Message



“At Kaveri, we are not just satisfied with offering innovative crop solutions, but remain enthused to provide maximum support to our end-users after the launch of our product.”

## Dear Shareholders,

It gives me immense pleasure to present the 33rd Annual Report of Kaveri Seeds. With our sustained focus on delivering exceptional products that ensure higher yield and our enthusiasm to partner with farmers, drives us to achieve unmatched synergies of growth. Over the years, we have run the business ably and efficiently, pivoting our success on three key assets - brand, talent, and culture, to deliver consistent business and earnings growth, thereby creating long-term value for our stakeholders.

The global population is increasing at an alarming rate and challenges related to the availability of arable land continue to persist. In India, too, adequate crop production is linked to multiple factors and the cascading effects of urbanization and ecological pressures can be felt across the agricultural sector. Currently, around 86% of Indian farmers possess less than 2 hectares of land, with a gradual deteriorating supply of water to the farmlands. To add to their misery, natural factors like uncertain weather conditions,



During the year, our revenue from operations grew from ₹ 768.99 crores in 2018-19 to ₹ 883.26 crores in 2019-20, registering a growth of 14.86%.”

lack of rainfall and rapid changes in temperature are taking a toll on agricultural production.

To mitigate these challenges adequately and ensure food security for a growing population, we at Kaveri Seeds, have invested in innovative solutions that are perfectly designed to improve yield and offer greater value to our farmers. The government has also taken necessary steps to boost agriculture with various initiatives such as Pradhan Mantri Krishi Sinchayi Yojana, Pradhan Mantri Fasal Bima Yojana, National Food Security Mission and other efforts to ensure farm prosperity.

### Nurturing our Future

Over the past three decades Kaveri Seeds has set benchmark in the Indian seed market. Our range of improved hybrids and a constant commitment to strengthen our R&D capabilities have helped us to deliver unmatched results.

I humbly attribute the Company's success to our customers and farmers – our true growth partners. As a preferred partner, we have always aimed at enriching the lives of small and marginal farmers, the backbone of our nation. We strive to deliver products that not only reap a good harvest but, offer optimum conditions for agricultural productivity – year after year. Additionally,

we regularly engage with farmers to empower them with useful knowledge to deal with multiple challenges associated with climate change, need based irrigation, plant protection and abiotic conditions.

To fulfill the goal of food security and to enhance agricultural productivity, we rely on latest seed production technology. We train farmers to use advanced precision techniques to enhance yields without compromising the quality of arable land.

### Innovative Solutions

At Kaveri Seeds, research and development are the cornerstone of our success. We are continuously enriching our multi-crop portfolio with seeds that cater to advanced plant breeding techniques and are perfectly designed to withstand biotic and abiotic stress. Our dedicated team of researchers and scientists at our state-of-the-art research facilities help to deliver cutting-edge solutions to meet futuristic needs. Today, our research infrastructure remains unparalleled in the industry. We strive to meet the aspirations of farmers to achieve sustainable growth and understand the need to fulfil their expectations with the finest products.

From being one of the largest seed producers of cotton, maize and rice, we successfully transitioned to a multi-crop

portfolio. Today, we have accelerated our efforts to improve the yield of vegetables like tomato, hot pepper, okra, bitter gourd and others, to successfully encompass a broader variety of seeds within our ambit. The key to our consistent track record lies in our robust and efficient R&D team.

Our strong R&D capabilities in plant breeding, biotech innovation and genetics offer a significant edge to meet diverse customer requirements. We also collaborate with leading national and international institutions to further improve our efforts in germ plasm acquisition, precision agriculture, biotechnology and advanced digital agricultural methods. The Company also has a strong pipeline of hybrids ready to be launched, tailored to offer exceptional yield in dynamic environmental conditions. Our innovative range of seeds continue to be preferred in the export markets, thereby establishing our stronghold in foreign markets as well.

We are proud to be market leaders in our field, innovating products as per the aspirations of our farmers. As innovation continues to influence every sphere of our existence, we remain poised to aggressively strengthen our market presence in India and abroad.



### Performance Highlights

I am delighted to report that, Kaveri Seeds marked another year of satisfactory performance, navigating us to greater heights of success. During the year, our revenue from operations grew from ₹ 768.99 crores in 2018-19 to ₹ 883.26 crores in 2019-20, registering a growth of 14.86%. Our EBITDA increased by 15.16%, from ₹ 248.43 crores in 2018-19 to ₹ 286.09 crores in 2019-20. We registered an impressive PAT of ₹ 251.27 crores in 2019-20 against ₹ 214.73 crore in the previous year, registering an increase of 17.02%, owing to our growing portfolio of value-added products.

“We consistently endeavour to make meaningful contributions to lives, with a strong passion to endorse sustainable living.”

## Ensuring farm prosperity

For more than three decades we have empowered Indian farmers with hybrids and other seed varieties that can be used in diverse agro-climatic conditions. With concerted efforts to encourage research and develop promising products, we have ensured farmer prosperity.

It is our endeavour to improve crop production and productivity with advanced research in frontier science. Biotechnology continues to propel the growth of the agricultural sector, sufficiently contributing to the Indian economy. At Kaveri Seeds, we continue to utilize our expertise in this field to deliver classic plant breeding techniques to attain high yield of desirable plant varieties.

## Meeting targets consistently

Kaveri Seeds has carved a niche for itself and its success can be attributed to the consistent efforts of our goal oriented marketing team. We not only aim to meet the aspirations of farmers and consumers by developing need based products, we also work cohesively to attain and exceed marketing objectives. At Kaveri, we are not just satisfied with offering innovative crop solutions, but remain enthused to provide maximum support to our end-users after the launch of our product. Our best practices and constant commitment to deliver promising products helps to establish our position in existing markets while foraying into new territories, thereby unlocking opportunities for growth. After all, growth is supposed to be about “more”, more new products, more categories and more markets. And focused growth keeps the company on the right track, regardless of economic environments.

## Coping with Covid-19

The Government of India imposed lockdown from 25th March 2020 to curb the spread of the virus. The nationwide lockdown temporarily impacted the operations of the company due to the non-availability of labour, transportation, and supply chain disruptions. However, the Government classified seed business as “Essential Commodity” and granted certain relaxations and guidelines so that production, processing, and distribution of the seeds will not be affected. The major portion of the Company’s production, processing, and supply chain facilities remain in operation during most of the lockdown period, following safety measures as per guidelines. Thus, the impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments, and other financial assets considering the available internal and external information as on date. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets

## Giving back to society

Our commitment to the society remains at the core of our operations. We consistently endeavour to make meaningful contributions to lives, with a strong passion to endorse sustainable living. As a responsible organization we continue to engage in community development initiatives in the areas of education, health, agriculture and social welfare. With our commitment to serve the underprivileged, we are enthused to make a positive difference to communities around us.

## Looking forward

Kaveri Seeds remain firmly rooted to ensure farm prosperity with its innovative and cutting-edge agricultural solutions. As we continue to build our market leadership with a strong focus on research and innovation, we remain enthused to deliver promising products that sufficiently improve the lives of farmers – our partners in growth. We also aim to ensure food security for millions across the country as our advanced methods derive sustainable solutions for all.

As we look ahead, we are steadily focused on our objectives to drive sustainable agricultural development while continuing to invest in robust and innovative solutions. I would like to express my sincere gratitude to the Board of Directors, employees, suppliers and shareholders for their continued support and engagement in our transformational journey to become an iconic seed company.

I would also take this opportunity to acknowledge the constant support, trust and faith reposed in us by farmers – enabling us to touch the zenith of success. We therefore, remain optimistic to chart an unhindered growth path as we seek to explore new frontiers for sustainable growth and innovation.

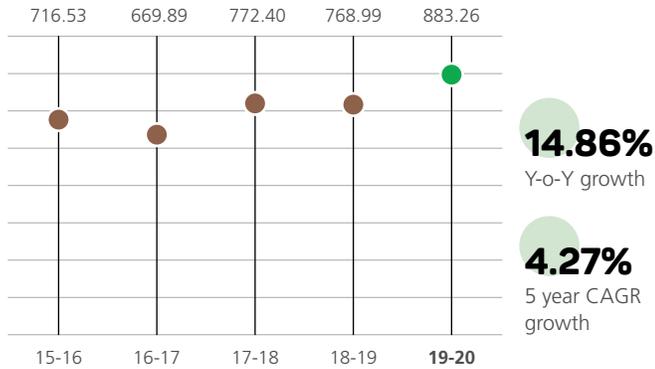
Sincerely

**G.V. Bhaskar Rao**  
Chairman & Managing Director

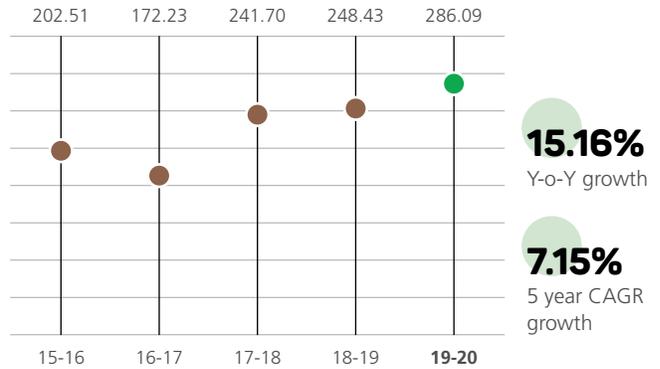
# Mapping our Performance

## Profit & Loss Metrics

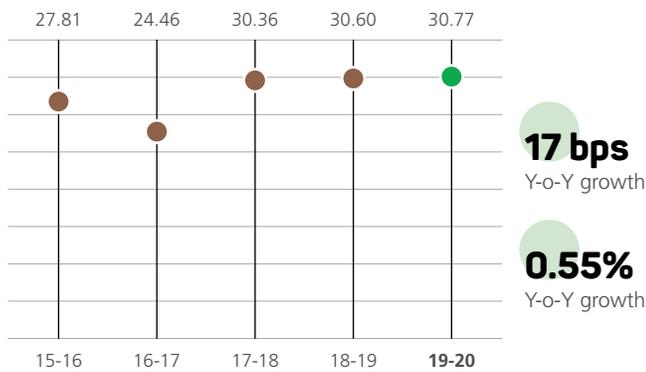
Revenue from operations (₹ in crores)



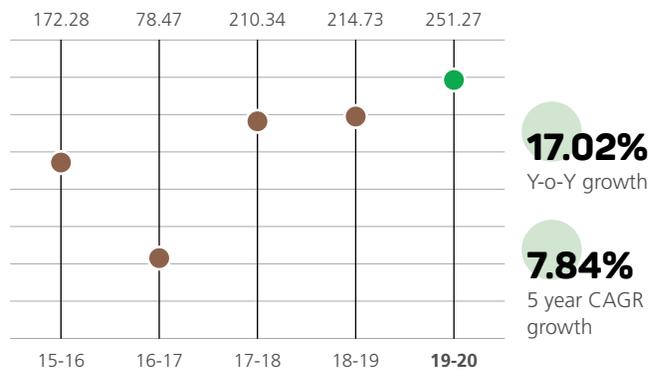
EBITDA (₹ in crores)



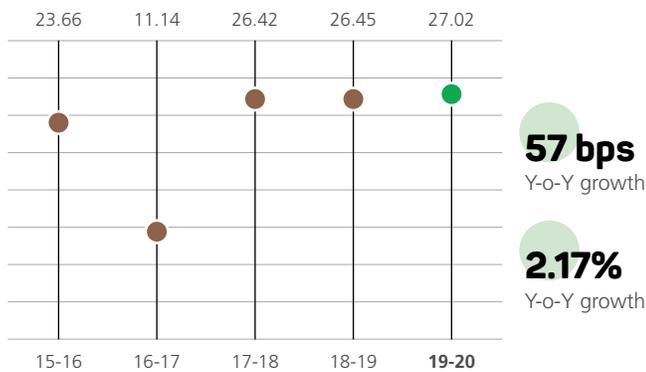
EBITDA Margin (in %)



PAT (₹ in crores)

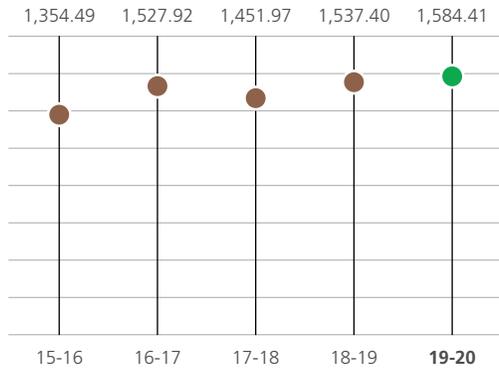


PAT Margin (in %)

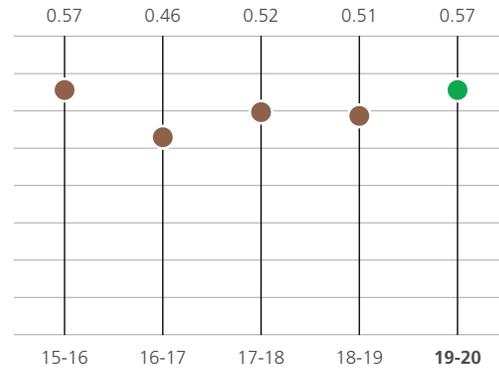


## Balance Sheet Metrics

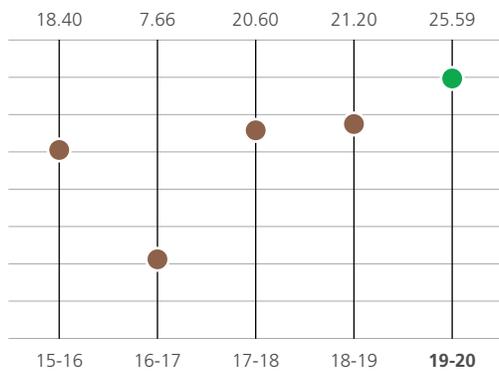
**Total Assets** (₹ in crores)



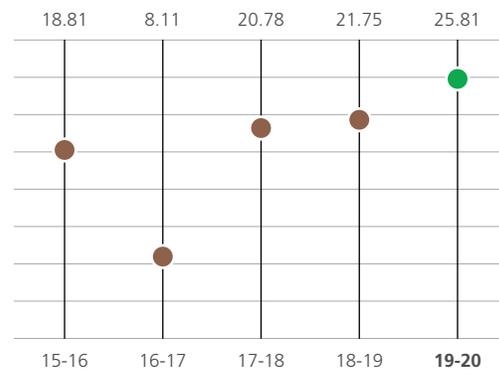
**Asset- Turnover Ratio** (in times)



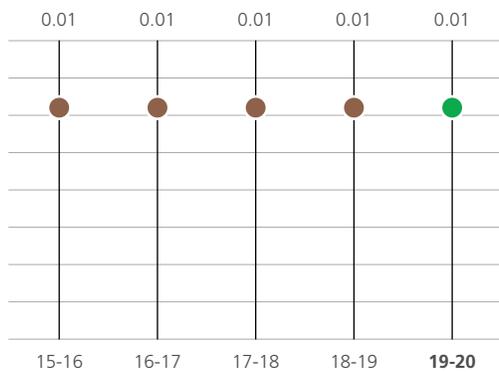
**RoNW** (in %)



**RoCE** (in %)



**Debt-Equity Ratio** (in times)



# Strength in Sustainability – how we deliver value

The desire to build a truly sustainable brand drives us to deliver exceptional value for all stakeholders. Banking on our efficient and effective research and development capabilities and our zeal to explore innovative approaches, we consistently strive to widen our portfolio and extend our reach to the farthest corners of the globe.

## What we depend on...

### Relationships



#### Skilled people

Our team of talented people form an integral part of our business and are equipped with adequate skills and knowledge to drive organizational success and growth



#### Committed partners

Engage with local communities across villages to improve education, agriculture and rural infrastructure. We also partner with National and State level programmes like Swachh Bharat, Sanitation, Tree plantation and Health awareness programmes

### Resources



#### Financial resources

Capital from our financial stakeholders used for investments within the organization.



#### Infrastructure

We own state-of-the-art facilities, with several offices and logistics warehouses across 22 cities in India.



#### Assets

The strength of our work culture and improved products along with our R&D capabilities and expertise in Biotechnology, Genetics and Plant breeding, Seed Production Research, sets us apart.

## What we do...

### Gather insight



We track changing farmer requirements with a combination of social listening and contemporary consumer research.

### Innovation



Our marketing and R&D teams efficiently fuse market research with innovative ideas to develop exceptional products. We spent ₹ 28.16 Crore on R&D in FY 2019-20.

### Processing



Our seven processing and storage plants ensure delivery of high-quality seeds

### Packaging



Each year we spend on packaging material that ensure safety and quality of our seeds

### Farmers



Lakhs of farmers use our products every day to grow crops that withstand various climatic conditions, Pests / diseases and adverse soil conditions, while ensuring high nutritional value of every crop

### Reach



We use numerous channels to make our seeds available to farmers across India and in over 7 countries.

### Marketing



We undertake marketing and branding initiatives to connect with farmers and to educate them about superior quality seeds available at Kaveri, allowing them to choose the finest seeds to improve yield.

### What we produce...

#### Field Crops



Cotton

Maize

Paddy



Pearl Millet

Sorghum

Sunflower



Pulses

Wheat

Mustard

#### Vegetables



Tomato

Okra

Chillies



Gourds

Brinjal

Watermelon

### The value we create for...

#### Farmers



We provide varieties and hybrid seeds to meet the needs of farmers across the country.

#### Our people



We aim to reward our people fairly to keep them motivated, engaged and ready to deliver to the best of their abilities.

#### Society



We remain committed to ensure food security for millions and aim to enhance livelihoods in communities where we make and sell our products.

#### Planet



We're working with our partners to make the big changes needed to tackle issues like climate change and plastic waste, to reduce our environmental impact.

#### Dealers/ distributors



We partner with large and small dealers/ distributors across geographies to grow and expand our market presence and enable them to further improve their business.

#### Shareholders



We aim to deliver competitive, profitable and sustained returns.

### Outcome we achieved

**1,00,000+**

Growers associated with us

**1,073**

Total employees

More than

**5,000**

People benefitted from our CSR activities

**40,000**

Retail and distributor touch points across the country

**₹ 3/-**

Dividend per share

# Innovate to Excel – marking our way to the future



**In a dynamic and ever-evolving agricultural space, the need to inculcate and adopt futuristic innovations is a precursor to progress. At Kaveri Seed, we believe in improving our capabilities with a concerted focus on meeting the demands of farmers and addressing the needs of tomorrow.**

We continue to keep pace with scientific progress, to strengthen our research capabilities. Being India's largest seed Company, the focus centres on the combined use of conventional breeding techniques and biotechnology, to consistently improve and stabilize the yield. To harness the maximum potential

of biotechnology, we have adopted an integrated programme for molecular breeding to accelerate crop improvement. It has led to the development of a range of hybrids and inbred varieties that are ideally suited to challenging conditions and play a major role in obtaining higher yields and better earnings from the produce.

### State-of-the-art Biotechnology laboratory

Looking at the growing significance of biotechnology to achieve targeted yield(s) in field and vegetable crops, we have built an in-house biotechnology laboratory at Pamulaparthi, Telangana. With our team of highly qualified scientists, we focus on advanced research facilities for developing superior quality hybrids that deliver optimum yield in difficult conditions.

We have invested in candidate gene strategy, association mapping and other innovative procedures to develop products tolerant to varied biotic and abiotic stress. To further enhance and improve our capacities, we have deployed new technologies including Doubled Haploid Breeding, MAS (Marker Assisted Selection), MARS (Marker Assisted Recurrent Selection), RGD (Rapid Generation Advance), Inter pool heterotic bins, MPS (Multi Parent Synthetic) and MAGIC (Multi Parent Advanced Generation Inter Cross Populations).

### Protecting Plant Varieties

To safeguard our products, a number of hybrids in field and vegetable crops, along with their parental lines were applied and registered with the Protection of Plant Varieties and Farmers Right Act (PPVFRA).

### Germplasm

For Kaveri, the germplasm bank forms an integral element for sustaining plant breeding programmes. With a vast gene pool of diverse germplasm, our experts are empowered to design and develop choicest hybrids/ varieties that can be successfully adapted to varied biotic and abiotic situations.

### CRVC – Release and Notification

As a recognition of Kaveri's strong innovation practices, more than 20 hybrids were released and notified in the Central Varietal Release Committee (CVRC) Gol and few are awaiting for notification.

## National and International Collaborations

To meet the constant requirements for innovative product development, we have collaborated with National and International institutions to meet the aspirations of farmers, consumers and trade. We continuously strive to build our research capabilities and have associated with the following reputed national and international entities to build a stronger organization.

- Associated with HRDC (Hybrid Rice Development Consortium), IRRI, for Rice germplasm collection
- Member of Varietal Rice Accelerated Program (VRAP) to access finished lines with latest genetic and target traits
- Associated with IMIC (International Maize Improvement Consortium) at CIMMYT for Maize germplasm collection
- Enrolled as a member of HPRC (Hybrid Parent Research Consortium), ICRISAT, for collection of Pearl Millet germplasm
- Collaborations with Indian Institute of Vegetable Research (IIVR) and Indian Institute of Hort. Research (IIHR) and IARI
- Associated with World Vegetable Consortium (WVC) and AVRDC Consortium for Tomato, Hot Pepper, Bitter Gourd germplasm
- Member of Harvest Plus Programme with ICRISAT for breeding bio-fortified hybrids of Pearl Millet with high 'Fe' (iron) and 'Zn' (zinc) content
- Collaborated with INRA France to acquire Ogura CMS & restorer system for Mustard
- Collaboration with All India Co-ordinated Improvement Project (AICIP) & State Agricultural Universities (SAU) for product testing and registration
- Collaboration with DRMR, Bharatpur India for acquiring Mustard germplasm
- Collaborations with National Institutions such as, ICAR, CICR, SAUs, IIHR, IIVR, NBPGR etc.



## Highlights for FY 2019-20

Molecular Marker technology enables the transfer of multiple genes, resistant to biotic and abiotic stresses, to aid the development of superior quality hybrids which cannot be produced with conventional plant breeding techniques.

### Cotton Molecular Breeding



- Initiated GMS introgression with possible ms5 & ms6 markers
- Introgression of Bt gene (Crt 1 Ac, Cry 2 Ab) in cotton with the combined use of biotechnology and conventional breeding processes

### Maize Molecular Breeding



- Molecular Breeding for improving tolerance to post-flowering stalk rot (PFSR) disease in maize
- Marker-assisted dissection of genetic basis of yield and improving yield potential under drought stress
- Research for improvement of maize yield potential through genomic selection (GS) is underway
- Research undertaken to improve Turicum Leaf Blight (TLB) disease tolerance in maize

### Rice Molecular Breeding



- Bio and Hybrid Technologies were utilized to develop hybrid for BLB, Blast and BPH resistance
- Utilized linked molecular markers for BLB and Blast for foreground selection in forward breeding programs
- Fertility linked molecular markers were utilized in the breeding programs for effective utilization of resources and for increased efficiency/accuracy of breeding program
- Diversity analysis of parental lines was carried out with SNP markers
- Marker Assisted Pedigree Selection through Forward Breeding
- Molecular diversity analysis of parental lines for making pedigree cross
- Marker Assisted Backcross Breeding program
- Developing donors for multiple disease & insect resistance in maintainer & restorer background, across maturity & grain type
- BPH resistance QTLs Identification & evaluation
- Deployment of linked molecular markers for grain quality analysis at seedling stage
- Development of Abiotic tolerance (Submergence) rice through MAS
- DNA Fingerprinting for identification of parental lines & hybrids/varieties
- Deployment of molecular markers in Hybrid purity testing

### Hot Pepper Molecular Breeding



- Marker for fertility restoration gene is being validated
- DNA fingerprinting

### Tomato



- Marker validation Ty and Ph genes

# Improving our Network – ties to take us further



It is our constant endeavour to build a brand that resonates consumer expectations and delivers reliable, advanced and superior quality seeds to the farmers across the length and breadth of the country. To enable our aspirations, we rely on our marketing initiatives and brand building efforts to further improve our reach, enhance our distribution network and increase our brand awareness among consumers, farmers as well as dealers.

The Indian agriculture industry remains continues to transform at a rapid pace. Taking into consideration the dynamics of an evolving sector, quality seeds hold a place of immense significance in a challenging environment.

## 1,000+

Contractual field workers to engage with farmers

## 25 +

Average experience of marketing team

### PAN India Marketing

At Kaveri, we believe in building sustainable partnerships to earn a reputation as a trusted player. We are partnering with distributors and retailers to continuously reach farmers in every corner of the country. As we try to fulfil the unmet needs of the farming community, we make efforts to understand their requirements. We also conduct seasonal surveys at the Zonal level to gather insight about product acceptance and the recurrent needs of farmers. It helps us to improve seed quality and therefore, enables us to enhance crop output.

We consider our distributors and retailers an integral part of the value chain. Through our marketing initiatives, we educate distributors and retailers about the benefits of each product, share technical and environmental knowledge, which is in turn passed on to farmers. It has not only improved our brand stewardship, it also drives us to build a sustainable business.



**Basavraj Sammatshetti**

Proprietor

Shri Daneshwari Fertilizers,  
Chikodi Dt Belagavi, Karnataka



We are dealing with Kaveri Seeds since a very long time and proud of this association!

We are extremely delighted with the services of the Company and its Distributor. My customers too are happy with Kaveri seed quality and performance of its hybrids.

In our market, Kaveri is the brand leader in maize. All varieties are care fully bred and fit in to our market segment. Presently 25K55 is the top seller. The new hybrid KMH3712 is expected to set new records in yield and disease tolerance.

Thank you Kaveri!



**Sagar Hardi**

Proprietor

D T Hardi  
Paschapur, Karnataka

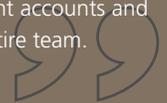


Ours is the oldest retail outlet in this part of Belagavi district.

And we are dealing with Kaveri for more than 15 years. We sell Kaveri branded cotton and maize. Kaveri Maize 25K55 is the choice of farmers for its high yielding capacity. Here the farmers adopt high management and this hybrid is found very much suitable.

The new hybrid form Kaveri KMH 3712 is much in demand.

We are happy with the Distribution, clean and transparent accounts and field work of the entire team.



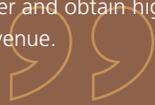


**B. Prabhakar**

Village: Rudram  
Mandal: Shabad  
Dist: Ranga Reddy  
State: Telangana



I, B. Prbhakar, Village- Rudram, cultivated Tomato Hybrid KTH 354 during 2019. Its performance is good, and fruit bearing is excellent, fruit size, shape, colour is also attractive. It can with stand to a great extent rains during fruiting period, when compare to other varieties. It is a high fruit yielder. The fruit transportability is good and fetched good market price. This hybrid can be cultivated in November and December and obtain high yields and good revenue.

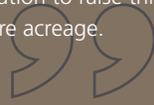


**N. Naresh**

Village: Marepally  
Mandal: Shinganamala  
Dist: Ananthapur  
State: Andhra Pradesh



N. Naresh R/O Marepally –Village , cultivated KOKH 1107 Okra hybrid of Kaveri Seed Company during 2019. The crop performance was good. Its fruit bearing capacity is excellent and fits well for multiple picking to reap good harvest. It is very high yielder when compared to other hybrids in our area. It is tolerant to most of the pest and diseases. It has fetched good market price due to fruit shape, colour, tenderness and transportability. My villagers showed inclination to raise this hybrid next year in more acreage.

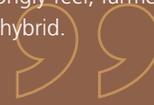


**Bonam Srinivas Reddy**

Village: Koganti vya Palem  
Mandal : Achampeta  
Dist: Guntur  
State: Andhra Pradesh



I am Bonam Srinivas Reddy S/o Anji Reddy, R /O Koganti vya Palem, raised KHPH 1222 , Hot pepper hybrid of Kaveri Seed during the year. It grows tall and bears plenty of fruits. It is tolerant to most of the virus and pest and diseases. Due to good fruit colour and transportability, market preference is high. It gives 35-40 quintals of yield. I strongly feel, farmers should cultivate this hybrid.



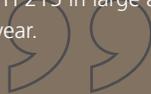


### B. Eranna

Village: Banavasi  
Mandal: Emiganoor  
Dist: Kurnool  
State: Andhra Pradesh



I, B. Eranna R/O Banavasi –Village , cultivated Kaveri seed Company's Hot pepper hybrid KHPH 215 during 2019. The crop performance was good, its fruit bearing was excellent and fetched good market price. It is also tolerant to major pest and diseases. It has given high yields up to 35-45 quintals/acre. Neighbouring farmers and villagers were impressed with this hybrid. I personally feel majority of our villagers will take KHPH 215 in large acreage during next year.



### Sandhi Reddy Tirupathi Reddy

Village: Chinna Metpally  
Mandal: Korutla  
Dist: Jagtial  
Variety : DRONA



I , S. Tirupathi Reddy, generally used to cultivate maize hybrids of other company hybrids seeds. The crop used to suffer with wilt and other pest and diseases, thereby used incur heavy loss. When I selected Kaveri brand seed maize hybrid Drona during Kharif 2019, my destiny has been changed. It is tolerant to wilt and other major pest and diseases. Further it used to give two cobs per plant thus yields were substantially increased. Farmers of our village and neighbouring villages visited my field they felt very happy with the performance of Drona maize hybrid and showed the desire to take up in large scale next year in their fields.



# Strengthening our brand recall

A photograph of a worker in a green uniform and blue hard hat operating a seed packaging machine in a factory. The machine is complex, with various rollers and sensors. A red and green seed packet is visible on the machine. The worker is looking at a control panel on the right side of the machine.

By focusing on research and development to produce the finest quality hybrids/varieties, we have successfully established our 'brand salience'. As a reliable partner to our farmers, we strive to empower them with seeds that ensure superior crop yields and exceptional farm productivity. Owing to our strategic marketing efforts, we have also developed a strong relationship with distributors, wholesalers as well as farmers in India and other countries.

## Highlights FY19-20

- Improved the sale of new products
- Launched Retailer & Distributor Loyalty Programmes
- Conducted Retailer Training Program and room training to introduce new products
- To improve brand visibility and ensure effective communication with stakeholders, offline pre-season campaigns were launched along with social media campaigns
- Introduced Advance Booking schemes & incentives to increase distributor and dealer engagement
- Introduced Demand Assessment Surveys as well as Driving The D=Trade Loyalty Programs to engage partners
- Crops Show/Exhibition were organized during the year for farmers and retailers
- Focused on increasing demonstration of commercial products to introduce new products and expand to newer territories

## New geographies

- We introduced maize in:

Maharashtra      Assam

- Hybrid rice & Cotton in:

Punjab      Haryana

- Hybrid & Selection Rice in:

Chhattisgarh      Jharkhand

Bihar

## New promising products



**Maize**

KMH 8333, KMH 8322



**Cotton**

KCH 9323 BGII, KCH 9333 BGII



**Pearl Millet**

KPH 6277, KPH 6310



**CLCu virus resistant hot pepper hybrid**

KHPH 1213, KHPH 1217 & KHPH 1204

## Engagement activities

- During the year, we launched Retailers & Distributors Loyalty Programs for more than 500 distributors and above 1500 retailers, who qualified for different levels of membership. They were rewarded with monetary incentives and other benefits
- We conducted over 100 Retailers Training Programs, involving around 5000 retailers to introduce new products and share information about latest technologies and its benefits for farmers

**100+**

Retailers Training Programs conducted

**5000+** Retailers

Participated in training programs

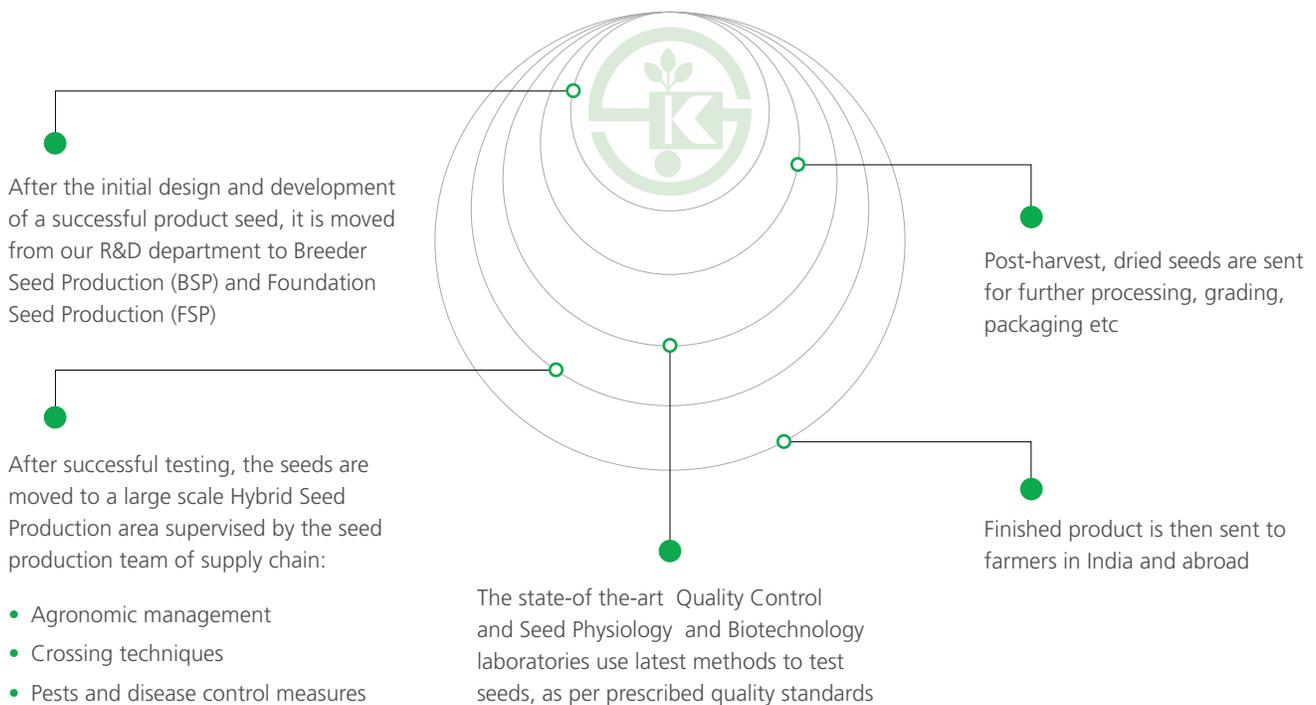
# Building a robust supply chain



At Kaveri, we foster strategic partnerships within our supply chain to ensure easy and timely availability of seeds to farmers. Our unwavering efforts to sustain the quality of our seeds, drives us to build a strong compliance framework that enables suppliers to abide by the highest standards of quality while supplying products to domestic as well as international consumers.

## Unique supply chain model at Kaveri

The supply chain team at Kaveri meticulously works to maintain seed quality as per the standards prescribed by Indian Minimum Seed Certification Standard (IMSCS).



## Our supply chain partners

Over the years, we have not only developed good relationships and networked with our seed growers to collaborate in our endeavours, we have also enabled knowledge sharing with our partners. During crop growth, our technical team conducts insightful and productive training programmes on seed production and organizes interactive meetings with farmers to empower them with essential knowledge and at times, with financial aid.

**10,00,000**

Warehouse Capacity (Sq. ft)

**15,000**

Cold Storage Capacity (mt)

**4,500**

Maize Cob drying facility (mt/Cycle)

**17+**

Seed production locations

**1,00,000+**

Growers engaged in seed production

**65,000+**

Area (in acres) under seed production across India

## Highlights of FY19-20

We undertook the following initiatives to strengthen our supply chain.

- Developed a comprehensive strategic plan for seed production to achieve targeted production volumes even under challenging situations
- Organized seed production in multiple geographies to combat biotic and abiotic stress
- Established compact seed production blocks in villages to optimise production, thereby supporting growers to reach targeted volumes
- Advanced seed production planning tools were implemented to achieve targeted seed volumes
- Training imparted to field staff and seed growers in multiple geographies to improve seed production.
- Favourable environment was identified for new hybrids to ensure higher yields.
- Utilized GMS technology in hybrid seed production of cotton to improve genetic purity, reduce labour & production cost
- The Quality control and Assurance Division ensures production, processing, packing and sale of High-Quality Seeds through intensive field inspections, seed quality testing, warehouse audits and process quality checks, to maintain highest quality standards
- Developed advanced biochemical and molecular marker techniques for genetic purity testing of seeds
- Methodically utilized existing seed processing plants to deliver maximum output
- Upgraded processing and conditioning techniques based on recent advances in seed research to maintain acceptable seed quality standards
- Strengthened maintenance breeding programme by implementing field quality metrics to improve the lifespan and quality of seeds and reaffirm the trust of farmers in brand 'Kaveri'

## Annual Improvement projects

To improve supply chain efficiencies, the following projects were initiated during the year:

### Project Meta Morph

To scale our Vegetable Seed Business and deliver quality seeds in the market, we initiated the DNA marker analysis for Vegetable Hybrids. The objective was to identify and standardize IEF and DNA marker methods for vegetable Hybrids to supplement /compliment field GOT. Through this project, we have decided to standardize 41 Vegetable hybrids across six different vegetable crops viz. Okra, Watermelon, Ridge gourd, Bottle gourd and Chilli.

### Hybrid Productivity Analysis Project

The main objective of this project was to assess the actual hybrid seed yield potentials of our new/key hybrids by optimising seed production costs and identifying right seed production location and sowing window.

### Project Excellence

We have already completed successful trials and pre-requisites for obtaining NABL accreditation for our laboratories. We have received the Adequacy report and expect accreditation within the coming fiscal.

## Business continuity amidst Covid-19

The pre and post seed production operations were in full swing when lock down was announced in India. In due course of time, as per the Central and State Government orders the agricultural works were exempted from lock down. The supply chain meticulously planned seed harvesting, threshing and other operations. We tried our best to utilize the available resources to complete seed production, processing,

packing and dispatching of seeds to markets before the onset of monsoon.

At Kaveri, we stepped up efforts to ensure the safety of our employees, growers and farmers during the pandemic. It is the resilient attitude of our people that ensured business continuity, enabling a steady supply of food to millions across the country.



# Compassionately Committed – towards people and our ecosystem

**Our unwavering commitment to the society, people and the environment lays deeply entrenched in our values to enable sustainable development. As a responsible Company, we are compassionate to the needs of farmers and dedicated to the preservation and protection of our ecosystem.**

To ensure holistic wellbeing of people and communities, we undertake several initiatives as part of our Corporate Social Responsibility programs. – to contribute towards greater goods and minimize our environmental impact.

## Educational Development Activities

The following initiatives were undertaken during the year at ZPHS & MPPS School at G. N. Poor –Village, Bheema Devarapally-Mandal, Warangal Urban District, Telangana.

- We offered books and School uniform to students from marginalized communities.
- We provided Audio systems, Box File Cabin storage and Biometric reader, CCTV cameras to the School
- Two buses were provided during the previous year with regular fuel and maintenance expenditure
- Canteen food expenditure at the School was borne by the Company
- Science Exhibitions and educational tours were organized for children, with an aim to inspire and motivate students
- We paid the School's electricity bills

- During the year, a new library was constructed in the School
- Salaries of Vidya Volunteers, ZPHS & MPPS School were paid by Kaveri Seed
- 600 cycles were distributed to various School students

We also provided furniture for a Polytechnic College, benches & tables to MPPS and constructed a School building at Chinta Madkala Village, Siddipet – Mandal & District. Scholarships were also given to deserving students from our CSR funds.



### As part of our Rural Development activities we contributed in the following ways during the year:

As part of our Rural Development activities we contributed in the following ways during the year:

- During the year, new bore wells were drilled to tap underground water for agricultural purposes and street lights were installed at G.N.Poor Village
- Canal pipeline was constructed for irrigation purposes at Bolloni Pally Village, Warangal Urban-district
- Go Green –Tree plantation initiative was undertaken to safeguard crops in Bolloni pally Village, Warangal Urban-district
- A seminar on Pink Boll Worm in Cotton was conducted to showcase control measures and Integrated Pest Management (IPM) practices designed to minimise losses in Gadwal district of Telangana.

### Other Activities

- Kaveri Seed sponsored 41st Senior Men's & Women's National Soft Ball Championships (Rural Sports) at JangaReddy Gudem, West Godavari District, Andhra Pradesh
- A Community Hostel was constructed in Nermetla village in Siddipet district of Telangana
- Development of Minor Irrigation system in Wanaparthy district through contributions to District Collector of Wanaparthy, Telangana



# Nurturing a stimulating workplace

**At Kaveri Seeds, employees are considered 'valued assets' for the organization. We aim to foster an inclusive and diverse workplace that motivates and encourages our people to chart aspirational career paths. Our HR philosophy revolves around the 3 Cs of Culture, Commitment, and Competency- providing employees a platform to explore and express their capabilities to the fullest.**



## Culture

A strong and stable work environment defines the success of any organization. We aim to create a sustainable work culture through well developed, employee friendly policies and practices. Our esteemed leadership team steers the organization in the right direction and provides a harmonious environment for employees at all levels.

We create a congenial atmosphere to ensure performance amidst challenging circumstances. At Kaveri, we also have an established Rewards and Recognition program to acknowledge and appreciate our people. We also nurture transparency in communication, allowing our employees to share feedbacks and opinions to improve our practices.



## Commitment

The commitment to productively contribute towards the attainment of organizational goals enable our employees to improve performances significantly. We conduct varied employee engagement programs to motivate and engage people through sports, celebrations and other events.

At Kaveri, regular communication with our employees also plays a crucial role in sharing critical organizational policies & practices.



## Competency

A constantly evolving agricultural landscape calls for competencies to easily adapt and learn its ways. At Kaveri, we believe in empowering our employees with necessary skill sets. As a result, we invest in trainings and skill upgradation programs to continuously enhance capabilities and develop adequate competencies. While our scientists participate in national and international symposiums, seminars, and workshops, our marketing team is trained to understand various markets and its requirements. Similarly, our supply chain is well versed with effective production techniques to ensure seamless delivery of products.

To succeed and grow, we rely on our leadership skills. Therefore, we have a clearly defined policy to foster managerial skills among deserving candidates, based on their expertise and experience. Our people are adequately groomed to take up senior positions and contribute to our success.



# Five-year performance highlights

(₹ in Lakhs)

| Statement of Profit and Loss            | 2015-16   | 2016-17   | 2017-18   | 2018-19   | 2019-20   |
|---|-----------|-----------|-----------|-----------|-----------|
| Total revenue                           | 72,819.78 | 70,424.00 | 79,609.76 | 81,185.67 | 92,981.43 |
| EBIDTA                                  | 20,250.90 | 17,222.57 | 24,170.11 | 24,843.22 | 28,608.73 |
| Depreciation                            | 2,498.29  | 2,849.21  | 2,335.19  | 2,117.65  | 2,430.71  |
| Finance costs                           | 16.90     | 12.27     | 39.96     | 12.52     | 21.81     |
| Profit before exceptional items and tax | 17,735.71 | 14,361.09 | 21,794.96 | 22,713.05 | 26,156.21 |
| Exceptional items                       | -         | 5,923.80  | -         | -         | -         |
| Profit before tax                       | 17,735.71 | 8,437.29  | 21,794.96 | 22,713.05 | 26,156.21 |
| Tax                                     | 507.75    | 590.17    | 760.75    | 1,240.19  | 1,029.52  |
| Profit after tax                        | 17,227.96 | 7,847.12  | 21,034.21 | 21,472.86 | 25,126.69 |
| EBIDTA / Revenue                        | 27.81%    | 24.46%    | 30.36%    | 30.60%    | 30.77%    |
| PBT / Revenue                           | 24.36%    | 11.98%    | 27.38%    | 27.98%    | 28.13%    |
| PAT / Revenue                           | 23.66%    | 11.14%    | 26.42%    | 26.45%    | 27.02%    |

| Balance sheet                        | 2015-16            | 2016-17            | 2017-18            | 2018-19            | 2019-20            |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Share capital                        | 1,381.10           | 1,381.10           | 1,321.84           | 1,262.58           | 1,206.58           |
| Reserves and surplus                 | 92,243.41          | 1,01,020.30        | 1,00,801.29        | 1,00,033.37        | 96,978.46          |
| Share Appln. Money                   |                    |                    |                    |                    |                    |
| <b>Networth</b>                      | <b>93,624.51</b>   | <b>1,02,401.40</b> | <b>1,02,123.13</b> | <b>1,01,295.95</b> | <b>98,185.04</b>   |
| <b>Non-current liabilities</b>       |                    |                    |                    |                    |                    |
| Long-term liabilities and provisions | 775.75             | 733.18             | 1,256.24           | 1,178.23           | 1,434.04           |
| Deferred tax liability               | -                  | 1,088.14           | 1,675.93           | 2,015.36           | 1,809.97           |
| Current liabilities                  | 41,048.71          | 48,569.12          | 40,141.74          | 49,250.24          | 57,011.86          |
| <b>Total liabilities</b>             | <b>1,35,448.97</b> | <b>1,52,791.84</b> | <b>1,45,197.04</b> | <b>1,53,739.78</b> | <b>1,58,440.91</b> |
| <b>Non-current assets</b>            |                    |                    |                    |                    |                    |
| Gross fixed assets                   | 28,555.20          | 31,189.82          | 32,160.92          | 39,181.54          | 42,322.58          |
| Accumulated depreciation             | 9,075.96           | 11,784.00          | 13,859.13          | 15,827.99          | 17,889.45          |
| Capital work in progress             | 1,951.00           | 2,866.58           | 3,159.59           | 3,292.24           | 1,298.40           |
| Net fixed assets                     | 21,430.24          | 22,272.40          | 21,461.38          | 26,645.79          | 25,731.53          |
| Investments                          | 2,272.04           | 3,217.76           | 5,977.54           | 6,658.59           | 6,254.48           |
| Other non-current assets             | 353.79             | 1,035.51           | 1,097.52           | 3,869.55           | 4,433.58           |
| Current assets                       | 1,11,392.90        | 1,26,266.17        | 1,16,660.60        | 1,16,565.85        | 1,22,021.32        |
| <b>Total assets</b>                  | <b>1,35,448.97</b> | <b>1,52,791.84</b> | <b>1,45,197.04</b> | <b>1,53,739.78</b> | <b>1,58,440.91</b> |
| Return on capital employed           | 18.81%             | 8.11%              | 20.78%             | 21.75%             | 25.81%             |
| Return on networth                   | 18.40%             | 7.66%              | 20.60%             | 21.20%             | 25.59%             |
| Debt/Equity Ratio                    | 0.01               | 0.01               | 0.01               | 0.01               | 0.01               |
| Current Ratio                        | 2.71               | 2.60               | 2.91               | 2.37               | 2.14               |

| Per share                | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--------------------------|---------|---------|---------|---------|---------|
| Book value per share - ₹ | 135.58  | 148.29  | 154.52  | 160.46  | 162.75  |
| Earnings per share - ₹   | 24.95   | 11.36   | 31.36   | 33.30   | 40.14   |
| Dividend per share - ₹   | 2.50    | -       | 3.00    | 3.00    | 3.00    |
| No. of shareholders      | 32,821  | 29,167  | 39,826  | 30,096  | 28,745  |

# Profile of Board of Directors



01

01

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

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

03

## Mrs. G. Vanaja Devi

Whole-Time Director

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

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

04

## Mr. C. Vamsheedhar

Whole-Time Director

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



02

02

## Dr. G. Pawan

Vice-Chairman – Non-Executive

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



03



04



05



06



07



08



09

## 05

**Mr. C. Mithun Chand**

Whole Time Director

Mr. Mithun has been associated with Kaveri Seeds for over a decade as an Executive Director. He monitors the day-to-day operational aspects of administration, finance and accounts departments. He possesses a wealth of experience in marketing and finance and advises the management about financial issues of the Company. While his innovation drives new business platforms, he has contributed significantly in sales and marketing of Kaveri Microteck and other subsidiaries of the Company.

## 06

**Dr. S. Raghuvardhan Reddy**

Independent Director

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

## 07

**Mr. K. Purushotham**

Independent Director

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

## 08

**Dr. S. M. Ilyas**

Independent Director

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

## 09

**Mrs. M. Chaya Ratan**

Independent Director

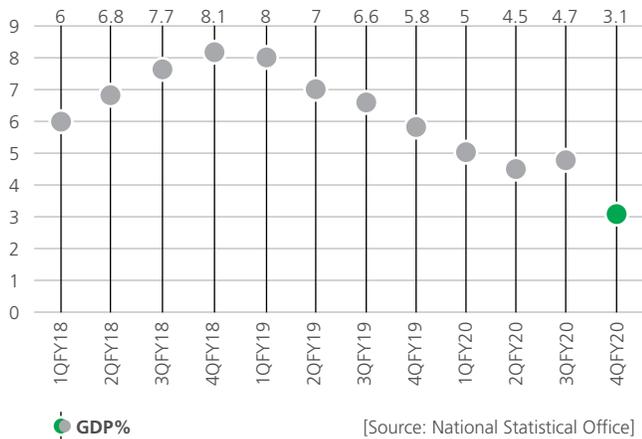
Mrs. Ratan is a retired IAS officer (1977 batch). She was an able administrator, implementing several reforms to bring about change in various departments such as health, college and School education, family welfare and tribal welfare, among others. She worked to uplift poor and marginal sections (including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

# Management Discussion and Analysis

## Indian Economy Review

In terms of GDP, Indian economy is the 5th largest economy in the world. The economy faced multiple headwinds and grew by 4.2%<sup>1</sup> in FY 2019-20, registering a decline as compared to the previous year. This decline was primarily driven by domestic factors such as credit crisis due to drying up of lending from non-banking financial institutions throughout CY 2019, deceleration in consumption and investment as well as a contraction in exports, with reduced demand for imports has led to this slow growth. Production and imports of capital goods, two key pointers of investment activity – continued to contract in November & December 2019, though at a moderate pace compared with the previous months. However, Industrial activity which measured by the index of industrial production (IIP), improved by 1.8% in November 2019 after contracting for some time and high frequency indicators of services have also turned upwards in the recent period, pointing to a modest revival in momentum.

**Graph 1: Quarterly GDP Rate at Constant Prices (2011-12)**



However, the recent outbreak of Covid-19, which led to a country wide lockdown to curtail the spread of the virus, has posed a challenge and has altered the outlook of the Indian economy. The economy is further expected to experience slowdown and is projected to grow by a modest 1.9% in FY 2020-21. Government of India and the RBI are nevertheless continuously working to revive the economy to boost the consumption and drive demands. Fiscal as well as monetary measures have been introduced and are expected

to decelerate this slowdown and help the economy bounce back in the coming year. Looking ahead, the Indian economy is expected to touch 7.4% by FY 2021-22.

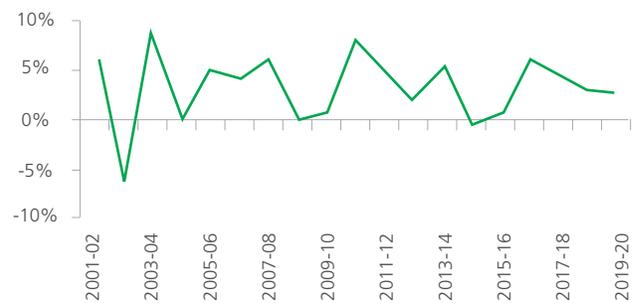
## Indian Agriculture Sector Overview

Agriculture is pivoted to the growth of the Indian economy, both in terms of its contribution to the GDP as well as a source of employment for a majority of the country's population. As per NITI Aayog, the sector provides employment to more than 49% of India's population, through direct and indirect employment opportunities related to this sector. The Agriculture sector contributed around 16.5% to GVA in FY19-20. Over the years, agriculture and its allied activities have been volatile and it is estimated to grow at 2.8% for FY 2019-20, as compared to 2.9% in 2018-19<sup>2</sup>. Agricultural productivity was largely impacted by inefficient irrigation systems and soil degradation due to improper use of chemical fertilizers.

As per 2nd advanced estimate by Ministry of Agriculture, total food production for FY 2019-20 is estimated to be around 291.95 million tonnes, an increase of 2.5% over the previous year. Rice production is likely to touch 117.47 million tonnes for FY 2019-20, an increase of 1% in comparison to the last year. And wheat production is anticipated to reach 106.21 million tonnes, an increase of 4% against the last fiscal. Availability of food grains per person have also increased from 476/gm/day to 494/gm/day<sup>3</sup>.

For 2019-20<sup>4</sup>, cotton production is projected at 354.50 lakh bales of 170 kgs each. The production is expected to rise by 12%, on account of higher acreage and a good monsoon during the year.

## Growth of Agriculture Sector (%)



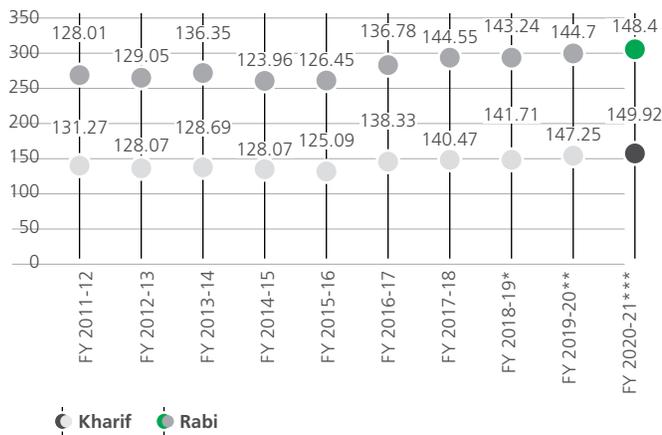
<sup>1</sup>IMF World Economic Outlook April 2020

<sup>2</sup>CSO, MOSPI and PRS

<sup>3</sup>Ministry of Agriculture

<sup>4</sup>Cotton Association of India

## Total Food Grain Production



(Source: Agricorp.gov.in)

Note: -\* 4th advanced estimate, \*\*2nd advanced estimate and \*\*\* 1st advanced estimate)

## Budget highlights for Agricultural sector

As per the government's vision of 'Aspirational India', the government has introduced a plethora of reforms and packages in Union Budget 2020-21, covering Agriculture, Irrigation and Rural Development. The initiatives announced by the government to strengthen the agricultural sector include the following:

- Rs. 2.83 lakh crore (US\$ 40.06 billion) was allocated to the Ministry of Agriculture. Of the total allocation, Rs. 1.60 lakh crore has been announced for Agriculture, Irrigation and allied activities and Rs. 1.23 lakh crore for rural development and Panchayati raj.
- The Department of Agriculture, Cooperation and Farmers' Welfare has been allocated Rs. 1.34 lakh crore in 2020-21, a 32% increase over the revised estimate of 2019-20. More than 78% of the Ministry's budget is proposed to be spent on three schemes under this Department - Pradhan Mantri Kisan Samman Nidhi Yojana (PM-KISAN) (53%), Interest Subsidy Scheme (15%), and Pradhan Mantri Fasal Bima Yojana (11%).
- Agricultural Research and Education has been allocated Rs. 8,363 crore, a 7% increase over the revised estimate of 2019-20. The allocation to Indian Council of Agricultural Research (ICAR) accounts for 61% of the Department's allocation in 2020-21.
- In the Union Budget 2020-21, the government announced a 16 point action plan to boost the agricultural sector.
- The government encourages states to implement model laws related to land leasing, agricultural produce and livestock marketing, and contract farming.

- The government will provide Viability Gap Funding for setting up warehouses at the block/ taluka level. A Village Storage scheme has also been proposed for Self-Help Groups.
- 'Kisan Rail' with refrigerated coaches will be set up to build a seamless national cold supply chain for perishables. 'Krishi Udaan' will be launched on international and national routes.

## Major Challenges faced by Indian Agriculture

Today, Indian agriculture is facing various challenges related to funding, adverse climatic conditions, uneven distribution of rains and many more factors. Some of them are mentioned below –

- India's farm yield is 30-50% lower than that of developed nations. Average farm size, poor infrastructure, inadequate use of farm technology and decreasing soil fertility due to sustained use of fertilizers and pesticides are leading to low agricultural productivity.
- Inadequate use of manures like cow-dung or vegetable refuse and increasing use of chemical fertilizers make the agricultural land less productive, resulting in low farm yield.
- Most farmers in India are unaware of crop rotation practices and therefore, produce the same crops, year after year, resulting in a loss of soil fertility.
- One of the major reasons for low farmer income is the difficulty in marketing crops. Due to the small size and scattered nature of agricultural holdings, the productivity per acre is low.

## Export Scenario

Total agricultural exports from India grew at a CAGR of 14.61% between FY10 and FY19 to reach US\$ 38.73 billion in the last fiscal. The share of agriculture in the country's total exports stood at 11.76% for FY 2018-19. In FY20 (till November 2019) agricultural export amounted to US\$ 22.69 billion<sup>5</sup>. The Ministry of Agriculture is aiming to increase the share of exports to US \$100 billion by 2022<sup>3</sup>.

## Growth Drivers for Agriculture

India is globally renowned for its wide array of agricultural produce. It is a pivotal contributor to the Indian economy and provides employment to a large section of the population. Below are the growth drivers for the agriculture sector: -

Budgetary allocation to the Ministry of Agriculture for FY 2020-21

**Rs. 2.83 lakh crore**

<sup>5</sup>BEF, World Trade Organization, APEDA and DGCIS

- Use of innovative products and advanced technology such as satellite imaging, remote sensing, artificial intelligence and IoT are providing real-time insights to farmers, enabling them to focus on entire crop cycles and to make informed decisions regarding crop protection and nutrition.
- Farmer Producer Organisations (FPOs) play an important role in empowering Indian farmers and thereby, supports economic growth. It helps them to improve business acumen and gain access to markets.
- Increase in population, rapid urbanization, rising income and a growing young population is increasing food demand. To cater to the growing demand, farmers are adopting new techniques and technologies to increase farm productivity, driving further growth of agriculture.
- Due to rapid urbanization and a shift towards healthy and nutritious diets, demand for fruits & vegetables is expected to increase significantly in the years ahead.

## Outlook

The Ministry of Agriculture has set the target for food grain production at a record 298.3 million tonnes for the 2020-21 crop year, beginning in July. It is aiming for an output of 149.92 million tonnes of kharif or summer-sown crop, and 148.4 million tonnes of Rabi or the winter-sown crop. The target is over 2% more than last year's estimated production of 292 million tonnes<sup>3</sup>.

## Seed Industry Overview

Seed is the basic and most critical input for sustainable agriculture. The global seeds market was worth US\$ 55.4 billion in 2019 and is projected to reach USD 86 billion by 2025, growing at a CAGR of 7.6%<sup>6</sup>. North America represents the largest producer of agricultural seeds, accounting for around one third of the global market<sup>6</sup>. Asia-Pacific, dominated by two major agricultural countries - India and China, is the fastest growing geographical segment in the Global Seed Market. The region is witnessing increased adoption of hybrids and a rising seed replacement rate for key crops like Rice, Maize and Vegetables.

## Seed Sector in India

For a productive harvest, the agricultural sector is highly dependent on the availability and quality of seeds. Therefore, to increase the quantity and quality of produce, efforts are being made to introduce enhanced varieties of seeds with the help of advanced technology and modern agricultural methods. In India, agriculture is the dominant occupation, which secures abundant opportunities for the seed market in the region. The Indian seed market was valued at US

# 298.3 million tonnes

Target for food grain production in FY 2020-21 by the Ministry of Agriculture

\$4.1 billion in 2018, growing at a CAGR of 15.7% from 2011-2018. The seed market in India is estimated to reach US \$9.1 billion by 2024, growing at a CAGR of 13.6% from 2019-2024<sup>7</sup>.

