



21st Annual Report 2007-08

*"Farmer is the key essence of
our business philosophy,
he is the cause of
our existence"*



kaveri seed company limited

winning the
hearts of farmers
on our way to success

CONTENTS

S	01 Board of Directors	01
T	02 Notice	02
Z	03 Directors Report	05
E	04 Management Discussion Analysis	10
T	05 Report on Corporate Governance	13
N	06 Auditors Report	22
O	07 Balance Sheet	25
N	08 Profit and Loss Account	26
C	09 Cash Flow Statement	27
	10 Schedules	28
	11 Abstract	40
	12 Admission Slip / Proxy	41

“Quality of products and services based on latest technology, intense customer focus, proactive response, delivery performance and cost as a benchmark in the industry are the key drivers of my action. These parameters give me strength in leading this business”

G V Bhaskar Rao
Chairman & Managing Director



BOARD OF DIRECTORS

Executive Directors

- Shri G.V.Bhaskar Rao
Chairman & Managing Director
- Smt. G.Vanaja Devi
Whole time Director
- Sri R.Venumanohar Rao
Whole time Director
- Dr. G.Pawan
Non Executive Independent Promoter Director
- Sri C.Vamsheedhar
Whole time Director
- Sri C.Mithun Chand
Whole time Director

Independent Directors

- Mr. M.Srikanth Reddy
- Dr. I. Venkata Subba Rao
- Dr. Yeshwant Laxman Nene
- Sri K.Vaman Rao
- Sri K.V.Durga Prasad Rao
- Sri P.Vara Prasad Rao

Chief Financial Officer

Sri K. V. Chalapathi Reddy

Company Secretary & Compliance Officer

Sri V.R.S.Murti

Statutory Auditors

M/s.P.R.Reddy & Co.,
Chartered Accountants
7-70/41, Maheswari Nagar
Street No.8, Habsiguda
Hyderabad 500 007.

Bankers

- i. Indian Overseas Bank
Himayat Nagar Branch
- ii. Andhra Bank
M.G.Road, Secunderabad
- iii. HDFC Bank Limited
Lakidikapool
- iv. ICICI Bank Limited
Secunderabad Branch.

Registrars & Share Transfer Agents :

M/s.Bigshare Services Pvt.Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai 400 072
Tel.Nos. 91 22-2847 0652/0653
Fax Nos.91 22-2847 5207/0744
E-mail:ipo@bigshareonline.com

Hyderabad Office :

G-10, Left Wing, Amruthaville
Somajiguda, Rajbhavan Road.
Hyderabad-500082
Tel.Nos.91 40-23374967/0295
E-mail:hyd2-bigshare@yahoo.com

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the members of Kaveri Seed Company Limited will be held as per the schedule given below and to transact the following business:

Day and Date Tuesday, September 30, 2008

Time 10.30.00 AM

Venue Surana Udyog Hall
The Federation of Andhra Pradesh
Chambers of Commerce and Industry
(FAPCCI House)
11-6-841, Red Hills, Hyderabad – 500 004, A.P.,

Ordinary Business:

1. To receive, consider and adopt
 - a) The Audited Balance Sheet as at March 31, 2008;
 - b) The Audited Profit and Loss Account for the year ended on that date;
 - c) The Auditors' Report thereon; and
 - d) The Directors' Report.
2. To appoint a Director in place of Dr. I.V.Subba Rao, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. Y.L.Nene, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri K.Vaman Rao, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s.P.R.Reddy & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business :

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

“RESOLVED THAT Sri P.Vara Prasad Rao, who was appointed as a Director in casual vacancy and holds office up to the date of this Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director”.

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

“RESOLVED THAT Pursuant to Section 61 and other applicable Provisions of the Companies Act, 1956 and subject to consent/approval of Securities and Exchange Board of India (SEBI) or any other Statutory Authorities, as may be required, variation in the Utilisation of IPO Proceeds as under, be and is hereby approved:

Out of the IPO Proceeds of Rs.6870.68 Lakhs, funds of Rs.1200.75 Lakhs allocated for investments in the setting up marketing offices & godowns in Delhi, Lucknow, Jaipur, Ahmedabad and Aurangabad in the Prospectus of the Company dated 17th September 2007, as detailed below, the said amount of Rs.1200.75 Lakhs which is yet to be invested as specified for the setting up marketing offices & godowns in Delhi, Lucknow, Jaipur, Ahmedabad and Aurangabad, may not be required immediately to be invested in the setting up of the above said marketing offices, hence the same (Rs.1200.75 Lakhs) be and is hereby re-allocated for use of land acquisition and setting up a new Processing Plant in Medak District, Andhra Pradesh. The Company will have the above marketing offices and godowns in leased premises where ever necessary.

(Rs. in lakhs)

Sl. No.	Particulars	Amount allocated in Prospectus	Amount invested as on 30th June 2008	Balance amount to be Invested
1	Acquisition of farmland for R&D near Hyderabad, Alwar and Ahmedabad	2000.00	1818.54	181.46
2	Setting up of marketing offices & godowns in Delhi, Lucknow, Jaipur, Ahmedabad and Aurangabad	1200.75	0	1200.75
3	Setting up of corn cob drying plants in Medak Dist., & Bellary	420.00	200.36	219.64
4	Setting up of a biotechnology lab at Gundla Pochampally near Hyderabad	204.47	15.43	189.04
5	Upgradation of existing seed processing plants at Kandlakoi, Gundla Pochampally, Gatla Narsingapur and Bellary	916.68	404.32	512.36
6	Setting up of a seed processing Plant in Medak District near Hyderabad	587.78	175.00	412.78
7	Working capital Margin requirements	1000.00	1000.00	0
8	Issue Expenses	541.00	567.51	-26.51
	Total	6870.68	4181.16	2689.52

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate its authority in this regard to any Sub-Committee, Managing Director or Executive Directors of the Company jointly/severally for achieving the above objective and to do all such acts, deeds,

matters and things, submit information or statements to Statutory Authorities including Stock Exchanges, Securities and Exchange Board of India (SEBI) and other Regulatory Authorities and sign forms, deeds, documents, agreements, contracts, undertakings, declarations, confirmations, letters and such other papers as may be necessary, desirable and expedient for giving effect to the variation in the use of the IPO Proceeds and to delegate its authority in this regard”.

By Order of the Board of Directors

Sd/-

Secunderabad
30.07.2008

G.V.BHASKAR RAO
MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Members are requested to send their proxy form to the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. The register of members and share transfer books of the Company will remain closed from 27th day September 2008 to 30th day of September 2008 (both days inclusive).
4. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents M/s. Bigshare Services Pvt. Limited, G-10, Left Wing, Amrutha Ville, Opp. Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

EXPLANATORY STATEMENT

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

ITEM NO. 6

Sri P.Vara Prasad Rao was appointed as a Director to fill a casual vacancy with effect from 30th January 2008, due to the resignation of Dr. N.Ganga Prasad Rao pursuant to Section 262 of the Companies Act, 1956. Sri P.Vara Prasad Rao will hold the office up to the date of the forthcoming Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956 the Company has received notice from one of the Members along with the requisite deposit, proposing the candidature of Sri P.Vara Prasad Rao for the office of a Director.

The Board, accordingly, recommends the Resolution for approval of the Members as an Ordinary Resolution.

Except Sri P. Vara Prasad Rao none of the Directors is concerned or interested in the Resolution.

ITEM NO. 7

The Initial Public Offering of the Company was planned with certain objects, as more particularly stated and described under section titled "Objects of the Issue" of the Prospectus dated 17th September 2007, as were considered appropriate and necessary by the management at that point of time. However, considering the change in the financial/business plans over the period of time, it is felt that a part of the IPO Proceeds may not be required immediately to be

invested in the setting up marketing offices & godowns in Delhi, Lucknow, Jaipur, Ahmedabad and Aurangabad, it was observed that the cost of acquisitions of real estate properties has been exorbitantly increased as against the estimates given in the Prospectus. Hence it was thought to re-allocate the above said object of IPO Proceeds of Rs.1200.75 Lakhs for use of land acquisition and setting up a new Processing Plant in Medak District, Andhra Pradesh. However, the Company will have the above marketing offices and godowns in leased premises where ever necessary. The management is confident that the proposed changes in the investment plans will yield better returns to the stake holders in the long run. The Chairman informed the Board about the requirements of passing a special resolution in terms of the Provisions of Section 61 of the Companies Act, 1956. A Company cannot vary the objects of the Proceeds referred to in the Prospectus except subject to approval of or except on authority given by the Company in a General Meeting. In the light of the said provisions, the approval of members for utilization of part of the IPO Proceeds for purposes other than those stated in the Prospectus.

Accordingly, the Board recommends the Resolution for approval of the Members as a Special Resolution.

None of the Director of the Company is in anyway concerned or interested in the Resolution.

By Order of the Board of Directors

Sd/-

G.V.BHASKAR RAO
MANAGING DIRECTOR

Secunderabad
30.07.2008

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 21st Annual Report of the Company with Audited Accounts for the financial Year ended 31st March 2008.

FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	2007-08	2006-07
Gross Turnover	9877.88	6723.76
Profit before Depreciation, Interest and Taxes	2730.59	1838.43
Depreciation/Amortization	206.13	123.52
Interest	124.55	103.49
Profit before Tax	2399.91	1611.42
Provision for Tax/Deferred Tax	716.60	528.59
Net Profit	1683.30	1082.83
Balance brought forward from Previous Year	1414.53	360.55
Less: Provision for Deferred Tax	3.92	9.17
Add: Provision for Deferred Tax	--	--
Less: Provision for diminution in value of Investments	283.75	19.68
Balance available for appropriation	2810.16	1414.53
Appropriations		
Balance carried to Balance Sheet	2810.16	1414.53

REVIEW OF OPERATIONS:

The net sales during the year was Rs.9657.06 higher by 46.83% and the net profit showed a growth of 32.4% at Rs.1395.64 Your Company has steadily scaled up revenues and profitability over the previous years. Your Company's hybrid seeds of corn and sunflower dominating its current product portfolio and the Company has an established brand name and distribution presence in the key growing regions of Andhra Pradesh and Karnataka.

Your Company has raised funds through an IPO last year for utilizing

these funds for acquisition of farm land for research and field trials and up gradation in seed production and processing facilities and expanding geographically into new markets in the West, North and the remaining Southern States. This offers significant growth opportunities as the rate of hybridization in the western and northern states sharply lags that in the South.

FUTURE OUTLOOK:

Your Company has strong product portfolio that includes 12 hybrid varieties of corn, five of sunflower, six of cotton and 13 varieties of paddy and other supplements products developed in-house. The strengths of your Company like efficient processing system, ability to manage its available resources cost competitiveness and capacity to deliver what the farmers want at affordable prices helped the Company to come out of its shackles and other constraints.

