

07th September 2021

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

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

Scrip Code: KSCL

Scrip Code: 532899

Dear Sir,

Sub:- Submission of Annual Report for the FY 2020-21 - Reg.,

This is further to our letter dated 13th August, 2021 wherein it was informed that the Annual General Meeting (e-AGM) of the Company is scheduled to be held on 30th September, 2021 at 11.00 AM.

In terms of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company for the Financial Year 2020-21.

The Annual Report for the Financial Year 2020-21 including Notice of AGM is being sent to the Shareholders electronically who have registered their email IDs. The same is also available on the Company's website at www.kaveriseeds.in

Brief details of e-AGM are as under:

Date & Time	30 th September, 2021 at 11.00 A.M.
Mode	Video Conference/ Other Audio-Visual Means
Cut-off date	23 rd September, 2021
e-voting start date & time	27 th September, 2021 (from 9:00 A.M.)
e-voting end date & time	29 th September, 2021 (upto 5.00 P.M.)
Website for e-voting	https://www.evotingindia.com/
Website for attending the AGM	https://www.evotingindia.com/

This is for your information and record.

Yours faithfully,
For KAVERI SEED COMPANY LIMITED

V.R.S.Murti
Company Secretary



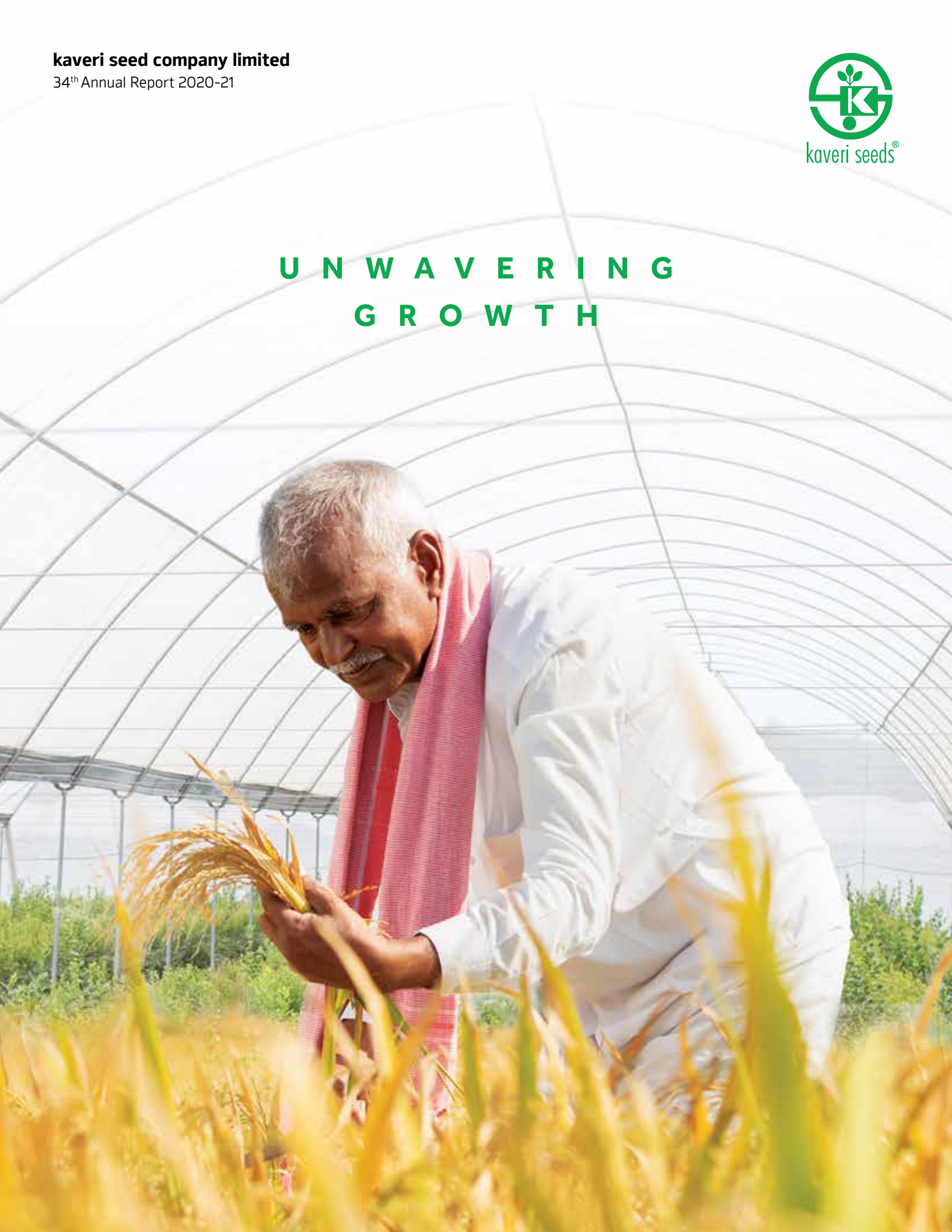
Encl: As above

kaveri seed company limited

34th Annual Report 2020-21



**U N W A V E R I N G
G R O W T H**



CONTENTS

page **01-31**

Company Overview

About Us	▶	02
Improved and Innovative Products	▶	04
Chairman's Message	▶	06
Keeping up the Momentum	▶	08
Business Model	▶	10
Product Evaluation	▶	12
Innovation to aid Sustainable Food Production	▶	14
Broadening Our Reach	▶	18
Making Seeds Available on Time	▶	22
Committed to Social Sustainability	▶	24
Building a Spirited Team	▶	26
Five-Year Performance Highlights	▶	27
Profile of Board of Directors	▶	28

page **32-120**

Statutory Reports

Management Discussion and Analysis	▶	32
Notice	▶	44
Directors' Report	▶	63
Business Responsibility Report	▶	88
Report on Corporate Governance	▶	99

page **121-223**

Financial Statements

Standalone Financial Statements	▶	121
Consolidated Financial Statements	▶	172

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



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

Making revolutionary changes to agriculture, Kaveri Seeds has continuously introduced a holistic approach to the sector. Keeping sustainability at the core of our efforts, we continue to deliver innovative solutions that are ensuring prosperity for farmers across the nation.



Our pursuit for excellence remained unabated in a particularly challenging year. As people dealt with a massive health crisis, we have ensured food security and kept the wheels of agriculture rolling. Despite the countrywide lockdowns during the pandemic, we enabled a steady supply of seeds for our farmers. We leveraged our robust supply chain and marketing to reach out to farming communities, far and wide.

At Kaveri Seeds, we strategically met the needs of customers and continued our research and development activities to deliver superior quality products. What resulted was a phenomenal performance that allowed us to further cement our position in the industry. Our relentless focus on adopting sophisticated technology, upholding the highest standards of operational excellence and the expertise of our team allow us to sustain an unwavering growth momentum - unleashing new energies to capitalize on emerging opportunities.

About Us

AMONG THE LARGEST CROP SEED PRODUCERS IN INDIA, KAVERI SEED COMPANY LTD (KAVERI SEEDS) HAS A STRONG MULTI PRODUCT PORTFOLIO OF FIELD CROPS AND VEGETABLES, ENGINEERED FOR VARIOUS AGRO CLIMATIC ZONES IN INDIA AND ABROAD.

Since our inception, we strive to empower farmers with superior quality seeds that enable them to feed the growing population. Through our state-of-the-art research and development facility, robust supply chain and advanced infrastructure facilities, we ensure steady and uninterrupted supply of our products across the country.

Resting on consistent performances and the ability to produce superior quality hybrid seeds, Kaveri Seeds today is a preferred brand for farmers across the country. Since its inception in 1976 with a seed production unit that aided the green revolution taking shape in India, we addressed the important issue of food security. Over a period of four decades, Kaveri Seeds has become synonymous with hybrid seeds and is a recognised name for farmers in India and abroad alike.



VISION

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



MISSION

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



Key facts about Kaveri Seeds

12

Agro climatic zones of India where we have etched our presence

8

New products launched during 2020-21 across Bajra, Maize and Rice crops

18 states

In India where KSCL operates

1700+

Executive level employees trained in FY2020-21.

Kaveri Retailer Connect App

Digital platform to connect with distributors

40-50

Villages assigned to permanent field advisors

12000+ followers

On Facebook page

Our Market standing



Improved and Innovative Products

Crop

Research based products developed during 2020-21

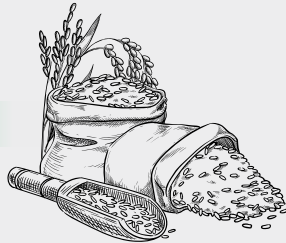
Cotton



North Zone: CVRC Notified & Released KCH 307 BGII.

South Zone: CVRC Notified & Released KCH 305 BG II

Rice



Hybrid Rice: KPH7299

Selection Rice: KV 99

Maize



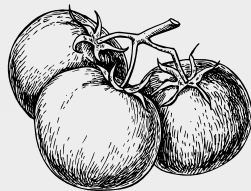
KMH8322, KMH8333

Pearl Millet



KPH6122 • KPH6288 • KPH6310 • KPH6499

Tomato



KTOH143 • KTOH453

Note: There are a number of promising hybrids in the pipeline, in advance stages of development, comprising Field and Vegetable crops

Crop

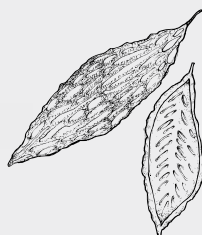
Research based products developed during 2020-21

Hot Pepper



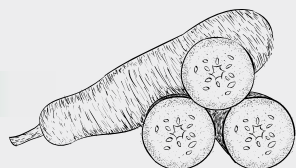
KHPH 1213 • KHPH 1217 • KHPH 1221 • KHPH 1223

Bitter Gourd



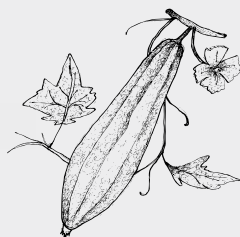
PEMA • KAVERI HERO

Bottle Gourd



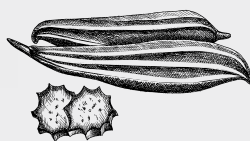
AGRANI • ADVIKA • AMBER • KRITIKA

Sponge Gourd



ALIYA

Ridge Gourd



KAVERI 1501

Note: There are a number of promising hybrids in the pipeline, in advance stages of development, comprising Field and Vegetable crops

Chairman's Message

Dear Shareholders

I pray for your good health and hope you and your family is safe. I appreciate you taking some time out to know Kaveri Seeds better and therefore, welcome you to read about the our performance and achievements during the fiscal 2020-21.



We plan to leverage our strong brand image, unique programs for distributors and retailers, and an innovation driven organizational culture to drive growth.

India's Agri-sector

Indian economy was adversely impacted by the pandemic like most of the global economies. While the Indian economy shrank 7.3% in FY21, driven by a decline in industrial activities and services sector, agricultural activity remained comparatively unaffected. The agricultural sector grew 3.6% year on year during the fiscal 2020-21. The growth could be attributed to the third consecutive good monsoons, with normal rainfall across most regions

in India and timely procurement of agricultural products by the Government. It helped to maintain cash flow in the economy. Moreover, the Government announced a slew of reforms, aimed at structural changes in the economy and an infrastructure push for key sectors such as transportation, health, energy and agriculture.

The agriculture sector was the only sector that recorded positive growth during the year, largely because the rural economy remained comparatively shielded from the devastating effects of the pandemic. Consumer behaviour was also driven by expectations of a good monsoon and apprehensions about the Covid 19 pandemic that compelled people to stock essentials including seeds. The country received above normal rainfall during the four-month monsoon season, recording the second highest precipitation in the last 30 years. Prices did play a spoilsport after the bumper harvests as lack of transportation during the countrywide lockdowns prevented the crops from moving to the market easily. However, government schemes and procurement helped cushion the effect. We are partnering with industry peers and the Government for appropriate policy support in building a supportive ecosystem and making India a global Agri-sector powerhouse.

Performance Review

We are proud of the resilience Kaveri seeds has shown in this challenging time to ensure personal safety and at the same time, running the operations with limited interruptions, which led to a sustained performance during the year.

Amidst a challenging operating environment, we exhibited remarkable performance and posted a revenue of INR 1035 crore during the FY 2020-21 as compared to Rs. 930 crore in FY 2019-20, registering a growth of 11.31%. Our EBITDA grew by 17.06% YoY from Rs. 286 crore in FY 2019-20 to

Rs. 335 crore in FY 2020-21. While, our PAT grew from Rs. 251 crore in FY 2019-20 to Rs. 305 crore in FY 2020-21, registering a growth of 21.51% YoY.

Commitment to Innovation

The remarkable performance was achieved owing to our strong emphasis on innovating and developing new & improved products to suit under different agro-climatic zones strengthen our reach in domestic & international market and working towards rationalising our expenses. During the year under review, we had identified certain business segments that are under served and provide significant opportunity to grow our business. We are focusing on these segments to further improve our standing & offering in these business segments. For instance, the rice crop market is strong and expected to grow further, with significant opportunity in the medium bold segment. We plan to leverage our strong brand image, unique programs for distributors and retailers, and an innovation driven organizational culture to drive growth.

Engaging our people

Despite the scenario, our employees remained committed and dedicated to achieve our endeavour of ensuring food security and increasing farmers' income. People on the ground exhibited extraordinary courage to ensure the availability of our products to farmers before their sowing season and helped customers and retailers connect with us. The Research and Development team worked tirelessly to introduce over 20 new products, despite operational challenges and supply chain issues. With innovative ideas, we tried to keep in touch with our business partners and employees, despite the hindrances posed by the pandemic. We also recognized and appreciated the contribution of our employees and remained deeply grateful to them for their dedication and support.

Responsible Business

As a responsible citizen, we strongly believe in the transformation and empowerment of our communities. We respond to needs through developing various programs related to rural development, education, health and social welfare, and through corporate social investments designed to provide indirect economic impacts. A total of INR 462.14 lakhs was spent towards CSR activities for FY21. During the year, we also donated various items and supported government efforts in the fight against COVID-19 pandemic impacts as well as meeting social welfare and community needs.

Going Ahead

At Kaveri Seeds, we are fully aware and well-positioned to tap into various opportunities by making the right investments in research & development, strengthening our brand and improving internal processes through digitalisation. We are banking on these to achieve our next leg of growth. We are embarking on an exciting journey of transformation with several initiatives for which I, on behalf of the Board, seek the support of all stakeholders.

Further, I would like to take this opportunity to extend my heartiest gratitude to all our stakeholders for their continued interest, faith and encouragement for Kaveri Seeds. A big thank you to all our team members, whose passion, commitment and hard work, has kept us afloat even during these tough times. I am also extremely thankful to all our business partners, vendors, other business associates and all our bankers for their support and contributions over the years. I look forward to your continued support to achieve our aspirations and goals.

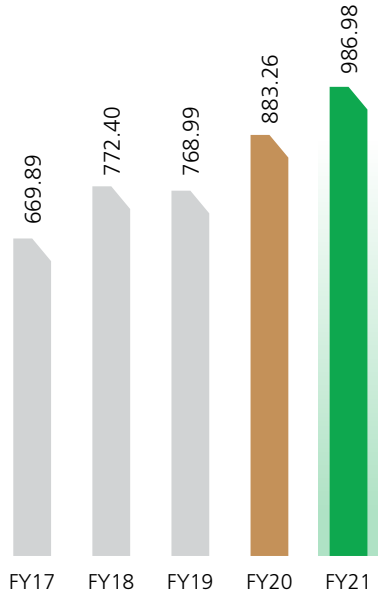
Warm Regards,

G.V. Bhaskar Rao
Chairman & Managing Director

Keeping up the Momentum

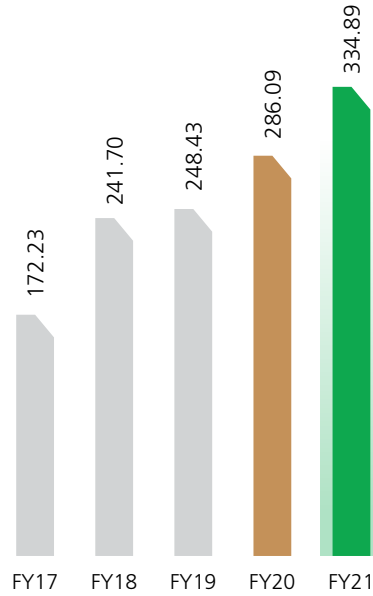
Revenue from Operations

(in INR crore)



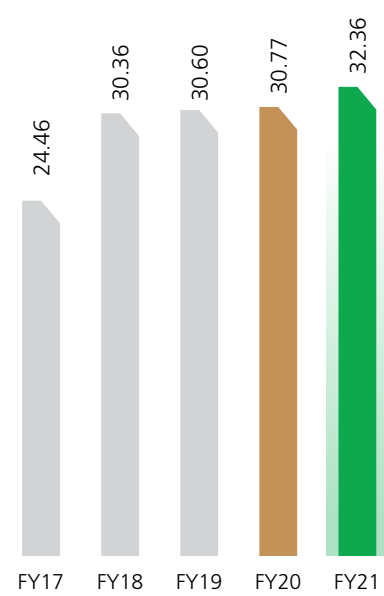
EBIDTA

(in INR crore)



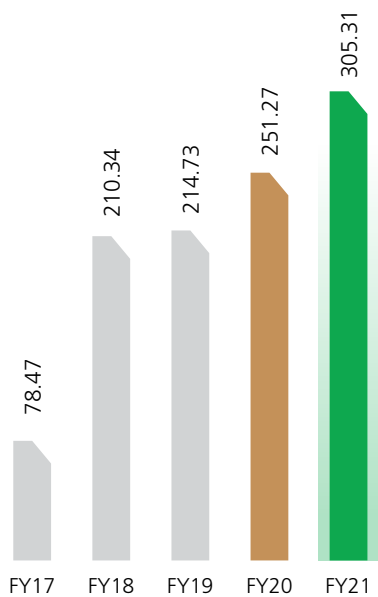
EBIDTA Margin

(in %)



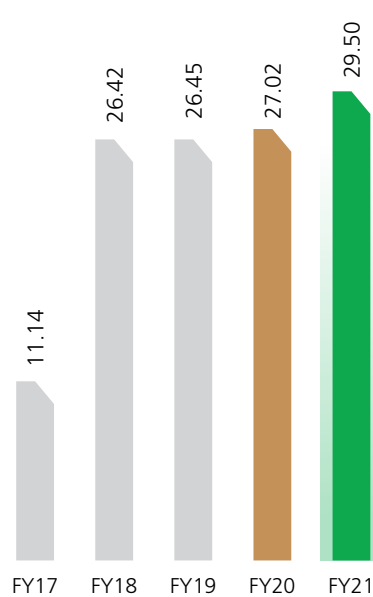
PAT

(in INR crore)



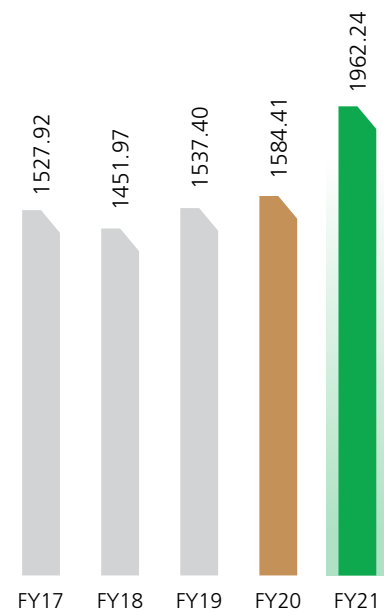
PAT Margin

(in %)



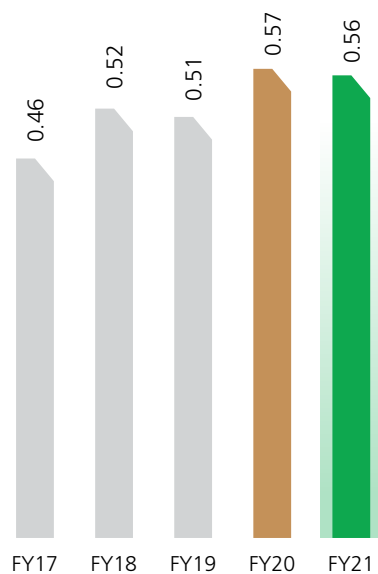
Total Assets

(in INR crore)



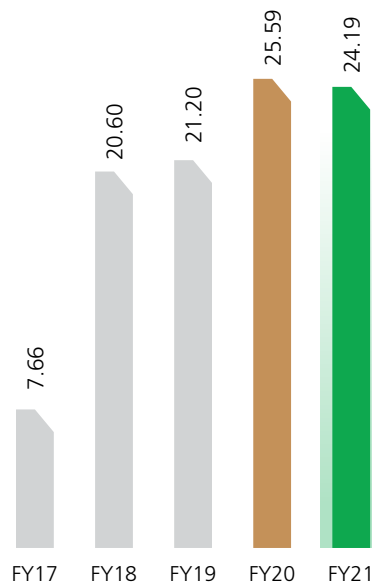
Asset Turnover Ratio

(in times)



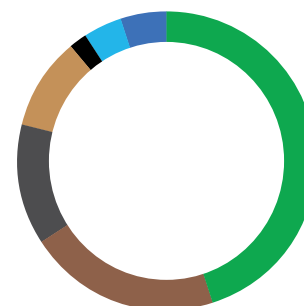
RoNW

(in %)



Revenue Mix in FY21

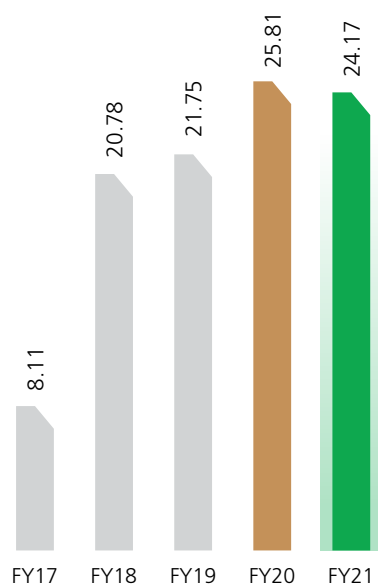
(in %)



Cotton	45%
Maize	21%
Hybrid Rice	13%
Selection Rice	10%
Bajra	2%
Vegetables	4%
Others	5%

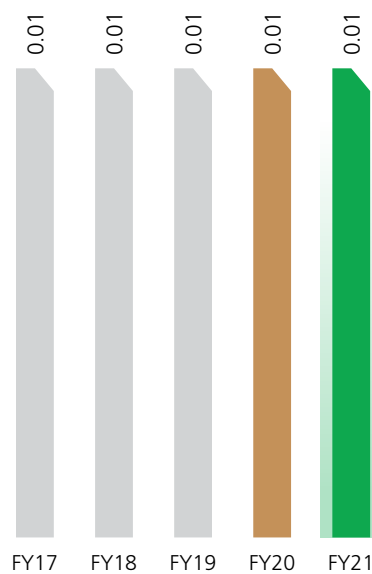
ROCE

(in %)



Debt Equity Ratio

(in times)



Business Model

INPUTS

What we depend on

Relationships



Skilled People

Our team of skilled employees form an integral part of our business as they drive the organization to succeed and grow.



Committed Partners

Our stakeholders play an important role in our organisation as their long-term partnerships help us to achieve operational excellence.

Resources



Financial Resources

We judiciously deploy both equity and debt capital to add value to the business through prudent strategy and execution.



Infrastructure

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



Assets

We have a strong work culture and our superior R&D capabilities and expertise in Biotechnology, Genetics and Plant breeding, Seed Production Research sets us apart.

What we do

Gather Insight



We gather insights by tracking our farmers' needs through better communication and consumer research methods.

Innovation



With robust R&D infrastructure, proprietary knowledge and market insight we are enabling innovations to drive new and improved products and solutions.

Processing



We ensure excellence in processing to deliver high-quality seeds.

Packaging



Our utmost priority is to ensure quality and safety of the packaging of our seeds.

Farmers



Our farmers use our products on day-to-day basis to grow crops that withstand various climatic conditions, pests / diseases and adverse soil conditions, while ensuring high nutritional value of every crop.