India has emerged as the 5th largest seed market in the world<sup>8</sup>. The active participation of both, public and private sectors, have played a vital role in laying a strong foundation for the industry. In India, commercial seeds only account for a minor share (25%) of the seed market and huge demand is expected for good quality, branded seeds. Initiatives to promote the use of hybrid seeds among farmers who had earlier used outdated, open pollinated varieties can help to improve demand for better quality seeds. Over the last few years, rising awareness among farmers about the benefits of using certified/quality seeds has increased the popularity of quality seeds.

## Telangana to become the Global Hub for Seeds

Telangana, which is also known as the 'Seed Bowl of India', is soon set to double its seed exports from 20,000 quintals<sup>8</sup>. Telangana is making big strides in seed production owing to strong policy support from the government, shaping Telangana into a 'global seed hub'. It is a major seed production hub, meeting about 60% of the country's needs for major crops such as rice, maize, soya bean, pearl millet, sorghum and cotton<sup>9</sup>. About 400 seed companies are operating in the state with 413 seed processing and 13 seed testing units<sup>9</sup>. A seed fund of Rs 25 crore have been established for Sanitation Hub (S-Hub), an incubator for promoting start-ups and to encourage innovation in areas including water, sanitation, solid waste management and waste water recycling, aimed at helping irrigation facilities<sup>9</sup>.

## Growth drivers of Indian Seed Industry

- **Increasing adoption of Hybrid Seeds:** The use of hybrid seeds has silently but, consistently witnessed growth along with other seeds.
- **Patent protection systems and intellectual rights over plant varieties:** The Protection of Plant Varieties and Farmers Rights Act, 2001 (PPV&FRA) was established to protect plant varieties and the rights of the breeders while encouraging the development of new varieties of plants.
- **Increased investment from public as well as private sector:** Private sector has played a major role in changing India's seed sector. Investment and technical expertise garnered from different parts of the world has made this industry tech-savvy.

<sup>6</sup>Business wire report on World Seed Market 2020

<sup>7</sup>IMARC Report on Seed Industry in India

<sup>8</sup>Telangana State Seed and Organic Certification Authority (TSSOCA)

- **Government Policies and support:** Conducive policy reforms and government support have spurred the transformation of the Indian seed industry in recent times. Policies like National Seed Policy 2002, Seed Village Programme, and National Biotechnology Development strategy 2007 were conceived to fuel the growth of the industry.

### Enhancement in Seed Replacement Rate (SRR)

SRR is a measure of cropped area covered with quality seed. SRR directly improves productivity and leads to enhancement of farmer income, thereby acting as a means to achieve the target of doubling farmers' income by 2022. Due to the efforts of varied stakeholders in the seed segment and adept policy backing, the rise in SRR crops viz. wheat and paddy, rose by 40% respectively<sup>9</sup>. Farmers contemplating the fact about replacement of seed in high volume and low value crops reflects a sea change in perception and are viewing agriculture as a remunerative enterprise<sup>9</sup>.

### Company Overview

Kaveri Seeds is one of the leading seed producing companies in India. With over three decades of industry experience, it has emerged as a premier multi-crop seed producing Company in India. Over the years, the Company has enhanced farmer trust by providing a complete seeds basket, comprising of Field and Vegetable crop seeds. Backed by its strong R&D program, the Company specializes in the production of crop seeds including maize, cotton, rice, pearl millet, mustard, wheat, sorghum, sunflower and a number of vegetables.

The Company owns over 600 acres (own + leased) farm land and 65000 acres for seed production across different agro- climatic regions. With its dedicated team of researchers, the Company designs and develops productive hybrids that excel in markets and meet the changing needs of farmers and consumers. It is consistently building a robust portfolio of field crops and vegetables to help enhance farm yield and actively engages with farmers to educate them about latest farming techniques. Kaveri Seeds also helps farmers to implement best agricultural practices to ensure higher yield and better productivity.

The Company has not only been successful in developing an innovative product range, it has also helped to meet previously unmet requirements of the farmer community. From providing complete crop solutions, across crops, terrains and seasons, to capitalizing on emerging opportunities, Kaveri Seeds has successfully reached out to farmers around the country.

## 10 lakh sq. ft.

Cumulative warehouse space across India

### Core Competencies

- **Strong R&D Division:** Kaveri Seeds successfully establishes itself as a market leader resting on its strong R&D team. Its research focuses on the development of quality hybrid and inbred seeds that offer higher yields. The Company has a fully equipped, state-of-the-art biotechnology laboratory and its R&D team comprises of about 145 personnel, including more than 40 Scientists who strive to deliver exceptional results. Kaveri Seeds also has an enormous germ plasm bank, built over a period of three decades, to sustain innovations in the seed market.
- **World Class Infrastructure:** Kaveri Seeds has about 120 outreach trial centres across India for hybrid testing. The company also has 1 lakh+ loyal producers with 65000 acres of land area for seed production. It also has 07 Mega Seed Processing Plants equipped with modern equipment for pre-cleaning, grading, cob drying, storage and packing. With 10 lakh sq. ft. cumulative warehouse space across India, the Company has climate-control godowns and 15000 MT cold storage capacities to support its world class infrastructure.
- **Strong Presence & Distribution Network in India:** Kaveri seeds has a strong distribution network consisting of about 40,000 dealers/distributors. It partners with more than 1 lakh farmers, through farm engagement programs, for seed production.
- **Diversified Product Portfolio:** Kaveri Seeds has consistently focused on building a robust portfolio of field crops and vegetables to help enhance farm yield. The Company has successfully launched best quality hybrid seeds to further diversify its offerings. It also engages with farmers to educate them about its products and helps to implement best agricultural practices to improve yield.

### Opportunities for the Company

- With a growing market for agricultural seeds, in India and abroad, there is a huge demand for export of seeds and India's contribution is only 9% of the overall market. The company, with its expertise, can tap the exports market and increase its market share globally.
- India has the potential to produce a significant amount of hybrid seeds, especially high value vegetable seeds, which can be produced at cheaper costs when compared to other countries. The Company, with its innovation focused R&D division, can produce hybrid vegetable seeds and offer them at competitive prices.
- Innovative and advanced product designing is likely to be the future of this industry. To ensure higher yield across agro-climatic regions, it will be designed to withstand biotic and abiotic stresses. The Company's strong R&D programs are perfectly suited to tap these opportunities.

<sup>9</sup>AIRCP and ICAR

## Research & Development

Agricultural science is constantly evolving and is a dynamic field, fostering innovations and cutting-edge product developments. The Company's advanced research and development capabilities enable the production of high yield seed varieties that immensely benefit farmers. Over the years, the Company has improved product yield, improved the quality of seeds and has successfully increased its tolerance to biotic and abiotic stresses.

As India's leading seed Company, Kaveri Seeds focuses on combined use of conventional breeding techniques and biotechnology to increase and stabilize yields. Utilizing innovative processes, the Company adopted an integrated molecular breeding programme for accelerated crop production. State-of-the-art biotechnological tools were also employed to ensure precision breeding, which not only helped to save time but also focused on improving crops.

At present, the Company has over 600 acres of dedicated research farms in around Hyderabad and more than 300 acres long lease Agriculture land in satellite environment across the country for target breeding. With a robust R&D base, the Company has developed new hybrids in cotton, maize, rice, bajra and vegetables, products that have a significant impact on farm yield. The Company also has a strong pipeline of hybrids, tailored to ensure great yields in varied climatic conditions.

## 1 Lakh+

Contract Farmers are employed by the Company

The biotechnological interventions initiated by the Company to ensure efficient quality checks. The Company strives to improve returns while accelerating the pace of innovation. With a strong commitment to innovate futuristic products, it has aligned with national and international institutions to augment its research capabilities. This has enabled the Company to meet the aspirations of farmers, consumers as well as the industry.

**Plant Variety Protection:** To safeguard the Company's products, a number of hybrids developed in field and vegetable crops along with their parental lines have been applied for registration under the Intellectual Property Rights. A number of genotypes were registered to comply with the Protection of Plant Varieties and Farmers Right Act (PPVFRA).

**Germplasm:** The germplasm bank is critical for sustaining breeding programmes. The Company owns a vast gene pool of diverse germplasm to design and develop the suitable varieties that can easily adapt to biotic and abiotic situations while fulfilling the aspirations of farmers and consumers.

**Central Varietal Release Committee:** More than 20 hybrids were Released and Notified in the Central Varietal Release Committee (CVRC) Gol and a few are under release.

## Collaborations

To design and develop hybrid seed varieties, that can easily cope with changing climatic conditions, the Company has fortified its research by collaborating with renowned national and international institutions.

## Crop Focus

Kaveri Seeds has continuously innovated and developed superior quality hybrid seeds that have significantly improved yield. The Company's portfolio caters to key crop segments and mitigates the risks associated with unanticipated shifts in crop rotation. The Company's products are gaining prominence among India's farmers and in countries where it exports seeds. Today, Kaveri is proud to be the only Company to have a footprint across cotton, rice, maize, pearl millets, sunflower, sorghum, pulses and vegetables, along with the largest pipeline of hybrids.

### Cotton

Cotton plays a dominant role in India's agricultural economy, making it one of the most important cash crops in the country. Cotton industry in India provides direct livelihood to 6 million farmers and about 40-50 million people are employed in cotton trade and its processing. The cotton textile industry contributes around 5% of the GDP and 17% to the countries' export earnings. In India, there are ten major cotton growing states which are divided into three zones, north, central and south zones.

About 65% of the cotton growing areas suffer from insufficient rains, which considerably lowers the productivity. During FY 2019-20, cotton production in India is estimated to have reached 354.5 lakh bales of 170 kg, from 112 lakh hectares area with a productivity of 501 kg lint/ha.

During the year, Kaveri Seeds focused on discovering and developing new genetic material for enhancing yield, stress tolerance, insect-pest & disease resistance, input use efficiency and improving fibre quality of cotton. The Company also concentrated on developing efficient, eco-friendly crop husbandry tools for improved cotton genotypes, suitable for diverse agro-ecologies.

In the North Zone, the Company bred early to medium maturity, high input efficiency cotton hybrids to suit cotton-wheat crop rotation, with high tolerance to CLCuD. In the South and Central Zones, the Company developed hybrids suitable for high density plants to ensure better yields under biotic and abiotic rain-fed situations.

### Rice

Rice accounts for ~50% of the Indian Agricultural GDP, making it an extremely important crop for the seed and agri-biotech industries. In FY 2019-20, the yield of rice is estimated at approximately 2.67 thousand kilograms per hectare, with total production of 119 million metric ton and it is projected to grow at a CAGR of 2.5% between 2019 and 2024. With government support, hybrid rice conversion currently stands at about 8%, with 3.5m. ha acreage.

Kaveri Seeds is giving equal importance to Hybrid rice and Selection rice, since the Indian market has a huge potential for both. The Company has accelerated its research efforts at its Hyderabad centre as well as in its satellite research stations to develop hybrids/ varieties suitable for different regions.

During the year, the Company developed novel technology to produce high-performance hybrids. The Company introduced hybrids such as KAVERI 9090, a medium maturity hybrid with 132-135 days maturity cycle and commercially produced in areas with assured irrigation facilities. In addition, the Company also developed KAVERI 468, a mid-early maturing hybrid with 123-128 days maturity and Shireen & KRV7155 varieties with BLB tolerant gene Xa21 - which were specifically developed through Marker Assisted Selection.

KAVERI 468, a mid-early maturity hybrid had high yield capacity & lodging tolerance and is blast resistant. The hybrid has performed well across geographies & ecologies, in both Kharif and Rabi seasons. It had a competitive advantage over the other popular varieties and competitor hybrids in the early & medium maturity segment. The volumes of KAVERI 468 Y-O-Y, indicates its phenomenal performance and excellent adoption rate among farmers. During Kharif 2019, rice hybrid KAVERI 468 performed extremely well across India and supported a major chunk of the hybrid rice portfolio.

Further, the Company will direct its research efforts on early, mid, mid-late segment opportunities arising from Selection rice as well as Hybrid rice segments. The Company will also focus on the breeding process, line development & product testing efforts in various markets. At present, the Company has established infrastructure & facilities for a stronger biotech trait integration program which scales up phenotype activities at artificial and hot spot conditions. It fine-tunes protocols for line development, trait integration, product testing & grain quality to deliver competitive products & a strong product pipeline. The Company will also focus on Genome Editing CRISPR/CAS9 technology for plant breeding programs in future, utilizing Genomics and Phenomics.

## Maize

Maize is the third most important cereal crop after rice and wheat in India. Besides being a food crop, it is consumed as feed and fodder. It also has great importance as an industrial raw material. Maize is cultivated in 170 countries, over 185 million hectares of land, with a productivity of 5.62 t/ha. At present, USA and China contribute around 35% and 21%, respectively, to the total global production. India on the other hand, ranks fourth in terms of area covered and sixth in terms of production capacity.

Currently, the country produces over 28 million tonnes of maize, of which roughly 60% is used as feed (poultry and animal feed), 14% for industrial purposes, around 13% for food, 7% as processed food and 6% for other purposes including seed production. Maize is predominantly a Kharif crop in India, grown during the monsoon. Increasing demand for maize, particularly from the feed industry, has contributed towards increased production levels. Maize, with its ability to adapt to varied conditions and its multiple usages, has the potential to improve farmers' income significantly.

Maize can be divided on the basis of several factors such as in accordance with the season when it is produced, its maturity, type of hybrids, type of inputs and management etc. Different segments result in different traits for the maize crop. Currently, modern breeding tools, fuelled by advances in genomics and decision support systems are emerging with rare novel traits. These traits can be introgressed from wild relatives effectively through marker-assisted backcrossing within a relatively shorter time period, in comparison to conventional backcrossing methods.

Factors such as drought, heat stress and biotic & abiotic stresses affect maize crop at different stages of its growth. During the year, the Company developed hybrids that had a base germplasm with key traits. The Company integrated novel breeding tools, including genome wide association studies (GWAS), genomic selection (GS) and double haploid (DH) technology to fast track the stress resilience breeding pipeline and adopted field-based precision phenomics to develop stress adaptive traits at several representative sites under managed stress screens.

Additionally, the Company also formed partnerships with committed players from the public and private sector for the development, deployment and scaling of climate resilient cultivars in stress prone agro ecologies.

## Pearl millet

India with 6.9 million hectares, has the largest area with 8.6 million tons of pearl millet production. Pearl Millet is mainly grown in the Kharif season and it is also cultivated during summer in irrigated areas. Pearl millet is primarily grown for food and fodder and is a rich source of animal feed. The grain is highly nutritious with an excellent concentration of Iron, Zinc and protein. The Company focuses on breeding high yield Pearl millet hybrids that offer better productivity, has an increased blast resistance and offer improved concentrations of Fe & Zn.

During the year, the Company aimed to address issues that are highly relevant for pearl millet cultivation in specific regions. Additionally, the Company developed a genetic variation of millet by utilizing emerging technologies. It was genetically modified to withstand harsh environmental conditions, had greater blast resistance and exhibited better resistance to downy mildew and rust. Moreover, the Company will diversify the MS line by exploring A4 and A5 CMS system for the diversification of CMS system from A1 cytoplasm.

## Mustard

In India, Mustard is grown mainly for oil & meal purposes. Of the total area under cultivation, 80% is used for the cultivation of *Brassica Juncea* (L.) Czern, commonly referred to as "Indian Mustard". Since Indian Mustard is a major contributor to oilseeds,

# 170 countries

Produce maize on 185 million hectares of land

the cultivation requires more attention & strong strategies. During the year, the Company developed hybrids & varieties to fulfil the domestic requirement of edible oil and animal feed. The Company also initiated, Kaveri Seeds Research program for Mustard cultivation recently, with an aim to increase the productivity and efficiency in different mustard growing zones. The main objective was to breed early, mid- duration grains and oil yielding hybrids with high response to inputs and tolerance to biotic and abiotic conditions.

### Wheat

It is a major cereal crop in India. Kaveri Seed accelerated its research efforts to develop improved varieties of the crop that were suitable for biotic and abiotic conditions in wheat growing regions. The main focus was towards high grain yield and quality, along with an emphasis on pest and disease resistance. It is extremely suitable for cultivators who rotate between rice and wheat crops, especially in North Indian regions.

### Sunflower

Sunflower crop recently introduced in the country and have gained prominence in the oil seed crops due to its high heterosis. It is a photo-insensitive crop; therefore it can be grown round the year. Generally, it is grown in the late Kharif and Rabi situations. Due to various constraints, the area under production has reduced and so has its productivity. Despite this, the Company developed hybrids are faring well in sunflower grown states.

## Vegetables:

### Hot Pepper

Hot pepper is mostly used as a spice in India and across the globe. It is cultivated on an area of 0.8 million hectares and states like Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, and Maharashtra cover around 80% of the total area under cultivation. About 70% of the hot pepper produce is used for dry chilli and the remaining 30% is used as green chilli. Out of the total produce used in dry form, 50% is exported to foreign countries. During the year, the Company focused on developing hot pepper hybrids that have resistance to heat and ChiLCV.

### Okra

Okra is grown in the Kharif season as well as in summer. It is cultivated extensively round the year, for consumption purposes. At present, India, with 0.53 m. ha area and 6.15 m. tons of production of Okra, ranks first in the world. During the year, the Company focused on development of hybrids with dark green, non-seedy, smooth, spineless and tender pods that are easy to harvest, are attractive and has dual tolerance to Yellow Vein Mosaic Virus (YVMV) and Okra Leaf Curl Virus (OLCV).

### Tomato

Over the last few decades, Tomato has become an extremely popular produce. It is grown in outdoor fields, greenhouses and net houses.

It is generally grown for the fresh market, processing purposes and for the canning industry. Its production and consumption has been growing consistently, across the globe, as it is a good source of Vitamin A and Vitamin C. During the year, the Company focused its research efforts to develop promising hybrids for commercial cultivation. It aimed to develop crops with high yield, non-cracking qualities and excellent colour, suitable for transportation and storage. Moreover, the hybrids have a high tolerance towards Tomato Yellow Leaf Curl Virus (TYLCV) and other viral diseases.

### Gourds

Gourds, belong to the cucurbitaceous family, particularly Cucurbita & Lageneria and are considered one of the most important vegetable crops in India. Bitter gourd, Sponge gourd, Bottle gourd, and Ridge gourd constitute the major varieties of this crop. An excellent source of iron and essential nutrients, gourds form an integral part of the Indian staple diet.

In India, production of gourds is mainly hampered by diseases such as Gemini virus, Downy mildew, Powdery mildew, and Blight. These diseases result in yield losses of up to 100%. The Company focuses its research on the four main varieties of gourds to strengthen its commercial hybrid portfolio. The factors that were taken into consideration included increased yield, shortened duration for crop growth, good fruit quality, colour, shape and transportability.

Additionally, the Company also focussed on various crops like muskmelon, watermelon, sweetcorn, coriander, pumpkin, beetroot and cabbage, during the year.

## #1

Position of India in terms of production of Okra

## Product Evaluation

India has diverse agro-climatic conditions and crop adaptability varies from one region to the other. To sustain its market leadership, the Company needs to thoroughly evaluate its product portfolio to develop seed varieties that perfectly complement farm practices and farmer requirements. The Company, therefore, conducts evaluation trials more than 900 locations across the seasons to determine the stability of the new hybrid/ seed variety. It is tested against the best commercially available seed hybrid/variety in concerned geographies or zones/regions, by adopting farmer practices deployed in those areas.

The Company evaluates yield levels, tolerance towards major pests and diseases along with its resistance to abiotic stress. Additionally, the Company enables local farmer participation in Demo plots to provide feedback on product performance. It plays a crucial role for gauging products suitable for particular regions. The data recorded from these trials are compiled and thoroughly analysed. The test

products are then evaluated against competitor products, based on its yield potential, stability and reaction to biotic and abiotic stress. The inferences are presented in the Company's Hybrid Advancement Meeting, where the performance of the product, its requirement for the product portfolio and its placement in the identified geographies are thoroughly discussed and debated cross function teams. The products that are passed by the team are sent for test marketing (Pre-commercial level). The Product Commercialization (PC) team plays a crucial role in establishing from introduction to growth phase product in target geographies of India.

### The state-of –the art Biotechnology Laboratory:

With a growing significance of biotechnology, the Company is fostering and fortifying traditional plant breeding systems to produce different Hybrids and Varieties in field and vegetable crops. The Company has constructed a state-of-the-art biotechnology laboratory, Pamulaparthi, Telangana. The lab employs highly qualified scientists to carry out advanced research.

The Company has developed methodologies such as candidate gene strategy and association mapping to develop superior quality hybrids that ensure higher yield and show greater tolerance to biotic and abiotic factors. It has also developed and adopted new-age technologies like Doubled haploid breeding, MAS (Marker Assisted Selection), MARS (Marker Assisted Recurrent Selection), RGD (Rapid Generation Advance), Inter Pool Heterotic Bins, Multi Parent Synthetic (MPS) and Multi Parent Advanced Generation Inter Cross Populations (MAGIC), etc. to set new standards of excellence in the seed industry.

### Human Resource management

Kaveri Seeds recognizes the importance of its employees and the pride, passion and drive they possess to take the organization to scale new heights of success. The Company continues to focus on training and upgrading employee skills through various interventions and programs to improve skill sets that help to realize our vision and focus on areas that are critical for succeeding strategically. The Company has developed a transparent and active line of communication to ensure team spirit and promote a culture based on trust and confidence.

The Company is proud of its diverse workforce that offers an edge over its peers. The Company successfully enhances and nurtures employee talent through result driven training, while encouraging and rewarding excellence. It continues to align Company policies with the changing business environment and keeps safety conditions in mind while performing duties. The Company also plays a vital role to ensure healthy and conducive working environment for its employees. The total number of employees in the Company, as on 31st March, 2020, are 1,073.

### Outlook

Despite the uncertainties affecting the economy, the Union Budget 2020-21 reinforces the nation's thrust on agriculture. While initiatives such as Krishi Udan strive to boost agricultural exports, efforts to allocate funds for agricultural credit, e-irrigation, rural development and Panchayati Raj focus on empowering farmers.

Additionally, introduction of e-NAM in water-stressed districts across the country will help farmers to augment agricultural produce. Moreover, government plans to liberalise farm markets is anticipated to further bolster growth of the sector and will help to fulfil the government's objective of doubling farmers' income by FY 2022-23.

The Government of India is also promoting eco-friendly farming to reduce the use of chemicals and conserve natural resources. Farmers are being advised to adopt 'zero-budget farming' to double their income. Moreover, the government is also providing necessary advice and information related to pricing over specially designed apps for farmers. These initiatives will complement the Company's strategic objective to help farmers improve productivity and enhance crop output.

With an unwavering commitment to develop innovative products that improve farm productivity and efficiency, the Company continues to invest in R&D and strives to create awareness about hybrid seeds. The Company also plans to strengthen its supply chain capabilities to ensure uninterrupted delivery of products to varied climatic zones across the country. It also aims to increase its market share in Punjab, Rajasthan and UP with the introduction of new and improved products.

## Financial Performance

(Figures ₹ in Lakhs)

|                        | FY 2019-20 | FY 2018-19 | (%) Change |
|------------------------|------------|------------|------------|
| Revenue from Operation | 88,325.60  | 76,898.90  | 14.86      |
| EBITDA                 | 28608.73   | 24,843.22  | 15.16      |
| PBT                    | 26,156.21  | 22,713.05  | 15.16      |
| PAT                    | 25,126.69  | 21,472.86  | 17.02      |

## Financial Ratios

| Ratios                        | FY 2019-20 | FY 2018-19 | (%) Change |
|-------------------------------|------------|------------|------------|
| Inventory Turnover (in times) | 0.70       | 0.76       | -7.14      |
| Current Ratio (in times)      | 2.14       | 2.37       | -9.57      |
| Debt Equity Ratio (in times)  | 0.01       | 0.01       | 13.04      |
| EBITDA Margin (%)             | 30.77      | 30.60      | 0.55       |
| Return on Equity (%)          | 20.35      | 16.62      | 22.48      |
| Net Profit Margin (%)         | 27.02      | 26.45      | 2.17       |
| Earnings per share (in Rs.)   | 40.14      | 33.30      | 20.54      |

## Risk management

### Effects of COVID 19

#### Risk

Due to Coronavirus, pandemic situation at the flag end of the financial year, its effect on the seed harvesting, processing, dispatch etc.,

#### Mitigate

Due to COVID 19 pandemic, fear and panic prevailed in the farming community and agriculture labourer. The Central Government and State Govts exempted agriculture under the lock down period. To certain extent labour shortage was noticed during the season. Company could able to manage with available labour to carry out all the operations by following Govt. norms of all precautions of social distance, proper sanitization etc. Company could able to complete promptly harvesting, threshing, processing, packing, and dispatch of seed to different parts of the country well before the monsoon.

### Risk of Climate resilience

#### Risk

Climate resilience conditions (global warming), drought, new pest and diseases can impact product performance.

#### Mitigate

To mitigate the above risk, Kaveri Seed developed the state-of – the- art Biotechnology laboratory. By using sophisticated tools of precision breeding techniques in combination of classical plant breeding developed the products. It will fit well as per the need of the hour of present environmental situations.

### Competition of the products

#### Risk

Competed products from peers can impact the company trade.

#### Mitigate

We develop the products keeping in view with farmer/consumer / trade preference. Our products are developed with cutting edge and were tested with local checks and commercial checks and superior outstanding products only released and commercialized.

## Dependency on major crop(s) products

### Risk

Dependency on major crops like, cotton, maize and rice may affect the growth prosperity of the Company.

### Mitigate

The Company focussed its research efforts on range of field and vegetable crops to minimise the dependency on major crops. In this direction Company could able to get success to develop different crop products segment wise to meet the aspirations of farmer/consumer/ trade of the country. Our new products in various crops are making imprint in the farmers' field.

## Seed production Risk

### Risk

Unforeseen climatic conditions viz., abnormal rainfall, dry spell, high temperature, excess/erratic rainfall, hail storms drastically effect commercial seed production of the Company.

### Mitigate

The above risk can be mitigated by meticulous planning of seed production in multiple geographies and safe seed production zones.

## New areas Seed Production Risk

### Risk

Seed production is a risky in new areas and non-traditional areas due to lack of technological knowhow by the farmers.

### Mitigate

We select progressive seed growers in a compact block area and impart the seed production technology trainings to the farmers. During crop growth period time to time field staff interacts with farmers, conduct group meetings to realise quality seed from the seed production plots.

## Product Life cycle

### Risk

Through technological advance in frontier science impact the life cycle of the product.

### Mitigate

The marketing team closely monitor and seeks regular feedback on product performance and replaces with new promising products on a regular basis to manage product life cycle.

## Internal control systems and their adequacy

The Company has put in place a set of standards which enables it to implement internal financial control across the organization and ensures that the same are adequate and operating effectively. The findings and recommendations of the statutory and internal auditors are periodically reviewed by the Board, which suggests corrective actions based on them when required. The Audit Committee of the Board of Directors also actively review in the system of checks and balances that ensures the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors, Statutory Auditors and Finance Heads are periodically apprised of the internal audit findings and corrective actions are taken where required. Further, the Internal Audit team prepares annual audit plans based on risk assessment and conducts extensive reviews covering financial, operational and

compliance controls. The Audit process plays a crucial role in keeping the Board of Directors informed of the functioning of the Company. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board.

The Internal Audit team is reviewed by the Audit Committee of the Board which monitors its performance on a periodic basis through review of audit plans, audit findings and speed of issue resolution through follow-ups. Through at least four meetings every year, the audit committee reviews internal audit findings assurance and advisory function, which is responsible for evaluating and improving the overall effectiveness of risk management, control and government processes. This entire process helps enhance and protect organizational value by providing risk-based objective assurance, advice and insight.

# NOTICE

Notice is hereby given that the **33rd Annual General Meeting (AGM)** of the members of Kaveri Seed Company Limited (CIN: L01120TG1986PLC006728) will be held on **Tuesday the 29th day of September 2020 at 11.00 AM IST** through Video Conferencing Facility ("VC") / Other Audio Visual Means ("OAVM") to transact the following business

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended 31st March 2020, together with the Balance Sheet, Profit & Loss and Cash Flow Statement for the year ended on 31st March 2020 along with the reports of the Board of Directors and Auditors thereon.
2. To ratify the payment of Interim Dividend on equity shares of the Company for the financial year 2019-20.
3. To reappoint a Mr. C.Vamsheedhar (DIN: 01458939) as a Director, who retires by rotation, and being eligible offers himself for reappointment.

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

Date: 13.08.2020  
Place: Secunderabad

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

## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 33rd AGM of the Company will be convened through VC / OAVM in compliance with the provisions of Companies Act, 2013 and Rules made thereunder, Listing Regulations read with the aforesaid Circulars. The deemed venue for the 33rd AGM shall be the registered office of the company i.e. #513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Telangana, India.
2. In line with the circulars, the company is providing VC/OAVM facility to its members to attend the AGM. The facility for attending the AGM virtually will be made available for 1,000 members on first come first served basis. This will not include large members (i.e. members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination, governance and compensation committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The VC/OAVM facility for members to join the meeting, shall be kept open 30 minutes before the start of the AGM and shall be closed on expiry of 30 minutes after start of the AGM. Members can attend the AGM through VC/OAVM by following the instructions mentioned in this notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
5. The facility for appointment of proxies by members is not available as the AGM will be held through VC / OAVM, physical attendance of the members is dispensed with pursuant to the aforesaid Circulars.
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The requirement to place the matter relating to appointment of statutory auditors for ratification by members at every Annual General Meeting is omitted vide notification dated 7th May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, resolution for ratification of the appointment of Statutory Auditors who were appointed for a period of five years at the 30th Annual General Meeting held on 25th September 2017, is not proposed at this Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 and all other documents referred in the notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the by sending email [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in).
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.kaveriseeds.in](http://www.kaveriseeds.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>
10. In accordance with the aforesaid Circulars, no physical copy of the notice of the AGM and the annual report for the financial year 2019-20 has been sent to members who have not registered their e-mail addresses with the company/depository participants. The members will be entitled to a physical copy of the annual report for the financial year 2019-20, free of cost, upon sending a request to the company secretary at #513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Telangana, once normalcy is restored.
11. To support the 'Green Initiative' Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Bigshare, RTA in case the shares are held by them in physical form.
12. Pursuant to Section 108 of the Companies Act, 2013 and the rules framed there under and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is provided the facility to its members holding shares in physical or dematerialized form as on the cut-off date, i.e., 22nd September 2020, to exercise their right to vote by electronic means on any or all of the agenda items specified in the accompanying Notice of Annual General Meeting. The E-voting period commences on Saturday the 26th day of September 2020 at 9.00 A.M. and ends on Monday the 28th day of September 2020 at 5.00 P.M. The detailed instructions for e-voting and attending the AGM through VC/OAVM are given as a separate attachment to this notice.
13. Members, desiring any information relating to the financials from the management or the statutory auditors, are requested to write to the company at an early date.

14. The certificate from the auditors of the company certifying that the Company's Employees Stock Option Scheme 2018 is being implemented in accordance with the SEBI Regulations. Such certificate will be available for inspection by the members in electronic mode. Members who wish to inspect the certificate are requested to write to the company by sending e-mail to [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in)
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 physical form.
16. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 28th September 2020 to Tuesday the 29th September 2020 (both days inclusive).
17. The members may note that, pursuant to SEBI Notification dated 8 June 2018 and Press Release dated 3 December 2018, transfer of shares (except transmission and transposition of shares) will be in dematerialised form only. Although, the members can continue to hold shares in physical form, they are requested to consider dematerializing the shares held by them in the company.
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, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in form no.SH-13, to the RTA of the company. Further, members desirous cancelling/ varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in form no. SH-14, to the RTA of the company. These forms will be made available on request.
19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 28th September 2020 through email on [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in). The same will be replied by the Company suitably.
21. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.
22. Pursuant to the provisions of Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed dividend amounts lying with the Company as on date, at the website of the Company ([www.kaveriseeds.in](http://www.kaveriseeds.in)) and also on the website of Ministry of Corporate Affairs.
23. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection fund (IEPF) are given below:

| S. No | Dividend for the financial year | Date of Declaration | Due date for transfer to the IEPF Authority |
|-------|---------------------------------|---------------------|---|
| 1     | Final Dividend 2012-13          | 24.09.2013          | 30.10.2020                                  |
| 2     | Interim Dividend 2013-14        | 04.02.2014          | 12.03.2021                                  |
| 3     | Final Dividend 2013-14          | 18.09.2014          | 24.10.2021                                  |
| 4     | 1st Interim Dividend 2014-15    | 21.10.2014          | 26.11.2021                                  |
| 5     | 2nd Interim Dividend 2014-15    | 03.02.2015          | 11.03.2022                                  |
| 6     | Final Dividend 2014-15          | 29.09.2015          | 04.11.2022                                  |
| 7     | Interim Dividend 2015-16        | 13.08.2015          | 18.09.2022                                  |
| 8     | Interim Dividend 2017-18        | 08.08.2017          | 13.09.2024                                  |
| 9     | Interim Dividend 2018-19        | 14.11.2018          | 19.12.2025                                  |
| 10    | Interim Dividend 2019-20        | 13.08.2019          | 19.09.2026                                  |

24. Brief resume of Director(s) of those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and membership/ chairmanships of Board Committees and shareholding in the Company as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
25. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

Sd/-  
Date: 13.08.2020  
Place: Secunderabad

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

## Details of Director(s) seeking re-appointment at the Annual General Meeting

|  |   |
|--|---|
| Name of the Director   | C. VAMSHEEDHAR  |
| DIN No.  | 01458939  |
| Date of Birth  | 13.05.1971  |
| Type of appointment  | Whole time Director   |
| Date of Appointment/ Reappointment   | 15.11.2011  |
| Areas of Specialization & brief Resume                                     | He looks after overall the marketing and product development & quality management of the company. |
| No. of Shares Held in the Company  | 976587  |
| List of Directorship held in outside Public Limited Companies              | Nil   |
| Chairman/member of the Committee of the Board of Directors of this Company | Member – Shareholders Relationship Committee  |

For other details such number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors, please refer to the corporate governance report which is a part of this Annual Report.

# INSTRUCTIONS FOR E-VOTING

Dear Members,

In compliance with Regulation 44 of the SEBI Listing Regulations, Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the relevant Rules thereunder, the company is pleased to provide remote e-voting facility to members to cast their vote on all resolutions set forth in the notice convening the 33rd Annual General Meeting (AGM) to be held on Tuesday, 29th September, 2020 at 11.00 am. The company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing remote e-voting facility to its members.

The remote e-voting facility is available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The e-voting event number (EVEN) and period of remote e-voting are set out below:

| <b>EVEN (E-VOTING EVENT NUMBER)</b> | <b>COMMENCEMENT OF REMOTE E-VOTING</b>       | <b>END OF REMOTE E-VOTING</b>              |
|-------------------------------------|--|--|
| 113969                              | Saturday, 26th September 2020 at 9.00 am IST | Monday, 28th September 2020 at 5.00 pm IST |

Please read the instructions printed below before exercising your vote. The details and instructions for e-voting and participation at the AGM through VC/OAVM form an integral part of this notice of the AGM to be held on 29th September 2020.

4. Your User ID details are given below :

#### **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical**

- For Members who hold shares in demat account with NSDL.
- For Members who hold shares in demat account with CDSL.
- For Members holding shares in Physical Form.

#### **Your User ID is:**

8 Character DP ID followed by 8 Digit Client ID

For example if your DP ID is IN 300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.

16 Digit Beneficiary ID

For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*

EVEN Number followed by Folio Number registered with the company

For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*

5. Instructions for retrieving password:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial

password', you need to enter the 'initial password' and the system will force you to change your password.

c) Initial password:

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email

#### **Procedure to vote electronically using NSDL e-voting system**

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

#### **Step 1 : How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

sent to you from NSDL from your mailbox. Open the email and open the attachment which is a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your e-mail ID is not registered with the depository or with the company, follow the below process for procuring User ID and password and registration of e-mail ID for e-voting:

a. In case shares are held in physical mode please provide a signed request letter mentioning your name, folio no., scanned copy of the share certificate (front and back), self-attested scanned copy PAN or Aadhar card by e-mail to [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in) or [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

b. In case shares are held in demat mode, please provide a signed request letter mentioning your name, your 16 digit DPID + Client ID or 16 digit beneficiary ID, self-attested scanned copy of client master or consolidated account statement, self attested scanned copy of PAN or Aadhar card to [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in) or [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

c. Alternatively member may send a request by e-mail to [voting@nsdl.co.in](mailto:voting@nsdl.co.in) for obtaining User ID and PASSWORD by providing the details mentioned in Point (a) or (b) as the case may be.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) If you are holding shares in your demat account with NSDL or CDSL, Click on Forgot User Details/Password? option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) If you are holding shares in physical mode, click on Physical User Reset Password, option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Log-in" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2 : How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Kaveri Seed Company Limited ; The Cast Vote page will open.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## GENERAL INSTRUCTIONS:

a) The remote e-voting period commences on Saturday the 26th day of September 2020 at 9.00 am IST and ends on Monday the 28th day of September 2020 at 5.00 pm IST. During this period, members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 22nd September 2020, may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.

b) Any person, who acquires shares of the company and becomes a member of the company after dispatch of the notice of AGM and holds shares as on the cut-off date i.e. Tuesday, 22nd September 2020, may obtain user ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'forgot user details/password?' or 'physical user reset password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- d) The facility for voting through electronic voting system shall be made available during the AGM and only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- e) The voting rights of members 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 Tuesday, 22nd September 2020.
- f) Mr. L.Dhanamjaya Reddy, Practicing Company Secretary, Hyderabad (Membership No.13104), has been appointed by the board as the scrutinizer to scrutinize the voting through electronic means during AGM and remote e-voting process in a fair and transparent manner.
- g) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the chairman shall, with the assistance of scrutinizer, order voting through electronic means for all those members who are present at the AGM through VC/OAVM but have not cast their votes electronically using the remote e- voting facility.
- h) Immediately after the conclusion of voting at the AGM, the scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. The scrutinizer shall prepare a consolidated scrutinizer's report of the total votes cast in favour or against, if any, not later than forty eight hours after the conclusion of the AGM. This report shall be made to the chairman or any other person authorized by the chairman, who shall declare the result of the voting forthwith.
- i) The voting results declared along with the scrutinizer's report shall be placed on the company's website www.kaveriseeds.in and the website of NSDL immediately after the declaration by the chairman or a person authorized by the chairman. The results shall also be immediately forwarded to the BSE Limited, National Stock Exchange of India Limited.
- j) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by e-mail to cs@kaveriseeds.in with a copy marked to evoting@nsdl.co.in
- k) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- l) In case of any queries, you may refer the frequently asked questions (FAQs) and e-voting user manual, available at downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990. You can also refer your queries to NSDL through e-mail ID: evoting@nsdl.co.in

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

Sd/-

**V.R.S.Murti**

Company Secretary

Date: 13.08.2020  
Place: Secunderabad

## INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under shareholders login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders login where the EVEN of company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Members are encouraged to join the meeting through laptops instead of mobiles for better experience.
3. Further members will be required to allow camera usage on their systems and use a good speed internet to avoid any disturbance during the meeting.
4. Please note that participants connecting through mobile devices or tablets or laptop, via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting need to register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, e-mail ID and mobile number at [cs@kaveriseeds.in](mailto:cs@kaveriseeds.in) on or before 26th September 2020 (6.00PM IST)
6. Those members who have registered themselves as a speakers in advance will only be allowed to express their views/ask questions during the meeting.
7. The company reserves the right to limit the number of speakers depending on the availability of time at the AGM.
8. In case any assistance is needed, members may contact:
  - a. Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or at telephone number: 022-24994360.
  - b. Ms. Pallavi Mhatre, Manager, NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number: 022-24994545.
  - c. NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at toll free no: 1800-222-990.

# DIRECTORS' REPORT

Dear Members,

## Kaveri Seed Company Limited

The Directors have pleasure to present their 33rd Annual Report and the audited Annual Accounts for the year ended 31st March 2020.

## PERFORMANCE REVIEW

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

|            |  | (In ₹ Lakhs)    |                 |                 |                 |
|------------|--|-----------------|-----------------|-----------------|-----------------|
| S .<br>No. | Particulars  | Standalone      |                 | Consolidated    |                 |
|            |  | March 31, 2020  | March 31, 2019  | March 31, 2020  | March 31, 2019  |
| 1          | Revenue from operations                                  | 88325.60        | 76,898.90       | 93034.63        | 80,941.81       |
| 2          | Profit before finance cost, depreciation and tax expense | 28608.73        | 248,43.22       | 29879.56        | 25,463.78       |
| 3          | Finance Cost   | 21.81           | 12.52           | 47.85           | 54.69           |
| 4          | Profit before depreciation and tax expense               | 28586.92        | 248,30.70       | 29831.71        | 25409.09        |
| 5          | Depreciation   | 2430.71         | 2,117.65        | 2566.38         | 2,295.20        |
| 6          | Profit before exceptional items and tax                  | 26156.21        | 22,713.05       | 27265.33        | 23,113.89       |
| 7          | Exceptional items  | -               | -               | -               | -               |
| 8          | Profit before Tax Expense                                | 26156.21        | 22,713.05       | 27265.33        | 23,113.89       |
| 9          | Tax Expense  | 1029.52         | 1240.19         | 1274.88         | 1373.43         |
| 10         | Profit after Tax Expense                                 | 25126.69        | 21,472.86       | 25990.45        | 21,740.46       |
| 11         | Non-controlling interests                                | -               | -               | 86.71           | -4.61           |
| 12         | Profit after tax expense after non-controlling interests | 25126.69        | 21,472.86       | 25903.74        | 21,745.07       |
| 13         | Add: Surplus at the beginning of the year                | 95681.44        | 96,492.00       | 95071.80        | 95610.16        |
| 14         | Total Available for appropriation                        | 120808.13       | 117964.86       | 120975.54       | 117355.23       |
|            | <b>Appropriations</b>                                    |                 |                 |                 |                 |
| 15         | Dividend including taxes                                 | 2283.17         | 2283.17         | 2283.17         | 2283.17         |
| 16         | Transfer to general reserve                              | 1000.00         | 1,000.00        | 1000.00         | 1,000.00        |
| 17         | Utilized for Buyback                                     | 22986.77        | 18940.99        | 22986.77        | 18940.99        |
| 18         | Transferred to Capital Redemption Reserve                | 56.00           | 59.26           | 56.00           | 59.26           |
| 19         | Amortization of Interest on loan to employee trust       | 1216.23         | -               | 10.71           | -               |
|            | <b>Total Appropriations</b>                              | <b>27542.17</b> | <b>22283.43</b> | <b>26336.64</b> | <b>22283.43</b> |
| 20         | Surplus carried to Balance Sheet                         | 93265.96        | 95681.44        | 94638.89        | 95071.80        |

## State of the Company's Affairs

During the year, the Company has recorded revenue of ₹88325.60 Lakhs and net profit of ₹25126.69 Lakhs on a standalone basis. During the same period, the consolidated revenue was ₹93034.63 Lakhs and net profit after non-controlling interests was ₹25903.74 Lakhs.

## Future Prospects and Outlook

### Indian Agriculture and our role:

Agriculture is pivoted to the growth of the Indian economy, both in terms of its contribution to the GDP as well as a source of

employment for a majority of the country's population. As per 2nd advanced estimate by Ministry of Agriculture, total food production for FY 2019-20 is estimated to be around 291.95 million tonnes, an increase of 2.5% over the previous year. India has emerged as the 5th largest seed market in the world. The active participation of both, public and private sectors, have played a vital role in laying a strong foundation for the industry. In India, there is a huge demand for good quality branded seeds. Over the last few years, rising awareness about the benefits of using certified/ quality seeds has increased the popularity of quality seeds among farmers.

Kaveri Seeds is one of the leading seed producing companies in India. With over three decades of industry experience, it has emerged

as a premier multi-crop seed producing Company in India. Over the years, the Company has enhanced farmer trust by providing a complete seeds basket, comprising of Field and Vegetable crop seeds. Backed by its strong R&D program, the Company specializes in the production of crop seeds including maize, cotton, rice, pearl millet, mustard, wheat, sorghum, sunflower and a number of vegetables.

Your Company's dedicated team of researchers design and develop productive hybrids that excel in markets and meet the changing needs of farmers and consumers. It is consistently building a robust portfolio of field crops and vegetables to help enhance farm yield and actively engages with farmers to educate them about latest farming techniques.

Your Company has not only been successful in developing an innovative product range but, has also helped to meet previously unmet requirements of the farmer community. From providing complete crop solutions, across crops, terrains and seasons, to capitalizing on emerging opportunities, it has successfully reached out to farmers around the country.

- **Strong R&D Division:** Kaveri Seeds successfully establishes itself as a market leader resting on its strong R&D team. Its research focuses on the development of quality hybrid and inbred seeds that offer higher yields. The Company has a fully equipped, state-of-the-art biotechnology laboratory and its R&D team comprises of about 145 personnel, including more than 40 scientists who strive hard to deliver exceptional results. Kaveri Seeds also has an enormous germplasm bank, built over a period of three decades, to sustain innovations in the seed market.
- **World Class Infrastructure:** Kaveri Seed has about 120 Outreach Trial centres across India for hybrid testing. The company also has 1 lakh+ loyal producers with 65000 acres of land area for seed production. It also has 07 Mega Seed Processing Plants equipped with modern equipment for pre-cleaning, grading, crop drying, storage and packing. With 10 lakh sq. ft. cumulative warehouse space across India, the Company has climate-control godowns and 15000 MT cold storage capacities to support its world class infrastructure.
- **Strong Presence & Distribution Network in India:** Kaveri seeds has a strong distribution network consisting of 40,000 dealers/distributors. It employs more than 1 lakh contract farmers, through farm engagement programs, for seed production.
- **Diversified Product Portfolio:** Kaveri Seeds has consistently focused on building a robust portfolio of field crops and vegetables to help enhance farm yield. The Company has successfully launched best quality hybrid seeds to further diversify its offerings.
- Your Company possess a strong in-house R&D base, recognized since 2001 by the Department of Scientific and Industrial Research (DSIR) Govt.

### Opportunities for your Company:

- With a growing market for agricultural seeds, in India and abroad, there is a huge demand for seeds export and India's contribution is only 9% of the overall market. Kaveri Seeds with its expertise can tap the exports market and increase its market share globally.
- India has the potential to produce a significant amount of hybrid seeds, especially high value vegetable seeds, which can be produced at cheaper costs in comparison to other countries. Your Company, with its innovation focused R&D division, can produce hybrid vegetable seeds and offer them at competitive prices.
- Innovative and advanced seed designing is likely to be the future of this industry. To ensure higher yield across agro-climatic regions, seeds will be modified to suit varied agricultural conditions and will be designed to withstand biotic and abiotic stresses.

### Research & Development:

Agricultural science is constantly evolving and is a dynamic field, fostering innovations and cutting-edge product developments. Your Company's advanced research and development capabilities enable the production of high yield seed varieties that immensely benefit farmers. Over the years, the Company has improved product yield, improved the quality of seeds and has successfully increased its tolerance to biotic and abiotic stresses.

As India's leading seed Company, Kaveri Seeds focuses on combined use of conventional breeding techniques and biotechnology to increase and stabilize yields. Utilizing innovative processes, the Company adopted an integrated molecular breeding programme for accelerated crop production. State-of-the-art biotechnological tools were also employed to ensure precision breeding, which not only helped to save time but also focused on improving crops. We are also planning to work on phenomics to design plant ideotype that will be resilient to the effects of climate change. Our products are gaining acceptance among Indian farmers and in countries where we export our seeds

Your Company's robust R&D base has helped to develop new hybrids in cotton, maize, rice, bajra and vegetables and they have created a significant impact on farm yield. Kaveri Seeds has a reliable track record of launching many new products and have a strong pipeline of promising products tailored to meet the specific needs of the farming community. Your Company's experience of managing risk is enabling us to navigate the current volatility. We look at each crop through the eyes of the farmer, and we understand the farmers' concerns and grievances.

**Iconic seed technical innovations:** The biotechnological interventions initiated by the Company ensure efficient quality checks. The Company strives to improve returns while accelerating

the pace of innovation. With a strong commitment to innovate futuristic products, it has aligned with national and international institutions to augment its research capabilities. This has enabled the Company to meet the aspirations of farmers, consumers as well as the industry.

**Plant Variety Protection:** To safeguard the Company's products, a number of hybrids developed were registered with Protection of Plant Varieties and Farmers Right Act (PPVFRA).

**Germplasm:** The germplasm bank is critical for sustaining breeding programmes. Your Company owns a vast gene pool of diverse germplasm to design and develop suitable varieties that fulfil the aspirations of farmers and consumers.

**Central Varietal Release Committee:** More than 20 hybrids were Released and Notified in the Central Varietal Release Committee (CVRC) Gol and few are to be released soon.

### COVID 19 PANDEMIC:

The Government of India imposed lockdown from 25th March 2020 to curb the spread of the virus. The nationwide lockdown temporarily impacted the operations of the company due to the non-availability of labour, transportation, and supply chain disruptions. However, the Government classified seed business as "Essential Commodity" and granted certain relaxations and guidelines to carry on production, processing, and distribution of seeds. A major portion of the Company's production, processing, and supply chain facilities were operational during most of the lockdown period, following stipulated safety protocols. Thus, the impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments, and other financial assets considering the available internal and external information as on date. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.

### DIVIDEND:

The Board of Directors, at their meeting held on 13th August 2019, declared an Interim Dividend @ 150% on the paid-up Equity Share Capital i.e., ₹3.00/- per equity share for the financial year 31st March 2020 and the same was paid to the shareholders.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved and adopted the Dividend Distribution Policy and the same is available on the Company's website viz. <http://www.kaveriseeds.in/images/pdf/images/Dividend-Distribution-Policy.pdf> and is also provided as annexure.

### BUYBACK OF EQUITY SHARES

In line with the practice of returning free cash flow to the shareholders, during the financial year 2019-20 the Company has completed its Third buy-back of 28,00,000 Equity Shares at a price

of ₹700/- per Equity Share for an aggregate consideration of ₹196.00 Crores. The offer size of the Buyback was 20.14% of the aggregate paid up equity share capital and free reserves of the Company and represented 4.44% of the total issued and paid up equity share capital of the Company. The buyback process was completed and the shares were extinguished on 23rd January 2020. The Company's Second buy-back was completed in the Financial Year 2018-19.

### TRANSFER OF AMOUNT TO RESERVE

The Company has transferred ₹10.00 Crores to the general reserve for the financial year ended 31st March 2020 under the provisions of Companies Act, 2013 and Rules there under.

### STATUTORY AUDITORS & AUDITORS' REPORT

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

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

### INTERNAL AUDITORS

The Board of Directors of the Company has re-appointed M/s. M. Anandam & Co., Chartered Accountants as Internal Auditors to conduct Internal Audit of the Company for the financial year ended 31st March 2020. The Internal Audit reports are being reviewed by the Audit Committee of the Company.

### SUBSIDIARY COMPANIES

The Company has 4 subsidiaries as of March 31, 2020. There was no material change in the nature of the business carried on by the subsidiaries. As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies is prepared in **Form AOC-1** and is attached to the Financial Statements of the Company.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries are available on the website of the Company <http://www.kaveriseeds.in/images/pdf/images/material-subsiary.pdf>. The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any member at the Registered Office of the Company and that of the respective subsidiary companies.

### Merger of Kexveg India Private Limited with Kaveri Microteck Private Limited;

Kexveg India Private Limited a wholly-owned subsidiary of Kaveri Seed Company Limited, merged with Kaveri Microteck Private Limited, a wholly-owned subsidiary of Kaveri Seed Company Limited, effective from 1st October 2018 vide the Merger Order issued by Hon'ble National Company Law Tribunal (NCLT) Hyderabad Bench dated 26th August 2019.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

No material related party transactions, during the year under review, with the Promoters, Directors or Key Managerial Personnel falls under the scope of Section 188(1) of the Companies Act 2013. The information on transactions for the year under review were on arm's length basis and in the ordinary course of business with the related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Form No. AOC-2** and the same forms part of this report. The company has developed a Related Party Transactions framework through standard operation procedures for the purpose of identification and monitoring of such transactions.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT – 9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure – A** and forms an integral part of this report. The same is available on <https://www.kaveriseeds.in/investors/statutory-communications-announcements/#tab-mgt-9>

### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. L.D. Reddy & Co., a firm of Company Secretaries in Practice (C.P.No.3752) as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended 31st March 2020. The Secretarial Audit Report issued by M/s. L.D.Reddy & Co, Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure – B**.

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

### BOARD'S RESPONSE ON AUDITOR'S QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE

There are no qualifications, reservation or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the Secretarial Audit Report for the year ended 31st March 2020. During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

### AUDIT COMMITTEE

The Audit Committee of the Board of Directors consists Mr. K. Purushotham (Chairman), Dr. S. Raghuvardhan Reddy, Dr. Bhaskar Venkataramany and Mr. C.Mithunchand. The Board has accepted all the recommendations made by the audit committee during the year. Further details can be seen in the chapter on Corporate Governance report.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently consists of the following Directors namely Dr S. Raghuvardhan Reddy, Chairman, Mr. K. Purushotham and Mrs. M. Chaya Ratan as Members.

### CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the relevant provisions of Section 133 of the Companies Act, 2013 and the Ind AS -110 on consolidated financial statements, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2020, which forms part of the Annual Report. The company has placed separately, the audited accounts of its subsidiaries on its website [www.kaveriseeds.in](http://www.kaveriseeds.in) in compliance with the provisions of Section 136 of the Companies Act, 2013.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has laid down a set of standards which enables implementation of internal financial controls across the organization and ensure that the same are adequate and operating effectively. The Board periodically reviews the findings and recommendations of the statutory auditors, internal & secretarial auditors and suggests corrective actions whenever necessary. The Audit Committee of the Board of Directors is also actively reviewing the adequacy and effectiveness of the internal control systems and suggest improvements to strengthen the same. The Audit Committee of the Board of Directors, Statutory Auditors and Finance heads are periodically apprised of the internal audit findings and corrective actions are taken.

The Internal Audit team prepares annual audit plans based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management is presented to the Audit Committee of the Board.

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

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

- a. The Company maintains all its major records in ERP System.
- b. The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organisation is being done through the approved policies of the Company. In every quarter, during the approval of financial statements, internal auditors present the internal audit report and the management comments on the internal audit observations; and
- c. The Board of Directors of the Company has adopted various policies such as Related Party Transactions Policy, Whistle Blower Policy, Policy to Determine Material Subsidiaries, Corporate Social Responsibility Policy, Dissemination of Material Events Policy, Documents Preservation Policy, Sexual Harassment Policy, Code of Conduct under Insider Trading Regulations, Code of Conduct for Senior Management, Nomination and Remuneration Policy, Board Diversity Policy, Dividend Distribution Policy, Risk Management Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

### INDIAN ACCOUNTING STANDARDS – IFRS CONVERGE STANDARDS

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

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i) that the applicable accounting standards have been followed in the preparation of the Annual Accounts.
- ii) that the Directors have selected such Accounting policies and consistently applied 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 31st March 2020 and of the profit of the Company for that period.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.
- v) that the Directors have laid down Internal Financial Controls to be followed by the Company and that the financial controls were adequate and were operating effectively and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company is managed and controlled by a Board comprising an optimum blend of Executive and Non-Executive Directors. As on date the Board of Directors comprises of nine (9) Directors consisting of Four Executive Directors including the Chairman & Managing Director, one non-executive non independent Director and Four Independent Directors including one Women Independent Director.

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and the relevant provisions of the Companies Act, 2013. The Directors possess requisite qualifications and experience in general corporate management, strategy, finance, administration and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel (KMP) of the Company as on March 31, 2020 are: Mr. G.V. Bhaskar Rao, Chairman & Managing Director, Mrs. G.Vanaja Devi, Mr. C. Vamsheedhar and Mr. C. Mithunchand, Whole time Directors, Mr. K.V. Chalapathi Reddy, Chief Financial Officer & Mr. V.R.S.Murti, Company Secretary. There have been no changes in the key managerial personnel during the year.

### Changes in Directors

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

### Director(s) retiring by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. C. Vamsheedhar (DIN : 01458939), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

### Declaration from Independent Directors

The independent Directors have submitted the declaration of independence, as required pursuant to section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulations 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive independent directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committees of the Company.

### Registration of Independent Directors in Independent Directors Databank

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

## COMMITTEES OF THE BOARD

The details pertaining to the composition of the Board and its Committees are included in the Corporate Governance Report, which is a part of this report.

## MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held under the Chairmanship of Mr. K. Purushotham, Independent Director on 5th February 2020, inter-alia, to discuss evaluation of the performance of Non- Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

### Familiarization Programme for Independent Directors

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

## NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board were held during the year. The dates on which the Board meetings were held are 27th May 2019, 13th August 2019, 24th September 2019, 13th November 2019 and 05th February 2020. The details of attendance of Board meetings and Committee meetings held during the Financial Year 2019-20 forms part of the Corporate Governance Report.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the company or any of its subsidiaries.

## FIXED DEPOSITS:

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance Note on Board Evaluation issued by the SEBI on 5th January 2017, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees.

The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.,

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

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

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

In the board meeting that followed the meeting of the independent directors and meeting of nomination and remuneration committee, the performance of the board, its committees, and individual directors was also discussed. The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## BOARD DIVERSITY

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

## APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

The assessment and appointment of board members is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualifications required for the position. A potential board member is also assessed on the basis of independent criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations. In accordance with Section 178(3) of the Companies Act, 2013, Regulation 19(4) of SEBI (LODR) Regulations and on recommendations of the company's Nomination and Remuneration Committee, the Board adopted a remuneration policy for directors, KMP, senior management and other employees. The Policy is placed on the Company's website: <http://www.kaveriseeds.in/images/pdf/images/Nomination-and-Remuneration-Policy.pdf> and further details are set out in the Corporate Governance Report forming part of this annual report.

## CORPORATE GOVERNANCE:

A detailed Report on Corporate Governance systems and practices of the company is given in a separate section forming part of this annual report.

The Certificate issued by M/s. L.D.Reddy & Co., Practicing Company Secretaries, Hyderabad, with regard to compliance with the conditions of Corporate Governance is attached to the chapter on Corporate Governance.

## MANAGEMENT DISCUSSION AND ANALYSIS:

Management's Discussion and Analysis report for the year under review, as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) committee composed of Mr. G.V.Bhaskar Rao as Chairman, Mrs. G.Vanaja Devi and Dr. S. Raghuvardhan Reddy as members. The Committee is responsible for formulating and monitoring the CSR Policy of the Company, the Report on CSR Activities forms part of this Report as "**Annexure - C.**"

The Company has incorporated a separate company in the name of 'Kaveri Bhaskar Rao Charitable Trust' under Section 8 of the Companies Act, 2013 to undertake CSR and other charitable activities. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR Policy is available on [http://www.kaveriseeds.in/images/pdf/images/csr\\_policy.pdf](http://www.kaveriseeds.in/images/pdf/images/csr_policy.pdf)

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

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

## EMPLOYEE STOCK OPTION SCHEME

The Company grants share-based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company.