During the year your Company further strengthened its position in the market and with the customers by introducing the new seed varieties and ability to read the market trends. Your Company sees a big potential for its different Hybrids like Corn, Sun Flower, Bt. Cotton, Paddy, Jowar, Bajara and other divisions like organics manures and micro nutrients.

RESEARCH & DEVELOPMENT:

Your Company with the state of the art experience in seed production, processing and marketing of elite hybrids of crops like maize, sunflower, bajra, sorghum, rice and cotton is backed by strong in house R&D. As research and developmental efforts are continuous to cater to the needs of farmer and demands of consumer, R&D is always a relentless pursuit to genetically enhance the performance of products or evolve superior hybrids. It is a constant endeavor by R&D to breed not only for higher yields but also to incorporate resistance to major diseases and pests to realize the true potential of the hybrids developed. With this philosophy, the company during the year, has further strengthened the human resources by recruiting technically competitive and qualified personnel to man the programmes especially vegetable crops, maize and biotechnology. During the year the Company has invested heavily in establishing a Biotech lab. Due to these untiring efforts a full-fledged Biotech Lab is in place. In the same vein we have refurbished our seed testing lab as well as commissioned a gene bank for conservation of germ plasma.. A cold room facility for large scale storage of fungal and microbial cultures has been established. As land is a finite resource, the

company with a considerable forethought acquired adequate land in and around Hyderabad for their R&D Farm. This single investment on farm land is a big leap for the company pushing it to unenviable position among the peers.

In tune with the philosophy of ensuring returns to the farmer and satisfaction to the consumer, during the year under report the company has to its credit an array of superior product folio. The company after successfully launching two Bt cotton hybrids (Bollgard I) has developed two more advanced cotton hybrids incorporating a combination of cry genes (BG II) These hybrids are approved for commercialization in kharif 2008. Three new sunflower hybrids, suitable for early, medium and late segments developed by our R&D await commercialization.

CAPITAL STRUCTURE:

During the year, your Company has issued 40,02,184 Equity Shares of Rs.10/- each to Public through an IPO with a price band of Rs.170/- per equity share for which the subscription was open from 6th September to 11th September 2007 overwhelming response received from public and the allotment was made on 25th September 2007 the paid up capital of the Company has gone up to Rs.13,70,21,840/- As per the SEBI (Disclosure & investor Protection) Guidelines, 2000, all fresh issue of shares to the public shall be in the dematerialized form only. Accordingly, to facilitate the public to hold the shares in the demat form, the Company entered into a tripartite agreement with National Securities Depository Limited (NSDL) Central Depository Services India Limited (CDSL) and Bigshare Services Private Limited.

UTILISATION OF IPO PROCEEDS:

Out of the proceeds of IPO of Rs.3633.49 lakhs have been utilized for the purpose of The balance amount of Rs.3237.19 lakhs is invested in Fixed Deposit with Banks/Mutual Funds which would be utilized during the current financial year.

INVESTMENTS:

Your Company made fresh investments during the year to add value to its business operations. The details of additional investments made during the financial year 2007-08 are as follows:

a. Mutual Fund Units (Amount in Rs.)

Sl. No.	Particulars of the fund	Amount invested	Amount Redeemed
1.	DSP Merrill Lynch India TigerFund	50,00,000	--
2.	JM Balanced Fund-Dividend Plan	1,00,00,000	--
3.	HSBC Equity Fund – Dividend	50,00,000	--
4.	ABN AMRO Equity Fund – Dividend	50,00,000	--
5.	Birla Sunlife Liquid Plus	1,60,00,000	
6.	Birla Midcap Fund – Dividend Payout	50,00,000	
7.	ABN AMRO Opportunities Fund	1,00,00,000	
8.	Fidelity Short Term Income – Retail Plan – Dividend	2,00,00,000	
9.	JM Short Term Fund – Dividend Plan	2,00,00,000	
10.	JM Basic Fund – Dividend Plan	1,00,00,000	
11.	Reliance Liquid Plus Fund – Retail Option – Daily Dividend Plan	6,00,00,000	
12.	JM Money Manager Fund Super Plus Plan – Daily Dividend	6,00,00,000	
13.	Kotak Flexi Debt Scheme – Daily Dividend	3,00,00,000	
14.	Ing Liquid Plus Fund – Institutional Daily Dividend	3,00,00,000	
15.	ICICI Prudential Flexible Income Plan Dividend Daily-Reinvest Dividend	3,00,00,000	
16.	ICICI Prudential Flexible Income Plan Dividend Daily-Reinvest Dividend	2,00,00,000	
17.	HDFC Cash Management Fund Savings Plus	1,60,00,000	
18.	Reliance Monthly Interval Fund	12,07,10,909	
19.	Reliance Liquid Fund	6,00,00,000	
20.	Birla Top 100 Fund		7,12,463
21.	Fidelity Short Term Income – Retail Plan – Dividend		2,01,54,129

22. Reliance Liquid Plus Fund – Retail Option – Daily Dividend Plan	6,00,00,000
23. JM Money Manager Fund Super Plus Plan – Daily Dividend	6,00,00,000
24. Kotak Flexi Debt Scheme – Daily Dividend	3,00,00,000
25. Ing Liquid Plus Fund- Institutional Daily Dividend	3,00,00,000
26. ICICI Prudential Flexible Income Plan Dividend–Daily–Reinvest Dividend	3,00,00,000
27. Birla Sunlife Frontline Equity Fund	43,53,794
28. DSP Merrill Lynch Savings Plus Fund	1,14,98,432
29. DSP Merrill Lynch Tiger Fund	95,06,566
30. Franklin India flexi Cap Fund	6,91,980
31. ICICI Prudential Dynamic Plan – Dividend	6,12,210
32. IFD ICICI Prudential Infrastructure Fund	14,66,252
33. IMPD ICICI Prudential Income Multiplier	1,25,01,097
34. Reliance Equity Opportunities Fund	7,14,404
35. Reliance Monthly Income Plan – Quarterly Dividend Plan	1,00,66,136
36. Reliance Liquid Fund	6,00,10,736
37. ABN AMRO Future Leaders Fund Dividend	20,51,458
38. FT India Monthly Income Plan B – Quarterly Dividend Reinvestment	1,08,24,542
39. HDFC MF Monthly Income Plan	1,01,73,116
40. JM Housing Infrastructure & Financial Services Fund – Dividend Plan(151)	20,30,910
41. SBI Magnum Sector Fund UmbrellaContra	7,00,868

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Dr. I.V.Subba Rao, Dr. Yeshwant Laxman Nene and Sri K.Vaman Rao retire by rotation being eligible offer themselves for re-appointment as Directors of the Company.

Sri P. Vara Prasad Rao was appointed as a Director liable to retire by rotation in place of Dr. N. Ganga Prasad Rao who expressed his inability to continue as a Director due to his pre-occupation.

In accordance with Clause 49 of Listing Agreement your Board was constituted the total strength of twelve Directors. Apart from this the Board also constituted mandatory/statutory committees and non-statutory committees as mentioned in the Report on Corporate Governance.

DIVIDEND:

Although your Company has been in profits since inception the management desires to carry the profits to general reserve account keeping in view of its growth potential and expansion plans and hence could not declare any dividend for the year financial year 2007-08.

FIXED DEPOSITS:

Your Company has not accepted any deposits and as such no amount of principal or interest was out standing on the date of this Balance Sheet.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended, the Board of Directors confirms that in the preparation of the Profit & Loss Account for the year ended March 31, 2008 and the Balance sheet as at that date:

- i) In the preparation of Annual Accounts, the applicable Accounting Standards has been followed;
- ii) Appropriate accounting policies have been applied consistently. Judgment 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 and of the profit of the Company for the year;
- iii) Proper and sufficient care has been taken for the maintenance of

adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company for preventing and detecting fraud and other irregularities;

- iv) The Annual Accounts have been prepared on a going concern basis.

AUDITORS:

The Auditors M/s.P.R.Reddy & Co. retire the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board noted the Auditors Report and also the letter received from them as per Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment/reappointment within the meaning of 226 of the said Act.

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

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

CORPORATE GOVERNANCE/MDA:

A Report on Corporate Governance together with Management Discussion and analysis Report and along with certificate from the

Secunderabad,
30th July 2008

Auditors of the Company regarding compliance with the Clause 49 of the Listing Agreement are annexed.

PARTICULARS OF EMPLOYEES:

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

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGEMENTS:

Your Directors express their gratitude to all stakeholders, farmers, dealers, Banks and regulatory and governmental authorities for their continued support at all times and look forward to have the same in our future endeavors.

For and on behalf of the Board

Sd/-

G.V.BHASKAR RAO
Managing Director

Sd/-

G.VANAJA DEVI
Whole time Director

Annexure to the Directors' Report

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

FORM A

CONSERVATION OF ENERGY 31.03.2008 31.03.2007

Power and Fuel Consumption

a. Electricity purchased Units (Nos.)	522668.00	399172.00
Total Amount (Rs. In Lakhs)	35.56	20.34
Unit Rate (Rs.)	6.83	5.09
b. Own Generation :		
Through Diesel Generator		
No.of Units in Litres	22932.00	47281.00
Units per litre of Diesel	3.00	3.00
Oil cost per Unit (Rs.)	12.50	11.35

Others (Gas)

Through Gas Dryer

Quantity in Kgs.of Gas	51909.00	39135.00
Amount (Rs. In Lakhs)	31.67	19.40

Consumption per unit of production

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

FORM - B

TECHNOLOGY ABSORPTION

Research and Development

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

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

Secunderabad,
30th July 2008

Benefits derived as a result of the above R&D

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

Future Plan of Action:

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

Expenditure on Research and Development:

	Rs. In Lakhs	
	2007-08	2006-07
Capital	921.72	861.43
Recurring	257.27	143.44
	1178.99	1004.87
Total R&D expenditure as percentage of total turnover	12.20%	15%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

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

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

Particulars of Imported Technology: Nil

Foreign Exchange Earning & Outgo:

- Earnings : Nil
- Out go : Rs 11.79 Lakhs

For and on behalf of the Board

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Development:

Agriculture remains a pivotal part of the Indian economy despite the emergence of other sectors and decreasing GDP share, due to the twin factors of food security and employment generation. The agri-inputs industry produces products that provide essential support to modern agriculture. Seeds are one of the most critical inputs in agricultural production. Improvements in quality and production of seeds along with an improved agronomy have brought about several modern agricultural productivity improvements, including increased food production to keep pace with increased domestic as well as global demand from population and economic growth. Since rapid urbanization and development over the last few decades has reduced the total area of land under cultivation, substantially higher crop yields and multiple cropping have become increasingly important for meeting domestic as well as global demand for food. The demand for seeds and other agri-inputs that augment production of crops is expected to continue. Our ability to capitalize on this increasing demand will be the key factor to our success of operations.