Reach



We have various channels to increase our outreach for seed availability to farmers across India and in over 7 countries.

Marketing



We undertake various marketing and branding initiatives to connect with farmers and educate them on quality of seeds available at Kaveri.

What we produce

Field Crops



Cotton



Maize



Rice



Pearl Millet



Sorghum



Sunflower



Pulses



Wheat



Mustard

Vegetables



Tomato



Okra



Chillies



Gourds



Brinjal



Watermelon

VALUE CREATION PROCESS



Farmers

We provide our farmers with varieties of hybrid seeds to meet their needs and improve their yield quality.



Society

We aim to contribute to our local communities by enhancing their livelihoods and ensuring food security.



Dealers/ distributors

We partner with small and large dealers/distributors across geographies to expand our market presence and enable further growth of our business.



Our people

Collective skills and experience of our workforce is driving consistent progress of the organisation.



Planet

Our consistent focus is to minimize wastage of vital resources and reduce our overall environmental footprint.



Shareholders

Our relationships with our stakeholders in the value-chain helps us ensure long-term value-creation.

OUTCOMES

55000

Growers associated with us

1195

Total employees

₹ 4/-

Dividend per share

SDGs covered



Product Evaluation

AGRICULTURAL PRACTICES ACROSS THE WORLD ARE DEPENDENT ON THE OPERATIONAL ECOSYSTEM INCLUDING NATURAL RESOURCES, SOCIAL COMMUNITIES AND POLICIES. HOWEVER, THE AGRO- CLIMATIC CONDITIONS OF A PARTICULAR REGION PLAY A SIGNIFICANT ROLE IN CROP YIELD. OUR PRODUCT EVALUATION UNIT HAS ADEQUATE RESOURCES TO IDENTIFY POTENTIAL PRODUCTS AND SUITABLE GEOGRAPHIES, DEVELOP SEGMENT WISE PRODUCTS THAT CONFORM TO VARIOUS CONDITIONS, AND DELIVER THEM ON TIME.

The process

Product requirements of farmers vary based on the prevailing biotic and abiotic factors of a region. The PC team collates the information during field trials in specific geographies. The data is statistically analysed on various parameters and the inferences are presented to a cross functional team for consensus-based decisions. After field trials of the advanced products, its performance is matched to the intended function before the commercial launch of the product.

Outcome

The newly developed products are benchmarked against other products in terms of their yield, stability, market acceptance, reaction towards pest and diseases, farmer's feedback, etc. Crop tours are organised for prospective customers and business partners, along with our employees from PC, Breeding, Sales and Marketing team to provide first-hand information about product performance. Its suitability to various geographic conditions and competitiveness in respect to other products is thoroughly evaluated before the product launch.



Innovation to aid Sustainable Food Production

CROP BREEDING PROGRAMS AIM TO DEVELOP PRODUCTS WITH HIGH YIELD POTENTIAL AND TOLERANCE TOWARDS MULTIPLE BIOTIC AND ABIOTIC STRESSES. THESE HYBRIDS ARE CRITICAL FOR SUSTAINABLE FOOD PRODUCTION, OWING TO THE DYNAMIC AND COMPLEX INTERPLAY OF THE ENVIRONMENT WITH THE PLANT PHENOTYPE. IT ALSO HAS AN IMPACT ON THE FOOD SECURITY OF A NATION. THE TWO KEY BIOTECHNOLOGY APPROACHES, MARKER-ASSISTED BREEDING (MB) AND GENETIC ENGINEERING (GE), AND THEIR INTEGRATION WITH CONVENTIONAL BREEDING IS AN ESSENTIAL APPROACH FOR CROP IMPROVEMENT.

For the past 40 years, Kaveri Seeds has evolved along with agricultural landscapes in the country and aided by its focus on

innovation and quality, it has met farmers' expectations and ensured food security for the nation. We are providing farmers improved seeds, backed by breeding and biotech innovation that helps us to meet increasingly dynamic consumer demands. Scientific progress, especially in the genetic sphere, has allowed us to make rapid and useful progress to improve plant growth. The results of varietal creation now allow us to offer more productive varieties that are better adapted to the climates and other characteristics of particular region(s), more resistant / tolerant to disease and pests, while preserving and improving nutritional qualities.

At Kaveri Seeds, we have equipped ourselves with state-of-the-art facilities for deploying molecular breeding strategies such as Trait introgression using Marker-

Assisted Back Cross (MABC) and Marker Assisted recurrent selection (MARS) which reduces the breeding cycle. Pyramiding of multiple traits through molecular approach and QTLs/gene identification through advanced molecular mapping approach help in the development of superior hybrids. We also use Molecular markers to study genetic diversity and segregate crop germplasm into heterotic groups (HG).



Achievements during FY2020-21



Maize Molecular Breeding

- QTLs for tolerance to post-flowering stalk rot (PFSR) disease identified and incorporated using MABC approach
- Identification of QTLs associated with lodging tolerance and incorporate resistant through MAS.
- Marker-assisted recurrent selection (MARS) to develop high yielding drought resistant maize hybrids that are currently under field evaluation.
- Determination of Heterotic groups (HG) based on phenotypic and genotypic approach
- Genomic selection (GS) approach being initiated for development of superior hybrids



Cotton Molecular Breeding

- Germplasm characterization and Genetic diversity study among cotton lines for development of elite inbred lines using SNP and SSR platforms.
- Incorporation of Bollworm resistance and GMS traits into elite cotton inbred lines.
- Development of insect tolerant, high yielding cotton hybrids through genetic male sterility approach.



Rice Molecular Breeding

- Introgression of BLB, Leaf Blast and BPH traits in rice
- Marker-assisted selection (MAS) used for developing BLB tolerant hybrids
- Identified new resistance sources for BPH and Blast diseases from germplasm
- Established new screening facilities for BLB, BPH, Blast, and neck blast diseases
- Undertaking trait discovery programs for submergence tolerance and grain quality traits in rice



Vegetable Molecular Breeding

- Virus and blight tolerant traits are being extensively studied in Tomato germplasm
- Marker-assisted selection (MAS) approach to incorporate desired genes for TYLCV and Late Blight tolerance in hybrid Tomato.
- CMS based system for hybrid development in Hot pepper, using MAS.



Other Biotechnology applications

- DNA Fingerprint generation for Kaveri hybrids through molecular markers.
- Assessing genetic purity of hybrids and parental seed using molecular approaches.

Plant pathology activities in crop breeding

The main activity of the pathology lab includes development of artificial disease screening protocol for major plant diseases and maintenance of pathogen cultures. The lab also co-ordinates with the breeders to carry out disease screening trials at hot spots and identify tolerant lines that would be used in the development of disease tolerant hybrids/varieties.

The major diseases in focus are as follows:

Cotton

Cotton Leaf Curl Virus and Alternaria Leaf Blight.

Rice

Leaf/Neck Blast, Bacterial Leaf Blight, False smut.

Maize

Post Flowering Stalk rots, Northern Leaf Blight and BLSB.

Okra

Yellow Vein Mosaic Virus and Enation LCV.

Tomato

Early & Late Blight, Yellow Leaf Curl Virus, Bacterial wilt.

Hot pepper

Chilli Leaf Curl Virus, Cucumber mosaic virus

Innovation to aid Sustainable Food Production

Fostering strategic partnerships

In our quest to create consistent value for our stakeholders, we have set a clear foundation to build strong business relationships that thrive in the long-term. Our partnerships with national and international collaborators in diverse areas of field and crop lifecycle continues to bring value to our stakeholders.



Cotton

The efforts are in progress for acquiring germplasm from international collaborations with USAID, USA, CSIRO, Australia, Brazil for high density plant type.



Rice

We have collaborations with All India Co-ordinated Rice Improvement Project (AICRIP) & State Agricultural Universities (SAU) for product registration. Kaveri Seed Company Limited is a member of Hybrid Rice Development Consortium (HRDC) since 2016 and participated in annual group meetings and field visits. Kaveri Rice Hybrids will get tested in 7 countries through this consortium (India, Bangladesh, Pakistan, Myanmar, Philippines, Indonesia and Vietnam) during dry and wet seasons.



Hot pepper and Gourds

We hold the membership of APSA and Vegetable Breeding Consortium along with regular interactions with the scientists in National institutes like IIVR, IIHR, IARI.



Maize

We collaborate with Department of Biotechnology (DBT) for developing drought tolerant germplasm of maize. Being a Platinum member of CIMMYT IMIC Asia consortium, we have the privilege of getting 200 germplasm from a CIMMYT nursery and other technologies developed by CIMMYT from time to time including DH technology. We also provide testing location to ICAR under All India Coordinated Maize Improvement Project for Hybrid testing at Hyderabad location. We are actively involved with CIMMYT for Heat Tolerance Maize of Asia (HTMA) project at Hyderabad.



Pearl Millet

We collaborate with ICRISAT under Pearl Millet consortium for acquiring diverse germplasm. We are also a member of HPRC ICRISAT (Hybrid Parent Research Consortium) from where we have access to world-wide germplasm.



Okra

We partner with World Vegetable Consortium (WVC) and AVRDC that actively participates in breeding other vegetable crops and provides large number of finished lines with disease tolerance and quality traits.



Tomato

We have consortium membership of WVC/ AVRDC, allowing us to collaborate with them for global germplasm access for special traits like Ty, EB.LB and BW to breed better products with strategic pyramiding of traits for biotic and abiotic stresses in India.

Investing for a better tomorrow

Biotechnology laboratory

The state-of-the-art biotechnology laboratory has been established at Pamulaparthi, Telangana. The lab is equipped with sophisticated equipment that allows research on candidate gene strategy, association mapping and other novel procedures to develop the products in field and vegetable crops to be developed under present complex agro-climatic situations of India. Some of the breakthrough technologies developed include Doubled Haploid Breeding, MB (Marker Assisted Breeding), MARS (Marker Assisted Recurrent Selection), MABS (Marker Assisted Back Cross), RGA (Rapid Generation Advance), MAGIC (Multi-parent Advance Generation Inter cross population), GS (Genomic Advance), SB (Speed Breeding) and identification of QTLs. The laboratory comprises of highly qualified professionals in the field of Biotechnology and Pathology with Ph.D., and M.Sc. qualifications.

Seed Technology Laboratory

Seed Technology Laboratory carries out seed quality tests in Seed Physiology, Biotechnology and Seed Pathology. The delegates from National and International Institutions like APSA, OECD, ISTA, Ministers of various State Governments, Officers from Department of Agriculture, SAUs and farmers have visited the laboratory in the past. The laboratory is run by highly qualified scientists from Seed Science and Technology field. Our laboratory is a member of ISTA since 2014, following all ISTA standard methods for seed testing. Kaveri Seed Company Quality Control Laboratory received National Accreditation Board for Testing and Calibration Laboratories (NABL) Certificate of Accreditation in accordance with the standard ISO/IEC 17025.



Broadening Our Reach

AT KAVERI SEEDS, WE ARE DEDICATED TO INTRODUCE ADVANCED AND SUPERIOR QUALITY SEEDS THAT FULFIL THE UNMET NEEDS OF OUR VALUED PATRONS. OUR MARKETING AND DISTRIBUTION EFFORTS PLAY A PIVOTAL ROLE IN TAKING OUR PRODUCTS FURTHER, TO EVERY CORNER OF THE COUNTRY. RESTING ON OUR STRONG BRAND RECALL AND INNOVATIVE MARKETING APPROACHES, WE ARE REACHING OUT TO FARMERS DIRECTLY.

We have a vast network of direct and indirect distributors in India. They help to make our diverse portfolio of products easily available to farmers. From people on the ground to our marketing team as well as business partners including retailers and distributors are trained to guide farmers in every possible way. Their professional guidance educates farmers about the potential outcomes of superior quality hybrid seeds and how it can help in comparison to traditional methods of re-deploying seeds from previous harvests. They explain how these seeds can improve productivity, yield and offer cost benefits. Besides, we also organise forums and customer meets to increase awareness about latest farm mechanization techniques and associated government policies with the objective to increase farmers' income.

Structure of Marketing Team



Key Marketing and branding highlights

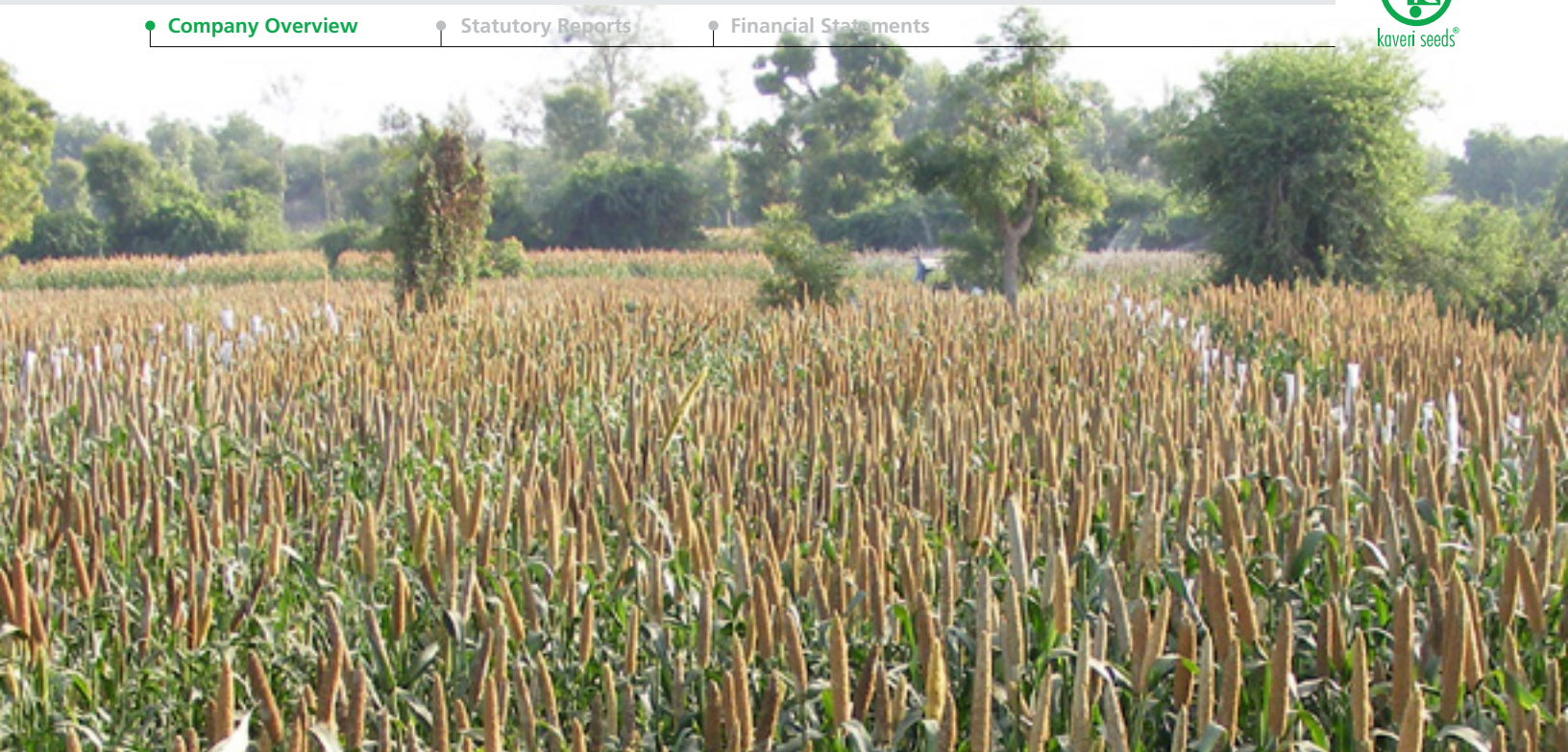
- We participated in sponsored agricultural fairs at different states and districts, Krishi melas, seed days, farmers meetings in collaboration with state Departments of Agriculture, State Agricultural Universities and Indian Council of Agricultural Research (ICAR) sister institutes.
- We undertook Above the Line (ATL) and Below the Line (BTL) activities for target audience and offered product demos.
- Distributor and Retailer Loyalty programs have enabled us to strengthen our relationship with channel partners.
- Crop coupons were extended to farmers to provide opportunities for testing new products and increasing new crop adoption
- Crop tours were organised for educating customers and business partners on products and best practices.

15%

Increase in pre-commercial product demonstration

Distributor and Retailer Loyalty Program

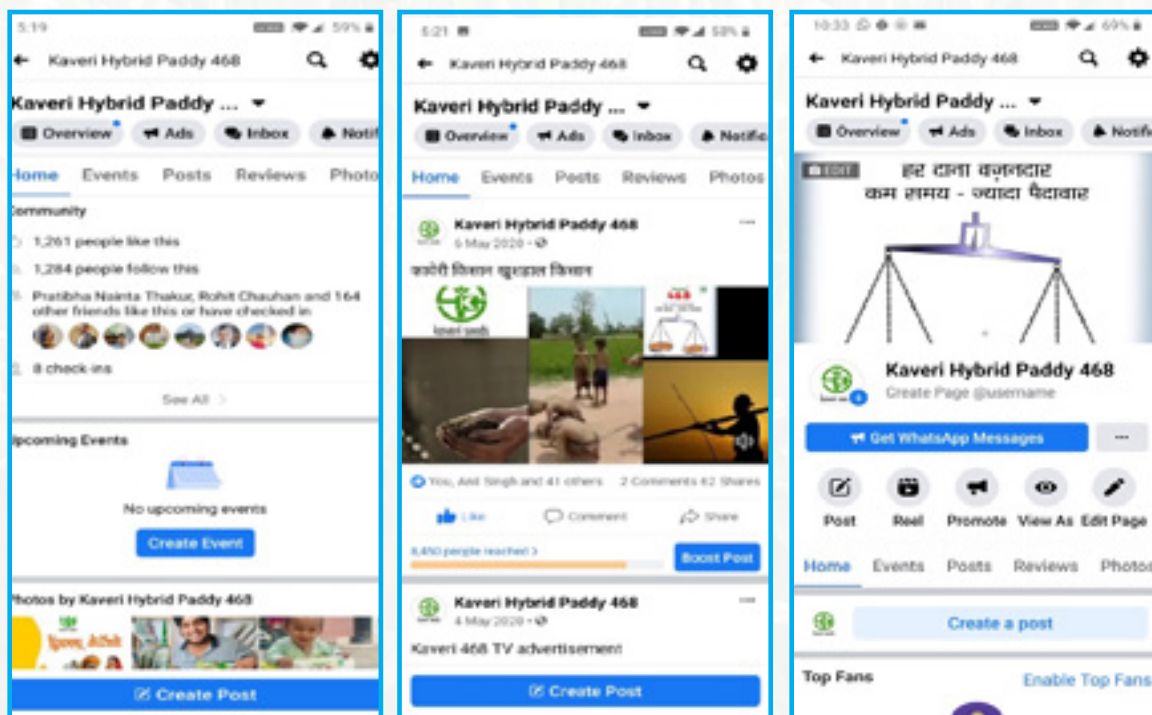
Running successfully for four years



Digital Connect

In the aftermath of the lockdowns imposed on account of Covid 19, we relied on various digital platform to connect with business partners and customers. Kaveri Retailer Connect App was launched to communicate policies and schemes for on boarding of new retailers and expanding our reach. The app complemented the Distributor and Loyalty program which has been running successfully for the past four years.

We also launched our Facebook page, where customers get first-hand information of existing products and watch short videos of new product launches. The page has generated healthy traction with approximately 8000 people participating in the first campaign, in the first week itself.



Broadening Our Reach



Potham Ramesh
S/o Potham Rajanna
 from Vellonda –Village,
 Boggaram – Mandal,
 Jagityal-Dist.

During the Last kharif season, I raised KMH 8333 of Kaveri Seed maize hybrid and received 36 quintals of grain yield. In my field the maize plants have gave two cobs per plant; however the yield has not reduced. It has a greater number of seed rows per cob. I am happy for selecting this new hybrid of Kaveri Seed Company and its performance. I am grateful to Kaveri Seed for designing and developing such a promising maize hybrid.



Loka Tirupathi Reddy
 Julapally, Village & Mandal

Last year I cultivated new maize hybrid developed by Kaveri Seeds KMH 8322 in an area of one acre. I was able to get bumper grain yield of 42 quintals / acre. Especially this hybrid stem is sturdy with robust root system and is tolerant to major pests and diseases. Grain filling is excellent and extends up to the tip of the cob. When compare to other maize hybrids, it is found to be far superior in grain yield production. I am thankful to Kaveri Seed Company for developing such a wonderful maize hybrid.



Mohamad Wahid Ali
 Vill- Rehna
 Tehsil - Nuh
 Distt-Mewat
 State: Haryana

I, cultivated Tomato KTH -453. The crop performance was excellent and fetched good market price. Fruits were 100-110 gm of good quality. It also has strong tolerance to crop diseases. It gave me a good yield of 330 quintals/ acre. All neighbouring farmers and villagers were impressed with the hybrid performance. I feel they will also sow KTH 453 in their cultivable area.



CHINNA LAXMAIAH GOUD
 Village: Chinna Bomapally
 Mandal: Kosigi
 District: Kurnool
 State: Andhra Pradesh

I, Chinna Laxmaiah Goud R/o Chinna Bomapally –Village, cultivated KHPH 1221 , Hot Pepper hybrid of Kaveri Seed Company Ltd., during 2020-21. I am cultivating Hot Pepper since last 20 years in my field. But KHPH 1221 is much better hybrid than any other hybrids cultivated this year. It gave 57 Quintals of yield per acre. It is high yielder, good fruit bearing habit and good fruit colour fetches good market price. It is tolerant to virus diseases. I am happy with the performance of Kaveri hybrid .

I strongly recommend this hybrid to other farmers in our village.



Mr. Vishwanath Bhevinakatti

proprietor of Raghavendra Argo Centre Sureban. Ramdurg Taluk Balagavi District Karnataka.

From past 25 years, we have been conducting business with Kaveri Seed Company. Kaveri is coming with new varieties of seeds to meet the market requirement and ongoing trend to compete with others. Quality wise there is no compromise. Farmers level-demand building work is done by their employees in an unique way. Farming community have a sense of confidence with Kaveri's products. I am proud to say that we have been associated with Kaveri Seed Company Ltd.



Sheetal Deepu Keerti

Proprietor
Keerti Krishi Seva Kendra
Raibag Dt Belagavi
Karnataka

Kaveri seeds: The much-trusted brand!

When it comes to seeds, unlike other inputs, farmer don't take chance! They want the most trustworthy hybrids and brands. In this race, Kaveri seeds tops the list.

We sell tons of Kaveri maize through our retail outlet and rural network. We sell with total confidence! We are excited with the performance of new maize hybrid KMH 8333.

So our farmers are happy with the high yield potential, drought tolerance and disease resistance of Kaveri, branded across maize hybrids.

We cherish the excellent sales support by our Distributor Silvia Tade Inc.



Vittal Balappa Shettar

Proprietor
Sri Laxmi Agro Kendra,
Kushtagi, Dt Koppal
Karnataka

Kaveri Seeds: Synonymous with assured performance!

Our association with this great organisation goes back to two and half decades! We sell the entire portfolio... maize, bajra, sunflower and cotton.

Our end customers are always delighted with the high yields and disease resistance of many hybrids. Added to that is the excellent sales and promotion support by Team Kaveri & our Distributor Sai Ram Trading Co.

We cherish our association and look forward for greater business opportunities and customer satisfaction.

International markets

Over the years, we have established a strong presence in SAARC and African countries. To further strengthen our presence and penetration in other countries, we have applied for and received OECD seed certification for various Hybrid seeds for certain crops such as maize, sunflower and sorghum. We are also testing a number of new products in countries such as Nepal, Bangladesh, Algeria and Nigeria in line with our endeavour to expand our global footprints. We are expected to begin operations in Indonesia, Vietnam and Philippines in the near term.