### Kaveri Seed Employee Stock Option Plan – 2018 (ESOP Plan)

On 19th July 2018, pursuant to the approval by the shareholders by way of Postal Ballot, the Board/Nomination and Remuneration Committee has been authorized to introduce, offer, issue and grant the share-based incentives to eligible employees of the Company and its subsidiaries under the ESOP Plan. The Kaveri Employee Stock

Option Plan 2018 (ESOP Plan) to be implemented through the Kaveri Employees Trust (Trust) with an objective of enabling the company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect in their efforts to sustain the growth and profitability of the Company.

The ESOP Plan involves acquisition of shares, not exceeding 30,00,000 equity shares, from the secondary market through Barclays Wealth Trustees (India) Private Limited as Trustees of Kaveri Employees Trust for implementation and administration.

As on 31st March 2020 a total of 8,79,491 Equity Share (Eight Lakhs Seventy Nine Thousand Four Hundred Ninety One Only) options were available in the Trust account.

The Nomination and Remuneration Committee (NRC), is empowered to formulate detailed terms and conditions of the ESOP Plan 2018, and supervise the same. The specific employees to whom the Options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee at its sole discretion. Further, the Nomination and Remuneration Committee is empowered to determine the eligible employees of subsidiary companies, whether existing or future, whose employees will be entitled to stock options under this Scheme.

The Nomination and Remuneration Committee has granted 6,29,516 options @ 315/- per option to the eligible employees of the Company during the year under ESOP Plan. The number of options outstanding as at the year-end was 2,49,975.

The granted options would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options or any other terms as decided by the Nomination and Remuneration Committee.

The ESOP Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The disclosure required to be made under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website at [https://www.kaveriseeds.in/images/pdf/images/sept20/Disclosure\\_pursuant\\_Regulation\\_14\\_SEBI\\_Regulations\\_2014.pdf](https://www.kaveriseeds.in/images/pdf/images/sept20/Disclosure_pursuant_Regulation_14_SEBI_Regulations_2014.pdf)

## STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

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

the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – E** and forms part of this Report.

## INSURANCE

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

## BUSINESS RESPONSIBILITY REPORT

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

## DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, top 500 listed Companies based on market capitalization is required to formulate a Dividend Distribution Policy. In compliance with the said requirement, the Company has formulated the Dividend Distribution Policy, the details of which are available on the Company's website at <http://www.kaveriseeds.in/images/pdf/images/Dividend-Distribution-Policy.pdf> and is also provided as **Annexure - 1**.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2020 to the date of signing of the Director's Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company makes investments or extends advances to its subsidiaries for business purposes. The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements provided in this annual report.

## VIGIL MECHANISM /WHISTLE BLOWER POLICY:

The Board of Directors has adopted the Whistle Blower Policy, which is in compliance with Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations 2015 to report genuine concerns or grievances. The Audit Committee Chairperson is the chief ombudsperson. The policy also provides access to the Chairperson of the Audit Committee for raising concerns. The Whistle Blower Policy has been posted on the website of the company. (<http://www.kaveriseeds.in/images/pdf/images/whistle-blower-policy.pdf>)

## RISK MANAGEMENT

Pursuant to the requirement of SEBI (LODR) Regulations 2015, the Company has a risk management committee of the Board consisting of Director Mr. Dr. S.Raghuvardhan Reddy, Independent Director and Chairman of the Committee Mr. C.Vamsheedhar and Mr. C. Mithunchand as members of the Committee. The Risk Management Committee frames, implements and monitors the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report and the Policy has been posted on the website of the company viz., [http://www.kaveriseeds.in/images/pdf/images/Risk-Management-Policy\\_final.pdf](http://www.kaveriseeds.in/images/pdf/images/Risk-Management-Policy_final.pdf)

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

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

## LISTING ON STOCK EXCHANGES

The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited.

## TRANSFER OF UN-PAID AND UN-CLAIMED AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, declared dividends which remained unpaid or unclaimed for a period of seven years have been transferred by the company to the IEPF, which has been established by the Central Government.

The above-referred rules also mandate transfer of shares on which dividend are unpaid or unclaimed for a period of seven consecutive years to IEPF. The company has issued individual notices to the shareholders whose equity shares are liable to be transferred to IEPF on due dates, advising them to claim their dividend within the stipulated time.

## ENVIRONMENT AND SAFETY

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

## HUMAN RESOURCE MANAGEMENT

At Kaveri Seeds, employees are considered 'valued assets' for the organization. We aim to foster an inclusive and diverse workplace that motivates and encourages our people to chart aspirational career paths. Our HR philosophy revolves around the 3 Cs of Culture, Commitment, and Competency.

### Culture

We create a congenial atmosphere to ensure performance amidst challenging circumstances. At Kaveri, we also have an established Rewards and Recognition program to acknowledge and appreciate our people. We also nurture transparency in communication, allowing our employees to share feedbacks and opinions to improve our practices.

### Commitment

The commitment to productively contribute towards the attainment of organizational goals enable our employees to improve performances significantly. We conduct varied employee engagement programs to motivate and engage people through sports, celebrations and other events.

### Competency

A constantly evolving agricultural landscape calls for competencies to easily adapt and learn new practices. At Kaveri, we believe in empowering our employees with necessary skill sets. As a result, we invest in trainings and skill upgradation programs to continuously enhance capabilities and develop adequate competencies. While our scientists participate in national and international symposiums, seminars, and workshops, our marketing team is trained to understand various markets and its requirements. Similarly, our supply chain is well versed with effective production techniques to ensure seamless delivery of products.

The Company also plays a vital role to ensure healthy and conducive working environment for its employees. The total number of employees in the Company, as on 31st March, 2020 are 1073.

## POLICY ON SEXUAL HARASSMENT

Your Company has constituted an internal committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules there under. The Company has a policy on prevention of Sexual Harassment at work place with a mechanism for lodging complaints. The policy provides protection against sexual harassment of women at workplace and ensures prevention and redressal of such complaints. During the year under review, no complaints have been received under the policy. The said policy is available on the website of the company. <https://www.kaveriseeds.in/images/pdf/images/sexual-harrasment-policy.pdf>

## SHARE CAPITAL

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

During the year under review the Company bought back an aggregate of 28,00,000 Equity Shares out of 6,31,29,133 Equity Shares from the Shareholders of the Company. After successful completion of Buy-back, the Paid-up Share Capital of the Company was decreased from 6,31,29,133 Equity Shares to 6,03,29,133 Equity Shares of ₹2/- each.

## COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

## INSIDER TRADING CODE

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company has revised its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons, in line with the recent amendments brought by SEBI in the PIT Regulations. The said Code lays down

guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. Your Company has also updated its Code of practices and procedures for fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes.

## 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:

The Directors acknowledge and would like to place on record the commitment and dedication on the part of the employees of your Company for their continued efforts in achieving good results. Your Company is grateful to the Distributors, Dealers, Customers and farming community for their support and encouragement. Your Directors thank the Banks, Financial Institutions, Government Departments and Shareholders and look forward to having the same support in all our future endeavors.

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

Date: 13th August, 2020  
Place: Secunderabad

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

Sd/-  
**G.VANAJA DEVI**  
Whole time Director

# DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of the Companies Act, 2013 read with the applicable Rules framed thereunder, as may be in force for the time being (“Companies Act”) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company will also comply with Secretarial Standards as and when the secretarial standards are notified by the Ministry of Corporate Affairs.

## Preamble:

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The dividend pay-out of a Company is driven by several factors. Some Companies pay a lower dividend. The idea is to retain profits and invest it for further expansion and modernization of the business. On the other hand, there are Companies which prefer to pay higher dividend. These Companies may not necessarily be growth oriented companies with greater emphasis on retaining their shareholder base.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the Policy while declaring/ recommending/ skipping regular dividends on behalf of the Company. Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans.

The Company operates in the high potential and fast growing Agriculture segment. This segment offers huge investment opportunities. Therefore, the retention of surplus funds for future growth will over-ride considerations of returning cash to the shareholders. However, considering the consistent and impressive generation of profits year on year, there is a need to provide greater clarity on the dividend pay-out philosophy of the Company.

## Category of Dividends

The Companies Act provides for two forms of dividend payments - Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

## Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting of the Company.

## Process for approval of Payment of Final Dividend:

- Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;
- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a financial year;

## Interim Dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by the Board. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

## Process for approval of Payment of Interim Dividend:

- Board may declare Interim Dividend at its complete discretion in line with this Policy;
- Based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items;
- One or more times in a financial year.

## Declaration of Dividend

Subject to the provisions of the Companies Act, Dividend shall be declared or paid only out of

### i) Current financial year's profits:

- a) after providing for depreciation in accordance with law;
- b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

- ii) The profits for any previous financial year(s):
  - a) after providing for depreciation in accordance with law;
  - b) remaining undistributed; or
- iii) out of i) & ii) both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortization or ESOP or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extraordinary profits from sale of investments, etc.

### Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares.

The Board recommends dividend considering the factors but not limited to following viz. future expansion plans, profit earned during the financial year, overall financial conditions, cost of raising funds from alternative sources, applicable taxes (including tax on dividend), money market conditions, etc.

The Dividend pay-out decision of any company depends upon certain external and internal factors-

#### External Factors:-

**State of Economy-** in case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

**Capital Markets-** when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

**Statutory Restrictions-** The Board will keep in mind the restrictions imposed by Companies Act with regard to declaration of dividend.

#### Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring

Dividend, which inter alia will include

- i) Profits earned during the year;
- ii) Present & future Capital requirements of the existing businesses;
- iii) Brand/ Business Acquisitions;
- iv) Expansion/ Modernization of existing businesses;
- v) Additional investments in subsidiaries/associates of the Company;
- vi) Fresh investments into external businesses;
- vii) Any other factor as deemed fit by the Board.

### Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavour to maintain a Dividend pay-out within a reasonable range of profits after tax (PAT) on standalone financials.

As mentioned above, for computing the PAT for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortization or ESOP or resulting from change in accounting policies or accounting standards.

Further, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision including declaring a special dividend under certain circumstances such as extraordinary profits from sale of investments.

### Review & Amendments

This Policy will be reviewed periodically by the Board. To the extent any change/amendment is required in terms of any applicable law, the Managing Director of the Company shall be authorised to review and amend the Policy, to give effect to any such changes/amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

# FORM AOC – 1

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

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

### Part 'A' Subsidiaries

|       |   |                                  |                                 |                                 |                                       | (₹ in Lakhs)          |
|-------|---|----------------------------------|---------------------------------|---------------------------------|---------------------------------------|-----------------------|
| S. No | Name of the subsidiary                      | Kaveri Microteck Private Limited | Aditya Agritech Private Limited | Genome Agritech Private Limited | Genomix Agri Genetics Private Limited | Kaveri Employee Trust |
| 1     | The date since when subsidiary was acquired | 24-06-2013                       | 18-04-2013                      | 13-09-2013                      | 16-10-2017                            | 01-04-2019            |
| 2     | Reporting period                            | 31-03-2020                       | 31-03-2020                      | 31-03-2020                      | 31-03-2020                            | 31-03-2020            |
| 3     | Share capital                               | 1,655.78                         | 110.00                          | 18.00                           | 10.00                                 | -                     |
| 4     | Reserves & surplus                          | 821.35                           | 807.50                          | (529.26)                        | (46.44)                               | 66.79                 |
| 5     | Total assets                                | 3,607.76                         | 5,898.36                        | 55.63                           | 543.00                                | 3830.29               |
| 6     | Total Liabilities                           | 1,130.64                         | 4,980.86                        | 566.89                          | 579.44                                | 3763.50               |
| 7     | Investments                                 | 0.01                             | -                               | 0.06                            | -                                     | 3683.20               |
| 8     | Turnover                                    | 2,881.95                         | 8,730.82                        | -                               | 1,450.79                              | -                     |
| 9     | Profit / (loss) before taxation             | 403.79                           | 437.64                          | (12.75)                         | (25.03)                               | 90.83                 |
| 10    | Provision for taxation                      | 112.04                           | 119.69                          | 4.97                            | (0.94)                                | 13.34                 |
| 11    | Profit /(loss) after taxation               | 291.74                           | 317.96                          | (17.72)                         | (24.09)                               | 77.49                 |
| 12    | Other Comprehensive income                  | (5.36)                           | (4.06)                          | -                               | -                                     | -                     |
| 13    | Total Comprehensive Income                  | 286.38                           | 313.89                          | (17.72)                         | (24.09)                               | 77.49                 |
| 14    | Proposed Dividend                           | -                                | -                               | -                               | -                                     | -                     |
| 15    | % of shareholding                           | 100%                             | 70%                             | 51%                             | 100%                                  | -                     |

### Note:

- i) There are no subsidiaries which are yet to commence operations
- ii) There are no subsidiaries which have been liquidated or sold during the year. However as per the Merger Order approved by NCLT M/s. Kexveg India Pvt Ltd, a wholly owned subsidiary is merged into M/s. Kaveri Microteck Pvt Ltd, another wholly owned subsidiary w.e.f 01/04/2019.
- iii) There are no material subsidiaries of the Company under SEBI (LODR), Regulations, 2015.
- iv) M/s.Kaveri Employee Trust, which is wholly controlled by the company, has been consolidated with effect from 01.04.2019.

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

Date: 13th August, 2020  
Place: Secunderabad

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

Sd/-  
**G.VANAJA DEVI**  
Whole time Director

## FORM NO. AOC –2

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

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

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

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

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

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

| S. No | Particulars   | Details   |
|-------|---|---|
| a)    | Name(s) of the related party & nature of relationship                                     | G.V. Bhaskar Rao (Ind.)<br>Chairman & MD of the Company               |
| b)    | Nature of contracts/arrangements/transaction  | Land Lease Paid   |
| c)    | Duration of the contracts/arrangements/transaction  | Two years w.e.f.01.04.2019 respective agreements.                     |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | 1.20 Acres Land on Lease for a period of 2 years at ₹0.63 Lakhs p.a., |

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

| S. No | Particulars   | Details  |
|-------|---|--|
| a)    | Name(s) of the related party & nature of relationship                                     | G.Vanaja Devi<br>Wholetime Director of the Company                     |
| b)    | Nature of contracts/arrangements/transaction  | Land Lease Paid  |
| c)    | Duration of the contracts/arrangements/transaction  | Two years w.e.f.01.04.2019 respective agreements.                      |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | 37.30 Acres Land on Lease for a period of 2 years at ₹8.92 Lakhs p.a., |

| S. No | Particulars   | Details  |
|-------|---|--|
| a)    | Name(s) of the related party & nature of relationship                                     | G.Pawan<br>Director of the Company                                     |
| b)    | Nature of contracts/arrangements/transaction  | Land Lease Paid  |
| c)    | Duration of the contracts/arrangements/transaction  | Two years w.e.f.01.04.2019 respective agreements.                      |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | 38.19 Acres Land on Lease for a period of 2 years at ₹9.93 Lakhs p.a., |

| S. No | Particulars   | Details  |
|-------|---|--|
| a)    | Name(s) of the related party & nature of relationship                                     | G.V.Bhaskar Rao (HUF)<br>Chairman & MD of the Company  |
| b)    | Nature of contracts/arrangements/transaction  | Land and Godown Lease Paid   |
| c)    | Duration of the contracts/arrangements/transaction  | a. Land lease Agreement for Two years w.e.f.01.04.2019 .<br>b. Godown Lease Agreement for 5years w.e.f.01.04.2019                                    |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | a. 28.19 Acres Land on Lease for a period of 2 years at ₹5.43Lakhs p.a.,<br>b. 33171Sft Godown on Lease for a period of 5 years at ₹40.23Lakhs p.a., |

| S. No | Particulars   | Details   |
|-------|---|---|
| a)    | Name(s) of the related party & nature of relationship                                     | M/s. Kaveri Infra<br>Partnership firm where our MD is partner.        |
| b)    | Nature of contracts/arrangements/transaction  | Land Lease Paid   |
| c)    | Duration of the contracts/arrangements/transaction  | Two years w.e.f.01.04.2019 respective agreements.                     |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | 49.36Acres Land on Lease for a period of 2 years at ₹11.41Lakhs p.a., |

| S. No | Particulars   | Details   |
|-------|---|---|
| a)    | Name(s) of the related party & nature of relationship                                     | M/s. Bhaskara Investments Partnership firm where our directors are partners |
| b)    | Nature of contracts/ arrangements/transaction   | Land Lease Paid   |
| c)    | Duration of the contracts/ arrangements/transaction                                       | Two years w.e.f.01.04.2019 respective agreements.                           |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | 5.00Acres Land on Lease for a period of 2 years at ₹3.05Lakhs p.a.,         |

| S. No | Particulars   | Details   |
|-------|---|---|
| a)    | Name(s) of the related party & nature of relationship | M/s. Kaveri Microteck Private Limited<br>Subsidiary of the Company          |
| b)    | Nature of contracts/ arrangements/transaction         | Godown Lease Received & Rent Paid for Agriculture Infrastructure facilities |
| c)    | Duration of the contracts/ arrangements/transaction   | Godown Lease Agreements at Kandlakoi and Gundlapochampally                  |

|    |  |
|----|--|
| a) | Godown Lease Agreement for 20years w.e.f.01.01.2012 to 31.12.2031 at Kandlakoi   |
| b) | Godown Lease Agreement for 20years w.e.f.01.01.2012 to 31.12.2031 at Gundlapochampally                                   |
| c) | Rent paid for Agriculture Infrastructure facilities at Pamulaparthi & Gadwal for a period of two years w.e.f 01.04.2019. |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any                                |
| a) | 39480 Sft Godown on Lease for a period of 20 years at ₹37.90 Lakhs p.a.,   |
| b) | 39618 Sft Godown on Lease for a period of 20 years at ₹38.03 Lakhs p.a.,   |
| c) | Rent paid for Agriculture Infrastructure Facilities ₹36.00 Lakhs during the year 2019-20                                 |

| S. No | Particulars   | Details  |
|-------|---|--|
| a)    | Name(s) of the related party & nature of relationship                                     | M/s. Aditya Agriteck Pvt. Ltd<br>Subsidiary of the Company                   |
| b)    | Nature of contracts/ arrangements/transaction   | Sale of Hybrid Seed  |
| c)    | Duration of the contracts/ arrangements/transaction                                       | -  |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | Sale of Hybrid Seeds worth ₹7153.86 Lakhs during the financial year 2019-20. |

| S. No | Particulars   | Details  |
|-------|---|--|
| a)    | Name(s) of the related party & nature of relationship                                     | M/s. Genomix Agri Genetics Pvt. Ltd<br>Subsidiary of the Company             |
| b)    | Nature of contracts/ arrangements/transaction   | Sale of Hybrid Seed  |
| c)    | Duration of the contracts/ arrangements/transaction                                       | -  |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | Sale of Hybrid Seeds worth ₹1164.68 Lakhs during the financial year 2019-20. |

| S. No | Particulars   | Details   |
|-------|---|---|
| a)    | Name(s) of the related party & nature of relationship                                     | M/s. Kaveri Microteck Pvt. Ltd<br>Subsidiary of the Company   |
| b)    | Nature of contracts/ arrangements/transaction   | Advances paid   |
| c)    | Duration of the contracts/ arrangements/transaction                                       | -   |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | Advances paid worth of ₹(83.14) Lakhs during the year 2019-20 |

| S. No | Particulars   | Details  |
|-------|---|--|
| a)    | Name(s) of the related party & nature of relationship                                     | M/s. Kaveri Employee Trust                               |
| b)    | Nature of contracts/ arrangements/transaction   | Loan paid  |
| c)    | Duration of the contracts/ arrangements/transaction                                       | -  |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | Loan paid worth of ₹750.00 Lakhs during the year 2019-20 |

| S. No | Particulars   | Details   |
|-------|---|---|
| a)    | Name(s) of the related party & nature of relationship                                     | M/s. Kaveri Bhaskar Rao Charitable Foundation   |
| b)    | Nature of contracts/arrangements/transaction  | Contribution to Charitable Foundation   |
| c)    | Duration of the contracts/arrangements/transaction  | -   |
| d)    | Salient terms of the contracts or arrangements or transaction including the value, if any | Contribution made for CSR Expenditure worth of ₹276.04 Lakhs during the year 2019-20. |

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

Date: 13th August, 2020  
Place: Secunderabad

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

Sd/-  
**G.VANAJA DEVI**  
Whole time Director

# ANNEXURE - A

## EXTRACTS OF ANNUAL RETURN

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2020

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

### I. REGISTRATION AND OTHER DETAILS:

|      |  |  |
|------|--|--|
| i)   | CIN:-  | L01120TG1986PLC006728  |
| ii)  | Registration Date:   | 27/08/1986   |
| iii) | Name of the Company:   | KAVERI SEED COMPANY LIMITED  |
| iv)  | Category / Sub-Category of the Company:                                    | Company Limited by shares/Public Company   |
| v)   | Address of the Registered office and contact details:                      | 513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad, Telangana, 500003, Tel. Ph. No.040-27842398/27842405  |
| vi)  | Whether listed company :   | Yes  |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any: | Bigshare Services Pvt Ltd., 306, Right Wing, III Floor, Amrutha Ville, Opp. Yashodha Hospital, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Tele No. : 040 – 23374967<br>Tele Fax : 040 – 23370295<br>Contact Person : Mr. Prabhakar/Mr. R.Amerendranadh |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| S No | Name and Description of main products/ services      | NIC Code of the Product/ service | % to total turnover of the company |
|------|--|----------------------------------|------------------------------------|
| 1    | Production, Processing and marketing of Hybrid Seeds | 6810                             | 100%                               |

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

| S No | NAME AND ADDRESS OF THE COMPANY | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|------|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1    | Kaveri Microteck Pvt. Ltd.,     | U01403TG2013PTC088536 | Subsidiary                     | 100%             | 2(87)              |
| 2.   | Aditya Agri Tech Pvt. Ltd.,     | U01119TG2013PTC087066 | Subsidiary                     | 70%              | 2(87)              |
| 3.   | Genomix Agri Genetics Pvt Ltd   | U01110TG2017PTC120071 | Subsidiary                     | 100%             | 2(87)              |
| 4.   | Genome Agritech Pvt Ltd         | U74999TG2004PTC044959 | Subsidiary                     | 51%              | 2(87)              |

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

#### i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year |          |          |                   | No. of Shares held at the end of the year |          |          |                   | % Change during the year |
|--------------------------|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
|                          | Demat   | Physical | Total    | % of Total Shares | Demat                                     | Physical | Total    | % of Total Shares |                          |
| <b>A. Promoters</b>      | 34779721  | Nil      | 34779721 | 55.09             | 33497143                                  | Nil      | 33497143 | 55.52             | 0.43                     |
| (1) Indian               |   |          |          |                   |   |          |          |                   |                          |
| g) Individual/ HUF       |   |          |          |                   |   |          |          |                   |                          |
| h) Central Govt          |   |          |          |                   |   |          |          |                   |                          |
| i) State Govt (s)        |   |          |          |                   |   |          |          |                   |                          |

| Category of Shareholders   | No. of Shares held at the beginning of the year |            |                 |                   | No. of Shares held at the end of the year |            |                 |                   | % Change during the year |
|--|---|------------|-----------------|-------------------|---|------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical   | Total           | % of Total Shares | Demat                                     | Physical   | Total           | % of Total Shares |                          |
| j) Bodies Corp.  |   |            |                 |                   |   |            |                 |                   |                          |
| k) Banks/FI  |   |            |                 |                   |   |            |                 |                   |                          |
| l) Any Other.  |   |            |                 |                   |   |            |                 |                   |                          |
| <b>Sub-total (A) (1):-</b>   |   |            |                 |                   |   |            |                 |                   |                          |
| (2) Foreign  |   |            |                 |                   |   |            |                 |                   |                          |
| a) NRIs - Individuals  | N.A   | N.A        | N.A             | N.A               | N.A                                       | N.A        | N.A             | N.A               | Nil                      |
| b) Other - Individuals   |   |            |                 |                   |   |            |                 |                   |                          |
| c) Bodies Corp.  |   |            |                 |                   |   |            |                 |                   |                          |
| d) Banks / FI  |   |            |                 |                   |   |            |                 |                   |                          |
| e) Any Other....   |   |            |                 |                   |   |            |                 |                   |                          |
| <b>Sub-total (A) (2):-</b>   |   |            |                 |                   |   |            |                 |                   |                          |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>                     | <b>34779721</b>                                 | <b>Nil</b> | <b>34779721</b> | <b>55.09</b>      | <b>33497143</b>                           | <b>Nil</b> | <b>33497143</b> | <b>55.52</b>      | <b>0.43</b>              |
| <b>B. Public Shareholding</b>  |   |            |                 |                   |   |            |                 |                   |                          |
| <b>1. Institutions</b>   |   |            |                 |                   |   |            |                 |                   |                          |
| a) Mutual Funds  | 28868   | Nil        | 28868           | 0.04              | 113485                                    | Nil        | 113485          | 0.19              | 0.15                     |
| b) Banks/FI  | 1493257   | Nil        | 1493257         | 2.37              | 1897236                                   | Nil        | 1897236         | 3.14              | 0.77                     |
| c) Central Govt  |   |            |                 |                   |   |            |                 |                   |                          |
| d) State Govt(s)   |   |            |                 |                   |   |            |                 |                   |                          |
| e) Venture Capital Funds   | NA  | NA         | NA              | NA                | NA  | NA         | NA              | NA                | NA                       |
| f) Insurance Companies   |   |            |                 |                   |   |            |                 |                   |                          |
| g) FIs   | 12637039  | Nil        | 12636587        | 20.02             | 12196145                                  | Nil        | 12196145        | 20.22             | 0.20                     |
| h) Foreign Venture Capital Funds   |   |            |                 |                   |   |            |                 |                   |                          |
| i) Alternate Investment Fund   | 2696750   | Nil        | 2696750         | 4.27              | 2231677                                   | Nil        | 2231677         | 3.70              | (0.57)                   |
| j) Others (specify)  | 1148330   | Nil        | 1148330         | 1.82              | 2255647                                   | Nil        | 2255647         | 3.74              | 1.92                     |
| <b>Sub-total (B)(1):-</b>  | <b>18003792</b>                                 | <b>Nil</b> | <b>18003792</b> | <b>28.52</b>      | <b>18694190</b>                           | <b>Nil</b> | <b>18694190</b> | <b>30.99</b>      | <b>2.47</b>              |
| <b>2. Non-Institutions</b>   |   |            |                 |                   |   |            |                 |                   |                          |
| a) Bodies Corp.  | 2647419   | Nil        | 2647419         | 4.19              | 2006575                                   | Nil        | 2006575         | 3.33              | (0.86)                   |
| i) Indian  |   |            |                 |                   |   |            |                 |                   |                          |
| ii) Overseas   |   |            |                 |                   |   |            |                 |                   |                          |
| b) Individuals   |   |            |                 |                   |   |            |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹2 lakh          | 6728223   | 21         | 6728223         | 10.66             | 5323097                                   | 21         | 5323097         | 8.82              | (1.84)                   |
| ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh | 208703  | Nil        | 208703          | 0.33              | Nil                                       | Nil        | Nil             | 0.00              | (0.33)                   |
| c)Others (specify)   |   |            |                 |                   |   |            |                 |                   |                          |
| NRIs.  | 420298  | Nil        | 420298          | 0.67              | 375760                                    | Nil        | 375760          | 0.62              | (0.05)                   |
| Clearing members (other Foreign Portfolio Investor)                            | 293249  | Nil        | 293249          | 0.47              | 287872                                    | Nil        | 287872          | 0.48              | 0.01                     |
|  | 452   | Nil        | 452             | 0.00              | 452                                       | Nil        | 452             | 0.00              | 0.00                     |

| Category of Shareholders                    | No. of Shares held at the beginning of the year |           |                 |                   | No. of Shares held at the end of the year |           |                 |                   | % Change during the year |
|---|---|-----------|-----------------|-------------------|---|-----------|-----------------|-------------------|--------------------------|
|   | Demat   | Physical  | Total           | % of Total Shares | Demat                                     | Physical  | Total           | % of Total Shares |                          |
| HUF   | 0   | Nil       | 0               | 0.00              | 139783                                    | Nil       | 139783          | 0.23              | 0.23                     |
| Trusts                                      | 44786   | Nil       | 44786           | 0.07              | 3781                                      | Nil       | 3781            | 0.00              | (0.07)                   |
| OCBs.                                       | 0   | Nil       | 0               | 0                 | 0   | Nil       | 0               | 0                 | 0                        |
| IEPF  | 390   | Nil       | 390             | 0                 | 480                                       | Nil       | 480             | 0                 | 0                        |
| <b>Sub-total (B)(2):-</b>                   | <b>10345620</b>                                 | <b>21</b> | <b>10345620</b> | <b>16.39</b>      | <b>8137800</b>                            | <b>21</b> | <b>8137800</b>  | <b>13.49</b>      | <b>(2.90)</b>            |
| <b>Total Public</b>                         | <b>28349412</b>                                 | <b>21</b> | <b>28349412</b> | <b>44.91</b>      | <b>26831990</b>                           | <b>21</b> | <b>26831990</b> | <b>44.48</b>      | <b>(0.43)</b>            |
| <b>Shareholding (B) = (B)(1) + (B)(2)</b>   |   |           |                 |                   |   |           |                 |                   |                          |
| C. Shares held by Custodian for GDRs & ADRs | N.A   | N.A       | N.A             | N.A               | N.A                                       | N.A       | N.A             | N.A               | N.A                      |
| <b>Grand Total (A+B+C)</b>                  | <b>63129133</b>                                 | <b>21</b> | <b>63129133</b> | <b>100</b>        | <b>60329133</b>                           | <b>21</b> | <b>60329133</b> | <b>100</b>        |                          |

| (ii) Shareholding of |                      | Shareholding                              |                                  |  |                                     |                                  |  | Promoters                                 |
|----------------------|----------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| SI No.               | Shareholder's Name   | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|                      |                      | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged/encumbered to total shares |   |
| 1                    | G.V.BHASKAR RAO      | 5576416                                   | 8.83                             | 0  | 5358530                             | 8.88                             | 0  | 0.05                                      |
| 2                    | G.V.BHASKAR RAO(HUF) | 10391682                                  | 16.46                            | 0  | 9985649                             | 16.55                            | 0  | 0.09                                      |
| 3                    | G.VANAJA DEVI        | 14583618                                  | 23.10                            | 0  | 14090157                            | 23.36                            | 0  | 0.26                                      |
| 4                    | G.PAWAN              | 2319505                                   | 3.68                             | 0  | 2228876                             | 3.69                             | 0  | 0.01                                      |
| 5                    | C VAMSHEEDHAR        | 1016295                                   | 1.61                             | 0  | 976587                              | 1.62                             | 0  | 0.01                                      |
| 6                    | C MITHUN CHAND       | 892205                                    | 1.41                             | 0  | 857344                              | 1.42                             | 0  | 0.01                                      |
|                      | <b>Total</b>         | <b>34779721</b>                           | <b>55.09</b>                     | <b>0</b>                                       | <b>33497143</b>                     | <b>55.52</b>                     | <b>0</b>                                       | <b>0.43</b>                               |

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

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

| SI No. | Particulars   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total shares of the company |
| 1      | G.V.BHASKAR RAO   |   |                                  |   |                                  |
|        | At the beginning of the year                                | 5576416                                   | 9.24                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (217886)                                  | (0.36)                           | -                                       | -                                |
|        | At the end of the year                                      | 5358530                                   | 8.88                             | 5358530                                 | 8.88                             |
| 2      | G.V.BHASKAR RAO(HUF)  |   |                                  |   |                                  |
|        | At the beginning of the year                                | 10391682                                  | 17.22                            | -                                       | -                                |

| SI No. | Particulars   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total shares of the company |
|        | Increase/decrease in Promoters shareholding during the year | (406033)                                  | (0.67)                           | -                                       | -                                |
|        | At the end of the year                                      | 9985649                                   | 16.55                            | 9985649                                 | 16.55                            |
| 3      | G.VANAJA DEVI   |   |                                  |   |                                  |
|        | At the beginning of the year                                | 14583618                                  | 24.17                            | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (493461)                                  | (0.82)                           | -                                       | -                                |
|        | At the end of the year                                      | 14090157                                  | 23.36                            | 14090157                                | 23.36                            |
| 4      | G.PAWAN   |   |                                  |   |                                  |
|        | At the beginning of the year                                | 2319505                                   | 3.84                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (90629)                                   | (0.15)                           | -                                       | -                                |
|        | At the end of the year                                      | 2228876                                   | 3.69                             | 2228876                                 | 3.69                             |
| 5      | C. VAMSHEEDHAR  |   |                                  |   |                                  |
|        | At the beginning of the year                                | 1016295                                   | 1.68                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (39708)                                   | (0.07)                           | -                                       | -                                |
|        | At the end of the year                                      | 976587                                    | 1.62                             | 976587                                  | 1.62                             |
| 6      | C. MITHUNCHAND  |   |                                  |   |                                  |
|        | At the beginning of the year                                | 892205                                    | 1.48                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (34861)                                   | (0.06)                           | -                                       | -                                |
|        | At the end of the year                                      | 857344                                    | 1.42                             | 857344                                  | 1.42                             |

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

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

| SI No. | Name of the Share Holder          | Shareholding at the beginning/End of the year |                                  | Date       | Increase/ Decrease in share-holding | Reason | Cumulative Shareholding during the year |                                  |
|--------|-----------------------------------|---|----------------------------------|------------|-------------------------------------|--------|---|----------------------------------|
|        |                                   | No. of Shares                                 | % of total shares of the company |            |                                     |        | No. of Shares                           | % of total shares of the company |
| 1      | THE PABRAI INVESTMENT FUND IV, LP | 25,15,519                                     | 4.17                             | 01-Apr -19 |                                     |        | 25,15,519                               | 4.17                             |
|        |                                   |   |                                  |            | 50,674                              | Buy    | 25,66,193                               | 4.25                             |
|        |                                   |   |                                  |            | -4,25,700                           | Sell   | 21,40,493                               | 3.55                             |
|        |                                   |   |                                  |            | -4,49,659                           | Sell   | 16,90,834                               | 2.80                             |
|        |                                   |   |                                  |            | -16,90,834                          | Sell   | 0                                       | 0.00                             |
|        |                                   |   |                                  |            | 16,90,834                           | Buy    | 16,90,834                               | 2.80                             |
|        |                                   |   |                                  |            | -75844                              | Sell   | 16,14,990                               | 2.68                             |
|        |                                   | 16,14,990                                     | 2.68                             | 31-Mar-20  |                                     |        | 16,14,990                               | 2.68                             |

| SI No. | Name of the Share Holder              | Shareholding at the beginning/End of the year |                                  | Date       | Increase/ Decrease in share-holding | Reason | Cumulative Shareholding during the year |                                  |
|--------|---------------------------------------|---|----------------------------------|------------|-------------------------------------|--------|---|----------------------------------|
|        |                                       | No. of Shares                                 | % of total shares of the company |            |                                     |        | No. of Shares                           | % of total shares of the company |
| 2      | THE PABRAI INVESTMENT FUND II, LP     | 2279210                                       | 3.78                             | 01-Apr -19 |                                     |        | 2279210                                 | 3.78                             |
|        |                                       |   |                                  |            | -210381                             | Sell   | 20,68,829                               | 3.43                             |
|        |                                       |   |                                  |            | -2068829                            | Sell   | 0                                       | 0.00                             |
|        |                                       |   |                                  |            | 2068829                             | Buy    | 20,68,829                               | 3.43                             |
|        |                                       |   |                                  |            | -92800                              | Sell   | 19,76,029                               | 3.28                             |
|        |                                       | 19,76,029                                     | 3.28                             | 31-Mar-20  |                                     |        | 19,76,029                               | 3.28                             |
| 3      | LIFE INSURANCE CORPORATION OF INDIA   | 1476216                                       | 2.45                             | 01-Apr-19  |                                     |        | 1476216                                 | 2.45                             |
|        |                                       |   |                                  |            | -1476216                            | Sell   | 0                                       | 0.00                             |
|        |                                       |   |                                  |            | 1476216                             | Buy    | 14,76,216                               | 2.45                             |
|        |                                       |   |                                  |            | -57643                              | Sell   | 14,18,573                               | 2.35                             |
|        |                                       |   |                                  |            | 68178                               | Buy    | 14,86,751                               | 2.46                             |
|        |                                       |   |                                  |            | 210075                              | Buy    | 16,96,826                               | 2.81                             |
|        |                                       |   |                                  |            | 126459                              | Buy    | 18,23,285                               | 3.02                             |
| 7066   | Buy                                   | 18,30,351                                     | 3.03                             |            |                                     |        |   |                                  |
|        |                                       | 18,30,351                                     | 3.03                             | 31-Mar-20  |                                     |        | 18,30,351                               | 3.03                             |
| 4      | VANTAGE EQUITY FUND                   | 1700000                                       | 2.82                             | 01-Apr -19 |                                     |        | 1700000                                 | 2.82                             |
|        |                                       |   |                                  |            | -1700000                            | Sell   | 0                                       | 0.00                             |
|        |                                       |   |                                  |            | 1700000                             | Buy    | 17,00,000                               | 2.82                             |
|        |                                       |   |                                  |            | -75228                              | Sell   | 16,24,772                               | 2.69                             |
|        |                                       | 1624772                                       | 2.69                             | 31-Mar-20  |                                     |        | 1624772                                 | 2.69                             |
| 5      | PABRAI INVESTMENT FUND 3, LTD         | 797254  | 1.32                             | 01-Apr-19  |                                     |        | 797254                                  | 1.32                             |
|        |                                       |   |                                  |            | 875359                              | Buy    | 16,72,613                               | 2.77                             |
|        |                                       |   |                                  |            | -1672613                            | Sell   | 0                                       | 0.00                             |
|        |                                       |   |                                  |            | 1672613                             | Buy    | 16,72,613                               | 2.77                             |
|        |                                       |   |                                  |            | -75026                              | Sell   | 15,97,587                               | 2.65                             |
|        |                                       |   |                                  |            | -65204                              | Sell   | 15,32,383                               | 2.54                             |
|        |                                       |   |                                  |            | -133034                             | Sell   | 13,99,349                               | 2.32                             |
|        |                                       |   |                                  |            | -30559                              | Sell   | 13,68,790                               | 2.27                             |
|        |                                       | 13,68,790                                     | 2.27                             | 31-Mar-20  |                                     |        | 13,68,790                               | 2.27                             |
| 6      | JUPITER INDIA FUND                    | 1297347                                       | 2.15                             | 01-Apr-19  |                                     |        | 1297347                                 | 2.15                             |
|        |                                       |   |                                  |            | -1297347                            | Sell   | 0                                       | 0.00                             |
|        |                                       |   |                                  |            | 1297347                             | Buy    | 12,97,347                               | 2.15                             |
|        |                                       |   |                                  |            | -35801                              | Sell   | 12,61,546                               | 2.09                             |
|        |                                       |   |                                  |            | -50659                              | Sell   | 12,10,887                               | 2.01                             |
|        |                                       |   |                                  |            | -14376                              | Sell   | 11,96,511                               | 1.98                             |
|        |                                       |   |                                  |            | -14541                              | Sell   | 11,81,970                               | 1.96                             |
|        |                                       | 11,81,970                                     | 1.96                             | 31-Mar-20  |                                     |        | 11,81,970                               | 1.96                             |
| 7      | MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 850000  | 1.410                            | 01-Apr -19 |                                     |        | 850000                                  | 1.410                            |
|        |                                       |   |                                  |            | 228000                              | Buy    | 10,78,000                               | 1.79                             |
|        |                                       |   |                                  |            | 15727                               | Buy    | 10,93,727                               | 1.81                             |
|        |                                       |   |                                  |            | 4273                                | Buy    | 10,98,000                               | 1.82                             |
|        |                                       |   |                                  |            | -1098000                            | Sell   | 0                                       | 0.00                             |
|        |                                       |   |                                  |            | 1098000                             | Buy    | 10,98,000                               | 1.82                             |
|        |                                       |   |                                  |            | 55000                               | Buy    | 11,53,000                               | 1.91                             |
|        |                                       |   |                                  |            | 102000                              | Buy    | 12,55,000                               | 2.08                             |
|        |                                       |   |                                  |            | 20000                               | Buy    | 12,75,000                               | 2.11                             |
|        |                                       |   |                                  |            | -49252                              | Sell   | 12,25,748                               | 2.03                             |
|        |                                       | 12,25,748                                     | 2.03                             | 31-Mar-20  |                                     |        | 12,25,748                               | 2.03                             |

| SI No. | Name of the Share Holder  | Shareholding at the beginning/End of the year |                                  | Date      | Increase/ Decrease in share-holding | Reason | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|-----------|-------------------------------------|--------|---|----------------------------------|
|        |   | No. of Shares                                 | % of total shares of the company |           |                                     |        | No. of Shares                           | % of total shares of the company |
| 8      | FRANKLIN TEMPLETON INVESTMENT FUNDS   | 0   | 0                                | 01-Apr-19 |                                     |        | 0                                       | 0                                |
|        |   |   |                                  |           | 215800                              | Buy    | 2,15,800                                | 0.36                             |
|        |   |   |                                  |           | 242500                              | Buy    | 4,58,300                                | 0.76                             |
|        |   |   |                                  |           | 23988                               | Buy    | 4,82,288                                | 0.80                             |
|        |   |   |                                  |           | 51739                               | Buy    | 5,34,027                                | 0.89                             |
|        |   |   |                                  |           | 49200                               | Buy    | 5,83,227                                | 0.97                             |
|        |   |   |                                  |           | 48200                               | Buy    | 6,31,427                                | 1.05                             |
|        |   |   |                                  |           | 14979                               | Buy    | 6,46,406                                | 1.07                             |
|        |   |   |                                  |           | 67560                               | Buy    | 7,13,966                                | 1.18                             |
|        |   |   |                                  |           | 3379                                | Buy    | 7,17,345                                | 1.19                             |
|        |   |   |                                  |           | 1849                                | Buy    | 7,19,194                                | 1.19                             |
|        |   |   |                                  |           | 34651                               | Buy    | 7,53,845                                | 1.25                             |
|        |   |   |                                  |           | 12578                               | Buy    | 7,66,423                                | 1.27                             |
|        |   |   |                                  |           | 17205                               | Buy    | 7,83,628                                | 1.30                             |
|        |   |   |                                  |           | 14927                               | Buy    | 7,98,555                                | 1.32                             |
|        |   |   |                                  |           | 20300                               | Buy    | 8,18,855                                | 1.36                             |
|        |   |   |                                  |           | 45129                               | Buy    | 8,63,984                                | 1.43                             |
|        |   |   |                                  |           | 96818                               | Buy    | 9,60,802                                | 1.59                             |
|        |   |   |                                  |           | 17000                               | Buy    | 9,77,802                                | 1.62                             |
|        |   |   |                                  |           | 124200                              | Buy    | 11,02,002                               | 1.83                             |
|        |   | 6194  | Buy                              | 11,08,196 | 1.84                                |        |   |                                  |
|        |   |   | Sell                             | -1108196  | 0                                   | 0.00   |   |                                  |
|        |   |   | Buy                              | 1108196   | 11,08,196                           | 1.84   |   |                                  |
|        |   |   | Buy                              | 18108     | 11,26,304                           | 1.87   |   |                                  |
|        |   |   | Buy                              | 9188      | 11,35,492                           | 1.88   |   |                                  |
|        |   |   | Buy                              | 1120      | 11,36,612                           | 1.88   |   |                                  |
|        |   |   | Sell                             | -43273    | 10,93,339                           | 1.81   |   |                                  |
|        |   | 10,93,339                                     | 1.81                             | 31-Mar-20 |                                     |        | 10,93,339                               | 1.81                             |
| 9      | BARCLAYS WEALTH TRUSTEES INDIA PRIVATE LIMITED holding in capacity as Trustees to Kaveri Employees Trust (Beneficial Owner) | 655250  | 1.09                             | 01-Apr-19 |                                     |        | 655250                                  | 1.09                             |
|        |   |   |                                  |           | -25734                              | Sell   | 6,29,516                                | 1.04                             |
|        |   |   |                                  |           | 17000                               | Buy    | 6,46,516                                | 1.07                             |
|        |   |   |                                  |           | 19765                               | Buy    | 6,66,281                                | 1.10                             |
|        |   |   |                                  |           | 22650                               | Buy    | 6,88,931                                | 1.14                             |
|        |   |   |                                  |           | 15585                               | Buy    | 7,04,516                                | 1.17                             |
|        |   |   |                                  |           | 26050                               | Buy    | 7,30,566                                | 1.21                             |
|        |   |   |                                  |           | 21940                               | Buy    | 7,52,506                                | 1.25                             |
|        |   |   |                                  |           | 27010                               | Buy    | 7,79,516                                | 1.29                             |
|        |   |   |                                  |           | 21100                               | Buy    | 8,00,616                                | 1.33                             |
|        |   |   |                                  |           | 16100                               | Buy    | 8,16,716                                | 1.35                             |
|        |   |   |                                  |           | 11875                               | Buy    | 8,28,591                                | 1.37                             |
|        |   |   |                                  |           | 9950                                | Buy    | 8,38,541                                | 1.39                             |
|        |   |   |                                  |           | 15975                               | Buy    | 8,54,516                                | 1.42                             |
|        |   | 5000  | Buy                              | 8,59,516  | 1.42                                |        |   |                                  |
|        |   | 19975   | Buy                              | 8,79,491  | 1.46                                |        |   |                                  |
|        |   | 879491  | 1.46                             | 31-Mar-20 |                                     |        | 879491                                  | 1.46                             |

| SI No. | Name of the Share Holder       | Shareholding at the beginning/End of the year |                                  | Date      | Increase/ Decrease in share-holding | Reason | Cumulative Shareholding during the year |                                  |
|--------|--------------------------------|---|----------------------------------|-----------|-------------------------------------|--------|---|----------------------------------|
|        |                                | No. of Shares                                 | % of total shares of the company |           |                                     |        | No. of Shares                           | % of total shares of the company |
| 10     | GOVERNMENT PENSION FUND GLOBAL | 783469  | 1.30                             | 01-Apr-19 |                                     |        | 783469                                  | 1.30                             |
|        |                                |   |                                  |           | -80306                              | Sell   | 7,03,163                                | 1.17                             |
|        |                                |   |                                  |           | -12659                              | Sell   | 6,90,504                                | 1.14                             |
|        |                                |   |                                  |           | -11745                              | Sell   | 6,78,759                                | 1.13                             |
|        |                                |   |                                  |           | -2667                               | Sell   | 6,76,092                                | 1.12                             |
|        |                                |   |                                  |           | -4                                  | Sell   | 6,76,088                                | 1.12                             |
|        |                                |   |                                  |           | -97000                              | Sell   | 5,79,088                                | 0.96                             |
|        |                                |   |                                  |           | -579088                             | Sell   | 0                                       | 0.00                             |
|        |                                |   |                                  |           | 579088                              | Buy    | 5,79,088                                | 0.96                             |
|        |                                |   |                                  |           | -3925                               | Sell   | 5,75,163                                | 0.95                             |
|        |                                |   |                                  |           | -12196                              | Sell   | 5,62,967                                | 0.93                             |
|        |                                |   |                                  |           | -66506                              | Sell   | 4,96,461                                | 0.82                             |
|        |                                |   |                                  |           | -15804                              | Sell   | 4,80,657                                | 0.80                             |
|        |                                |   |                                  |           | -819                                | Sell   | 4,79,838                                | 0.80                             |
|        |                                |   |                                  |           | -8727                               | Sell   | 4,71,111                                | 0.78                             |
|        |                                |   |                                  |           | -5731                               | Sell   | 4,65,380                                | 0.77                             |
|        |                                |   |                                  |           | -25136                              | Sell   | 4,40,244                                | 0.73                             |
|        |                                | 4,40,244                                      | 0.73                             | 31-Mar-20 |                                     |        | 4,40,244                                | 0.73                             |

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

| SI No. | For Each of the Directors & KMP                             | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| 1      | G.V.BHASKAR RAO, Managing Director                          |   |                                  |   |                                  |
|        | At the beginning of the year                                | 5576416                                   | 9.24                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (217886)                                  | (0.36)                           | -                                       | -                                |
|        | At the end of the year                                      | 5358530                                   | 8.88                             | 5358530                                 | 8.88                             |
| 2      | G.V.BHASKAR RAO(HUF)  |   |                                  |   |                                  |
|        | At the beginning of the year                                | 10391682                                  | 17.22                            | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (406033)                                  | (0.67)                           | -                                       | -                                |
|        | At the end of the year                                      | 9985649                                   | 16.55                            | 9985649                                 | 16.55                            |
| 3      | G.VANAJA DEVI, Whole time Director                          |   |                                  |   |                                  |
|        | At the beginning of the year                                | 14583618                                  | 24.17                            | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (493461)                                  | (0.82)                           | -                                       | -                                |
|        | At the end of the year                                      | 14090157                                  | 23.36                            | 14090157                                | 23.36                            |
| 4      | G.PAWAN, Director   |   |                                  |   |                                  |
|        | At the beginning of the year                                | 2319505                                   | 3.84                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (90629)                                   | (0.15)                           | -                                       | -                                |
|        | At the end of the year                                      | 2228876                                   | 3.69                             | 2228876                                 | 3.69                             |
| 5      | C. VAMSHEEDHAR, Whole time Director                         |   |                                  |   |                                  |
|        | At the beginning of the year                                | 1016295                                   | 1.68                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (39708)                                   | (0.07)                           | -                                       | -                                |
|        | At the end of the year                                      | 976587                                    | 1.62                             | 976587                                  | 1.62                             |

| SI No. | For Each of the Directors & KMP                             | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
| 6      | C MITHUN CHAND, Whole time Director                         |   |                                  |   |                                  |
|        | At the beginning of the year                                | 892205                                    | 1.48                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | (34861)                                   | (0.06)                           | -                                       | -                                |
|        | At the end of the year                                      | 857344                                    | 1.42                             | 857344                                  | 1.42                             |
| 7      | Dr. S. RAGHUVARDHAN REDDY, Independent Director             |   |                                  |   |                                  |
|        | At the beginning of the year                                | -   | -                                | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | -   | -                                | -                                       | -                                |
|        | At the end of the year                                      | -   | -                                | -                                       | -                                |
| 8      | Dr. S.M.ILYAS, Independent Director                         |   |                                  |   |                                  |
|        | At the beginning of the year                                | -   | -                                | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | -   | -                                | -                                       | -                                |
|        | At the end of the year                                      | -   | -                                | -                                       | -                                |
| 9      | K.PURUSHOTHAM, Independent Director                         |   |                                  |   |                                  |
|        | At the beginning of the year                                | -   | -                                | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | -   | -                                | -                                       | -                                |
|        | At the end of the year                                      | -   | -                                | -                                       | -                                |
| 10     | Dr. BHASKAR VENKATARAMANY, Independent Director             |   |                                  |   |                                  |
|        | At the beginning of the year                                | -   | -                                | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | -   | -                                | -                                       | -                                |
|        | At the end of the year                                      | -   | -                                | -                                       | -                                |
| 11     | CHAYA RATAN MUSINIPALLY, Independent Director               |   |                                  |   |                                  |
|        | At the beginning of the year                                | -   | -                                | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | -   | -                                | -                                       | -                                |
|        | At the end of the year                                      | -   | -                                | -                                       | -                                |
| 12     | VENKATA CHALAPATHI REDDY KUPPAM, Chief Financial Officer    |   |                                  |   |                                  |
|        | At the beginning of the year                                | 12000                                     | 0.02                             | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | -   | -                                | -                                       | -                                |
|        | At the end of the year                                      | 12000                                     | 0.02                             | 12000                                   | 0.02                             |
| 13     | V.R.S.MURTI, Company Secretary                              |   |                                  |   |                                  |
|        | At the beginning of the year                                | -   | -                                | -                                       | -                                |
|        | Increase/decrease in Promoters shareholding during the year | -   | -                                | -                                       | -                                |
|        | At the end of the year                                      | -   | -                                | -                                       | -                                |

**V. INDEBTEDNESS**

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

|   | Secured Loans<br>excluding<br>deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|--|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |  |                 |          |                    |
| i) Principal Amount                                 | 219.82                                 | -               | -        | 219.82             |
| ii) Interest due but not paid                       | -                                      | -               | -        | -                  |
| iii) Interest accrued but not due                   | 19.53                                  | -               | -        | 19.53              |
| <b>Total (i+ii+iii)</b>                             | <b>239.35</b>                          | <b>-</b>        | <b>-</b> | <b>239.35</b>      |
| Change in Indebtedness during the financial year    |  |                 |          |                    |
| • Addition  | 18.09                                  | -               | -        | 18.09              |
| • Reduction   | 34.57                                  | -               | -        | 34.57              |
| <b>Net Change</b>                                   | <b>(16.48)</b>                         | <b>-</b>        | <b>-</b> | <b>(16.48)</b>     |
| Indebtedness at the end of the financial year       |  |                 |          |                    |
| i) Principal Amount                                 | 203.34                                 | -               | -        | 203.34             |
| ii) Interest due but not paid                       | -                                      | -               | -        | -                  |
| iii) Interest accrued but not due                   | 13.13                                  | -               | -        | 13.13              |
| <b>Total (i+ii+iii)</b>                             | <b>216.47</b>                          | <b>-</b>        | <b>-</b> | <b>216.47</b>      |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager |                    |                    |                  | Total Amount<br>- ₹ |
|---------|---|-------------------------|--------------------|--------------------|------------------|---------------------|
|         |   | G.V.Bhaskar Rao         | G.Vanaja Devi      | C. Vamsheedhar     | C. Mithun Chand  |                     |
| 1.      | Gross salary  |                         |                    |                    |                  |                     |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,11,35,925             | 1,92,53,837        | 93,78,556          | 77,78,115        | 6,98,46,433         |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                       | -                  | -                  | -                | -                   |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                       | -                  | -                  | -                | -                   |
| 2.      | Stock Option  | Nil                     | Nil                | Nil                | Nil              | Nil                 |
| 3.      | Sweat Equity  | Nil                     | Nil                | Nil                | Nil              | Nil                 |
| 4.      | Commission  | Nil                     | Nil                |                    | Nil              | Nil                 |
|         | - as % of profit  |                         |                    | 23,00,000          |                  |                     |
|         | - others, specify...  |                         |                    |                    |                  |                     |
| 5.      | Others, please specify  | Nil                     | Nil                | Nil                | Nil              | Nil                 |
|         | <b>Total (A)</b>  | <b>3,11,35,925</b>      | <b>1,92,53,837</b> | <b>1,16,78,556</b> | <b>77,78,115</b> | <b>6,98,46,433</b>  |
|         | Ceiling as per the Act  |                         |                    |                    |                  | *Refer Note*        |

**Note:** In terms of the provisions of the Companies Act, 2013, the remuneration payable to MD & WTD shall not exceed 10% of the net profit of the Company. The remuneration paid to MD & WTD is well within the said limit.

**B. REMUNERATION TO OTHER DIRECTORS:**

| Sl. no. | Particulars of Remuneration                  | Name of Directors         |                 |                 |                     |                   |                  | Total Amount |
|---------|--|---------------------------|-----------------|-----------------|---------------------|-------------------|------------------|--------------|
|         |  | Dr. S. Raghuvardhan Reddy | Dr. S.M. Ilyas  | Mr. Purushotham | K. Mrs. Chaya Ratan | M. Dr. V. Bhaskar |                  |              |
|         | Independent Directors                        |                           |                 |                 |                     |                   | Total Amount     |              |
|         | • Fee for attending board committee meetings | 2,55,000                  | 1,80,000        | 2,55,000        | 1,00,000            | 2,40,000          | 10,30,000        |              |
|         | • Commission                                 | -                         | -               | -               | -                   | -                 | -                |              |
|         | • Others, please specify                     | -                         | -               | -               | -                   | -                 | -                |              |
|         | <b>Total (1)</b>                             | <b>2,55,000</b>           | <b>1,80,000</b> | <b>2,55,000</b> | <b>1,00,000</b>     | <b>2,40,000</b>   | <b>10,30,000</b> |              |
|         | Other Non-Executive Directors                |                           |                 |                 |                     |                   |                  |              |
|         | • Fee for attending board committee meetings | -                         | -               | -               | -                   | -                 | -                |              |
|         | • Commission                                 | -                         | -               | -               | -                   | -                 | -                |              |
|         | • Others, please specify                     | -                         | -               | -               | -                   | -                 | -                |              |
|         | <b>Total (2)</b>                             | <b>-</b>                  | <b>-</b>        | <b>-</b>        | <b>-</b>            | <b>-</b>          | <b>-</b>         |              |
|         | <b>Total (B) = (1 + 2)</b>                   | <b>2,55,000</b>           | <b>1,80,000</b> | <b>2,55,000</b> | <b>1,00,000</b>     | <b>2,40,000</b>   | <b>10,30,000</b> |              |
|         | <b>Total Managerial Remuneration</b>         | <b>2,55,000</b>           | <b>1,80,000</b> | <b>2,55,000</b> | <b>1,00,000</b>     | <b>2,40,000</b>   | <b>10,30,000</b> |              |
|         | Overall Ceiling as per the Act               |                           |                 |                 |                     |                   | *Refer Note*     |              |

**Note:** In terms of the provisions of the Companies Act, 2013, the remuneration payable to Independent Directors shall not exceed 1% of the net profit of the Company. The company is paying only sitting fee to all Independent Directors for attending Board/Committee meetings.