The Indian seed industry has had long history spreading over more than a century. It initially began with trading in vegetable and flower seeds in the early part of this century. Seed related reforms pertaining to hybridization began in the early 1980's accessibility to research institutions, both international and national was provided to private seed firms for directly obtaining breeder seed. The seed related reforms initiated in 1980's thus catalyzed growth of the private seed sector in the country. As a consequence, the Indian seed industry is experiencing quantitative and qualitative changes in composition, market expansion.

Opportunities & Threats:

We have an extensive marketing network with loyal and committed distributors and dealers in Karnataka, Tamilnadu, Maharashtra & Andhra Pradesh. We have recently entered other states such as Bihar, Madhya Pradesh, Gujarat, Uttar Pradesh, Punjab, Haryana and Rajasthan, where the response received has prompted us to enter these states in a big way. The seed market is dynamic in nature. Once a hybrid seed is developed and introduced in the market, its acceptability gradually declines over a period of time. Therefore, we need to consistently introduce different high quality hybrids in the

market to ensure sustainable growth levels in our revenues. Each new hybrid developed attracts the attention of farming community. Consistent focus and efforts on R&D enable us to come with improvised version of hybrids in each of the seeds that we are producing. We have our own land resources in AP and Karnataka and also taken on lease in AP for undertaking R&D activity.

Many of the problems that impede the productivity of our varieties and hybrids have defied solution through conventional breeding approach. These include widespread moisture stress, expanding sanity, new pests and biotypes of higher virulence and poor shelf life. Unlike in developed countries, population growth in India is far in excess of its growth in agricultural production warranting continued inputs to achieve a steady increase in food production. The route to increase in production lies through improved agronomic practices and availability of high quality seed. The advanced irrigation facilities has helped to lessen year to-year fluctuations in agri-production resulting from the vagaries of the monsoons, however, monsoon play a critical role in Indian agriculture in determining whether the harvest will be bountiful, average or poor in any given year.

Segment-wise or Product-wise performance:

In the year 2002, our Promoters began a new venture to produce and market bio-pesticides, bio-fertilisers, micronutrients, fertilizer mixtures & plant growth regulators under the name and style of M/s.Kaveri Agriteck a partnership firm. This firm started a manufacturing unit at Hyderabad and was marketing its products in Karnataka, Andhra Pradesh and in some parts of Tamilnadu and Maharashtra. The products were marketed under the brand name "Microteck". Seeds, bio-fertilizers, micronutrients etc., are related products having the same end user i.e., the farmer, and are usually sold through similar dealer networks. With a view of achieving the benefit of synergy in marketing the aforesaid products, our Company, acquired the business, assets and liabilities of M/s. Kaveri Agriteck. We believe that this acquisition would enable us to address the needs of the farmers like plant protection and nourishment. Our focus is to be a leading provider of crop solutions to the farmer by supplying high yielding hybrid seeds and crop management products namely micronutrients, bio products etc., for achieving this, we are engaging in research and development efforts in the areas of superior

breeding programmes and biotechnology tools that will enable us to develop highly effective and differentiated hybrid seeds, micronutrients and bio products.

During the year, the Company further strengthened its position in the market and with the customers by introducing new seed hybrid varieties. All of these new products along with the existing seed products were well received by the farmers, despite growing competition.

Outlook:

The Company remains determined in its objective to practice the path of profitable and sustainable growth, maximizing operational efficiencies and striving to attain the highest standards of quality, safety and productivity.

Through continuous research efforts at providing newer product offerings, aggressive sales and marketing strategies, a strong brand and distribution infrastructure and investment in product development, your Company is hopeful of maintaining its performance going forward efforts at offering better technologies (that provide better value to the farmer while mitigating external risks) have been generally well received both by the Government and the farmer. Continued success in these efforts is critical to maintain these growth prospects.

The overall outlook for the Company continues to be positive and the management remains optimistic with regards to continued growth.

Financial Performance:

During the financial year 2007-08, the Company generated total revenues of Rs.9877.88 Lakhs with a net profit of Rs.1395.64, as compared to total revenues of Rs.6723.76 Lakhs with a net profit of Rs.1053.98 Lakhs in the financial year 2006-07.

Your Company has raised funds of Rs.6870.00 Lakhs through an IPO for utilizing these funds for acquisition of farm land for research and field trials and up gradation in seed production and setting up a new processing facilities and expanding geographically into new markets in the West, North and the remaining Southern States. This offers significant growth opportunities as the rate of hybridization in the

western and northern states sharply lags that in the South.

Your Company's seed operations continued to generate overall volume and margin growth during the year through a combination of high quality product offerings and better mix. These are being well supported by appropriate investments in production, quality and breeding to sustain the growth, quality of seed offerings continues to be a key area of focus, specially since the shelf life of the product is limited and is highly dependent on agro-climatic conditions during its life.

The Company's operations continued to generate surplus funds to meet all its requirements without having to resort to external borrowings.

Risks & Concerns:

The Seed agri-inputs business is highly seasonal in our country. Our raw material supplies are seasonal and our sales are also seasonal in nature. Thus, we are subject to seasonal factors, which make our operating results relatively unpredictable. We recognize revenues upon the sale of our seed agri-input products. Our sales activities, as far as seeds are concerned, take place only after the seeds have been planted, harvested and prepared for sale. Traditionally, the revenues recorded during planting and harvesting seasons are traditionally lower compared to revenues recorded during the periods following such seasons. During periods of lower sales activities, we may continue to incur substantial operating expenses, but our revenues may bear usually much lower or delayed or reduced. Due to the inherent seasonality of our business, results of one reporting period (quarter/half year/year) may not be necessarily comparable with preceding or succeeding reporting periods.

Internal Control System:

The internal control system in the Company is reviewed by the Board of Directors which would provide assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The transaction are authorized, recorded and reported in conformity with generally accepted accounting practices. The internal audit of the Company is conducted by a reputed independent firm. The

observations and recommendations of the internal auditors are reviewed by the Audit Committee every quarter and adequate follow up measures taken to overcome identified control weaknesses.

Human Resources:

We have very good human resource pool about five hundred (500) employees out of which more than 50% are in marketing and sales, eighty six people are in research and remaining are in production, processing and administration. Kaveri is aware that its own people are the key to the future realization of its goals. To this end, your Company is initiating steps towards a better work environment.

The agri-inputs business we are involved in is highly specialized in nature and the available, especially skilled technical and marketing, talent pool is limited, Further, each producer has its own set of customized products and processes, and it takes substantial time and resources to adequately train human resource talent to understand and adapt to the producer's business. The future success of our business will also depend on our ability to identify, attract, hire train, retain and motivate skilled technical and managerial personnel, who

may be highly sought by competing entities. Competition for qualified agribusiness professional personnel is intense given the limited supply of such personnel, and our professionals are highly sought after by our competitors. If we fail to hire and retain sufficient numbers of key personnel, primarily skilled R&D, technical, sales and marketing personnel, qualified personnel for functions such as research and development, production, marketing and sales, operations, our business operating results and financial condition could be adversely affected.

Your Company will continue to focus on talent and their retention in what is already a skill driven organization.

Cautionary Statement:

The statement made in this section describes the Company's objectives, projections, expectations and estimations which may be forward looking statements' within the meaning of applicable securities laws and regulations. The annual results can differ materially from those expressed or implied, depending on the economic and climatic conditions, Government policies and other incidental factors which are beyond the control of the Company.

Secunderabad
30.07.2008

By Order of the Board of Directors

Sd/-
G.V.BHASKAR RAO
MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

The spirit and practice of Corporate Governance in Kaveri Seed Company Limited is about commitment to values and ethical business practices. This implies timely compliances and correct disclosures of financial information on performance, ownership and Governance of the Company.

The key elements of corporate governance are transparency, disclosure, accountability, supervision and internal controls, risk management, internal and external communications and high standards of safety, health, environment, accounting fidelity, product and service quality. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review process.

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.

Board of Directors

The Board of Directors guides, directs and oversees the management and protects the interests of customers, shareholders, employees and the society at large. The Board also ensures the compliance of the applicable provisions, code of ethical standards.

Size and Composition of the Board

As of the date of the Report, the Board consists of twelve directors. Five of them are executive and Seven are non-executive Directors. Your Company has taken all necessary steps to strengthen the Board with optimum combination of executive and non-executive / independent directors, with professional competence.

Composition of Board of Directors as on 31st March 2008

Name	Category	Number of Memberships in other Companies		Attendance at	
		Board	Committees	Board	AGM Meetings
Sri G.V.Bhaskar Rao*	Promoter and Executive Director	2	1	8	Yes
Smt. G.Vanaja Devi*	Promoter and Executive Director	1	--	4	No
Sri R.Venu Manohar Rao*	Promoter and Executive Director	--	2	8	Yes
Sri C.Vamsheedhar*	Executive Director	--	3	8	Yes
Sri C.Mithun Chand*	Executive Director	--	4	8	Yes
Sri G. Pawan*	Non-Executive Director	1	--	--	No
Sri K.V.D.Prasad Rao	Non-Executive Independent Director	1	3	6	No
Sri M.Srikanth Reddy	Non-Executive Independent Director	7	3	4	No
Sri K.Vaman Rao	Non-Executive Independent Director	2	4	--	No
Dr. I.V.Subba Rao	Non-Executive Independent Director	--	--	4	No
Dr. Yeshwant Laxman Nene	Non-Executive Independent Director	--	1	4	No
Dr. N.Ganga Prasad Rao	Non-Executive Independent Director	--	--	--	--
Sri P.Vara Prasad Rao	Non-Executive Independent Director	--	--	1	No

Note: * Sri G.V.Bhaskar Rao, Smt. G.Vanaja Devi, Mr. G.Pawan, Sri R.Venu Manohar Rao, Mr. C.Vamsheedhar and Mr. C.Mithun Chand are related to each other. Dr. N.Ganga Prasad Rao resigned as Director w.e.f. 30th January 2008 in his place Mr. P.Vara Prasad Rao was appointed as Director.

During the year eight Board Meetings were held on the following dates:

Date	Board Strength	No.of Directors Present
30.06.2007	12	7
01.08.2007	12	9
23.08.2007	12	7
05.09.2007	12	7
17.09.2007	12	9
25.09.2007	12	7
29.10.2007	12	8
30.01.2008	12	9

Details of Directors proposed for appointment/re-appointment:

Dr. I.V.Subba Rao, Dr. Yeshwant Laxman Nene and Sri K.Vaman Rao retire by rotation being eligible offer themselves for re-appointment as Directors of the Company.