Making Seeds Available on Time

WE HAVE CONSISTENTLY FOSTERED OUR CAPABILITIES IN SUPPLY CHAIN TO SUSTAIN OUR MARKET LEADERSHIP AS QUALITY SEED PRODUCER IN INDIA. WE REMAIN RESOLUTE IN OUR APPROACH TO ENSURE A ROBUST SUPPLY CHAIN AND MEET THE QUALITY BENCHMARKS AT ALL TIMES.

Kaveri Seed has seven state-of-the-art processing plants in all the strategic locations to deliver highest quality seeds to meet the needs of the farmer. After successful development of unique products by the R&D team, a small quantity of nucleus seed is supplied to supply chain team for pre-basic seed and foundation seed production under the supervision of breeding programme team. Once approved, it then proceeds to the large-scale seed production to meet the large volume demands.

Our partners

Over the years, we have not only developed good relationships and networked with seed growers, but we have also ensured regular knowledge sharing programmes with our partners. During crop growth, our technical team conducts insightful and productive training programmes on seed production with insightful interactive meetings with farmers to empower them with essential knowledge.

10,00,000

Warehouse Capacity (Sq.ft)

17

Seed production locations

15,000

Cold Storage Capacity (mt)

4,500

Maize Cob drying facility (mt/Cycle)

1,00,000+

Growers engaged in seed production

65,000+

Area (in acres) under seed production across India



5 processes that make our supply chain unique

Processing Infrastructure:

We possess among the best processing equipment for Cleaning, Grading, Sorting, Treating and packing of field crop Seeds like Maize, Paddy, Bajra, Jowar, etc. With more than 25 VFFS Packing machines and 31 secondary lines, we possess packing capacity upto 75000 MT / year.

Automated weighing and stitching:

We have adopted the best practices like scientific handling of huge seed inventory in 2 MT Jumbo bags for Seed Storage, MHEs & Crane systems for internal handling of stocks. Even the processing machines are operated through PLC controlled HMI console, vertical form, fill and seal machines with precision weighing technology. These allow us to install and deliver accurate grammage in seed packets, where every seed packet is dynamically tested on check weighers before being filled into secondary bags in semi-automated weighing and stitching operations.

Dedicated facilities for varied seeds

From cob drying facility for maize seeds to mechanised grading, blending and treatment machines for cotton, we possess several equipment with multi-functional roles for each process to produce quality seeds.

Cold Storage facility

We have four cold storage units with 15000+ MT capacity that enable seed inventory management at 10-12^o C temperature and 40-50% RH with operations running 24x7. The cold storage facilities are designed for storing seed bags ranging from 30kg – 200 kgs with multi-level racks for better operational efficiencies.

Quality Assurance:

A well-defined quality assurance structure ensures complete check across multiple functions in business across field quality, lab quality, plant quality and regular warehouse audits. With more than 80 well qualified staff and 100 skilled persons, the state-of-the-art laboratories are equipped with latest technologies and equipment to maintain highest quality standards.



Committed to Social Sustainability

KAVERI SEED CO. LTD. (KAVERI SEEDS) STRONGLY BELIEVES THAT BUSINESSES DO NOT EXIST ONLY FOR PROFITS. A SUSTAINABLE BUSINESS IS ONE WHICH NOT ONLY STRIVES FOR GREATER PROFITABILITY FOR THE ENTERPRISE BUT ALSO ENSURES THE BENEFITS OF ITS PROFITS GO BEYOND ITS DAILY OPERATIONS, INCLUDING THE SOCIETY AT LARGE.

With this outlook, your Company has endeavoured to do its best in positively impacting communities and the environment during a very challenging year.

Rs.462.14 lakh

Total CSR spend for FY2020-21

Construction of Dairy Hostel for Rural Development

Kaveri Seeds contributed significantly for the construction of a Community Dairy Hostel at Nermetta village, Nanganoor Mandal, Siddipet Dist. The main objective of creating a dairy hostel in the village is to increase milk production and revenue of rural households through construction of integrated dairy facilities. This in turn will help to create a healthy and hygienic environment in the villages by accommodating cattle in the community dairy.



Kaveri Bhaskar Rao Charitable Foundation

Rural development activities

Kaveri Seeds is determined to improve the quality of life and economic well-being of people living in the rural areas. We aim to help people step out of the cycle of poverty and find the means to empower themselves.



Highlights on FY2020-21 - Walking the Tough Road

- Constructed Rythu Vedika at G.N. Poor and Kothulananduna villages of Warangal Urban Dist, Telangana. The farmers of the village are encouraged to assemble and discuss among themselves and conduct farmers’ meetings, group discussions etc., related to weather forecast and corrective measures to counter severe rains and drought conditions.
- Constructed a stage in G.N. Poor village, Bheemdevarapally Mandal, Warangal Urban District to encourage cultural and social activities in the village.
- CC roads were laid at G.N. Poor village, Bheemdevarapally Mandal, Warangal Urban District for the convenience of villagers. Tree plantation with tree guards were also provided in the villages of Bheemdevarapally Mandal.
- Canal Pipeline Bridge constructed in the Bollonipally Village, Bheemdevarapally Mandal, Warangal Urban District.
- Essential commodities distributed to Covid-affected individuals of Warangal Urban District.
- TATA Ace Vehicle (Swarga Ratham) donated to the Konnur Village, Kamalapur Mandal, Warangal Urban District to be used as a hearse for carrying the deceased.
- Kids’ playing equipment provided to an orphanage home - Auxillium Navajeevana Society, Uppal, Hyderabad.

Focusing on education

Kaveri Seeds believes education and learning is the key to an individual's development and progress in life. Keeping this in mind, Kaveri Seeds has focused on building school infrastructure, wherever necessary. We focused on refurbishment of the existing infrastructure and/or addition of new infrastructure. The trust has already constructed the ZPHS School and provided all necessary infrastructure and other amenities in the previous year.

Highlights of FY2020-21

- Constructed Library building, in the ZPHS and MPPS school premises for students. Books were also distributed and scholarships were given to students to minimise the burden on their parents.
- Constructed dining hall, toilet blocks, water pump in the ZPHS and MPPS school premises. A Science Laboratory is currently under construction.
- Schools equipped with sophisticated infrastructure like computers, LCD projectors.
- The Foundation paid the salaries for the Vidya Volunteers of the school. The Foundation also undertakes school maintenance for electricity, school canteen, POL of the school bus, canteen expenses etc.



Donations

Over the course of the year under review, Kaveri Seeds provided significant relief measures to cope with the effects of the Covid-19 pandemic on the community. The Company has also donated crucial transport facilitators in the form of Tata Ace vehicles to Kannur village panchayat. Kaveri Seeds has also provided playing equipment to the Children's Orphanage Home and to the Yuga Thulasi Foundation.

Building a Spirited Team

THE SECRET TO OUR SUCCESS LIES IN THE DEDICATION OF OUR PEOPLE. IT IS THEIR COMMITMENT AND ENTHUSIASM TO IMPROVE PRODUCTIVITY THAT ENABLES US TO CONSISTENTLY FULFIL CUSTOMER EXPECTATIONS. TO ENCOURAGE PROFESSIONAL GROWTH, WE CONTINUE TO PROVIDE LEARNING AND DEVELOPMENT PROGRAMS. WE ALSO PRIORITISE THE SAFETY OF OUR TEAM AND INCULCATE TRAININGS TO STRENGTHEN THE SAFETY CULTURE. BESIDES, OUR CORE CAPACITIES OF INNOVATION AND COLLABORATION HAVE BEEN IMMACULATELY IMBIBED WITH THE ORGANIZATIONAL CULTURE TO CREATE A BRAND THAT HAS BECOME SYNONYMOUS WITH EXCEPTIONAL PERFORMANCE.

Training Programs

Field and classroom-based programs for our frontline executives enable them to explain various agronomy practices to farmers. The comprehensive training program encompasses new product launch, demo guidelines to cover untapped markets and other promotional activities. The topics also include self-development programs such as selling, multitasking and time management. Furthermore, there are product based pre and post season training for imparting sound product knowledge.

1000+

Permanent field advisors trained in FY21

330

Managers and Frontline staff trained during the lockdown about supply chain management



Five-Year Performance Highlights

(₹ in Lakhs)

Statement of Profit and Loss	2016-17	2017-18	2018-19	2019-20	2020-21
Total revenue	70,424.00	79,609.76	81,185.67	92,981.43	1,03,499.75
EBIDTA	17,222.57	24,170.11	24,843.22	28,608.73	33,488.90
Depreciation	2,849.21	2,335.19	2,117.65	2,430.71	2,131.99
Finance costs	12.27	39.96	12.52	21.81	38.52
Profit before exceptional items and tax	14,361.09	21,794.96	22,713.05	26,156.21	31,318.38
Exceptional items	5,923.80	-	-	-	-
Profit before tax	8,437.29	21,794.96	22,713.05	26,156.21	31,318.38
Tax	590.17	760.75	1,240.19	1,029.52	787.38
Profit after tax	7,847.12	21,034.21	21,472.86	25,126.69	30,531.00
EBIDTA / Revenue	24.46%	30.36%	30.60%	30.77%	32.36%
PBT / Revenue	11.98%	27.38%	27.98%	28.13%	30.26%
PAT / Revenue	11.14%	26.42%	26.45%	27.02%	29.50%

Balance sheet	2016-17	2017-18	2018-19	2019-20	2020-21
Share capital	1,381.10	1,321.84	1,262.58	1,206.58	1,206.58
Reserves and surplus	1,01,020.30	1,00,801.29	1,00,033.37	96,978.46	1,25,000.58
Networth	1,02,401.40	1,02,123.13	1,01,295.95	98,185.04	1,26,207.16
Non-current liabilities					
Long-term liabilities and provisions	733.18	1256.24	1178.23	1434.04	1,978.08
Deferred tax liability	1,088.14	1,675.93	2,015.36	1,809.97	1,571.53
Current liabilities	48569.12	40141.74	49,250.24	57,011.86	66,467.18
Total liabilities	1,52,791.84	1,45,197.04	1,53,739.78	1,58,440.91	1,96,223.95
Non-current assets					
Gross fixed assets	31189.82	32160.92	39,181.54	42,322.58	43,593.44
Accumulated depreciation	11784.00	13859.13	15,827.99	17,889.45	19,480.05
Capital work in progress	2866.58	3159.59	3,292.24	1,298.40	2,558.73
Net fixed assets	22,272.40	21,461.38	26,645.79	25,731.53	26,672.12
Investments	3217.76	5977.54	6,658.59	6,254.48	6,814.12
Other non-current assets	1035.51	1097.52	3869.55	4,433.58	5,584.27
Current assets	1,26,266.17	1,16,660.60	1,16,565.85	1,22,021.32	1,57,153.44
Total assets	1,52,791.84	1,45,197.04	1,53,739.78	1,58,440.91	1,96,223.95
Return on networth	7.66%	20.60%	21.20%	25.59%	24.19%
Return on capital employed	8.11%	20.78%	21.75%	25.81%	24.17%
Debt/Equity Ratio	0.01	0.01	0.01	0.01	0.01
Current Ratio	2.60	2.91	2.37	2.14	2.36

Per share	2016-17	2017-18	2018-19	2019-20	2020-21
Book value per share - ₹	148.29	154.52	160.46	162.75	209.20
Earnings per share - ₹	11.36	31.36	33.30	40.14	50.61
Dividend per share - ₹	-	3.00	3.00	3.00	4.00
No. of shareholders	29,167	39,826	30,096	28,745	52,322

Profile of Board of Directors



Mr. G. V. Bhaskar Rao

Chairman and Managing Director

Gundavaram Venkat Bhaskar Rao, Chairperson and the Managing Director, Kaveri Seed Company Ltd., Secunderabad, Telangana is principally a man of vision. A technocrat at heart, and with a sound business mind, this visionary has displayed skill and farsightedness all through his entrepreneurial journey.

His agricultural family background served as grounds for his interest in farming. He pursued his graduation in Agriculture from the College of Agriculture in 1971. Right from the word go, he knew his passion lied in agriculture and that led him to develop a keen interest in the agri-seed business.

In 1976, Sri G.V. Bhaskar Rao, a young and dynamic agriculture graduate, founded his startup, G.V.B. Rao & Company with an objective to fuel India's Green revolution.

In 1986, his Company became as Kaveri Seed Company (P) Ltd., and in 2007 it attained the status of Public Ltd., later listed on BSE and NSE. The sheer will power and indomitable dedication of Sri G.V. Bhaskar Rao has made Kaveri seeds -India's leading Agriculture Company specializing in Hybrid Seeds.

His relentless pursuit of excellence backed by strong Research & Development (recognized by DSIR Ministry of Agriculture Gol, since 2001) resulted in the Company producing high yield seeds - making Kaveri Seeds a trusted partner for farmers for more than four decades. Under the able stewardship of Sri. Rao, the Company has steadily transformed its products & processes to deliver the best of science, while enhancing farm productivity and ensuring food security of the Country.



Dr. G. Pawan

Vice-Chairman – Non-Executive

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



Mrs. G. Vanaja Devi

Whole-Time Director

Mrs. Vanaja Devi has been associated with the Company since its inception. She is the founder Director of the Company, regularly assisting the CMD on various aspects of the business. With her instinct to bring innovative ideas to the table, she is the ideal foil and support to the CMD in managing the Company. She is a guiding force for the Company's Corporate Social Responsibility (CSR) initiatives in the areas of rural infrastructure development and children education. These initiatives broadly include improvement of existing irrigation facilities in the rural areas, so as to improve the area under irrigation to reap good harvest, thereby improve farm yields. Providing infrastructure facilities like construction of School buildings, books, furniture and computers etc., to various Schools to improve student's soft skills. Providing scholarships to the economically backward students to pursue higher studies. The mineral water plants provided for safe drinking water. Under her able management number of social welfare activities were under taken in rural areas to improve the agriculture, education and human health etc



Mr. C. Vamsheedhar

Whole-Time Director

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



Mr. C. Mithun Chand

Whole Time Director

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

Profile of Board of Directors



Dr. S. Raghuvardhan Reddy

Independent Director

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



Mr. K. Purushotham

Independent Director

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



Dr. S. M. Ilyas

Independent Director

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



Mrs. M. Chaya Ratan

Independent Director

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



Prof. R.R. Hanchinal

Independent Director

Prof. R.R. Hanchinal, Ph.D in Agriculture, Genetics and Plant Breeding, former Chairperson PPV &FRA, also served as Vice Chancellor, University of Agricultural Sciences, Dharwad, .He was advisor to Indonesia Government for the development of Food Crop Research (2003-2005) and Senior Seed Production Specialist for the USAID West Africa Seed Alliance-ICRISAT (2008) and established commercial seed industry in five countries viz., Mali, Burkina Faso, Niger, Nigeria, Ghana and also trained the staff and students in plant breeding/ seed production technology.

He developed unique method for the first time by selecting and adopting potential villages for seed production with “Modified Seed Village Concept” which is popularly known as “DHARWAD MODEL”. This model became role model in India, also in many African countries and Nepal.

For his outstanding work, he was awarded with as many as 24 national /international Awards. Also, a grantee for the Obama-Singh 21st Century knowledge initiative (2012). Recently he was awarded with The Borlaug Global Rust Initiative Gene

Stewardship Award by the Borlaug Global Rust Initiative, Cornell University, Ithaca, USA (2018), M.S.Swaminathan Award 2015-16 by RICAREA, Hyderabad and a certificate of appreciation from World Bank group.

Prof. Hanchinal also served as Senior National Expert of Indo-German Seed Project, consultant to Carnell University-Sathguru, for implementing Bill and Melinda Gates Foundation supported project at Agriculture and Forestry University, Rampur, Nepal, Agricultural University, Malawi, Africa and Seed Systems Group (SSG) supported project in 10 African countries in Seed Systems Development. He is a member of Farmers’ Welfare Commission, Government of Chhattisgarh, Raipur, Member of Krishi Neeti of Karnataka State, Board Member, Sher E Kashmir University of Agricultural Sciences and Technology, Srinagar, Independent Director of MHZPC, and Chairman and member of many committees of Government of India and ICAR.

Management Discussion and Analysis

Indian Economy

The real GDP of the Indian economy shrank by -7.3% during the fiscal year 2020-21 due to the covid-19 pandemic which affected lives and livelihoods across the world. The supply chain disruption due to the lockdown, enforced to curb the spread of the virus, in the April quarter adversely impacted the industrial and services sector, while agriculture remained less impacted.

An observation of the quarterly GDP trend reveals the positive impact of the pent-up demand along with higher degree of economic activity post unlocking the economy since June 2020. The quarterly real GDP, having endured a recession in the initial two quarters, crossed the inflection point in the third quarter and further recorded sequential growth in the last quarter on year. A broad-based recovery was recorded across sectors aided by increase in manufacturing and construction activities, agriculture and real estate, among others. However, people aggregating services sectors such as hospitality, travel and tourism continued to battle against the covid 19 associated headwinds.

The Reserve Bank of India maintained a consistent 4% repo rate since May 2020 despite CPI based inflation hovering above 6% mark for nearly three quarters. The liquidity measures and asset by back along with forbearance measures helped lower the cost of borrowing which is likely to have spurred the economic activities observed during H2FY21.

The Government followed an expansionary fiscal policy, recording a high fiscal deficit of 9.2% during FY21 to increase aggregate demand, provide social security and spur investments. The budget for FY22 reflected the Government’s commitment for an infrastructure-led USD 5 trillion economy by 2025 aided by policies such as Make in India, Atmanirbhar Bharat, New Farm laws among others.

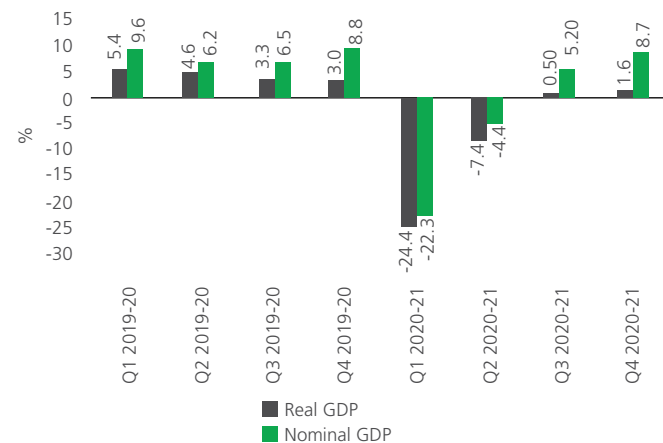
Outlook

According to IMF’s upward revision of growth forecast in April 2021, the Indian GDP growth was likely to be 12.5% in FY22 due to low base effect and availability of vaccines in the country since January 2021. However, the exemplary performance of the Indian economy in the last two quarters of fiscal year 2020-21 has been marred by an overcast of uncertainty due to the severe second wave of infections since mid-April 2021. The attendant localised lockdowns and crisis in

public health infrastructure further affected industries and services which are inching towards the contraction zone.

The rural economy which shouldered the Indian economy during the fiscal year 2020-21 backed by good harvests and timely government procurement, suffers risk from the contagion making inroads during the second wave. Inflationary trends are expected to take charge due to interplay amongst global and domestic factors such as commodity price increase, international food prices, geopolitical tensions and supply chain distortions.

Quarterly GDP growth (year on year)



Source: MOSPI

Agriculture Industry Overview

According to UN, the world population is expected to increase by nearly 26% to 9.7 billion by 2050 from a population of 7.7 billion people in 2018-20. As a consequence of the rising population and dietary changes of consumers, it is estimated that the global agriculture output will need to double to accommodate the rising demand from crop food and livestock feed, besides industrial demand. However, significant challenges lie in land availability and mitigating the effects of climate change, constrained by the ever-increasing demand for crop calories. This has led to focus on addressing the yield gap through use of innovative and technology intensive farming techniques accompanied by usage of agrochemicals to protect, nourish and increase the yield of the farmers.

¹IHS Markitt PMI manufacturing and services released in June 2021

²<https://www.imarcgroup.com/agriculture-industry-in-india>

³<https://tradingeconomics.com/india/employment-in-agriculture-percent-of-total-employment-wb-data.html>

⁴Provisional estimates of Annual National Income 2020-21, NSO dated 31st May 2021

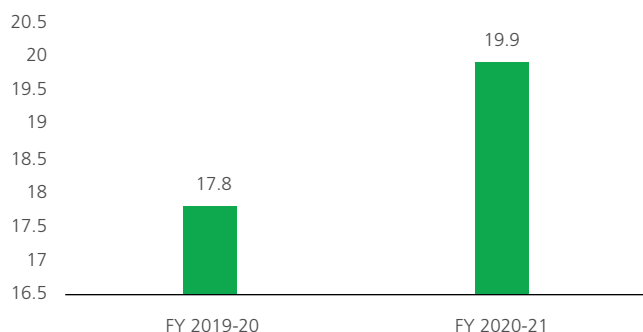
⁵Economic Survey 2020-21, Volume 2; Down to Earth article dated 29th January 2021

Indian Agriculture Industry

The Indian Agriculture industry is estimated to be valued at INR 63,506 billion in FY2020-21. It is an important component of Indian economy both in terms of its contribution to the GDP as well as a source of employment for a majority of the country's population. According to World Bank, the agriculture industry provided employment to 41.49% of India's population in FY 2020-21. Increasing saturation in the organized sector, growth in contract farming, increased mechanization in agriculture, easy loan facilities, rising exports, use of agrochemicals and high yielding seeds, and an increasing role of the private sector in processing, branding and marketing have brought about remarkable changes in this sector.

During the fiscal year 2020-21, while the Core GVA (excluding agriculture and public administration) contracted by -8.5%, the GVA for agriculture, forestry and fishing increased to 3.6%, year on year due to the constant supply of agricultural commodities including rice, wheat, pulses etc. The share of agriculture in GDP of India is most likely to cross the 20% mark after 17 years for the fiscal year 2020-21 from 17.8% in FY 2019-20.

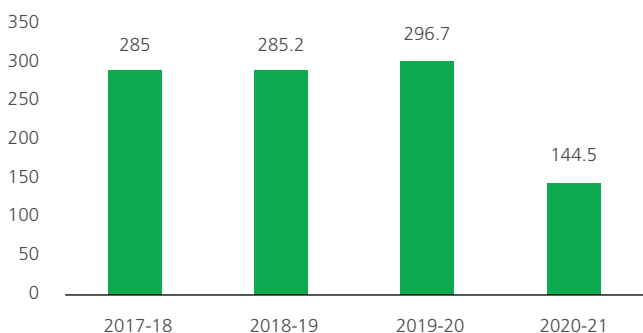
Share of Agriculture in GDP (%)



Source: Economic Survey 2020-21

[FY21 estimate Of 19.9 was based on 3.4% increase in agriculture which as per latest estimate reached 3.6%, thereby share of agriculture should be nearly 20%]

Food grain production (in million tonnes)



Source: Economic Survey 2020-21

(2019-20* 4th advance estimates and 2020-21** 1st advance estimates)

Key Growth Drivers for Agriculture

- The Union Budget for FY22 has allocated INR 1.31 lakh crore to the Ministry of Agriculture and Farmers Welfare, a growth of 5.63% over FY20, with nearly half of the budgeted amount for fixed income support of INR 6000 for farmers under Prime Minister Kisan Samman Nidhi (PM-KISAN).
- Favourable demographics such as population and income growth, in addition to macroeconomic factors such as increasing exports augers well for the industry, which also serves as an important raw material supplier for downstream industries and services sector.
- The Government introduced a comprehensive Agriculture Export Policy in 2018, with an aim to diversify the export basket, promote organic agriculture and provide an institutional mechanism for market access. The policy also strives to double India's share in world agriculture exports by integrating with global value chains as also to enable farmers gain access to export markets.
- Hybrid and genetically modified seeds, favourable climate for agriculture and wide variety of crops, mechanisation, Irrigational facilities and green revolution in eastern India represent the supply side drivers.
- Growing institutional credit, Increasing MSP, Introduction of new schemes like Paramparagat Krishi Vikas Yojana, Pradhan Mantri Gram Sinchai Yojana, and Saansad Adarsh Gram Yojana and Opening exports of wheat and rice are some of the key policy support that will help propel the sector to new heights.
- Initiatives like Kisan Rath (mobile app for farmers, FPOs and traders), over 200 Kisan Rails and Krishi Udaan Scheme for transportation of agricultural produce, perishable cargo centres, cold storage facilities at Airports and Inland Container Depot as well as cargo terminals and warehouses has been initiated to bridge the infrastructure deficit for the agriculture industry.
- Farmer Producer Organization (FPO provides an efficient solution towards building scale and strengthening the livelihoods of small and marginal farmers. The Government's aim to form and set up 10000 new FPO's under Formation and Promotion of Farmer Produce Organisations (FPO) scheme has the potential to spearhead the aggregation phenomena in Indian agriculture.
- Leveraging advanced technology for making informed decisions at pre-production, production as well as post-production stages. The Government has already prioritized digitization of land records and a host of remote sensing and data-based analytics solutions are already making farming an insight driven occupation. Satellite imaging, remote sensing, artificial intelligence and IoT are being used to monitor weather patterns and prepare weather forecasts, in turn providing agricultural risk mitigation solutions. These solutions are also being leveraged to provide real-time insights to farmers, encompassing the entire crop cycle, to help them make informed decisions regarding crop protection, nutrition etc. Drones are being leveraged to collect

data for monitoring and analysing farms and generating insights to improve farm efficiencies.