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

(In ₹)

| Sl. no. | Particulars of Remuneration   | Key Managerial Personnel   |                  | Total            |
|---------|---|----------------------------|------------------|------------------|
|         |   | K.V. Chalapathi Reddy, CFO | V.R.S. Murti, CS |                  |
| 1.      | Gross salary  |                            |                  |                  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 74,56,490                  | 4,00,000         | 78,56,490        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                          | -                | -                |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                          | -                | -                |
| 2.      | <b>Stock Option</b>   | Nil                        | Nil              | Nil              |
| 3.      | Sweat Equity  | Nil                        | Nil              | Nil              |
| 4.      | Commission  | Nil                        | Nil              | Nil              |
|         | - as % of profit  |                            |                  |                  |
|         | - others, specify...  |                            |                  |                  |
| 5.      | <b>Others, please specify</b>   | Nil                        | Nil              | Nil              |
|         | <b>Total</b>  | <b>74,56,490</b>           | <b>4,00,000</b>  | <b>78,56,490</b> |

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

NO PENALTIES PAID BY THE COMPAY DURING THE FIANCIAL YEAR 2019-2020

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

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

Date: 13th August, 2020  
Place: Secunderabad

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

Sd/-  
**G.VANAJA DEVI**  
Whole time Director

# ANNEXURE - B

FORM NO. MR3

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Board of Directors

**M/s.Kaveri Seed Company Limited.**

Regd.Off:513B,5th Floor,Minerva Complex,  
Sarojini Devi Road, Secunderabad - 500003  
Hyderabad,Telangana.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period from 01.04.2019 to 31.03.2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s.Kaveri Seed Company Limited** ("The Company") for the period from 01.04.2019 to 31.03.2020 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
    - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the company during audit period)
    - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period).
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period)
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
    - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - vi. The Payment of Wages Act, 1936
    - vii. The Minimum Wages Act, 1948
    - viii. Employees Provident Fund And Misc. Provisions Act, 1952
    - ix. Employees State Insurance Act, 1948
    - x. Payment of Gratuity Act, 1972
    - xi. Employee's Compensation Act, 1923
    - xii. Contract Labour (Regulation & Abolition ) Act, 1970
    - xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
    - xiv. Income Tax Act, 1961
    - xv. GST Acts and Rules made thereunder

- xvi. The Insurance Act, 1938, as amended
  - xvii. The Factories Act, 1948 and rules made thereunder
  - xviii. Water (Prevention & Control of Pollution) Act, 1974 and rules there under
  - xix. Air (Prevention & Control of Pollution) Act, 1981 and rules there under
  - xx. The Environment (Protection) Act, 1986
  - xxi. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016
  - xxii. Customs Act, 1962
  - xxiii. Newspaper Publications
  - xxiv. The Boilers Act, 1923 and Indian Boilers Regulations, 1950
  - xxv. The Petroleum Act, 1934 and Petroleum Rules, 2002
  - xxvi. The Payment of Bonus (Amendment) Act, 2015
  - xxvii. The Apprentices Act, 1961
  - xxviii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - xxix. Trade Mark Act, 1999
  - xxx. HMC Act, 1955
2. We have also examined compliance with the applicable clauses of
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) the Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
3. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
- Closure of the Register of Members.
  - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
  - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
  - Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor.
  - Borrowings and registration, modification and satisfaction of charges wherever applicable;
  - Investment of the Company's funds including investments and loans to others;
  - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013 read with Companies Indian Accounting Standards (Ind AS) Rules, 2015;
  - Report of the Board of Directors;
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Senior Management;
  - A separate meeting of Independent Directors was held during the year as per the provisions of Companies Act, 2013;
  - Maintenance of various statutory registers and documents and making necessary entries therein has been done as per Companies Act, 2013;
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
  - Declaration and payment of dividends;
  - Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

4. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed thereunder against the Company or its Directors and Officers.
5. We Further Report That:
- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936
  - The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
  - The Company has filed return as per the Factories Act, 1948.
  - The company is regular in publishing Audited and Unaudited Financial Results.
  - The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948.
  - The Company has filed return under Employment Exchange Act/Rules.
  - The Company is paying bonus to all employees as per the provisions of the Payment of Bonus (Amendment) Act, 2015.
  - The Company is regular in paying all statutory dues like PF, ESI, Goods and Services Tax, Income Tax etc.
- The Company website is well acquainted with all statutory required information.
6. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. We further Report that during the audit Period the Company has
- No Public /Right/Preferential Issue of Shares/Debentures/ Sweat Equity etc.,
  - Buy back of 28,00,000 fully paid up equity shares of ₹2/- each.
  - No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
  - No Merger/Amalgamation/Reconstruction, etc.,
  - No Foreign Technical Collaborations;

**Important Note:** Due to Covid-19 pandemic, Secretarial Audit for this Financial Year ended 2020 was conducted through exchange of e-mails and using technology on sample basis. Since, visiting of company's Factories was not possible due to the current pandemic situation, I have relied on the Certificate of compliance from the respective plant heads of the company.

Date: 12.08.2020  
Place: Hyderabad

**For L.D. Reddy & Co.,**  
Company Secretaries

Sd/-

**L. Dhanamjaya Reddy**  
(Proprietor)  
M. No. 13104  
CP No.3752  
UDIN No:A013I 048000571970

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To  
The Board of Directors

**M/s.Kaveri Seed Company Limited.**

Regd.Off: 513B,5th Floor,Minerva Complex,  
Sarojini Devi Road, Secunderabad - 500003  
Hyderabad,Telangana.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulations and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the company efficiency of effectiveness with which the management has conducted the affairs of the company.

Date: 12.08.2020  
Place: Hyderabad

**For L.D. Reddy & Co.,**  
Company Secretaries

Sd/-

**L. Dhanamjaya Reddy**  
(Proprietor)  
M. No. 13104  
CP No.3752  
UDIN No:A0I3I 048000571970

# ANNEXURE – C

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

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes are given below.

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

The CSR policy has been placed on the company's website at [http://www.kaveriseeds.in/images/pdf/images/csr\\_policy.pdf](http://www.kaveriseeds.in/images/pdf/images/csr_policy.pdf)

|    |  |   |
|----|--|---|
| 2. | Composition of the CSR Committee                                 | Sri G.V.BhaskarRao, Chairman<br>Smt. G.Vanaja Devi, Member<br>Sri Dr. S.Raghuardhan Reddy, Member |
| 3. | Average net profit of the Company for last three financial years | ₹17304.30 Lakhs   |
| 4. | Prescribed CSR expenditure 2% of the amount in item no. 3 above  | ₹346.09 Lakhs   |
| 5. | Details of CSR Spend for the financial year                      |   |
|    | (a) Unspent Amount at the beginning of the financial year:       | ₹0.01 Lakhs   |
|    | (b) Total amount spent during the financial year:                | ₹346.10 Lakhs   |
|    | (c) Amount unspent at the end of the year, if any:               | ₹0.00 Lakhs   |

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

### Statement of CSR Expenditure for the Period 01.04.2019 to 31.03.2020

|              |   |  |   |   |   |  | (In ₹ Lakhs) |
|--------------|---|--|---|---|---|--|--------------|
| Sl. No       | CSR Project or activity identified  | Sector in which the Project is Covered | Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken | Amount outlay (budget) project or programmes wise | Amount spent on the projects Sub heads: (I) Direct on projects or programs (II) Overheads | Accumulative expenditure upto the reporting period i. e March 31, 2020 |              |
| <b>I.</b>    | <b>Spent Through Kaveri Seed Company Limited (Direct)</b>   |  |   |   |   |  |              |
| <b>A.</b>    | <b>Education and Related Expenditure</b>  |  |   |   |   |  |              |
| 1            | Farmer Education & Training Programme   | Skill Development & Training           | Gadwal, Gadwal District, Telangana  | 1.00  | 0.06  | 0.06   |              |
| <b>B.</b>    | <b>Rural Development</b>  |  |   |   |   |  |              |
| 2            | Contribution made towards development of Minor Irrigation system in Wanaparthy District through The District Collector, Wanaparthy, Telangana | Rural Development                      | Wanaparthy District, Telangana.   | 20.00   | 20.00   | 20.00  |              |
| 3            | Contribution for Construction of Community Cattle Hostel.   | Rural Development                      | Nermetta Nanganoor Siddipet Telangana   | Village, Mandal, District,                        | 100.00  | 50.00  | 50.00        |
| <b>Total</b> |   |  |   | <b>121.00</b>                                     | <b>70.06</b>  | <b>70.06</b>   |              |
| <b>II.</b>   | <b>Spent Through Kaveri Bhaskar Rao Charitable Foundation* (CSR Trust)</b>  |  |   |   |   |  |              |
| <b>A.</b>    | <b>Education and Related Expenditure</b>  |  |   |   |   |  |              |

| Sl. No | CSR Project or activity identified   | Sector in which the Project is Covered | Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken | Amount outlay (budget) project or programmes wise | Amount spent on the projects Sub heads: (I) Direct on projects or programs (II) Overheads | Accumulative expenditure upto the reporting period i. e March 31, 2020 |
|--------|--|--|---|---|---|--|
| 4      | Providing furniture including Dual Desks, Drawing Tables and Stools to the Govt. Polytechnic College | Education                              | Husnabad, Siddipet District, Telangana  | 10.00   | 10.00   | 10.00  |
| 5      | Construction of MPPS School Building and Compound wall   | Education                              | Chintamadaka Village, Siddipet Mandal and District, Telangana   | 125.00  | 108.57  | 127.81   |
| 6      | Construction of Library building in the ZPHS & MPPS School premises.                                 | Education                              | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 30.00   | 25.83   | 25.83  |
| 7      | Providing CCTV to MPPS School  | Education                              | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 12.00   | 11.41   | 11.41  |
| 8      | Providing Books, Bags & Uniform for Students of the ZPHS & MPPS Schools                              | Education                              | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 8.00  | 5.05  | 5.05   |
| 9      | Farmer Education & Training Programme  | Skill Development & Training           | Gadwal, Gadwal District, Telangana  | 1.00  | 1.03  | 1.03   |
| 10     | Salaries to Vidyavalanteers of ZPHS & MPPS Schools   | Education                              | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 40.00   | 36.59   | 36.59  |
| 11     | Scholarships to the Students   | Education                              | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 3.00  | 2.02  | 2.02   |
| 12     | Providing Furniture to the MPPS School   | Education                              | Ankannagudem Village, Pedavegi Mandal, West Godavari District, Andhra Pradesh   | 5.50  | 5.59  | 5.59   |
| 13     | Providing cycles to students of various schools  | Education                              | Gadwal District, Telangana  | 20.00   | 20.37   | 20.37  |
| 14     | Donation made to Netra Vidyalaya Degree College for Blind Students                                   | Education                              | Muchintal Village, Shamshabad Mandal, Rangareddy District, Telangana  | 100.00  | 100.00  | 100.00   |

| Sl. No  | CSR Project or activity identified   | Sector in which the Project is Covered | Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken | Amount outlay (budget) project or programmes wise | Amount spent on the projects Sub heads: (I) Direct on projects or programs (II) Overheads | Accumulative expenditure upto the reporting period i. e March 31, 2020 |
|---|--|--|---|---|---|--|
| 15  | School Maintenance Expenses, Electricity Charges of School Building, Maintenance of School Canteen, Exhibition & Field trips of students and Arranging Sports & Cultural activities of ZPHS & MPPS Schools | Education                              | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 25.00   | 22.82   | 22.82  |
| <b>B. Rural Development and Related Expenditure</b> |  |  |   |   |   |  |
| 16  | Providing CCTV Cameras   | Rural Development                      | Mulkanur Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 8.00  | 7.66  | 7.66   |
| 17  | Providing CCTV Cameras   | Rural Development                      | Vangara Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana  | 2.00  | 1.69  | 1.69   |
| 18  | Construction of Stage for Village  | Rural Development                      | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 20.00   | 6.12  | 6.12   |
| 19  | Construction of Canal Pipeline Bridge.   | Rural Development                      | Bollonipally Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 5.00  | 1.40  | 1.40   |
| 20  | Digging Borewells and Providing Motor & Pumpset  | Rural Development                      | Bollonipally Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 0.70  | 0.66  | 0.66   |
| 21  | Digging Borewells and Providing Motor & Pumpset  | Rural Development                      | Gopalraopet Village, Ramadugu Mandal, Karimnagar District, Telangana  | 2.50  | 2.31  | 2.31   |
| 22  | Digging Borewells and Providing Motor & Pumpset  | Rural Development                      | GNPoor Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 3.50  | 3.65  | 3.65   |
| 23  | Providing Tree Guards and plantation of trees in the Villages  | Rural Development                      | Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 13.00   | 10.37   | 10.37  |
| 24  | Providing Street Lights  | Rural Development                      | Bollonipally Village, Bheemdevarapally Mandal, Warangal Urban District, Telangana   | 4.00  | 3.86  | 3.86   |

| Sl. No             | CSR Project or activity identified  | Sector in which the Project is Covered | Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken | Amount outlay (budget) project or programmes wise | Amount spent on the projects Sub heads: (I) Direct on projects or programs (II) Overheads | Accumulative expenditure upto the reporting period i. e March 31, 2020 |
|--------------------|---|--|---|---|---|--|
| 25                 | Sponsorship to 41st Senior Mens & Womens National Softball Championship (Rural sports)  | Rural Sports                           | Jangaredygudem Garden, West Godavari District, Andhrapradesh.   | 1.50  | 1.30  | 1.30   |
| 26                 | Cleaning of Irrigation Canal  | Rural Development                      | Molangur Village, Shankarpatnam Mandal, Karimnagr Dist, Telangana   | 0.25  | 0.25  | 0.25   |
| 27                 | Support to various medical camps  | Medical Healthcare                     | & GN Poor, Vangara and Gopalpur Villages of Warngal Urban Dist, Telangana   | 2.00  | 1.61  | 1.61   |
| C.                 | Amount Contributed to Kaveri Bhaskar Rao Charitable Foundation during the year (Net of Actual Amount Contributed during the year and Expenditure made by the Foundation during the year i.e (₹276.04 Lakhs – ₹390.16Lakhs)) |  |   | -   | (114.12)  | -  |
| <b>Total</b>       |   |  |   | <b>441.95</b>                                     | <b>276.04</b>   | <b>409.40</b>  |
| <b>Grand Total</b> |   |  |   | <b>562.95</b>                                     | <b>346.10</b>   | <b>479.46</b>  |

6. Kaveri Bhaskar Rao Charitable Foundation is a company within the meaning of section 8 of the companies act, 2013. We have contributed ₹276.04 Lakhs towards CSR activities to the Foundation during the year; along with the current year contribution total amount contributed to the Foundation up to 31.03.2020 is ₹1669.04 Lakhs. Out of total 1669.04 Lakhs contributed, the Foundation has spent ₹1433.64 Lakhs on various CSR activities. The balance amount of ₹235.40 Lakhs will be spent during the financial year 2020-21.
7. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

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

Place: Secunderabad  
Date: 13th August, 2020

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

Sd/-  
**G.VANAJA DEVI**  
Whole time Director

# ANNEXURE – D

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of Directors Report

### (A) CONSERVATION OF ENERGY

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

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

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

The company constantly exploring various alternative sources of energies to reduce cost and pollution.

### (B) TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption

We have not absorbed any Technology recently. The processing of seeds is being developed in house by the company and improvements in existing seed process systems.

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

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

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

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

a) Technology imported - Nil

b) Year of import - Nil

c) Whether the technology been fully absorbed - NA

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

- (iv) The expenditure incurred on Research and Development:

| Particulars   | ₹ in Lakhs |         |
|---|------------|---------|
|   | 2019-20    | 2018-19 |
| Capital   | 447.99     | 119.66  |
| Recurring   | 2368.04    | 1716.13 |
| Total   | 2816.03    | 1835.79 |
| Total R&D expenditure as percentage of total turnover | 3.19%      | 2.39%   |

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

a) Earnings: ₹1965.76 (1933.64) Lakhs

b) Out go: ₹158.71 (684.28) Lakhs

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

Date: 13th August, 2020  
Place: Secunderabad

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

Sd/-  
**G.VANAJA DEVI**  
Whole time Director

## ANNEXURE - E

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

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

| S No | Name & Designation of the Director      | Ratio of the remuneration to the median remuneration of the employees |
|------|---|---|
| 1.   | Mr. G.V.Bhaskar Rao – Chariman & MD     | 101.58:1  |
| 2.   | Mrs. G.Vanaja Devi, Whole time Director | 62.82:1   |
| 3.   | Mr. C.Vamsheedhar, Whole time Director  | 38.10:1   |
| 4.   | Mr. C.Mithunchand, Whole time Director  | 25.38:1   |

Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas, Mr. K. Purushotham, Mrs. M. Chaya Ratan and Dr. V. Bhaskar, Independent Directors were paid only sitting fees for attending the Board Meetings

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

| S No | Name & Designation                                | % of Increase in Remuneration |
|------|---|-------------------------------|
| 1.   | Mr. G.V.Bhaskar Rao – Chariman & MD               | 26.84                         |
| 2.   | Mrs. G.Vanaja Devi, Whole time Director           | 26.58                         |
| 3.   | Mr. C.Vamsheedhar, Whole time Director            | 56.19*                        |
| 4.   | Mr. C.Mithunchand, Whole time Director            | 25.05                         |
| 5.   | Mr. K.V.Chalapathi Reddy, Chief Financial Officer | 10.00                         |

\*includes the Comission Paid as a percentage on profit

Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas, Mr. K. Purushotham, Mrs. M. Chaya Ratan and Dr. V. Bhaskar, Independent Directors were paid only sitting fees for attending the Board Meetings.

(iii) The percentage increase in the median remuneration of employees in the financial year was (10.58)%.

(iv) The number of permanent employees on the rolls of the Company as on March 31, 2020 was 1073.

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

There are Three Whole time Directors and a Managing Director. There was no revision in remuneration paid to the Whole time Directors and Managing Director except marginal incremental changes during the financial year ended 31st March 2020.

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

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

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

Sd/-  
**G. VANAJA DEVI**  
Whole time Director

Date: 13th August, 2020

Place: Secunderabad

# BUSINESS RESPONSIBILITY REPORT

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

## Preface:

Kaveri Seed Company Limited presents its 'Business Responsibility Report' (BRR), as mandated by Securities and Exchange Board of India (SEBI) and in line with the 'National Voluntary Guidelines on Social, Environmental and Economic of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011. The report has been prepared as prescribed and in accordance with the Regulation 34 of the SEBI (LODR) Regulations, 2015.

## About Kaveri Seed Company Limited:

Kaveri Seed Company Limited ([www.kaveriseeds.in](http://www.kaveriseeds.in)) head quartered at Secunderabad, Telangana, India. It is one of the leading seed producing Company in the country. With over three decades of industry experience, it has emerged as a premier multi-crop seed producing Company. Over the years, the Company has enhanced farmer trust by providing a complete seeds basket, comprising of field crop and vegetable seeds. Backed by its strong R&D program, the Company specializes in the production of crop seeds including maize, cotton, rice, pearl millet, mustard, wheat, sorghum, sunflower and a number of vegetables.

The product innovations is supported by its strong R&D dedicated team of researchers, the Company designs and develops productive hybrids that excel in markets and meet the changing needs of farmers and consumers. It is consistently building a robust portfolio of field crops and vegetables to help enhance farm yield. It actively engages with farmers to educate them about latest farming techniques. Kaveri Seeds also helps farmers to implement best agricultural practices to ensure higher yield and improve the farmer lives.

The Company has not only been successful in developing an innovative product range but, has also helped to meet previously unmet requirements of the farmer community. From providing complete crop solutions, across crops, terrains and seasons, to capitalizing on emerging opportunities, Kaveri Seed has successfully reached out to farmers around the country. We humbly attribute our success to our customer – farmer their preferred choice is “**Kaveri brand**” products

in our multi-crops. We also advise the farmers to deal with multiple challenges of climate change, need based irrigation, plant protection for pest and disease and abiotic situations.

The latest breeding methods provide an opportunity to target national and global challenges as well as local needs and help us to achieve sustainable agricultural production and food security. All in all, the intended increase in agricultural productivity in a sustainable way would become more challenging, we pledge for it.

The Company developed Ultramodern Biotechnology lab with sophisticated equipment to do research on frontier technologies. State-of-the-art Seed Physiology and Biotechnology laboratories, using latest methods to carry out seed testing by maintaining prescribed seed quality standards of Indian Minimum Seed Certification Standard (IMSCS) prescribed by the Govt.

At Kaveri Seeds, employees are considered as '**valued assets**' to the organization. We manage employees with a consistent and productive approach by balancing to meet the human aspirations of the people and attaining the strategic and financial goals of the organization. We believe in HR philosophy of creating and maintaining **3 Cs – Culture, Commitment, and Competency** of the organization through employees.

Our marketing is very strong as team and it will create maximum impact with targeted goals. Entire team will work with cohesively to attain the marketing goals fixed. As per customer need the developed products based on the segment wise we concentrate our efforts to penetrate our promising products to PAN India. Due to stewardship marketing management strategies, at present Kaveri Seeds is placed number 1 & 2 position in the seed market.

Company engaged in community strengthening initiatives in the areas of education, health, agriculture and social welfare. We are passionately endorse the sustainable agriculture and interventions in education, health care etc.,

For more details visit : [www.kaveriseeds.in](http://www.kaveriseeds.in)

**Business Responsibility Report – 2019-20**

## SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

|   |  |
|---|--|
| 1. Corporate Identity Number (CIN) of the Company | L01120TG1986PLC006728  |
| 2. Name of the Company                            | Kaveri Seed Company Limited  |
| 3. Registered Office address                      | #513-B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad-500003, Telangana, India |
| 4. Website  | <a href="http://www.kaveriseeds.in">www.kaveriseeds.in</a>                           |
| 5. e-mail id                                      | <a href="mailto:cs@kaveriseeds.in">cs@kaveriseeds.in</a>                             |
| 6. Financial Year reported                        | 1st April 2019 to 31st March 2020  |

|  |   |                                |
|--|---|--------------------------------|
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise)                      | NIC code<br>011   | Description<br>Seed production |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | Produce the Cotton, Maize and Rice  |                                |
| 9. Total number of locations where business activity is undertaken by the Company                | Nil   |                                |
| i. Number of International Locations   | The Company has 9 Seed Processing, Packing and Cold storage plants including R&D Center   |                                |
| ii. Number of National Locations   |   |                                |
| 10. Markets served by the Company – Local/State/National/ International                          | The Company's operations are mainly carried out from Hyderabad, Telangana, India with manufacturing division(s) at Pamulparthy Plant and exports its seed to Bangladesh, Myanmar, Nepal, and Egypt. |                                |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

|   |   |
|---|---|
| 1. Paid up Capital (INR)  | ₹1206.58 Lakhs  |
| 2. Total Turnover (INR)   | ₹88325.60 Lakhs (standalone) and ₹93,034.63 Lakhs (consolidated)  |
| 3. Total profit after taxes (INR):  | ₹25126.69 Lakhs (standalone) and ₹25903.74 Lakhs (consolidated)   |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): | CSR spent during the financial year 2019-20 was ₹346.10 Lakhs (1.38% of standalone profit after tax)  |
| 5. List the activities in which expenditure in 4 above has been incurred.                         | CSR Activities of Kaveri Seed are focused on Education & Rural Development. For details refer Annual Report – Annexure C on CSR activities. |

## SECTION C: OTHER DETAILS

|  |   |
|--|---|
| 1. Does the Company have any Subsidiary Company/ Companies   | Yes. The Kaveri has 4 subsidiary companies located in India   |
| 2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  | The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by company's Code of Conduct to conduct their business in an ethical, transparent and accountable manner. It covers suppliers, customers and other stakeholders. It also addresses key BR issues like quality and customer value, environment, human rights and Employee well-being. |
| 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? | The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business entity.   |

## SECTION D : BR INFORMATION:

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

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

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

| Sl. No. | Question   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|----|----|----|----|----|----|----|----|
| 1.      | Do you have a policy/policies for  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.      | Has the policy being formulated in consultation with the relevant stakeholders?  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3.      | Does the policy conform to any national /international standards?  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 4.      | Has the policy being approved by the Board?<br>Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?                                    | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 5.      | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?                                 | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 6.      | Indicate the link for the policy to be viewed online?  | Policies can be viewed on <a href="https://www.kaveriseeds.in/investors/corporate-overnance-policies">https://www.kaveriseeds.in/investors/corporate-overnance-policies</a> |    |    |    |    |    |    |    |    |
| 7.      | Has the policy been formally communicated to all relevant internal and external stakeholders?  |   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8.      | Does the company have in-house structure to implement the policy/policies.   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9.      | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10.     | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                               | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

**All the policies in Kaveri Seed are governed by its guiding principles and core values. These policies are mapped to each principle hereunder:**

### Kaveri Seed Policies Mapping to BR Policies

| Sl. No. | Principle  | Applicable Policies   |
|---------|--|---|
| P1      | Business should conduct and govern themselves with Ethics, Transparency and Accountability   | Whistle Blower Policy<br>Code of Conduct<br>Kaveri guide to business conduct      |
| P2      | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle                                    | Environment Quality, Occupational Health & Safety Policy                          |
| P3      | Businesses should promote the wellbeing of all employees   | HR Policy & HR Manual, HR Training Policy, Prevention of Sexual Harassment Policy |
| P4      | Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized | CSR Policy,   |
| P5      | Businesses should respect and promote human rights   | Whistle Blower Policy<br>Code of Conduct  |
| P6      | Business should respect, protect, and make efforts to restore the environment  | Environment, Quality Occupational Health and Safety Policy                        |
| P7      | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.  | Values & Beliefs, Kaveri Business Guide   |
| P8      | Businesses should support inclusive growth and equitable development   | CSR Policy  |
| P9      | Businesses should engage with and provide value to their customers and consumers in a responsible manner.  | Values & Beliefs, Environment, Quality Occupational Health and Safety Policy      |

**2a. If answer to the compliance status of any of the Principles listed above is 'No', please explain why**

| Sl. No. | Question  | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9             |
|---------|---|----|----|----|----|----|----|----|----|----------------|
| 1.      | The company has not understood the Principles   |    |    |    |    |    |    |    |    |                |
| 2.      | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |    |    |    |    |    |    |    |    |                |
| 3.      | The company does not have financial or manpower resources available for the task  |    |    |    |    |    |    |    |    | Not Applicable |
| 4.      | It is planned to be done within next 6 months   |    |    |    |    |    |    |    |    |                |
| 5.      | It is planned to be done within the next 1 year   |    |    |    |    |    |    |    |    |                |
| 6.      | Any other reason (please specify)   |    |    |    |    |    |    |    |    |                |

**3. Governance related to BR**

**i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The BR Performance revolves around a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the environment and Company's operations & activities

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

This is the fourth Business Responsibility Report of the Company for the Financial Year 2019-20 which forms part of the Company's Annual Report for FY 2019-20. The same can be accessed at [https://www.kaveriseeds.in/images/pdf/images/annual-reports/Annual\\_Report\\_2018\\_19\\_Final.pdf](https://www.kaveriseeds.in/images/pdf/images/annual-reports/Annual_Report_2018_19_Final.pdf). Previous reports were made for the financial year 2016-17, 2017-18 and 2018-19.

as well as reinforced through employee training sessions. Kaveri Seed has well established the policies in accordance with the statutory guidelines and the relevant SEBI Regulations.

- Whistle Blower Policy/Vigil Mechanism
- The Dividend Distribution Policy
- Code of practices for fair disclosure of unpublished price
- Remuneration Policy
- Policy on preservation and archival of documents
- Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries
- Risk Management Policy

The above policies are accessed by anyone from the Company's website [www.kaveriseeds.in](http://www.kaveriseeds.in)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:**

Kaveri Seeds fosters a work culture with high ethical principles and standards and encourages its employees to perform with total integrity, commitment and ownership. Commitment to ethical and lawful business conduct is a cornerstone of Kaveri Seed business practices. It is a fundamental shared value among the Board of Directors, the senior management and all the employees in the company. Kaveri Seed has adopted the 'Code of Conduct' (Code), to ensure ethics, transparency and accountability in all aspects of the business, and create value for its stakeholders in a sustainable manner. The code embodies the belief that being aware of the company's responsibility towards its stakeholders and acting with the Company's legitimate interest in mind, is essential for the Company's long-term excellence. All Directors and senior management personnel shall affirm compliance with this Code on an annual basis.

All policies are communicated to Kaveri Seed Employees upon joining

Key elements of Kaveri Seed's Corporate Governance are transparency, disclosure, internal controls, risk management, internal and external communications, and adherence to high standards of safety, health, environment, accounting fidelity, products and service quality.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year, the Company has not received any complaint from the stakeholders.

**Principle 2 - Product Life Cycle Sustainability**

Leading seed companies have made strategic investments in their supply-chain capabilities and set up efficient and effective organizations that overcome cross-functional silos. By outperforming the overall level of maturity in their sectors, they have been able to disrupt them, as Kaveri seeds have done to the seed industry. The Company has been able to redefine the customers' expectations of service and their ability to bring innovation to the market, turning

its excellence in supply-chain execution into a powerful source of competitive advantage. Kaveri considered being the very best company in seed production continues to evolve and reinvent innovative methodologies in supply chains, even though it has already achieved a leading position in their industry. By doing so, the Company has been able to manage risks; respond to changes in the economic, technological, and competitive environment; and exploit new opportunities more effectively than their competitors. It has been able to innovate and defy on the product lifecycle thereby bring in better seeds.

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Kaveri Plant operations team has installed & commissioned 40 mechanical conveyers to replace manual hand grading which would enhance the quality recovery, ensure the increase of per day output and also pack cotton seed within time bound.
- A centralized & dedicated stores ware house was created for non-seed inventory (primary, secondary packing material & seed treatment chemicals) which helps in systematic stacking of the products, proper tagging of the stacked products & correct physical verification of the inventory on periodical basis.
- A huge capacity cold storage facility has been created to store the seeds, safe guard them from High temperature and Relative humidity and also to protect the viability of the seed.
- Provided field safety shoes to the entire Breeding, Seed production and field operation personals in order to mitigate the risk of foot injuries & snake bites during the course of their regular field visits. Anti-venom is also at disposal to combat from snake bite.
- Cyclofans, Cyclones, Centrifans and Bag Filters are used at the Seed Processing, Blending, Delinting and Packing machines to avoid dust in the work place and their surroundings. We collect the processing dust in a bag and use it as manure in our R & D Farms.
- We use dilute Sulphuric Acid Delinting Process where only 12-16% concentration acid is used for cotton delinting against conventional 90% concentration acid. Also, we re-circulate process acid for the reuse. This is absolute pollution free and safe method of cotton seeds delinting.
- Discard of used germination papers: after testing of the seeds we do not discard used germination papers. Instead a compost pit is dug and used germination papers are decomposed to convert it into compost, which will be used in R & D Farms.
- Rain water harvesting system has been implemented where we use water from constructed percolation tanks and storage tanks wherever possible. The stored rainwater after filtration is being used for plants and Laboratories.

- We have provided cost-free plant protection chemical ( Cobalt Chloride ) to several hundreds of cotton seed farmers to ward-off the leaf reddening impact which is caused by physiological disorders influenced by the adverse climatic conditions.
- The by-product, maize shanks, generated during the dry cob shelling are used as fuel for heat generation process where the ambient air is heated to a desired critical temperature for drying the harvested wet cobs; delivered from the production field, thus minimizing the huge energy source requirements.

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

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

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

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

- Taking up the challenges related to seed production scenario and with meticulous planning and execution, target production volumes were realized.
- Introduction of certain process and matrix changes has enhanced the production volume and quality of the product
- We assure safeguarding of seeds from unforeseen climatic conditions by organizing seed production in multiple geographies.
- Seed's post-production operational practices are top notch while mechanical dryers were used to dry the seeds during seed processing. As a result, there has been an increase in the efficiency of the seeds, along with cost effectiveness.

We have reduced the manpower to over 40% by introducing mechanical grading of delinted & processed cotton seeds and sophisticated processing infrastructure which eventually saves enough time to make the seed material available for blending, treating, labeling & packing.

- b. Reduction during usage by consumer's (energy and water) has been achieved since the previous year?

Market sales return quantities were reduced by about 25 % over previous year through efficient liquidation tracking procedures.

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

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

We, as an organization have made persistent efforts to retain our sourced seed suppliers by ensuring their continuous engagement in two seasons of seed production & by providing multiple crop seed production opportunities in multiple geographies. Resultantly, the grower base retention & loyalty, production reliability & sustainability have been ensured.

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

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

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

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

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The company has established systems to recycle a) the seed treated chemical wash water back in to the treatment process which helps

to overcome hazardous waste disposal challenges, b) the maize shanks generated the following dry cob shelling back in to the heat generation process that helps in heating up the air to a desired critical temperature to dry the harvested wet cobs delivered from the production field , minimizing the energy source requirements, c) the used chemical containers to minimize the chemical waste and help protect the environment around & d) Delinting of cotton is done in dilute sulphuric acid process, where acid is reused multiple times during the delinting of the seeds. Thus making it safe and pollution free process.

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

Kaveri Seed continues to emphasize employee training and capability building by placing employee well-being at the forefront, as a key enabler in the organizational strategy.

**1. Please indicate the Total number of employees.**

The company has 1073 employees as on 31.03.2020

**2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis.**

The company has no contractual employees as on 31.03.2020

**3. Please indicate the Number of permanent women employees.**

The company has 41 women employees as on 31.03.2020

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

Two

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

Nil

**6. What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable

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

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

## 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent employees: Employee training is a continuous process in the organization and all the employees are given mandatory safety training at the time of joining the organization.

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

100% of our employees were given safety & skill upgradation training in the last year.

### Principle 4 - Stakeholders Engagement

#### 1. Has the company mapped its internal and external stakeholders?

Yes.

#### 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

There are no disadvantaged, vulnerable and marginalized stakeholders identified by the Company.

#### 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. This is one of the corporate values that focuses on being responsive, listening to stakeholders, being proactive and transparent.

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

### Principle 5 - Human Rights

#### 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy covers the employees of the company

#### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

None was received

### Principle 6

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

#### 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The company is committed to operate all its plants in an environmental friendly manner, while taking all pre cautionary measures and protecting the health and safety of its employees.

#### 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

Research initiative was under taken to combat climatic change for developing suitable hybrids in Maize, Pearl millet.

#### 3. Does the company identify and assess potential environmental risks?

Yes

#### 4. Does the company have any project related to Clean Development Mechanism?

At present the company does not have any project related to clean development mechanism.

#### 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

No

#### 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all the processing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazard waste generation and disposal as per their regulatory authorities.

#### 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

No pending notices as on 31.03.2020

**Principle 7 - Policy Advocacy****1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is associated with various trade organizations, chambers etc., as follows:

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

1. Seed men Association
2. Confederation of Indian Industry
3. The Federation Telangna Chambers of Commerce & Industry (FTCCI)
4. National Seed Association of India
5. The Asia & Pacific Seed of Association, Bangkok
6. Seed Association of Madhya Pradesh
7. Seed Association of Maharashtra

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

Yes, we do from time to time take up issues through the associations on matter of public interest.

**Principle 8 - Community Development (CSR)****1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Kaveri Seed Company Limited is committed to continuously improving its social responsibilities, environment and economic practices to make positive impact on the society. The CSR Policy focuses on promoting education, promoting preventive healthcare, eradicating hunger, poverty and malnutrition, making available safe drinking water, environmental sustainability, ecological balance and rural development etc.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Kaveri Seed Company Limited has a team for the implementation and monitoring of various CSR projects. Wherever required services of external agencies will be utilized based on project requirement. Further, the Company has established a Foundation viz. Kaveri Bhaskar Rao Charitable Foundation primarily for undertaking CSR activities. The company has started CSR activities under the said Foundation. For, projects in villages, the Company engages persons/representatives from Villages/Gram

Sabah's / Ward members. This helps in achieving the target as well as participation of the local representatives in formulating the various activities to obtain maximum benefit by community.

**3. Have you done any impact assessment of your initiative?**

We review our projects time to time. Each project has specific deliverables to be met. The internal teams ensure the implementation of the projects undertaken from time to time. The Company also takes feedback from the local persons/representatives from Villages/Gram Sabah's / Ward members.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the year 2019-20 the company has directly spent an amount of ₹70.06 Lakhs on various CSR activities as referred in Point 1 and contributed ₹276.04 Lakhs to the Foundation for carrying CSR Activities. The Foundation has spent ₹390.16 Lakhs on various CSR activities. Details of the projects under taken are mentioned in a separate section of the annual report.

**Principle 9 - Customer value****1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company has mechanism to handle customer complaints. As on March 31, 2020 less than 1% of the complaints were pending beyond the acceptable timeline as per the Standard Operating Procedures (SOP).

**2. Does the company display product information on the product label, over and above what is mandated as per local laws?**

The company has displayed the labels on the packing products as per regulatory requirements; comply with the Seed Act, 1966; Seed Rules, 1968; Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 and other local laws from time to time.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.**

As on 31st March 2020, there are no pending cases.

**4. Did your company carry out any consumer survey/consumer satisfaction trends?**

We regularly undertake survey with farmers by internal team to understand product satisfaction and their intention for coming season. We conduct crop tours by crops functional team with user farmers to understand product performance in farmer field conditions.

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

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

Sd/-  
**G. VANAJA DEVI**  
Whole time Director

Date: 13th August, 2020  
Place: Secunderabad

# REPORT ON CORPORATE GOVERNANCE

Report Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), compliance with the requirements of Corporate Governance is set out below:

## COMPANY'S PHILOSOPHY

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

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

Key elements of corporate governance are transparency, internal controls, risk management, internal and external communications, high standards of safety, health, environment, accounting fidelity, and product quality. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes/mechanisms to serve this purpose.

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

## BOARD OF DIRECTORS

### Composition and size of the Board

As of the date of the Report, the Board of Kaveri Seed had Nine Directors, comprising Four Executive Directors including the Chairman & Managing Director, one non-executive non independent Director and Four are the Independent Directors including Women Independent Director. The composition of the Board is in conformity with SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into with the Stock Exchanges.

The Directors have expertise in the fields of strategy, management, production, finance, marketing and Research & Development. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. Each Director informs the Company on annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairmanships and notified changes during the term of their directorship in the Company. None of the Directors on the Board hold directorships in more than eight listed entities as per 17A of SEBI (LODR) Regulations. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding committee positions in other public companies as on 31st March 2020 have been made by the Directors.

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

The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. All material information is circulated to the Directors, including minimum information that are required to be made available to the Directors under Part A of Schedule II of the Listing Regulations.

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

### i) Composition of Board, their positions, other Directorships and memberships of Committees held by each of them as on 31st March 2020:

| Name of the Director | Category                                | Number of Board Meetings attended | Attendance at the last AGM held on 17.09.2019 | Number of Directorships in other companies | Number of committee positions held in public companies Chairman - Member |
|----------------------|---|-----------------------------------|---|--|--|
| Sri G.V. Bhaskar Rao | Chairman & Managing Director (Promoter) | 5                                 | Yes   | 11   | -  |
| Smt. G. Vanaja Devi  | Executive Director (Promoter)           | 5                                 | No  | 4  | -  |

| Name of the Director     | Category                      | Number of Board Meetings attended | Attendance at the last AGM held on 17.09.2019 | Number of Directorships in other companies | Number of committee positions held in public companies Chairman - Member |
|--------------------------|-------------------------------|-----------------------------------|---|--|--|
| Dr. G.Pawan              | Non-Executive – Vice Chairman | 2                                 | No  | 2  | -  |
| Sri C.Vamsheedhar        | Executive Director            | 4                                 | Yes   | 4  | 0 - 1  |
| Sri C. Mithun Chand      | Executive Director            | 5                                 | Yes   | 3  | 0 - 2  |
| Dr. S.Raghuvardhan Reddy | Independent Director          | 4                                 | Yes   | 1  | 1 - 2  |
| Dr. S.M.Ilyas            | Independent Director          | 5                                 | Yes   | 1  | -  |
| Sri K.Purushotham        | Independent Director          | 5                                 | Yes   | 1  | 1 - 1  |
| Smt. M. Chaya Ratan      | Independent Director          | 3                                 | No  | 1  | 0 - 0  |
| *Dr. V. Bhaskar          | Independent Director          | 5                                 | Yes   | 1  | 0 - 1  |

**Note:**

- 1) The directorships are considered in the companies incorporated under the Companies Act, 1956/2013 including the Kaveri Seed Company Limited.
- 2) For committee positions, only audit committee and stakeholders' Relationship committee of public limited companies including Kaveri Seed Company Limited are considered as per Regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.
- 3) None of the Directors of the Company is a Director in other listed entity (ies)
- 4) Leave of absence was granted on request to those directors who could not attend the meeting(s).
- 5) Mr. G.V.Bhaskar Rao, Mrs. G.Vanaja Devi and Dr. G.Pawan are related to each other.
- 6) Mr. C.Vamsheedhar and Mr. C.Mithun Chand are related to each other.
- 7) \* Dr. V.Bhaskar, Independent Director of the Company was passed away on 4th August 2020.

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

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

**Details of Equity Shares of the Company held by the Directors as on March 31, 2020 are given below:**

| Name                       | Category                      | No. of Shares   |
|----------------------------|-------------------------------|-----------------|
| Mr. G.V. Bhaskar Rao       | MD & Chairman                 | 5358530         |
| Mr. G.V. Bhaskar Rao – HUF | HUF                           | 9985649         |
| Mrs. G. Vanaja Devi        | Executive Director            | 14090157        |
| Dr. G. Pawan               | Vice Chairman – Non Executive | 2228876         |
| Mr. C. Vamsheedhar         | Executive Director            | 976587          |
| Mr. C. Mithun Chand        | Executive Director            | 857344          |
|                            | <b>TOTAL</b>                  | <b>33497143</b> |

The company has not issued any convertible instruments.

**ii) Board Committees:**

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

**iii) Meetings of the Board:**

The Board of Directors must meet at least four times in a year, with a maximum time gap of one hundred twenty days between two Board meetings. Dates for the Board Meetings in the ensuring quarter are decided well in advance and communicated to the Directors. Notices of Board Meetings were sent to the Directors as required under Section 173 of the Companies Act, 2013 well in advance. The Agenda along with the explanatory notes are sent in advance to the Directors. In special and exceptional circumstances, additional or supplementary items(s) on the agenda are permitted. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. The Company's Board met Five times during the financial year under review on 27th May 2019, 13th August 2019, 24th September 2019, 13th November 2019 and 05th February 2020.

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

| Date of Meeting | Board Strength | No. of Directors Present |
|-----------------|----------------|--------------------------|
| 27.05.2019      | 10             | 8                        |
| 13.08.2019      | 10             | 9                        |
| 24.09.2019      | 10             | 8                        |
| 13.11.2019      | 10             | 8                        |
| 05.02.2020      | 10             | 10                       |

#### iv) Independent Directors Meeting

Pursuant to Schedule IV of the companies Act, 2013 and the rules made there under, the Independent Directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. During the financial year 2019-20, one separate meeting of the Independent Directors was held on 05th February 2020. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors. The Board periodically reviews the compliance reports of all laws applicable to the Company.

#### v) 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;
- Previous meeting minutes 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 demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences;
- Significant development in the human resources and industrial relations fronts.

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

#### vi) Disclosure of relationships between directors inter-se

Dr. G.Pawan – Vice Chairman (Non-Executive) is son of Mr. G.V.Bhaskar Rao, Chairman & Managing Director and Mrs. G.Vanaja Devi - Whole time Director of the Company. Mr. C.Mithunchand is brother of Mr. C.Vamsheedhar both are Whole time Directors of the Company. Other than specified above, none of the Directors are related to any other Director.

#### vii) Details about familiarization program

Senior management personnel of the Company make presentations to the Board Members on periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, plant visit etc., and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and senior management personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on Material Subsidiaries, Whistle Blower Policy, Corporate Social Responsibility Policy etc.,

The details of the familiarization program are placed on the Company's website at: <http://www.kaveriseeds.in/images/pdf/images/Familiarization-Process-and-Code-For-Independent-Directors.pdf>

## viii) Details of skills / expertise / competence of the Board of Directors

| Name                               | Category                                 | Skills/ Expertise/ Competence  |
|------------------------------------|--|--|
| Mr. Venkata Bhaskar Rao Gundavaram | Promoter - Executive Chairman & MD       | He is a graduate in agricultural science and he oversees the production planning and provides guidance in R&D, overall management and business development of the company.   |
| Dr. Pawan Gundavaram               | Director & Vice Chairman (Non-executive) | He is a MBBS - MD in medicine. He is focus on strategic issues and long-term business plans and operations of the Company.   |
| Mrs. Vanaja Devi Gundavaram        | Promoter and Executive Director          | She looks after CSR responsibility activities, in addition to assisting the MD in general functioning of the company   |
| Mr. Vamsheedhar Chennamaneni       | Executive Director                       | He is a key player and growth driver in the 'Team Kaveri and oversees the General Management and overall Marketing of the company.   |
| Mr. Mithun Chand Chennamaneni      | Executive Director                       | He is M.B.A. Apart from general management, he has rich experience in finance, accounts and administration in regulatory affairs of the company.   |
| Dr. Suravaram Raghuvardhan Reddy   | Independent Director                     | He is a Ph.D (Agriculture) and Ex-Vice Chancellor of Acharya N.G. Ranga Agricultural University having vast experience in the Agriculture & Research activities.   |
| Dr. Syed Mohammed Ilyas            | Independent Director                     | He is M.Sc., Agricultural Engineering. He was retired as a Director of National Academy of Agricultural Research Management (NAARM), Hyderabad and he has held several eminent professional positions from Indian Agricultural Research Institute, New Delhi. He has rich experience in the Agriculture & Research management and other International Assignments. |
| Mr. Kalakala Purushotam            | Independent Director                     | He is a B.Sc., (Agricultural) from A.P. Agricultural University and passed Banking examinations (CAIB Part I) conducted by the Institute of bankers, Mumbai and retired as General Manager cadre in IOB and has rich experience in finance banking, money markets accounting, management, strategy etc.,   |
| Mrs. Chaya Ratan Musinipally       | Independent Director                     | She is IAS (Retired) and M.Sc Eco Social policy & planning from London School of Economics, London. She has rich experience in overall rural management, Rural development and social activities.  |

## ix) Statement on Declaration by Independent Directors

Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas, Sri K.Purushotham, Smt. M. Chaya Ratan and Dr. Bhaskar Venkataramany are the Independent Directors on the Board of the Company as on March 31, 2020. All the Independent Directors have given their respective declarations under Section 149 (6) and (7) of the Companies Act, 2013 and the Rules made thereunder. The Board of Directors, based on the declaration(s) received from the Independent Directors, has verified the veracity of such disclosures and confirms that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management.

As required by SEBI (LODR) Regulations, 2015, a certificate from Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities & Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority, is attached to this Report as **Annexure-A**.

Further, Annual Secretarial Compliance Report issued by the Company Secretary in Practice pursuant to Circular dated February 08, 2019 issued by SEBI is also attached to this Report as **Annexure-B**.

### x) Resignation of Independent Directors

Dr. V.Bhaskar, Independent Director of the Company was passed away on 4th August 2020. The Board has expressed deep condolence for sudden demise of Dr. V. Bhaskar, Independent Director of the Company and noted that his valuable service rendered to the Company is highly appreciated and deeply grieved for losing an eminent Director of the Company. During the year no directors were tendered their resignation.

### xi) Details of Director proposed for retire by rotation and re-appointment at the Annual General Meeting

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

Mr. C. Vamsheedhar (DIN 01458939) aged about 49 years is a Graduate. He is experienced in marketing and advises in general management of the company. He has been associated with our Company for the past fourteen years. He has been instrumental in the exceptional growth of sale and marketing of the company. He looks after overall the marketing and product development & quality management of the company. He is a director on the Board of subsidiaries of Aditya Agri Teck Private Limited, Genome Agritech Private Limited and Genomix Agri Genetics Private Limited and he holds 976587 Equity Shares of Rs.2/- each of the Company. He is related to Mr. C.Mithunchand, Whole time Director of the Company. Mr. C. Vamsheedhar, Executive Director, who retire by rotation at this Annual General Meeting and being eligible offer himself for re-appointment as Director of the Company.

## COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committee(s) informs the Board about the summary of the discussions held in the Committees Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The Board has established the following statutory and non-statutory Committees:

### AUDIT COMMITTEE

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are

responsible for performing independent audits of the Company's Financial Statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee to supervise these process and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015.

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

#### i) Role of Audit Committee:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible information is disclosed.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Modified Opinion(s) the draft audit report;
- Review, with the management, the quarterly financial statements before submission to the Board for approval;
- Review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/

prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal financial control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Examine into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the Candidate.
- Carry out any other functions as is mentioned in the terms of reference of the Audit Committee under the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.
- Management discussion and analysis of financial condition and results of operations;
- Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the

Board, such review to be done in consultation with the management, Statutory and Internal Auditors;

- Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon;
- System for storage, retrieval, security etc. of books of account maintained in the electronic form;
- Review the existing loans / advances and investments.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

## ii) Composition and other details of Audit Committee

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

Mr. K. Purushotham, Chairman of Audit Committee, is an Independent Director having expertise in accounting and financial management. Dr. S. Raghuvardhan Reddy, Dr. V. Bhaskar and Mr. C. Mithun Chand are the members of the Committee.

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

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

During the year under report the Audit Committee has met five times on 08th April 2019, 27th May 2019, 13th August 2019, 13th November 2019, and 05th February 2020.

The attendance at the Audit Committee meetings during the financial year 2019-20 is as under:

| Member                    | No. of Meetings | Attendance |
|---------------------------|-----------------|------------|
| Mr. K. Purushotham        | 5               | 5          |
| Dr. S. Raghuvardhan Reddy | 5               | 4          |
| *Dr. V. Bhaskar           | 5               | 5          |
| Mr. C. Mithun Chand       | 5               | 5          |

\* Dr. V.Bhaskar, Independent Director of the Company was passed away on 4th August 2020

## NOMINATION AND REMUNERATION COMMITTEE:

### Brief description of terms of reference of Nomination and Remuneration Committee:

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

- Carry on the evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the Directors and Key Managerial Personnel;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Grant, issue and allot of options to eligible employees and administering the various Employee Stock Option Scheme(s) from time to time and
- Undertake any other matter as the Board may decide from time to time.

The composition of the Nomination and Remuneration/Compensation Committee comprises of three Independent Directors. Mr. K. Purushotham, Chairman of the Committee and Dr. S. Raghuvardhan Reddy & Mrs. M. Chaya Ratan are the members of the Committee. During the year, the Nomination and Remuneration Committee met three times on 13.08.2019, 13.11.2019 and 31.03.2020

The attendance at the Nomination and Remuneration meeting(s) during the financial year 2019-20 is as under:

| Member                   | No. of Meetings | Attendance |
|--------------------------|-----------------|------------|
| Mr. K. Purushotham       | 3               | 3          |
| Dr. S.Raghuvardhan Reddy | 3               | 3          |
| Mrs. M. Chaya Ratan      | 3               | 2          |

#### i) Remuneration Policy:

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

#### iii) Remuneration of Directors:

##### a. Executive Directors:

| Name of the Director | Salary per annum   | Contribution to PF & Gratuity | (Amount in Rs.)    |
|----------------------|--------------------|-------------------------------|--------------------|
|                      |                    |                               | Total              |
| Sri G.V. Bhaskar Rao | 2,90,77,663        | 20,58,262                     | 3,11,35,925        |
| Smt. G. Vanaja Devi  | 1,79,81,046        | 12,72,791                     | 1,92,53,837        |
| *Sri C. Vamsheedhar  | 1,09,50,831        | 7,27,725                      | 1,16,78,556        |
| Sri C. Mithun Chand  | 71,56,184          | 6,21,931                      | 77,78,115          |
| <b>TOTAL</b>         | <b>6,51,65,724</b> | <b>46,80,709</b>              | <b>6,98,46,433</b> |

\*Salary includes Commission Paid

The nomination and remuneration policy as adopted by the Board is placed on the Company's website at <http://www.kaveriseeds.in/images/pdf/images/Nomination-and-Remuneration-Policy.pdf>

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

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance Note on Board Evaluation issued by the SEBI on 5th January 2017, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.,

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

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

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

In the board meeting that followed the meeting of the independent directors and meeting of nomination and remuneration committee, the performance of the board, its committees, and individual directors was also discussed. The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Sri G.V. Bhaskar Rao, Smt. G. Vanaja Devi, Sri C. Vamsheedhar and Sri C. Mithun Chand were re-appointed as executive directors w.e.f 15th November 2016 for a period of 5 years on the terms and conditions contained in the respective resolutions passed by the Members in the 29th Annual General Meeting. The notice period is as per the rules of the Company. There was no severance fee payable to them for cessation of their executive directorship. During the year, there is no grant to the Directors under ESOP Scheme.

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

There were no pecuniary transactions with any non-executive independent directors of the Company

Non-Executive Independent Directors are paid sitting fee for attending the Board meetings and Committee meetings. Sitting fee for Board Meeting is Rs.40,000/- and Committee Meetings is Rs.15000/- being paid to Non-Executive Independent Directors for attending each meeting of the Board of Directors and Committee meetings. During the year, the sitting fees paid for attendance of Board and Committee meetings are as follows:

| (Amount in Rs.)          |                      |                  |
|--------------------------|----------------------|------------------|
| Name                     | Designation          | Sitting Fee Paid |
| Dr. S.Raghuvardhan Reddy | Independent Director | 2,55,000         |
| Dr. S.M.Ilyas            | Independent Director | 1,80,000         |
| Sri K. Purushotham       | Independent Director | 2,55,000         |
| Smt. M. Chaya Ratan      | Independent Director | 1,00,000         |
| Dr. V. Bhaskar           | Independent Director | 2,40,000         |

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

Dr. S. Raghuvardhan Reddy, Non-executive Director is the Chairperson of the Committee and Mr. C.Vamsheedhar, Mr. C.Mithun Chand are the other members of the Committee.

The main functions of the Stakeholders Relationship Committee considers and resolves all matters of the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual reports, dividends, issue of duplicate share certificates etc. Specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports /statutory notices by the shareholders of the Company

The attendance at the Stakeholders Relationship Committee meeting(s) during the financial year 2019-20 held on 13.11.2019 is as under:

| Member                    | No. of Meetings | Attendance |
|---------------------------|-----------------|------------|
| Dr. S. Raghuvardhan Reddy | 1               | 1          |
| Mr. C.Vamsheedhar         | 1               | 1          |
| Mr. C.Mithun Chand        | 1               | 1          |

#### Name and designation of Compliance Officer:

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

During the year the Company has not received any grievances from the investors, except the request from the shareholder for issue of duplicate share certificate, the same was resolved. As on 31st March, 2020 there were no investor grievances pending and no transfers were pending for approval.

#### DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, requires that the top 500 listed Companies based on the market capitalization to formulate Dividend Distribution Policy. In compliance with the said requirement, the Company has formulated the Dividend Distribution Policy, the details of which are available on the Company's website at <http://www.kaveriseeds.in/images/pdf/images/Dividend-Distribution-Policy.pdf> and is also provided an attachment of Directors Report.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one of whom will be an independent director. The constitution of CSR Committee is as under:

Mr. G.V. Bhaskar Rao, Chairman  
Mrs. G. Vanaja Devi, Member  
Dr. S. Raghuvardhan Reddy, Member

The purpose of the Committee is to formulate CSR Policy of the Company and monitor its implementation. In this regard, the Company has incorporated a separate Company under Section 8 of the Companies Act, 2013 in the name and style of "Kaveri Bhaskar Rao Charitable Foundation" to undertake CSR and other charitable activities. The CSR Policy has been placed on the Company's website at: [http://www.kaveriseeds.in/images/pdf/images/csr\\_policy.pdf](http://www.kaveriseeds.in/images/pdf/images/csr_policy.pdf)

## 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 |
|---------------------------------------|--------------------|-----------------|--|-----------------------------------|
| 30th Annual General Meeting 2016-17   | September 25, 2017 | 12.15 PM        | Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana | Nil                               |
| 31st Annual General Meeting 2017-18   | September 21, 2018 | 12.00 Noon      | Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana | 1                                 |
| 32nd Annual General Meeting 2018-2019 | September 17, 2019 | 3.00 PM         | Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana | 4                                 |

### i. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2019-20.

### ii. Postal Ballot:

During the financial year 2019-20, the Company has conducted Postal Ballot and Special Resolution(s) was passed, the details are given below:

The Company had sought the approval of the shareholders by way of a Special Resolution(s) through notice of Postal Ballot dated 24th September 2019 for the following items:

- Buy-back of 28,00,000 Equity Shares of Rs.2/- each at a price of Rs.700 /- per Equity Share and
- Continuation of holding of office of Mr. G.V.Bhaskar Rao, Chairman & Managing Director, who will attain the age of 70 (seventy) years on 5th June 2020

Mr.L.Dhanamjaya Reddy (Mem.No.13104) of L.D.Reddy & Co., Practicing Company Secretaries, appointed as the Scrutinizer to scrutinize the Postal Ballot and e-voting and ballot process in a fair and transparent manner.

The procedure for Postal Ballot as prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 has been followed. The scrutinizer submitted a report to the Chairman stating that the resolutions have been duly passed by the members with requisite majority.

The results were announced to the stock exchanges on 19th July 2018 and also placed on the website of the Company.

## MEANS OF COMMUNICATION:

The Quarterly, Half yearly and Annually Financial Results of the company are published in leading newspapers in English and Telugu (Regional Language). The results are also displayed on the Company's website <http://www.kaveriseeds.in/investors/financial-information/#tab-quarterly-financial-results> for the information of shareholders and general public. Financial Results, Presentation, Con call Transcripts made to the institutional investors/analysts after the declaration of quarterly; half yearly and annual results are submitted to the National Stock Exchange of India Limited and BSE Limited as well as uploaded on the company's website. Further all material information which will have some bearing on the operation of the Company is sent to all Stock Exchanges concerned and also placed on the Company's website. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

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

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

### ii) Extensive Business Reporting Language (XBRL)

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

### iii) Ministry of Corporate Affairs (MCA)

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

**iv) SEBI Complaints Redress System (SCORES)**

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

**v) Letters**

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

**vi) The Management Discussion and Analysis Report forms part of the Directors' Report:**

The Management discussion and analysis forms part of this Report and is provided separately elsewhere in this report.