Sri P.Vara Prasad Rao was appointed as a Director liable to retire by rotation in place of Dr. N.Ganga Prasad Rao who expressed his inability to continue as a Director due to his pre-occupation.

Dr. I.V.Subba Rao completed his Master's Degree in Science and a distinguished career in the field of Agriculture. He is a soil scientist by profession and is vastly experienced in the fields of agricultural education research, extension research management and administration. He is the recipient of the prestigious 'Padmashree' award from the government of India in 2002. Apart from this he has also received several eminent awards including the 'Life Time Achievement Award' from the Cotton Research and Development Association, the 'Sir C.V.Raman Council of Education Professional Expertise Award' for Science and Technology by Vishwabharti etc.,

Dr. Yeshwant Laxman Nene obtained his master's degree in Agriculture from the Agra University in 1957. He obtained his Doctorate Degree in Plant Pathology (Plant Virology) from the University of Illinois, U.S.A., He has worked as the Asst.Associate, Professor and Head of the Department of Plant Pathology at GB Pant University of agriculture, Pantnagar from 1960 to 1974.

Sri K.Vaman Rao holds bachelor's degree in Commerce and is also a Chartered Accountant., He is also the creator and trustee of 'Sankshema' a charitable trust which runs a non-profit cancer hospital at Karimnagar. The said trust donates scholarships to economically poor students and also provides free meals to people at the hospital.

Mr. P.Vara Prasad Rao, aged 60 years, is a Bachelor of Science and he has over 36 years experience in forest contract works and he has managing partner of a SSI Unit. He has been exposed to various business transaction structuring and intricacies in business negotiation. He is not a director in any other Company and he does not hold any shares in the Company.

Audit Committee:

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. The composition, procedures, powers and role/functions of the Audit Committee constituted by the company comply with the requirements of Clause 49 of the Listing Agreement.

Role of Audit Committee

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

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

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

Any changes in accounting policies and practices;

- Major accounting entries based on exercise of judgment by management;
- Qualifications in draft audit report;
- Significant adjustments arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with stock exchange and legal requirements

concerning financial statements;

- Any related party transactions as per Accounting Standard 18

Reviewing the Company's financial and risk management policies.

Disclosure of contingent liabilities

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

Reviewing the adequacy of internal audit function;

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

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

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

Composition and other details of Audit Committee

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

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

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

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

The Company Secretary is the Secretary to the Committee.

During the year under report the Audit Committee has met 3 times

Member	No.of Meetings	Attendance
Mr. K.Vaman Rao	--	--
Mr. M.Srikanth Reddy	3	3

Mr. K.V.D.Prasad Rao	3	3
Mr. C.Mithun Chand	3	3

Remuneration Committee/Compensation Committee:

- The Company has constituted a Remuneration Committee of Directors.
- The broad terms of reference of the Remuneration Committee are as under:
 - To approve the Annual Remuneration Plan of the Company.
 - To approve the remuneration and commission/incentive remuneration payable to the Managing Director and Executive Directors for each financial year including grant of Options to eligible Employees and Directors and administers the Employee Stock Option Scheme from time to time.
 - Such other matters as the Board may from to time request the Remuneration Committee to examine and recommend / approve.
- The composition of the Compensation Committee comprises of the following members. During the year the Company did not have any meetings.

Mr. K.Vaman Rao	- Independent, Non-executive
Mr. M.Srikanth Reddy	- Independent, Non-executive
Mr. K.V.D.Prasad Rao	- Independent, Non-executive
Mr. R.Venu Manohar Rao	- Executive Director
Mr. C.Vamsheedhar	- Executive Director

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

Name of Director & Period of Appointment	Salary	(Amount in Rs.)	
		Benefits Perquisites & Allowances	Total
Sri G.V.Bhaskar Rao	6000000	23940	6023940
Smt. G.Vanaja Devi	3600000	23940	3623940
Sri R.Venu Manohar Rao	780000	23940	803940
Sri Ch.Vamsheedhar	480000	23940	503940
Sri Ch.Mithun Chand	660000	23940	683940

b. Non-Executive Directors: (Amount in Rs.)

Name	Designation	Sitting Fee
Sri G.Pawan	Executive Independent	--
Sri K.V.D.Prasad Rao	Non-Executive Independent	12500/-
Sri M.Srikanth Reddy	Non-Executive Independent	10000/-
Sri K.Vaman Rao	Non-Executive Independent	--
Dr. I.V.Subba Rao	Non-Executive Independent	10000/-
Dr. Yeshwant		
Laxman Nene	Non-Executive Independent	10000/-
Sri P.Vara Prasad Rao	Non-Executive Independent	2500/-

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

During the year the Company did not have any Employee Stock Option Scheme.

iii) Details of shares of the Company held by the Directors as on March 31, 2008 are as below:

Name	No. of Shares
Sri G.V.Bhaskar Rao	1248000
Smt. G.Vanaja Devi	2222600
Sri R.Venu Manohar Rao	371600
Sri Ch.Vamsheedhar	100000
Sri Ch.Mithun Chand	76000
Sri G.Pawan	501800

Shareholders/Investors Grievance Committee:

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

- Transfer, transmission, split and consolidation of investors holding
- Dematerialisation/rematerialisation of shares
- Non-receipt of dividends and other corporate benefits
- Replacement of lost/mutilated/stolen share certificates
- Non-receipt of Annual Reports and change of addresses, etc.,

Constitution of the Committee:

Name	Designation
Mr. K.Vaman Rao	Chairman
Mr. R.Venu Manohan Rao	Member
Mr. C.Mithun Chand	Member
Mr. M.Srikanth Reddy	Member
Mr. C.Vamsheedhar	Member
Mr. K.V.D.Prasad Rao	Member

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

During the year the Company has received 43 complaints from the investors and all of them were resolved to the satisfaction of the investors concerned. As on 31st March 2008 there were no investor grievances pending and no transfers were pending for approval.

General Body Meetings: Details of the last three AGMs are given as follows:

Year	Date of Meeting	Time of Meeting	Venue of Meeting	No. of Special Resolutions passed
Annual General Meeting 2004-05	September 29, 2005	11.00 AM	513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003.	Nil
Annual General Meeting 2005-06	September 15, 2006	11.00 AM	513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003.	Nil
Annual General Meeting 2006-07	September 14, 2007	3.30 PM	Conference Hall, R&D Centre, Gundlapochampally Plant, Sy.No.28, Medchal, R.R.District, AP	Nil

During the year there was no Special Resolution(s) passed through either Postal Ballot or Extra Ordinary General Meeting.

DISCLOSURES:

CEO and CFO Certification

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

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

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 Board regularly.

Transactions with related parties were disclosed in Note 8 Schedule 19 to the Accounts in the Annual Report.

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.

Code of Conduct

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

The Company has established a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or

ethics policy. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Company. The mechanism also emphasis on making enquiry into whistle blower complaint received by the Company.

Risk Management

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

Secretarial Audit

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

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

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

Means of Communication

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

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.

GENERAL SHAREHOLDERS INFORMATION:

- a. Annual General Meeting
- | | |
|---------------|--|
| Date and Time | September 30, 2008, 10.30.00 AM |
| Venue | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI House)
11-6-841, Red Hills, Hyderabad – 500 004, A.P. |
- b. Financial Year of the Company
- | | | |
|--------------------|-------------|---------------------|
| Quarterly Results | 1st Quarter | July 2008 |
| (tentative and | 2nd Quarter | October 2008 |
| Subject to change) | 3rd Quarter | January 2009 |
| | 4th Quarter | June 2009 (Audited) |
- c. Date of Book Closure
- 27th September to 30th September'08
- d. Dividend Payment date
- Management desires to carry the profits to general reserve account keeping in view of its growth potential and expansion plans and hence did not declare any dividend for the financial year 2007-08.
- e. Listing on Stock Exchanges
- Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023. National Stock Exchange of India Ltd., Exchange Plaza, 5th floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
- f. Listing Fees
- Listing fee of both the stock Exchanges has already been paid for the year 2008-09
- g. Stock Code:
- Bombay Stock Exchange Limited - 532899;
National Stock Exchange of India Ltd - KSCL
- h. 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 32.63% of the Company's share capital are dematerialized as on 31st March 2008. The Company's shares are regularly traded on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form. Under the Depository System, the ISIN allotted to the Company's Shares is INE 455101011
- i. 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 2008.
- j. Plant Locations
- a) Kandlakoi Plant :
Plot No.140/A/1, Kandlakoya Village, Medchal Mandal, Ranga Reddy District, A.P.
- b) Gundlapochampally Plant
Sy.No.28 Part, Gundlapochampally village Medchal Mandal, Ranga Reddy District, A.P.
- c) Gatlanarsingapur Plant - 1
Door No.104, Gatlanarsingapur Post, Bheemadevarapally Mandal, Karimnagar District, A.P.
- d) Gatlanarsingapur Plant - 2
Door No.6-96/2, Gatlanarsingapur Post, Bheemadevarapally Mandal Karimnagar District, A.P.