Outlook

The Indian agriculture industry is projected to be valued at INR 125,350 billion by 2026, manifesting a CAGR of 12% during 2021-2026. The government is additionally planning to double farmer’s income by 2022. The agriculture sector in India is projected to generate better momentum within few years due to magnified investment in agricultural infrastructure comprising of irrigation facilities, warehousing and cold storage. According to the Agriculture Export Policy released in 2018, India aims to double the agricultural exports to over US\$ 60 billion by 2022. Additionally, the growing use of genetically modified crops are likely to improve the yield of Indian farmers. Going forward, India is projected to be self-sufficient in the production in pulses due to the combined research and development efforts for developing early maturing varieties of pulses and the increase in minimum support price.

Seed Industry Overview

Seed is the most crucial input for sustainable agriculture. The reaction of other inputs depends on quality of seeds to a large extent. It is estimated that the direct contribution of quality seed alone to the total production is about 15 – 20% depending upon the crop and it can be further raised up to 45% with efficient management of other inputs. The global seed market is valued at US\$ 42.8 billion in FY 2020-21. Asia Pacific (APAC) is the fastest growing geographical segment in the Global Seed Market. China and India are the major countries included in APAC.

Indian Seed Industry

The Indian agricultural sector is highly dependent on the availability and quality of seeds for a productive harvest. Therefore, in order to increase the quantity and quality of produce, efforts are made to introduce enhanced varieties of seeds with the help of advance technology and modern agricultural methods. In India, agriculture is the dominant occupation, which secures abundant opportunities for the seed market in the region. The Indian Seed Industry is projected to be valued at US\$ 4.9 billion in FY 2020-21.

There has been an increase in hybrid seed penetration in multiple crops, in order to resolve the increasing food demand-supply mismatch in the world. Owing to stagnant growth observed in the arable land and a continually growing population, the per capita arable land has been declining. These factors, along with poor crop productivity, are likely to lead to pressure on food supply in the country. In India, hybrid seed penetration is high in cotton (90%),

corn (60%), and limited cereals including sorghum and pearl millet, and oilseeds including sunflower (hybridization 80%). However, saturation is still very low in wheat (5%).

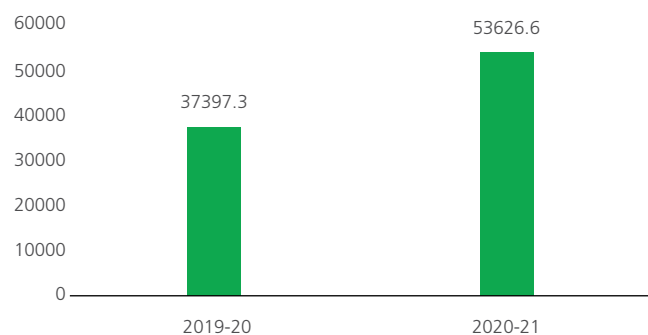
Key Growth Drivers for Seed Industry

- 1) Increasing Adoption of Hybrid Seeds- The adoption of hybrid seeds has gradually increased due to the increasing pressure for high crop production for food security. The hybrid seed sector observed a growth of 15-20% per year, over the past few years.
- 2) Increased investments- Public as well as private investments played a major role in enhancing the Indian seed industry as they contributed in the advancements of technology and infrastructure.
- 3) Government Initiatives- Unceasing developments in the National Seed Policy 2002, has led to the transformation of the seed industry in India.

Exports Scenarios

Despite the Covid-19 crisis, the export of essential agri-commodities increased by 43.4% from 37397.3 crores in Q1 of FY 2019-20 to 53626.6 crores in Q1 of FY 2020-21. The commodities that recorded positive export growth in during Q1 of FY 2020-21 are Groundnut (35%), Refined Sugar (104%), wheat (206%), Basmati Rice (13%) and Non-Basmati Rice (105%) etc. The Government of India has announced Agriculture Infra Fund of Rs 1 lakh crore to expand agri-business environment.

Export of Agri-commodities (in crore)



Source: Ministry of Agriculture & Farmers Welfare

Outlook

The Indian seed market was valued at USD 2.21 billion in 2018, and it is projected register a CAGR of 6.4% during the forecast period (2019-2024). The seed market in India is estimated to grow rapidly

⁶<https://www.imarcgroup.com/agriculture-industry-in-india#:~:text=Looking%20forward%2C%20IMARC%20Group%20expects,12%25%20during%202021%2D2026.&text=India%20is%20the%20second%2Dlargest,of%20the%20total%20world%20population.>

⁷PIB

⁸<https://www.imarcgroup.com/prefeasibility-report-seed-processing-plant>

⁹IMARC- Seed industry in India

¹⁰<https://www.mordorintelligence.com/industry-reports/indian-seed-sector-analysis>

due to the increasing commercialisation of agriculture and growing requirements of food grains to meet the needs of the growing population. As the awareness for hybrid seeds among the farmers is increasing, the demand for hybrid seeds is increasing. With the advanced technology, companies are coming up with a variety of seeds

Opportunities

- 1) Since arable land in India is limited and decreasing, agricultural output can be increased by either increasing the volume of output, i.e. increasing agricultural yields, or the value of output, i.e. increasing the production of high-value crops.
- 2) Awareness regarding hybrid seeds acts a catalyst as it can increase the demand for hybrid seeds.

Threats

- 1) Seed industry in India is not profitable for farmers as compared to other sectors as the selling prices are not that encouraging. Farmers shall be guided well while selling their produce.
- 2) Cold storage facilities are not available for all the crops.
- 3) There is a huge gap between supply and demand. As a result there are price fluctuations in the seed market.

Company Overview

Kaveri seeds is one of the leading agricultural Company in India specializing in hybrid seeds. The Company began its journey in 1976 to fuel India's Green revolution from a small production unit in Telangana. Over four decades, the Company has created a multi-product portfolio of hybrid seeds backed by a strong research and development infrastructure and brand recall.

The product portfolio of the Company consists of a range of high yielding seeds in field crops viz., maize, cotton, rice, pearl millet, mustard, wheat, sorghum, sunflower and a number of other vegetable crops.

The Company has a strong presence in the domestic market and has been recording increasing growth in the exports market which includes Pakistan, Sri Lanka, Bangladesh and Vietnam.

Recently, the Company achieved a rare feat of becoming the first seed producer in India with more than 100000 acres under seed production spread across different agro climatic regions. The Company is the second largest producer of hybrid cotton seeds in India and a huge maize cob drying facility of 4500 MT per cycle.

In term of storage, the Company has state-of -the-art warehouse capabilities with a combined storage space of around 10 lakh square

feet which stores the seeds under ambient conditions. The Company owns 7 modern seed processing and storage plants across key locations in India which adds value to the quality and longevity of the seeds. Furthermore, the Company's infrastructure is well equipped for ensuring biosafety including a range of green house facility for screening of pest and diseases as well as for BT Cotton containment facility.

The Research and Development team consists of a dedicated team of professionals and highly qualified scientists, who leverage the potential of biotechnology strength for increasing productivity and development of new hybrid seeds.

Our on-ground team of dealers and Company field staff continuously engages with our customers to enable them reap the benefits of high yielding seeds along with dissemination of latest farming technologies.

Maneuvering a market with spatial, physical and cultural diversity, the Company is guided by its strategy of multi crop portfolio, superior R&D, robust supply chain and a strong distribution network to help the farmers procure the best in quality seeds ultimately leading to increasing their income. A competent pool of human capital and strong financial position forms the backbone on which Kaveri Seeds have been delivering successful results year after year.

Core Strengths

- **In-house R&D**

Forming the core of the Company's business strategy, the R&D is manned by over 45 qualified scientists and team of dedicated professionals focusing on the development of quality hybrid seeds. The Company has a fully equipped State-of-the-art biotechnology laboratory along with satellite stations, strategically located for crop breeding. The team also works on developing frontier technologies particularly in molecular breeding to augment the Company's Germplasm which facilitates breeding programs. The Company is also equipped with state-of-the-art seed testing laboratory at Pamulaparthly. Seeds are checked for genetic and physical purity as well as germination, following the Indian Minimum Seed Certification Standards (IMSCS).

- **Infrastructure facilities**

The Company has over 170 Outreach trial centers along with a 4500 MT per cycle maize cob drying facility. The total average throughput across the seed production facilities is 115 Mt per hour and the corresponding value for the cotton delinting capacity is 18 Mt per day. The ginning capacity is 5 MT per day. The Company has 10 lakh square feet of cumulative warehouse space at multiple strategic locations across India and 15000 MT of total cold storage capacity. The Company delivers its product

¹¹[https://pib.gov.in/PressReleaseframePage.aspx?PRID=1663362#:~:text=Major%20commodity%20groups%20which%20have,Basmati%20Rice%20\(105%25\)%20etc.&text=2133%20during%20the%20same%20period%20in%202019.](https://pib.gov.in/PressReleaseframePage.aspx?PRID=1663362#:~:text=Major%20commodity%20groups%20which%20have,Basmati%20Rice%20(105%25)%20etc.&text=2133%20during%20the%20same%20period%20in%202019.)

¹²Market Watch India seed sector analysis dated 6th April 2021

to the end customers through an efficient network of 15000 customer touchpoints across 18 key states in India.

- **Growing market presence**

The Company has a strong distribution network across key markets in the country, which covers most of the states in India. The Company partners with 40,000 dealers and over 1 lakh farmers for producing, distributing and scaling hybrid seeds through farm engagement programs.

- **Wider Product Portfolio:**

The Company has multi product portfolio which consists of high yielding seeds in field crops and vegetables segment. In field crops, the Company offers hybrid/variety seeds for Maize, paddy, cotton, sunflower, mustard, sorghum, pulses, bajra and wheat. In vegetables the Company offers Tomatoes, Okra, Chillies, Watermelon, Gourds and Brinjal.

Opportunities for the Company

The Company continues to garner a healthy market share in India, backed by its continuous innovation and new product development. The growing demand for seeds in the export market presents a new chapter of growth, pivoted on the foundation of better quality and cost effectiveness. Favourable agro-climatic conditions in India also present the Company to develop various hybrid seeds that can withstand different crop diseases and provide a better yield. The core competencies of the Company position it well to capitalise on emerging trends in seed industry and drive sustainable growth.

Research and Development

Innovation is one of the Company's important strategic growth drivers. Our activities focus on innovative products based on our research and development (R&D) competencies supplemented with process and service innovations. Our innovations help us contribute to solving challenges in agriculture, thereby ensuring food security and income of farmers. In addition to the strong innovative capabilities of our employees throughout the Company, our efforts are driven by excellence in R&D and the use of new, ground-breaking technologies in biotech with a particular focus on molecular breeding.

In 2020, our research and development spend was INR 3013.02. At present, the Company has over 600 acres of dedicated research farms in and around Hyderabad and more than 300 acres long lease Agriculture land in satellite environment across the country for target breeding.

We have worked hard on protection concepts to ensure that our research and development activities can continue largely without interruption during the COVID-19 pandemic. The activities we pursue are aligned with the innovation strategies aimed at improving human and plant health and safeguarding stable harvests in agriculture.

Plant Variety Protection: To safeguard the Company's products, a number of hybrids developed in field and vegetable crops along with their parental lines have been applied for registration under the

Intellectual Property Rights. A number of genotypes were registered to comply with the Protection of Plant Varieties and Farmers Right Act (PPVFRA).

Germplasm: The Company owns a vast gene pool of diverse germplasm to design and develop seeds that can easily adapt to biotic and abiotic stress.

Central Varietal Release Committee: More than 20 hybrids were Released and Notified in the Central Varietal Release Committee (CVRC), Government of India, and a few are scheduled for release at a suitable time.

The Company has developed new hybrids in cotton, maize, rice, bajra and vegetables which has a significant impact on farm yield. The Company also has a strong pipeline of hybrids, tailored to ensure great yields in varied climatic conditions.

Collaborations

The Company collaborates with renowned national and international institutions, to augment its research and development capability to design and develop hybrid seed varieties which can easily adapt to different climatic conditions.

Crop Focus

Cotton

Cotton is one of the most important fibre and cash crops of India which plays a dominant role in the industrial and agricultural economy of the country. Cotton in India provides direct livelihood to 6 million farmers and about 40-50 million people are employed in cotton trade and its processing. Cotton textile industry contributes nearly 5% of the GDP and 17% to the country's export earnings. Cotton production in India during 2020-21 was 371 lakh bales of 170 kg each from 129 lakh hectares with a productivity of 487 kg lint/ha.

About 65% of the cotton growing area is under rain fed with low productivity. In India, there are ten major cotton growing states which are divided into three zones, viz. north zone, central zone and south zone. India is the largest country in world in terms of area under cotton is 133.50 lakh hectares which is 41% of the world cotton area.

The Company has developed short duration compact genotypes along with synchronized boll bursting to provide resistance from Pink Ball Worm (PBW) attack. The Company has established breeding and testing facilities in hot spot areas to screen climate resilient genotypes for biotic stress including sucking pest and CLCuD.

The cotton research priorities for the Company have been identified for medium and long term. In the medium term, focus is on identifying hybrids with high boll worms, moisture stress, yield and tolerance towards CLCuD across specific geographical regions in India. Further, the Company plans to establish systematic heterotic

pools for future line development programmes, shift to GMS method of seed production. For breeding technologies, focus is on Marker Assisted Selection (MAS) breeding for trait identification in early generations and reverse breeding in BGI lines to meet “Built in refuge” requirements.

In the long term the Company intends to develop HDPS hybrids, strengthening the sucking pest screening and QTL mapping for CICuD in NZ. Further, for enhancing breeding efficiency, the Company intends to streamline the biotech tools such as Genotyping by sequencing (GBS).

Rice

Rice is the most important cereal food crop of India, occupying one-fourth of the gross cropped area of the country. As the basic food crop, rice is cultivated in hot and humid climate. In the country, Rice crop is mainly grown as a Kharif crop in irrigated & rain fed areas that receive heavy annual rainfall. Rice-based farming is the main economic activity for hundreds of millions of poor rural farmers in the region.

Rice accounts 50% of Indian Agricultural GDP and supported by Government policies. Hybrid rice conversion is about 9% with 4.0-million-hectare acreage and still a long way to go. India's rice production during 2020/21 is estimated at a record 121 million metric tonnes, up 2% from last year. The rise in output came due to record yields and a slight increase in the field area. Favourable monsoon rains contributed significantly to the production. India is the world's leading rice exporter and higher output is expected to benefit several nations including parts of Africa and Asia that are facing food shortage during the pandemic. Indian rice export has increased from 12.6MMT in 2019-20 to 14.7 MMT in 2020-21. MSP procurement for 2020-21 has scaled new record and estimated at 38.75 MMT, a massive 22 percent increase over last year's procurement level during the same period.

The Rice crop research aims to produce varieties for Kharif and Rabi conditions to address the environmental and policy related impact on rice crops in different states of India. During the fiscal 2020-21, some new initiatives, such as enhanced focus on grain quality traits of parental lines through SSD breeding and pipeline products by emphasising on hulling and head rice recovery were developed.

Other initiatives included segment wise breeding locations at specific locations, disease screening at field level. For Blast and neck blast, BLB & BPH, artificial phenotype screening facilities were established. The Company also developed male sterility facilitated reservoir for population improvement program.

Maize

Maize is the third most important cereal crop after rice and wheat in India. Besides food crop, it is consumed more as feed, fodder and it is having large scale importance as an industrial crop. Worldwide maize is cultivated on over 185 million hectares in 170 countries with a productivity of 5.62 t/ha. USA and China contribute around 35 and 21 per cent of total global production, respectively. India ranks fourth

in area and sixth in production in the world. The productivity of maize in India (2.7 t/ha) is much lower than the world average. The low yielding situation calls for rapid promotion of hybrids for cultivation with improved technologies.

Currently India produces over 28 million MT of maize, of which roughly 60% is used as feed (poultry and animal feed), 14% for industrial purposes, around 13% for food, 7% as processed food and 6% for other purposes including seed. Maize is predominantly a rainy season (kharif) crop in India. Traditionally it used to be grown in the states of Punjab, Uttar Pradesh, Bihar, Rajasthan and Madhya Pradesh.

The crop research focuses on developing BLSB and PFSR resistant hybrids along with implementation of DH technology for enhancing the genetic improvement. For developing resistance against abiotic stress such as those from climate change, technology such as Integration of novel breeding tools, including genome wide association studies (GWAS), genomic selection (GS) and double haploid (DH) technology are being used to fast track the breeding pipeline.

Field-based precision phenomics for stress adaptive traits along with that of grain yield at several representative sites under managed stress screens are also being implemented. Besides mechanization of maize breeding, value addition of existing hybrids through QPM, dual purpose maize amongst others, for doubling farmers profitability are also practiced.

Pearl Millet

Pearl millet is cultivated in regions with characteristically low and erratic rainfall, high mean temperature, high potential evaporation and infertile, shallow soils with poor water holding capacity i.e. under the most adverse agro-climatic conditions where other major crops like maize and sorghum fail to produce economic yields. In spite of this, pearl millet has a remarkable ability to respond to favourable environments because of its short developmental stages and capacity for high growth rate, thus making it an excellent crop for short growing season and under improved crop management.

In India, pearl millet is the fourth most widely cultivated food crop after rice, wheat and maize. It occupies an area of 6.93 million ha with an average production of 8.61 million tones and productivity of 1243 kg/. Pearl millet is critically important for food and nutritional security as it possess several advantages such as early maturing, drought tolerance, require minimal of inputs and mostly free from biotic and abiotic stresses.

A strong product pipeline is the key driver for sustainable growth. We at Kaveri, have a well-defined and time-tested product advancement system that helps us in delivering superior products every year and creates sustainable value preposition for our customers in line with our Long-Look. Our products are clear winner in terms of yield for maturity in Kharif Millet portfolio. Also, we have advanced new hybrids for Summer High Management segment and also for Kharif Medium maturity market segment recently.

Amongst the new initiatives taken in the research program include fixed benchmark for promotion of products for rainy season and summer season, breeding and testing location expansions and diversification of MS line, A4 and A5 CMS system from A1 cytoplasm

Mustard

Concerted research efforts are in progress to breed the hybrids & varieties suitable for Mustard grown areas in the country. Kaveri Seeds research efforts have made considerable progress and significant breeding material have been developed. A number of potential entries are at different levels of testing in research trials. In the near term, suitable varieties and hybrids will be released as per the aspirations of the Mustard farmers. Furthermore, the Company is focusing on developing promising hybrids for high oil seed yield, wide adoptable and resistance to pest and diseases to increase the oil yield production in the Mustard growing areas of the country.

Wheat

Wheat is a major staple food crop of India and Kaveri Seed has focused its breeding initiatives to develop suitable varieties for wheat growing areas, in recent years. The Company directs its efforts towards developing rust resistance suitable inbred lines as per the need of different zones, farmer, consumer preference and looking the biotic and abiotic factors of Indian situation. The efforts have started bearing fruits as considerable amount of breeding materials are in various stages of testing in the evaluation trials.

Sunflower

Sunflower is unique photo-insensitive oil seed crop which facilitate to raise this crop round the year. In the recent years the area under sunflower has started dwindling due to various reasons such as pest and diseases, particularly necrosis. The previously developed promising and high yielding hybrids of Kaveri are still very popular among the farmers of sunflower growing states.

Vegetables

Hot Pepper

The hot pepper crop research program is aligned with the business with well-defined objectives in the short, medium and long term. The objective of the hot pepper crop research is to produce hybrids resistant to CLCV and Powdery mildew, the two most prominent viral disease affecting the production of the spice which is consumed globally.

The Company has taken new initiatives for CLCV resistance by introducing it in both parents with male sterility system to address hybrid seed production. Furthermore, the hybrid so developed has good yield, high dry matter content, good colour and colour-retention on cold storage in the red dry segment, particularly in small dry and medium dry sub-segments.

Okra

The okra unit works closely with the business unit and focuses on growth-oriented research and development. The Company's okra crop research focusses on addressing the critical issues of improving hybrid productivity by producing offspring with better genetic makeup for key performance in key areas. Our hybrids fill the gaps to achieve short internodal length and medium plant height, identify a suitable hybrid as a backup to existing commercials. For better hybridisation, research is carried on in sterility-based hybrid seed production (GMS) and establishing heterotic groups based on combining ability and Male sterility. A key objective is to develop parental lines for dual tolerance using appropriate donor, pyramiding for multi race tolerance and maintenance of commercial and elite lines with 100% genetic purity and eliminating residual susceptibility.

The Company's research aims towards developing dual virus tolerance against West Bengal, North and South India races and hybrids with higher combined tolerance for YUMV and ELCV than the competition.

Tomato

The tomato is a major vegetable crop which is produced across the globe in open fields and controlled environment. India tomato market divided into three major segments by size - round, oval and indeterminate. The tomato crop research objective at KSCL is to produce hybrids which are resistant to diseases such as Blights, Wilts and Tomato yellow Leaf Curl Virus (TyLCV). While developing diseases resistance, the tomato hybrids are ensured to have high fruit quality parameters including high firm fruit, non-cracking fruit, fruit weight. Furthermore, along with other hybrids developed by KSCL, the tomato hybrids are engineered for high yield and good transportability.

Gourds

The Company's gourd crop research is aligned with the business including well defined objectives for short, medium and long term. The gourd hybrid seeds developed by Kaveri Seeds provides productivity gains through high yield, better fruit quality and earliness.

The Company has initiated new projects to develop gynoeceous inbreds which helps in minimizing production cost through minimization of labour, while ensuring F1 seed quality and maintaining hybrid purity. Furthermore, the hybrids crops are resistant to pests and diseases such as Gemini virus, Powdery mildew, Downy mildew and Gummosis.

NEW VEGETABLES CROPS

The new vegetable crops viz., cabbage, beet root, carrot, sweet pepper, pumpkin, musk melon, and coriander were introduced into the research fold owing to its growing demand and future prospects.

The State-of-the-Art Biotechnology Laboratory

A detailed in evaluation is provided on page of 17 the Annual Report.

Human Resource Management

The Company's focus remains on building a workforce by creating a sense of involvement in achieving business goals and building capabilities to help the workforce adapt to changing technological environment. The Company intends to help each employee contribute to the larger organisational priorities through accomplishment of individual goals. In this respect, the Company promotes a culture of continuous improvement and innovation among its employees. Encouraging new ideas and thinking differently have become an integral part the Company's culture. The Company, with its over 40 years of experience, has put in place the right organisational structure across regions for sharper focus on diverse markets in India and international markets to ensure that its people are empowered in their roles. The roadmap is to have strong frontline teams that swiftly

make the right decisions for the customers. The Company's people strategy has a deep undertone of inspiring and engaging culture as an integral part of its growth journey. This is the way the Company has been able to come so far and continue to march ahead with greater agility to ensure collective success.

Outlook

The favourable regulatory reforms and increasing subsidies provided to farmers position the agriculture industry towards a sustained growth trajectory. Despite Covid-19, agriculture industry remained among the very few industries to deliver positive growth and contribute to GDP growth. Promoting use of favourable and eco-friendly chemicals will further aid in government's ambition to double farmers income. The Company's robust R&D and innovative processes are expected to meet the dynamic trends of agriculture sector and deliver high-yielding seeds across a diverse crop portfolio.