**vii) The Annual Report**

The Annual Report containing inter alia the Audited Accounts, Directors Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and analysis forms part of the Annual Report. Pursuant to the Green initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

Your Company's Annual Reports are also available on the Company's web site <http://www.kaveriseeds.in/investors/financial-information/#tab-annual-reports>

**GENERAL SHAREHOLDERS INFORMATION:**

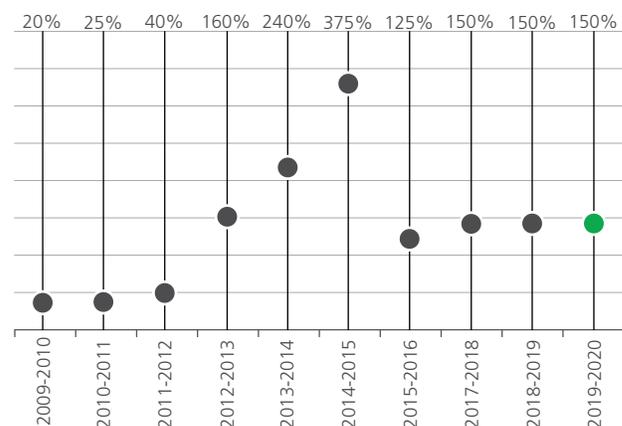
|      |   |  |
|------|---|--|
| i.   | 33rd Annual General Meeting<br>- Date and Time<br>- Venue | 29.09.2020 at 11.00 AM<br>Pursuant to the Circular No. 20/2020, May 05, 2020 of Ministry of Corporate Affairs, the AGM will be convened through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).  |
| ii.  | Financial Calender  | i. Financial Year – April to March<br>ii. First Quarter Results – within 45 days of the end of the quarter.<br>iii. Half-yearly Results – within 45 days of the end of the quarter.<br>iv. Third Quarter Results – within 45 days of the end of the quarter.<br>v. Results for the year ending March 31, 2021 – within 60 days of the end of the quarter (Audited) |
| iii. | Date of Book Closure                                      | 28.09.2020 to 29.09.2020 (both days inclusive)   |

|      |                                      |   |
|------|--------------------------------------|---|
| iv.. | Payment of Dividend                  | During the year 2019-20, the company has paid an Interim Dividend of Rs.3/- per equity share.   |
| v.   | Listing on Stock Exchanges:          | Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023.<br><br>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 2020-21  |
| vii. | Stock Code:                          |   |
|      | Bombay Stock Exchange Limited        | 532899  |
|      | National Stock Exchange of India Ltd | KSCL  |

viii. Dividend History:

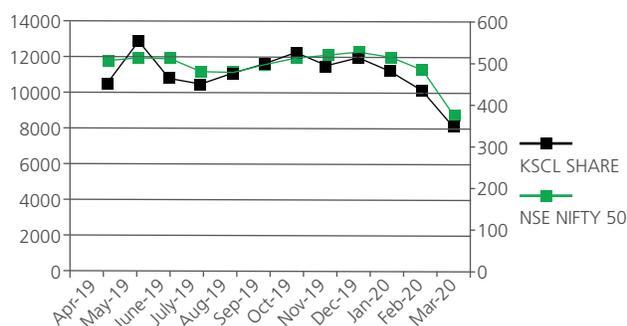
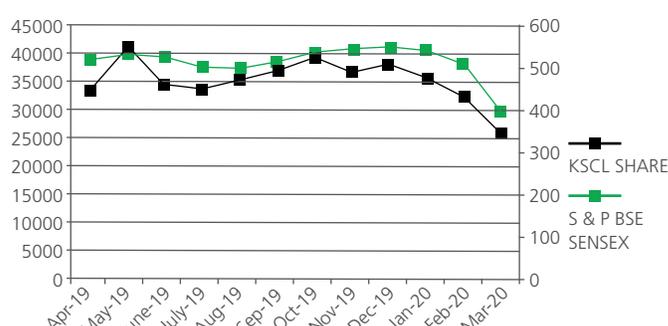
| Financial Year | % of Dividend |
|----------------|---------------|
| 2019-2020      | 150           |
| 2018-2019      | 150           |
| 2017-2018      | 150           |
| 2015-2016      | 125           |
| 2014-2015      | 375           |
| 2013-2014      | 240           |
| 2012-2013      | 160           |
| 2011-2012      | 40            |
| 2010-2011      | 25            |
| 2009-2010      | 20            |

**% OF DIVIDEND**



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

| Month  | National Stock Exchange |        |        |         | Bombay Stock Exchange |        |        |        |
|--------|-------------------------|--------|--------|---------|-----------------------|--------|--------|--------|
|        | High                    | Low    | Close  | Volume  | High                  | Low    | Close  | Volume |
| Apr-19 | 497.65                  | 440.00 | 445.00 | 5276927 | 497.00                | 439.60 | 444.75 | 326956 |
| May-19 | 551.00                  | 436.05 | 548.35 | 6275698 | 551.40                | 433.05 | 547.80 | 427483 |
| Jun-19 | 559.30                  | 430.20 | 461.10 | 6296022 | 550.35                | 430.00 | 460.25 | 644378 |
| Jul-19 | 482.80                  | 412.55 | 447.60 | 2711583 | 482.20                | 412.90 | 448.00 | 686060 |
| Aug-19 | 489.50                  | 422.00 | 472.05 | 2725566 | 488.40                | 424.25 | 470.70 | 971116 |
| Sep-19 | 575.00                  | 463.25 | 495.15 | 3249185 | 575.80                | 463.50 | 494.40 | 422061 |
| Oct-19 | 528.80                  | 456.05 | 523.20 | 2239534 | 527.20                | 456.05 | 522.35 | 465502 |
| Nov-19 | 550.00                  | 470.00 | 490.65 | 2516513 | 548.15                | 471.15 | 490.05 | 873967 |
| Dec-19 | 548.00                  | 453.50 | 508.55 | 2916695 | 547.10                | 454.25 | 508.10 | 484222 |
| Jan-20 | 514.75                  | 465.95 | 476.60 | 2042475 | 513.40                | 466.95 | 475.80 | 276255 |
| Feb-20 | 506.00                  | 421.00 | 428.60 | 1534265 | 505.30                | 425.00 | 430.05 | 357276 |
| Mar-20 | 453.00                  | 273.75 | 341.90 | 2263286 | 449.60                | 274.15 | 340.80 | 353205 |

**Stock Performance of Kaveri Seed Company Limited vs. Nifty 50**

**Stock Performance of Kaveri Seed Company Limited vs. Bombay Stock Exchange Sensex**

**x. There was no suspension of trading in securities of the Company during the year under review.**
**xi. Registrar to an issue and Share Transfer Agents:**

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

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

**xii. Share Transfer System and Dematerialization of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz., National Securities Depository Limited (NSDL) and

Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 100% of the Company's share capital are dematerialized as on 31st March 2020.

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 INE455I01029

**xiii. Kaveri Seed Employee Stock Option Plan – 2018 (ESOP Plan)**

The ESOP Plan approved by the members and involves acquisition of shares, not exceeding 30,00,000 equity shares, from the secondary market through Barclays Wealth Trustees (India) Private Limited as Trustees of Kaveri Employees Trust for implementation and administration. As on 31st March 2020 a total of 8,79,491 options were available in the Trust account. The Nomination and Remuneration Committee has granted 6,29,516 options @ 315/- . per option to the eligible employees of the Company during the year under ESOP Plan. The number of options outstanding as at the year-end was 2,49,975. The granted options would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options or any other terms as decided by the Nomination and Remuneration Committee.

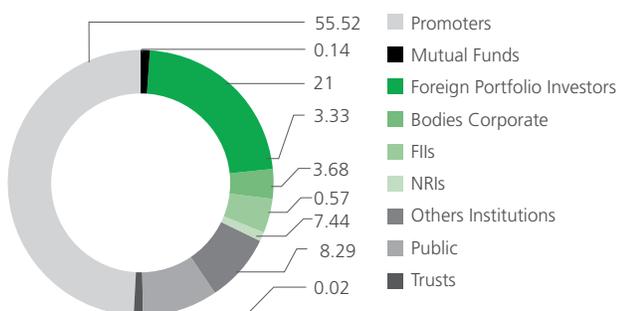
**xiv. Distribution Schedule & Shareholding Pattern as on 31st March 2020**

| Category of Shares | No. of Shareholders | No. of Shares   | % of total capital |
|--------------------|---------------------|-----------------|--------------------|
| 1 – 500            | 27597               | 1875598         | 93.21              |
| 501 – 1000         | 795                 | 584337          | 2.68               |
| 1001 – 2000        | 572                 | 818689          | 1.93               |
| 2001 – 3000        | 187                 | 468174          | 0.63               |
| 3001 – 4000        | 147                 | 531924          | 0.50               |
| 4001 – 5000        | 64                  | 293911          | 0.22               |
| 5001 – 10000       | 103                 | 738484          | 0.35               |
| 10001 – and above  | 142                 | 55018016        | 0.48               |
| <b>Total</b>       | <b>29607</b>        | <b>60329133</b> | <b>100</b>         |

**Note:** The above total number of shareholders without the consolidation of their respective folios.

**Categories of Equity Shareholders as on 31st March 2020:**

| Category                        | No. of Shares      | Percentage (%) |
|---------------------------------|--------------------|----------------|
| Promoters                       | 3,34,97,143        | 55.52          |
| Mutual Funds                    | 84,664             | 0.14           |
| Foreign Portfolio Investors     | 1,26,74,976        | 21.00          |
| Bodies Corporate                | 20,11,177          | 3.33           |
| Foreign Institutional Investors | 22,21,513          | 3.68           |
| Non Resident Indians            | 3,41,595           | 0.57           |
| Other Institutions              | 44,87,640          | 7.44           |
| Public                          | 50,00,359          | 8.29           |
| Trusts                          | 10,066             | 0.02           |
| <b>TOTAL</b>                    | <b>6,03,29,133</b> | <b>100</b>     |

**Categories of Shareholder & Percentages****xv. 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 2020.

**xvi. Commodity price risk or foreign exchange risk and hedging activities:**

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

**xvii. Plant Locations:**

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

**xviii. Registered Office, Corporate Office & Address for correspondence**

Kaveri Seed Company Limited  
CIN: L01120TG1986PLC006728  
513-B, 5th Floor, Minerva Complex, S.D.Road,  
Secunderabad – 500 003, Telangana.  
Tel.Nos.+91 40-27721457/27842398  
Fax No.+91 40-27811237  
Email: cs@kaveriseeds.in  
Website: www.kaveriseeds.in

**xix. Name & Designation of Compliance Officer**

Mr. V.R.S. Murti  
Company Secretary  
513-B, 5th Floor, Minerva Complex, S.D.Road,  
Secunderabad – 500 003, Telangana.  
Tel.Nos. +91 40-27721457/27842398  
Fax No. +91 40-27811237 Email: cs@kaveriseeds.in  
Website : www.kaveriseeds.in

## OTHER DISCLOSURES:

### i) Related Party Transactions

No transaction of material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Audit Committee and Board regularly. Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report. In terms of SEBI (LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at <http://www.kaveriseeds.in/images/pdf/images/related-party-transaction-policy.pdf>

### ii) Details of Non Compliance and Penalties

No penalties have been imposed on the Company by the Stock Exchanges where the Company's shares are listed or SEBI or any other statutory authority on any matter during the last three years.

### iii) Whistle Blower Policy

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is hosted on the Company's website at <http://www.kaveriseeds.in/images/pdf/images/whistle-blower-policy.pdf>

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

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

### v) Policy on Material Subsidiaries

The Company does not have any material unlisted Indian subsidiary in terms of Regulation 24 of the Listing Regulations.

The Minutes of the Meetings of Board of Directors of all the subsidiary companies are periodically placed before the Board of Directors of the Company. The Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: <http://www.kaveriseeds.in/images/pdf/images/material-subsiadiary.pdf>

vi) The Policy on dealing with Related Party Transactions is available on the website of the Company: <http://www.kaveriseeds.in/images/pdf/images/related-party-transaction-policy.pdf>

vii) The Company has adopted the Policy on Dissemination of Information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company: [http://www.kaveriseeds.in/images/pdf/images/Policy\\_on\\_Disclosure\\_of\\_Material\\_Events\\_and\\_Information\\_final.pdf](http://www.kaveriseeds.in/images/pdf/images/Policy_on_Disclosure_of_Material_Events_and_Information_final.pdf)

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

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

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

### xi) Recommendations of Committees of the Board

There were no instances during the financial year 2019-20 wherein the Board had not accepted the recommendations made by any Committee of the Board.

xii) **Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm network entity of which the statutory auditor is a part;**

|                                       |  |   | Rs. In Lakhs   |
|---------------------------------------|--|---|--|
| <b>Fees (including taxes)</b>         | <b>Kaveri Seed Company Limited to Statutory Auditors</b> | <b>Kaveri Seed Company Limited to network firms of Statutory Auditors</b> | <b>Subsidiaries of Kaveri Seed Company Limited to Statutory Auditors and its network firms</b> |
| Statutory Audit                       | 21.83  | -   | -  |
| Certification & other attest services | 1.27   | -   | -  |
| Non-audit services                    | -  | -   | -  |
| Outlays and Taxes                     | -  | -   | -  |
| <b>Total</b>                          | <b>23.10</b>   | <b>-</b>  | <b>-</b>   |

**xiii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013:**

The policy on Sexual Harassment is available on the website of the Company: <https://www.kaveriseeds.in/images/pdf/images/sexual-harrasment-policy.pdf>

- Number of complaints filed during the financial year: 0
- Number of complaints disposed of during the financial year: 0
- Number of complaints pending as on end of the financial year: Nil

**xiv) Non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V:**

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

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

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

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

**Shareholder Rights:** Quarterly financial results are published in leading newspapers, viz. The Business Standard (all editions - English) and vernacular – Nava Telangana (Hyderabad Edition

- Telugu). The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.

**Modified opinion(s) in audit report :** All the financial statements received during the last five (5) years were with unmodified audit opinion.

**Other Discretionary Requirements :** At present, other discretionary requirements have not been adopted by the Company.

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

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

**xvii) Compliance Certificate of Corporate Governance:**

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

**xviii) Proceeds from public issues, rights issues, preferential issues, etc.**

During the year ended 31st March 2020, there were no proceeds from public issues, rights issues, preferential issues, etc.

**xix) Disclosure with respect to Demat suspense account/unclaimed suspense account**

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

| S. No. | Particulars  | Number of shareholders | Number of equity shares |
|--------|--|------------------------|-------------------------|
| 1      | Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2019.   | 3                      | 390                     |
| 2      | Shareholders who approached the Company for transfer of shares from Unclaimed Suspense account during the year.  | 0                      | 0                       |
| 3      | Shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.  | 0                      | 0                       |
| 4      | Shareholders whose shares are transferred to the demat account of the IEPF Authority pursuant to the provisions of Section 124 of the Companies Act, 2013. | 3                      | 90                      |
| 5      | Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year i.e., as on March 31, 2020.     | 6                      | 480                     |

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claim the shares.

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

Shareholders who have not claimed their dividend for the years 2012-13 are requested to claim before the due date otherwise the same has been transfer to the Investor Education and Protection Fund Pursuant to Section 124 and 125 of the Companies Act, 2013. The Company has uploaded the details of the unpaid and unclaimed dividend amounts of the previous years' on the website of the Company ([www.kaveriseeds.com](http://www.kaveriseeds.com)).

in) and also on the website of Ministry of Corporate Affairs. The unpaid/unclaimed dividend for the year 2012-13 will be transferred to the Investor Education and Protection Fund of the Central Government on the due date. The shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124(6) of the Companies Act, 2013, and the applicable rules. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

#### xxi) Risk Management

Pursuant to the requirement of SEBI (LODR) Regulations 2015, the company has a risk management committee of the Board consisting the Directors of Mr. Dr. S.Raghuvardhan Reddy, Independent Director and Chairman of the Committee Mr. C.Vamsheedhar and Mr. C. Mithunchand, members of the Committee. Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report. The Risk Management Policy is available on the Company's website at: [http://www.kaveriseeds.in/images/pdf/images/Risk-Management-Policy\\_final.pdf](http://www.kaveriseeds.in/images/pdf/images/Risk-Management-Policy_final.pdf)

#### xxii) Letter of appointment

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

#### xxiii) Code of Conduct

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

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the

requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading)(Amendment) Regulations.

financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015 is attached to this Report as **Annexure - C**.

For **KAVERI SEED COMPANY LIMITED**

#### xxiv) CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company have given the annual certification on

Date: 13.08.2020  
Place: Secunderabad

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

Sd/-  
**G. VANAJA DEVI**  
Whole Time Director

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## DECLARATION ON CODE OF CONDUCT

I, G.V.Bhaskar Rao, Managing Director, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2020.

For **KAVERI SEED COMPANY LIMITED**

Date: 13.08.2020  
Place: Secunderabad

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

# ANNEXURE A

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,  
**Kaveri Seed Company Limited.**  
 Hyderabad.

### SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, L. Dhanamjay Reddy, Practicing Company Secretary, proprietor of L.D.Reddy & Co., Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Kaveri Seed Company Limited (CIN: L01120TG1986PLC006728) having its Registered office at 513B,5th Floor, Minerva Complex, Sarojini Devi Road, Secunderabad - 500003, Telangana, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2020.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020:

List of Director of the Company as on 31st March, 2020:

| S.No. | DIN      | Full Name                           | Designation                   |
|-------|----------|-------------------------------------|-------------------------------|
| 1     | 00892232 | Sri. Venkata Bhaskar Rao Gundavaram | Managing Director             |
| 2     | 00328947 | Smt. Vanaja Devi Gundavaram         | Whole time Director           |
| 3     | 00768751 | Dr. Pawan Gundavaram                | Vice Chairman (Non Executive) |
| 4     | 01458939 | Sri. Chennamaneni Vamsheedhar       | Whole time Director           |
| 5     | 00764906 | Sri. Mithun Chand Chennamaneni      | Whole time Director           |
| 6     | 01540645 | Sri. Purushotam Kalakala            | Director                      |
| 7     | 01992206 | Sri. Raghuardha Reddy Suravaram     | Director                      |
| 8     | 03542011 | Sri. Syed Mohammed Ilyas            | Director                      |
| 9     | 08085687 | Smt. Chaya Ratan Musinipally        | Director                      |
| 10    | 03558571 | Sri. Bhaskar Venkataramany          | Director                      |

For **L.D.Reddy & Co.,**  
 Company Secretaries

Sd/-  
**L. Dhanamjay Reddy**  
 (Proprietor)

M.No. A13104

CP. No.3752

UDIN: A013104B000571959

Date : 12.08.2020

Place : Hyderabad

# ANNEXURE B

## SECRETARIAL COMPLIANCE REPORT OF M/S. KAVERI SEED COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

I, Lebaka Dhanamjaya Reddy, proprietor of L.D. Reddy & Co., Company Secretaries have examined:

- a. all the documents and records made available to us and explanation provided by M/s. Kaveri Seed Company Limited ("the listed entity"),
- b. the filings/ submissions made by the listed entity to the stock exchanges,
- c. website of the listed entity,
- d. other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2020 ("Review Period") in respect of compliance with the provisions of :
  - a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i. other regulations as applicable and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:
  - a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

| Sr. No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practising Company Secretary |
|---------|--|------------|---|
| Nil     | Nil  | Nil        | Nil   |

- b. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

- c. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken<br>E.g. Fines warning letter, debarment, etc. | Observations/ Remarks of the Practising Company Secretary, if any |
|---------|-----------------|----------------------|---|---|
| Nil     | Nil             | Nil                  | Nil   | Nil   |

- d. The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practising Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended | Actions taken by the listed entity, if any | Comments of the Practising Company Secretary on the actions taken by the listed entity |
|---------|--|---|--|--|
| Nil     | Nil  | Nil   | Nil  | Nil  |

For **L.D.Reddy & Co.**,  
Company Secretaries

Sd/-

**L. Dhanamjaya Reddy**

C.P.No.3752

M.No.13104

UDIN No.A013104B000358471

Date : 25.05.2020

Place : Hyderabad

# ANNEXURE C

## CEO/CFO CERTIFICATION

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

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2020 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee that there are no:
  - i. significant changes in internal control over financial reporting during the year.
  - ii. significant changes in accounting policies during the year and that the same have been disclosing in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For **KAVERI SEED COMPANY LIMITED**

Date: 13.08.2020  
Place: Secunderabad

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

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

# ANNEXURE D

## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Kaveri Seed Company Limited.**

1. This certificate is issued in accordance with the terms of our engagement letter
2. This report contains details of compliance of conditions of Corporate Governance by **Kaveri Seed Company Limited.** ('the Company') for the year ended 31st March 2020, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

### Management's Responsibility for compliance with the conditions of SEBI Listing Regulations.

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures.

### Auditor's Responsibility

4. Our examination was limited to 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 the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March, 2020.
6. We conducted our examination in accordance with the, Guidance Note on Corporate Governance Certificate, issued by the Institute of Company Secretaries of India ('ICSI'), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that

we comply with the ethical requirements of the Code of Ethics issued by the ICSI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company.

### Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **L.D.Reddy & Co.,**  
Company Secretaries

Sd/-  
**L. Dhanamjay Reddy**  
(Proprietor)

M.No. A13104

CP. No.3752

UDIN: A013104B000572014

Date : 12.08.2020

Place : Hyderabad



**Standalone**

**Financial  
Statements**

# INDEPENDENT AUDITOR'S REPORT

To

The Members of Kaveri Seed Company Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **Kaveri Seed Company Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (here after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards

are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter   | Auditor's Response   |
|--------|--|--|
| 1      | <p>Revenue: Management estimate of provision for sales return and Discount &amp; schemes:</p> <p>Estimate for sales returns and discounts and schemes was a critical audit matter in the audit of the Company's financial statements for the year ended 31 March 2020.</p> <p>Management estimates the amount of returns expected based on the goods returned in the past and current market demands. The management considers revenue as key measure for evaluation of performance.</p> <p>Refer Note 2.1, 2.10, 13, 28 and 29 to the Standalone Financial Statements</p> | <p><b>Principal Audit Procedures:</b></p> <p>We have performed the following principal audit procedures in relation to revenue recognised:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers").</li> <li>Understanding and Testing of design and operating effectiveness of Internal controls in place relating to recognition and measurement of sales returns and discount amounts ,</li> <li>Testing of relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.</li> <li>Substantive testing of sales returns and discounts with the underlying documents.</li> </ul> |

| S. No. | Key Audit Matter  | Auditor's Response  |
|--------|---|---|
| 2      | <p>Valuation and classification of Investments:</p> <p>Company has Investments in Mutual funds, Real estate fund and other equity instruments.</p> <p>The Company holds significant amount of funds in the form of investments. Also, considering the complexities involved in classification of investments, the Company considers investments as material account balance.</p> <p>Refer Note 2.13 and 7 to the Standalone Financial Statements</p>  | <ul style="list-style-type: none"> <li>• Testing of supporting documentation for sales return transactions recorded during the period closer to the year end and subsequent to year end, including examination of credit notes issued after the year end to determine whether the returns were recognised in the correct accounting period.</li> <li>• Performing analytical procedures on current year revenue based on seasonal trends and where appropriate, conducting further enquiries and testing.</li> <li>• Evaluating historical accuracy of estimates made by management in respect of sales return by performing trend analysis and comparing them with actuals.</li> </ul> <p><b>Principal Audit Procedures:</b></p> <p>We focused on the valuation and existence of the investments as also the classification and disclosures in the Company's financial statements for the year ended 31 March, 2020.</p> <p>We have performed the following principal audit procedures in relation to investments:</p> <ul style="list-style-type: none"> <li>• We obtained independent confirmation of the number of units held and net asset value per unit for each of the underlying investments as at the year end date. We agreed the details confirmed to the valuation of these investments as per the accounting records.</li> <li>• Re-computation of profit/ (loss) on sale of investments, valuation of investments including fair value movements.</li> <li>• Review of valuation and classification of investment in accordance with Nature of investment made, company's policies, business model and applicable accounting standards.</li> </ul> |
| 3      | <p>Valuation of Biological assets:</p> <p>The value of Biological assets is measured at fair value less costs to sell. The fair value is determined based on the growth potential of individual standing crops. The growth potential varies depending on the geographic location and varieties of crops. The valuation requires estimates of growth, harvest, sales price and costs.</p> <p>Due to the level of judgment involved in the valuation of biological assets, involvement of discretionary assumptions by management regarding biological transformation and quality of crop and significance of biological assets to the Company's financial position, this is considered to be a key audit matter.</p> <p>Refer Note 2.5 and 12 to the Standalone Financial Statements</p> | <p><b>Principal Audit Procedures:</b></p> <p>We have performed the following principal audit procedures in relation to biological assets:</p> <ul style="list-style-type: none"> <li>• We have tested management's controls and effectiveness of systems in place for the valuation of biological assets based on the stage of crop as measured by the company.</li> <li>• We have assessed the key assumptions contained within the fair value calculations including sales price assumptions and growth assumptions.</li> <li>• We have performed the analytical review of the results of valuation to highlight outliers which warrant further audit procedures.</li> <li>• Comparison of actual production costs with provisions made towards standing crops.</li> </ul>  |

### Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Financial and Operational Review, Director's Report, Business Responsibility Report, Corporate Governance Report, Annual Report on CSR activities,

but does not include the standalone financial statements and our auditor's report thereon. The above listed reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the above listed reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (changes in equity), and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of the account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with rules made thereunder;
  - e) on the basis of written representations received from the directors as on 31 March 2020, and taken on record by the

Board of Directors, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of Section 164(2) of the Act;

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 37 to the standalone financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended 31 March 2020.

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No 000459S

Sd/-

**M. V. Ramana Murthy**

Partner

Membership No.206439

UDIN: 20206439AAAABG2418

Hyderabad, 30 May 2020

# ANNEXURE A

## to the Independent Auditor's Report

(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kaveri Seed Company Limited)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the management in accordance with programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties shown in fixed asset schedule are held in the name of Company as at the balance sheet date.
- ii. As explained to us, inventories were physically verified during the year by the management at reasonable intervals. The discrepancies noticed on physical verification between the physical stocks and the book records were not material and they have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act. In respect of loans and investments made. The company has not given any guarantee and securities to any person to which provisions of the Section 185 and 186 of the Act are applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year to which the directions issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provision of the Act and the Rules framed there under, were applicable. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the activities of the Company.
- vii. According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- (b) There were no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, customs duty, value added tax and cess which were in arrears as at 31 March 2020 for a period of more than six months from the date they become payable.

(c) The details of statutory dues which have not been deposited as on 31 March 2020 on account of disputes are given below:

| Statute            | Nature of dues                   | Forum where dispute is pending                      | Period to which the amount relates | Amount involved (Rs. in Lakhs) |
|--------------------|----------------------------------|---|------------------------------------|--------------------------------|
| Central Excise Act | Excise Duty                      | Commissioner of Customs & central Excise, Hyderabad | April 2010 To March 2014           | 276.59                         |
| APGST Act          | Purchase Tax                     | Hon'ble High court of Andhra Pradesh                | April 2003 To March 2004           | 22.37                          |
| Bihar VAT Act      | VAT & CST (Interest and penalty) | Hon'ble High court of Bihar                         | April 2012 To March 2013           | 11.94                          |

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to government. The Company has not availed any loans from banks or financial institutions and the Company has not raised any monies through debentures.
- ix. According to the information and explanations given to us, the Company has utilised the money raised by way of term loans for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and other records of the Company in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on the examination of records of the Company, managerial remuneration has been paid or provided with requisite approvals mandated in accordance with the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on the examination of records of the Company,
- all the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made preferential allotment or private placement of shares or fully or partly Convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or directors of its subsidiaries or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No 000459S

Sd/-  
**M. V. Ramana Murthy**  
Partner

Membership No.206439  
UDIN: 20206439AAAABG2418

Hyderabad, 30 May 2020

# ANNEXURE B

## to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Kaveri Seed Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion and according to the information and explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No 0004595

Sd/-

**M. V. Ramana Murthy**  
Partner

Membership No.206439

UDIN: 20206439AAAABG2418

Hyderabad, 30 May 2020

# BALANCE SHEET

as at 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

| Particulars   | Note No. | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|----------|------------------------|------------------------|
| <b>ASSETS</b>   |          |                        |                        |
| <b>(1) Non-current assets</b>                                 |          |                        |                        |
| Property, Plant and Equipment                                 | 3        | 24,277.30              | 23,111.59              |
| Capital work-in-progress                                      | 4        | 1,298.40               | 3,292.24               |
| Other Intangible assets                                       | 5        | 155.83                 | 241.96                 |
| Intangible assets under development                           | 6        | -                      | -                      |
| Financial Assets  |          |                        |                        |
| Investments   | 7        | 6,254.48               | 6,658.59               |
| Loans   | 8        | 2,673.71               | 3,000.01               |
| Non-current Tax Assets (Net)                                  | 9        | 471.81                 | 397.72                 |
| Other non-current Assets                                      | 10       | 1,288.06               | 471.82                 |
| <b>Total Non-current assets</b>                               |          | <b>36,419.59</b>       | <b>37,173.93</b>       |
| <b>(2) Current assets</b>                                     |          |                        |                        |
| Inventories   | 11       | 63,284.54              | 55,163.89              |
| Biological Assets   | 12       | 8,916.23               | 5,308.98               |
| Financial Assets  |          |                        |                        |
| Investments   | 7        | 35,117.43              | 47,282.77              |
| Trade receivables   | 13       | 8,967.95               | 6,484.67               |
| Cash and cash equivalents                                     | 14       | 409.20                 | 322.05                 |
| Other Bank balances   | 15       | 12.75                  | 354.94                 |
| Other current assets  | 16       | 2,682.07               | 1,648.55               |
| Assets classified as held for sale                            | 17       | 2,631.15               | -                      |
| <b>Total current assets</b>                                   |          | <b>122,021.32</b>      | <b>116,565.85</b>      |
| <b>Total Assets</b>   |          | <b>158,440.91</b>      | <b>153,739.78</b>      |
| <b>EQUITY AND LIABILITIES</b>                                 |          |                        |                        |
| <b>Equity</b>   |          |                        |                        |
| Equity Share capital  | 18       | 1,206.58               | 1,262.58               |
| Other Equity  | 19       | 96,978.46              | 100,033.37             |
| <b>Total Equity</b>   |          | <b>98,185.04</b>       | <b>101,295.95</b>      |
| <b>LIABILITIES</b>  |          |                        |                        |
| <b>(1) Non-current liabilities</b>                            |          |                        |                        |
| Financial Liabilities   |          |                        |                        |
| Borrowings  | 20       | 155.76                 | 187.06                 |
| Provisions  | 21       | 477.16                 | 288.78                 |
| Deferred tax liabilities (Net)                                | 22       | 1,809.97               | 2,015.36               |
| Other non-current liabilities                                 | 23       | 801.12                 | 702.39                 |
| <b>Total Non-current liabilities</b>                          |          | <b>3,244.01</b>        | <b>3,193.59</b>        |
| <b>(2) Current liabilities</b>                                |          |                        |                        |
| Financial Liabilities   |          |                        |                        |
| Trade payables  | 24       |                        |                        |
| Total Outstanding dues of Micro and Small Enterprises         |          | 290.78                 | 219.51                 |
| Total Outstanding dues other than Micro and Small Enterprises |          | 26,250.53              | 21,372.96              |
| Other financial liabilities                                   | 25       | 166.07                 | 340.02                 |
| Current Tax Liabilities (Net)                                 | 26       | -                      | 106.86                 |
| Provisions  | 27       | 97.15                  | 51.55                  |
| Other current liabilities                                     | 28       | 30,207.33              | 27,159.34              |
| <b>Total Current liabilities</b>                              |          | <b>57,011.86</b>       | <b>49,250.24</b>       |
| <b>Total Equity and Liabilities</b>                           |          | <b>158,440.91</b>      | <b>153,739.78</b>      |
| See accompanying notes to the financial statements            | 1-56     |                        |                        |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.000459S  
Chartered Accountants

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-  
**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-  
**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

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

Sd/-  
**G.Vanaja Devi**  
Wholetime Director  
DIN: 00328947

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

| Particulars  | Note No. | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|----------|-----------------------------|-----------------------------|
| <b>I Income</b>  |          |                             |                             |
| Revenue from Operations  | 29       | 88,325.60                   | 76,898.90                   |
| Other Income   | 30       | 4,655.83                    | 4,286.77                    |
| <b>Total Income</b>  |          | <b>92,981.43</b>            | <b>81,185.67</b>            |
| <b>II Expenses</b>   |          |                             |                             |
| Cost of Material Consumed  | 31       | 56,772.66                   | 53,233.72                   |
| Changes in Inventories of Finished Goods and Work in Progress                            | 32       | (10,025.45)                 | (12,081.53)                 |
| Employee Benefits Expense  | 33       | 5,730.64                    | 4,548.92                    |
| Finance Costs  | 34       | 21.81                       | 12.52                       |
| Depreciation & Amortisation  | 35       | 2,430.71                    | 2,117.65                    |
| Other Expenses   | 36       | 11,894.85                   | 10,641.34                   |
| <b>Total Expenses</b>  |          | <b>66,825.22</b>            | <b>58,472.62</b>            |
| <b>III Profit before Tax (I-II)</b>  |          | <b>26,156.21</b>            | <b>22,713.05</b>            |
| <b>IV Less : Tax expense</b>   |          |                             |                             |
| Current Tax  |          | 868.74                      | 1,016.26                    |
| Earlier Years Tax  |          | 39.66                       | (13.25)                     |
| Deferred Tax   |          | 121.12                      | 237.18                      |
|  |          | 1,029.52                    | 1,240.19                    |
| <b>V Profit for the Year (III-IV)</b>  |          | <b>25,126.69</b>            | <b>21,472.86</b>            |
| <b>VI Other Comprehensive Income</b>   |          |                             |                             |
| <b>A (i) Items that will not be reclassified to Profit or loss</b>                       |          |                             |                             |
| Fair value of Equity Investments through OCI   |          | (27.74)                     | (11.39)                     |
| Actuarial gain/(loss) on employee benefits through OCI                                   |          | (90.16)                     | 14.69                       |
|  |          | <b>(117.90)</b>             | <b>3.30</b>                 |
| <b>(ii) Income Tax relating to items that will not be reclassified to Profit or loss</b> |          |                             |                             |
| Fair value of Equity Investments through OCI   |          | 9.69                        | 3.98                        |
| Actuarial gain/(loss) on employee benefits through OCI                                   |          | 0.95                        | (0.15)                      |
|  |          | 10.64                       | 3.83                        |
|  |          | <b>(107.26)</b>             | <b>7.13</b>                 |
| <b>B (i) Items that will be reclassified to Profit or loss</b>                           |          |                             |                             |
| Fair value of Investments through OCI  |          | (904.04)                    | 82.32                       |
| <b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>     |          |                             |                             |
| Fair value of Investments through OCI  |          | 315.87                      | (106.07)                    |
|  |          | <b>(588.17)</b>             | <b>(23.75)</b>              |
| <b>Total Other Comprehensive Income</b>  |          | <b>(695.43)</b>             | <b>(16.62)</b>              |
| <b>VII Total Comprehensive Income for the year (V+VI)</b>                                |          | <b>24,431.26</b>            | <b>21,456.24</b>            |
| <b>VIII Earnings Per Equity Share</b>  |          |                             |                             |
| Basic (equity shares, par value ₹ 2 each)  |          | 40.14                       | 33.30                       |
| Diluted (equity shares, par value ₹ 2 each)  |          | 40.14                       | 33.30                       |
| See accompanying notes to the financial statements                                       | 1-56     |                             |                             |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**

Firm Registration No.000459S

Chartered Accountants

Sd/-

**M.V. Ramana Murthy**

Partner

Membership No. 206439

Sd/-

**K.V.Chalapathi Reddy**

Chief Financial Officer

Sd/-

**G.V.Bhaskar Rao**

Managing Director

DIN: 00892232

Sd/-

**V.R.S.Murti**

Company Secretary

Sd/-

**G.Vanaja Devi**

Wholetime Director

DIN: 00328947

Place: Secunderabad

Date: 30 May 2020

# STATEMENT OF CHANGES IN EQUITY

All amounts are Rupees in lakhs unless otherwise stated

## A. Equity Share Capital

| Particulars                                     | Amount          |
|---|-----------------|
| <b>Issued and paid up equity share capital</b>  |                 |
| <b>Balance as at 31 March, 2018</b>             | <b>1,321.84</b> |
| Changes in equity share capital during the year | (59.26)         |
| <b>Balance as at 31 March, 2019</b>             | <b>1,262.58</b> |
| Changes in equity share capital during the year | (56.00)         |
| <b>Balance as at 31 March, 2020</b>             | <b>1,206.58</b> |

## B. Other Equity

| Particulars  | General Reserve | Retained Earnings | Capital Redemption Reserve | Other Comprehensive Income             |  | Total             |
|--|-----------------|-------------------|----------------------------|--|--|-------------------|
|  |                 |                   |                            | Fair Value gain/ (loss) on Investments | Actuarial gain / (loss) on employee benefits |                   |
| <b>Balance as at 1 April, 2018</b>                 | <b>1,000.00</b> | <b>96,492.00</b>  | <b>59.26</b>               | <b>3,584.03</b>                        | <b>(334.00)</b>                              | <b>100,801.29</b> |
| Other Comprehensive Income for the year            | -               | -                 | -                          | (31.16)                                | 14.54  | (16.62)           |
| Profit for the Year                                | -               | 21,472.86         | -                          | -                                      | -  | 21,472.86         |
| Buyback of Equity Shares                           | (1,000.00)      | (18,940.99)       | -                          | -                                      | -  | (19,940.99)       |
| Dividend and Dividend Tax                          | -               | (2,283.17)        | -                          | -                                      | -  | (2,283.17)        |
| Transferred to General Reserve                     | 1,000.00        | (1,000.00)        | -                          | -                                      | -  | -                 |
| Transferred to Capital Redemption Reserve          | -               | (59.26)           | 59.26                      | -                                      | -  | -                 |
| <b>Balance as at 31 March 2019</b>                 | <b>1,000.00</b> | <b>95,681.44</b>  | <b>118.52</b>              | <b>3,552.87</b>                        | <b>(319.46)</b>                              | <b>100,033.37</b> |
| Other Comprehensive Income for the year            | -               | -                 | -                          | (606.22)                               | (89.21)                                      | (695.43)          |
| Profit for the Year                                | -               | 25,126.69         | -                          | -                                      | -  | 25,126.69         |
| Buyback of Equity Shares                           | (1,000.00)      | (22,986.77)       | -                          | -                                      | -  | (23,986.77)       |
| Dividend and Dividend Tax                          | -               | (2,283.17)        | -                          | -                                      | -  | (2,283.17)        |
| Interest on loan to Employee Trust                 | -               | (1,216.23)        | -                          | -                                      | -  | (1,216.23)        |
| Transferred to General Reserve                     | 1,000.00        | (1,000.00)        | -                          | -                                      | -  | -                 |
| Transferred to Capital Redemption Reserve          | -               | (56.00)           | 56.00                      | -                                      | -  | -                 |
| <b>Balance as at 31 March 2020</b>                 | <b>1,000.00</b> | <b>93,265.96</b>  | <b>174.52</b>              | <b>2,946.65</b>                        | <b>(408.67)</b>                              | <b>96,978.46</b>  |
| See accompanying notes to the financial statements | 1-56            |                   |                            |  |  |                   |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.000459S  
Chartered Accountants

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-  
**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-  
**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

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

Sd/-  
**G.Vanaja Devi**  
Wholtime Director  
DIN: 00328947

# STATEMENT OF CASH FLOWS

All amounts are Rupees in lakhs unless otherwise stated

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                    |                             |                             |
| Profit before taxation and exceptional items                   | 26,156.21                   | 22,713.05                   |
| Adjustments for:   |                             |                             |
| Fairvalue gain on Investments                                  | (291.85)                    | (725.48)                    |
| Depreciation & Amortisation                                    | 2,430.71                    | 2,117.65                    |
| (Profit)/Loss on sale of Fixed Assets                          | (41.74)                     | (23.50)                     |
| Dividend Received  | (1.97)                      | (2.61)                      |
| Gain from Investments  | (3,935.90)                  | (3,177.49)                  |
| Interest received  | (196.46)                    | (209.77)                    |
| Finance charges  | 21.81                       | 12.52                       |
| <b>Operating profit before working capital changes</b>         | <b>24,140.81</b>            | <b>20,704.37</b>            |
| (Increase) / Decrease in Inventories and Biological Assets     | (11,727.90)                 | (12,494.24)                 |
| (Increase)/Decrease in Trade Receivables and other receivables | (2,483.28)                  | (91.33)                     |
| (Increase)/Decrease in Loans & Other Financials Assets         | (1,772.65)                  | (3,231.44)                  |
| Increase/(Decrease) in Trade Payables                          | 4,948.84                    | 3,305.52                    |
| Increase/(Decrease) in Provisions                              | 233.98                      | (141.82)                    |
| Increase/(Decrease) in Other liabilities                       | 2,947.68                    | 5,677.81                    |
| Taxes paid during the year                                     | (1,084.51)                  | (972.98)                    |
| <b>Net cash generated by operating activities</b>              | <b>15,202.97</b>            | <b>12,755.89</b>            |
| <b>Cash flows from investing activities</b>                    |                             |                             |
| Payments for property, plant and equipment                     | (5,154.99)                  | (6,902.59)                  |
| Proceeds from disposal of property, plant and equipment        | 133.70                      | 55.49                       |
| Purchase of investment   | (50,999.70)                 | (54,115.61)                 |
| Proceeds from disposal of investments                          | 66,865.12                   | 69,394.17                   |
| Payments for intangible assets                                 | (24.23)                     | (13.47)                     |
| Proceeds from earmarked deposits with Bank                     | 342.19                      | (341.40)                    |
| Loans given to subsidiaries                                    | -                           | (134.97)                    |
| Loans repaid by subsidiaries                                   | 83.14                       | 830.63                      |
| Dividend Received  | 1.97                        | 2.61                        |
| Interest received  | 7.57                        | 191.63                      |
| <b>Net cash generated for investing activities</b>             | <b>11,254.77</b>            | <b>8,966.49</b>             |
| <b>Cash flows from financing activities</b>                    |                             |                             |
| Buyback of Equity Shares                                       | (24,042.77)                 | (20,000.25)                 |
| Proceeds from borrowings                                       | 18.10                       | 32.00                       |
| Repayments of borrowings                                       | (34.56)                     | -                           |
| Dividend including Tax on dividend                             | (2,283.17)                  | (2,283.17)                  |
| Finance charges  | (28.21)                     | (8.43)                      |
| <b>Net cash used in financing activities</b>                   | <b>(26,370.59)</b>          | <b>(22,259.85)</b>          |
| Net increase in cash & cash equivalents                        | 87.15                       | (537.47)                    |
| Cash & Cash equivalents at the beginning of the year           | 322.05                      | 859.52                      |
| <b>Cash &amp; Cash equivalents at the end of the year</b>      | <b>409.20</b>               | <b>322.05</b>               |
| See accompanying notes to the financial statements             | 1-56                        |                             |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.0004595  
Chartered Accountants

Sd/-

**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-

**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-

**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

Sd/-

**V.R.S.Murti**  
Company Secretary

Sd/-

**G.Vanaja Devi**  
Wholetime Director  
DIN: 00328947

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 1 Corporate Information

Kaveri Seed Company Limited ("the Company") has been incorporated on August 27, 1986, as private limited company and converted into public limited company on November 07, 2006. The company has been listed on 04.10.2007 on the Bombay Stock Exchange and the National Stock Exchange in India.

The company is into research, production, processing and marketing of various high quality hybrid seeds.

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

The standalone financial statements have been authorised for issue by the board of directors of the company on 30th May 2020.

## 2 Summary of significant accounting policies

### 2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter, guidelines issued by Securities and Exchange Board of India (SEBI), relevant provisions of the Act and other Accounting principles generally accepted in india

### 2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fairvalue. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fairvalue, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### 2.3 Use of Estimates:

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

### 2.4 Property, Plant & Equipment and Other Intangible assets:

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

#### Freehold land is not depreciated

Separately purchased intangible assets are initially measured at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any. Intangible assets are amortized over their respective individual estimated useful lives on a WDV basis, from the date that they are available for use.

### 2.5 Biological Asset:

#### Recognition and measurement

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

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

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

- (b) it is probable that future economic benefits associated with the asset will flow to the company; and
- (c) the fair value or cost of the asset can be measured reliably.

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

## 2.6 Leases:

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily

determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

## 2.7 Borrowing Costs:

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

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

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

## 2.8 Government Grants:

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

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

## 2.9 Impairment of Assets:

### i) Financial assets

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

# NOTES

## to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

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

### ii) Non-financial assets

#### Property, Plant & Equipment and Other Intangible assets

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

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

#### 2.10 Revenue recognition:

The Company adopted IndAS115 "Revenue from Contracts with Customers" using the modified retrospective approach.

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and indirect taxes. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. Therefore, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

The company classifies the right to consideration in exchange for goods as a receivable and is presented net of impairment in the Balance Sheet

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

#### 2.11 Dividend and Interest Income:

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

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

#### 2.12 Foreign currency transactions:

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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Gains and losses arising on settlement and translating monetary items at reporting date are included in the profit or loss.

#### 2.13 Financial Instruments:

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

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

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

### i) Non-derivative financial instruments

#### Cash and cash equivalents

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

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

consist of balances with banks which are unrestricted for withdrawal and usage.

## Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

## Financial assets at fair value through other comprehensive income

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

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

## Financial assets at fair value through Profit or loss

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

## Financial assets at cost

Investment in subsidiaries are measured at cost.

## Financial liabilities

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

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

## Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cashflows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

## 2.14 Non current assets held for sale:

Non-Current Assets are classified as Held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A Sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as Held for Sale are measured at the lower of their carrying amount and fair value less cost of sell and are presented separately in the consolidated Balance Sheet

## 2.15 Employee Benefits:

### a) Gratuity:

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

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

### b) Provident fund:

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

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

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## c) Compensated absences:

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

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

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

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

## d) Other short term employee benefits:

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

## 2.16 Share Based Payment Arrangements:

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

### a) Equity settled share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense in the statement of profit and loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and performance conditions at the vesting date. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

### b) Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the statement of profit and loss.

## 2.17 Inventories:

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

## 2.18 Trade Receivables:

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

## 2.19 Taxation:

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

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

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Deferred income taxes

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

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

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

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

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

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

## 2.20 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

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

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive

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

## 2.21 Provision, Contingent Liabilities and Contingent Assets:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made.

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

## 2.22 Critical accounting estimates and judgements:

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

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

- a) Provision for doubtful debts - Refer note no.13
- b) Provision for schemes - Refer note no.28
- c) Provision for returns - Refer note no.28
- d) Biological assets - Refer note no.12
- e) Measurement of useful life and residual values of property, plant and equipments and useful life of intangible assets - Refer note no.3

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 3 Property, Plant and Equipment

| Particulars                                   | Land             | Buildings       | Plant & Equipment | Furniture & Fixtures | Vehicles        | Office Equipments | Computers     | Total            |
|---|------------------|-----------------|-------------------|----------------------|-----------------|-------------------|---------------|------------------|
| <b>Gross Carrying Amount</b>                  |                  |                 |                   |                      |                 |                   |               |                  |
| Balance as at 01.04.2019                      | 9,915.18         | 9,330.48        | 17,311.75         | 598.84               | 1,075.26        | 173.49            | 245.04        | 38,650.04        |
| Additions                                     | 1,780.25         | 315.03          | 1,025.77          | 273.11               | 69.96           | 70.95             | 42.95         | 3,578.02         |
| Deletions                                     | 39.07            | -               | 256.17            | 10.42                | 92.51           | 39.06             | 23.97         | 461.20           |
| <b>Balance as at 31.03.2020</b>               | <b>11,656.36</b> | <b>9,645.51</b> | <b>18,081.35</b>  | <b>861.53</b>        | <b>1,052.71</b> | <b>205.38</b>     | <b>264.02</b> | <b>41,766.86</b> |
| <b>Accumulated Depreciation/ Amortisation</b> |                  |                 |                   |                      |                 |                   |               |                  |
| Balance upto 01.04.2019                       | -                | 3,615.45        | 10,372.59         | 443.42               | 771.53          | 135.58            | 199.88        | 15,538.45        |
| Additions                                     | -                | 525.08          | 1,556.94          | 74.44                | 98.24           | 30.84             | 34.82         | 2,320.36         |
| Deletions                                     | -                | -               | 219.32            | 9.68                 | 81.20           | 36.86             | 22.19         | 369.25           |
| <b>Balance upto 31.03.2020</b>                | <b>-</b>         | <b>4,140.53</b> | <b>11,710.21</b>  | <b>508.18</b>        | <b>788.57</b>   | <b>129.56</b>     | <b>212.51</b> | <b>17,489.56</b> |
| <b>Net Carrying Amount</b>                    |                  |                 |                   |                      |                 |                   |               |                  |
| <b>Balance as at 31.03.2020</b>               | <b>11,656.36</b> | <b>5,504.98</b> | <b>6,371.14</b>   | <b>353.35</b>        | <b>264.14</b>   | <b>75.82</b>      | <b>51.51</b>  | <b>24,277.30</b> |
| <b>Gross Carrying Amount</b>                  |                  |                 |                   |                      |                 |                   |               |                  |
| Balance as at 01.04.2018                      | 6,479.77         | 9,035.61        | 14,435.19         | 584.10               | 1,005.52        | 151.66            | 220.81        | 31,912.65        |
| Additions                                     | 3,435.41         | 294.88          | 2,876.57          | 14.74                | 241.49          | 22.12             | 32.97         | 6,918.18         |
| Deletions                                     | -                | -               | -                 | -                    | 171.74          | 0.29              | 8.74          | 180.77           |
| <b>Balance as at 31.03.2019</b>               | <b>9,915.18</b>  | <b>9,330.48</b> | <b>17,311.75</b>  | <b>598.84</b>        | <b>1,075.26</b> | <b>173.49</b>     | <b>245.04</b> | <b>38,650.04</b> |
| <b>Accumulated Depreciation/ Amortisation</b> |                  |                 |                   |                      |                 |                   |               |                  |
| Balance upto 01.04.2018                       | -                | 3,085.51        | 9,115.46          | 393.48               | 772.12          | 117.12            | 177.40        | 13,661.08        |
| Additions                                     | -                | 529.94          | 1,257.14          | 49.95                | 139.65          | 18.70             | 30.79         | 2,026.17         |
| Deletions                                     | -                | -               | -                 | -                    | 140.24          | 0.24              | 8.31          | 148.78           |
| <b>Balance upto 31.03.2019</b>                | <b>-</b>         | <b>3,615.45</b> | <b>10,372.59</b>  | <b>443.42</b>        | <b>771.53</b>   | <b>135.58</b>     | <b>199.88</b> | <b>15,538.45</b> |
| <b>Net Carrying Amount</b>                    |                  |                 |                   |                      |                 |                   |               |                  |
| <b>Balance as at 31.03.2019</b>               | <b>9,915.18</b>  | <b>5,715.03</b> | <b>6,939.16</b>   | <b>155.42</b>        | <b>303.74</b>   | <b>37.91</b>      | <b>45.16</b>  | <b>23,111.59</b> |

## 4 Capital work-in-progress

| Particulars                         | Land     | Buildings       | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Total           |
|-------------------------------------|----------|-----------------|-------------------|----------------------|----------|-------------------|-----------|-----------------|
| <b>Carrying Amount</b>              |          |                 |                   |                      |          |                   |           |                 |
| Balance as at 01.04.2019            | -        | 2,764.62        | 517.98            | 1.15                 | -        | 8.49              | -         | 3,292.24        |
| Additions                           | -        | 1,469.77        | 229.27            | 262.73               | -        | -                 | 16.84     | 1,978.61        |
| Deletions                           | -        | 307.39          | 746.90            | 261.68               | -        | 8.49              | 16.84     | 1,341.30        |
| Transferred to Assets held for sale | -        | 2,631.15        | -                 | -                    | -        | -                 | -         | 2,631.15        |
| <b>Balance as at 31.03.2020</b>     | <b>-</b> | <b>1,295.84</b> | <b>0.36</b>       | <b>2.20</b>          | <b>-</b> | <b>-</b>          | <b>-</b>  | <b>1,298.40</b> |
| <b>Carrying Amount</b>              |          |                 |                   |                      |          |                   |           |                 |
| Balance as at 01.04.2018            | -        | 2,727.37        | 152.84            | 1.15                 | -        | 8.49              | -         | 2,889.85        |
| Additions                           | -        | 1,442.17        | 1,728.68          | 7.09                 | -        | -                 | -         | 3,177.94        |
| Deletions                           | -        | 1,404.92        | 1,363.53          | 7.09                 | -        | -                 | -         | 2,775.55        |
| <b>Balance as at 31.03.2019</b>     | <b>-</b> | <b>2,764.62</b> | <b>517.98</b>     | <b>1.15</b>          | <b>-</b> | <b>8.49</b>       | <b>-</b>  | <b>3,292.24</b> |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 5 Other InTangible assets

| Particulars                                  | Software      | Total         |
|--|---------------|---------------|
| <b>Gross Carrying Amount</b>                 |               |               |
| Balance as at 01.04.2019                     | 531.48        | 531.48        |
| Additions                                    | 24.23         | 24.23         |
| Deletions                                    | -             | -             |
| <b>Balance as at 31.03.2020</b>              | <b>555.71</b> | <b>555.71</b> |
| <b>Accumulated Depreciation/Amortisation</b> |               |               |
| Balance upto 01.04.2019                      | 289.53        | 289.53        |
| Additions                                    | 110.36        | 110.36        |
| Deletions                                    | -             | -             |
| <b>Balance upto 31.03.2020</b>               | <b>399.88</b> | <b>399.88</b> |
| <b>Net Carrying Amount</b>                   |               |               |
| <b>Balance as at 31.03.2020</b>              | <b>155.83</b> | <b>155.83</b> |
| <b>Gross Carrying Amount</b>                 |               |               |
| Balance as at 01.04.2018                     | 248.27        | 248.27        |
| Additions                                    | 283.21        | 283.21        |
| Deletions                                    | -             | -             |
| <b>Balance as at 31.03.2019</b>              | <b>531.48</b> | <b>531.48</b> |
| <b>Accumulated Depreciation/Amortisation</b> |               |               |
| Balance upto 01.04.2018                      | 198.05        | 198.05        |
| Additions                                    | 91.48         | 91.48         |
| Deletions                                    | -             | -             |
| <b>Balance upto 31.03.2019</b>               | <b>289.53</b> | <b>289.53</b> |
| <b>Net Carrying Amount</b>                   |               |               |
| <b>Balance as at 31.03.2019</b>              | <b>241.96</b> | <b>241.96</b> |

## 6 InTangible assets under development

| Particulars                     | Software | Total    |
|---------------------------------|----------|----------|
| <b>Carrying Amount</b>          |          |          |
| Balance as at 01.04.2019        | -        | -        |
| Additions                       | -        | -        |
| Deletions                       | -        | -        |
| <b>Balance as at 31.03.2020</b> | <b>-</b> | <b>-</b> |
| <b>Carrying Amount</b>          |          |          |
| Balance as at 01.04.2018        | 269.74   | 269.74   |
| Additions                       | -        | -        |
| Deletions                       | 269.74   | 269.74   |
| <b>Balance as at 31.03.2019</b> | <b>-</b> | <b>-</b> |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 7 Investments

| Particulars   | As at            |                  |
|---|------------------|------------------|
|   | 31 March 2020    | 31 March 2019    |
| <b>Non Current Investments</b>                      |                  |                  |
| Equity Investments of Subsidiaries                  | 2,985.93         | 2,985.93         |
| Equity Investments in Other Entities                | 1.02             | 1.04             |
| Investment in Government Securities                 | -                | 0.30             |
| Investment in Real Estate Portfolio Management Fund | 3,192.81         | 3,568.88         |
| Equity Investments - Others                         | 74.72            | 102.44           |
|   | <b>6,254.48</b>  | <b>6,658.59</b>  |
| <b>Current Investments</b>                          |                  |                  |
| Liquid Mutual Fund Units                            | 504.24           | 3,550.99         |
| Fixed Maturity Plan Mutual Fund Units               | 18,008.34        | 16,570.52        |
| Other Debt Mutual Fund Units                        | 16,604.85        | 27,161.26        |
|   | <b>35,117.43</b> | <b>47,282.77</b> |

| Particulars   | As at 31 March 2020 |                 | As at 31 March 2019 |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | Qty Nos             | Amount          | Qty Nos             | Amount          |
| <b>Non Current Investments</b>  |                     |                 |                     |                 |
| <b>Un-Quoted</b>  |                     |                 |                     |                 |
| <b>Equity Investment in Subsidiaries</b>  |                     |                 |                     |                 |
| <b>(Investments Carried at Cost)</b>  |                     |                 |                     |                 |
| Equity shares of ₹ 10 each fully paid up in Aditya Agritech Pvt Ltd                     | 770,000             | 77.00           | 770,000             | 77.00           |
| Equity shares of ₹ 10 each fully paid up in Kaveri Microteck Pvt Ltd                    | 16,557,789          | 2,868.64        | 14,536,360          | 1,453.64        |
| Equity shares of ₹ 10 each fully paid up in Genome Agritech Pvt Ltd                     | 91,800              | 30.29           | 91,800              | 30.29           |
| Equity shares of ₹ 10 each fully paid up in Kex veg India Pvt Ltd<br>(Refer Note below) | -                   | -               | 14,150,000          | 1,415.00        |
| Equity shares of ₹ 10 each fully paid up in Genomix Agri Genetics Pvt Ltd               | 99,999              | 10.00           | 99,999              | 10.00           |
|   |                     | <b>2,985.93</b> |                     | <b>2,985.93</b> |

### Note:

During the current period in pursuance of approval by National Company Law Tribunal, M/s.Kexveg India Pvt Ltd, a wholly owned subsidiary was merged into M/s. Kaveri Microteck Pvt Ltd, another wholly owned subsidiary .

|  |       |                 |       |                 |
|--|-------|-----------------|-------|-----------------|
| <b>Equity Investments in Other Entities</b>                                      |       |                 |       |                 |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b>    |       |                 |       |                 |
| Equity Shares of ₹ 100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up | 3,600 | -               | 3,600 | -               |
| Equity Shares of ₹ 10 each in Swadeshi Biotechnics Ltd -fully paid up            | 7,000 | 1.02            | 7,000 | 1.04            |
|  |       | <b>1.02</b>     |       | <b>1.04</b>     |
| <b>Investment in Government Securities</b>                                       |       |                 |       |                 |
| <b>(Investments Carried at Cost)</b>   |       |                 |       |                 |
| National Savings Certificates  | -     | -               | 2     | 0.30            |
|  |       | -               |       | <b>0.30</b>     |
| <b>Investment in Real Estate Portfolio Management Fund</b>                       |       |                 |       |                 |
| <b>(Investments Carried at Fair Value through Profit &amp; Loss Statement)</b>   |       |                 |       |                 |
| ASK Real Estate Special Situations Mutual Fund                                   | 375   | 371.11          | 375   | 371.11          |
| ASK PMS Real Estate Special Opportunities Portfolio - III                        | -     | 2,698.00        | -     | 3,074.06        |
|  |       | <b>3,069.11</b> |       | <b>3,445.17</b> |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 7 Investments (Contd..)

| Particulars  | As at 31 March 2020 |                  | As at 31 March 2019 |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | Qty Nos             | Amount           | Qty Nos             | Amount           |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b>  |                     |                  |                     |                  |
| ASK Real Estate Special Situations Mutual Fund                                 | 125                 | 123.70           | 125                 | 123.70           |
|  |                     | <b>123.70</b>    |                     | <b>123.70</b>    |
|  |                     | <b>3,192.81</b>  |                     | <b>3,568.88</b>  |
| <b>Quoted</b>  |                     |                  |                     |                  |
| <b>Equity Investments - Others</b>   |                     |                  |                     |                  |
| <b>(Other than trade)</b>  |                     |                  |                     |                  |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b>  |                     |                  |                     |                  |
| Equity Shares of ₹ 10 each in Vijay Textiles Ltd - fully paid up               | 199,425             | 31.51            | 199,425             | 54.34            |
| Equity shares of ₹ 10 each in Bank of Maharashtra - fully paid up              | 1,900               | 0.17             | 1,900               | 0.26             |
| Equity shares of ₹ 10 each in Indian Overseas Bank - fully paid up             | 9,700               | 0.68             | 9,700               | 1.40             |
| Equity Shares of Re.1 each in Tata Consultancy Services Ltd - full paid up     | 2,320               | 42.37            | 2,320               | 46.44            |
|  |                     | <b>74.72</b>     |                     | <b>102.44</b>    |
| <b>Current Investments</b>   |                     |                  |                     |                  |
| <b>Unquoted</b>  |                     |                  |                     |                  |
| <b>(Other than trade)</b>  |                     |                  |                     |                  |
| <b>Liquid Mutual Fund Units</b>  |                     |                  |                     |                  |
| <b>(Investments Carried at Fair Value through Profit &amp; Loss Statement)</b> |                     |                  |                     |                  |
| ICICI Prudential Liquid Fund - Direct Plan - Growth                            | -                   | -                | 806,883             | 2,230.36         |
| Reliance Liquid Fund - Direct Plan Growth Plan - Growth Option                 | -                   | -                | 8,940               | 407.85           |
| SBI Liquid Fund Direct Growth  | -                   | -                | 31,168              | 912.79           |
| Mirae Asset Cash Management Fund-Direct Plan Growth                            | 24,073              | 504.24           | -                   | -                |
|  |                     | <b>504.24</b>    |                     | <b>3,550.99</b>  |
| <b>Fixed Maturity Plan Mutual Fund Units</b>                                   |                     |                  |                     |                  |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b>  |                     |                  |                     |                  |
| BSL Fixed Term Plan - Series PB (1190 Days) - Direct Growth                    | 3,000,000           | 356.49           | 3,000,000           | 327.08           |
| BSL Fixed Term Plan - Series PE (1159 Days) - Direct Growth                    | 3,000,000           | 355.22           | 3,000,000           | 325.88           |
| BSL Fixed Term Plan - Series QJ (1098 Days) - Direct Growth                    | 15,000,000          | 1,758.96         | 15,000,000          | 1,616.09         |
| Franklin India Fixed Maturity Plans - Series 3 - Plan F 1098 days - Dr-G       | 5,000,000           | 589.40           | 5,000,000           | 539.05           |
| HDFC FMP 1178D Feb, 2017 Direct Growth -Series 37                              | 24,048,573          | 3,095.39         | 24,048,573          | 2,838.33         |
| ICICI Prudential Fixed Maturity Plan Series 80-1150 Days Plan N Dr-Cum         | 7,804,662           | 1,000.58         | 7,804,662           | 920.52           |
| ICICI Prudential Fixed Maturity Plan Series 83-1113 Days Plan E Dr-Cum         | 17,000,000          | 1,970.35         | 17,000,000          | 1,817.66         |
| ICICI Prudential Fixed Maturity Plan Series 83-1105 Days Plan M Dr-Cum         | 5,104,334           | 585.08           | 5,104,334           | 539.50           |
| Kotak FMP Series 235 Direct - Growth   | 5,000,000           | 587.72           | 5,000,000           | 536.72           |
| Nippon Fixed Horizon Fund -XXXVIII -Series 03 - Direct Growth Plan             | 6,000,000           | 702.45           | 6,000,000           | 643.04           |
| UTI Fixed Term Income Fund Series XXIX - XI (1112 Days)-Dr-Growth              | 6,478,435           | 674.68           | 6,478,435           | 689.82           |
| HDFC FMP 1302 D SEPTEMBER 2016 (1) - SERIES 37 REG - G                         | 24,273,023          | 3,213.75         | 24,273,023          | 2,941.89         |
| IIFL Wealth Finance Limited SR-IFGPD - II BR NCD                               | 2,700               | 3,118.27         | 2,700               | 2,834.95         |
|  |                     | <b>18,008.34</b> |                     | <b>16,570.52</b> |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 7 Investments (Contd..)

| Particulars  | As at 31 March 2020 |                  | As at 31 March 2019 |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | Qty Nos             | Amount           | Qty Nos             | Amount           |
| <b>Other Debt Mutual Fund Units</b>  |                     |                  |                     |                  |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b>  |                     |                  |                     |                  |
| BSL Medium Term Plan-Growth-Direct   | 6,030,081           | 1,388.71         | 6,030,081           | 1,431.43         |
| HDFC Credit Risk Debt Fund - Direct Growth                                     | 28,510,870          | 4,973.21         | 28,510,870          | 4,538.53         |
| IDFC Corporate Bond Fund Direct Plan-Growth                                    | -                   | -                | 2,923,851           | 376.02           |
| IDFC Credit Risk fund Direct Plan Growth                                       | 589,183             | 75.00            | 589,183             | 68.32            |
| ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth              | -                   | -                | 2,730,566           | 588.83           |
| ICICI Prudential Midium Term Bond Fund - Direct Plan - Growth                  | -                   | -                | 14,691,815          | 4,406.44         |
| Kotak Credit Risk Fund - Direct Plan - Growth                                  | -                   | -                | 22,363,110          | 4,816.43         |
| Reliance Credit Risk Fund _Direct Growth Plan Growth Option                    | -                   | -                | 1,151,998           | 313.29           |
| Reliance Stagetie Debt Fund -Direct Growth Plan                                | -                   | -                | 40,818,805          | 6,267.69         |
|  |                     | <b>6,436.92</b>  |                     | <b>22,806.98</b> |
| <b>(Investments Carried at Fair Value through Profit &amp; Loss Statement)</b> |                     |                  |                     |                  |
| Tata Money Market Fund Direct Plan - Growth                                    | 29,418              | 1,019.68         | -                   | -                |
| BSL Money Manager Fund - Growth - Direct Plan                                  | -                   | -                | 4,428               | 11.14            |
| BSL Low Duration Fund - Growth - Direct Plan                                   | -                   | -                | 190,371             | 900.80           |
| HDFC Ultra Short Term Fund - Direct Growth                                     | -                   | -                | 10,597,006          | 1,109.97         |
| IDFC Ultra Short Term Fund-Growth-(Direct Plan)                                | 13,233,585          | 1,509.48         | 10,519,768          | 1,115.62         |
| ICICI Prudential Money Market Fund - Direct Plan - Growth                      | 1,082,153           | 3,022.07         | 194,078             | 504.92           |
| Kotak Banking and PSU Debt Fund Direct Growth                                  | 3,153,640           | 1,502.61         | -                   | -                |
| Kotak Low Duration Fund Direct Growth  | 23,356              | 602.87           | -                   | -                |
| Nippon India Low Duration Fund - Direct Growth Plan Growth Option              | 88,960              | 2,511.21         | -                   | -                |
| UTI Ultra Short Term Fund - Direct Growth Plan                                 | -                   | -                | 22,679              | 711.82           |
|  |                     | <b>10,167.93</b> |                     | <b>4,354.27</b>  |
|  |                     | <b>16,604.85</b> |                     | <b>27,161.26</b> |
| Market Value of Quoted Investments   |                     | 74.72            |                     | 102.44           |
| Aggregate amount of Quoted Investments   |                     | 204.27           |                     | 204.27           |
| Aggregate amount of Unquoted Investments                                       |                     | 35,910.59        |                     | 47,840.10        |
| Investments Carried at Cost  |                     | 2,985.93         |                     | 2,986.23         |
| Investments Carried at Fair Value through Other Comprehensive Income           |                     | 24,644.70        |                     | 39,604.70        |
| Investments Carried at Fair Value through Profit & Loss                        |                     | 13,741.27        |                     | 11,350.44        |

### Investments in Mutual Funds

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

### Investments in Subsidiaries

The Company has designated these investments at cost.