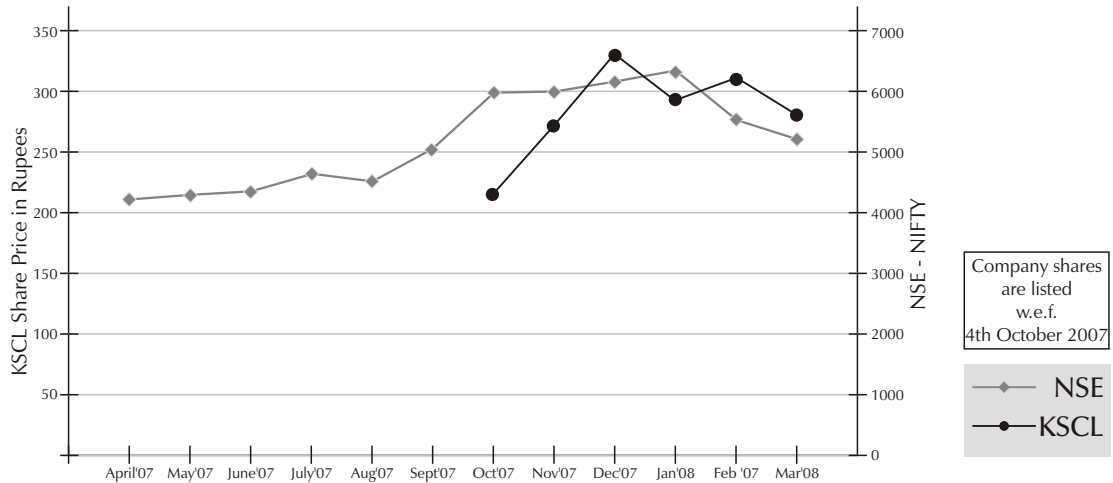
- e) Eluru Plant
Sy.No.853, Koppaka village, Pedavegi Mandal, West Godavari Distirct, AP
- f) Bellary Plant & Godown
D.No.340, NH – 63, Main Road, K.B.Halli – 583 103 Bellary District Karnataka State
- k. Registered Office
513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, (AP)
Tel.Nos.
- l. Name & Designation of
Compliance Officer
Mr.V.R.S.Murti, Company Secretary
513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, (AP)
Tel.Nos. +91 40-27721457/27842398 Fax No. +91 40-27811237
Email: cs.kaveri@gamil.com Website : www.kaveriseeds.in
- m. Registrar and Share Transfer Agents /
Address for Correspondence
Mr. G.S.Dharma Veer
Sr. Manager, Bigshare Services Pvt. Ltd.,
G-10, Left Wing, Amrutha Ville, Opp.Yashodha Hospital,
Somajiguda, Rajbhavan Road, Hyderabad – 500 082.
Tel.Nos. : + 91-40 - 23374967 Fax No. :+ 91-40 - 23370295
E-mail: hyd2_bigshare@yahoo.com
- n. Monthly High & Low quotations and volume of shares traded on NSE & BSE during the year: (Amount in Rs.)

Month	National Stock Exchange				Bombay Stock Exchange			
	High	Low	Close	Volume	High	Low	Close	Volume
October 2007	245	165	214.45	16765149	262.00	177.05	214.40	12329857
November 2007	277	191.20	271.45	1188045	278.70	197.00	271.95	844052
December 2007	376	262.95	330.25	854643	390.00	261.05	330.35	1297157
January 2008	332	277	292.00	202082	345.25	262.00	292.00	328349
February 2008	315.80	255	310.65	286976	313.95	247.80	309.20	311983
March 2008	314	257	279.90	641225	320.25	262.50	280.00	427312

o. Distribution Schedule & Shareholding Pattern as on 31st March 2008

Category	No.of Shareholders	No.of Shares	%	Category	No.of Shareholders	No.of Shares	%
Up to 5000	2286	207606	1.51	40001 - 50000	19	89840	0.65
5001 - 10,000	95	82539	0.60	50001 - 100000	15	129591	0.94
10001 – 20000	47	78384	0.57	100001 – and above	63	12966124	94.62
20001 – 30000	19	50725	0.37	Total	2570	1,37,02,184	100%
30001 – 40000	26	97375	0.71				

p. STOCK PERFORMANCE OF KAVERI SEED COMPANY LIMITED Vs. NATIONAL STOCK EXCHANGE (NIFTY) INDEX



q. Category of Shareholders as on 31st March 2008

Category	No.of Shares	%
Promoters	83,55,000	60.98
Mutual Funds	1792471	13.08
Bodies Corporate	821057	5.99
FII's	685229	5.00
NRIs	6505	0.05
Public	2021922	14.75
Trusts	20000	0.15
TOTAL	13702184	100%

r. Top Ten Shareholders of the Company as on 31st March'08

Shareholders	Category	No.of Shares	%
G.V.BHASKAR RAO (HUF)	Promoter	2316000	16.90
G.VANAJA DEVI	Promoter	2222600	16.22
G.MADHUSHREE	Promoter	1464000	10.68
G.V. BHASKAR RAO	Promoter	1248000	9.10
STANDARD CHARTERED TRUST COMPANY A/c.	FII	1029139	7.51
ICICI PRUDENTIAL FUSION FUND SERIES	Mutual Fund	503855	3.67
G.PAWAN	Director	501800	3.66
R.VENU MANOHAR RAO	Director	371600	2.71
QUANTUM (M) LIMITED	FII	235067	1.71
SUYASH OUTSOURCING PVT LTD	FII	213082	1.55

DECLARATION

I, G.V.Bhaskar Rao, Managing Director, hereby declare that as provided under Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2008.

Secunderabad,
30th July 2008

For KAVERI SEED COMPANY LTD.
Sd/-
G.V.BHASKAR RAO
Managing Director

CEO / CFO CERTIFICATION

To

The Board Members,
M/s.KAVERI SEED COMPANY LTD.,
513-B, 5th Floor, Minerva Complex,
S.D.Road, Secunderabad – 03.

We, G.V.Bhaskar Rao, Chairman and Managing Director and K.V.Chalapathi Reddy, Chief Financial Officer of the Company hereby certify to the Board that:-

- a. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March 2008 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For KAVERI SEED COMPANY LIMITED

30th July 2008
Secunderabad-03

G.V. Bhaskar Rao K.V. Chalapathi Reddy
Managing Director Chief Financial Officer

COMPLIANCE CERTIFICATE

To

The Members of
KAVERI SEED COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by Kaveri Seed Company Limited, ('the Company') for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

Hyderabad,
30th July 2008

For P.R.REDDY & CO.
Chartered Accountants
Sd/-
P. RAGHUNADHA REDDY
Partner
Membership No.23758

AUDITORS' REPORT

To

The Members of
KAVERI SEED COMPANY LIMITED

We have audited the attached Balance Sheet of Kaveri Seed Company Limited, as at 31st March 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based in our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, Proper Books of Account, as required by Law have been kept by the company, so far as appears from our examination of such books.
- iii. The balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- iv. In our opinion, the Balance sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as director in terms of clause(g) of sub-section (1) Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2008
 - b. In the case of the Profit & Loss Account, of the Profit for the year ended on that date and
 - c. In the case of Cash Flow Statement, the cash flows of the Company for the year ended on that date.

Sd/-
For P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS
PRAGHUNADHA REDDY
Partner
Membership No.23758
Place: Hyderabad
Date: 30th June 2008

Annexure referred to in the Auditors' Report to the Members of KAVERI SEED COMPANY LIMITED for the year ended 31st March 2008, we report that:

- i. a. The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
 - b. The management has conducted the physical verification of fixed assets during the year.
 - c. The Company has not disposed substantial part of the fixed assets during the year under audit.
- ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. a. The Company has not taken any loan, secured or unsecured from Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act.
 - b. In our opinion, the rate of interest and other terms and conditions on which loan has been granted to company listed in the register maintained u/s.301 of the Companies Act, 1956 are not prima-facie, prejudicial to the interest of the Company.
 - c. In respect of loan granted by the company the party has repaid the principle amount as stipulated and has been regular in payment of interest.
 - d. There is no overdue amount of loan granted to the company listed in the register, maintained u/s.301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods.

During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained u/s.301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956 and exceeding the value of Rs.5 Lakhs in respect of any party during the year have been made at prices, which are reasonable, having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion the Company has internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanations given to us, maintenance of cost records u/s.209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central government for the Company.
- ix. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable to it.
 - b. According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales

tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.

- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, wealth tax which have not been deposited on account of any dispute.
- x. The Provisions of Clause 4(x) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company, since the Company has no accumulated losses at the end of the financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and Bank.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or Financial Institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they have raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term assets except permanent working capital.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained u/s.301 of the companies Act, 1956.
- xix. the Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. We have verified that the end use of money raised by Public Issues is as disclosed in the notes to the financial statements. (Refer Note No.4 of Schedule 19)
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

P. RAGHUNADHA REDDY
Partner
Membership No.23758

Place: Hyderabad
Date: 30th June 2008

BALANCE SHEET AS AT MARCH 31,2008

	Schedule	As at 31-Mar-08 Rs.		As at 31-Mar-07 Rs.	
SOURCES OF FUNDS					
Share Holders Funds					
Equity Share Capital	1	137,021,840		97,000,000	
Reserves & Surplus	2	916,680,355	1,053,702,195	169,758,523	266,758,523
Funds					
Secured Loans	3		56,666,358		118,933,884
Deferred Tax Liability (Net)			1,863,374		1,471,164
			1,112,231,927		387,163,571
APPLICATION OF FUNDS					
Fixed Assests	4				
Gross Block		430,881,690		252,568,424	
Less: Depreciation		63,425,014		44,141,411	
Net Block			367,456,676		208,427,013
Investments	5		233,818,343		70,590,941
Current Assests, Loans & Advances					
Inventories	6	235,340,521		107,761,530	
Sundry Debtors	7	365,635,227		174,512,956	
Cash & Bank Balances	8	195,179,704		48,102,184	
Other Current Assets	9	-		2,205,882	
Loans & Advances	10	123,177,303		58,614,414	
		919,332,755		391,196,966	
Less: Current Liabilities & Provisions					
Current Liabilities	11	385,391,062		243,603,583	
Provisions	12	24,156,585		43,024,579	
			509,785,108		104,568,804
MISCELLENEOUS EXPENDITURE					
Deferred Revenue Expenditure			1,171,800		3,576,813
			1,112,231,927		387,163,571
Significant Accounting Policies and Notes on Accounts	19				

As per our report of even date attached
for P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

Sd/-
(P.RAGHUNADHA REDDY)

Partner
Membership No.23758
Place: Secunderabad
Date: 30.06.2008

Sd/-
K.V. Chalapathi Reddy
Chief Financial Officer

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

For and on behalf of the Board

Sd/-
G. V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Wholtime Director

PROFIT & LOSS ACCOUNT AS AT MARCH 31, 2008

Particulars	Schedule	As at 31-Mar-08 Rs.		As at 31-Mar-07 Rs.	
INCOME					
Sales less Return		965,706,091		657,715,824	
Dividend from Mutual Fund Units		10,578,530		7,352,225	
Capital Gains	13	6,313,911		6,556,991	
Other Income	14	5,189,149		751,302	
			987,787,681		672,376,342
EXPENDITURE					
Cost of goods sold	15	408,836,716		287,152,219	
Establishment Expenses	16	111,001,944		66,058,591	
Selling & Distribution Exp.	17	192,254,291		133,348,949	
Financial Expenses	18	15,090,954		12,322,550	
Depreciation		20,612,500		12,352,244	
			747,796,405		511,234,553
Profit before Tax			239,991,276		161,141,789
Less : Tax expense					
Income Tax		67,405,557		48,593,905	
Fringe Benefit Tax		4,638,285		4,182,637	
Wealth Tax		35,561		82,103	
Deferred Tax		392,210		917,346	
Add : Excess Provision of earlier years		419,115			
			72,052,498		53,775,991
Profit after Tax			167,938,778		107,365,798
Less: Provision for diminution in value of Investments			28,375,111		1,967,886
Balance brought forward			141,452,717		36,054,805
Profit carried to Balance Sheet			281,016,384		141,452,717
Earnings per share					
(equity shares, par value Rs.10 each)					
Basic & Diluted			14.25		15.33
Significant Accounting Policies and Notes on Accounts	19				