Financial Performance

(Figures ₹ in Lakhs)

	FY 2020-21	FY 2019-20	(%) Change
Revenue from Operations	98,698.07	88,325.60	11.74
EBITDA	33,488.90	28,608.73	17.06
PBT	31,318.38	26,156.21	19.73
PAT	30,531.00	25,126.69	21.51

Financial Ratios

Ratios	FY 2020-21	FY 2019-20	% Change
Inventory Turnover (in times)	0.66	0.70	-6.34
Current Ratio(in times)	2.36	2.14	10.47
Debt Equity Ratio (in times)	0.01	0.01	-
EBIDTA margin (%)	32.36	30.77	5.17
Return on Equity (%)	25.30	20.35	24.33
Net Profit Margin (%)	29.50	27.02	9.18
Earnings Per Share (IN INR)	50.61	40.14	26.08

The earnings per share increased beyond 25% due to higher profitability as a result of better operational efficiencies and improved cost controls.

Risk Management

Technological Risk

Concern

Not investing in transgenic technologies due to regulatory hurdles bans might leave the Company when compared to MNC's

Mitigation

- We are making investments towards non-transgenic traits to meet the customer requirements
- We are also exploring in-licensing opportunities for key crops as and when needed arises

Regulatory risks

Concern

Results from uncertainties surrounding Government Actions- Seed Act/ Biodiversity Act/ PPV&FR Act/ Destructive Insects and Pests Act/ Other Regulations might impact business operations

Mitigation

- We are maintaining diverse crop/product portfolio
- Our products are being regularly tested under ICAR/SAU system for all crops and included in Seed License
- We are working towards adhering with all compliance and regulations under the BD Act 2002 for germplasm access and use
- We attend regulatory workshops at regular intervals and take corrective action

IP Risk

Concern

Results from infringement by the competitor or legal action by the competitor may cause disruption in business sustainability

Mitigation

- All newly developed Hybrids/ Parental lines and Varieties are being protected under Protection of Plant Variety and Farmers Rights Act, 2001
- Product names/ Product Number Prefixes are being protected under the Trademark Act, 1999
- We are developing strong process and information management against each product to contest legal suits against the Company, if any
- Awareness sessions are conducted to make the team aware about the IP rights to report in case of any infringements

Germplasm Management Risks

Concern

Results due to seed management and misappropriation could result in loss of revenue and market share

Mitigation

- Seeds are produced under supervision of breeders, with germination and viability tested periodically. Further, high quality packing material ensure complete control of quality.
- All materials are coded with centralized access with seed access approved by President. All the seeds are stored in both Long Term Store (LTS) and Medium Term Store (MTS); to mitigate germplasm risk
- All commercial hybrid parental lines are protected under the PPV&FR Act, 2001.

Crop shifts risk

Concern

Continuous Environmental change or change in market demands/ Farmer preferences and Crop rotation scenario may affect the topline growth

Mitigation

- We possess a diverse crop portfolio to address any possible crop shifts.
- All possible market intelligence and competitor situation are being discussed with Sales and Marketing and R&D teams to keep abreast with changing market needs. Same is being used to design breeding strategies in timely manner
- We also conduct balanced research priority/investment approach for line development and product development to meet any crop shift demands from farmers

Crop-wise Product Life Cycle Management & Pipeline Risk

Concern

Inconsistent product pipeline can impact business sustainability

Mitigation

- Robust R&D process is established across the crop portfolio to deliver competitive and strong products to avoid gaps in product delivery.
- Every year new products in each segment are tested at Hybrid Advancement Trial (HAT) stage and Pre Commercial (PC Stage). If gaps are created in the commercial portfolio due to phasing out of old products, new product pipeline is always available.
- Products are extensively tested across all crop geographies for 4-5 years. For 2 years testing is conducted under farmer managed conditions with proper demo trials before launch to ensure delivery of stable product that is suitable for geographies with various climatic conditions.
- Farmer preferences also considered while making commercialization decisions.

Disease and Pest Epidemics (Environmental Risk)

Concern

Results from environmental changes/ introduction of new pest or disease strain/ same crop or genetics covering huge acreages may impact market share of key products

Mitigation

- We continue to acquire diverse germplasm from various National & International sources and incorporate the same into line development programme.
- Hot-spot breeding in target environment for line development and product evaluation are also regularly conducted
- Disease and pest strains used for artificial screening are maintained under the strict supervision of scientists, under contained conditions (poly-house)

Liquidity Risk

Concern

Increasing debt and inadequate cash flow could result in a stressed balance sheet

Mitigation

We maintain a cautious liquidity strategy with a positive cash balance throughout the year. Cash flows from operating activities provides funds to service the financial liabilities on a day-to-day basis.

Information and Technology risks

Concern

Unstructured and lack of investments in IT infrastructure could disrupt day-to-day operations

Mitigation

We ensure minimum human intervention within our processes. We have firewall with strong networks and antivirus systems deployed in our desktops, laptops and servers. However, some time despite all these, malware attacks do happen and then we isolate the affected system from network and reconfigure all the servers again. We are planning for a strong anti-virus and DR (Disaster Recovery) system for our SAP hosted on AWS.

Supply chain risks

Concern

Any disruption or delay in supply chain could result inefficient product delivery to farmers and loss of market share

Mitigation

- We work with reputed and reliable transporters through our robust Logistic framework
- All logistics are tracked with specific vehicle movement informed till the last mile
- Transit insurance for all shipments arranged to avoid any possible loss during transit

Internal Control systems and their adequacy

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

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

The Audit Committee monitors the performance of the Internal Audit team on a quarterly basis through a review of audit plans,

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

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Kaveri Seeds, which are forward looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Kaveri Seed's Annual Report, 2020-21.

Notice

Notice is hereby given that the **34th Annual General Meeting (AGM)** of the members of Kaveri Seed Company Limited (CIN: L01120TG1986PLC006728) will be held on **Thursday the 30th day of September 2021 at 11.00 AM IST** through Video Conferencing Facility ("VC") / Other Audio Visual Means ("OAVM") to transact the following business

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended 31st March 2021, together with the Balance Sheet, Profit & Loss and Cash Flow Statement for the year ended on 31st March 2021 along with the reports of the Board of Directors and Auditors thereon.
2. To ratify the payment of Interim Dividend on equity shares of the Company for the financial year 2020-21.
3. To reappoint Mr. Mithun Chand Chennamaneni (DIN: 00764906) as a Director, who retires by rotation, and being eligible offers himself for reappointment.

SPECIAL BUSINESS

4. **Appointment of Dr. Rayappa Ramappa Hanchinal (DIN: 08138621) as Non Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Dr. Rayappa Ramappa Hanchinal (DIN: 08138621), who was appointed by the Board of Directors as an Additional Director (Independent) of the Company with effect from 09th February 2021 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force, and Article 112 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Dr. Rayappa Ramappa Hanchinal (DIN: 08138621) who meets the criteria for independence as provided in Section 149(6) of the Companies Act 2013 along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as

Non Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years from 09th February, 2021 to 08th February 2026, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, matters, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution and to issue the terms of appointment letter as per the Companies Act, 2013 and the rules made thereof and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time."

5. **Continuation of Directorship of Dr. Raghuvardhan Reddy Suravaram (DIN: 01992206), Non-Executive & Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force, approval of the members be and is hereby granted to Dr. Raghuvardhan Reddy Suravaram (DIN: 01992206), Non-Executive & Independent Director of the Company for continuing to hold the directorship of the Company notwithstanding he attaining the age of Seventy Five (75) years on 8th March 2022 till the residual period of his existing term i.e., upto 17th September 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Members to secure any further consent or approval of the members of the company for the purpose of giving effect to this resolution."

6. **Continuation of Directorship of Dr. Syed Mohammed Ilyas (DIN: 03542011), Non-Executive & Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as Special Resolution**

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force, approval of the members be and is hereby granted to

Dr. Syed Mohammed Ilyas (DIN: 03542011), Non-Executive & Independent Director of the Company for continuing to hold the directorship of the Company notwithstanding he attaining the age of Seventy Five (75) years on 24th July 2022 till the residual period of his existing term i.e., upto 17th September 2024.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Members to secure any further consent or approval of the members of the company for the purpose of giving effect to this resolution."

7. To re-appoint Mr. G.V. Bhaskar Rao (DIN: 00892232) as Managing Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (Act) and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, Article 151 of Articles of Association of the Company, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such other approvals as may be required from the applicable authorities, approval of the members be and is hereby accorded to the reappointment and terms of remuneration of Mr. G.V. Bhaskar Rao (DIN: 00892232) as Managing Director (MD) designated as Chairman of the Company for a period of five years commencing from November 15, 2021 up to November 14, 2026, whose term of office shall not be liable to determination by retirement of directors by rotation, as well as the payment of basic salary, perquisites, incentives, allowance and commission on the profits of the company upon the terms and conditions as detailed in explanatory statement attached hereto, with authority to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may be acceptable to Mr. G. V. Bhaskar Rao, subject to the same not exceeding the limits and provisions as set out under Section 197 of the Companies Act, 2013 and/or as specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof".

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. G.V.Bhaskar Rao (DIN: 00892232) as Chairman cum Managing Director, the Company has no profits or the profits are inadequate, the Company shall, subject to the terms and conditions prescribed in Schedule V of the Companies Act, 2013 and provisions of Sections 197, 198 and 203 of the Act, pay remuneration as mutually agreed between the Company and Mr. G.V.Bhaskar Rao and specified in the explanatory statement.

RESOLVED FURTHER THAT approval of the members be and is hereby also accorded for payment of above remuneration in terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, consequential, ancillary, desirable or expedient to give effect to the above resolution."

8. To re-appoint Mrs. G. Vanaja Devi (DIN: 00328947) as a Whole time Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (Act) and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, Article 151 of Articles of Association of the Company, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such other approvals as may be required from the applicable authorities, approval of the members be and is hereby accorded to the reappointment and terms of remuneration of Mrs. G. Vanaja Devi (DIN: 00328947) as a Whole-time Director of the Company for a period of five years commencing from November 15, 2021 up to November 14, 2026, whose term of office shall not be liable to determination by retirement of directors by rotation, as well as the payment of basic salary, perquisites, incentives, allowance and commission on the profits of the company upon the terms and conditions as detailed in explanatory statement attached hereto, with authority to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may be acceptable to Mrs. G. Vanaja Devi (DIN: 00328947), subject to the same not exceeding the limits and provisions as set out under Section 197 of the Companies Act, 2013 and/or as specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof".

RESOLVED FURTHER THAT where in any financial year during the tenure of Mrs. G. Vanaja Devi (DIN: 00328947) as a Whole-time Director, the Company has no profits or the profits are inadequate, the Company shall, subject to the terms and conditions prescribed in Schedule V of the Companies Act, 2013 and provisions of Sections 197, 198 and 203 of the Act, pay remuneration as mutually agreed between the Company and Mrs. G. Vanaja Devi (DIN: 00328947) and specified in the explanatory statement.

RESOLVED FURTHER THAT approval of the members be and is hereby also accorded for payment of above remuneration in terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, consequential, ancillary, desirable or expedient to give effect to the above resolution."

9. To re-appoint Mr. C. Vamsheedhar (DIN: 01458939) as Whole-time Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (Act) and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, Article 151 of Articles of Association of the Company, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such other approvals as may be required from the applicable authorities, approval of the members be and is hereby accorded to the reappointment and terms of remuneration of Mr. C. Vamsheedhar (DIN: 01458939) as Whole-time Director of the Company for a period of five years commencing from November 15, 2021 up to November 14, 2026, whose term of office liable to determination by retirement of directors by rotation, as well as the payment of basic salary, perquisites, incentives, allowance and commission on the profits of the company upon the terms and conditions as detailed in explanatory statement attached hereto, with authority to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may be acceptable to Mr. C. Vamsheedhar (DIN: 01458939), subject to the same not exceeding the limits and provisions as set out under Section 197 of the Companies Act, 2013 and/or as specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. C. Vamsheedhar (DIN: 01458939) as Whole-time Director, the Company has no profits or the profits are inadequate, the Company shall, subject to the terms and conditions prescribed in Schedule V of the Companies Act, 2013 and provisions of Sections 197, 198 and 203 of the Act, pay remuneration as mutually agreed between the Company and Mr. C. Vamsheedhar and specified in the explanatory statement.

RESOLVED FURTHER THAT approval of the members be and is hereby also accorded for payment of above remuneration in terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and thins as may be necessary, consequential, ancillary, desirable or expedient to give effect to the above resolution.”

10. To re-appoint Mr. C. Mithun Chand (DIN: 00764906) as Whole-time Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT based on the recommendation of the Nomination and Remuneration Committee and pursuant to

the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (Act) and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, Article 151 of Articles of Association of the Company, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such other approvals as may be required from the applicable authorities, approval of the members be and is hereby accorded to the reappointment and terms of remuneration of Mr. C. Mithun Chand (DIN: 00764906) as Whole-time Director of the Company for a period of five years commencing from November 15, 2021 up to November 14, 2026, whose term of office liable to determination by retirement of directors by rotation, as well as the payment of basic salary, perquisites, incentives, allowance and commission on the profits of the company upon the terms and conditions as detailed in explanatory statement attached hereto, with authority to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may be acceptable to Mr. C. Mithun Chand (DIN: 00764906), subject to the same not exceeding the limits and provisions as set out under Section 197 of the Companies Act, 2013 and/or as specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. C. Mithun Chand (DIN: 00764906) as Whole-time Director, the Company has no profits or the profits are inadequate, the Company shall, subject to the terms and conditions prescribed in Schedule V of the Companies Act, 2013 and provisions of Sections 197, 198 and 203 of the Act, pay remuneration as mutually agreed between the Company and Mr. C. Mithun Chand and specified in the explanatory statement.

RESOLVED FURTHER THAT approval of the members be and is hereby also accorded for payment of above remuneration in terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and thins as may be necessary, consequential, ancillary, desirable or expedient to give effect to the above resolution.”

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

Date: 13.08.2021
Place: Secunderabad

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

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 34th AGM of the Company will be convened through VC / OAVM in compliance with the provisions of Companies Act, 2013 and Rules made thereunder, Listing Regulations read with the aforesaid Circulars. The deemed venue for the 34th AGM shall be the registered office of the company i.e. #513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Telangana, India.
2. In line with the circulars, the company is providing VC/OAVM facility to its members to attend the AGM. The facility for attending the AGM virtually will be made available for 1,000 members on first come first served basis. This will not include large members (i.e. members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination, governance and compensation committee and stakeholders’ relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The VC/OAVM facility for members to join the meeting, shall be kept open 30 minutes before the start of the AGM and shall be closed on expiry of 30 minutes after start of the AGM. Members can attend the AGM through VC/OAVM by following the instructions mentioned in this notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to cs@kaveriseeds.in with a copy marked to helpdesk.evoting@cdslindia.com
5. The facility for appointment of proxies by members is not available as the AGM will be held through VC / OAVM, physical attendance of the members is dispensed with pursuant to the aforesaid Circulars.
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The requirement to place the matter relating to appointment of statutory auditors for ratification by members at every Annual General Meeting is omitted vide notification dated 7th May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, resolution for ratification of the appointment of Statutory Auditors who were appointed for a period of five years at the 30th Annual General Meeting held on 25th September 2017, is not proposed at this Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 and all other documents referred in the notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the by sending email cs@kaveriseeds.in.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website www.kaveriseeds.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>
10. In accordance with the aforesaid Circulars, no physical copy of the notice of the AGM and the annual report for the financial year 2020-21 has been sent to members who have not registered their e-mail addresses with the company/depository participants. The members will be entitled to a physical copy of the annual report for the financial year 2020-21, free of cost, upon sending a request to the company secretary at #513-B, 5th Floor, Minerva Complex, S.D.Road, Secunderabad – 500 003, Telangana.
11. To support the ‘Green Initiative’ Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Bigshare, RTA in case the shares are held by them in physical form.
12. Pursuant to Section 108 of the Companies Act, 2013 and the rules framed there under and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is provided the facility to its members holding shares in physical or dematerialized form as on the cut-off date, i.e., **23rd September 2021**, to exercise their right to vote by electronic means on any or all of the agenda items specified

in the accompanying Notice of Annual General Meeting. The E-voting period commences on **27th day of September 2021 at 9.00 A.M. and ends on 29th day of September 2021 at 5.00 P.M.** The detailed instructions for e-voting and attending the AGM through VC/OAVM are given as a separate attachment to this notice.

13. Members, desiring any information relating to the financials from the management or the statutory auditors, are requested to write to the company at an early date.
14. The certificate from the auditors of the company certifying that the Company's Employees Stock Option Scheme 2018 is being implemented in accordance with the SEBI Regulations. Such certificate will be available for inspection by the members in electronic mode. Members who wish to inspect the certificate are requested to write to the company by sending e-mail to cs@kaveriseeds.in
15. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited, if the shares are held by them in physical form.
16. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September 2021 to 30th September 2021 (both days inclusive).
17. The members may note that, pursuant to SEBI Notification dated 8 June 2018 and Press Release dated 3 December 2018, transfer of shares (except transmission and transposition of shares) will be in dematerialised form only. Although, the members can continue to hold shares in physical form, they are requested to consider dematerializing the shares held by them in the company.
18. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in form no.SH-13, to the RTA of the company. Further, members desirous cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in form no. SH-14, to the RTA of the company. These forms will be made available on request.
19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company atleast 7 days before the meeting through email on cs@kaveriseeds.in. The same will be replied by the Company suitably.
21. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.
22. Pursuant to the provisions of Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed dividend amounts lying with the Company as on date, at the website of the Company (www.kaveriseeds.in) and also on the website of Ministry of Corporate Affairs.
23. Information in respect of such unclaimed dividend when due for transfer to the Investor Education and Protection fund (IEPF) are given below:

Sl. No.	Dividend for the financial year	Date of Declaration	Due date for transfer to the IEPF Authority
1	Final Dividend 2013-14	18.09.2014	24.10.2021
2	1st Interim Dividend 2014-15	21.10.2014	26.11.2021
3	2nd Interim Dividend 2014-15	03.02.2015	11.03.2022
4	Final Dividend 2014-15	29.09.2015	04.11.2022
5	Interim Dividend 2015-16	13.08.2015	18.09.2022
6	Interim Dividend 2017-18	08.08.2017	13.09.2024
7	Interim Dividend 2018-19	14.11.2018	19.12.2025
8	Interim Dividend 2019-20	13.08.2019	19.09.2026
9	Interim Dividend 2020-21	10.11.2020	18.12.2027

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

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

Date: 13.08.2021
Place: Secunderabad

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

Explanatory Statement

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

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee (NRC) the Board of Directors appointed Dr. Rayappa Ramappa Hanchinal (DIN: 03558571) (Dr. R.R.Hanchinal) as an Additional Director categorized as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 9th February 2021 to 8th February 2026, subject to approval of the members.

Pursuant to the provisions of Section 161(1) of the Act and Article 112 of the Articles of Association of the Company Dr. R.R.Hanchinal shall hold office up to the date of this AGM and is eligible to be appointed as Director. The Company has received in writing a notice under section 160(1) of the Companies Act, 2013 from a member of the company proposing his candidature for the office of Director.

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

In the opinion of the Board, Dr. R.R.Hanchinal is a person of integrity, possesses the relevant expertise/experience and fulfills the conditions specified in the Companies Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM.

Given his experience, the Board considers it desirable and in the interest of the Company to have Dr. R.R.Hanchinal on the Board of the Company and accordingly the Board recommends the appointment of Dr. R.R.Hanchinal as an Independent Director as proposed in the ordinary resolution set out at Item No.4 of the Notice is put forth for approval by the members pursuant to Section 149 read with Schedule IV of the Companies Act, 2013.

Brief profile of Dr. R.R.Hanchinal

Dr. R.R. Hanchinal, aged 68 years and obtained his Ph.D in Agriculture, Genetics and Plant Breeding. He is also Fellow of National Academy of Agricultural Sciences, National Academy of Biological Sciences and Honorary fellow/fellow of many professional societies including Bioversity International- Rome.

Dr. R.R. Hanchinal, the former Chairperson of Protection of Plant Varieties & Farmers' Rights Authority (Secretary Rank) Government of India, also served as Vice Chancellor, University of Agricultural Sciences, Dharwad and other key posts namely Director of Extension, Director of Research, Special officer Seeds etc., He was advisor to Indonesia Government for the development of Food Crop Research (2003-2005) and Senior Seed Production Specialist for the USAID West Africa Seed Alliance-ICRISAT (2008) and established commercial seed industry in five countries viz., Mali, Burkina Faso, Niger, Nigeria, Ghana and also trained the staff and students in plant breeding/seed production technology.

As Chairperson, PPVFRA promoted conservation, protection of Biodiversity, farmers' varieties and establishment of community seed banks/clonal banks. The model "Take it to the Farmer-Farmers' Rights through awareness" and "Take it to the Plant Breeder-Breeder & Researchers' Rights through awareness" helped to protect Biodiversity and promote Patent/IPR.

As Vice Chancellor, established a new Agricultural College at Hanumanamatti, B.Tech (Food Science & Technology) degree programme at Dharwad and for the first time established six Agricultural Diploma Colleges in different places in Karnataka.

As a plant breeder, Dr. Hanchinal has made significant contribution both in basic and applied research. He has developed and released 23 varieties in different crops. Developed unique method for the first time by selecting and adopting potential villages for seed production with "Modified Seed Village Concept" which is popularly known as "DHARWAD MODEL". This model became role model in India, also in many African countries and Nepal.

For his outstanding work, he was awarded with as many as 24 national /international Awards. Also, a grantee for the Obama-Singh 21st Century knowledge initiative (2012). Recently he was awarded with The Borlaug Global Rust Initiative Gene Stewardship Award by the Borlaug Global Rust Initiative, Cornell University, Ithaca, USA (2018), M.S.Swaminathan Award 2015-16 by RICAREA, Hyderabad and a certificate of appreciation from World Bank group.

Dr. Hanchinal also served as Senior National Expert of Indo-German Seed Project, consultant to Cornell University-Sathguru, for implementing Bill and Melinda Gates Foundation supported project at Agriculture and Forestry University, Rampur, Nepal, Agricultural University, Malawi, Africa and Seed Systems Group (SSG) supported project in 10 African countries in Seed Systems Development. He is a member of Farmers' Welfare Commission, Government of Chhattisgarh, Raipur, Member of Krishi Neeti of Karnataka State, Board Member, Sher E Kashmir University of Agricultural Sciences

and Technology, Srinagar, Independent Director of Mahindra HZPC Pvt. Ltd., and Chairman and member of many committees of Government of India and ICAR. 418 publications are at his credit.

Except as an Independent Director of Mahindra HZPC Pvt. Ltd, Dr. R.R. Hanchinal is not a Director of any other companies/ bodies corporates.

He is not holding any equity shares of the Company and he is not related to any Director of the Company.

Except for Dr. R.R.Hanchinal and/or his relatives, no other Directors and Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the said resolution set out at Item No. 4 of this notice.

Your Directors recommend the resolution for your approval.

Item No.5

Pursuant to the regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**), no listed entity shall appoint a person or continue the directorship of any person as a Non-executive Independent Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

Dr. Raghuvardhan Reddy Suravaram (DIN: 01992206) was appointed as Independent Director of the Company with effect from 18th September 2019, in accordance with the provisions of Sections 149 and 152 of the Companies Act 2013 ('the Act') read with schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of SEBI (LODR) Regulations, 2015, at the 32nd Annual General Meeting held on 17th September 2019 for a period of five years i.e. upto 17th September, 2024.

Since, Dr. Raghuvardhan Reddy Suravaram, Non-Executive Independent Director, will attain the age of 75 (seventy five) years on 08th March, 2022, the continuation of his remaining term as Independent Director requires the approval of members by way of a special resolution under the above said Regulations of SEBI and other provisions of Companies Act, 2013. The Board of Directors has approved the resolution on 13th August, 2021 decided to seek approval of the Shareholders by way of special resolution in the forthcoming Annual General Meeting.