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Investments in Equity Instruments of Other Entities (Quoted and Unquoted)

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

| Equity Investment in Subsidiaries   | Nature of Business | Proportion (%) of equity interest |               |
|---|--------------------|-----------------------------------|---------------|
|   |                    | 31 March 2020                     | 31 March 2019 |
| Equity shares of ₹ 10 each fully paid up in Aditya Agritech Pvt Ltd       | Seeds              | 70                                | 70            |
| Equity shares of ₹ 10 each fully paid up in Kaveri Microteck Pvt Ltd      | Micronutrients     | 100                               | 100           |
| Equity shares of ₹ 10 each fully paid up in Genome Agritech Pvt Ltd       | Seeds              | 51                                | 51            |
| Equity shares of ₹ 10 each fully paid up in Genomix Agri Genetics Pvt Ltd | Seeds              | 100                               | 100           |
| Equity shares of ₹ 10 each fully paid up in Kexveg India Pvt Ltd          | Vegetables         | -                                 | 100           |

## 8 Loans

| Particulars                          | As at           | As at           |
|--------------------------------------|-----------------|-----------------|
|                                      | 31 March 2020   | 31 March 2019   |
| <b>Unsecured and considered good</b> |                 |                 |
| Loan to Kaveri Employees Trust       | 2,673.71        | 3,000.01        |
|                                      | <b>2,673.71</b> | <b>3,000.01</b> |

## 9 Non-current Tax Assets (Net)

| Particulars   | As at         | As at         |
|---|---------------|---------------|
|   | 31 March 2020 | 31 March 2019 |
| Advance Income Tax and Tax Deducted at Source                       | 471.81        | 397.72        |
| Net of Provision ₹ 2,764.97 Lakhs (31 March 2019: ₹ 1,896.22 Lakhs) |               |               |
|   | <b>471.81</b> | <b>397.72</b> |

## 10 Other non-current assets

| Particulars                          | As at           | As at         |
|--------------------------------------|-----------------|---------------|
|                                      | 31 March 2020   | 31 March 2019 |
| <b>Unsecured and considered good</b> |                 |               |
| Security deposits                    | 242.58          | 185.61        |
| Advances for Capital Expenses        | 1,045.48        | 286.21        |
|                                      | <b>1,288.06</b> | <b>471.82</b> |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 11 Inventories

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Measured at lower of cost or net realisable value</b> |                        |                        |
| Raw Materials  | 6,888.43               | 5,185.98               |
| Work in Process  | 8,645.93               | 9,216.26               |
| Finished Goods   | 47,750.18              | 40,761.65              |
|  | <b>63,284.54</b>       | <b>55,163.89</b>       |

## 12 Biological Assets

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------|------------------------|------------------------|
| Standing Crop | 8,916.23               | 5,308.98               |
|               | <b>8,916.23</b>        | <b>5,308.98</b>        |

## 13 Trade receivables

| Particulars                  | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------|---------------------|---------------------|
| Considered good - Unsecured  | 8,967.95            | 6,484.67            |
| Receivables- Credit impaired | 3,327.38            | 2,831.19            |
| Less: Loss Allowance         | (3,327.38)          | (2,831.19)          |
|                              | <b>8,967.95</b>     | <b>6,484.67</b>     |

Trade receivables from related parties are disclosed in note no. 46

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

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

| Particulars                              | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Movement in the Loss Allowance</b>    |                             |                             |
| Balance at the beginning of the year     | 2,831.19                    | 2,957.35                    |
| Movement during the year based on ageing | 496.19                      | (126.16)                    |
| Balance at the end of the year           | <b>3,327.38</b>             | <b>2,831.19</b>             |

## 14 Cash and cash equivalents

| Particulars                            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Cash on hand                           | 2.75                   | 6.08                   |
| Balances with Banks - Current Accounts | 406.45                 | 315.97                 |
|  | <b>409.20</b>          | <b>322.05</b>          |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 15 Other Bank Balances

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Fixed Deposit with Banks                            | -                      | 340.20                 |
| Earmarked balances with banks<br>- Deposit Accounts | 12.75                  | 14.74                  |
|   | <b>12.75</b>           | <b>354.94</b>          |

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

## 16 Other current assets

| Particulars                                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Unsecured and considered good</b>           |                        |                        |
| Advance to suppliers                           | 2,302.72               | 1,318.30               |
| Advance to Related Parties (Refer Note no. 46) | 71.20                  | 154.34                 |
| Advance to Staff                               | 110.57                 | 65.45                  |
| Prepaid expenses                               | 119.87                 | 90.94                  |
| Others   | 77.71                  | 19.52                  |
|  | <b>2,682.07</b>        | <b>1,648.55</b>        |

## 17 Assets classified as held for sale

| Particulars            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| Building held for sale | 2,631.15               | -                      |
|                        | <b>2,631.15</b>        | -                      |

During the year, the Company had decided to dispose off one immovable property which has been moved from Capital work in progress to asset held for sale. The Company expects to dispose of the asset over the course of next 12 months.

## 18 Equity Share Capital

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>SHARE CAPITAL</b>                                    |                        |                        |
| <b>Authorised</b>                                       |                        |                        |
| 10,00,00,000 (10,00,00,000) Equity shares of ₹ 2/- each | 2,000.00               | 2,000.00               |
| <b>Issued,Subscribed &amp; Paid up</b>                  |                        |                        |
| 6,03,29,133(6,31,29,133) Equity shares of ₹ 2/-each     | 1,206.58               | 1,262.58               |
|   | <b>1,206.58</b>        | <b>1,262.58</b>        |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

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

Equity Shares of ₹ 2/- each

| Particulars                            | As at 31 March 2020 |            | As at 31 March 2019 |            |
|--|---------------------|------------|---------------------|------------|
|  | No of shares        | ₹ in Lakhs | No of shares        | ₹ in Lakhs |
| At the beginning of the year           | 63,129,133          | 1,262.58   | 66,092,133          | 1,321.84   |
| Add: Issued during the year            | -                   | -          | -                   | -          |
| Less: Shares Cancelled during the year | 2,800,000           | 56.00      | 2,963,000           | 59.26      |
| At the end of the year                 | 60,329,133          | 1,206.58   | 63,129,133          | 1,262.58   |

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

| Particulars           | As at 31 March 2020 |              | As at 31 March 2019 |              |
|-----------------------|---------------------|--------------|---------------------|--------------|
|                       | No of shares        | % of holding | No of shares        | % of holding |
| G Vanaja Devi         | 14,090,157          | 23.36%       | 14,583,618          | 23.10%       |
| G V Bhaskar Rao - HUF | 9,985,649           | 16.55%       | 10,391,682          | 16.46%       |
| G V Bhaskar Rao       | 5,358,530           | 8.88%        | 5,576,416           | 8.83%        |

## c) Rights, preferences and restrictions attached to equity shares

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

## d) Buy back of Equity Shares

During the year ended March 31, 2020, the Company bought back and extinguished 28,00,000 equity shares of ₹ 2/- each at ₹ 700/- per share aggregating to ₹ 19,600 Lakhs. The aggregate face value of shares bought back was ₹ 56 Lakhs.

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date.

| Particulars               | Year ended 31 March |           |           |      |      |
|---------------------------|---------------------|-----------|-----------|------|------|
|                           | 2020                | 2019      | 2018      | 2017 | 2016 |
| Equity Shares of ₹ 2 each | 2,800,000           | 2,963,000 | 2,962,962 | -    | -    |

## e) Employee Stock Option Scheme

As per Kaveri ESOP 2018 Scheme during the current period the company has granted 6,29,516 options through Kaveri Employee Trust (ESOP Trust). The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years. Liability recognised at 31 March 2020 and cost recognised is disclosed in notes (Refer Note 48)

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 19 Other Equity

| Particulars   | As at 31 March 2020 |                  | As at 31 March 2019 |                   |
|---|---------------------|------------------|---------------------|-------------------|
| <b>a) General Reserve</b>   |                     |                  |                     |                   |
| Opening Balance   | 1,000.00            |                  | 1,000.00            |                   |
| Less: Utilized for Buyback  | (1,000.00)          |                  | (1,000.00)          |                   |
| Add: Transfer from Retained Earnings  | 1,000.00            | <b>1,000.00</b>  | 1,000.00            | <b>1,000.00</b>   |
| <b>b) Retained Earnings</b>   |                     |                  |                     |                   |
| Opening Balance   | 95,681.44           |                  | 96,492.00           |                   |
| <b>Add:</b>   |                     |                  |                     |                   |
| Profit for the year   | 25,126.69           |                  | 21,472.86           |                   |
| <b>Less:</b>  |                     |                  |                     |                   |
| Transferred to General Reserve  | (1,000.00)          |                  | (1,000.00)          |                   |
| Payment of Dividend & Dividend Tax  | (2,283.17)          |                  | (2,283.17)          |                   |
| Utilized for Buyback  | (22,986.77)         |                  | (18,940.99)         |                   |
| Interest free loan to Employee Trust measured at Amortised Cost   | (1,216.23)          |                  | -                   |                   |
| Transferred to Capital Redemption Reserve   | (56.00)             | <b>93,265.96</b> | (59.26)             | <b>95,681.44</b>  |
| <b>c) Capital Redemption Reserve</b>  |                     |                  |                     |                   |
| Opening Balance   | 118.52              |                  | 59.26               |                   |
| <b>Add:</b>   |                     |                  |                     |                   |
| Transfer from Retained Earnings   | 56.00               | <b>174.52</b>    | 59.26               | <b>118.52</b>     |
| <b>d) Other Comprehensive Income - Fair Value Gain on Investments</b>                                   |                     |                  |                     |                   |
| Opening Balance   | 3,552.87            |                  | 3,584.03            |                   |
| <b>Add:</b>   |                     |                  |                     |                   |
| Fair value of Equity Investments through OCI will not be reclassified to Profit & Loss                  | (27.74)             |                  | (11.39)             |                   |
| Fair value of Investments through OCI will be reclassified to Profit & Loss                             | (904.04)            |                  | 82.32               |                   |
| <b>Less:</b>  |                     |                  |                     |                   |
| Tax on Fair value of Equity Investments through OCI will not be reclassified to Profit & Loss           | (9.69)              |                  | (3.98)              |                   |
| Tax on Fair value of Investments through OCI will be reclassified to Profit & Loss                      | (315.87)            |                  | 106.07              |                   |
|   |                     | <b>2,946.65</b>  |                     | <b>3,552.87</b>   |
| <b>e) Other Comprehensive Income - Actuarial Gain/(Loss) on Employee Benefits</b>                       |                     |                  |                     |                   |
| Opening Balance   | (319.46)            |                  | (334.00)            |                   |
| <b>Add:</b>   |                     |                  |                     |                   |
| Actuarial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit or loss       | (90.16)             |                  | 14.69               |                   |
| <b>Less:</b>  |                     |                  |                     |                   |
| Tax on Actuarial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit & Loss | (0.95)              |                  | 0.15                |                   |
|   |                     | <b>(408.67)</b>  |                     | <b>(319.46)</b>   |
|   |                     | <b>96,978.46</b> |                     | <b>100,033.37</b> |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 19 Other Equity (Contd..)

**General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date less any transfers to general reserve, dividends, utilisations or other distributions paid to shareholders.

**Other Comprehensive Income:** The fair value change of the investments measured at fair value through other comprehensive income recognised through Other Comprehensive Income. Upon derecognition the cumulative fair value changes on the said investments except equity investments are reclassified to the Statement of Profit and Loss. Accumulated gain or loss on employee benefits also recognised through other comprehensive income.

**Capital Redemption Reserve:** Face value of the No. of Shares cancelled through buyback is transferred to Capital Redemption Reserve.

## 20 Borrowings

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Secured</b>   |                        |                        |
| Term Loan from Department of Biotechnology, Ministry of Science & Technology | 155.76                 | 187.06                 |
|  | <b>155.76</b>          | <b>187.06</b>          |

Two Term Loans from Department of Biotechnology, Ministry of Science & Technology with 2% p.a interest is secured by all equipment, Plant & Machinery and other movable assets of the company and is repayable in ten equal half yearly instalments starting from June,2019.

## 21 Provisions

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Provision for Gratuity (Refer note 47.3)             | 193.36                 | 84.05                  |
| Provision for Compensated absences (Refer note 47.2) | 281.03                 | 204.73                 |
| Provision for ESOP Liability (Refer note 48)         | 2.77                   | -                      |
|  | <b>477.16</b>          | <b>288.78</b>          |

## 22 Deferred tax liabilities (net)

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Deferred Tax Liability/(Asset) on account of differences in depreciation</b><br>as per tax books and financial books. | 16.57                  | (10.25)                |
| <b>Deferred Tax Liability/(Asset) arising on account of timing differences relating to:</b>                              |                        |                        |
| Provision for Bad and doubtful trade receivables   | (34.88)                | (29.68)                |
| Employee Benefits  | (7.74)                 | (5.27)                 |
| Employee Benefits recognised through Other Comprehensive Income  | (0.79)                 | 0.15                   |
| <b>Deferred Tax Liability arising on account of timing differences relating to:</b>                                      |                        |                        |
| Fair value gain on investments through Profit & Loss Statement   | 340.09                 | 238.12                 |
| Fair value gain on investments through Other Comprehensive Income  | 1,496.72               | 1,822.29               |
|  | <b>1,809.97</b>        | <b>2,015.36</b>        |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 23 Other Non current Liabilities

| Particulars                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------|------------------------|------------------------|
| Security deposits from customers | 774.79                 | 672.92                 |
| Grant/Subsidy                    | 26.33                  | 29.47                  |
|                                  | <b>801.12</b>          | <b>702.39</b>          |

### 23.1 Grant/subsidy Reconciliation:

| Particulars                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------|------------------------|------------------------|
| Opening balance             | 29.47                  | 32.60                  |
| Add: Received during year   | 4.52                   | 8.00                   |
| Less: Amortised during year | 7.66                   | 11.13                  |
| <b>Closing balance</b>      | <b>26.33</b>           | <b>29.47</b>           |

## 24 Trade payables

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Creditors for Expenses  | 13,016.82              | 8,383.48               |
| Sundry Creditors  | 13,524.49              | 13,208.99              |
|   | <b>26,541.31</b>       | <b>21,592.47</b>       |
| Total Outstanding dues of Micro and Small Enterprises         | 290.78                 | 219.51                 |
| Total Outstanding dues other than Micro and Small Enterprises | 26,250.53              | 21,372.96              |
|   | <b>26,541.31</b>       | <b>21,592.47</b>       |

Trade payables to related parties are disclosed in note no.46

## 25 Other financial liabilities

| Particulars                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| Unclaimed Dividend                   | 12.75                  | 14.74                  |
| Interest Accrued but not due         | 13.13                  | 19.53                  |
| Current Maturities of Long term debt | 47.58                  | 32.76                  |
| Capital Payables                     | 92.61                  | 272.99                 |
|                                      | <b>166.07</b>          | <b>340.02</b>          |

There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the companies Act, 2013 as at 31st March 2020 and 31st March 2019.

## 26 Current Tax Liabilities (Net)

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Provision for Taxes   | -                      | 106.86                 |
| (Net of advance tax ₹ 918.01 Lakhs (31 March 2019 : ₹ 909.41 Lakhs) | -                      | <b>106.86</b>          |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 27 Provisions

| Particulars                        | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------|------------------------|------------------------|
| Provision for Compensated absences | 97.15                  | 51.55                  |
|                                    | <b>97.15</b>           | <b>51.55</b>           |

## 28 Other Current Liabilities

| Particulars                       | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------|------------------------|------------------------|
| Advances from customers for sales | 22,700.33              | 23,925.00              |
| Payable to staff                  | 745.67                 | 668.07                 |
| Statutory Payables                | 137.66                 | 132.68                 |
| Advance for sale of assets        | 252.30                 | 252.30                 |
| Provision for returns             | 3,623.93               | 265.77                 |
| Provision for schemes             | 2,747.44               | 1,915.52               |
|                                   | <b>30,207.33</b>       | <b>27,159.34</b>       |

## 29 Revenue from Operations

| Particulars         | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---------------------|-----------------------------|-----------------------------|
| Sale of Seeds (net) | 88,325.60                   | 76,898.90                   |
|                     | <b>88,325.60</b>            | <b>76,898.90</b>            |

## 30 Other Income

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Profit on sale of assets (Net)                         | 41.74                       | 23.50                       |
| Dividend Income  | 1.97                        | 2.61                        |
| Profit on sale of Investments                          | 3,935.90                    | 3,177.49                    |
| Interest Income  |                             |                             |
| Interest on financial asset measured at amortised cost | 139.93                      | -                           |
| Interest on others                                     | 56.53                       | 209.77                      |
| Others   | 196.46                      | 209.77                      |
| Grant/Subsidy amortisation                             | 165.58                      | 136.79                      |
| Fair value gain on Investments (Net)                   | 7.66                        | 11.13                       |
| Foreign exchange gain (Net)                            | 291.85                      | 725.48                      |
|  | 14.67                       | -                           |
|  | <b>4,655.83</b>             | <b>4,286.77</b>             |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 31 Cost of Material Consumed

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Raw Material Consumed/Production Expenses                          |                             |                             |
| Opening Stock  | 5,185.98                    | 4,773.27                    |
| Add : Purchases/Production Expenses including processing Charges** | 58,475.11                   | 53,646.43                   |
|  | 63,661.09                   | 58,419.70                   |
| Less : Closing Stock   | 6,888.43                    | 5,185.98                    |
|  | <b>56,772.66</b>            | <b>53,233.72</b>            |
| <b>**Processing Charges</b>  |                             |                             |
| Freight Inward   | 1,155.84                    | 1,175.21                    |
| Repairs & Maintenance  |                             |                             |
| Plant & Machinery  | 343.45                      | 204.20                      |
| Buildings & Godowns  | 63.11                       | 94.47                       |
| Cold Storage   | 119.34                      | 49.84                       |
| Factory Maintenance  | 1,145.26                    | 1,009.68                    |
| Seed Certification charges   | 0.92                        | 1.02                        |
| Power & Fuel   | 774.45                      | 815.73                      |
| Godown Rent  | 137.75                      | 123.75                      |
| Expense on processing  | 934.04                      | 1,046.90                    |
| Other Farm & Cultivation expenses                                  | 52.15                       | 55.14                       |
| R&D Expenses ***   | 2,368.04                    | 1,716.73                    |
|  | <b>7,094.35</b>             | <b>6,292.67</b>             |
| <b>***R&amp;D Farm Expenses</b>                                    |                             |                             |
| Salaries and allowances to employees                               | 1,045.96                    | 675.93                      |
| Cultivation Expenses   | 85.99                       | 8.64                        |
| Fertilizers & Pesticides   | 57.91                       | 28.72                       |
| Electricity charges  | 14.08                       | 15.80                       |
| Electrical items & motor repairing charges                         | 3.33                        | 3.36                        |
| Farm Maintenance   | 126.50                      | 171.17                      |
| Labour charges   | 430.45                      | 240.98                      |
| Postage & telephones   | 9.13                        | 9.74                        |
| Printing & Stationery  | 4.41                        | 28.07                       |
| Security charges   | 48.22                       | 45.64                       |
| Staff Welfare  | 13.24                       | 3.70                        |
| Travelling expenses  | 21.72                       | 3.23                        |
| Vehicle Maintenance  | 13.86                       | 19.81                       |
| Land Lease   | 118.17                      | 94.91                       |
| Research Expenses  | 121.98                      | 157.52                      |
| Testing Expenses   | 232.76                      | 196.09                      |
| Professional Expenses  | 20.33                       | 13.42                       |
|  | <b>2,368.04</b>             | <b>1,716.73</b>             |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 32 Changes in Inventories of Finished Goods and Work in Progress

| Particulars                              | Year ended<br>31 March 2020 |                    | Year ended<br>31 March 2019 |                    |
|--|-----------------------------|--------------------|-----------------------------|--------------------|
| (Increase)/Decrease in Finished goods    |                             |                    |                             |                    |
| Opening Stock                            | 40,761.65                   |                    | 32,475.43                   |                    |
| Closing Stock                            | 47,750.18                   | (6,988.53)         | 40,761.65                   | (8,286.22)         |
| (Increase)/Decrease in Work in Process   |                             |                    |                             |                    |
| Opening Stock                            | 9,216.26                    |                    | 6,155.31                    |                    |
| Closing Stock                            | 8,645.93                    | 570.33             | 9,216.26                    | (3,060.95)         |
| (Increase)/Decrease in Biological Assets |                             |                    |                             |                    |
| Opening Stock                            | 5,308.98                    |                    | 4,574.62                    |                    |
| Closing Stock                            | 8,916.23                    | (3,607.25)         | 5,308.98                    | (734.36)           |
|  |                             | <b>(10,025.45)</b> |                             | <b>(12,081.53)</b> |

## 33 Employee Benefits Expense

| Particulars                               | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Salaries to Staff                         | 5,239.23                    | 4,190.11                    |
| Employee Stock option Expense             | 2.77                        | -                           |
| Contribution to Provident and other funds | 395.32                      | 304.44                      |
| Staff Welfare Expenses                    | 93.31                       | 54.37                       |
|   | <b>5,730.64</b>             | <b>4,548.92</b>             |

## 34 Finance Costs

| Particulars           | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------|-----------------------------|-----------------------------|
| Interest on Termloans | 4.40                        | 4.08                        |
| Interest on Others    | 8.25                        | 0.08                        |
| Bank Charges          | 9.16                        | 8.36                        |
|                       | <b>21.81</b>                | <b>12.52</b>                |

## 35 Depreciation and Amortisation

| Particulars                                 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Depreciation on Property, Plant & Equipment | 2,320.36                    | 2,026.17                    |
| Depreciation on Intangible Assets           | 110.35                      | 91.48                       |
|   | <b>2,430.71</b>             | <b>2,117.65</b>             |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 36 Other Expenses

| Particulars                                | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Establishment Expenses</b>              |                             |                             |
| Travelling Expenses                        | 1,487.81                    | 1,181.93                    |
| Postage & Telephone                        | 106.21                      | 89.98                       |
| Payment to Auditors (Refer Note No.36.1)   | 23.73                       | 30.36                       |
| Vehicle Maintenance                        | 132.57                      | 93.84                       |
| Rent                                       | 49.92                       | 36.71                       |
| Printing & Stationery                      | 54.20                       | 51.59                       |
| Insurance                                  | 130.84                      | 85.32                       |
| Books & Periodicals                        | 1.24                        | 0.67                        |
| Rates & Taxes                              | 75.27                       | 98.77                       |
| Office Maintenance                         | 78.12                       | 70.13                       |
| General Expenses                           | 67.80                       | 79.90                       |
| Conveyance                                 | 2.46                        | 1.61                        |
| Donations & Subscriptions                  | 37.59                       | 14.31                       |
| Legal Expenses                             | 177.88                      | 221.93                      |
| Professional Charges                       | 243.90                      | 231.81                      |
| Professional Tax                           | 0.56                        | 0.30                        |
| GST Expense                                | 135.74                      | 128.00                      |
| CSR Expenditure                            | 346.10                      | 368.10                      |
| Market Cess                                | 30.47                       | 38.12                       |
| Security Charges                           | 137.53                      | 120.71                      |
| Computer Maintenance                       | 110.82                      | 178.57                      |
| Directors Sitting Fees                     | 10.30                       | 5.70                        |
| Foreign Exchange Loss                      | -                           | 22.28                       |
| Buyback Expenses                           | 191.92                      | 186.44                      |
| <b>(a) Total</b>                           | <b>3,632.98</b>             | <b>3,337.08</b>             |
| <b>Selling &amp; Distribution Expenses</b> |                             |                             |
| Sales promotion expenses                   | 3,500.67                    | 2,592.45                    |
| Advertisement                              | 7.37                        | 15.37                       |
| Freight & Forwarding                       | 2,082.85                    | 1,857.81                    |
| Farmers Meeting Expenses                   | 430.60                      | 414.26                      |
| Staff & Dealers Meeting Expenses           | 188.75                      | 122.82                      |
| Royalty                                    | 1,445.67                    | 2,400.73                    |
| Bad debts Write Off                        | 109.77                      | 26.98                       |
| Provision for Bad Debts                    | 496.19                      | (126.16)                    |
| <b>(b) Total</b>                           | <b>8,261.87</b>             | <b>7,304.26</b>             |
| <b>Total of (a) &amp; (b)</b>              | <b>11,894.85</b>            | <b>10,641.34</b>            |

### 36.1 Audit Fees

| Particulars                      | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|----------------------------------|-----------------------------|-----------------------------|
| a) For statutory audit           | 21.83                       | 18.88                       |
| b) For other services            | 1.27                        | 9.74                        |
| c) For reimbursement of expenses | 0.63                        | 1.74                        |
|                                  | <b>23.73</b>                | <b>30.36</b>                |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 37 Commitments and Contingencies

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <b>A. Claims against the Company not acknowledged as debts. This comprises of</b>   |                             |                             |
| i. Tax demands disputed by the Company relating to disallowances / additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to | 324.46                      | 324.46                      |
| ii. Other matters not related to tax  | 10.75                       | 10.75                       |
|   | <b>335.21</b>               | <b>335.21</b>               |

Consequent to the search proceedings on the Company, during the year 2017-18, the Company had submitted returns for the block assessment years from FY 2011-12 to FY 2017-18 in response to notice u/s 153A disclosing the same income as was disclosed in the returns filed earlier. Assessments upto the date of search have been completed by the Income Tax Department.

Aggrieved by the departments' basis for initiating search proceedings, the Company filed a writ petition before the Hon'ble High Court of Telangana, Hyderabad, challenging the validity of the search proceedings. The Hon'ble High Court granted interim stay against assessment proceedings pending disposal of the writ. The assessment of income as per returns submitted in response to notice u/s 153A, for said block period is kept in abeyance by the Income Tax Department in view of the interim stay granted by the Hon'ble High Court. Additional tax liability, if any, is dependent on the outcome of the writ petition and consequent completion of the assessment.

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>B. Commitments</b>   |                        |                        |
| Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: | 692.59                 | 180.52                 |

## 38 Income Taxes:

The reconciliation between the statutory income tax rate applicable to the company and the effective income tax rate of the company is as follows:

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Statutory Income tax rate</b>   | <b>34.94%</b>               | <b>34.94%</b>               |
| <b>Differences due to:</b>   |                             |                             |
| Income Exempt from Tax   | -28.69%                     | -29.13%                     |
| Effect of expenses that are not deductible in determining taxable profit (permanent disallowances) | 0.47%                       | 0.01%                       |
| Tax Income at Different Rates  | -2.76%                      | -1.39%                      |
| Others   | -0.63%                      | 0.02%                       |
| Effective tax rate   | <b>3.32%</b>                | <b>3.50%</b>                |

## NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

### 39 Movement in Deferred Tax (Assets)/Liabilities

Movement during the Year ended March 31st, 2020

| Deferred Tax (Asset)/Liabilities                                  | As at<br>01 April, 2019 | (Credit)/charge<br>in the statement<br>of Profit and Loss | Recognised<br>in OCI | As at<br>31 March, 2020 |
|---|-------------------------|---|----------------------|-------------------------|
| Provision for employee benefits                                   | (5.12)                  | (2.46)  | (0.95)               | (8.53)                  |
| Provision for bad and doubtful trade receivables                  | (29.68)                 | (5.20)  | -                    | (34.88)                 |
| Depreciation  | (10.25)                 | 26.82   | -                    | 16.57                   |
| Fair value gain on investments through Profit & Loss Statement    | 238.12                  | 101.97  | -                    | 340.09                  |
| Fair value gain on investments through Other Comprehensive Income | 1,822.29                | -   | (325.57)             | 1,496.72                |
|   | <b>2,015.36</b>         | <b>121.12</b>   | <b>(326.51)</b>      | <b>1,809.97</b>         |

Movement during the Year ended March 31st, 2019

| Deferred Tax (Asset)/Liabilities                                  | As at<br>01 April, 2018 | (Credit)/charge<br>in the statement<br>of Profit and Loss | Recognised<br>in OCI | As at<br>31 March, 2019 |
|---|-------------------------|---|----------------------|-------------------------|
| Provision for employee benefits                                   | (3.68)                  | (1.59)  | 0.15                 | (5.12)                  |
| Provision for bad and doubtful trade receivables                  | (30.71)                 | 1.03  | -                    | (29.68)                 |
| Depreciation  | (9.87)                  | (0.38)  | -                    | (10.25)                 |
| Fair value gain on investments through Profit & Loss Statement    | -                       | 238.12  | -                    | 238.12                  |
| Fair value gain on investments through Other Comprehensive Income | 1,720.19                | -   | 102.10               | 1,822.29                |
|   | <b>1,675.93</b>         | <b>237.18</b>   | <b>102.25</b>        | <b>2,015.36</b>         |

### 40 Capital Management:

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain or if necessary adjust its capital structure.

### 41 Earning Per Equity Share :

Earnings per Share has been computed as under

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Profit for the Year  | 25,126.69              | 21,472.86              |
| Weighted average Equity Shares outstanding (in no.s)             | 62,601,264             | 64,484,807             |
| Earnings Per Share (Face Value of ₹ 2/- each)- Basic and Diluted | 40.14                  | 33.30                  |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 42 Dividend on Equity Share

Dividend on Equity Shares paid during the year

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Final Dividend ₹ Nil Per share for FY 2019-20 (₹ Nil per share for FY 2018-19) | -                      | -                      |
| Dividend Distribution Tax on Final Dividend                                    | -                      | -                      |
| Interim Dividend ₹ 3 Per share for FY 2019-20 (₹ 3 per share for FY 2018-19)   | 1,893.88               | 1,893.88               |
| Dividend Distribution Tax on Interim Dividend                                  | 389.29                 | 389.29                 |
|  | <b>2,283.17</b>        | <b>2,283.17</b>        |

## 43. Financial Instruments

Refer Note 2.13 for accounting policy on Financial Instruments.

### A. Accounting Classification and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Financial Assets</b>   |                        |                        |
| <b>Financial assets measured at fair value</b>  |                        |                        |
| Investments measured at   |                        |                        |
| i. Fair value through other comprehensive income  | 24,644.70              | 39,604.68              |
| ii. Fair value through Profit & Loss Statement Interest free loan to employee trust measured at | 13,741.27              | 11,350.44              |
| iii. Amortised cost   | 2,673.71               | 3,000.01               |
|   | <b>41,059.68</b>       | <b>53,955.13</b>       |
| <b>Financial Liabilities</b>  | -                      | -                      |

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, current account balances with group companies, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

### B. Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Financial assets measured at fair value through other comprehensive income</b>  |                             |                             |
| Investment in equity & debt instruments  | (931.78)                    | 70.93                       |
| <b>Financial assets measured at fair value through Profit &amp; Loss Statement</b> |                             |                             |
| Investment in equity & debt instruments  | 291.85                      | 725.48                      |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## C. Fair Value Hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 : Quoted Prices for identical Instruments in an active Market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs, and

Level 3: Inputs which are not based on observable market data

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

| Particulars                           | Level 1 | Level 2   | Level 3 | Total     |
|---------------------------------------|---------|-----------|---------|-----------|
| <b>As at 31 March, 2020</b>           |         |           |         |           |
| <b>Assets at fair value</b>           |         |           |         |           |
| Investments measured at:              |         |           |         |           |
| i. Fair Value through OCI             | 74.72   | 24,568.95 | 1.02    | 24,644.70 |
| ii. Fair Value through Profit or Loss | -       | 13,741.27 | -       | 13,741.27 |
| <b>As at 31 March, 2019</b>           |         |           |         |           |
| <b>Assets at fair value</b>           |         |           |         |           |
| Investments measured at:              |         |           |         |           |
| i. Fair Value through OCI             | 102.44  | 39,501.20 | 1.04    | 39,604.68 |
| ii. Fair Value through Profit or Loss | -       | 11,350.44 | -       | 11,350.44 |

## Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### Financial assets and liabilities measured at fair value as at Balance Sheet date:

- The fair values of investment quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
- The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

### Other financial assets and liabilities

Cash and cash equivalents (except for investments in mutual funds), trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 44. Financial Risk Management

The Company's business activities are exposed to a variety of financial risks namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

### A. Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated over and above the amount required for working capital management and other operational requirements is retained as cash and cash equivalents (to the extent required) and any excess is invested in highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

| Particulars                            | Carrying amount | Payable within 1 year | More than 1 years | Total     |
|--|-----------------|-----------------------|-------------------|-----------|
| <b>As at 31 March, 2020</b>            |                 |                       |                   |           |
| <b>Financial liabilities</b>           |                 |                       |                   |           |
| Trade payables (including acceptances) | 26,541.31       | 26,541.31             | -                 | 26,541.31 |
| Borrowings                             | 203.34          | 47.58                 | 155.76            | 203.34    |
| Unpaid dividend                        | 12.75           | 12.75                 | -                 | 12.75     |
| Other Payables                         | 13.13           | 13.13                 | -                 | 13.13     |
| Capital Payables                       | 92.61           | 92.61                 | -                 | 92.61     |

| Particulars                            | Carrying amount | Payable within 1 year | More than 1 years | Total     |
|--|-----------------|-----------------------|-------------------|-----------|
| <b>As at 31 March, 2019</b>            |                 |                       |                   |           |
| <b>Financial liabilities</b>           |                 |                       |                   |           |
| Trade payables (including acceptances) | 21,592.47       | 21,592.47             | -                 | 21,592.47 |
| Borrowings                             | 219.82          | 32.76                 | 187.06            | 219.82    |
| Unpaid dividend                        | 14.74           | 14.74                 | -                 | 14.74     |
| Other Payables                         | 19.53           | 19.53                 | -                 | 19.53     |
| Capital Payables                       | 272.99          | 272.99                | -                 | 272.99    |

### B. Management of Market Risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

Currency Risk

Price Risk

Interest Rate Risk

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

## 1 Currency Risk

### Potential Impact of Risk

The impact of risk due to change in foreign currency value is very minute on the company as the company's exposure to foreign currency is very low.

As at 31st March, 2020, the net unhedged exposure to the Company on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹ 15.96 Lakhs (31st March, '2019 ₹ 33.11 Lakhs).

### Management Policy

The Company is not majorly exposed to foreign currency exchange risk because of its low volume foreign currency transactions, even though management exercises proper precautions to minute the currency risk in foreign exchange transactions. The company deals with US Dollar and Euro for its foreign currency transactions.

The Company makes its exports against advance irrevocable LC to mitigate the risk of currency exchange due to delay in remittances. The company does not opt for forward exchange contracts. Foreign exchange transactions are closely monitored to reduce the risk.

The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

### Sensitivity to Risk

A 5% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹ 0.80 Lakhs gain in the Statement of Profit and Loss (2018-19: ₹ 1.65 Lakhs). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

## 2 Price Risk

### Potential Impact of Risk

The Company is exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2020, the investments in debt mutual funds amounts to ₹ 30627.44 Lakhs (31st March, 2019 ₹ 41858.55 Lakhs). These are exposed to price risk.

### Management Policy

The Company takes all the precautions to minimise price risk arising from investments in debt mutual funds. The company is investing mainly in debt mutual funds through leading mutual fund companies and in best mutual funds where price risk is very low. The company examines fund performance, rating, liquidity and risk aspects before investing.

### Sensitivity to Risk

A 0.5% increase in prices would have led to approximately an additional ₹ 153.14 Lakhs gain in the Statement of Profit and Loss Or Other Comprehensive Income (2018-19 ₹ 209.29 Lakhs gain). A 0.5 % decrease in prices would have led to an equal but opposite effect.

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

### 3 Interest Rate Risk

#### Potential Impact of Risk

The impact of interest rate risk is very minute on the company as the company does not have exposure to any interest rate sensitive investments or securities.

The company does not have any investment in interest sensitive securities/bonds as on 31st March 2020 and 2019.

#### Management Policy

The Company makes maximum of the investments in non interest sensitive sectors to mitigate interest rate risk.

#### Sensitivity to Risk

A 0.25% or 0.50% increase/decrease in interest rates will not make any difference to the company profit or loss as there are no interest rate sensitive investments.

### 4 Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

#### Trade receivables

Concentration of credit risk with respect to trade receivables is moderate due to the Company's customer base being large and diverse and also company receives good amount of receipts towards advances. All trade receivables are reviewed and assessed for default on a quarterly basis based on collections and ageing.

Our historical experience of collecting receivables is that credit risk is moderate. Hence trade receivables are considered to be a single class of financial assets.

#### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments money market liquid mutual funds and derivative instrument with financial institutions. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc. The Company has given inter-corporate deposits (ICD) only to its subsidiaries amounting ₹ 71.20 Lakhs (31st March, 2019 ₹ 154.34 Lakhs).

The Company's maximum exposure to credit risk as at 31st March, 2020 and 2019 is the carrying value of each class of financial assets.

## 45 Disclosures Pursuant to Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 186 of The Companies Act, 2013

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Advances to subsidiaries</b>                        |                             |                             |
| <b>Kexveg India Pvt Ltd</b>                            |                             |                             |
| Balance as at the year end                             | -                           | 106.48                      |
| Maximum amount outstanding at any time during the year | -                           | 131.72                      |
| <b>Kaveri Microteck Pvt Ltd</b>                        |                             |                             |
| Balance as at the year end                             | 71.20                       | 47.86                       |
| Maximum amount outstanding at any time during the year | 154.34                      | 853.25                      |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 46 Related Party Transactions

### 46.1 Following is the list of related parties and their relationships

#### A. Key managerial persons and their relatives

- 1 Mr. G.V.Bhaskar Rao
- 2 Mrs. G. Vanaja Devi
- 3 Mr. R. Venumanohar Rao
- 4 Mr. C. Vamsheedhar
- 5 Mr. C. Mithun Chand
- 6 Mr. G.Pawan
- 7 G.V.Bhaskar Rao - HUF
- 8 Mrs. Ch. Madhavi
- 9 Mr. K.V.Chalapathi Reddy
- 10 Mr. G. Vijay Kumar (Resigned in Feb 2019)
- 11 Mr. V.R.S. Murti

#### B. Subsidiary Companies

- 1 M/s. Kexveg India Pvt Ltd (Merged with M/s. Kaveri Microteck Pvt Ltd W.e.f 01.04.2019)
- 2 M/s. Aditya Agritech Pvt Ltd
- 3 M/s. Genome Agritech Pvt Ltd
- 4 M/s. Kaveri Microteck Pvt Ltd
- 5 M/s. Genomix Agri Genetics Pvt Ltd

#### C. Other related firms & Associates

- 1 M/s. Kaveri Infra
- 2 M/s. Bhaskara Investments
- 3 M/s. Kaveri Bhaskarrao Charitable Foundation
- 4 M/s. Kaveri Employees Trust

| Particulars              | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--------------------------|-----------------------------|-----------------------------|
| <b>Remuneration paid</b> |                             |                             |
| Mr. G.V.Bhaskar Rao      | 311.36                      | 245.47                      |
| Mrs. G. Vanaja Devi      | 192.54                      | 152.11                      |
| Mr. C. Vamsheedhar       | 116.79                      | 74.77                       |
| Mr. C. Mithun Chand      | 77.78                       | 62.20                       |
| Mr. K.V.Chalapathi Reddy | 74.56                       | 11.94                       |
| Mr. G. Vijay Kumar       | -                           | 90.21                       |
| Mr. V.R.S. Murti         | 4.00                        | 4.00                        |
|                          | <b>777.02</b>               | <b>640.70</b>               |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

| Particulars                                  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Land and godown lease paid</b>            |                             |                             |
| Mr. G.V.Bhaskar Rao                          | 0.63                        | 0.60                        |
| Mrs. G. Vanaja Devi                          | 8.92                        | 8.49                        |
| Mr. G.Pawan                                  | 9.93                        | 10.51                       |
| G.V.Bhaskar Rao - HUF                        | 45.66                       | 43.12                       |
| M/s. Kaveri Infra                            | 11.41                       | 10.87                       |
| M/s. Bhaskara Investments                    | 3.05                        | 2.90                        |
| M/s. Kexveg India Pvt Ltd                    | -                           | 24.00                       |
| M/s. Kaveri Microteck Pvt Ltd                | 36.00                       | -                           |
|  | <b>115.60</b>               | <b>100.49</b>               |
| <b>Dividend paid</b>                         |                             |                             |
| Mr. G.V.Bhaskar Rao                          | 167.29                      | 167.29                      |
| Mrs. G. Vanaja Devi                          | 437.51                      | 437.51                      |
| Mr. R. Venumanohar Rao                       | -                           | 15.20                       |
| Mr. C. Vamsheedhar                           | 30.49                       | 30.49                       |
| Mr. C. Mithun Chand                          | 26.77                       | 26.77                       |
| Mr. G.Pawan                                  | 69.59                       | 69.59                       |
| G.V.Bhaskar Rao - HUF                        | 311.75                      | 311.75                      |
| Mr. K.V. Chalapathi Reddy                    | 0.36                        | -                           |
|  | <b>1,043.75</b>             | <b>1,058.60</b>             |
| <b>Advances Paid during the year</b>         |                             |                             |
| M/s. Kexveg India Pvt Ltd                    | -                           | (13.52)                     |
| M/s. Kaveri Microteck Pvt Ltd                | (83.14)                     | (682.14)                    |
| M/s. Kaveri Employee Trust                   | 750.00                      | 3,000.01                    |
|  | <b>666.86</b>               | <b>2,304.35</b>             |
| <b>Land Lease Received</b>                   |                             |                             |
| M/s. Kexveg India Pvt Ltd                    | -                           | 14.23                       |
| M/s. Kaveri Microteck Pvt Ltd                | 75.93                       | 75.93                       |
|  | <b>75.93</b>                | <b>103.83</b>               |
| <b>Sales made during the year</b>            |                             |                             |
| M/s. Aditya Agritech Pvt Ltd                 | 7,153.86                    | 4,683.28                    |
| M/s. Genomix Agri Genetics Pvt Ltd           | 1,164.68                    | 413.07                      |
| M/s. Kexveg India Pvt Ltd                    | -                           | 0.41                        |
|  | <b>8,318.53</b>             | <b>5,096.76</b>             |
| <b>Interest Received</b>                     |                             |                             |
| M/s. Kaveri Employee Trust                   | 0.59                        | 9.82                        |
|  | <b>0.59</b>                 | <b>9.82</b>                 |
| <b>CSR Expenditure</b>                       |                             |                             |
| M/s. Kaveri Bhaskarrao Charitable Foundation | 276.04                      | 250.00                      |
|  | <b>276.04</b>               | <b>250.00</b>               |
| <b>Provision for Baddebts</b>                |                             |                             |
| M/s. Genome Agritech Pvt Ltd                 | 354.55                      | -                           |
|  | <b>354.55</b>               | <b>-</b>                    |

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Payable balances outstanding</b>                        |                        |                        |
| Outstanding Land lease to KMP and relatives                | 9.29                   | 17.53                  |
| Outstanding Land lease to Associates                       | 3.62                   | -                      |
| Outstanding remunerations to KMP                           | 42.27                  | 36.63                  |
| Advance received from M/s. Aditya Agritech Pvt Ltd         | 4,865.42               | 4,779.28               |
| Advance received from M/s. Genomix Agri Genetics Pvt Ltd   | 91.26                  | 215.88                 |
| Advances received from KMP for Sale of Land                | 252.30                 | 252.30                 |
| <b>Receivable balances outstanding</b>                     |                        |                        |
| Outstanding advance paid to M/s. Kexveg India Pvt Ltd      | -                      | 106.48                 |
| Outstanding advance paid to M/s. Kaveri Microteck Pvt Ltd  | 71.20                  | 47.86                  |
| Outstanding loan paid to M/s. Kaveri Employee Trust        | 3,759.37               | 3,009.83               |
| Trade receivable balance from M/s. Genome Agritech Pvt Ltd | 527.50                 | 527.50                 |

## 47 Employee Benefit plans

### 47.1 Defined Contribution Plan:

The company has certain defined contribution plans. Contributions are made to provident fund in India for qualifying employees at the specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is ₹ 395.32 Lakhs (31 March 2019 : 304.44 Lakhs)

### 47.2 Compensated Absences:

The company provides for accumulation of compensated absences. These employees can carry forward portion of unutilised compensated absences and utilise it in future period or receive cash in lieu thereof as per the company's policy. The company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the company towards its obligation was ₹ 378.18 Lakhs (31 March 2019 : ₹ 256.28 Lakhs)

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 47.3 Gratuity:

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mitigate the risks commonly affecting the liabilities and the financial results.

- a) **Interest rate risk** : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- b) **Salary inflation risk** : Higher than expected increases in salary will increase the defined benefit obligation
- c) **Demographic risk** : For example, as plan is open to new entrants an increase in membership will increase the defined benefit obligation. Also the plan only provides benefits upon completion of a vesting criteria. Therefore if Turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

### Reconciliation of Defined Benefit Obligation

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Opening of defined benefit obligation   | 555.77                      | 492.87                      |
| Current service cost  | 100.47                      | 81.51                       |
| Past service cost   | -                           | -                           |
| Interest on defined benefit obligation  | 42.68                       | 37.61                       |
| <b>Remeasurements due to:</b>   |                             |                             |
| <i>Actuarial loss / (gain) arising from change in financial assumptions</i>   | 78.24                       | (3.52)                      |
| <i>Actuarial loss / (gain) arising from change in demographic assumptions</i> | -                           | (0.24)                      |
| <i>Actuarial loss / (gain) arising on account of experience changes</i>       | 4.57                        | (2.91)                      |
| Benefits paid   | (46.21)                     | (49.56)                     |
| <b>Closing of defined benefit obligation</b>                                  | <b>735.52</b>               | <b>555.77</b>               |

### Reconciliation of Plan Assets

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Opening fair value of plan assets                                | 471.73                      | 220.61                      |
| Employer contributions   | 83.96                       | 272.26                      |
| Interest on plan assets  | 40.02                       | 20.39                       |
| Administration expenses  | -                           | -                           |
| <b>Remeasurements due to:</b>                                    |                             |                             |
| <i>Actual return on plan assets less interest on plan assets</i> | (7.34)                      | 8.03                        |
| Benefits paid  | (46.21)                     | (49.56)                     |
| <b>Closing fair value of plan assets</b>                         | <b>542.16</b>               | <b>471.73</b>               |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Amount recognized in Balance Sheet

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Present value of funded defined benefit obligation                         | 735.52                      | 555.77                      |
| Fair value of plan assets  | 542.16                      | 471.73                      |
| Net funded obligation  | 193.36                      | 84.05                       |
| <b>Net defined benefit liability / (asset) recognized in balance sheet</b> | <b>193.36</b>               | <b>84.05</b>                |
| Net defined benefit liability / (asset) is bifurcated as follows:          |                             |                             |
| Current  | -                           | -                           |
| Non-current  | 193.36                      | 84.05                       |

## Current Year Expense Charged to Profit & Loss Account

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Current service cost                                    | 100.47                      | 81.51                       |
| Past service cost                                       | -                           | -                           |
| Administration expenses.                                | -                           | -                           |
| Interest on net defined benefit liability / (asset)     | 2.66                        | 17.22                       |
| <b>Total expense charged to profit and loss account</b> | <b>103.12</b>               | <b>98.74</b>                |

## Amount Recorded as Other Comprehensive Income

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Opening amount recognized in OCI outside profit and loss account        | 319.31                      | 334.00                      |
| <b>Remeasurements during the period due to</b>                          |                             |                             |
| <i>Changes in financial assumptions</i>                                 | 78.24                       | (3.52)                      |
| <i>Changes in demographic assumptions</i>                               | -                           | (0.24)                      |
| <i>Experience adjustments</i>   | 4.57                        | (2.91)                      |
| <i>Actual return on plan assets less interest on plan assets</i>        | 7.34                        | (8.03)                      |
| <b>Closing amount recognized in OCI outside profit and loss account</b> | <b>409.47</b>               | <b>319.31</b>               |

## Disaggregation of Assets

| Particulars               | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---------------------------|-----------------------------|-----------------------------|
| <b>Category of Assets</b> |                             |                             |
| <b>Non Quoted Value</b>   |                             |                             |
| Insurer managed funds.    | 542.16                      | 471.73                      |
| Others.                   | -                           | -                           |
| <b>Grand Total</b>        | <b>542.16</b>               | <b>471.73</b>               |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Results of Sensitivity Analysis

| Particulars                          | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--------------------------------------|-----------------------------|-----------------------------|
| Discount rate                        |                             |                             |
| Impact of increase in 50 bps on DBO. | -6.11%                      | -6.04%                      |
| Impact of decrease in 50 bps on DBO. | 6.68%                       | 6.59%                       |
| Salary escalation rate               |                             |                             |
| Impact of increase in 50 bps on DBO  | 6.60%                       | 5.74%                       |
| Impact of decrease in 50 bps on DBO  | -6.10%                      | -5.34%                      |

## Summary of Actuarial Assumptions Adopted

| Particulars                   | Year ended<br>31 March 2020                     | Year ended<br>31 March 2019                     |
|-------------------------------|---|---|
| Discount rate (p.a.)          | 6.90%   | 7.80%   |
| Salary escalation rate (p.a.) | 10.00% until year<br>3 inclusive, then<br>7.00% | 10.00% until year<br>4 inclusive, then<br>7.00% |

## Maturity Profile

| Particulars                  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|------------------------------|-----------------------------|-----------------------------|
| Expected benefits for year 1 | 20.84                       | 17.29                       |
| Expected benefits for year 2 | 24.40                       | 17.36                       |
| Expected benefits for year 3 | 23.85                       | 22.65                       |
| Expected benefits for year 4 | 47.53                       | 23.27                       |
| Expected benefits for year 5 | 35.08                       | 41.49                       |
| Expected benefits for year 6 | 28.85                       | 27.74                       |

## The Principal Assumptions used for the purposes of the actuarial valuation as follows

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions while the Plan's sensitivity to such changes can vary over time.

## 48. Share Based Payments

- a) The Company implemented the Kaveri ESOP 2018 Scheme for all eligible employees pursuant to the special resolution approved by the shareholders through postal ballot on 19th July 2018. The Kaveri ESOP 2018 Scheme covers all employees and directors (excluding independent and promoter directors, promoter group) of the parent company and its subsidiaries (collectively, "eligible employees"). Upon the exercise of options granted under the Kaveri ESOP 2018 Scheme, the applicable equity shares will be transferred from the Kaveri Employees Trust ("ESOP Trust") to the eligible employee. The ESOP Trust will acquire such equity shares by way of secondary

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 48. Share Based Payments (Contd..)

market acquisitions funded through loans from the Company. The Nomination and Remuneration Committee of the Board of the parent company (the "Compensation Committee") administers the Kaveri ESOP 2018 Scheme and grants stock options to eligible employees, it has delegated functions and powers relating to the administration of the Kaveri ESOP 2018 Scheme to the ESOP Trust. The Compensation Committee determines which eligible employees will receive the options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years.

As at 31 March 2020, the ESOP Trust purchased 879,491 shares from secondary market for an aggregate consideration of ₹ 3,683.20 Lakhs.

### b) The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

| Particulars               | As at          | As at         |
|---------------------------|----------------|---------------|
|                           | 31 March 2020  | 31 March 2019 |
|                           | Nos            | Nos           |
| Opening balance           | -              | -             |
| Granted during the year   | 629,516        | -             |
| Exercised during the year | -              | -             |
| Forfeited during the year | -              | -             |
| <b>Closing balance</b>    | <b>629,516</b> | -             |
| Vested and exercisable    | -              | -             |

### c) Share options outstanding at the end of the year have the following expiry date:

| Grant Date | Expiry Date | Share Options | Share Options |
|------------|-------------|---------------|---------------|
|            |             | 31 March 2020 | 31 March 2019 |
| 31-03-2020 | 31-03-2025  | 629,516       | -             |

d) The effect of expenses arising from share-based payment transactions on the entity's profit or loss for the period is ₹ 2.77 Lakhs

## 49 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

| Particulars   | As at         | As at         |
|---|---------------|---------------|
|   | 31 March 2020 | 31 March 2019 |
| Principle amount due to suppliers registered under the MSMED Act and Remaining unpaid as at year end  | 290.78        | 219.51        |
| Interest due to supplies registered under the MSMED Act and remaining unpaid as at year end   | -             | -             |
| Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                     | -             | 19.09         |
| Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year. | -             | -             |

# NOTES

to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 49 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under: (Contd..)

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year. | -                      | 0.08                   |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made                                     | -                      | -                      |
| Further Interest remaining due and payable for earlier years   | -                      | -                      |

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 50 Operating Leases

The Company's significant leasing arrangements are in respect of operating leases for lands and premises (Agricultural lands, office, stores, godown etc.). These leasing arrangements which are cancellable range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss in respect of short term and low value leases where company has availed exemption under IndAS 116.

## 51 Disaggregated Revenue

The company deals in variety of hybrid seeds which are sold directly to dealers or distributors with similar characteristics in terms of revenue recognition, nature, timing, cashflows etc. The operations of company are primarily located in India. Thus, the quantitative disclosure in respect of disaggregation of revenue is not required.

## 52 Contract Liabilities

Contract liabilities resulting from advance payments by customers for delivery of goods and schemes/discounts are predominantly recognized as sales within one year. The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as on 31 March 2020 is ₹ 22,700.33/- (31 March 2019 is ₹ 23,925.00/-) resulting from advance payments and shown under other current liabilities.

## 53 Segment Information

a) The Company has only one business segment i.e., Sale of Seeds and there are no other reportable segments under Ind AS 108 "Operating Segments".

### b) Geographical information

The Company operates in single principal geographical area i.e., India. Though the Company has operations across various geographies within India, the same are considered as a single operating segment considering the following factors

- These operating segments have similar long term gross profit margins.
- The nature of the products and production processes are similar and the methods used to distribute the products to the customers are the same.

c) In view of the above mentioned classification of business and geographical segments the particulars relating to Segment revenue and results, Segment assets and liabilities, Other segment information, revenue from major products and services, geographical information are not furnished herewith.

# NOTES to the financial statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 54 Expenditure incurred for corporate social responsibility

The Company spent ₹ 346.10 Lakhs and ₹ 368.10 Lakhs towards CSR Expenditure for the year ended 31st March 2020 and 31st March 2019. The details of expenditure upto 31 March 2020 are as follows.