As per our report of even date attached

for P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

Sd/-

(P.RAGHUNADHA REDDY)

Partner

Membership No.23758

Place: Secunderabad

Date: 30.06.2008

Sd/-

K.V. Chalapathi Reddy
Chief Financial Officer

Sd/-

V.R.S. Murti
Company Secretary

For and on behalf of the Board

Sd/-

G. V. BHASKAR RAO
Managing Director

Sd/-

G. VANAJA DEVI
Wholetime Director

CASH FLOW STATEMENT AS AT MARCH 31, 2008

	As at 31 Mar 2008 Rs	As at 31 Mar 2007 Rs			
Cash flows from operating activities			Taxes paid during the year	(71,660,288)	(52,858,645)
Profit before taxation	239,991,276	161,141,789	Net cash provided by operating activities	(74,737,626)	14,013,434
Adjustments for:			Cash flows from investing activities		
Depreciation & Amortisation	20,612,500	12,352,244	Purchase of Fixed Assets	(178,313,266)	(122,310,195)
(Profit)/Loss on sale of Fixed Assets	-	(5,414,290)	(Purchase)/Sale of Investments	(185,288,602)	63,755,646
(Profit)/Loss on sale of mutual funds and other investments	(6,313,911)	(1,142,701)	Dividend Received	10,578,530	7,352,225
Dividend Received	(10,578,530)	(7,352,225)	Interest received	4,912,642	390,302
Interest received	(4,912,642)	(390,302)	Net Cash used for investing activities	(348,110,696)	(50,812,022)
Finance charges	15,090,954	12,322,550	Cash flows from financing activities		
Operating profit before working capital changes	253,889,647	171,517,065	Proceeds from issue of shares including securities premium	704,131,280	84,723,000
(Increase) / Decrease in Inventories	(127,578,991)	(75,398,676)	Expenses on issue of shares	(56,846,959)	-
(Increase) in Sundry Debtors	(191,122,271)	(69,767,461)	Short Term Loans	(62,267,526)	(25,266,282)
(Increase)/Decrease in Loans & Advances	(62,357,007)	12,924,532	Finance charges	(15,090,954)	(12,322,550)
Miscellaneous Expenditure	1,171,800	(3,576,813)	Net cash provided by financing activities	569,925,841	47,134,168
Increase/(Decrease) in Trade Liabilities	51,128,709	(22,837,127)	Net increase in cash & cash equivalents	147,077,519	10,335,580
Increase/(Decrease) in Other Current Liabilities	71,790,776	54,010,559	Cash & Cash equivalents at the beginning of the period	48,102,184	37,766,604
			Cash & Cash equivalents at the end of the period	195,179,703	48,102,184

As per our report of even date attached
for P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

Sd/-
(P.RAGHUNADHA REDDY)
Partner
Membership No.23758
Place: Secunderabad
Date: 30.06.2008

Sd/-
K.V. Chalapathi Reddy
Chief Financial Officer

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

For and on behalf of the Board

Sd/-
G. V. BHASKAR RAO
Managing Director

Sd/-
G. VANAJA DEVI
Wholetime Director

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2008

Particulars	as at 31-Mar-08 Rs.	as at 31-Mar-07 Rs.
1 SHARE CAPITAL		
Authorised		
2,00,00,000 (2,00,00,000) Equity shares of Rs.10/- each	200,000,000	200,000,000
Issued,Subscribed & Paid up		
1,37,02,184 (97,00,000) Equity shares of Rs.10/- each	137,021,840	97,000,000
[Of the above 22,50,000 (22,50,000) equity shares, fully paid up, have been allotted as bonus shares by utilising the balance in Profit & Loss Account and 5,00,000 (5.00,000) equity shares, fully paid up, have been allotted for consideration other than cash]"	<u>137,021,840</u>	<u>97,000,000</u>
2 RESERVES & SURPLUS		
Capital subsidy	288,400	288,400
Investment allowance Reserve	17,405	17,405
Share Premium		
As per last Balance Sheet	28,000,000	28,000,000
Add : On issue of shares during the year	664,109,440	-
	<u>692,109,440</u>	-
Less : Adjusted towards Issue expenses	56,751,275	-
	<u>635,358,165</u>	-
Profit & loss Account Balance	281,016,385	141,452,718
	<u>916,680,355</u>	<u>169,758,523</u>
3 SECURED LOANS		
Term Loan from HDFC (Secured on Vehicles)	4,644,880	3,812,655
Term Loan from ICICI (Secured on Vehicles)	573,864	1,098,510
Term Loan from IOB (Secured on Vehicle & Plant & Machinery)	12,350,640	10,912,521
Term Loan from Reliance Capital (Secured on Vehicles)	3,589,428	-
HDFC Investment Loan (Secured on Investments in Mutual Fund Units)	-	68,000,000
Cash Credit from Indian Overseas Bank (Secured on Inventory & Bookdebts)	35,507,546	35,110,198
	<u>56,666,358</u>	<u>118,933,884</u>

4 Fixed Assets

S.No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 01.04.2007	Additons	Deletions	Up to 31.03.2008	As On 31.03.2007	For the Year	Deletions	Up to 31.03.2008	As On 31.03.2008	As On 31.03.2007
1	Land	84,911,035	94,209,607	-	179,120,642	-	-	-	-	179,120,642	84,911,035
2	BUILDINGS										
	a) Factory	50,408,115	19,436,355	-	69,844,470	9,245,672	4,356,579	-	13,602,251	56,242,219	41,162,443
	b) Office	6,927,571	-	-	6,927,571	1,538,963	269,430	-	1,808,393	5,119,178	5,388,608
3	Furniture & Fixtures	5,314,169	3,587,150	-	8,901,319	1,565,938	834,817	-	2,400,755	6,500,564	3,748,231
4	Vehicles	9,685,885	5,692,791	420,430	14,958,246	2,592,730	2,347,707	398,312	4,542,125	10,416,121	7,093,15
5	Motor Cars	25,293,419	9,659,591	559,000	34,394,010	13,485,256	4,435,497	354,709	17,566,044	16,827,967	11,808,163
5	Plant & Machinery	49,244,679	44,036,538	708,000	92,573,217	12,728,253	6,210,848	575,876	18,363,225	74,209,992	36,516,426
6	Equipments	6,404,322	5,704,213	-	12,108,535	1,318,730	901,133	-	2,219,863	9,888,672	5,085,592
7	Computers	3,036,314	599,600	-	3,635,914	1,242,265	858,997	-	2,101,262	1,534,652	1,794,049
	Software	-	572,000	-	572,000	-	173,788	-	173,788	398,212	-
8	Cold Storage	462,726	-	-	462,726	208,550	35,356	-	243,906	218,820	254,176
9	Lab Equipments	1,039,971	1,414,974	-	2,454,945	215,054	188,348	-	403,402	2,051,543	824,917
10	Building Under Cont.	9,840,218	12,436,008	17,348,131	4,928,095	-	-	-	-	4,928,095	9,840,218
		252,568,424	197,348,827	19,035,561	430,881,690	44,141,411	20,612,500	1,328,897	63,425,014	367,456,676	208,427,013
	Previous Year	124,843,939	144,853,318	17,128,833	252,568,424	32,326,892	12,352,244	537,725	44,141,411	208,427,013	92,517,047

5 INVESTMENTS

264,161,340

72,558,827

Quoted - Non Trade

1900 Equity Shares of Rs. 10 each in Bank of Maharashtra

43,700

43,700

9700 Equity Shares of Rs. 10 each in Indian Overseas Bank

232,800

232,800

580 Equity Shares of Re. 1 each in Tata Consultancy Services Ltd

246,500

246,500

1994255 Equity Shares of Re. 1 each in Vijay Textiles Ltd

19,904,545

-

Unquoted - Non Trade

Investments in Mutual Funds

243,726,795

72,035,827

Investments in Govt Securities - National Savings Certificates

7,000

-

264,161,340

72,558,827

Less : Provision for diminution in value

30,342,997

1,967,886

233,818,343

70,590,941

Name of the Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No.ofUnits	Amount Rs.	No.of Units	Amount Rs	No.of Units	Amount Rs	No. of Units	Amount Rs
Birla Top 100 Fund	53,933	573,350			48,900	712,463	5,034	76,955
DSP Merrill Lynch India Tiger Fund			149,961	5,000,000			149,961	5,000,000
JM Balanced Fund - Dividend Plan			391,212	10,000,000			391,212	10,000,000
HSBC Equity Fund - Dividend			104,353	5,000,000			104,353	5,000,000
Birla Sunlife Liquid Plus			1,598,913	16,000,000			1,613,822	16,149,202
ABN AMRO Equity Fund - Dividend			202,840	5,000,000			202,840	5,000,000
Birla Midcap Fund - Dividend Payout			126,040	5,000,000			126,040	5,000,000
ABN AMRO Opportunities Fund - Dividend			418,831	10,000,000			418,831	10,000,000
Fidelity Short Term Income - Retail Plan - Div			1,978,533	20,000,000	2,001,125	20,154,129	-	-
JM Short Term Fund - Dividend Plan			1,748,068	20,000,000			1,782,043	20,000,000
JM Basic Fund - Dividend Plan			304,037	10,000,000			304,037	10,000,000
Reliance Liquid Plus Fund - Retail Option - Daily Dividend Plan			59,948	60,000,000	60,646	60,000,000	-	-
JM Money Manager Fund Super Plus Plan - Daily Dividend			5,997,541	60,000,000	6,015,896	60,000,000	-	-
Kotak Flexi Debt Scheme - Daily Dividend			2,990,699	30,000,000	3,003,744	30,000,000	-	-
Ing Liquid Plus Fund - Institutional Daily Dividend			2,999,010	30,000,000	3,012,138	30,000,000	-	-
ICICI Prudential Flexible Income Plan Dividend-Daily-Reinvest Dividend			2,837,282	30,000,000	2,857,416	30,000,000	-	-
ICICI Prudential Flexible Income Plan Dividend-Daily-Reinvest Dividend			1,891,521	20,000,000			1,911,111	20,000,000
HDFC Cash Management Fund Savings Plus			1,594,976	16,000,000			1,609,940	16,150,118
Reliance Monthly Interval Fund			12,065,301	120,710,909			12,065,301	120,713,336
Birla Sun Life Frontline Equity Fund	196,078	5,000,000			196,078	4,353,794	-	-
DSP Merrill Lynch Savings Plus Fund	930,068	11,100,400			930,068	11,498,432	-	-
DSP Merrill Lynch Tiger Fund	490,196	5,000,000			490,196	9,506,566	-	-
Franklin India Flexi Cap Fund	37,175	500,000			37,175	691,980	-	-
ICICI Prudential Dynamic Plan - Divided	29,073	500,000			29,073	612,210	-	-
IFD ICICI Prudential Infrastructure Fund	97,800	1,000,000			97,800	1,466,252	-	-
IMPD ICICI Prudential Income Multiplier	836,037	12,578,985			836,037	12,501,097	-	-
Reliance Equity Opportunities Fund	37,654	500,000			37,654	714,404	-	-
Reliance Monthly Income Plan - Quarterly Dividend Plan	879,261	9,697,457			879,261	10,066,136	-	-
Reliance Liquid Fund			3,936,336	60,000,000	3,936,336	60,010,736	-	-
ABN AMRO Future Leaders Fund Divided	200,000	2,000,000			200,000	2,051,458	-	-
FT India Monthly Income PlanB- Quarterly Dividend Reinvestment	919,437	11,173,422			919,437	10,824,542	-	-
HDFC MF Monthly Income Plan	862,794	9,912,214			862,794	10,173,116	-	-
JM Housing Infrastructure & Financial Services Fund - Dividend Plan(151)	200,000	2,000,000			200,000	2,030,910	-	-
SBI Magnum Sector Fund Umbrella Contra	23,866	500,000			23,866	700,868	-	-
ICICI Prudential Mutual Fund		72,035,827		532,710,909		368,069,094	-	243,089,610