A brief profile of Dr. Raghuvardhan Reddy Suravaram and names of the companies in which he holds directorships and memberships/ chairmanships of Board/Committees, as stipulated under SEBI (LODR) Regulations, 2015 are provided and accompanying of this Notice.

Brief profile of Dr. Raghuvardhan Reddy Suravaram

Dr. S.Raghuvardhan Reddy is a Ph.D (Agriculture) and Ex-Vice-Chancellor of Acharya N.G.Ranga Agricultural University having vast

experience in the Agriculture & Research activities. He has held several eminent professional positions including that Vice Chancellor of ANGRAU. He is also affiliating as Chairman, Agri Biotech Foundation, a non-governmental organization. He has been awarded several gold medals including "Jawaharlal Nehru Birth Centenary Award" for significant and life time contribution to the development of Science and Technology specially in Agricultural Sciences.

Dr. Raghuvardhan Reddy Suravaram plays a key role in guiding an assisting in formulating policies and strategies. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for continuing his directorship as Non-Executive & Independent Director of the Company and is Independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director.

Keeping in view the experience and contributions made by Dr. S.Raghuvardhan Reddy the Board recommends the special resolution set forth in Item No. 5 for approval of the shareholders of the Company.

No Director, Key Managerial Personnel or their relatives, except Dr. S.Raghuvardhan Reddy, to whom the resolution relates are interested or concerned in the Resolution.

Your Directors recommend the resolution for your approval.

Item No.6

Pursuant to the regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**), no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Independent Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

Dr. Syed Mohammed Ilyas (DIN: 03542011) was appointed as Independent Director of the Company with effect from 18th September 2019, in accordance with the provisions of Sections 149 and 152 of the Companies Act 2013 ('the Act') read with schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of SEBI (LODR) Regulations, 2015, at the 32nd Annual General Meeting held on 17th September 2019 for a period of five years i.e. upto 17th September, 2024.

Since, Dr. Syed Mohammed Ilyas, Non-Executive Independent Director, will attain the age of 75 (seventy five) years on 24th July, 2022, the continuation of his remaining term as Independent Director requires the approval of members by way of a special resolution under the above said Regulations of SEBI and other provisions of Companies Act, 2013. The Board of Directors has approved the resolution on

13th August, 2021 decided to seek approval of the Shareholders by way of special resolution in the forthcoming Annual General Meeting.

A brief profile of Dr. Syed Mohammed Ilyas and names of the companies in which he holds directorships and memberships/ chairmanships of Board/Committees, as stipulated under SEBI (LODR) Regulations, 2015 are provided and accompanying of this Notice.

Brief profile of Dr. Syed Mohammed Ilyas

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

Dr. Syed Mohammed Ilyas plays a key role in guiding an assisting in formulating policies and strategies. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for continuing his directorship as Non-Executive & Independent Director of the Company and is Independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director.

Keeping in view the experience and contributions made by Dr. Syed Mohammed Ilyas the Board recommends the special resolution set forth in Item No. 6 for approval of the shareholders of the Company.

No Director, Key Managerial Personnel or their relatives, except Dr. Syed Mohammed Ilyas, to whom the resolution relates are interested or concerned in the Resolution.

Your Director recommend the resolution for your approval.

Item No. 7

Members of the Company in the 29th Annual General Meeting held on September 27, 2016 had approved the appointment of Mr. G.V. Bhaskar Rao as Managing Director of the Company for the period of five years commencing from November 15, 2016. His tenure as Managing Director of the Company was due to end on November 14, 2021. He has been responsible for policy planning vision and

strategy and also involved in long term development activities of the Company, besides Corporate Governance and Board co-ordination. As part of the initiative to create enduring guidance for the Company and the Board recognizes the significant and invaluable contribution made by him in the present operations of the Company, the Board in its meeting held on August 13, 2021 re-appointed him as Managing Director and designated as Chairman for a term of five years with effect from November 15, 2021 up to November 14, 2026, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the members.

The broad particulars, terms and conditions of remuneration proposed to be paid to Mr. G.V. Bhaskar Rao, Managing Director during his term of office are as under:

1) Appointment as Chairman & Managing Director:

- a. This appointment is effective from November 15, 2021 and the period of appointment will be for a period of five years, i.e. till November 14, 2026, unless otherwise decided by the Board of Directors.

2) Remuneration:

- a. Subject to the sectoral percentage limits and the overall limit as laid down by the Companies Act 2013 and also subject to the approval of the members in a General Meeting, the Company shall, in consideration of his services to the Company, pay to the Managing Director during his term of office the following remuneration:

Particulars	In Rs. Per Annum
Basic *	2,09,35,916
Rent Free Accommodation or HRA*	83,74,366
Allowances*	55,82,911
Total Pay*	3,48,93,193

- b. The appointee shall be entitled to increase annual increment of 20% per annum during his tenure on the total salary component (Total Pay), which will be effective on 1st April every year i.e. effective from 1st April 2022. The Total Pay would be subject to the overall ceilings stipulated in the Companies Act, 2013.
- c. Commission: In addition to the above remuneration and perquisites, commission will also be payable up to 1% of the consolidated net profits of the Company for each financial year payable on annual basis with effect from the financial year 2021-22 calculated in the manner referred to in Section 198 of the Companies Act, 2013 as may be determined by the Board/Nomination and Remuneration Committee.
- d. The remuneration will be subject to deduction on account of employee's contribution to PF, tax and any other statutory deductions that may apply from time to time.

3) Perquisites and Allowances:

- a. Leave travel concession : for self and family once in a year incurred in accordance with the Rules specified by the Company.
- b. Medical reimbursement: for self and family subject to a ceiling of one month's salary in a year or 5 months' salary over a period of 5 years and Medical insurance as per rules of the Company.
- c. Personal accident insurance, Group Life Insurance; Personal accident cover and group life insurance cover as per Company's Policy.
- d. Provident fund, superannuation benefits and gratuity as per the rules of the Company, subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- e. The Company will pay fees of a maximum of two clubs. This will not include admission and life membership fees.
- f. Encashment of leave as per the rules of the Company
- g. Provision of Company's car with driver
- h. Provision of free telephone at residence

A brief profile of Mr. G.V. Bhaskar Rao and name of the companies in which he holds directorships and Memberships/Chairmanships of Board/Committees, as stipulated under SEBI (LODR) Regulations, 2015 are provided and accompanying of this Notice.

No Director, Key Managerial Personnel or their relatives, except Mr. G.V. Bhaskar Rao, to whom the resolution relates and his relative Mrs. G. Vanaja Devi and Dr. G. Pawan, Directors are interested or concerned in the Resolution.

The Board recommends the Special Resolution set forth in Item 7 for approval of the Members.

Item No. 8

Members of the Company in the 29th Annual General Meeting held on September 27, 2016 had approved the appointment of Mrs. G.Vanaja Devi as Whole time Director of the Company for the period of five years commencing from November 15, 2016. Her tenure as Whole time Director of the Company was due to end on November 14, 2021.

She has been initiative to create enduring guidance for the Company and the Board recognizes the significant and invaluable contribution made by him in the present operations of the Company, the Board in its meeting held on August 13, 2021 re-appointed her as Whole time Director for a term of five years with effect from November 15, 2021 up to November 14, 2026, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the members.

The broad particulars, terms and conditions of remuneration proposed to be paid to Mrs. G.Vanaja Devi, Whole time Director during her term of office are as under:

1) Appointment as Whole time Director:

- a. This appointment is effective from November 15, 2021 and the period of appointment will be for a period of five years, i.e. till November 14, 2026, unless otherwise decided by the Board of Directors.

2) Remuneration:

- b. Subject to the sectoral percentage limits and the overall limit as laid down by the Companies Act 2013 and also subject to the approval of the members in a General Meeting, the Company shall, in consideration of her services to the Company, pay to the whole-time Director during her term of office the following remuneration:

Particulars	In Rs. Per Annum
Basic *	1,29,46,353
Rent Free Accommodation or HRA*	51,78,541
Allowances*	34,52,361
Total Pay*	2,15,77,255

- c. The appointee shall be entitled to increase annual increment of 20% per annum during her tenure on the total salary component (Total Pay), which will be effective on 1st April every year i.e. effective from 1st April 2022. The Total Pay would be subject to the overall ceilings stipulated in the Companies Act, 2013.
- d. Commission: In addition to the above remuneration and perquisites, commission will also be payable up to 1% of the consolidated net profits of the Company for each financial year payable on annual basis with effect from the financial year 2021-22 calculated in the manner referred to in Section 198 of the Companies Act, 2013 as may be determined by the Board/Nomination and Remuneration Committee.
- e. The remuneration will be subject to deduction on account of employee's contribution to PF, tax and any other statutory deductions that may apply from time to time.

3) Perquisites and Allowances:

- f. Leave travel concession: for self and family once in a year incurred in accordance with the Rules specified by the Company.
- g. Medical reimbursement: for self and family subject to a ceiling of one month's salary in a year or 5 months' salary over a period of 5 years and Medical insurance as per rules of the Company.
- h. Personal accident insurance, Group Life Insurance; Personal accident cover and group life insurance cover as per

Company's Policy.

- i. Provident fund, superannuation benefits and gratuity as per the rules of the Company, subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- j. The Company will pay fees of a maximum of two clubs. This will not include admission and life membership fees.
- k. Encashment of leave as per the rules of the Company
- l. Provision of Company's car with driver
- m. Provision of free telephone at residence

A brief profile of Mrs. G. Vanaja Devi and name of the companies in which she holds directorships and memberships/chairmanships of Board/Committees, as stipulated under SEBI (LODR) Regulations, 2015 are provided and accompanying of this Notice.

No Director, Key Managerial Personnel or their relatives, except Mrs. G. Vanaja Devi, to whom the resolution relates and her relative Mr. G.V. Bhaskar Rao and Dr. G. Pawan, Directors are interested or concerned in the Resolution.

The Board recommends the Special Resolution set forth in Item 8 for approval of the Members.

Item No. 9

Members of the Company in the 29th Annual General Meeting held on September 27, 2016 had approved the appointment of Mr. C.Vamsheedhar as Whole time Director of the Company for the period of five years commencing from November 15, 2016. His tenure as Whole time Director of the Company was due to end on November 14, 2021. He has been responsible for strategy planning and also involved in long term development activities of the Company. As part of the initiative to create enduring guidance for the Company and the Board recognizes the significant and invaluable contribution made by him in the present operations of the Company, the Board in its meeting held on August 13, 2021 re-appointed him as Whole time Director for a term of five years with effect from November 15, 2021 up to November 14, 2026, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the members.

The broad particulars, terms and conditions of remuneration proposed to be paid to Mr. C.Vamsheedhar, Whole time Director during his term of office are as under:

1) Appointment as Whole time Director:

- a. This appointment is effective from November 15, 2021 and the period of appointment will be for a period of five years, i.e. till November 14, 2026, unless otherwise decided by the Board of Directors.

2) Remuneration:

- b. Subject to the sectoral percentage limits and the overall limit as laid down by the Companies Act 2013 and also subject to the approval of the members in a General Meeting, the Company shall, in consideration of his services to the Company, pay to the Managing Director during his term of office the following remuneration:

Particulars	In Rs. Per Annum
Basic *	62,28,598
Rent Free Accommodation or HRA*	24,91,439
Allowances*	16,60,960
Total Pay*	1,03,80,997

- c. The appointee shall be entitled to increase annual increment of 20% per annum during his tenure on the total salary component (Total Pay), which will be effective on 1st April every year i.e. effective from 1st April 2022. The Total Pay would be subject to the overall ceilings stipulated in the Companies Act, 2013.
- d. Commission: In addition to the above remuneration and perquisites, commission will also be payable up to 1% of the consolidated net profits of the Company for each financial year payable on annual basis with effect from the financial year 2021-22 calculated in the manner referred to in Section 198 of the Companies Act, 2013 as may be determined by the Board/Nomination and Remuneration Committee.
- e. The remuneration will be subject to deduction on account of employee's contribution to PF, tax and any other statutory deductions that may apply from time to time.

3) Perquisites and Allowances:

- f. Leave travel concession : for self and family once in a year incurred in accordance with the Rules specified by the Company.
- g. Medical reimbursement: for self and family subject to a ceiling of one month's salary in a year or 5 months' salary over a period of 5 years and Medical insurance as per rules of the Company.
- h. Personal accident insurance, Group Life Insurance; Personal accident cover and group life insurance cover as per Company's Policy.
- i. Provident fund, superannuation benefits and gratuity as per the rules of the Company, subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- j. The Company will pay fees of a maximum of two clubs. This will not include admission and life membership fees.

- k. Encashment of leave as per the rules of the Company
- l. Provision of Company's car with driver
- m. Provision of free telephone at residence

A brief profile of Mr. C. Vamsheedhar and name of the companies in which he holds directorships and memberships/chairmanships of Board/Committees, as stipulated under SEBI (LODR) Regulations, 2015 are provided and accompanying of this Notice.

No Director, Key Managerial Personnel or their relatives, except Mr. C. Vamsheedhar, to whom the resolution relates and his relative Mr. C. Mithun Chand, Whole Time Director are interested or concerned in the Resolution.

The Board recommends the Special Resolution set forth in Item 9 for approval of the Members.

Item No. 10

Members of the Company in the 29th Annual General Meeting held on September 27, 2016 had approved the appointment of Mr. C. Mithunchand as Whole time Director of the Company for the period of five years commencing from November 15, 2016. His tenure as Whole time Director of the Company was due to end on November 14, 2021. He has been responsible for strategy planning and also involved in long term development activities of the Company. As part of the initiative to create enduring guidance for the Company and the Board recognizes the significant and invaluable contribution made by him in the present operations of the Company, the Board in its meeting held on August 13, 2021 re-appointed him as Whole time Director for a term of five years with effect from November 15, 2021 up to November 14, 2026, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the members.

The broad particulars, terms and conditions of remuneration proposed to be paid to Mr. C.Mithunchand, Whole time Director during his term of office are as under:

1) Appointment as Whole time Director:

- a. This appointment is effective from November 15, 2021 and the period of appointment will be for a period of five years, i.e. till November 14, 2026, unless otherwise decided by the Board of Directors.

2) Remuneration:

- b. Subject to the sectoral percentage limits and the overall limit as laid down by the Companies Act 2013 and also subject to the approval of the members in a General Meeting, the Company shall, in consideration of his services to the Company, pay to the Managing Director during his term of office the following remuneration:

Particulars	In Rs. Per Annum
Basic *	51,52,454
Rent Free Accommodation or HRA*	20,60,982
Allowances*	13,73,987
Total Pay*	85,87,423

- c. The appointee shall be entitled to increase annual increment of 20% per annum during his tenure on the total salary component (Total Pay), which will be effective on 1st April every year i.e. effective from 1st April 2022. The Total Pay would be subject to the overall ceilings stipulated in the Companies Act, 2013.
- d. Commission: In addition to the above remuneration and perquisites, commission will also be payable up to 1% of the consolidated net profits of the Company for each financial year payable on annual basis with effect from the financial year 2021-22 calculated in the manner referred to in Section 198 of the Companies Act, 2013 as may be determined by the Board/Nomination and Remuneration Committee.
- e. The remuneration will be subject to deduction on account of employee's contribution to PF, tax and any other statutory deductions that may apply from time to time.

3) Perquisites and Allowances:

- f. Leave travel concession : for self and family once in a year incurred in accordance with the Rules specified by the Company.
- g. Medical reimbursement: for self and family subject to a ceiling of one month's salary in a year or 5 months' salary over a period of 5 years and Medical insurance as per rules of the Company.
- h. Personal accident insurance, Group Life Insurance; Personal accident cover and group life insurance cover as per Company's Policy.
- i. Provident fund, superannuation benefits and gratuity as per the rules of the Company, subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
- j. The Company will pay fees of a maximum of two clubs. This will not include admission and life membership fees.
- k. Encashment of leave as per the rules of the Company
- l. Provision of Company's car with driver
- m. Provision of free telephone at residence

A brief profile of Mr. C. Mithun Chand and name of the companies in which he holds directorships and memberships/chairmanships of Board/Committees, as stipulated under SEBI (LODR) Regulations,

2015 are provided and accompanying of this Notice.

No Director, Key Managerial Personnel or their relatives, except Mr. C. Mithun Chand, to whom the resolution relates and his relative Mr. C. Vamsheedhar, Whole Time Director are interested or concerned in the Resolution.

The Board recommends the Special Resolution set forth in Item 10 for approval of the Members.

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

Date: 13.08.2021
Place: Secunderabad

Sd/-
G V BHASKAR RAO
MANAGING DIRECTOR

DETAILS OF DIRECTORS SEEKING APPOINTMENT / CONTINUATION OF DIRECTORSHIP AT THE 34TH ANNUAL GENERAL MEETING UNDER REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015

Name of the Director	RAYAPPA RAMAPPA HANCHINAL	SURAVARAM RAGHUVARDHAN REDDY	SYED MOHAMMED ILYAS
DIN No.	08138621	01992206	03542011
Date of Birth	01.06.1952	09.03.1947	25.07.1947
Qualification	Ph.D - Agriculture, Genetics and Plant Breeding	Ph.D - Agriculture	M.Sc., Agriculture
Date of Appointment/ Reappointment	09.02.2021	18.09.2019	18.09.2019
Areas of Specialization & brief Resume	Vast experience in Agriculture and Research activities	Vast experience in Agriculture and Research activities	Vast experience in Agriculture and Research activities and other International assignments.
No. of Shares Held in the Company	Nil	Nil	Nil
List of Directorship held in outside Public Limited Companies	Nil	Nil	Nil
Chairman/member of the Committee of the Board of Directors of this Company	Nil	Audit Committee – Member Shareholders Relationship Committee – Chairman & Member Nomination & Remuneration Committee – Member Risk Management Committee - Member CSR Committee – Member	Nil
Chairman/member of the Committee of the Board of Directors of other Companies	Nil	Nil	Nil
Relation with Key Managerial Personnel and Directors	Nil	Nil	Nil

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 34TH ANNUAL GENERAL MEETING UNDER REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015

Name of the Director	G.V. BHASKAR RAO	G. VANAJA DEVI	C. VAMSHEEDHAR	C. MITHUN CHAND
DIN No.	00892232	00328947	01458939	00764906
Date of Birth	06.06.1950	24.06.1953	13.05.1971	11.08.1976
Type of appointment	Chairman cum Managing Director	Whole time Director	Whole time Director	Whole time Director
Date of Appointment/ Reappointment	15.11.2016	15.11.2016	15.11.2016	15.11.2016
Areas of Specialization & brief Resume	He is founder and promoter of the company. Overseas production R&D, overall management and business development of the company	She looks after CSR responsibility activities, in addition to assisting the MD in general functioning of the company	He is a key player and growth driver in the 'Team Kaveri' and oversees the General Management and overall Marketing of the company.	He looks after the Finance, Accounts and Administration of the company, in addition to that oversees the overall Marketing of subsidiary companies of Kaveri Seed Company.
No. of Shares Held in the Company	53,58,530	1,40,90,157	9,76,587	8,57,344
List of Directorship held in outside Public Limited Companies	Nil	Nil	Nil	Nil
Chairman/member of the Committee of the Board of Directors of this Company	Chairman & Member – CSR Committee	Member – CSR Committee Member	Member – Shareholders Relationship Committee Member – Risk Management Committee	Member – Audit Committee, Member – Shareholders Relationship Committee Member – Risk Management Committee
Chairman/member of the Committee of the Board of Directors of other Companies	Nil	Nil	Nil	Nil
Relation with Key Managerial Personnel and Directors	Relative with KMP	Relative with KMP	Relative with KMP	Relative with KMP

PROCEDURE FOR REMOTE E-VOTING, ATTENDING THE AGM AND E-VOTING DURING THE AGM:

Dear Members,

In compliance with Regulation 44 of the SEBI Listing Regulations, Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the relevant Rules thereunder, the company is pleased to provide remote e-voting facility to members to cast their vote on all resolutions set forth in the notice convening the 34th Annual General Meeting (AGM) to be held on Thursday, 30th September, 2021 at 11.00 A.M. The company has engaged the services of Central Depository Services Limited (CDSL) for the purpose of providing remote e-voting facility to its members.

The remote e-voting facility is available at the link www.evotingindia.com. The e-voting event number (EVEN) and period of remote e-voting are set out below:

EVEN (E-VOTING EVENT NUMBER)	COMMENCEMENT OF REMOTE E-VOTING	END OF REMOTE E-VOTING
210903115	Monday, 27th September 2021 at 9.00 am IST	Wednesday, 29th September 2021 at 5.00 pm IST

Please read the instructions for e-voting and participation at the AGM through VC/OAVM.

Procedure to vote electronically using CDSL e-voting system

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(i) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

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

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

10) Click on the EVSN of Kaveri Seed Company Limited.

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

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

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

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

15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

17) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if the aforesaid documents not uploaded on the CDSL e-voting system, for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast Seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

GENERAL INSTRUCTIONS:

- a) The remote e-voting period commences on Monday the 27th day of September 2021 at 9.00 am IST and ends on Wednesday the 29th day of September 2021 at 5.00 pm IST. During this period, members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 23rd September 2021, may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
- b) Any person, who acquires shares of the company and becomes a member of the company after dispatch of the notice of AGM and holds shares as on the cut-off date i.e. Thursday, 23rd September 2021, may obtain user ID and password by sending a request at helpdesk.evoting@cdsl.com. However, if you are already registered with CDSL for e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'forgot user details/password?' or 'physical user reset password?' option available on www.evotingindia.com or contact CDSL at the following toll free no.: 022-23058542/43.
- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d) The facility for voting through electronic voting system shall be made available during the AGM and only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- e) The voting rights of members shall be in proportion to the shares held by them, of the paid-up equity share capital of the company as on the cut-off date of Thursday, 23rd September 2021.
- f) Mr. L.Dhanamjaya Reddy, Practicing Company Secretary, Hyderabad (Membership No.13104), has been appointed by the board as the scrutinizer to scrutinize the voting through electronic means during AGM and remote e-voting process in a fair and transparent manner.
- g) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the chairman shall, with the assistance of scrutinizer, order voting through electronic means for all those members who are present at the AGM through VC/OAVM but have not cast their votes electronically using the remote e-voting facility.
- h) Immediately after the conclusion of voting at the AGM, the scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment

of the company. The scrutinizer shall prepare a consolidated scrutinizer's report of the total votes cast in favour or against, if any, not later than forty eight hours after the conclusion of the AGM. This report shall be made to the chairman or any other person authorized by the chairman, who shall declare the result of the voting forthwith.

- i) The voting results declared along with the scrutinizer's report shall be placed on the company's website www.kaveriseeds.in and the website of CDSL immediately after the declaration by the chairman or a person authorized by the chairman. The

results shall also be immediately forwarded to the BSE Limited, National Stock Exchange of India Limited.

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

Date: 13.08.2021
Place: Secunderabad

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

Directors' Report

Dear Members,

Kaveri Seed Company Limited

The Directors have the pleasure in presenting their 34th Annual Report and the audited Annual Accounts for the year ended March 31, 2021.