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Average net profit of the Company for last three financial years  | 17,304.30                   | 18,362.95                   |
| Prescribed CSR expenditure 2% of the above amount   | 346.09                      | 367.26                      |
| Amount unspent at the Starting of the year  | 0.01                        | 0.85                        |
| <b>Total Amount to be spent for the year</b>  | <b>346.10</b>               | <b>368.11</b>               |
| <b>Direct Expenses made by company</b>  |                             |                             |
| <b>Education development activities</b>   |                             |                             |
| Farmer Education and Training programme at Gadwal, Telangana  | 0.06                        | -                           |
| Farmer education and training programmes at Koppaka, West Godavari Dist, Andhrapradesh & Sattupally, Khammam Dist, Telangana.                 | -                           | 3.10                        |
| <b>Socio-Economic progress of the rural communities</b>   |                             |                             |
| Assistance for construction of community halls at Durki Village, Narsullabad Mandal, Kamareddy District, Telangana.                           | -                           | 15.00                       |
| <b>Rural Development</b>  |                             |                             |
| Contribution made towards development of Minor Irrigation system in Wanaparthy District through The District Collector, Wanaparthy, Telangana | 20.00                       | -                           |
| Contribution to "Community Cattle Shed" construction through Bala Vikasa Social Service Society, Warangal, Telangana                          | 50.00                       | -                           |
| <b>Donation made towards CSR Activites</b>  | -                           | 100.00                      |
| <b>Contribution made to Kaveri Bhaskar Rao Charitable Foundation</b>  | 276.04                      | 250.00                      |
| <b>Total Amount Spent during the year</b>   | <b>346.10</b>               | <b>368.10</b>               |
| <b>Unspent amount at the end of the year</b>  | <b>0.00</b>                 | <b>0.01</b>                 |

## 55 Covid Impact:

In view of rapid spread of virus causing Covid-19 pandemic, Government of India imposed lockdown from 25th March 2020 to curb the spread of virus. The nationwide lockdown temporarily impacted the operations of the company due to non-availability of labour, transportation and supply chain disruptions. However, the Government classified seed business as "Essential Commodity" and granted certain relaxations and guidelines so that production, processing and distribution of the seeds will not be effected. The major portion of Company's production, processing and supply chain facilities remain in operation during most of the lockdown period, following safety measures as per guidelines. Thus, the impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments and other financial assets considering the available internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.

**56** Previous year figures are regrouped wherever considered necessary to conform to current year classification.

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.000459S  
Chartered Accountants

Sd/-

**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-

**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-

**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

Sd/-

**V.R.S.Murti**  
Company Secretary

Sd/-

**G.Vanaja Devi**  
Wholetime Director  
DIN: 00328947



**Consolidated**

**Financial  
Statements**

# INDEPENDENT AUDITOR'S REPORT

To

**The Members of Kaveri Seed Company Limited**

## Opinion

We have audited the accompanying consolidated financial statements of **Kaveri Seed Company Limited** ("the Holding Company") its subsidiaries and other consolidating entity (the Holding Company and its subsidiaries, Trust together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and other consolidated entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows and for the year then ended.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| S. No. | Key Audit Matter   | Auditor's Response  |
|--------|--|---|
| 1      | <p>Revenue: Management estimate of provision for sales return and Discount &amp; schemes:</p> <p>Estimate for sales returns and discounts and schemes was a critical audit matter in the audit of the Group's financial statements for the year ended 31 March 2020.</p> <p>Management estimates the amount of returns expected based on the goods returned in the past and current market demands. The management considers revenue as key measure for evaluation of performance.</p> <p>Refer Note 2.1, 2.11, 15, 31 and 32 to the Consolidated Financial Statements</p> | <p><b>Principal Audit Procedures:</b></p> <p>We have performed the following principal audit procedures in relation to revenue recognised:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers").</li> <li>• Understanding and Testing of design and operating effectiveness of Internal controls in place relating to recognition and measurement of sales returns and discount amounts.</li> <li>• Testing of relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.</li> <li>• Substantive testing of revenue recognised with the underlying documents, sales returns and discounts.</li> </ul> |

| S. No. | Key Audit Matter   | Auditor's Response  |
|--------|--|---|
| 2      | <p>Valuation and classification of Investments:</p> <p>Group has Investments in Mutual funds, Real estate fund and other equity instruments.</p> <p>The Group holds significant amount of funds in the form of investments. Also, considering the complexities involved in classification of investments, the Group considers investments as material account balance.</p> <p>Refer Note 2.14 and 8 to the Consolidated Financial Statements</p>   | <ul style="list-style-type: none"> <li>• Testing of supporting documentation for sales return transactions recorded during the period closer to the year end and subsequent to year end, including examination of credit notes issued after the year end to determine whether the returns were recognised in the correct accounting period.</li> <li>• Performing analytical procedures on current year revenue based on seasonal trends and where appropriate, conducting further enquiries and testing.</li> <li>• Evaluating historical accuracy of estimates made by management in respect of sales return by performing trend analysis and comparing them with actuals.</li> </ul> <p><b>Principal Audit Procedures:</b></p> <p>We focused on the valuation and existence of the investments as also the classification and disclosures in the Group's financial statements for the year ended 31 March, 2020.</p> <p>We have performed the following principal audit procedures in relation to investments:</p> <ul style="list-style-type: none"> <li>• We obtained independent confirmation of the number of units held and net asset value per unit for each of the underlying investments as at the year end date. We agreed the details confirmed to the valuation of these investments as per the accounting records.</li> <li>• Re-computation of Profit/ (loss) on sale of investments, valuation of investments including fair value movements.</li> <li>• Review of valuation and classification of investment in accordance with Nature of investment made, company's policies, business model and applicable accounting standards.</li> </ul> |
| 3      | <p>Valuation of Biological assets:</p> <p>The value of Biological assets is measured at fair value less costs to sell. The fair value is determined based on the growth potential of individual standing crops. The growth potential varies depending on the geographic location and varieties of crops. The valuation require estimates of growth, harvest, sales price and costs.</p> <p>Due to the level of judgment involved in the valuation of biological assets, involvement of discretionary assumptions by management regarding biological transformation and quality of crop and significance of biological assets to the Group's financial position, this is considered to be a key audit matter.</p> <p>Refer Note 2.6 and 14 to the Consolidated Financial Statements</p> | <p><b>Principal Audit Procedures:</b></p> <p>We have performed the following principal audit procedures in relation to biological assets:</p> <ul style="list-style-type: none"> <li>• We have tested management's controls and effectiveness of systems in place for the valuation of biological assets based on the stage of crop as measured by the company.</li> <li>• We have assessed the key assumptions contained within the fair value calculations including sales price assumptions and growth assumptions.</li> <li>• We have performed the analytical review of the results of valuation to highlight outliers which warrant further audit procedures.</li> <li>• Comparison of actual production costs with provisions made towards standing crops.</li> </ul>  |

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Financial and Operational Review, Director's Report, Business Responsibility Report, Corporate Governance Report, Annual Report on CSR activities,

but does not include the consolidated financial statements and our auditor's report thereon. The above listed reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the above listed reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Material Uncertainty Related to Going Concern in case of a Subsidiary Company

We draw attention to Note 56 to the consolidated financial statements, which indicates that one subsidiary company incurred a net loss of Rs.17.72 Lakhs during the year ended 31 March 2020 and, as of that date, the subsidiary company's current liabilities exceeded its current assets by Rs.539.64 Lakhs. As stated in the said note, these events or conditions, along with other matters as set forth in Note, indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a

going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We did not audit the financial statements of four subsidiaries and one consolidated entity whose financial statements reflect total assets of Rs.13,935.05 Lakhs and net assets of Rs.2913.72 Lakhs as at 31 March 2020, total revenues of Rs.13,182.53 Lakhs and net

cash inflows amounting to Rs.88.47 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, referred in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules made thereunder;
  - (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 40 to the consolidated financial statements;

ii. The group has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts; and

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

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No 0004595

Sd/-  
**M. V. Ramana Murthy**  
Partner

Membership No.206439  
UDIN: 20206439AAAABH8955

Hyderabad, 30 May 2020

# ANNEXURE A

## to the Independent Auditor's Report

(Referred to in paragraph '1.f' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kaveri Seed Company Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Kaveri Seed Company Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India (the Holding Company and its subsidiaries, together referred to as "the Group"), as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and according to the information and explanation given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **M. Bhaskara Rao & Co.,**  
Chartered Accountants  
Firm Registration No 000459S

Sd/-

**M. V. Ramana Murthy**

Partner

Membership No.206439

UDIN: 20206439AAAABH8955

Hyderabad, 30 May 2020

# CONSOLIDATED BALANCE SHEET

as at 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

| Particulars   | Note No. | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|----------|------------------------|------------------------|
| <b>ASSETS</b>   |          |                        |                        |
| <b>(1) Non-current assets</b>                                 |          |                        |                        |
| Property, Plant and Equipment                                 | 3        | 24,787.18              | 23,744.78              |
| Capital work-in-progress                                      | 4        | 1,821.34               | 3,815.18               |
| Goodwill  | 5        | 26.70                  | 26.70                  |
| Other Intangible assets                                       | 6        | 155.83                 | 241.96                 |
| Intangible Assets under development                           | 7        | -                      | -                      |
| Financial Assets  |          |                        |                        |
| Investments   | 8        | 3,268.62               | 3,672.73               |
| Loans   | 9        | -                      | 3,000.01               |
| Deferred tax assets (net)                                     | 10       | 126.33                 | 102.99                 |
| Non-current Tax Assets (net)                                  | 11       | 473.01                 | 400.35                 |
| Other Non-current Assets                                      | 12       | 1,315.51               | 500.04                 |
| <b>Total Non-current Assets</b>                               |          | <b>31,974.52</b>       | <b>35,504.74</b>       |
| <b>(2) Current assets</b>                                     |          |                        |                        |
| Inventories   | 13       | 63,905.02              | 56,123.29              |
| Biological Assets   | 14       | 8,916.23               | 5,308.98               |
| Financial Assets  |          |                        |                        |
| Investments   | 8        | 35,117.43              | 47,282.77              |
| Trade receivables   | 15       | 11,801.90              | 8,461.61               |
| Cash and cash equivalents                                     | 16       | 778.56                 | 500.57                 |
| Other bank balances   | 17       | 26.86                  | 369.05                 |
| Other current assets  | 18       | 2,697.96               | 1,599.37               |
| Assets Classified as held for sale                            | 19       | 2,631.15               | -                      |
| <b>Total current assets</b>                                   |          | <b>125,875.11</b>      | <b>119,645.64</b>      |
| <b>Total Assets</b>   |          | <b>157,849.63</b>      | <b>155,150.38</b>      |
| <b>EQUITY AND LIABILITIES</b>                                 |          |                        |                        |
| <b>Equity</b>   |          |                        |                        |
| Equity Share capital  | 20       | 1,206.58               | 1,262.58               |
| Other Equity  | 21       | 94,660.31              | 99,424.04              |
| Non-Controlling Interest                                      | 22       | 24.02                  | (61.47)                |
| <b>Total Equity</b>   |          | <b>95,890.91</b>       | <b>100,625.15</b>      |
| <b>LIABILITIES</b>  |          |                        |                        |
| <b>(1) Non-current liabilities</b>                            |          |                        |                        |
| Financial Liabilities   |          |                        |                        |
| Borrowings  | 23       | 578.78                 | 678.06                 |
| Provisions  | 24       | 573.46                 | 365.44                 |
| Deferred tax liabilities (Net)                                | 25       | 1,806.26               | 2,015.36               |
| Other non-current liabilities                                 | 26       | 1,216.94               | 1,038.37               |
| <b>Total Non-current liabilities</b>                          |          | <b>4,175.44</b>        | <b>4,097.23</b>        |
| <b>(2) Current liabilities</b>                                |          |                        |                        |
| Financial Liabilities   |          |                        |                        |
| Trade payables  | 27       |                        |                        |
| Total Outstanding dues of Micro and Small Enterprises         |          | 296.86                 | 273.34                 |
| Total Outstanding dues other than Micro and Small Enterprises |          | 26,389.83              | 21,545.05              |
| Other financial liabilities                                   | 28       | 166.07                 | 348.70                 |
| Current Tax Liabilities (Net)                                 | 29       | 92.18                  | 147.50                 |
| Provisions  | 30       | 108.12                 | 56.31                  |
| Other current liabilities                                     | 31       | 30,730.22              | 28,057.09              |
| <b>Total Current liabilities</b>                              |          | <b>57,783.28</b>       | <b>50,428.00</b>       |
| <b>Total Equity and Liabilities</b>                           |          | <b>157,849.63</b>      | <b>155,150.38</b>      |
| See accompanying notes to the financial statements            | 1-58     |                        |                        |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.000459S  
Chartered Accountants

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-  
**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-  
**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

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

Sd/-  
**G.Vanaja Devi**  
Wholetime Director  
DIN: 00328947

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2020 (All amounts are Rupees in lakhs unless otherwise stated)

| Particulars  | Note No. | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|----------|-----------------------------|-----------------------------|
| <b>I Income</b>  |          |                             |                             |
| Revenue from Operations  | 32       | 93,034.63                   | 80,941.81                   |
| Other Income   | 33       | 4,558.94                    | 4,299.46                    |
| <b>Total Income</b>  |          | <b>97,593.57</b>            | <b>85,241.27</b>            |
| <b>II Expenses</b>   |          |                             |                             |
| Cost of Material Consumed  | 34       | 57,954.40                   | 54,489.96                   |
| Changes in Inventories of Finished Goods and Work in Progress                            | 35       | (9,903.27)                  | (12,089.12)                 |
| Employee Benefits Expense  | 36       | 6,788.35                    | 5,505.77                    |
| Finance Costs  | 37       | 47.85                       | 54.69                       |
| Depreciation & Amortisation  | 38       | 2,566.38                    | 2,295.20                    |
| Other Expenses   | 39       | 12,874.53                   | 11,870.88                   |
| <b>Total Expenses</b>  |          | <b>70,328.24</b>            | <b>62,127.38</b>            |
| <b>III Profit before Tax (I-II)</b>  |          | <b>27,265.33</b>            | <b>23,113.89</b>            |
| <b>IV Less : Tax expense</b>   |          |                             |                             |
| Current Tax  |          | 1,124.33                    | 1,181.92                    |
| Earlier Years Tax  |          | 55.13                       | (9.49)                      |
| Deferred Tax   |          | 95.42                       | 201.00                      |
|  |          | 1,274.88                    | 1,373.43                    |
| <b>V Profit for the Year (III-IV)</b>  |          | <b>25,990.45</b>            | <b>21,740.46</b>            |
| <b>Attributable to:</b>  |          |                             |                             |
| Equity Share Holders of the Company  |          | 25,903.74                   | 21,745.07                   |
| Non Controlling Interest   |          | 86.71                       | (4.61)                      |
| <b>VI Other Comprehensive Income</b>   |          |                             |                             |
| <b>A (i) Items that will not be subsequently reclassified to Profit or loss</b>          |          |                             |                             |
| Fair value of Equity Investments through OCI   |          | (27.74)                     | (11.39)                     |
| Actuarial (gain)/loss on employee benefits through OCI                                   |          | (99.58)                     | 16.97                       |
|  |          | <b>(127.32)</b>             | <b>5.58</b>                 |
| <b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b> |          |                             |                             |
| Fair value of Equity Investments through OCI   |          | 9.69                        | 3.98                        |
| Actuarial (gain)/loss on employee benefits through OCI                                   |          | 0.95                        | (0.78)                      |
|  |          | <b>10.64</b>                | <b>3.20</b>                 |
|  |          | <b>(116.68)</b>             | <b>8.78</b>                 |
| <b>B (i) Items that will be reclassified to Profit or loss</b>                           |          |                             |                             |
| Fair value of Investments through OCI  |          | (904.04)                    | 82.32                       |
| <b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>     |          |                             |                             |
| Fair value of Investments through OCI  |          | 315.87                      | (106.07)                    |
|  |          | <b>(588.17)</b>             | <b>(23.75)</b>              |
| <b>Total Other Comprehensive Income</b>  |          | <b>(704.85)</b>             | <b>(14.97)</b>              |
| <b>VII Total Comprehensive Income for the year (V+VI)</b>                                |          | <b>25,285.60</b>            | <b>21,725.49</b>            |
| <b>Attributable to:</b>  |          |                             |                             |
| Equity Share Holders of the Company  |          | 25,200.11                   | 21,730.10                   |
| Non Controlling Interest   |          | 85.49                       | (4.61)                      |
| <b>VIII Earnings Per Equity Share</b>  |          |                             |                             |
| Basic (equity shares, par value ₹ .2 each)   |          | 41.82                       | 33.72                       |
| Diluted (equity shares, par value ₹ 2 each)  |          | 41.82                       | 33.72                       |
| See accompanying notes to the financial statements                                       | 1-58     |                             |                             |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.0004595  
Chartered Accountants

Sd/-

**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-

**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-

**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

Sd/-

**V.R.S.Murti**  
Company Secretary

Sd/-

**G.Vanaja Devi**  
Wholetime Director  
DIN: 00328947

# STATEMENT OF CHANGES IN EQUITY

All amounts are Rupees in lakhs unless otherwise stated

## A. Equity Share Capital

| Particulars                                     | Amount          |
|---|-----------------|
| <b>Issued and paid up equity share capital</b>  |                 |
| <b>Balance as at 31 March, 2018</b>             | <b>1,321.84</b> |
| Changes in equity share capital during the year | (59.26)         |
| <b>Balance as at 31 March, 2019</b>             | <b>1,262.58</b> |
| Changes in equity share capital during the year | (56.00)         |
| <b>Balance as at 31 March, 2020</b>             | <b>1,206.58</b> |

## B. Other Equity

| Particulars  | General Reserve | Retained Earnings | Capital Redemption Reserve | Treasury Shares   | Other Comprehensive Income              |  | Total            |
|--|-----------------|-------------------|----------------------------|-------------------|---|--|------------------|
|  |                 |                   |                            |                   | Fair Value gain / (loss) on Investments | Actuarial gain / (loss) on employee benefits |                  |
| <b>Balance as at 01 April 2018</b>                 | <b>1,002.00</b> | <b>95,610.16</b>  | <b>59.26</b>               | -                 | <b>3,584.03</b>                         | <b>(337.32)</b>                              | <b>99,918.14</b> |
| Other Comprehensive Income for the year            | -               | -                 | -                          | -                 | (31.16)                                 | 16.19  | (14.97)          |
| Profit for the Year                                | -               | 21,745.07         | -                          | -                 | -                                       | -  | 21,745.07        |
| Buyback of Equity Shares                           | (1,000.00)      | (18,940.99)       | -                          | -                 | -                                       | -  | (19,940.99)      |
| Dividend and Dividend Tax                          | -               | (2,283.17)        | -                          | -                 | -                                       | -  | (2,283.17)       |
| Transferred to General Reserve                     | 1,000.00        | (1,000.00)        | -                          | -                 | -                                       | -  | -                |
| Transferred to Capital Redemption Reserve          | -               | (59.26)           | 59.26                      | -                 | -                                       | -  | -                |
| <b>Balance as at 31 March 2019</b>                 | <b>1,002.00</b> | <b>95,071.80</b>  | <b>118.52</b>              | -                 | <b>3,552.86</b>                         | <b>(321.14)</b>                              | <b>99,424.04</b> |
| Other Comprehensive Income for the year            | -               | -                 | -                          | -                 | (606.21)                                | (97.41)                                      | (703.62)         |
| Profit for the Year                                | -               | 25,903.74         | -                          | -                 | -                                       | -  | 25,903.74        |
| Buyback of Equity Shares                           | (1,000.00)      | (22,986.77)       | -                          | -                 | -                                       | -  | (23,986.77)      |
| Dividend and Dividend Tax                          | -               | (2,283.17)        | -                          | -                 | -                                       | -  | (2,283.17)       |
| Transferred to General Reserve                     | 1,000.00        | (1,000.00)        | -                          | -                 | -                                       | -  | -                |
| Transferred to Capital Redemption Reserve          | -               | (56.00)           | 56.00                      | -                 | -                                       | -  | -                |
| Adjustment on Consolidation                        | -               | (10.71)           | -                          | -                 | -                                       | -  | (10.71)          |
| Treasury shares purchased during the year          | -               | -                 | -                          | (3,683.20)        | -                                       | -  | (3,683.20)       |
| <b>Balance as at 31 March 2020</b>                 | <b>1,002.00</b> | <b>94,638.89</b>  | <b>174.52</b>              | <b>(3,683.20)</b> | <b>2,946.65</b>                         | <b>(418.55)</b>                              | <b>94,660.31</b> |
| See accompanying notes to the financial statements | 1-58            |                   |                            |                   |   |  |                  |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.000459S  
Chartered Accountants

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-  
**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-  
**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

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

Sd/-  
**G.Vanaja Devi**  
Wholtime Director  
DIN: 00328947

# CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts are Rupees in lakhs unless otherwise stated

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                    |                             |                             |
| Profit before taxation   | 27,265.33                   | 23,113.89                   |
| Adjustments for:   |                             |                             |
| Fairvalue gain on Investments                                  | (291.85)                    | (725.48)                    |
| Depreciation & Amortisation                                    | 2,566.38                    | 2,295.20                    |
| (Profit)/Loss on sale of Fixed Assets                          | (42.23)                     | (23.63)                     |
| Dividend Received  | (26.30)                     | (2.61)                      |
| Gain from Investments  | (4,006.82)                  | (3,177.49)                  |
| Interest received  | (57.51)                     | (209.89)                    |
| Finance charges  | 47.85                       | 54.69                       |
| <b>Operating profit before working capital changes</b>         | <b>25,454.85</b>            | <b>21,324.68</b>            |
| (Increase) / Decrease in Inventories and Biological Assets     | (11,388.98)                 | (12,573.96)                 |
| (Increase)/Decrease in Trade Receivables and other receivables | (3,340.29)                  | 131.41                      |
| (Increase)/Decrease in Loans & Other Financial Assets          | 1,932.22                    | (3,228.57)                  |
| Increase/(Decrease) in Trade Payables                          | 4,868.30                    | 3,199.80                    |
| Increase/(Decrease) in Provisions                              | 259.83                      | (141.87)                    |
| Increase/(Decrease) in Other liabilities                       | 2,678.22                    | 5,187.99                    |
| Taxes paid during the year                                     | (1,290.70)                  | (1,105.49)                  |
| <b>Net cash generated from operating activities</b>            | <b>19,173.45</b>            | <b>12,793.99</b>            |
| <b>Cash flows from investing activities</b>                    |                             |                             |
| Payments for property, plant and equipment                     | (5,175.92)                  | (6,923.52)                  |
| Proceeds from disposal of property, plant and equipment        | 135.60                      | 60.00                       |
| Payments for investment  | (50,928.77)                 | (54,115.43)                 |
| Proceeds from disposal of investment                           | 66,865.12                   | 69,394.17                   |
| Payments for intangible assets                                 | (24.23)                     | (13.47)                     |
| Proceeds from earmarked deposits with Bank                     | 342.19                      | (355.51)                    |
| Dividend Received  | 26.30                       | 2.61                        |
| Interest received  | 7.57                        | 191.63                      |
| <b>Net Cash generated from investing activities</b>            | <b>11,247.86</b>            | <b>8,240.48</b>             |
| <b>Cash flows from financing activities</b>                    |                             |                             |
| Buyback of Equity Shares                                       | (24,042.77)                 | (20,000.25)                 |
| Proceeds from Borrowings                                       | 22.62                       | 423.00                      |
| Repayments of Borrowings                                       | (102.55)                    | -                           |
| Dividend including Tax on Dividend                             | (2,283.17)                  | (2,283.17)                  |
| Purchase of treasury shares                                    | (3,683.20)                  | -                           |
| Finance charges  | (54.25)                     | (50.60)                     |
| <b>Net cash used in financing activities</b>                   | <b>(30,143.32)</b>          | <b>(21,911.02)</b>          |
| Net increase in cash & cash equivalents                        | 277.99                      | (876.55)                    |
| Cash & Cash equivalents at the beginning of the period         | 500.57                      | 1,377.12                    |
| <b>Cash &amp; Cash equivalents at the end of the period</b>    | <b>778.56</b>               | <b>500.57</b>               |
| See accompanying notes to the financial statements             | 1-58                        |                             |

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.000459S  
Chartered Accountants

Sd/-  
**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-  
**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-  
**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

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

Sd/-  
**G.Vanaja Devi**  
Wholtime Director  
DIN: 00328947

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 1 Group Information

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

The Company and its consolidating entities (jointly referred as the "Group") are considered in the consolidated financial statements.

The Consolidated financial statements have been authorised for issue by the board of directors of the company on 30th May 2020.

### a) Subsidiaries considered for consolidation

| Name of the subsidiary                     | Nature of Business | Place of incorporation | Proportion of ownership interest and voting power held by the Company |                     |
|--|--------------------|------------------------|---|---------------------|
|  |                    |                        | As at 31 March 2020   | As at 31 March 2019 |
| Kaveri Microteck Private Ltd               | Micronutrients     | India                  | 100%  | 100%                |
| Kexveg India Private Ltd **                | Vegetables         | India                  | 0%  | 100%                |
| Aditya Agri Tech Private Ltd               | Seeds              | India                  | 70%   | 70%                 |
| Genome Agritech Private Ltd                | Seeds              | India                  | 51%   | 51%                 |
| Genomix Agri Genetics Private Ltd          | Seeds              | India                  | 100%  | 100%                |
| <b>b) Other consolidating entity</b>       |                    |                        |   |                     |
| Kaveri Employees Trust (From 1 April 2019) | ESOP Trust         | India                  | *-  | -                   |

\*The company does not have any equity interest in this entity, but has control over it.

\*\*Refer Note 54 of financial statements

## 2 Summary of significant accounting policies

### 2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the relevant amendment rules issued thereafter, guidelines issued by Securities and Exchange Board of India (SEBI), relevant provisions of the Act and other Accounting principles generally accepted in India.

### 2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Division II of Schedule III of Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### 2.3 Use of Estimates:

The preparation of financial statements requires the management of the Group to make estimates and assumptions to be made

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

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

## 2.4 Basis of Consolidation:

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries and other entities having control are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

## 2.5 Property, Plant & Equipment and Other Intangible assets:

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

## Freehold land is not depreciated.

Separately purchased intangible assets are initially measured at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortized over their respective individual estimated useful lives on a WDV basis, from the date that they are available for use.

## 2.6 Biological Asset:

### Recognition and measurement

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

- the Group controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the Group; and
- the fair value or cost of the asset can be measured reliably.

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

## 2.7 Leases:

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

The Group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

## 2.8 Borrowing Costs:

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

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

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

## 2.9 Government Grants:

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

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

## 2.10 Impairment of Assets:

### i) Financial assets

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

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

### ii) Non-financial assets

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

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

## 2.11 Revenue recognition:

The Group adopted IndAS115 "Revenue from Contracts with Customers" using the modified retrospective approach.

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and indirect taxes. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. Therefore, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

The company classifies the right to consideration in exchange for goods as a receivable and is presented net of impairment in the Balance Sheet

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

## 2.12 Dividend and Interest Income:

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

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

## 2.13 Foreign currency transactions:

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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Gains and losses arising on settlement and translating monetary items at reporting date are included in the profit or loss.

## 2.14 Financial Instruments:

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

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

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

## i) Non-derivative financial instruments

### Cash and cash equivalents

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

### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through other comprehensive income

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

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

### Financial assets at fair value through Profit or loss

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

### Financial liabilities

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

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

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cashflows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or have expired.

## 2.15 Non current assets held for sale:

Non-Current Assets are classified as Held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A Sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as Held for Sale are measured at the lower of their carrying amount and fair value less cost of sell and are presented separately in the consolidated Balance Sheet

## 2.16 Employee Benefits:

### a) Gratuity:

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

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

### b) Provident fund:

The eligible employees of the Group are entitled to receive the benefits of Provident fund a defined contribution plan in which both employees and the Company and its subsidiaries make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit

and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company and its subsidiaries.

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

### c) Compensated absences:

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

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

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

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

### d) Other short term employee benefits:

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

## 2.17 Share Based Payment Arrangements:

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

### a) Equity settled share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense in the statement of profit and loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

that meet the related service and performance conditions at the vesting date. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

## b) Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the statement of profit and loss.

## 2.18 Inventories:

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

## 2.19 Trade Receivables:

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

## 2.20 Taxation:

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

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

## Deferred income taxes

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

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

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

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

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

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

## 2.21 Earnings per Share:

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

The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

# NOTES

## to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

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

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

### 2.22 Treasury Shares:

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the securities premium.

### 2.23 Provision, Contingent Liabilities and Contingent Assets:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made.

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

### 2.24 Critical accounting estimates and judgements:

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

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

- a) Provision for doubtful debts - Refer note no.15
- b) Provision for schemes - Refer note no.31
- c) Provision for returns - Refer note no.31
- d) Biological assets - Refer note no.14
- e) Measurement of useful life and residual values of property, plant and equipments and useful life of intangible assets - Refer note no.3

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 3 Property, Plant and Equipment

| Particulars                                   | Land             | Buildings       | Plant & Equipment | Furniture & Fixtures | Vehicles        | Office Equipments | Computers     | Total            |
|---|------------------|-----------------|-------------------|----------------------|-----------------|-------------------|---------------|------------------|
| <b>Gross Carrying Amount</b>                  |                  |                 |                   |                      |                 |                   |               |                  |
| Balance as at 01.04.2019                      | 9,955.36         | 9,550.23        | 18,703.10         | 616.56               | 1,408.34        | 185.70            | 274.62        | 40,693.90        |
| Additions                                     | 1,780.25         | 315.03          | 1,033.33          | 273.11               | 69.96           | 73.75             | 46.35         | 3,591.78         |
| Deletions                                     | 39.07            | -               | 256.17            | 10.42                | 103.72          | 39.06             | 23.97         | 472.41           |
| <b>Balance as at 31.03.2020</b>               | <b>11,696.54</b> | <b>9,865.26</b> | <b>19,480.26</b>  | <b>879.25</b>        | <b>1,374.58</b> | <b>220.39</b>     | <b>297.00</b> | <b>43,813.28</b> |
| <b>Accumulated Depreciation/ Amortisation</b> |                  |                 |                   |                      |                 |                   |               |                  |
| Balance upto 01.04.2019                       | -                | 3,667.30        | 11,507.50         | 453.18               | 955.13          | 142.43            | 223.58        | 16,949.12        |
| Additions                                     | -                | 540.99          | 1,621.82          | 76.59                | 144.81          | 33.86             | 37.96         | 2,456.03         |
| Deletions                                     | -                | -               | 219.32            | 9.68                 | 91.00           | 36.86             | 22.19         | 379.05           |
| <b>Balance upto 31.03.2020</b>                | <b>-</b>         | <b>4,208.29</b> | <b>12,910.00</b>  | <b>520.09</b>        | <b>1,008.94</b> | <b>139.43</b>     | <b>239.35</b> | <b>19,026.10</b> |
| <b>Net Carrying Amount</b>                    |                  |                 |                   |                      |                 |                   |               |                  |
| <b>Balance as at 31.03.2020</b>               | <b>11,696.54</b> | <b>5,656.97</b> | <b>6,570.26</b>   | <b>359.16</b>        | <b>365.64</b>   | <b>80.96</b>      | <b>57.65</b>  | <b>24,787.18</b> |
| <b>Gross Carrying Amount</b>                  |                  |                 |                   |                      |                 |                   |               |                  |
| Balance as at 01.04.2018                      | 6,519.95         | 9,182.24        | 15,806.09         | 598.68               | 1,269.18        | 159.36            | 248.75        | 33,784.26        |
| Additions                                     | 3,435.41         | 367.99          | 2,897.01          | 17.88                | 334.33          | 26.62             | 34.61         | 7,113.84         |
| Deletions                                     | -                | -               | -                 | -                    | 195.17          | 0.29              | 8.74          | 204.20           |
| <b>Balance as at 31.03.2019</b>               | <b>9,955.36</b>  | <b>9,550.23</b> | <b>18,703.10</b>  | <b>616.56</b>        | <b>1,408.34</b> | <b>185.70</b>     | <b>274.62</b> | <b>40,693.90</b> |
| <b>Accumulated Depreciation/ Amortisation</b> |                  |                 |                   |                      |                 |                   |               |                  |
| Balance upto 01.04.2018                       | -                | 3,122.73        | 10,163.76         | 401.55               | 905.86          | 122.34            | 196.98        | 14,913.21        |
| Additions                                     | -                | 544.57          | 1,343.73          | 51.64                | 208.54          | 20.33             | 34.91         | 2,203.72         |
| Deletions                                     | -                | -               | -                 | -                    | 159.27          | 0.24              | 8.31          | 167.81           |
| <b>Balance upto 31.03.2019</b>                | <b>-</b>         | <b>3,667.30</b> | <b>11,507.50</b>  | <b>453.18</b>        | <b>955.13</b>   | <b>142.43</b>     | <b>223.58</b> | <b>16,949.12</b> |
| <b>Net Carrying Amount</b>                    |                  |                 |                   |                      |                 |                   |               |                  |
| <b>Balance as at 31.03.2019</b>               | <b>9,955.36</b>  | <b>5,882.93</b> | <b>7,195.60</b>   | <b>163.38</b>        | <b>453.21</b>   | <b>42.25</b>      | <b>51.04</b>  | <b>23,744.78</b> |

## 4 Capital work-in-progress

| Particulars                         | Land     | Buildings       | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Total           |
|-------------------------------------|----------|-----------------|-------------------|----------------------|----------|-------------------|-----------|-----------------|
| <b>Carrying Amount</b>              |          |                 |                   |                      |          |                   |           |                 |
| Balance as at 01.04.2019            | -        | 3,287.55        | 517.98            | 1.15                 | -        | 8.49              | -         | 3,815.18        |
| Additions                           | -        | 1,469.77        | 229.27            | 262.73               | -        | -                 | 16.84     | 1,978.61        |
| Deletions                           | -        | 307.39          | 746.90            | 261.68               | -        | 8.49              | 16.84     | 1,341.30        |
| Transferred to Assets held for sale | -        | 2,631.15        | -                 | -                    | -        | -                 | -         | 2,631.15        |
| <b>Balance as at 31.03.2020</b>     | <b>-</b> | <b>1,818.78</b> | <b>0.36</b>       | <b>2.20</b>          | <b>-</b> | <b>-</b>          | <b>-</b>  | <b>1,821.34</b> |
| <b>Balance as at 01.04.2018</b>     | <b>-</b> | <b>3,302.78</b> | <b>152.84</b>     | <b>1.15</b>          | <b>-</b> | <b>8.49</b>       | <b>-</b>  | <b>3,465.26</b> |
| Additions                           | -        | 1,469.60        | 1,728.68          | 7.09                 | -        | -                 | -         | 3,205.37        |
| Deletions                           | -        | 1,484.82        | 1,363.53          | 7.09                 | -        | -                 | -         | 2,855.45        |
| <b>Balance as at 31.03.2019</b>     | <b>-</b> | <b>3,287.55</b> | <b>517.98</b>     | <b>1.15</b>          | <b>-</b> | <b>8.49</b>       | <b>-</b>  | <b>3,815.18</b> |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 5 Goodwill

| Particulars                                  | Goodwill     | Total        |
|--|--------------|--------------|
| <b>Gross Carrying Amount</b>                 |              |              |
| Balance as at 01.04.2019                     | 26.70        | 26.70        |
| Additions                                    | -            | -            |
| Deletions                                    | -            | -            |
| <b>Balance as at 31.03.2020</b>              | <b>26.70</b> | <b>26.70</b> |
| <b>Accumulated Depreciation/Amortisation</b> |              |              |
| Balance upto 01.04.2019                      | -            | -            |
| Additions                                    | -            | -            |
| Deletions                                    | -            | -            |
| <b>Balance upto 31.03.2020</b>               | <b>-</b>     | <b>-</b>     |
| <b>Net Carrying Amount</b>                   |              |              |
| <b>Balance as at 31.03.2020</b>              | <b>26.70</b> | <b>26.70</b> |
| <b>Gross Carrying Amount</b>                 |              |              |
| Balance as at 01.04.2018                     | 26.70        | 26.70        |
| Additions                                    | -            | -            |
| Deletions                                    | -            | -            |
| <b>Balance as at 31.03.2019</b>              | <b>26.70</b> | <b>26.70</b> |
| <b>Accumulated Depreciation/Amortisation</b> |              |              |
| Balance upto 01.04.2018                      | -            | -            |
| Additions                                    | -            | -            |
| Deletions                                    | -            | -            |
| <b>Balance upto 31.03.2019</b>               | <b>-</b>     | <b>-</b>     |
| <b>Net Carrying Amount</b>                   |              |              |
| <b>Balance as at 31.03.2019</b>              | <b>26.70</b> | <b>26.70</b> |

## 6 Other InTangible assets

| Particulars                                  | Software      | Total         |
|--|---------------|---------------|
| <b>Gross Carrying Amount</b>                 |               |               |
| Balance as at 01.04.2019                     | 531.48        | 531.48        |
| Additions                                    | 24.23         | 24.23         |
| Deletions                                    | -             | -             |
| <b>Balance as on 31.03.2020</b>              | <b>555.71</b> | <b>555.71</b> |
| <b>Accumulated Depreciation/Amortisation</b> |               |               |
| Balance upto 01.04.2019                      | 289.53        | 289.53        |
| Additions                                    | 110.36        | 110.36        |
| Deletions                                    | -             | -             |
| <b>Balance upto 31.03.2020</b>               | <b>399.88</b> | <b>399.88</b> |
| <b>Net Carrying Amount</b>                   |               |               |
| <b>Balance as at 31.03.2020</b>              | <b>155.83</b> | <b>155.83</b> |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 6 Other InTangible assets (Contd..)

| Particulars                                  | Software      | Total         |
|--|---------------|---------------|
| <b>Gross Carrying Amount</b>                 |               |               |
| Balance as at 01.04.2018                     | 248.27        | 248.27        |
| Additions                                    | 283.21        | 283.21        |
| Deletions                                    | -             | -             |
| <b>Balance as at 31.03.2019</b>              | <b>531.48</b> | <b>531.48</b> |
| <b>Accumulated Depreciation/Amortisation</b> |               |               |
| Balance upto 01.04.2018                      | 198.05        | 198.05        |
| Additions                                    | 91.48         | 91.48         |
| Deletions                                    | -             | -             |
| <b>Balance upto 31.03.2019</b>               | <b>289.53</b> | <b>289.53</b> |
| <b>Net Carrying Amount</b>                   |               |               |
| <b>Balance as at 31.03.2019</b>              | <b>241.96</b> | <b>241.96</b> |

## 7 InTangible assets under development

| Particulars                     | Software | Total    |
|---------------------------------|----------|----------|
| <b>Carrying Amount</b>          |          |          |
| Balance as at 01.04.2019        | -        | -        |
| Additions                       | -        | -        |
| Deletions                       | -        | -        |
| <b>Balance as at 31.03.2020</b> | <b>-</b> | <b>-</b> |
| <b>Carrying Amount</b>          |          |          |
| Balance as at 01.04.2018        | 269.74   | 269.74   |
| Additions                       | -        | -        |
| Deletions                       | 269.74   | 269.74   |
| <b>Balance as at 31.03.2019</b> | <b>-</b> | <b>-</b> |

## 8 Investments

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Non Current Investments</b>                      |                        |                        |
| Equity Investments in Other Entities                | 1.02                   | 1.04                   |
| Investment in Government Securities                 | 0.07                   | 0.37                   |
| Investment in Real Estate Portfolio Management Fund | 3,192.81               | 3,568.88               |
| Equity Investments - Others                         | 74.72                  | 102.44                 |
|   | <b>3,268.62</b>        | <b>3,672.73</b>        |
| <b>Current Investments</b>                          |                        |                        |
| Liquid Mutual Fund Units                            | 504.24                 | 3,550.99               |
| Fixed Maturity Plan Mutual Fund Units               | 18,008.34              | 16,570.52              |
| Other Debt Mutual Fund Units                        | 16,604.85              | 27,161.26              |
|   | <b>35,117.43</b>       | <b>47,282.77</b>       |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 8 Investments (Contd..)

| Particulars  | As at 31 March 2020 |                 | As at 31 March 2019 |                 |
|--|---------------------|-----------------|---------------------|-----------------|
|  | Qty Nos             | Amount          | Qty Nos             | Amount          |
| <b>Non Current Investments</b>   |                     |                 |                     |                 |
| <b>Un-Quoted</b>   |                     |                 |                     |                 |
| <b>Equity Investments in other Entities<br/>(Investments Carried at Fair Value through Other Comprehensive Income)</b>                 |                     |                 |                     |                 |
| Equity Shares of ₹ 100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up   | 3,600.00            | -               | 3,600.00            | -               |
| Equity Shares of ₹ 10 each in Swadeshi Biotechnics Ltd -fully paid up  | 7,000.00            | 1.02            | 7,000.00            | 1.04            |
|  |                     | <b>1.02</b>     |                     | <b>1.04</b>     |
| <b>Investment in Government Securities<br/>(Investments Carried at Cost)</b>   |                     |                 |                     |                 |
| National Savings Certificates  | -                   | 0.07            | -                   | 0.37            |
|  |                     | <b>0.07</b>     |                     | <b>0.37</b>     |
| <b>Investment in Real Estate Portfolio Management Fund<br/>(Investments Carried at Fair Value through Profit &amp; Loss Statement)</b> |                     |                 |                     |                 |
| ASK Real Estate Special Situations Mutual Fund   | 375                 | 371.11          | 375                 | 371.11          |
| ASK PMS Real Estate Special Opportunities Portpolio - III  | -                   | 2,698.00        | -                   | 3,074.06        |
|  |                     | <b>3,069.11</b> |                     | <b>3,445.18</b> |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b>  |                     |                 |                     |                 |
| ASK Real Estate Special Situations Mutual Fund   | 125                 | 123.70          | 125                 | 123.70          |
|  |                     | <b>123.70</b>   |                     | <b>123.70</b>   |
|  |                     | <b>3,192.81</b> |                     | <b>3,568.88</b> |
| <b>Quoted</b>  |                     |                 |                     |                 |
| <b>Equity Investments - Others<br/>(Other than trade)<br/>(Investments Carried at Fair Value through Other Comprehensive Income)</b>   |                     |                 |                     |                 |
| Equity Shares of ₹ 10 each in Vijay Textiles Ltd - fully paid up   | 199,425             | 31.51           | 199,425             | 54.34           |
| Equity shares of ₹ 10 each in Bank of Maharastra - fully paid up   | 1,900               | 0.17            | 1,900               | 0.26            |
| Equity shares of ₹ 10 each in Indian Overseas Bank - fully paid up   | 9,700               | 0.68            | 9,700               | 1.40            |
| Equity Shares of Re.1 each in Tata Consultancy Services Ltd - full paid up   | 2,320               | 42.37           | 2,320               | 46.44           |
|  |                     | <b>74.72</b>    |                     | <b>102.44</b>   |
| <b>Current Investments</b>   |                     |                 |                     |                 |
| <b>Unquoted<br/>(Other than trade)</b>   |                     |                 |                     |                 |
| <b>Liquid Mutual Fund Units<br/>(Investments Carried at Fair Value through Profit &amp; Loss Statement)</b>                            |                     |                 |                     |                 |
| ICICI Prudential Liquid Fund - Direct Plan - Growth  | -                   | -               | 806,883             | 2,230.36        |
| Reliance Liquid Fund - Direct Plan Growth Plan - Growth Option   | -                   | -               | 8,940               | 407.85          |
| SBI Liquid Fund Direct Growth  | -                   | -               | 31,168              | 912.79          |
| Mirae Asset Cash Management Fund - Direct Plan - Growth  | 24,073              | 504.24          | -                   | -               |
|  |                     | <b>504.24</b>   |                     | <b>3,550.99</b> |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 8 Investments (Contd..)

| Particulars   | As at 31 March 2020 |                  | As at 31 March 2019 |                  |
|---|---------------------|------------------|---------------------|------------------|
|   | Qty Nos             | Amount           | Qty Nos             | Amount           |
| <b>Fixed Matured Plan Mutual Fund Units</b>                                   |                     |                  |                     |                  |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b> |                     |                  |                     |                  |
| BSL Fixed Term Plan - Series PB (1190 Days) - Direct Growth                   | 3,000,000           | 356.49           | 3,000,000           | 327.08           |
| BSL Fixed Term Plan - Series PE (1159 Days) - Direct Growth                   | 3,000,000           | 355.22           | 3,000,000           | 325.88           |
| BSL Fixed Term Plan - Series QJ (1098 Days) - Direct Growth                   | 15,000,000          | 1,758.96         | 15,000,000          | 1,616.09         |
| Franklin India Fixed Maturity Plans - Series 3 - Plan F 1098 days - Dr - Gr   | 5,000,000           | 589.40           | 5,000,000           | 539.05           |
| HDFC FMP 1178D Feb,2017 Direct Growth -Series 37                              | 24,048,573          | 3,095.39         | 24,048,573          | 2,838.33         |
| ICICI Prudential Fixed Maturity Plan Series 80-1150 Days Plan N Dr-Cum        | 7,804,662           | 1,000.58         | 7,804,662           | 920.52           |
| ICICI Prudential Fixed Maturity Plan Series 83-1113 Days Plan E Dr-Cum        | 17,000,000          | 1,970.35         | 17,000,000          | 1,817.66         |
| ICICI Prudential Fixed Maturity Plan Series 83-1105 Days Plan M Dr-Cum        | 5,104,334           | 585.08           | 5,104,334           | 539.50           |
| Kotak FMP Series 235 Direct - Growth  | 5,000,000           | 587.72           | 5,000,000           | 536.72           |
| Nippon Fixed Horizon Fund -XXXVIII -Series 03 - Direct Growth Plan            | 6,000,000           | 702.45           | 6,000,000           | 643.04           |
| UTI Fixed Term Income Fund Series XXIX - XI (1112 Days)-Dr Growth             | 6,478,435           | 674.68           | 6,478,435           | 689.82           |
| HDFC FMP 1302 D SEPTEMBER 2016 (1) - SERIES 37 REG - G                        | 24,273,023          | 3,213.75         | 24,273,023          | 2,941.89         |
| IIFL Wealth Finance Limited SR-IFGPD - II BR NCD                              | 2,700               | 3,118.27         | 2,700               | 2,834.95         |
|   |                     | <b>18,008.34</b> |                     | <b>16,570.52</b> |

| Particulars   | As at 31 March 2020 |                 | As at 31 March 2019 |                  |
|---|---------------------|-----------------|---------------------|------------------|
|   | Qty Nos             | Amount          | Qty Nos             | Amount           |
| <b>Other Debt Mutual Fund Units</b>   |                     |                 |                     |                  |
| <b>(Investments Carried at Fair Value through Other Comprehensive Income)</b>   |                     |                 |                     |                  |
| BSL Medium Term Plan-Growth-Direct  | 6,030,081           | 1,388.71        | 6,030,081           | 1,431.43         |
| HDFC Credit Risk Debt Fund - Direct Growth                                      | 28,510,870          | 4,973.21        | 28,510,870          | 4,538.53         |
| IDFC Corporate Bond Fund Direct Plan-Growth                                     | -                   | -               | 2,923,851           | 376.02           |
| IDFC Credit Risk fund Direct Plan Growth  | 589,183             | 75.00           | 589,183             | 68.32            |
| ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth               | -                   | -               | 2,730,566           | 588.83           |
| ICICI Prudential Midium Term Bond Fund - Direct Plan - Growth                   | -                   | -               | 14,691,815          | 4,406.44         |
| Kotak Credit Risk Fund - Direct Plan - Growth                                   | -                   | -               | 22,363,110          | 4,816.43         |
| Reliance Credit Risk Fund _Direct Growth Plan Growth Option                     | -                   | -               | 1,151,998           | 313.29           |
| Reliance Stagetec Debt Fund -Direct Growth Plan                                 | -                   | -               | 40,818,805          | 6,267.69         |
|   |                     | <b>6,436.92</b> |                     | <b>22,806.98</b> |
| <b>(Investments Carried at Fair Value through Profit &amp; Loss Statement )</b> |                     |                 |                     |                  |
| BSL Money Manager Fund - Growth - Direct Plan                                   | -                   | -               | 4,428               | 11.14            |
| BSL Low Duration Fund - Growth - Direct Plan                                    | -                   | -               | 190,371             | 900.80           |
| Tata Money Market Fund Direct Plan - Growth                                     | 29,418              | 1,019.68        | -                   | -                |
| HDFC Ultra Short Term Fund - Direct Growth                                      | -                   | -               | 10,597,006          | 1,109.97         |
| IDFC Ultra Short Term Fund Direct Plan -Growth                                  | 13,233,585          | 1,509.48        | 10,519,768          | 1,115.62         |
| ICICI Prudential Money Market Fund - Direct Plan - Growth                       | 1,082,153           | 3,022.07        | 194,078             | 504.92           |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 8 Investments (Contd..)

| Particulars  | As at 31 March 2020 |                  | As at 31 March 2019 |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | Qty Nos             | Amount           | Qty Nos             | Amount           |
| Kotak Banking and PSU Debt Fund Direct Growth                          | 3,153,640           | 1,502.61         | -                   | -                |
| Kotak Low Duration Fund Direct Growth                                  | 23,356              | 602.87           | -                   | -                |
| Nippon India Low Duration Fund - Direct Growth Plan Growth Option      | 88,960              | 2,511.21         | -                   | -                |
| UTI Ultra Short Term Fund - Direct Growth Plan                         | -                   | -                | 22,679.00           | 711.82           |
|  |                     | <b>10,167.93</b> |                     | <b>4,354.27</b>  |
|  |                     | <b>16,604.85</b> |                     | <b>27,161.26</b> |
| Market Value of Quoted Investments                                     |                     | 74.72            |                     | 102.44           |
| Aggregate amount of Quoted Investments                                 |                     | 204.27           |                     | 204.27           |
| Aggregate amount of Unquoted Investments                               |                     | 32,924.73        |                     | 44,854.24        |
| (Investments Carried at Cost)  |                     | 0.07             |                     | 0.37             |
| (Investments Carried at Fair Value through Other Comprehensive Income) |                     | 24,644.70        |                     | 39,604.70        |
| (Investments Carried at Fair Value through Profit & Loss)              |                     | 13,741.27        |                     | 11,350.44        |

### Investments in Mutual Funds

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

### Investments in Equity Instruments of Other Entities (Quoted and Unquoted)

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

## 9 Loans

| Particulars                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| <b>Unsecured and considered good</b> |                        |                        |
| Loan to Employees Trust              | -                      | 3,000.01               |
|                                      | -                      | <b>3,000.01</b>        |

## 10 Deferred tax assets (net)

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Deferred Tax Asset on account of differences in depreciation as per tax books and financial books. | 29.11                  | 28.13                  |
| Deferred Tax Asset arising on account of timing differences relating to:                           |                        |                        |
| Provision for Bad and doubtful trade receivables   | 71.29                  | 61.37                  |
| Employee Benefits  | 25.93                  | 13.49                  |
|  | <b>126.33</b>          | <b>102.99</b>          |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 11 Non-Current Tax Assets

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Advance Income Tax and Tax Deducted at Source                       | 473.01                 | 400.35                 |
| Net of Provision ₹ 2,764.97 Lakhs (31 March 2019: ₹ 1,964.81 Lakhs) | <b>473.01</b>          | <b>400.35</b>          |

## 12 Other non-current assets

| Particulars                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| <b>Unsecured and considered good</b> |                        |                        |
| Security deposits                    | 267.18                 | 209.47                 |
| Advances for Capital Expenses        | 1,048.33               | 290.57                 |
|                                      | <b>1,315.51</b>        | <b>500.04</b>          |

## 13 Inventories

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Measured at lower of cost or net realisable value</b> |                        |                        |
| Raw Materials  | 7,154.09               | 5,668.39               |
| Work in Process  | 8,645.93               | 9,216.26               |
| Finished Goods   | 48,105.00              | 41,238.64              |
|  | <b>63,905.02</b>       | <b>56,123.29</b>       |

## 14 Biological Asset

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------|------------------------|------------------------|
| Standing Crop | 8,916.23               | 5,308.98               |
|               | <b>8,916.23</b>        | <b>5,308.98</b>        |

## 15 Trade receivables

| Particulars                  | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------|---------------------|---------------------|
| Considered good - Unsecured  | 11,801.90           | 8,461.61            |
| Receivables- Credit impaired | 3,525.52            | 3,283.69            |
| Less: Loss Allowance         | (3,525.52)          | (3,283.69)          |
|                              | <b>11,801.90</b>    | <b>8,461.61</b>     |

## NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

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

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

| Particulars                              | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Movement in the loss allowance</b>    |                             |                             |
| Balance at the beginning of the year     | 3,283.69                    | 3,419.59                    |
| Movement during the year based on ageing | 241.83                      | (135.90)                    |
| Balance at the end of the year           | <b>3,525.52</b>             | <b>3,283.69</b>             |

### 16 Cash and cash equivalents

| Particulars                            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Cash on hand                           | 5.59                   | 10.38                  |
| Balances with Banks - Current Accounts | 772.97                 | 490.19                 |
|  | <b>778.56</b>          | <b>500.57</b>          |

### 17 Other Bank Balances

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Fixed Deposit with Banks                            | 14.11                  | 354.31                 |
| Earmarked balances with banks<br>- Deposit Accounts | 12.75                  | 14.74                  |
|   | <b>26.86</b>           | <b>369.05</b>          |

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

### 18 Other current assets

| Particulars                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| <b>Unsecured and considered good</b> |                        |                        |
| Advance to suppliers                 | 2,366.90               | 1,402.74               |
| Advance to Staff                     | 132.87                 | 80.64                  |
| Prepaid expenses                     | 129.57                 | 96.05                  |
| Others                               | 68.61                  | 19.94                  |
|                                      | <b>2,697.96</b>        | <b>1,599.37</b>        |

### 19 Assets classified as held for Sale

| Particulars            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| Building held for sale | 2,631.15               | -                      |
|                        | <b>2,631.15</b>        | <b>-</b>               |

During the year, the Company had decided to dispose off one immovable property which has been moved from Capital work in progress to asset held for sale. The Company expects to dispose of the asset over the course of next 12 months.

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 20 Equity Share Capital

| Particulars  | As at           |                 |
|--|-----------------|-----------------|
|  | 31 March 2020   | 31 March 2019   |
| <b>SHARE CAPITAL</b>                                   |                 |                 |
| <b>Authorised</b>                                      |                 |                 |
| 10,00,00,000 (10,00,00,000) Equity shares of ₹2/- each | 2,000.00        | 2,000.00        |
| <b>Issued,Subscribed &amp; Paid up</b>                 |                 |                 |
| 6,03,29,133/(6,31,29,133) Equity shares of ₹2/-each    | 1,206.58        | 1,262.58        |
|  | -               | -               |
|  | <b>1,206.58</b> | <b>1,262.58</b> |

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

Equity Shares of ₹2/- each

| Particulars                  | As at 31 March 2020 |            | As at 31 March 2019 |            |
|------------------------------|---------------------|------------|---------------------|------------|
|                              | No of shares        | ₹ in Lakhs | No of shares        | ₹ in Lakhs |
| At the beginning of the year | 6,31,29,133         | 1,262.58   | 6,60,92,133         | 1,321.84   |
| Add: Issued during the year  | -                   | -          | -                   | -          |
| Less: Shares bought back     | 28,00,000           | 56.00      | 29,63,000           | 59.26      |
| At the end of the year       | 6,03,29,133         | 1,206.58   | 6,31,29,133         | 1,262.58   |

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

| Particulars           | As at 31 March 2020 |              | As at 31 March 2019 |              |
|-----------------------|---------------------|--------------|---------------------|--------------|
|                       | No of shares        | % of holding | No of shares        | % of holding |
| G Vanaja Devi         | 1,40,90,157         | 23.36%       | 1,45,83,618         | 23.10%       |
| G V Bhaskar Rao - HUF | 99,85,649           | 16.55%       | 1,03,91,682         | 16.46%       |
| G V Bhaskar Rao       | 53,58,530           | 8.88%        | 55,76,416           | 8.83%        |

### c) Rights, preferences and restrictions attached to equity shares

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

### d) Buy back of Equity Shares

During the year ended March 31,2020, the Company bought back and extinguished 28,00,000 equity shares of ₹2/- each at ₹700/- per share aggregating to ₹19600 Lakhs. The aggregate face value of shares bought back was ₹56 Lakhs.

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date.

| Particulars              | Year ended 31 March |           |           |      |      |
|--------------------------|---------------------|-----------|-----------|------|------|
|                          | 2020                | 2019      | 2018      | 2017 | 2016 |
| Equity shares of ₹2 each | 28,00,000           | 29,63,000 | 29,62,962 | -    | -    |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## e) Employee Stock Option Scheme

As per Kaveri ESOP 2018 Scheme during the current period the company has granted 6,29,516 options through Kaveri Employee Trust (ESOP Trust). The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years. Liability recognised at 31 March 2020 and cost recognised is disclosed in notes. (Refer Note 49)

## 21 Other Equity

| Particulars   | As at 31 March 2020 |                   | As at 31 March 2019 |                  |
|---|---------------------|-------------------|---------------------|------------------|
| <b>a) General Reserve</b>   |                     |                   |                     |                  |
| Opening Balance   | 1,002.00            |                   | 1,002.00            |                  |
| Less: Utilized for Buyback  | (1,000.00)          |                   | (1,000.00)          |                  |
| Add: Transfer from Retained Earnings  | 1,000.00            | <b>1,002.00</b>   | 1,000.00            | <b>1,002.00</b>  |
| <b>b) Retained Earnings</b>   |                     |                   |                     |                  |
| Opening Balance   | 95,071.80           |                   | 95,610.16           |                  |
| <b>Add:</b>   |                     |                   |                     |                  |
| Profit for the year   | 25,903.74           |                   | 21,745.07           |                  |
| <b>Less:</b>  |                     |                   |                     |                  |
| Transferred to General Reserve  | (1,000.00)          |                   | (1,000.00)          |                  |
| Payment of Dividend & Dividend Tax  | (2,283.17)          |                   | (2,283.17)          |                  |
| Utilized for Buyback  | (22,986.77)         |                   | (18,940.99)         |                  |
| Adjustment on Consolidation   | (10.71)             |                   | -                   |                  |
| Transferred to Capital Redemption Reserve   | (56.00)             | <b>94,638.89</b>  | (59.26)             | <b>95,071.80</b> |
| <b>c) Capital Redemption Reserve</b>  |                     |                   |                     |                  |
| Opening Balance   | 118.52              |                   | 59.26               |                  |
| <b>Add:</b>   |                     |                   |                     |                  |
| Transfer from Retained Earnings   | 56.00               | <b>174.52</b>     | 59.26               | <b>118.52</b>    |
| <b>d) Other Comprehensive Income - Fair Value Gain/(Loss) on Investments</b>                            |                     |                   |                     |                  |
| Opening Balance   | 3,552.86            |                   | 3,584.03            |                  |
| <b>Add:</b>   |                     |                   |                     |                  |
| Fair Value of Equity Investments through OCI will not be reclassified to Profit & Loss                  | (27.74)             |                   | (11.39)             |                  |
| Fair value of Investments through OCI will be reclassified to Profit & Loss                             | (904.04)            |                   | 82.32               |                  |
| <b>Less:</b>  |                     |                   |                     |                  |
| Tax on Fair value of Equity Investments through OCI will not be reclassified to Profit & Loss           | (9.69)              |                   | 3.98                |                  |
| Tax on Fair value of Investments through OCI will be reclassified to Profit & Loss                      | (315.87)            | <b>2,946.65</b>   | (106.07)            | <b>3,552.86</b>  |
| <b>e) Other Comprehensive Income - Actuarial Gain/(Loss) on Employee Benefits</b>                       |                     |                   |                     |                  |
| Opening Balance   | (321.14)            |                   | (337.32)            |                  |
| <b>Add:</b>   |                     |                   |                     |                  |
| Actuarial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit or loss       | (98.36)             |                   | 16.97               |                  |
| <b>Less:</b>  |                     |                   |                     |                  |
| Tax on Actuarial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit & Loss | (0.95)              |                   | (0.78)              |                  |
|   |                     | <b>(418.55)</b>   |                     | <b>(321.14)</b>  |
| <b>f) Treasury Shares</b>   |                     | <b>(3,683.20)</b> |                     | -                |
|   |                     | <b>94,660.31</b>  |                     | <b>99,424.04</b> |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 21 Other Equity (Contd..)