	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.		As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.
6 INVENTORIES			10 LOANS & ADVANCES		
Finished Goods - Hybrid Seeds	63,842,779	84,080,139	Advance to Staff	7,276,329	8,009,469
Foundation seeds	7,874,822	5,842,670	Deposits - others	1,470,982	618,370
Raw Material	128,650,220	2,145,476	Advance for Capital Expenditure	70,907,889	43,235,241
Packing Material	34,972,700	15,693,245	Other Advances	43,522,103	6,751,334
	235,340,521	107,761,530		123,177,303	58,614,414
7 SUNDRY DEBTORS			11 CURRENT LIABILITIES		
a. Over Six Months - considered good	129,815,452	43,300,011	Advance against Sales	247,387,503	159,408,373
b. Others - considered good	235,819,775	131,212,945	Payable to Staff	8,478,462	4,327,329
	365,635,227	174,512,956	Creditor for Expenses	4,301,905	8,656,898
			Security deposits	9,757,772	6,874,272
			Sundry Creditors	115,465,420	64,336,711
				385,391,062	243,603,583
8 CASH & BANK BALANCES			12 PROVISIONS		
a. Cash Balance	480,075	1,233,570	Provision for Income Tax (net of Advance Tax)	18,212,088	37,070,517
b. Balance with schedule Banks			Provision for Fringe Benefit Tax (net of Advance Tax)	2,027,175	4,628,015
in current Accounts	82,636,442	42,336,522	Provision for Wealth Tax	35,561	82,103
in fixed Deposits	112,063,187	4,532,092	Provision for Gratuity	1,580,918	
	195,179,704	48,102,184	TDS Payable	2,233,942	1,039,819
9 OTHER CURRENT ASSETS			Sales Tax Payable	66,901	204,125
Dividend Receivable	-	2,205,882		24,156,585	43,024,579
	-	2,205,882			

SCHEDULES TO THE PROFIT & LOSS ACCOUNT AS AT 31ST MARCH 2008

	As at 31-Mar-08 Rs.	As at 31-Mar-07 Rs.		
13 CAPITAL GAINS				
Short Term Capital Gain	372,159	5,414,290		
Long Term Capital Gains				
Equity Mutual Funds	5,941,752	1,142,701		
	6,313,911	6,556,991		
14 OTHER INCOME				
Dividend from mutual fund units & shares	10,578,530	7,352,225		
Rental Income	-	150,000		
Interest on deposits	4,912,642	390,302		
Packing & Forwarding Charges	213,657	211,000		
Others	62,850	-		
	15,767,679	8,103,527		
15 COST OF GOODS SOLD				
Opening Stock - Finished Goods	84,080,139	31,478,601		
Raw Material	2,145,476	2,077,601		
Foundation Seeds	5,842,670			
Packing Material	15,693,245	5,721,852		
Add: Purchase / Production Expenses	397,406,904	267,261,476		
Add: Packing Material	58,099,396	34,247,076		
Add: Processing Charges	80,909,407	54,127,143		
	644,177,237	394,913,749		
Less: Closing Stock				
Finished Goods	63,842,779	84,080,139		
Foundation Seeds	7,874,822	5,842,670		
Raw Material	128,650,220	2,145,476		
Packing Material	34,972,700	15,693,245		
	235,340,521	107,761,530		
	408,836,716	287,152,219		
			Processing charges	
			Freight Inward	9,331,368 11,265,381
			Machinery Repairs & Maintenance	2,542,433 945,321
			Chemicals	22,811,332 13,609,211
			Seed Certification charges	360 165,571
			Power & Fuel	4,415,902 2,209,844
			Building & Godown repairs & maint.	1,439,036 126,965
			Godown Rent	505,775 628,242
			Cold Storage Maintenance	2,012,656 1,685,699
			Factory Maintenance	6,848,721 6,105,525
			Seed Dryer charges	3,167,201 3,041,632
			Job Work Charges - Dryer	2,107,849
			R&D Farm Expenses	25,726,774 14,343,752
				80,909,407 54,127,143
			R&D Farm Expenses	
			Cultivation Expenses	336,227 791,383
			Fertilizers & Pesticides	882,286 427,230
			Electricity charges	734,854 409,706
			Electrical items & motor repairing charges	111,841 105,141
			Farm Maintenance	1,943,951 1,078,975
			Generator Maintenance	8,575 123,616
			Labour charges	4,041,072 1,762,168
			Postage & telephones	145,936 8,369
			Packing material	- 64,420
			Printing & Stationery	24,393 5,765
			Rent	18,950 50,008
			Security charges	- 78,400
			Staff Welfare	85,152 1,643
			Travelling expenses	728,808 744,140
			Vehicle Maintenance	1,442,934 671,600

Land Lease	1,641,309	1,327,425
Research Expenses	5,349,566	2,348,408
Trial Expenses	51,189	-
Testing Expenses	138,857	-
RCGM Trial Expenses	200,343	731,144
Research & Development (Subscriptions)	256,000	250,000
Others -ICRISAT	225,000	-
BT Cotton Expenses	311,743	740,857
Professional Expenses	471,710	-
Salaries - Farm	6,576,078	2,623,355
	25,726,774	14,343,752

Donations & Subscriptions	1,036,864	217,476
Legal Expenses	369,354	452,291
Professional Charges	367,833	275,272
Professional Tax	-	6,570
Sales Tax	2,960,349	1,862,738
Market Cess	314,723	228,334
Security Charges	389,053	140,644
Seed Testing Charges	269,148	1,122,231
Service Tax	689,241	438,391
Computer Maintenance	178,540	91,994
Directors Sitting Fees	45,000	37,383
	111,001,944	66,058,591

16 ESTABLISHMENT EXPENSES

M.D's Salary	6,000,000	6,000,000
Directors Salary	5,520,000	4,500,000
Salaries to Staff	42,283,590	22,889,738
ESI	57,992	46,428
Travelling Expenses	18,845,523	12,172,767
Postage & Telephone	5,067,894	2,763,902
Audit Fee	337,080	224,480
Audit Expenses	29,955	26,109
Vehicle Maintenances	14,178,365	6,266,833
Provident Fund	1,086,934	511,328
Rent	1,073,785	400,595
Printing & Stationery	2,069,909	942,542
Insurance	1,297,740	548,012
Books & Periodicals	189,245	24,662
Staff welfare	2,381,588	737,704
Rates & Taxes	834,674	845,590
Office Maintenance	1,058,138	1,265,567
General Expenses	1,840,760	955,487
Conveyance	228,667	63,523

17 SELLING & DISTRIBUTION EXP

Sales promotion expenses	65,697,556	39,023,854
Gold & Silver Gifts	139,683	5,838,926
Sales Schemes	71,707,132	61,972,626
Demonstration Expenses	31,902	697,580
Advertisement	1,728,775	1,667,249
Freight & Forwarding	29,174,674	15,830,281
Farmers Meeting Expenses	3,234,892	4,974,789
Staff & Dealers Meeting Expenses	4,360,317	3,303,181
Royalty	15,940,800	-
Bad debts Write Off	93,407	40,463
Previous Year Expenses	145,153	-
	192,254,291	133,348,949

18 FINANCIAL CHARGES

Bank charges	2,635,764	1,973,657
Interest	12,455,190	10,348,893
	15,090,954	12,322,550

Schedule - 19**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008****1. Statement of significant Accounting Policies****a. System of Accounting**

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

b. Revenue Recognition

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

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

c. Fixed assets and Depreciation

- i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready for intended use.
- ii. Expenditure directly relating to construction activity is capitalized. Indirect expenditure is capitalized to the extent it relates to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.
- iii. Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.
- iv. The carrying amount of fixed assets are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount.
- v. Depreciation is provided on written down value method, at the rate specified in schedule XIV to the Companies Act, 1956.

d. Research and Product Development costs:

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

e. Investments

- i. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- ii. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.

f. Inventories

- i. Raw materials, packing materials, stores, spares and consumables are valued at cost, calculated on “First-in first out” basis, which is either equal to or less than the net realizable value. Items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost.
- ii. Finished goods and Work-in-process are valued at lower of cost and net realizable value. Cost includes materials, labour and a proportion of appropriate overheads.
- iii. Trading goods are valued at lower of cost and net realizable value
- iv. Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.
- v. Management has carried out physical verification of stock.

g. Retirement and other Employee Benefits

- i. Contribution to Provident Fund, which is a defined contribution plan, is charged to the profit and loss account on an accrual basis. Gratuity is provided on estimated basis taking the length of the service of the employees in the company.

h. Income Taxes

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

i. Earnings per Share

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

j. Provisions

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

2. Contingent Liabilities not provided for

(Rs. In Lakhs)

PARTICULARS	PENDING BEFORE	31.03.2008	31.03.2007
1 Joint Collector	At Karimnagar	10.75	10.75
2. Amar Singh Vs. Kaveri Seed Company Limited	M.P.State Consumer Disputes Redressal Commission	0.65	0.65
3 Mangilal Vs. Kaveri Seed Company Limited	M.P.State Consumer Disputes Redressal Commission	1.80	1.80
4 Dhulchand Vs. Kaveri Seed Company Limited	M.P.State Consumer Disputes Redressal Commission	0.65	0.65
5 Ananda Ekaram Mali Vs. Kaveri Seed Company Limited	Maharashtra State Consumer Disputes Redressal Commission	0.25	0.25
6 Basavaraj Kanada mane Vs.Kaveri Seed Company Limited	District Consumer forum, Davangere	0.10	0.10
7 Bombay Stock Exchange	Mumbai	34.00	---
Total		48.20	14.20

3. Share Capital

During the year the company had successfully completed its public issue and raised an amount of Rs.68,03,71,280/- by issuing 40,02,184 equity shares of Rs.10/- each at a premium of Rs.160/- share.