STANDALONE AND CONSOLIDATED FINANCIAL HIGHLIGHTS:

PERFORMANCE REVIEW

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

(In ₹ Lakhs)

S. No.	Particulars	Standalone		Consolidated	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Revenue from operations	98,698.07	88,325.60	1,03,630.55	93,034.63
2	Profit before finance cost, depreciation and tax expense	33,488.89	28,608.73	34,376.42	29,879.56
3	Finance cost	38.52	21.81	50.50	47.85
4	Profit before depreciation and tax expense	33,450.37	28,586.92	34,325.92	29,831.71
5	Depreciation	2,131.99	2,430.71	2,224.66	2,566.38
6	Profit before exceptional items and tax	31,318.38	26,156.21	32,101.26	27,265.33
7	Exceptional items	-	-	-	-
8	Profit before Tax Expense	31,318.38	26,156.21	32,101.26	27,265.33
9	Tax expense	787.38	1,029.52	980.70	1,274.88
10	Profit after Tax Expense	30,531.00	25,126.69	31,120.56	25,990.45
11	Non-controlling interests	-	-	71.04	86.71
12	Profit after Tax Expense after non-controlling interests	30,531.00	25,126.69	31,049.52	25,903.74
13	Add: Surplus at the beginning of the year	93,265.96	95,681.44	94,638.89	95,071.80
14	Total available for appropriation	1,23,796.96	1,20,808.13	1,25,688.41	1,20,975.54
	Appropriations				
15	Dividend including taxes	2,413.17	2,283.17	2,378.00	2,283.17
16	Transfer to general reserve	1,000.00	1,000.00	1,000.00	1,000.00
17	Utilized for buyback	-	22,986.77	-	22,986.77
18	Transferred to capital redemption reserve	-	56.00	-	56.00
19	Amortisation of interest on loan to employee trust	-	1,216.23	-	10.71
20	Others	(69.63)	-	(69.63)	-
	Total Appropriations	3,343.54	27,542.17	3,308.37	26,336.64
21	Surplus carried to balance sheet	1,20,453.42	93,265.96	1,22,380.04	94,638.89

COMPANY'S AFFAIRS:

Operations:

2020-21 has been the most challenging year due to the Covid-19 pandemic. Even during these difficult times, your Company was able to deliver its best performance. During the year under review, the Consolidated Turnover increased from Rs.930.34 crore to Rs. 1036.31 crore, an increase of 11.39% and the consolidated net Profit after Tax increased from Rs.259.90 crore to Rs.311.20 crore, an increase of 19.73%. This performance was possible due to the proper vision and

strategy of the leadership team, efficient execution of the production and marketing team with the dedication of our employees and other committed stakeholders of the Company.

Indian Agriculture Sector – The Game-changer

India's agriculture sector is currently valued at approximately INR 63,506 billion¹ (FY2020-21). It is an important component of the Indian economy, both in terms of its contribution to the GDP as well as a source of employment for most of the country's population. According to the World Bank, the agriculture industry provided

employment to 41.49% of India's population in FY2020-21.² Increasing saturation in the organised sector, growth in contract farming, increased mechanisation, easy loan facilities, rising exports, use of agrochemicals and high yielding seeds, and an increasing role of the private sector in processing, branding and marketing have brought about remarkable changes in this primary sector.

Key Growth Drivers

- 1) India represents one of the most bio-diverse countries in the world. It is gifted with varied soil and climatic conditions for cultivating a variety of crops, including cereals, vegetables, oilseeds and cash crops.
- 2) India is the second most populated country in the world, accounting for 18% of the total world population. This rapidly rising population has driven farmers to adopt improved technologies and advanced methods for dairy, fisheries and livestock farming to fulfil the growing demand for food. Additionally, more than 50% of India's population is reliant on agricultural products, which is further encouraging the growth of the market.
- 3) Government support plays a significant role in the growth of the sector, as it remains the key livelihood for more than 50% of the country's population. The Indian Government continues to encourage farmers with subsidies for water, power, agricultural equipment, fertilisers, hybrid seeds, etc., including the mitigation of agricultural income under the Income-Tax Act.

Seed Industry – generating wealth

Food security is heavily dependent on the security of the farming community. Seed is one of the most crucial elements in the livelihoods of agricultural communities and a crucial input for sustainable agriculture. Asia Pacific (APAC) is the fastest growing geography in the global seed market, which is valued at US\$ 42.8 billion³ (FY2020-21).

Indian Seed Industry

The Indian agricultural sector is highly dependent on the availability and quality of seeds for a productive harvest. To increase the quantity and quality of produce, therefore, efforts are made to introduce enhanced varieties of seeds with the help of advance technology and modern agricultural methods. India being a major agricultural economy, its seed industry is projected to be valued at US\$ 4.9 billion (FY2020-21)⁴.

The increasing food demand of a growing global population has seen an increase in hybrid seed penetration in multiple crops. Meanwhile, per capita arable land has been declining owing to stagnant growth of such land parcels. Along with poor crop productivity, these factors are likely to lead to pressure on food supply in the country. In India, hybrid seed penetration is high in cotton (90%), corn (60%), in certain limited cereals, such as sorghum (jowar) and pearl millet (bajra), and in oilseeds, such as sunflower (hybridisation 80%).

However, saturation is still very low in wheat (5%).⁵

Key Growth Drivers

- 1) **Increasing adoption of hybrid seeds** owing to increasing pressure for high crop production for food security. The hybrid seed sector grew at 15-20% over the past few years
- 2) **Increased investments** from public as well as private entities played major role in advancements of technology and infrastructure
- 3) **Government initiatives** and continuous developments in the National Seed Policy, 2002, led to transformation of the sector in India

R&D Division -

Kaveri Seed Company has established itself as a market leader by releasing promising products every year to meet aspirations of the farming community and the needs of the market. Volume contribution from new products has been stable in FY2020-2021, thanks largely to the Company's strong research and development (R&D) network in mandatory crops. The Company's R&D team consists of more than 145 personnel include more than 45 scientists who consistently strive to deliver high yielding hybrids. Its state-of-the-art biotechnology lab uses cutting-edge tools with classical plant breeding processes, and its germplasm (seed) bank contains a treasure trove to augment plant types suited to Indian conditions.

Modern infrastructure: Kaveri Seed has more than 1 lakh loyal producers with more than 100,000 acres under seed production. It has seven mega seed processing plants in different states, more than 10 lakh sq. ft. of modern packing and storage facilities and cumulative warehousing space across India. Its seed storage is supported by climate control warehouse and cold storage capacities of more than 15,000 MT. The seed biotech lab maintains quality standards as per the Indian Minimum Seed Certification Standards (IMSCS); and each product is tested in about 120 outreach trial centres across India before their release.

Stewardship marketing network in India: Kaveri Seed has a network of more than 40,000 dealers and distributors across the country. The Company's marketing team also reaches out to farmers with its multi-crop portfolio of branded seeds.

Core Competency

- ✓ Robust product portfolio in field and vegetable crops with R&D focus on multi-crop product portfolio suited to Indian conditions
- ✓ R&D division recognised since 2001 by the Department of Scientific and Industrial Research (DSIR), Government of India
- ✓ Company's seeds hold great potential for export markets, as the modern farming community prefers quality seeds and India is well placed to meet the world's ever increasing seed demand

- ✓ Telangana, Andhra Pradesh and Karnataka have suitable conditions for seed production throughout the year, offering great potential for low-cost seed production for the global market
- ✓ Focused on developing hybrids and favourable multi-location seed production for high hybrid seed yields at affordable prices for farming community
- ✓ Educates and trains distributors and retailers on modern products and practices in the seed sector for sustainable business growth.

Research and Development (R&D) – Robust Research

Agriculture science is progressing rapidly with new and sophisticated biotechnology tools, fostering innovations and cutting-edge product development. The Company's advanced R&D capabilities help design, develop and deliver the latest products to the market. Over the years, the Company has improved its product yield and seed quality, while successfully increasing seed tolerance to biotic and abiotic stresses.

Development of high productivity, stress resilient crops are critical for crop improvement and sustainable food production. To this end, Kaveri Seed uses the key biotech approaches of marker-assisted breeding (MB), genetic engineering (GE), and their integration with conventional breeding. The Company is also planning to work on phonemics to design plant ideotypes that will be resilient to the effects of climate change.

Kaveri Seed's robust R&D base has helped develop new hybrids in cotton, maize, rice, millets and vegetables, creating a significant impact on farm yield. The Company has a reliable track record of launching new products with a strong pipeline of products tailored to meet the needs of the farming community. The Company's experience of managing risk has helped it navigate the current volatility.

Technical innovations: The Company strives to improve returns while accelerating the pace of innovation. With a strong commitment to innovate futuristic products, it has aligned with national and international institutions to augment its research capabilities.

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

Germplasm: The Company's germplasm bank helps it design and develop suitable varieties and hybrids best suited for farmers and consumers.

Central Varietal Release Committee: More than 20 hybrids were released and notified by the Central Varietal Release Committee (CVRC), GoI, and more are to be released soon.

Handling the Covid-19 Pandemic – People First

During the pandemic, the GoI had classified the seed business under the 'Essential Commodity' category with certain restrictions and guidelines. The HR department scrupulously followed the GoI's

guidelines across the organisation to prevent the spread of the virus and safeguard the health of employees.

During the nationwide lockdown, the Company's staff was permitted to "work from home". Virtual meetings were conducted with employees to improve efficiency and motivation. Most meetings were conducted through video conferences, so that the progress of work and future plan of action could be initiated. Training programmes were conducted through webinars, wherein scientists attended online technical workshops and events. The Company's leadership also kept in touch with their teams for regular sharing of critical organisational policies and practices.

DIVIDEND:

The Board of Directors, at their meeting held on November 10, 2020, declared an Interim Dividend @ 200% on the paid-up Equity Share Capital (i.e., Rs.4/- per equity share of the face value of Rs.2/- per share) for the financial year March 31, 2021, which was paid to the shareholders in December 2020. The dividend paid for this year was 50% higher than the dividend paid in the previous financial year.

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

TRANSFER OF AMOUNT TO RESERVE

The Company has transferred Rs.10.00 crore to the general reserve for the financial year ended March 31, 2021 under the provisions of the Companies Act, 2013 and Rules thereunder.

STATUTORY AUDITORS & AUDITORS' REPORT

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

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

INTERNAL AUDITORS

The Board of Directors of the Company has re-appointed M/s. M. Anandam & Co., Chartered Accountants as Internal Auditors to conduct the Internal Audit of the Company for the financial year ended March 31, 2021. The Internal Audit reports are being reviewed on a quarterly basis by the Audit Committee of the Company.

SUBSIDIARY COMPANIES

The Company has four subsidiaries as of March 31, 2021. There was no material changes in the nature of the business carried on by the subsidiaries. As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies is prepared in Form **AOC-1** and is attached to the Financial Statements of the Company.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries are available on the website of the Company. <https://www.kaveriseeds.in/investors/subsidiaries-financials/>.

The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies will also be kept open for inspection by any member at the registered office of the Company and that of the respective subsidiary companies.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES

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

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub Section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2014 the Annual Return as at March 31, 2021 can be accessed at Company's website on <https://www.kaveriseeds.in/wp-content/uploads/2021/09/MGT-9-for-FY-2020-21.pdf>

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. L.D. Reddy & Co., a firm of Company Secretaries in Practice (C.P.No.3752) as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report issued by M/s. L.D. Reddy & Co, Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure – A**.

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

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

There are no qualifications, reservation or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the Secretarial Audit Report for the year ended March 31, 2021. During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the relevant provisions of Section 133 of the Companies Act, 2013 and the Ind As-110 on consolidated financial statements, read with the Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors have the pleasure in attaching the consolidated financial statements for the financial year

ended March 31, 2021, which forms a part of the Annual Report. The company has placed separately, the Audited Accounts of its subsidiaries on its website www.kaveriseeds.in in compliance with the provisions of Section 136 of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

- a. The Company maintains all its major records in ERP System.
- b. The Company has appointed internal auditors to examine the

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

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

INDIAN ACCOUNTING STANDARDS – IFRS CONVERGE STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that the applicable accounting standards have been followed in the preparation of the Annual Accounts.
- ii) that the Directors have selected such Accounting policies and consistently applied judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2021 and of the profit of the Company for that period.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

- v) that the Directors have laid down Internal Financial Controls to be followed by the Company and that the financial controls were adequate and were operating effectively, and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company is managed and controlled by a Board comprising an optimum blend of Executive and Non-Executive Directors. As on date the Board of Directors comprises Ten (10) Directors consisting of Four Executive Directors including the Chairman & Managing Director, one Non-Executive Non Independent Director and Five Independent Directors, including the Women Independent Director.

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. The Directors possess requisite qualifications and experience in general corporate management, strategy, finance, administration and other allied fields, which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the key Managerial Personnel (KMP) of the Company as on March 31, 2021 are: Mr. G.V.Bhaskar Rao, Chairman & Managing Director, Mrs. G. Vanaja Devi, Mr. C. Vamsheedhar and Mr. C. Mithunchand, Whole-time Directors, Mr. K.V. Chalapathi Reddy, Chief Financial Officer & Mr. V.R.S. Murti, Company Secretary. There have been no changes in the key managerial personnel during the year.

Changes in Directors

Dr. Rayappa Ramappa Harchinal (DIN: 08138621) was appointed as an Additional Director (Non-Executive & Independent) with effect from February 9, 2021 by the Board of Directors at their meeting held on February 9, 2021 under Section 161 of the Companies Act, 2012. The appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting.

Re-appointment of MD & Whole Time Directors:

The re-appointments of Mr. G.V. Bhaskar Rao, Managing Director, Mrs. G. Vanaja Devi, Mr. C. Vamsheedhar and Mr. C. Mithunchand, Whole-time Directors are being proposed at this Annual General Meeting.

Director (s) retiring by rotation:

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

Declaration from Independent Directors

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

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

Registration of Independent Directors in Independent Directors Databank

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

COMMITTEES OF THE BOARD

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

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held under the Chairmanship of Mr. K. Purushotham, Independent Director on February 9, 2021, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

Familiarisation Programme for Independent Directors

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

NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year under review four Board Meetings and Audit Committee Meetings were convened and held. The dates on which the meetings were held were- May 30, 2020, August 13, 2020, November 10, 2020 and February 9, 2021. The details of attendance of meetings held during the Financial Year 2020-21 forms a part of the Corporate Governance Report. The time between the said meetings were within the period prescribed under the provisions of the Companies Act, 2013 and the SEBI guidelines thereof.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

FIXED DEPOSITS:

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

BOARD EVALUATION

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

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

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

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

The Board and the Nomination and Remuneration Committee reviewed the performance of Individual Directors on the basis of criteria such as the contribution of the Individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and valuable inputs in meetings etc.,

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

BOARD DIVERSITY

The Company recognises and embraces the importance of a diverse board in its success. The Board has adopted the Board Diversity Policy which sets out the approach to diversify the Board of Directors. The Board Diversity Policy is available on the Company's website <https://www.kaveriseeds.in/wp-content/uploads/2021/02/Policy-on-Board-Diversity.pdf>

APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

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

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

MANAGEMENT DISCUSSION AND ANALYSIS:

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

The CSR Policy is available on <https://www.kaveriseeds.in/wp-content/uploads/2021/09/CSR-Policy.pdf>

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

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

EMPLOYEE STOCK OPTION SCHEME

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

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

On July 19, 2018, pursuant to the approval by the shareholders by way of Postal Ballot, the Board/Nomination and Remuneration Committee has been authorised to introduce, offer, issue and grant the share-based incentives to eligible employees of the Company and its subsidiaries under the ESOP Plan. The Kaveri Employee Stock Option Plan 2018 (ESOP Plan) is to be implemented through the Kaveri Employees Trust (Trust), with an objective of enabling the company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect in their efforts to sustain the growth and profitability of the Company.

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

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

The Nomination and Remuneration Committee, at their meeting held on 25.03.2021, granted 2,49,975 options @ Rs.450/- per option to the eligible employees of the Company during the year under the ESOP Plan 2018. In addition to the previous year grant of 6,29,516 options @315/- per option to the eligible employees of the Company. There are no outstanding options for the year ended 31.03.2021.

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

The ESOP Plan is in compliance with the SEBI (Share-Based Employee Benefits) Regulations, 2014, as amended from time to time, and there has been no material change to the plan during the fiscal. The Disclosure required to be made under Regulation 14 of SEBI (Share-Based Employee Benefits) Regulations, 2014 is available on the Company's website at <https://www.kaveriseeds.in/wp-content/uploads/2021/09/Disclosure-pursuant-to-Regulation-14-of-SEBI-Share-Based-Employee-Benefits-Regulations-2014-as-on-March-31-2021.pdf>

STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

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

INSURANCE

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

BUSINESS RESPONSIBILITY REPORT

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

DIVIDEND DISTRIBUTION POLICY

The Board has adopted a suitable Policy for Dividend Distribution as per the Regulation 43A of the SEBI (LODR) Regulations 2015. The policy is stated in the Annual Report and has been uploaded on the Company's website and can be accessed at <https://www.kaveriseeds.in/images/pdf/images/Dividend-Distribution-Policy.pdf>

CORPORATE GOVERNANCE:

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2021 to the date of signing of the Director's Report. There has been no change in the nature of business of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

RISK MANAGEMENT

Pursuant to the requirement of SEBI (LODR) Regulations 2015, the Company has a Risk Management Committee of the Board consisting of the Director, Mr. Dr. S. Raghuvardhan Reddy, Independent Director and Chairman of the Committee, Mr. C. Vamsheedhar and Mr. C. Mithunchand as members of the Committee. The Company, through its Risk Management Policy, identified the various risks and challenges, internally as well as externally and took appropriate measures with timely action to mitigate them and also recommended to the Board about risk assessment and minimisation procedures. The Committee is monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of the Risk Management Policy has been covered in the Management Discussion and Analysis, which forms a part of this report and the Policy has been posted on the website of the company viz., http://www.kaveriseeds.in/images/pdf/images/Risk-Management-Policy_final.pdf

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

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

LISTING ON STOCK EXCHANGES

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

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

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

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

ENVIRONMENT AND SAFETY

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

HUMAN RESOURCE MANAGEMENT

The Government of India (GoI) had classified the seed business under the "Essential Commodity" category during the pandemic, with certain restrictions. The HR department scrupulously followed the GoI's Guidelines across the organisation to prevent the spread of the virus and safeguard the health of the employees.

During the nationwide lockdown, the Company's staff was permitted to work from home. Virtual meetings were conducted with employees to improve their work efficiency and keep them motivated. Most meetings were conducted through video conferences, so that the progress of work and future plan of action could be initiated. Training programmes were also conducted through webinars, wherein scientists attended online technical workshops and events. The Company's leadership also kept in touch with their teams for regular sharing of critical organisation policies and practices.

The Company's stable work culture created over the years helped it to work efficiently during the lockdown period. A rotation system of work, alternate work days, three-day work weeks, 25% staff work systems and limited hour work systems were followed to maintain social distancing at the work place. Office premises were regularly sanitised, with strict adherence to wearing face masks and to maintaining proper distances and followed all Covid-19 safety norms.

The HR department also offered improvement training programmes to employees. Kaveri Seed follows clearly defined policies to enhance the managerial skills of promising talent.

The leadership team of the Company has wealth of experience in seed and crop protection industry. It has a team of more than 88 dedicated scientists comprising breeders, agronomists, biotechnologists and seed technologists, along with dynamic sales and marketing professionals. Currently, the workforce includes over 1195 members, who are driving the Company's levers of growth.

POLICY ON SEXUAL HARASSMENT

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

<https://www.kaveriseeds.in/images/pdf/images/sexual-harrasment-policy.pdf>

SHARE CAPITAL

During the year, there was no change in the Paid-up Share Capital of the Company.

The paid up Equity Share Capital as on March 31, 2021 was Rs. 1206.58 lakh. During the year under review, the Company has not issued any buyback of equity shares of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

INSIDER TRADING CODE

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company has revised its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons, in line with the recent amendments brought by SEBI in the PIT Regulations. The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliance. Your Company has also updated its Code of practices and procedures for fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes.

AWARDS AND RECOGNITION(S) RECEIVED FOR THE YEAR 2020-2021:

Your Company has won the following prestigious Awards & Recognitions

- ❖ The Kaveri Seed Company Ltd figured on the **Forbes Asia's 200 Best Under a Billion List** for the 6th time **during 2020**.
- ❖ The Agriculture Today group awarded it the outstanding performers in the Seed Sector (Public and Private) for the growth of agriculture in India. **Kaveri Seed Company Ltd.** received two awards for the diverse areas of activity in the seed sector - **Excellent Seed Infrastructure-Processing and Best CSR Initiatives** on December 5, 2020.
- ❖ FTCCI, in Association with SarvHR, Presented the **2nd Edition of FTCCI HR Awards 2019** issued by IDC and HR & IR Committee, 2020

- ❖ Your Company's QC Lab received the **National Accreditation Board for Testing and Calibration Laboratories (NABL) Certificate of Accreditation** in accordance with the standard ISO/IEC 17025:2017 from 25.11.2020 to 24.11.2022.
- ❖ Your Company has received the Masters of Risk in Agriculture Award in Mid Cap Category at the 7th CNBC - TV 18 India Risk Management Awards 2020-21
- ❖ Received the **Seeds – A Gateway of Prosperity – Gold, award in** New Delhi by the Indian Seed Congress, 2020

INDUSTRIAL RELATIONS:

The Company enjoyed cordial relations with its employees at all levels. Your Directors record the appreciation of the support and co-

operation of all employees and counts on them for the accelerated growth of the Company.

ACKNOWLEDGEMENTS:

The Directors acknowledge and would like to place on record the commitment and dedication on the part of the employees of your Company for their continued effort in achieving such good results. Your Company is grateful to the distributors, dealers, customers and the farming community for their support and encouragement. Your Directors thank the banks, financial institutions, Government departments and shareholders and look forward to having the same support in all our future endeavours.

Place: Secunderabad,
Date: 13.08.2021

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

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director

Form No. AOC -1

Statement Containing Salient features of the financial statement of subsidiaries/associate companies/joint ventures

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

(₹ in Lakhs)

S. No	Name of the subsidiary	Kaveri Micro-teck Private Limited	Aditya Agritech Private Limited	Genome Agritech Private Limited	Genomix Agrigenetics Private Limited	Kaveri Employee Trust
1	The date since when subsidiary was acquired	24-06-2013	18-04-2013	13-09-2013	16-10-2017	01-04-2019
2	Reporting period	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021
3	Share capital	1,655.78	110.00	18.00	10.00	0.01
4	Reserves & surplus	1,158.94	1,013.55	(510.08)	(38.58)	102.46
5	Total assets	4,083.58	5,679.72	61.45	820.38	3,863.26
6	Total Liabilities	1,268.87	4,556.17	553.53	848.96	3,760.79
7	Investments	0.01	-	0.06	-	3,851.72
8	Turnover	3,001.73	9,855.49	-	1,870.15	-
9	Profit / (loss) before taxation	454.71	291.33	19.18	0.81	35.92
10	Provision for taxation	116.37	85.86	-	(7.04)	12.57
11	Profit / (loss) after taxation	338.34	205.47	19.18	7.86	23.35
12	Other Comprehensive income	(0.76)	0.58	-	-	-
13	Total Comprehensive Income	337.59	206.05	19.18	7.86	23.35
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	100%	70%	51%	100%	100%

Note:

- i) There are no subsidiaries which are yet to commence operations.
- ii) There are no subsidiaries which have been liquidated or sold during the year.
- iii) There are no material subsidiaries of the company under SEBI(LODR), Regulations, 2015.
- iv) M/s. Kaveri Employee Trust, which is wholly controlled by the company has been consolidated.

Form No. AOC -2

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

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

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

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

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

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

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

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	G.V.BhaskarRao (HUF) Chairman & MD of the Company
b)	Nature of contracts/ arrangements/transaction	Land and Godown Lease Paid
c)	Duration of the contracts/ arrangements/transaction	a. Land lease Agreement for Two years w.e.f. 01.04.2019 . b. Godown Lease Agreement for 5years w.e.f.01.04.2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	a. 28.19 Acres Land on Lease for a period of 2 years at Rs.5.43Lakhs per year. b. 33171Sft Godown on Lease for a period of 5 years at Rs.42.24Lakhs per year.

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kaveri Microteck Private Limited Subsidiary of the Company
b)	Nature of contracts/ arrangements/transaction	Godown Lease Received & Rent Paid for Agriculture Infrastructure facilities
c)	Duration of the contracts/ arrangements/transaction	a) Godown Lease Agreement for 10years w.e.f.01.04.2018 to 31.03.2028 at Kandlakoi b) Godown Lease Agreement for 10years w.e.f.01.04.2018 to 31.03.2028 at GundlapochamPally c) Rent paid for Agriculture Infrastructure facilities at Pamulaparthi & Gadwal for a period of two years w.e.f 01.04.2020.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	a) 39480 Sft Godown on Lease for a period of 20 years at Rs.37.90 Lakhs per year. b) 39618 Sft Godown on Lease for a period of 20 years at Rs.38.03 Lakhs per year. c) Rent paid for Agriculture Infrastructure Facilities Rs.36.00 Lakhs during the 2020-21 per year.