**General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date less any transfers to general reserve, dividends, utilisations or other distributions paid to shareholders.

**Other Comprehensive Income:** The fair value change of the investments measured at fair value through other comprehensive income recognised through Other Comprehensive Income. Upon derecognition the cumulative fair value changes on the said investments except equity investments are reclassified to the Statement of Profit and Loss. Accumulated gain or loss on employee benefits also recognised through other comprehensive income.

**Capital Redemption Reserve:** Face value of the No. of Shares cancelled through buyback is transferred to Capital Redemption Reserve.

## 22 Non-Controlling Interest

| Particulars                  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------|------------------------|------------------------|
| At the beginning of the year | (61.47)                | (56.86)                |
| Additions during the year    | 85.49                  | (4.61)                 |
| At the end of the year       | <b>24.02</b>           | <b>(61.47)</b>         |

### Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests :

| Particulars                     | Principal place of business | Proportion of ownership interests and voting rights held by non-controlling interests as at 31 March 2020 | Accumulated non-controlling interests as at 31 March 2020 |
|---------------------------------|-----------------------------|---|---|
| Aditya Agritech Private Limited | Secunderabad                | 30  | 242.89  |
| Genome Agritech Private Limited | Secunderabad                | 49  | (218.87)  |

Summarised financial information in respect of each of the subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

| Particulars                                 | Aditya Agritech Pvt Ltd |                        | Genome Agritech Pvt Ltd |                        |
|---|-------------------------|------------------------|-------------------------|------------------------|
|   | As at<br>31 March 2020  | As at<br>31 March 2019 | As at<br>31 March 2020  | As at<br>31 March 2019 |
| Non-current assets                          | 66.82                   | 54.18                  | 35.20                   | 41.90                  |
| Current assets                              | 5,831.54                | 5,956.06               | 20.43                   | 57.27                  |
| Non-current liabilities                     | (242.04)                | (217.08)               | (6.82)                  | (6.82)                 |
| Current liabilities                         | (4,738.82)              | (5,189.57)             | (560.07)                | (585.88)               |
| Net Assets                                  | 917.50                  | 603.60                 | (511.26)                | (493.53)               |
| Carrying amount of Non-controlling interest | 242.89                  | 148.72                 | (218.87)                | (210.19)               |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

| Particulars   | Aditya Agritech Pvt Ltd     |                             | Genome Agritech Pvt Ltd     |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
| Revenue   | 8,731.81                    | 5,858.85                    | 3.63                        | 0.18                        |
| Expenses  | 8,413.85                    | 5,675.73                    | (21.35)                     | (121.71)                    |
| <b>Profit(Loss) for the year</b>                            | <b>317.96</b>               | <b>183.12</b>               | <b>(17.72)</b>              | <b>(121.53)</b>             |
| Other Comprehensive Income                                  | (4.06)                      | 1.09                        | -                           | -                           |
| <b>Total Profit/(Loss) &amp; Other Comprehensive Income</b> | <b>313.90</b>               | <b>184.21</b>               | <b>(17.72)</b>              | <b>(121.53)</b>             |
| Profit(loss) attributable to owners of the Company          | 219.73                      | 129.27                      | (9.04)                      | (61.98)                     |
| Profit(loss) attributable to non-controlling interests      | 94.17                       | 54.94                       | (8.68)                      | (59.55)                     |
| <b>Profit(Loss) for the year</b>                            | <b>313.90</b>               | <b>184.21</b>               | <b>(17.72)</b>              | <b>(121.53)</b>             |

## 23 Borrowings

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Secured</b>   |                        |                        |
| <b>From Others</b>   |                        |                        |
| Term Loan from Department of Biotechnology, Ministry of Science & Technology | 155.76                 | 187.06                 |
| <b>From Banks</b>  |                        |                        |
| Cash Credit facility from Yes Bank Ltd                                       | 423.02                 | 491.00                 |
|  | <b>578.78</b>          | <b>678.06</b>          |

- a) Two Term Loans from Department of Biotechnology, Ministry of Science & Technology with 2% p.a interest is secured by all equipment, Plant & Machinery and other movable assets of the company and is repayable in ten equal half yearly instalments starting from June,2019.
- b) Cash Credit secured on all current assets and second charge on movable fixed assets of "kaveri microteck pvt ltd" and personal gurantee of the Director.

## 24 Provisions

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Provision for Gratuity (Refer note 48.3)             | 227.27                 | 112.52                 |
| Provision for Compensated absences (Refer note 48.2) | 343.42                 | 252.92                 |
| Provision for ESOP Liability (Refer note 49)         | 2.77                   | -                      |
|  | <b>573.46</b>          | <b>365.44</b>          |

## 25 Deferred tax liabilities (net)

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Deferred Tax Liability/(Asset) on account of differences in depreciation</b><br>as per tax books and financial books. | 16.57                  | (10.25)                |
| <b>Deferred Tax Liability/(Asset) arising on account of timing differences relating to:</b>                              |                        |                        |
| Provision for Bad and doubtful trade receivables   | (38.59)                | (29.68)                |
| Employee Benefits  | (7.74)                 | (5.27)                 |
| Employee Benefits recognised through Other Comprehensive Income  | (0.79)                 | 0.15                   |
| <b>Deferred Tax Liability arising on account of timing differences relating to:</b>                                      |                        |                        |
| Fair value gain on investments through Profit & Loss Statement   | 340.09                 | 238.12                 |
| Fair value gain on investments through Other Comprehensive Income  | 1,496.72               | 1,822.29               |
|  | <b>1,806.26</b>        | <b>2,015.36</b>        |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 26 Other non-current liabilities

| Particulars                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------|------------------------|------------------------|
| Security deposits from dealers | 1,190.61               | 1,008.90               |
| Grant/subsidy                  | 26.33                  | 29.47                  |
|                                | <b>1,216.94</b>        | <b>1,038.37</b>        |

### 26.1 Grant/subsidy Reconciliation:

| Particulars                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------|------------------------|------------------------|
| Opening balance             | 29.47                  | 32.60                  |
| Add: Received during year   | 4.52                   | 8.00                   |
| Less: Amortised during year | 7.66                   | 11.13                  |
| <b>Closing balance</b>      | <b>26.33</b>           | <b>29.47</b>           |

## 27 Trade payables

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Creditors for Expenses  | 13,128.61              | 8,499.25               |
| Sundry Creditors  | 13,558.08              | 13,319.15              |
|   | <b>26,686.69</b>       | <b>21,818.40</b>       |
| Total Outstanding dues of Micro and Small Enterprises         | 296.86                 | 273.34                 |
| Total Outstanding dues other than Micro and Small Enterprises | 26,389.83              | 21,545.05              |
|   | <b>26,686.69</b>       | <b>21,818.40</b>       |

## 28 Other financial liabilities

| Particulars                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| Unclaimed Dividend                   | 12.75                  | 14.74                  |
| Interest Accrued but not due         | 13.13                  | 19.53                  |
| Current Maturities of long term debt | 47.58                  | 32.76                  |
| Capital Payables                     | 92.61                  | 281.67                 |
|                                      | <b>166.07</b>          | <b>348.70</b>          |

There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the companies Act, 2013 as at 31 March 2020 and 31 March 2019.

## 29 Current Tax Liabilities (Net)

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Provision for Income Tax  | 92.18                  | 147.50                 |
| Net of advance tax ₹ 1082.15 Lakhs (31 March 2019 : ₹1034.41 Lakhs) | <b>92.18</b>           | <b>147.50</b>          |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 30 Provisions

| Particulars                        | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------|------------------------|------------------------|
| Provision for compensated absences | 108.12                 | 56.31                  |
|                                    | <b>108.12</b>          | <b>56.31</b>           |

## 31 Other Current Liabilities

| Particulars                       | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------|------------------------|------------------------|
| Advances from customers for Sales | 22,748.63              | 24,154.85              |
| Payable to Staff                  | 911.71                 | 878.79                 |
| Statutory Payables                | 149.54                 | 174.91                 |
| Advance for Sale of Assets        | 252.30                 | 252.32                 |
| Provision for Returns             | 3,666.96               | 300.94                 |
| Provision for Schemes             | 3,001.08               | 2,295.28               |
|                                   | <b>30,730.22</b>       | <b>28,057.09</b>       |

## 32 Revenue from Operations

| Particulars                  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|------------------------------|-----------------------------|-----------------------------|
| Sale of Seeds (net)          | 90,188.68                   | 78,179.68                   |
| Sale of Micronutrients (net) | 2,845.95                    | 2,760.84                    |
| Sale of Vegetables           | -                           | 1.29                        |
|                              | <b>93,034.63</b>            | <b>80,941.81</b>            |

## 33 Other Income

| Particulars                          | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--------------------------------------|-----------------------------|-----------------------------|
| Profit on sale of Assets (Net)       | 42.23                       | 23.63                       |
| Dividend Income                      | 26.30                       | 2.61                        |
| Profit on sale of Investments        | 4,006.82                    | 3,177.49                    |
| Interest Income                      | 57.51                       | 209.89                      |
| Others                               | 111.90                      | 22.63                       |
| Grant/Subsidy amortised              | 7.66                        | 11.13                       |
| Baddebts Recovered                   | -                           | 123.96                      |
| Fair value gain on Investments (Net) | 291.85                      | 725.48                      |
| Foreign Exchange Fluctuations (Net)  | 14.67                       | 2.64                        |
|                                      | <b>4,558.94</b>             | <b>4,299.46</b>             |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 34 Cost of Material Consumed

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Raw Material Consumed/Production Expenses                          |                             |                             |
| Opening Stock  | 5,668.39                    | 5,183.55                    |
| Add : Purchases/Production Expenses including processing Charges** | 59,440.10                   | 54,974.80                   |
|  | 65,108.49                   | 60,158.35                   |
| Less : Closing Stock   | 7,154.09                    | 5,668.39                    |
|  | <b>57,954.40</b>            | <b>54,489.96</b>            |
| <b>**Processing Charges</b>  |                             |                             |
| Freight Inward   | 1,166.38                    | 1,183.86                    |
| Repairs & Maintenance  |                             |                             |
| Plant & Machinery  | 364.13                      | 216.44                      |
| Buildings & Godowns  | 63.54                       | 98.74                       |
| Cold Storage   | 119.34                      | 49.84                       |
| Factory Maintenance  | 1,361.96                    | 1,261.93                    |
| Seed Certification charges   | 0.92                        | 1.02                        |
| Power & Fuel   | 802.12                      | 845.70                      |
| Godown Rent  | 137.75                      | 123.75                      |
| Expense on processing  | 1,032.51                    | 1,156.55                    |
| Other Farm & Cultivation expenses                                  | 52.15                       | 64.28                       |
| R&D Expenses ***   | 2,440.79                    | 1,802.07                    |
| <b>Total</b>   | <b>7,541.59</b>             | <b>6,804.19</b>             |
| <b>***R&amp;D Farm Expenses</b>                                    |                             |                             |
| Salaries and allowances to employees                               | 1,097.43                    | 734.91                      |
| Cultivation Expenses   | 92.80                       | 17.66                       |
| Fertilizers & Pesticides   | 65.52                       | 38.44                       |
| Electricity charges  | 14.08                       | 15.80                       |
| Electrical items & motor repairing charges                         | 3.33                        | 3.36                        |
| Farm Maintenance   | 130.16                      | 176.33                      |
| Labour charges   | 441.64                      | 255.80                      |
| Postage & telephones   | 9.49                        | 10.07                       |
| Printing & Stationery  | 5.25                        | 28.87                       |
| Security charges   | 48.22                       | 45.64                       |
| Staff Welfare  | 13.78                       | 3.90                        |
| Travelling expenses  | 25.00                       | 6.10                        |
| Vehicle Maintenance  | 18.58                       | 23.95                       |
| Land Lease   | 118.17                      | 94.91                       |
| Research Expenses  | 85.98                       | 133.52                      |
| Testing Expenses   | 249.83                      | 198.34                      |
| Professional Expenses  | 21.53                       | 14.47                       |
|  | <b>2,440.79</b>             | <b>1,802.07</b>             |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 35 Changes in Inventories of Finished Goods and Work in Progress

| Particulars                              | Year ended<br>31 March 2020 |                   | Year ended<br>31 March 2019 |                    |
|--|-----------------------------|-------------------|-----------------------------|--------------------|
| (Increase)/Decrease in Finished goods    |                             |                   |                             |                    |
| Opening Stock                            | 41,238.64                   |                   | 32,943.13                   |                    |
| Closing Stock                            | 48,105.00                   | (6,866.36)        | 41,238.64                   | (8,295.51)         |
| (Increase)/Decrease in Work in Process   |                             |                   |                             |                    |
| Opening Stock                            | 9,216.26                    |                   | 6,155.31                    |                    |
| Closing Stock                            | 8,645.93                    | 570.34            | 9,216.26                    | (3,060.95)         |
| (Increase)/Decrease in Biological Assets |                             |                   |                             |                    |
| Opening Stock                            | 5,308.98                    |                   | 4,576.31                    |                    |
| Closing Stock                            | 8,916.23                    | (3,607.25)        | 5,308.98                    | (732.67)           |
|  |                             | <b>(9,903.27)</b> |                             | <b>(12,089.12)</b> |

## 36 Employee Benefits Expense

| Particulars                               | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Salaries to Staff                         | 6,217.49                    | 5,082.23                    |
| Employee stock option expense             | 2.77                        | -                           |
| Contribution to Provident and other funds | 466.24                      | 364.27                      |
| Staff Welfare Expenses                    | 101.85                      | 59.27                       |
|   | <b>6,788.35</b>             | <b>5,505.77</b>             |

## 37 Finance Costs

| Particulars           | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------|-----------------------------|-----------------------------|
| Interest on Termloans | 4.40                        | 4.08                        |
| Interest on Others    | 33.86                       | 37.17                       |
| Bank Charges          | 9.59                        | 13.44                       |
|                       | <b>47.85</b>                | <b>54.69</b>                |

## 38 Depreciation and Amortisation

| Particulars                                   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment | 2,456.02                    | 2,203.72                    |
| Depreciation of Intangible Assets             | 110.36                      | 91.48                       |
|   | <b>2,566.38</b>             | <b>2,295.20</b>             |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 39 Other Expenses

| Particulars                                | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Establishment Expenses</b>              |                             |                             |
| Travelling Expenses                        | 1,881.37                    | 1,520.86                    |
| Postage & Telephone                        | 124.46                      | 105.86                      |
| Payment to Auditors (Refer Note 39.1)      | 29.72                       | 36.28                       |
| Vehicle Maintenance                        | 150.02                      | 120.32                      |
| Rent                                       | 83.85                       | 68.81                       |
| Printing & Stationery                      | 59.68                       | 57.74                       |
| Insurance                                  | 141.14                      | 103.27                      |
| Books & Periodicals                        | 1.41                        | 0.84                        |
| Rates & Taxes                              | 102.34                      | 105.77                      |
| Office Maintenance                         | 99.32                       | 91.17                       |
| General Expenses                           | 80.22                       | 87.00                       |
| Conveyance                                 | 2.94                        | 2.25                        |
| Donations & Subscriptions                  | 38.16                       | 20.44                       |
| Legal Expenses                             | 182.53                      | 228.70                      |
| Professional Charges                       | 260.74                      | 235.94                      |
| Professional Tax                           | 0.66                        | 0.58                        |
| GST Expense                                | 148.12                      | 132.23                      |
| CSR Expenditure                            | 346.10                      | 368.10                      |
| Market Cess                                | 30.47                       | 38.12                       |
| Security Charges                           | 159.15                      | 147.88                      |
| Computer Maintenance                       | 110.84                      | 178.64                      |
| Directors Sitting Fees                     | 10.30                       | 5.70                        |
| Foreign Exchange loss                      | -                           | 22.28                       |
| Buyback Expenses                           | 191.92                      | 186.44                      |
| Pre-operative expenses written off         | -                           | 2.92                        |
| <b>(a) Total</b>                           | <b>4,235.46</b>             | <b>3,868.14</b>             |
| <b>Selling &amp; Distribution Expenses</b> |                             |                             |
| Sales promotion expenses                   | 3,849.77                    | 2,863.57                    |
| Advertisement                              | 7.56                        | 15.70                       |
| Freight & Forwarding                       | 2,305.07                    | 2,059.13                    |
| Farmers Meeting Expenses                   | 440.51                      | 425.17                      |
| Staff & Dealers Meeting Expenses           | 202.15                      | 198.54                      |
| Royalty                                    | 1,445.67                    | 2,400.73                    |
| Bad debts Write Off                        | 146.49                      | 51.84                       |
| Provision for Bad Debts                    | 241.83                      | (11.94)                     |
| <b>(b) Total</b>                           | <b>8,639.07</b>             | <b>8,002.74</b>             |
| <b>Total of (a) &amp; (b)</b>              | <b>12,874.53</b>            | <b>11,870.88</b>            |

### 39.1 Audit Fees

| Particulars                      | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|----------------------------------|-----------------------------|-----------------------------|
| a) For statutory audit           | 26.40                       | 23.32                       |
| b) For taxation matters          | 1.42                        | 1.48                        |
| c) For other services            | 1.27                        | 9.74                        |
| d) For reimbursement of expenses | 0.63                        | 1.74                        |
|                                  | <b>29.72</b>                | <b>36.28</b>                |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 40 Commitments and Contingencies

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| <b>A. Claims against the Company not acknowledged as debts. This comprises of</b>   |                             |                             |
| i. Tax demands disputed by the Company relating to disallowances / additions of fiscal benefits pending before various judicial forums and tax authorities aggregating to | 628.52                      | 628.52                      |
| ii. Other matters not related to tax  | 10.75                       | 10.75                       |
|   | <b>639.27</b>               | <b>639.27</b>               |

Consequent to the search proceedings on the Holding Company, during the year 2017-18, the Company had submitted returns for the block assessment years from FY 2011-12 to FY 2017-18 in response to notice u/s 153A disclosing the same income as was disclosed in the returns filed earlier. Assessments upto the date of search have been completed by the Income Tax Department.

Aggrieved by the departments' basis for initiating search proceedings, the Company filed a writ petition before the Hon'ble High Court of Telangana, Hyderabad, challenging the validity of the search proceedings. The Hon'ble High Court granted interim stay against assessment proceedings pending disposal of the writ. The assessment of income as per returns submitted in response to notice u/s 153A, for said block period is kept in abeyance by the Income Tax Department in view of the interim stay granted by the Hon'ble High Court. Additional tax liability, if any, is dependent on the outcome of the writ petition and consequent completion of the assessment.

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>B. Commitments</b>   |                        |                        |
| Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: | 692.59                 | 180.52                 |

## 41 Income Taxes:

- a) The reconciliation between the statutory income tax rate applicable to the company and the effective income tax rate of the company is as follows:

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Statutory Income tax rate</b>   | <b>34.60%</b>               | <b>34.82%</b>               |
| <b>Differences due to:</b>   |                             |                             |
| Income Exempt from Tax   | -27.98%                     | -28.14%                     |
| Effect of expenses that are not deductible in determining taxable profit (permanent disallowances) | 0.01%                       | 0.04%                       |
| Tax Income at Different Rates  | -2.67%                      | -1.36%                      |
| Others   | 0.16%                       | -0.13%                      |
| <b>Effective tax rate</b>  | <b>4.12%</b>                | <b>5.23%</b>                |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## b) Movement in Deferred Tax Assets:

Movement during the Year ended March 31st, 2020

| Deferred Tax Assets/(Liabilities)                | As at<br>01 April, 2019 | Credit/(charge)<br>in the statement<br>of Profit and Loss | Recognised<br>in OCI | As at<br>31 March, 2020 |
|--|-------------------------|---|----------------------|-------------------------|
| Provision for employee benefits                  | 13.49                   | 15.62   | -                    | 29.11                   |
| Provision for bad and doubtful trade receivables | 61.37                   | 9.92  | -                    | 71.29                   |
| Depreciation                                     | 28.13                   | (2.20)  | -                    | 25.93                   |
|  | <b>102.99</b>           | <b>23.34</b>  | -                    | <b>126.33</b>           |

Movement during the Year ended March 31st, 2019

| Deferred Tax Assets/(Liabilities)                | As at<br>01 April, 2018 | Credit/(charge)<br>in the statement<br>of Profit and Loss | Recognised<br>in OCI | As at<br>31 March, 2019 |
|--|-------------------------|---|----------------------|-------------------------|
| <b>Provision for employee benefits</b>           | 19.50                   | (5.38)  | (0.62)               | 13.49                   |
| Provision for bad and doubtful trade receivables | 29.30                   | 32.07   | -                    | 61.37                   |
| Depreciation                                     | 18.64                   | 9.49  | -                    | 28.13                   |
|  | <b>67.44</b>            | <b>36.18</b>  | <b>(0.62)</b>        | <b>102.99</b>           |

## c) Movement in Deferred Tax Liabilities

Movement during the Year ended March 31st, 2020

| Deferred Tax (Asset)/Liabilities                                  | As at<br>01 April, 2019 | (Credit)/charge<br>in the statement<br>of Profit and Loss | Recognised<br>in OCI | As at<br>31 March, 2020 |
|---|-------------------------|---|----------------------|-------------------------|
| Provision for employee benefits                                   | (5.12)                  | (2.46)  | (0.95)               | (8.53)                  |
| Provision for bad and doubtful trade receivables                  | (29.68)                 | (8.91)  | -                    | (38.59)                 |
| Depreciation  | (10.25)                 | 26.82   | -                    | 16.57                   |
| Fair value gain on investments through Profit & Loss Statement    | 238.12                  | 101.97  | -                    | 340.09                  |
| Fair value gain on investments through Other Comprehensive Income | 1,822.29                | -   | (325.57)             | 1,496.72                |
|   | <b>2,015.36</b>         | <b>117.42</b>   | <b>(326.51)</b>      | <b>1,806.26</b>         |

Movement during the Year ended March 31st, 2019

| Deferred Tax (Asset)/Liabilities                                  | As at<br>01 April, 2018 | (Credit)/charge<br>in the statement<br>of Profit and Loss | Recognised<br>in OCI | As at<br>31 March, 2019 |
|---|-------------------------|---|----------------------|-------------------------|
| Provision for employee benefits                                   | (3.68)                  | (1.59)  | 0.15                 | (5.12)                  |
| Provision for bad and doubtful trade receivables                  | (30.71)                 | 1.03  | -                    | (29.68)                 |
| Depreciation  | (9.87)                  | (0.38)  | -                    | (10.25)                 |
| Fair value gain on investments through Profit & Loss Statement    | -                       | 238.12  | -                    | 238.12                  |
| Fair value gain on investments through Other Comprehensive Income | 1,720.19                | -   | 102.10               | 1,822.29                |
|   | <b>1,675.94</b>         | <b>237.18</b>   | <b>102.25</b>        | <b>2,015.36</b>         |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 42 Capital Management:

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain or if necessary adjust its capital structure.

## 43 Earning Per Equity Share :

Earnings per Share has been computed as under

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Profit for the Year   | 25,903.74                   | 21,745.07                   |
| Weighted average Equity Shares outstanding (in no.s)              | 61,937,206                  | 64,484,807                  |
| Earnings Per Share (Face Value of ₹ 2/- each) - Basic and Diluted | 41.82                       | 33.72                       |

## 44 Dividend on Equity Share

Dividend on Equity Shares paid during the year

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Final Dividend ₹ Nil Per share for FY 2019-20 (₹ Nil per share for FY 2018-19) | -                      | -                      |
| Dividend Distribution Tax on Final Dividend                                    | -                      | -                      |
| Interim Dividend ₹ 3 Per share for FY 2019-20 (₹ 3 per share for FY 2018-19)   | 1,893.88               | 1,893.88               |
| Dividend Distribution Tax on Interim Dividend                                  | 389.29                 | 389.29                 |
|  | <b>2,283.17</b>        | <b>2,283.17</b>        |

## 45. Financial Instruments

Refer Note 2.14 for accounting policy on Financial Instruments.

### A. Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Financial assets</b>   |                        |                        |
| <b>Financial assets measured at fair value</b>                                      |                        |                        |
| Investments measured at   |                        |                        |
| i) Fair value through other comprehensive income                                    | 24,644.70              | 39,604.68              |
| ii) Fair value through Profit & Loss Statement Interest free loan to employee trust | 13,741.27              | 11,350.44              |
| iii) Amortised cost   | -                      | 3,000.01               |
|   | <b>38,385.97</b>       | <b>53,955.13</b>       |
| <b>Financial Liabilities</b>  | -                      | -                      |

## NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

### B. Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Financial assets measured at fair value through other comprehensive income</b>  |                             |                             |
| Investment in equity & debt instruments  | (931.78)                    | 70.93                       |
| <b>Financial assets measured at fair value through Profit &amp; Loss Statement</b> |                             |                             |
| Investment in equity & debt instruments  | 291.85                      | 725.48                      |

### C. Fair Value Hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 : Quoted Prices for identical Instruments in an active Market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs, and

Level 3: Inputs which are not based on observable market data

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

| Particulars                           | Level 1 | Level 2   | Level 3 | Total     |
|---------------------------------------|---------|-----------|---------|-----------|
| <b>As at 31 March, 2020</b>           |         |           |         |           |
| <b>Assets at fair value</b>           |         |           |         |           |
| Investments measured at:              |         |           |         |           |
| i. Fair Value through OCI             | 74.72   | 24,568.95 | 1.02    | 24,644.70 |
| ii. Fair Value through Profit or Loss | -       | 13,741.27 | -       | 13,741.27 |
| <b>As at 31 March, 2019</b>           |         |           |         |           |
| <b>Assets at fair value</b>           |         |           |         |           |
| Investments measured at:              |         |           |         |           |
| i. Fair Value through OCI             | 102.44  | 39,501.20 | 1.04    | 39,604.68 |
| ii. Fair Value through Profit or Loss | -       | 11,350.44 | -       | 11,350.44 |

### Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

- The fair values of investment quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Calculation of Fair Values (Contd..)

- The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

## Other financial assets and liabilities

- Cash and cash equivalents (except for investments in mutual funds), trade receivables, investments in term deposits, other financial assets trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.
- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

## 46 Financial Risk Management

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group to set and monitor appropriate risk limits and controls periodically review the changes in market conditions and reflect the changes in the policy accordingly.

### A. Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

The Group maintained a cautious liquidity strategy with a positive cash balance throughout the year ended 31st March, 2020 and 31st March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated over and above the amount required for working capital management and other operational requirements is retained as cash and cash equivalents (to the extent required) and any excess is invested in highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

| Particulars                            | Carrying amount | Payable within 1 year | More than 1 years | Total     |
|--|-----------------|-----------------------|-------------------|-----------|
| <b>As at 31 March, 2020</b>            |                 |                       |                   |           |
| <b>Financial liabilities</b>           |                 |                       |                   |           |
| Trade payables (including acceptances) | 26,686.69       | 26,686.69             | -                 | 26,686.69 |
| Borrowings                             | 626.36          | 47.58                 | 578.78            | 626.36    |
| Unpaid dividend                        | 12.75           | 12.75                 | -                 | 12.75     |
| Other Payables                         | 13.13           | 13.13                 | -                 | 13.13     |
| Capital Payables                       | 92.61           | 92.61                 | -                 | 92.61     |
| <b>As at 31 March, 2019</b>            |                 |                       |                   |           |
| <b>Financial liabilities</b>           |                 |                       |                   |           |
| Trade payables (including acceptances) | 21,818.40       | 21,818.40             | -                 | 21,818.40 |
| Borrowings                             | 710.82          | 32.76                 | 678.06            | 710.82    |
| Unpaid dividend                        | 14.74           | 14.74                 | -                 | 14.74     |
| Other Payables                         | 19.53           | 19.53                 | -                 | 19.53     |
| Capital Payables                       | 281.67          | 281.67                | -                 | 281.67    |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## B. Management of Market Risk

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

Currency Risk

Price Risk

Interest Rate Risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

### 1 Currency Risk

#### Potential Impact of Risk

The impact of risk due to change in foreign currency value is very minute on the Group as the Group's exposure to foreign currency is very low.

As at 31st March, 2020 the net unhedged exposure to the Group on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹ 15.96 Lakhs (31st March, 2019 ₹ 33.11 Lakhs)

#### Management Policy

The Group is not majorly exposed to foreign currency exchange risk because of its low volume foreign currency transactions even though management exercises proper precautions to minimise the currency risk in foreign exchange transactions. The Group deals with US Dollar and Euro for its foreign currency transactions.

The Group makes its exports mainly against advance irrevocable LC to mitigate the risk of currency exchange due to delay in remittances. The Group does not opt for forward exchange contracts. Foreign exchange transactions are closely monitored to reduce the risk.

The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.

#### Sensitivity to Risk

A 5% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to approximately an additional ₹ 0.80 Lakhs gain in the Statement of Profit and Loss (2018-19: ₹ 1.65 Lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

### 2 Price Risk

#### Potential Impact of Risk

The Group is exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2020, the investments in debt mutual funds amounts to ₹ 30627.44 Lakhs (31st March, 2019 ₹ 41858.55 Lakhs). These are exposed to price risk.

#### Management Policy

The Group takes all the precautions to minimise price risk arising from investments in debt mutual funds. The Group is investing mainly in debt mutual funds through leading mutual fund companies and in best mutual funds where price risk is very low. The Group examines fund performance, rating, liquidity and risk aspects before investing.

# NOTES

## to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

### Sensitivity to Risk

A 0.5% increase in prices would have led to approximately an additional ₹ 153.14 Lakhs gain in the Statement of Profit and Loss (2018-19 ₹ 209.29 Lakhs gain). A 0.5% decrease in prices would have led to an equal but opposite effect.

### 3 Interest Rate Risk

#### Potential Impact of Risk

The impact of interest rate risk is very minute on the Group as the Group does not have exposure to any interest rate sensitive investments or securities.

The Group does not have any investment in interest sensitive securities/bonds as on 31 March 2020, and 2019.

#### Management Policy

The Group makes maximum of the investments in non interest sensitive sectors to mitigate interest rate risk.

#### Sensitivity to Risk

A 0.25% or 0.50% increase/decrease in interest rates will not make any difference to the Group profit or loss as there are no interest rate sensitive investments.

### C Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

#### Trade receivables

Concentration of credit risk with respect to trade receivables is moderate due to the Group's customer base being large and diverse and also Group receives good amount of receipts towards advances. All trade receivables are reviewed and assessed for default on a quarterly basis based on collections and ageing.

Our historical experience of collecting receivables is that credit risk is moderate. Hence trade receivables are considered to be a single class of financial assets.

#### Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and investments in money market liquid mutual funds with financial institutions. The Group has set counter-parties limits based on multiple factors including financial position, credit rating, etc.

The Group's maximum exposure to credit risk as at 31 March, 2020 and 2019 is the carrying value of each class of financial assets.

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 47 Related Party Transactions

### 47.1 Following is the list of related parties and their relationships

#### A. Key managerial persons and their relatives

- 1 Mr. G.V.Bhaskar Rao
- 2 Mrs. G. Vanaja Devi
- 3 Mr. C. Vamsheedhar
- 4 Mr. C. Mithun Chand
- 5 Mr. G.Pawan
- 6 G.V.Bhaskar Rao - HUF
- 7 Mr. R.Venumanohar Rao
- 8 Mrs.C.Madhavi
- 9 Mr. K.V.Chalapathi Reddy
- 10 Mr. G. Vijay Kumar (Resigned in Feb 2019)
- 11 Mr. V.R.S. Murti
- 12 Mr. T. Venkateswarlu
- 13 Mr. N. Papa Rao
- 14 Mr. N. Venkateswara Rao

#### B Other related firms & Associates

- 15 M/s. Kaveri Infra
- 16 M/s. Bhaskara Investments
- 17 M/s. Kaveri Bhaskarrao Charitable Foundation
- 18 M/s. Kaveri Employees Trust ( Consolidated w.e.f 01 April 2019)

### 47.2 Related party transactions for the year ended are as follows:

| Particulars                       | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------------------|-----------------------------|-----------------------------|
| <b>Remuneration paid</b>          |                             |                             |
| Mr. G.V.Bhaskar Rao               | 311.36                      | 245.47                      |
| Mrs. G. Vanaja Devi               | 192.54                      | 152.11                      |
| Mr. C. Vamsheedhar                | 116.79                      | 74.77                       |
| Mr. C. Mithun Chand               | 77.78                       | 62.20                       |
| Mr. T. Venkateswarlu              | 26.26                       | 20.48                       |
| Mr. K.V.Chalapathi Reddy          | 74.56                       | 11.94                       |
| Mr. G. Vijay Kumar                | -                           | 90.21                       |
| Mr. V.R.S. Murti                  | 4.00                        | 4.00                        |
|                                   | <b>803.28</b>               | <b>661.18</b>               |
| <b>Land and godown lease paid</b> |                             |                             |
| Mr. G.V.Bhaskar Rao               | 0.63                        | 0.60                        |
| Mrs. G. Vanaja Devi               | 8.92                        | 8.49                        |
| Mr. G.Pawan                       | 9.93                        | 10.51                       |
| G.V.Bhaskar Rao - HUF             | 45.66                       | 43.12                       |
| M/s. Kaveri Infra                 | 11.41                       | 10.87                       |
| M/s. Bhaskara Investments         | 3.05                        | 2.90                        |
|                                   | <b>79.60</b>                | <b>76.49</b>                |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 47.2 Related party transactions for the year ended are as follows: (Contd..)

| Particulars                                  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| <b>Dividend paid</b>                         |                             |                             |
| Mr. G.V.Bhaskar Rao                          | 167.29                      | 167.29                      |
| Mrs. G. Vanaja Devi                          | 437.51                      | 437.51                      |
| Mr. R. Venumanohar Rao                       | -                           | 15.20                       |
| Mr. C. Vamsheedhar                           | 30.49                       | 30.49                       |
| Mr. C. Mithun Chand                          | 26.77                       | 26.77                       |
| Mr. G.Pawan                                  | 69.59                       | 69.59                       |
| G.V.Bhaskar Rao - HUF                        | 311.75                      | 311.75                      |
| Mr. K.V.Chalapathi Reddy                     | 0.36                        | -                           |
|  | <b>1,043.75</b>             | <b>1,058.60</b>             |
| <b>Loan Paid</b>                             |                             |                             |
| M/s. Kaveri Employee Trust                   | -                           | 3,000.01                    |
|  | -                           | <b>3,000.01</b>             |
| <b>Interest Received</b>                     |                             |                             |
| M/s. Kaveri Employee Trust                   | -                           | 9.82                        |
|  | -                           | <b>9.82</b>                 |
| <b>CSR Expenditure</b>                       |                             |                             |
| M/s. Kaveri Bhaskarrao Charitable Foundation | 276.04                      | 250.00                      |
|  | <b>276.04</b>               | <b>250.00</b>               |

| Particulars                                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Payable balances outstanding</b>              |                        |                        |
| Outstanding Land lease to KMP and relatives      | 9.29                   | 17.53                  |
| Outstanding Land lease to Associates             | 3.62                   | -                      |
| Outstanding remunerations to KMP                 | 52.42                  | 46.40                  |
| Advances received from KMP for Sale of Land      | 252.30                 | 252.30                 |
| <b>Receivable balances outstanding</b>           |                        |                        |
| Loan outstanding from M/s. Kaveri Employee Trust | -                      | 3,009.83               |

## 48 Employee benefit plans

### 48.1 Defined Contribution Plan:

The group has certain defined contribution plans. Contributions are made to provident fund in India for qualifying employees at the specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is ₹ 466.24 Lakhs (31 March 2019 - 364.27 Lakhs)

### 48.2 Compensated Absences:

Group provides for accumulation of compensated absences. These employees can carry forward portion of unutilised compensated absences and utilise it in future period or receive cash in lieu thereof as per the group's policy. The group records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the group towards its obligation was ₹ 451.55 Lakhs (31 March 2019: ₹ 309.23 Lakhs)

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 48.3 Gratuity:

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mitigate the risks commonly affecting the liabilities and the financial results.

- Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
- Demographic risk : For example as plan is open to new entrants an increase in membership will increase the defined benefit obligation. Also the plan only provides benefits upon completion of a vesting criteria. Therefore if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

### Reconciliation of Defined Benefit Obligation

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Opening of defined benefit obligation                                  | 635.11                      | 552.49                      |
| Current service cost   | 120.46                      | 99.31                       |
| Past service cost  | -                           | -                           |
| Interest on defined benefit obligation                                 | 48.13                       | 41.52                       |
| <b>Remeasurements due to:</b>  |                             |                             |
| Actuarial loss / (gain) arising from change in financial assumptions   | 89.19                       | (3.97)                      |
| Actuarial loss / (gain) arising from change in demographic assumptions | -                           | (0.26)                      |
| Actuarial loss / (gain) arising on account of experience changes       | 2.41                        | (4.43)                      |
| Liabilities assumed / (settled)*                                       | (5.06)                      |                             |
| Benefits paid  | (48.56)                     | (49.56)                     |
| <b>Closing of defined benefit obligation</b>                           | <b>841.68</b>               | <b>635.11</b>               |

### Reconciliation of Plan Assets

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Opening fair value of plan assets                         | 522.59                      | 243.88                      |
| Employer contributions                                    | 103.86                      | 297.41                      |
| Interest on plan assets                                   | 44.51                       | 22.55                       |
| Administration expenses                                   | -                           | -                           |
| <b>Remeasurements due to:</b>                             |                             |                             |
| Actual return on plan assets less interest on plan assets | (7.98)                      | 8.31                        |
| Benefits paid   | (48.56)                     | (49.56)                     |
| <b>Closing fair value of plan assets</b>                  | <b>614.41</b>               | <b>522.59</b>               |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Amount recognized in Balance Sheet

| Particulars  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|--|-----------------------------|-----------------------------|
| Present value of funded defined benefit obligation                         | 838.17                      | 626.54                      |
| Fair value of plan assets  | 614.41                      | 522.59                      |
| Net funded obligation  | 223.76                      | 103.95                      |
| Present value of unfunded defined benefit obligation                       | 3.51                        | 8.57                        |
| <b>Net defined benefit liability / (asset) recognized in balance sheet</b> | <b>227.27</b>               | <b>112.52</b>               |
| Net defined benefit liability / (asset) is bifurcated as follows:          |                             |                             |
| Current  | -                           | -                           |
| Non-current  | 227.27                      | 112.52                      |

## Current Year Expense Charged to Profit & Loss Account

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Current service cost                                    | 120.46                      | 99.31                       |
| Past service cost                                       | -                           | -                           |
| Administration expenses.                                | -                           | -                           |
| Interest on net defined benefit liability / (asset)     | 3.62                        | 18.98                       |
| <b>Total expense charged to profit and loss account</b> | <b>124.08</b>               | <b>118.29</b>               |

## Amount Recorded as Other Comprehensive Income

| Particulars   | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---|-----------------------------|-----------------------------|
| Opening amount recognized in OCI outside profit and loss account        | 320.06                      | 337.04                      |
| <b>Remeasurements during the period due to</b>                          |                             |                             |
| Changes in financial assumptions  | 89.19                       | (3.98)                      |
| Changes in demographic assumptions                                      | -                           | (0.26)                      |
| Experience adjustments  | 2.41                        | (4.43)                      |
| Actual return on plan assets less interest on plan assets               | 7.98                        | (8.32)                      |
| <b>Closing amount recognized in OCI outside profit and loss account</b> | <b>419.65</b>               | <b>320.06</b>               |

## Disaggregation of Assets

| Particulars               | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---------------------------|-----------------------------|-----------------------------|
| <b>Category of Assets</b> |                             |                             |
| <b>Non Quoted Value</b>   |                             |                             |
| Insurer managed funds.    | 614.41                      | 522.59                      |
| Others.                   | -                           | -                           |
| <b>Grand Total</b>        | <b>614.41</b>               | <b>522.59</b>               |

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## Summary of Actuarial Assumptions adopted

| Particulars                   | Year ended<br>31 March 2020                     | Year ended<br>31 March 2019                     |
|-------------------------------|---|---|
| Discount rate (p.a.)          | 6.90%   | 7.80%   |
| Salary escalation rate (p.a.) | 10.00% until year<br>3 inclusive, then<br>7.00% | 10.00% until year<br>4 inclusive, then<br>7.00% |

## Maturity Profile

| Particulars                  | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|------------------------------|-----------------------------|-----------------------------|
| Expected benefits for year 1 | 23.87                       | 18.93                       |
| Expected benefits for year 2 | 27.60                       | 19.92                       |
| Expected benefits for year 3 | 27.37                       | 25.32                       |
| Expected benefits for year 4 | 50.71                       | 26.18                       |
| Expected benefits for year 5 | 45.07                       | 44.11                       |
| Expected benefits for year 6 | 34.50                       | 35.83                       |

## The Principal Assumptions used for the purposes of the actuarial valuation as follows

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions while the Plan's sensitivity to such changes can vary over time.

## 49. Share Based Payments

- a) The Company implemented the Kaveri ESOP 2018 Scheme for all eligible employees pursuant to the special resolution approved by the shareholders through postal ballot on 19th July 2018. The Kaveri ESOP 2018 Scheme covers all employees and directors (excluding independent and promoter directors, promoter group) of the parent Group and its subsidiaries (collectively, "eligible employees"). Upon the exercise of options granted under the Kaveri ESOP 2018 Scheme, the applicable equity shares will be transferred from the Kaveri Employees Trust ("ESOP Trust") to the eligible employee. The ESOP Trust will acquire such equity shares by way of secondary market acquisitions funded through loans from the company. The Nomination and Remuneration Committee of the Board of the parent Group (the "Compensation Committee") administers the Kaveri ESOP 2018 Scheme and grants stock options to eligible employees, it has delegated functions and powers relating to the administration of the Kaveri ESOP 2018 Scheme to the ESOP Trust. The Compensation Committee determines which eligible employees will receive the options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years.

As at 31 March 2020, the ESOP Trust purchased 879,491 shares from secondary market for an aggregate consideration of ₹ 3683.20 Lakhs.

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 49. Share Based Payments (Contd..)

### b) The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

| Particulars               | As at          | As at         |
|---------------------------|----------------|---------------|
|                           | 31 March 2020  | 31 March 2019 |
|                           | Nos            | Nos           |
| Opening balance           | -              | -             |
| Granted during the year   | 629,516        | -             |
| Exercised during the year | -              | -             |
| Forfeited during the year | -              | -             |
| <b>Closing balance</b>    | <b>629,516</b> | -             |
| Vested and exercisable    | -              | -             |

### c) Share options outstanding at the end of the year have the following expiry date:

| Grant Date | Expiry Date | Share Options | Share Options |
|------------|-------------|---------------|---------------|
|            |             | 31 March 2020 | 31 March 2019 |
| 31-03-2020 | 31-03-2025  | 629,516       | -             |

d) The effect of expenses arising from share-based payment transactions on the entity's profit or loss for the period is ₹ 2.77 Lakhs.

## 50 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

| Particulars   | As at         | As at         |
|---|---------------|---------------|
|   | 31 March 2020 | 31 March 2019 |
| Principle amount due to suppliers registered under the MSMED Act and Remaining unpaid as at year end  | 296.86        | 273.34        |
| Interest due to supplies registered under the MSMED Act and remaining unpaid as at year end   | -             | -             |
| Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                   | -             | 19.09         |
| Interest paid other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act beyond the appointed day during the year. | -             | -             |
| Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act beyond the appointed day during the year.            | -             | 0.08          |
| Interest due and payable towards suppliers registered under MSMED Act for payments already made   | -             | -             |
| Further Interest remaining due and payable for earlier years  | -             | -             |

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

# NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 51 Operating Leases

The Company's significant leasing arrangements are in respect of operating leases for lands and premises (Agricultural lands, office, stores, godown etc.). These leasing arrangements which are cancellable range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss in respect of short term and low value leases where company has availed exemption under IndAS 116.

## 52 Contract Liabilities

Contract liabilities resulting from advance payments by customers for delivery of goods and schemes/discounts are predominantly recognized as sales within one year. The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as on 31 March 2020 is ₹ 22,748.63/- (31 March 2019 is ₹ 24,154.85/-) resulting from advance payments and shown under other current liabilities.

## 53 Segment Information

The Group has identified and reported three reportable segments viz., Seeds, Micronutrients and Vegetables based on the nature of products and service, the differing risks and returns and the internal reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Group.

Segment information is as follows:

| S. Particulars<br>No.   | Segment          |                  |                 |                 |            |                 | Total            |                  |
|---|------------------|------------------|-----------------|-----------------|------------|-----------------|------------------|------------------|
|   | Seeds            |                  | Micronutrients  |                 | Vegetables |                 | 2019-20          | 2018-19          |
|   | 2019-20          | 2018-19          | 2019-20         | 2018-19         | 2019-20    | 2018-19         |                  |                  |
| <b>1 Segment Revenue</b>  | <b>90,188.68</b> | <b>78,179.68</b> | <b>2,845.95</b> | <b>2,760.84</b> | -          | <b>1.29</b>     | <b>93,034.63</b> | <b>80,941.81</b> |
| <b>2 Segment results before interest and taxes and Other Income</b> | <b>22,304.77</b> | <b>18,583.99</b> | <b>449.47</b>   | <b>387.94</b>   | -          | <b>(102.81)</b> | <b>22,754.24</b> | <b>18,869.12</b> |
| Interest Expenses   | 23.00            | 12.83            | 24.85           | 41.29           | -          | 0.57            | 47.85            | 54.69            |
| Other Income  | 4,539.84         | 4,173.64         | 19.10           | 123.96          | -          | 1.86            | 4,558.94         | 4,299.46         |
| <b>3 Profit before Exceptional Item and tax</b>                     | <b>26,821.61</b> | <b>22,744.80</b> | <b>443.72</b>   | <b>470.61</b>   | -          | <b>(101.52)</b> | <b>27,265.33</b> | <b>23,113.89</b> |
| Exceptional Item  | -                | -                | -               | -               | -          | -               | -                | -                |
| Current Tax   | 1,059.57         | 1,089.38         | 119.89          | 83.05           | -          | -               | 1,179.46         | 1,172.43         |
| Deferred Tax  | 103.27           | 209.88           | (7.85)          | (8.88)          | -          | -               | 95.42            | 201.00           |
| <b>4 Net Profit after Tax</b>                                       | <b>25,658.77</b> | <b>21,445.54</b> | <b>331.68</b>   | <b>396.44</b>   | -          | <b>(101.52)</b> | <b>25,990.45</b> | <b>21,740.46</b> |
| <b>5 Other Information</b>  |                  |                  |                 |                 |            |                 |                  |                  |
| Segment Assets  | 154,241.87       | 151,538.06       | 3,607.76        | 3,389.88        | -          | 222.44          | 157,849.63       | 155,150.38       |
| Segment Liabilities   | 60,899.28        | 53,257.99        | 1,059.44        | 1,234.81        | -          | 32.44           | 61,958.72        | 54,525.24        |
| Capital Expenditure   | 4,240.49         | 7,335.15         | 12.84           | 142.09          | -          | -               | 4,253.33         | 7,477.24         |
| Depreciation  | 2,437.73         | 2,128.14         | 128.65          | 111.46          | -          | 55.60           | 2,566.38         | 2,295.20         |

# NOTES

to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

## 54 Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2020

| Name of the Group Company         | Net assets, i.e. total assets minus total liabilities |                   | Share in Sale of Products |                   | Share in profit or loss |                   | Share in other comprehensive income(attributable to share holders) |                   | Share in total comprehensive income(attributable to share holders) |                   |
|-----------------------------------|---|-------------------|---------------------------|-------------------|-------------------------|-------------------|--|-------------------|--|-------------------|
|                                   | As % of net assets                                    | Amount ₹ In Lakhs | As % of Sales             | Amount ₹ In Lakhs | As % of profit or loss  | Amount ₹ In Lakhs | As % of other comprehensive income                                 | Amount ₹ In Lakhs | As % of total comprehensive income                                 | Amount ₹ In Lakhs |
| <b>Parent</b>                     |   |                   |                           |                   |                         |                   |  |                   |  |                   |
| Kaveri Seed Company Ltd           | 101.61%   | 97,431.95         | 86.00%                    | 80,007.07         | 73.86%                  | 19,132.74         | 98.70%   | (694.49)          | 73.17%   | 18,438.26         |
| <b>Subsidiaries</b>               |   |                   |                           |                   |                         |                   |  |                   |  |                   |
| Kaveri Microteck Pvt Ltd*         | 2.66%   | 2,548.32          | 3.06%                     | 2,845.95          | 1.28%                   | 331.68            | 0.76%  | (5.36)            | 1.29%  | 326.32            |
| Aditya Agri Tech Pvt Ltd          | -4.12%  | (3,947.92)        | 9.38%                     | 8,730.82          | 20.19%                  | 5,230.27          | 0.40%  | (2.84)            | 20.74%   | 5,227.43          |
| Genome Agritech Pvt Ltd           | -0.16%  | (156.71)          | 0.00%                     | -                 | -0.03%                  | (9.04)            | 0.00%  | -                 | -0.04%   | (9.04)            |
| Genomix Agri Genetics Private Ltd | -0.13%  | (127.70)          | 1.56%                     | 1,450.79          | 4.40%                   | 1,140.59          | 0.13%  | (0.94)            | 4.52%  | 1,139.65          |
| Kaveri Employees Trust            | 0.15%   | 142.97            | 0.00%                     | -                 | 0.30%                   | 77.49             | 0.00%  | -                 | 0.31%  | 77.49             |
| <b>Total</b>                      | <b>100%</b>   | <b>95,890.91</b>  | <b>100%</b>               | <b>93,034.63</b>  | <b>100%</b>             | <b>25,903.74</b>  | <b>100%</b>  | <b>(703.63)</b>   | <b>100%</b>  | <b>25,200.11</b>  |

\*In pursuance of approval by National Company Law Tribunal, M/s.Kexveg India Pvt Ltd, a wholly owned subsidiary was merged into M/s. Kaveri Microteck Pvt Ltd, another wholly owned subsidiary during the current period.

## 55 Expenditure incurred for corporate social responsibility

The Group spent ₹ 346.10 Lakhs and ₹ 368.10 Lakhs towards CSR Expenditure for the year ended 31 March 2020 and 31 March 2019. The details of expenditure are as follows.

| Particulars   | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|--------------------------|--------------------------|
| Average net profit of the Company for last three financial years  | 17,304.30                | 18,362.95                |
| Prescribed CSR expenditure 2% of the above amount   | 346.09                   | 367.26                   |
| Amount unspent at the Starting of the year  | 0.01                     | 0.85                     |
| <b>Total Amount to be spent for the year</b>  | <b>346.10</b>            | <b>368.11</b>            |
| <b>Direct Expenses made by company</b>  |                          |                          |
| <b>Education development activities</b>   |                          |                          |
| Farmer Education and Training programme at Gadwal, Telangana  | 0.06                     | -                        |
| Farmer education and training programmes at Koppaka, West Godavari Dist, Andhrapradesh & Sattupally, Khammam Dist, Telangana.                 | -                        | 3.10                     |
| <b>Socio-Economic progress of the rural communities</b>   |                          |                          |
| Assistance for construction of community halls at Durki Village, Narsullabad Mandal, Kamareddy District, Telangana.                           | -                        | 15.00                    |
| <b>Rural Development</b>  |                          |                          |
| Contribution made towards development of Minor Irrigation system in Wanaparthy District through The District Collector, Wanaparthy, Telangana | 20.00                    | -                        |
| Contribution to "Community Cattle Shed" construction through Bala Vikasa Social Service Society, Warangal, Telangana                          | 50.00                    | -                        |
| <b>Donation made towards CSR Activites</b>  | -                        | 100.00                   |
| <b>Contribution made to Kaveri Bhaskar Rao Charitable Foundation</b>  | 276.04                   | 250.00                   |
| <b>Total Amount Spent during the year</b>   | <b>346.10</b>            | <b>368.10</b>            |
| <b>Unspent amount at the End of the year</b>  | <b>0.00</b>              | <b>0.01</b>              |

## NOTES to the Consolidated Financial Statements for the year ended 31 March, 2020

All amounts are Rupees in lakhs unless otherwise stated

**56** In respect of one the Subsidiary company M/s. Genome Agritech Private Limited which has accumulated losses of ₹ 553.19 Lakhs (Previous Year ₹ 535.46 Lakhs) on March 31, 2020, resulting in the negative net worth of ₹ 511.26 lakhs (Previous Year ₹ 493.53 Lakhs). The company's current liabilities exceed its current assets by ₹ 539.64 Lakhs (Previous Year ₹ 528.61 Lakhs) as of that date. Turnover during the period ended 31st March 2020 is ₹ Nil (Previous Year ₹ Nil). Due to the lack of working capital requirement the operations of the company have been substantially curtailed. The company's ability to continue as a going concern in spite of the present accumulated losses is dependent upon the infusion of funds for its operations.

### 57 COVID-19 Impact on the Business:

In view of rapid spread of virus causing Covid-19 pandemic, Government of India imposed lockdown from 25th March 2020 to curb the spread of virus. The nationwide lockdown temporarily impacted the operations of the company due to non-availability of labour, transportation and supply chain disruptions. However, the Government classified seed business as "Essential Commodity" and granted certain relaxations and guidelines so that production, processing and distribution of the seeds will not be effected. The major portion of Company's production, processing and supply chain facilities remain in operation during most of the lockdown period, following safety measures as per guidelines. Thus, the impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments and other financial assets considering the available internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.

**58** Previous year figures are regrouped wherever considered necessary to conform to current year classification.

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**  
Firm Registration No.000459S  
Chartered Accountants

Sd/-

**M.V. Ramana Murthy**  
Partner  
Membership No. 206439

Sd/-

**K.V.Chalapathi Reddy**  
Chief Financial Officer

Sd/-

**G.V.Bhaskar Rao**  
Managing Director  
DIN: 00892232

Place: Secunderabad  
Date: 30 May 2020

Sd/-

**V.R.S.Murti**  
Company Secretary

Sd/-

**G.Vanaja Devi**  
Wholetime Director  
DIN: 00328947



# Corporate Information

## Board of Directors

**Mr. G.V. Bhaskar Rao**  
Chairman & Managing Director

**Dr. G. Pawan**  
Vice Chairman (Non-Executive)

**Mrs. G. Vanaja Devi**  
Executive Director

**Mr. C. Vamsheedhar**  
Executive Director

**Mr. C. Mithun Chand**  
Executive Director

**Dr. S. Raghuvardhan Reddy**  
Independent Director

**Dr. S M Ilyas**  
Independent Director

**Mr. K. Purushotham**  
Independent Director

**Mrs. M. Chaya Ratan**  
Independent Director

## Company Secretary

Mr. V R S Murti

## Chief Financial Officer

Mr. K. Venkata Chalapathi Reddy

## Audit Committee

Mr. K. Purushotham  
Dr. S. Raghuvardhan Reddy  
Dr. V. Bhaskar  
Mr. C. Mithun Chand

## Nomination & Remuneration Committee

Mr. K. Purushotham  
Dr. S. Raghuvardhan Reddy  
Mrs. M. Chaya Ratan

## Shareholders' Relationship Committee

Dr. S. Raghuvardhan Reddy  
Mr. C. Vamsheedhar  
Mr. C. Mithun Chand

## Risk Management Committee

Dr. S. Raghuvardhan Reddy  
Mr. C. Vamsheedhar  
Mr. C. Mithun Chand

## CSR Committee

Mr. G.V. Bhaskar Rao  
Mrs. G. Vanaja Devi  
Dr. S. Raghuvardhan Reddy

## Bankers

Indian Overseas Bank  
Kotak Mahindra Bank Ltd.  
HDFC Bank  
ICICI Bank Ltd.  
Axis Bank

## Listing

NSE & BSE

## Registered Office & CIN of the Company

Kaveri Seed Company Limited  
CIN: L01120TG1986PLC006728  
513-B, 5th Floor, Minerva Complex,  
S.D. Road, Secunderabad – 500 003.  
Telangana, India  
Tel. Nos. +91 40-27721457/27842398  
Fax No. +91 40-27811237  
Email: cs@kaveriseeds.in  
Website: www.kaveriseeds.in

## Statutory Auditors

M/s. M. Bhaskara Rao & Co.,  
Chartered Accountants  
5-D, Fifth Floor, "Kautilya"  
6-3-652, Somajiguda,  
Hyderabad – 500082, Telangana.  
Tel. Nos. +91 -40-23311245/ 233939000  
Fax No. +91-40 -23399248  
E-mail: mbr\_co@mbrco.in

## Registrars and Share Transfer Agents

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

## Internal Auditors

M/s. M. Anandam & Co.  
Chartered Accountants, 7 'A' Surya Towers,  
S.P. Road, Secunderabad – 500003, Telangana  
Tel. Nos. +91 -40-27812377/27812034  
Fax No. +91-40 - 27812091  
Website: www.anandam.in

## Plants

### Gatlanarsingapur Plant – 1

Door No.104, Gatlanarsingapur Post,  
Bheemadevarapally Mandal,  
Warangal Urban District,  
Telangana State.

### Gatlanarsingapur Plant – 2

Door No.6-96/2, Gatlanarsingapur Post,  
Bheemadevarapally Mandal,  
Warangal Urban District,  
Telangana State.

### Eluru Plant

Sy.No.853, Koppaka village,  
Pedavegi Mandal, West Godavari Distirct,  
Andhra Pradesh State.

### Eluru Plant

Sy.No.154/5, Akannagudem village,  
Pedavegi Mandal, West Godavari Distirct,  
Andhra Pradesh State.

### Pamulparthy Cold Storage Unit

Sy.No.712, 743, Pamulparthy Village,  
Markook Mandal, Siddipet District,  
Telangana State.

### Bellary Plant

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

### Pamulparthy Plant

Sy.No.703, Part, 707 Part,  
712 Part 713 to 719, Pamulparthy Village,  
Markook Mandal, Siddipet District,  
Telangana State.

### Molangur Plant

Sy.No.708, 709/A and 712A  
Molangur village,  
Shankarapatnam Mandal,  
Karimnagar District,  
Telangana State.

### Gowraram Plant

Sy.No.72 & 73 Part, Gowraram Village,  
Wargal Mandal, Medak District,  
Telangana State.



kaveri seeds®

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**Registered Office**

**kaveri seed company limited**

CIN: L01120TG1986PLC006728

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