4. Utilisation of IPO Funds

Rs. in Lakhs

Particulars	Total Project Cost	Amount Utilised till 31.03.2008	Balance as on 31.03.2008
Acquisition of farmland for R&D near Hyderabad, Alwar and Ahmedabad	2000.00	1596.91	403.09
Setting up of marketing offices & godowns in Delhi, Lucknow, Jaipur, Ahmedabad and Aurangabad	1200.75	0	1200.75
Setting up of corn cob drying plants in Medak District, and Bellary	420.00	68	352.00
Setting up of a biotechnology lab at Gundla Pochampally near Hyderabad	204.47	0	204.47
Upgradation of existing seed processing plants at Kandlakoi, Gundla Pochampally, Gatla Narsingapur and Bellary	916.68	401.07	515.61
Setting up of a seed processing Plant in Medak District near Hyderabad	587.78	0.00	587.78
Working capital Margin requirement	1000.00	1000.00	0.00
Issue Expenses	541.00	567.51	-26.51
TOTAL	6870.68	3633.49	3237.19

5. Remuneration to Whole time Directors

Particulars

Name of the Director	Salary per Annum (Rs.)	Contribution to PF (Rs.)	Total Rs.
Shri G.V.Bhaskar Rao	60,00,000	23,940	60,23,940/-
Smt. G.Vanaja Devi	36,00,000	23,940	36,23,940/-
Shri R.Venemanohar Rao	7,80,000	23,940	8,03,940
Shri C.Vamsheedar	4,80,000	23,940	5,03,940
Shri C.Mithun Chand	6,60,000	23,940	6,83,940
TOTAL	1,15,20,000	1,19,700	1,16,39,700

Note: The above figures do not include provision for gratuity and leave encashment payable to the Directors, as the same is accounted on payment basis.

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

Statutory Audit	: Rs.2,24,720/-
Other Audit Services	: Rs.56,180/-
For Tax Matters	: Rs.56,180/-
Reimbursement of out of pocket expenses	: Rs.29,955
TOTAL	: Rs.3,67,035/-

7. The Company had the following transactions with related parties during the year

(Rs. in Lakhs)

1	G.V. Bhaskar Rao H.U.F	Agricultural Land Lease Rent Paid – as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres (one acre= 40guntas) ie 0.20 acres means 20 guntas	0.38
	G.V. Bhaskar Rao H.U.F	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 30000 per acre per annum for a total land of 5 acres	1.50
	G.V. Bhaskar Rao	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 15000 per acre per annum for a total land of 16.25 acres (one acre= 40guntas) ie 0.25 acres means 25 guntas	2.49
2	R. Venu Manohar Rao	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 12000 per acre per annum for a total land of 38.28 acres(one acre= 40guntas) ie 0.28 acres means 28 guntas	4.64
3	G. Vanaja Devi	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres(one acre= 40guntas) ie 0.20 acres means 20 guntas	0.38
4	G. Pawan	Agricultural Land Lease Rent Paid – as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres(one acre= 40guntas) ie 0.20 acres means 20 guntas	0.38
	G. Pawan	Agricultural Land Lease Rent Paid – as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 30000 per acre per annum for a total land of 2.09 acres (one acre= 40guntas) ie 0.09 acres means 9 guntas	0.67
5	G. Madhusree	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres(one acre= 40guntas) ie 0.20 acres means 20 guntas	0.38
6	C. Vamsheedhar	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 12000 per acre per annum for a total land of 20.23 acres (one acre= 40guntas) ie 0.23 acres means 23 guntas	2.47
	TOTAL		13.29

8. Particulars of Employees:

The particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 are given in the Directors Report.

9. Deferred Tax Liability:

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

Deferred Tax Liability in respect of timing difference:

PARTICULARS	2007-08	2006-07
Depreciation on Fixed Assets	3,92,210	9,17,346

10. Foreign Currency/Exchange transactions:

PARTICULARS	2007-08 (Rs.)	2006-07 (Rs.)
a. Import of Raw Materials	--	Nil
b. Earnings in foreign Exchange	--	Nil
c. Expenditure in Foreign Currency for Travel	Rs.11,78,888/-	Rs.1,04,000/-

11. Opening Stock, Closing Stock and Sales of Finished Goods:

Particulars	Quantity in Kgs.			
	Opening Stock	Production	Issues	Closing Stock
Seeds	1907466	16254720	14283156	3879030
Micronutrient	464391	4558366	4515521	507236

12. Raw Material Consumed

Value of Imported and indigenous material consumed

Particulars	Quantity in Kgs.	Rs.
Indigenous		
Seeds	14283156	36,06,67,688
Micronutrients	4515521	4,81,69,028

13. Segment Information:

The Company has identified two reportable segments viz., Seed Division and Micro Nutrients Division. Segment have been identified and reported taking into account nature of products and service, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

(Rs. In Lakhs)

Sl.No.	Particulars	Seeds Division		Micro Nutrients Division		Total	
		2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
1	Segment Revenue						
	Inter Segment Turnover	8,611.78	6173.07	1,045.28	404.08	9,657.06	6,577.15
	Less: Excise Duty, Service tax recovered	0	0	0	0	-	-
	Net Turnover	8,611.78	6,173.07	1,045.28	404.08	9,657.06	6,577.15
2	Segment result before interest and taxes	2273.15	1643.68	202.18	67.33	2475.33	1,711.01
	Less: Interest Expense	117.20	102.78	3.16	0.71	120.36	103.49
	Add: Interest Income	49.13	3.9	0	0	49.13	3.90
	Profit before tax	2205.08	1544.80	199.02	66.62	2,404.10	1,611.42
	Current tax	618.16	463.39	55.90	22.55	674.06	485.94
	Fringe Benefit Tax	38.76	36.36	7.62	5.46	46.38	41.82
	Wealth tax	0.36	0.82	-	-	0.36	0.82
	Defered Tax	3.92	9.17	-	-	3.92	9.17
	Provision for diminution in value of investments	283.75	19.68	-	-	283.75	19.68
	Net profit after tax	1260.13	1015.38	135.50	38.6	1395.63	1,053.98
3	Other Information						
	Segment Assets	14873.57	6332.9	344.23	304	15217.80	6,636.90
	Segment Liabilities	4571.49	3743	109.28	347	4,680.77	4,090.00
	Capital Expenditure	1973.49	1999.43	6.45	84.84	1979.94	2,084.27
	Depreciation	187.90	113.65	18.23	9.87	206.13	123.52

14. Balances under sundry debtors, sundry creditors, deposits, loans and advances payable / receivable are subject to confirmation and reconciliation.

15. Figures in brackets represent those relating to the previous year

16. Previous year's figures have been regrouped/rearranged to conform to those of the current year.

SIGNATURES TO SCHEDULES 1 TO 19

As per our report of even date attached

for P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

Sd/-
(P.RAGHUNADHA REDDY)

Partner
Membership No.23758
Place: Secunderabad

Sd/-

K.V. Chalapati Reddy
Chief Financial Officer

Sd/-

V.R.S. Murti
Company Secretary

For and on behalf of the Board

Sd/-

G. V. BHASKAR RAO
Managing Director

Sd/-

G. VANAJA DEVI
Wholetime Director

Balance Sheet abstract & Company's General Business Profile

I Registration Details

Registration No. : 06728
 Balance Sheet Date : 31-Mar-08
 State Code : 01

II Capital raised during the year (Amount in Rupees Thousands)

Public Issue	704131280	Rights Issue	
Private Placement *		Bonus Issue	
Preferential issue of shares under Employee Stock Option Schemes			

III Position of Mobilisation & Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities	1112232	Total Assets	1112232
Source of Funds		Application of Funds	
Paid-up capital	137022	Net Fixed Assets	367457
Reserves & Surplus	916680	Investments	233818
Secured Loans	56667	Net Current Assets	509785
Unsecured Loans		Miscellaneous Expenditure	1172
Deferred tax liability	1863		

IV Performance of Company (Amount in Rupees Thousands)

Turnover	965706	Total Expenditure	747796
Profit before Tax	239991	Profit after Tax	167939
Earnings per Share (Rs)	14.25	Dividend Rate %	

V Generic name of principal products of the Company

(as per monetary terms)

Item Code No.(ITC Code) : 010-100510 012-1206
 Product Description : Corn Sunflower
 Item Code No.(ITC Code) : 012-120720
 Product Description : Cotton Seeds

As per our report of even date attached
 for P.R.REDDY & CO.,
 CHARTERED ACCOUNTANTS

(P.RAGHUNADHA REDDY)

Partner
 Membership No.23758
 Place: Secunderabad

K.V. Chalapati Reddy
 Chief Financial Officer

V.R.S. Murti
 Company Secretary

For and on behalf of the Board

G. V. BHASKAR RAO
 Managing Director

G. VANAJA DEVI
 Wholetime Director

ATTENDANCE SLIP

Kaveri Seed Company Limited

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

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

Joint shareholders may obtain additional Attendance Slip at the Venue of the meeting

Client ID*:	Folio No.:
D.P ID* :	No. of Share(s) held:

NAME AND ADDRESS OF THE SHAREHOLDER.....

I hereby record my presence at the Twenty First Annual General Meeting of the Company held on Tuesday, the 30th September, 2008 at 10.30 A.M at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad - 500 004. (A.P)

Signature of the shareholder or proxy

*Applicable for investors holding shares in electronics form.

Signature



Kaveri Seed Company Limited

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

PROXY FORM

Client ID*:	Folio No.:
D.P ID* :	No. of Share(s) held:

I/We.....

ofbeing a member/members of Kaveri Seed Co. Ltd. hereby appoint of..... or failing him.....ofas my/our proxy to vote for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company held on Tuesday, the 30th September, 2008 at 10.30 A.M at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of commerce and Industry (FAPCCI House) 11-6-841, Red Hills, Hyderabad - 500 004. (A.P) or at any adjournment thereof.

Signed this.....day of.....

*Applicable for investors holding shares in electronic form.

Note:

Pl. affix
30 paise
Revenue
stamp

Signature

1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



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