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Aditya Agriteck Pvt. Ltd Subsidiary of the Company
b)	Nature of contracts/ arrangements/transaction	Sale of Hybrid Seed
c)	Duration of the contracts/ arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Hybrid Seeds worth Rs.8349.79 Lakhs during the financial year 2020-21.

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Genomix Agri Genetics Pvt. Ltd Subsidiary of the Company
b)	Nature of contracts/ arrangements/transaction	Sale of Hybrid Seed
c)	Duration of the contracts/ arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Hybrid Seeds worth Rs. 1409.09 Lakhs during the financial year 2020-21.

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kaveri Microteck Pvt. Ltd Subsidiary of the Company
b)	Nature of contracts/ arrangements/transaction	Advances paid
c)	Duration of the contracts/ arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Advances paid worth of Rs.(8.73) Lakhs during the year 2020-21

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	M/s. Kaveri Bhaskar Rao Charitable Foundation
b)	Nature of contracts/arrangements/transaction	Contribution to Charitable Foundation
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Contribution made for CSR Expenditure worth of Rs.412.14 Lakhs during the year 2020-21.

By order of the Board of Directors

For KAVERI SEED COMPANY LIMITED

Place: Secunderabad,
Date: 13.08.2021

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director

Annexure - A

Secretarial Audit Report

For the Financial Year Ended 31st March 2021

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

To
The Board of Directors
M/s. Kaveri Seed Company Limited.
Address: 513B, 5th Floor, Minerva Complex,
Sarojini Devi Road, Secunderabad
Hyderabad, Telangana.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period from 01.04.2020 to 31.03.2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Kaveri Seed Company Limited ("The Company")** for the period from 01.04.2020 to 31.03.2021 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the company during audit period)**
 - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period).**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period).**
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - vi. The Payment of Wages Act, 1936
 - vii. The Minimum Wages Act, 1948
 - viii. Employees Provident Fund And Misc. Provisions Act, 1952
 - ix. Employees State Insurance Act, 1948
 - x. Payment of Gratuity Act, 1972
 - xi. Employee's Compensation Act, 1923
 - xii. Contract Labour (Regulation & Abolition) Act, 1970
 - xiii. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - xiv. Income Tax Act, 1961
 - xv. GST Acts and Rules made thereunder

- xvi. The Insurance Act, 1938, as amended
 - xvii. The Factories Act, 1948 and rules there under
 - xviii. Water (Prevention & Control of Pollution) Act, 1974 and rules there under
 - xix. Air (Prevention & Control of Pollution) Act, 1981 and rules there under
 - xx. The Environment (Protection) Act, 1986
 - xxi. Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016
 - xxii. Customs Act, 1962
 - xxiii. Newspaper Publications
 - xxiv. The Petroleum Act, 1934 and Petroleum Rules, 2002
 - xxv. The Payment of Bonus (Amendment) Act, 2015
 - xxvi. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
2. I have also examined compliance with the applicable clauses of
 - i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii) the Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
 3. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
 - Closure of the Register of Members.
 - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
 - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditor.
 - Format of Balance Sheet and statement of profit and loss is as per Schedule III of the Companies Act, 2013 read with Companies Indian Accounting Standards (Ind AS) Rules, 2015;
 - Report of the Board of Directors;
 - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Senior Management;
 - A separate meeting of Independent Directors was held during the year as per the provisions of Companies Act, 2013;
 - Maintenance of various statutory registers and documents and making necessary entries therein has been done as per Companies Act, 2013;
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
 - Declaration and payment of dividends;
 - Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 4. We further report that there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed thereunder against the Company or its Directors and Officers.

5. We Further Report That:

- The Company is paying wages to all employees as per the provisions of Minimum Wages Act, 1948 and The Payment of Wages Act, 1936
- The company is regular in payment of gratuity as per the rules of the Payment of Gratuity Act, 1972 and has provided 100% provision in the books of accounts.
- The Company has filed return as per the Factories Act, 1948.
- The company is regular in publishing Audited and Unaudited Financial Results.
- The Company has renewed the Insurance Policy under Employees State Insurance Act, 1948.
- The Company has filed return under Employment Exchange Act/Rules.
- The Company is paying bonus to all employees as per the provisions of the Payment of Bonus (Amendment) Act, 2015.
- The Company is regular in paying all statutory dues like PF, ESI, Goods and Services Tax, Income Tax etc.,

6. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- No Public /Right/Preferential Issue of Shares/Debentures/ Sweat Equity etc.,
- No Redemption/Buy-back of Securities;
- No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
- No Merger/Amalgamation/Reconstruction, etc.,
- No Foreign Technical Collaborations;

Important Note: Due to Covid-19 pandemic, Secretarial Audit for this Financial Year ended 2021 was conducted through exchange of e-mails and using technology on sample basis. Since, visiting of company's Factories was not possible due to the current pandemic situation, I have relied on the Certificate of compliance from the respective plant heads of the company.

Date: 12.08.2021
Place: Hyderabad

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

Sd/-

L. Dhanamjaya Reddy
(Proprietor)
M. No. 13104
CP No. 3752
UDIN No: A013104C000773787

Annexure to Secretarial Audit Report

To

The Board of Directors

M/s. Kaveri Seed Company Limited.

Address: 513B, 5th Floor, Minerva Complex,
Sarojini Devi Road, Secunderabad
Hyderabad, Telangana.

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

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

Date: 12.08.2021

Place: Hyderabad

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

Sd/-

L. Dhanamjaya Reddy
(Proprietor)

M. No. 13104

CP No.3752

UDIN No: A013104C000773787

ANNEXURE - B

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee

Sl. No.	Name of the Member	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sri G.V.Bhaskar Rao	Chairman	1	1
2.	Smt. G.Vanaja Devi	Member	1	1
3.	Dr. S.Raghuvardhan Reddy	Member	1	1

3. Weblink: http://www.kaveriseeds.in/images/pdf/images/csr_policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 if applicable (attach the report) Not Applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
1.	2019-20	Nil	Nil
2.	2018-19	Nil	Nil
3.	2017-18	Nil	Nil

6. Average net profit of the company as per Section 135 (5) ₹ 23,107.19 Lakhs

7. (a) Two percent of average net profit of the company as per section 135 (5) ₹ 462.14 Lakhs

(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years Nil

(c) Amount required to be set off for the financial year, if any Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 462.14 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the financial year	Amount Unspent (₹ in Lakhs)			
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135(5)	
	Amount	Date of transfer	Name of the fund	Amount
₹ 462.14 Lakhs	Not applicable		Not applicable	

8. (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Si. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project	Project Duration	Amount allocated for the project in Lakhs	Amount spent in the current financial year (₹ in Lakhs)	Amount transferred to Unspent CSR account for the project as per Section 135 (6) (₹ in Lakhs)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	CSR Registration Number	
				State	District					Name		
Education												
1.	Enrichment of knowledge and skill levels of students by Creation and maintenance of Library and Lab facilities in the Govt.school premises.	(ii) Promoting Education	YES	Telangana	Warangal Urban	2 Years	55.00	9.01	-	No	Kaveri Bhaskar rao Charitable Foundation	CSR00003856
Rural Transformation												
2.	Agriculture promotion, Farmer welfare and newer cultivation technics through Rythu Vedika's	(x) Rural Development	YES	Telangana	Warangal Urban	2 Years	135.00	100.29	-	No	Kaveri Bhaskar rao Charitable Foundation	CSR00003856
3.	Village development activities by Laying roads and development of rural infrastructure	(x) Rural Development	YES	Telangana	Warangal Urban	2 Years	95.00	77.84	-	No	Kaveri Bhaskar rao Charitable Foundation	CSR00003856
4.	Excess of the amount contributed to Kaveri Bhaskar Rao Charitable Foundation (CSR Trust) over the amount spent by the CSR Trust during the year i.e (₹412.14 Lakhs-₹312.75 Lakhs)							99.39			Kaveri Bhaskar rao Charitable Foundation	CSR00003856
TOTAL							285.00	286.53				

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Si. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the Project (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
Education								
1.	Educational development, support to poor students and promoting quality education	(ii) Promoting Education	YES	Telangana	Warangal Urban	90.12	No	Kaveri Bhaskar rao Charitable Foundation CSR00003856
Rural Transformation								
2.	Enhancement of milk production, protection of cattle health, healthy and hygiene environment in rural areas through community cattle hostel.	(x) Rural Development	YES	Telangana	Siddipet	50.00	No	Bala Vikasa Social Service Society CSR00000313
3.	Village development activities by Laying roads, development of rural infrastructure, Maintaining sanitation & hygiene in the villages	(x) Rural Development	YES	Telangana	Warangal Urban	24.76	No	Kaveri Bhaskar rao Charitable Foundation CSR00003856
Disaster Response								
4.	Covid-19 Relief support	(xii) Disaster Management	YES	Telangana	Warangal Urban	8.85	No	Kaveri Bhaskar rao Charitable Foundation CSR00003856
Other Initiatives								
5.	Providing Kids Playing Equipment to Children's Orphanage Home	(iii) Promoting gender equality and empowering women	YES	Telangana	Hyderabad	1.88	No	Kaveri Bhaskar rao Charitable Foundation CSR00003856
TOTAL						175.61		

8. (d) Amount Spent on Administrative Overheads - Nil
- (e) Amount spent in Impact Assessment, if applicable - Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 462.14 Lakhs
- (g) Excess amount for set off, if any - Nil

Si. No	Particulars	Amount (₹ in Lakhs)
(i)	Two per cent of average net profit of the company as per section 135 (5)	462.14
(ii)	Total amount spent for the financial year	462.14
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset to created or acquired through CSR spent in the financial year Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) Not Applicable

For and on behalf of the Board

Place: Secunderabad,
Date: 13.08.2021

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director

Annexure - C

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

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

(A) CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy.
The Company has taken adequate measures to conserve and reduce the energy consumption.
- (ii) The steps taken by the company for utilizing alternate sources of energy.
The company constantly exploring various alternative sources of energies to reduce cost and pollution.

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

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

(B) TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption
We have not absorbed any Technology recently. The processing of seeds is being developed in house by the company and improvements in existing seed process systems.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

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

- a) Technology imported - Nil
b) Year of import - Nil
c) Whether the technology been fully absorbed - NA
d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - NA

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

Particulars	(₹ In Lakhs)	
	2020-21	2019-20
Capital	143.86	447.99
Recurring	2869.16	2368.04
Total	3013.02	2816.03
Total R&D expenditure as percentage of total turnover	3.05%	3.19%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Earnings: Rs.1521.47 (1965.76) Lakhs
b) Out go : Rs. 314.65 (158.71) Lakhs

For and on behalf of the Board

Place: Secunderabad,
Date: 13.08.2021

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director

Annexure - D

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

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

Sl. No.	Name & Designation of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. G.V.Bhaskar Rao – Chariman & MD	97.60:1
2.	Mrs. G.Vanaja Devi, Whole time Director	60.35:1
3.	Mr. C.Vamsheedhar, Whole time Director	36.61:1
4.	Mr. C.Mithunchand, Whole time Director	24.38:1

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

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

Sl. No.	Name & Designation	% of Increase in Remuneration
1.	Mr. G.V.Bhaskar Rao – Chariman & MD	20.00
2.	Mrs. G.Vanaja Devi, Whole time Director	20.00
3.	Mr. C.Vamsheedhar, Whole time Director	(3.83)*
4.	Mr. C.Mithunchand, Whole time Director	19.70
5.	Mr. K.V.Chalapathi Reddy, Chief Financial Officer	20.19

- Includes the commission paid as a percentage on profit.

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

- (iii) The percentage increase in the median remuneration of employees in the financial year was 4.08%.

- (iv) The number of permanent employees on the rolls of the Company as on March 31, 2021 was 1171.

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

There are Three Whole time Directors and a Managing Director. There was no revision in remuneration paid to the Whole time Directors and Managing Director except marginal incremental changes during the financial year ended 31st March 2021.

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

For and on behalf of the Board

Place: Secunderabad,
Date: 13.08.2021

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJA DEVI
Whole time Director

Business Responsibility Report

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

Preface:

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

About Kaveri Seed Company Limited:

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

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

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

customer – farmer their preferred choice is “Kaveri brand” products in our multi-crops. We also advise the farmers to deal with multiple challenges of climate change, need based irrigation, plant protection for pest and disease and abiotic situations.

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

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

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

Our marketing is very strong as team and it will create maximum impact with targeted goals. Entire team will work with cohesively to attain the marketing goals fixed. As per customer need the developed products based on the segment wise we concentrate our efforts to penetrate our promising products to PAN India.

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

For more details visit : www.kaveriseeds.in

Business Responsibility Report – 2020-21

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L01120TG1986PLC006728	
2. Name of the Company	Kaveri Seed Company Limited	
3. Registered Office address	#513-B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad-500003, Telangana, India	
4. Website	www.kaveriseeds.in	
5. e-mail id	cs@kaveriseeds.in	
6. Financial Year reported	1st April 2020 to 31st March 2021	
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC code 011	Description Seed production

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	Rs.1206.58 Lakhs
2. Total Turnover (INR)	Rs.98698.07 Lakhs (standalone) and Rs.103630.55 Lakhs (consolidated)
3. Total profit after taxes (INR):	Rs.30531.00 Lakhs (standalone) and Rs.31120.56 Lakhs (consolidated)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	CSR spent during the financial year 2020-21 was Rs.462.14 Lakhs (1.51% of standalone profit after tax)
5. List the activities in which expenditure in 4 above has been incurred.	CSR Activities of Kaveri Seed are focused on Education & Rural Development. For details refer Annual Report on CSR activities.

SECTION C: OTHER DETAILS

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

SECTION D : BR INFORMATION:

1. Details of Director/Directors responsible for BR	<p>a. Details of the Director responsible for implementation of the BR policies:</p> <p>Name : Mr. G.V.Bhaskar Rao</p> <p>Designation: Managing Director</p> <p>DIN Number : 00892232</p> <p>Tel.No.040-49192344</p> <p>Email ID: cs@kaveriseeds.in</p> <p>b. Details of the BR head : same as above</p>
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2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

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

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

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

Kaveri Seed Policies Mapping to BR Policies

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

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

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

3. Governance related to BR

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

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

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

This is the fifth Business Responsibility Report of the Company for the Financial Year 2020-21 which forms part of the Company's Annual Report for FY 2020-21. The same can be accessed at https://www.kaveriseeds.in/images/pdf/images/annual-reports/Annual_Report_2018_19_Final.pdf. Previous reports were made for the financial year 2016-17, 2017-18, 2018-19 and 2019-20.

All policies are communicated to Kaveri Seed Employees upon joining as well as reinforced through employee training sessions. Kaveri Seed has well established the policies in accordance with the statutory guidelines and the relevant SEBI Regulations.

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

The above policies are accessed by anyone from the Company's website www.kaveriseeds.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

Kaveri Seeds fosters a work culture with high ethical principles and standards and encourages its employees to perform with total integrity, commitment and ownership. Commitment to ethical and lawful business conduct is a cornerstone of

Kaveri Seed business practices. It is a fundamental shared value among the Board of Directors, the senior management and all the employees in the company. Kaveri Seed has adopted the 'Code of Conduct' (Code), to ensure ethics, transparency and accountability in all aspects of the business, and creates value for its stakeholders in a sustainable manner. The code embodies the belief that being aware of the company's responsibility towards its stakeholders and acting with the Company's legitimate interest in mind, is essential for the Company's long-term excellence. All Directors and senior management personnel shall affirm compliance with this Code on an annual basis.

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

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

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

Principle 2 - Product Life Cycle Sustainability

Companies which have built on competencies of product life cycle sustainability have earmarked to become market leaders. Kaveri seeds has consistently built on these competencies. Leading seed companies have made strategic investments in their supply-chain capabilities and set up efficient and effective organizations that overcome cross-functional silos. By outperforming the overall level of maturity in their sectors, they have been able to disrupt them, as Kaveri seeds have done to the seed industry. The Company has been

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

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

- Kaveri Plant team has installed & commissioned 7 Magnetic Cut Seed Separators to replace 40 grading conveyors which would enhance the quality recovery, ensure the increase of per day output and also pack cotton seed within set timelines. Operations do not generate any waste and minimum manpower engaged for the task.
- A dedicated 35000 SFT Processing, Packing & Cold Storage facility was created for systematic operations of the wide range of Vegetable Seed products; proper handling and accountability of these expensive products can be possible with this facility.
- A huge capacity cold storage facility has been created to store the foundation seeds, safe guard them from High temperature and Relative humidity and also to protect the viability of the seeds. Vicinity of cold storage to the processing plant make operations easy to monitor and control, in addition to savings in logistics cost.
- Cotton seed pouches packing made easy by changing from cartoon packing to BOPP bags. An integrated conveying system with Pouch filling in BOPP bags, weighing of secondary bags and stitching of FG bags in online operations is big savings for the company. Huge discarded cartoons waste averted.

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

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

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

Kaveri Seeds rightly define its supply chain management by placing delivery as one of the key motion for the trust of our growers and farmers. Delivery standards are highly

dictated and audited and we assure that nothing goes a miss in delivery principles. While this is at side, our cost of goods sold (COGS) remains potential throughout.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The company has established systems to recycle a) the seed treated chemical wash water back in to the treatment process which helps to overcome hazardous waste disposal challenges, b) the maize shanks generated the following dry cob shelling back in to the heat generation process that helps in heating up the air to a desired critical temperature to dry the harvested wet cobs delivered from the production field , minimizing the energy source requirements, c) the used chemical containers to minimize the chemical waste and help protect the environment

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

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

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

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

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

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

around & d) Delinting of cotton is done in dilute sulphuric acid process, where acid is reused multiple times during the delinting of the seeds. Thus making it safe and pollution free process.

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

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

1. Please indicate the Total number of employees.

The company has 1195 employees as on 31.03.2021

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

The company has no contractual employees as on 31.03.2021

3. Please indicate the Number of permanent women employees.

The company has 46 women employees as on 31.03.2021

4. Please indicate the Number of permanent employees with disabilities

Two

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

Nil

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

Not Applicable

Principle 4 - Stakeholders Engagement**1. Has the company mapped its internal and external stakeholders?**

Yes.

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

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

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

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

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

Principle 5 - Human Rights**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The policy covers the employees of the company

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

None was received

Principle 6

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

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

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

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

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

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

Yes

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

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

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

To promote clean and green transportation we are using battery operated vehicles inside the plant.

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

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

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

No pending notices as on 31.03.2021

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

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

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

1. Seed men Association
2. Confederation of Indian Industry
3. The Federation Telangna Chambers of Commerce & Industry (FTCCI)

4. National Seed Association of India
5. The Asia & Pacific Seed of Association, Bangkok
6. Seed Association of Madhya Pradesh
7. Seed Association of Maharashtra

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

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

Principle 8 - Community Development (CSR)

1. Does the company have specified programmes/initiatives /projects in pursuit of the policy related to Principle 8? If yes details thereof.

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

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

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

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

We review our projects time to time. Each project has specific deliverables to be met. The internal teams ensure the implementation of the projects undertaken from time to time.

The Company also takes feedback from the local persons/ representatives from Villages/Gram Sabah's / Ward members.

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

During the year 2020-21 the company has directly spent an amount of Rs. 50.00 Lakhs on various CSR activities as referred in Point 1 and contributed Rs.412.14 Lakhs to the Foundation for carrying CSR Activities. The Foundation has spent Rs.312.75 Lakhs on various CSR activities. Details of the projects undertaken are mentioned in a separate section of the annual report.

Principle 9 - Customer value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company has mechanism to handle customer complaints. As on March 31, 2021 less than 1% of the complaints were pending beyond the acceptable timeline as per the Standard Operating Procedures (SOP).

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

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

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

As on 31st March 2021, there are no pending cases.

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

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

For and on behalf of the Board of Directors

Date: 13.08.2021

Place: Secunderabad

Sd/-

G.V.BHASKAR RAO

Managing Director

Sd/-

G.VANAJA DEVI

Whole time Director

Annexure – 1

Dividend Distribution Policy

Your Company's Board follows the provisions of the Companies Act, 2013 and other applicable Regulations of SEBI LODR with regard to payment of dividends at its discretion during the fiscal year and may recommend the interim/special dividends paid as final dividends. Your Company observed all the parameters prescribed by SEBI in relation to the following key aspects for considering payment of dividend for any year.

- (a) The circumstances under which the shareholders of the company may or may not expect dividend
- (b) The financial parameters that shall be considered while declaring dividend
- (c) Internal and external factors that shall be considered for declaration of dividend
- (d) How the retained earnings shall be utilised
- (e) Parameters that shall be adopted with regard to various classes of shares

For detailed policy please visit website of your Company at the web link:

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

Preamble:

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

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

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

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

Category of Dividends

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

Final Dividend

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

Process for approval of Payment of Final Dividend:

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

Interim Dividend

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

Process for approval of Payment of Interim Dividend:

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

Declaration of Dividend

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

- i) Current financial year's profits:
 - a) after providing for depreciation in accordance with law;
 - b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
- ii) The profits for any previous financial year(s):
 - a) after providing for depreciation in accordance with law;
 - b) remaining undistributed; or
- iii) out of i) & ii) both.

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

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

Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among

shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares.

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

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

External Factors:-

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

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

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

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include

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

Dividend Range

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

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

Further, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors

having a bearing on the dividend pay-out decision including declaring a special dividend under certain circumstances such as extraordinary profits from sale of investments.

Review & Amendments

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

Report on Corporate Governance

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

COMPANY'S PHILOSOPHY

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

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

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

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

BOARD OF DIRECTORS

Composition and size of the Board

As of the date of the Report, the Board of Kaveri Seed had Ten Directors, comprising Four Executive Directors including the Chairman & Managing Director, one non-executive non independent Director and Five are the Independent Directors including Women Independent Director.

The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into with the Stock Exchanges.

The Directors have expertise in the fields of strategy, management, production, finance, marketing and Research & Development. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. Each Director informs the Company on annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairmanships and notified changes during the term of their directorship in the Company. None of the Directors on the Board hold directorships in more than eight listed entities as per 17A of SEBI (LODR) Regulations. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding committee positions in other public companies as on 31st March 2021 have been made by the Directors.

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

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

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

i) Composition of Board, their positions, other Directorships and memberships of Committees held by each of them as on 31st March 2021:

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on 29.09.2020	Number of Directorships in other companies	Number of committee positions held in public companies Chairman - Member
Sri G.V. Bhaskar Rao	Chairman & Managing Director (Promoter)	4	Yes	11	-
Smt. G. Vanaja Devi	Executive Director (Promoter)	4	No	4	-
Dr. G.Pawan	Non-Executive – Vice Chairman	2	Yes	2	-

Name of the Director	Category	Number of Board Meetings attended	Attendance at the last AGM held on 29.09.2020	Number of Directorships in other companies	Number of committee positions held in public companies Chairman - Member
Sri C. Vamsheedhar	Executive Director	4	Yes	4	0 - 1
Sri C. Mithun Chand	Executive Director	4	Yes	3	0 - 2
Dr. S.Raghuvardhan Reddy	Independent Director	4	Yes	1	1 - 2
Dr. S.M.Ilyas	Independent Director	4	Yes	1	0 - 0
Sri K.Purushotham	Independent Director	4	Yes	1	1 - 1
Smt. M. Chaya Ratan	Independent Director	4	Yes	1	0 - 1
*Dr. V. Bhaskar	Independent Director	1	-	-	0 - 0
**Dr. Rayappa Ramappa Hanchinal	Independent Director	0	-	2	0 - 0

Note:

- 1) The directorships are considered in the companies incorporated under the Companies Act, 1956/2013 including the Kaveri Seed Company Limited.
- 2) For committee positions, only Audit Committee and Stakeholders' Relationship Committee of public limited companies including Kaveri Seed Company Limited are considered as per Regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.
- 3) None of the Directors of the Company is a Director in other listed entity (ies)
- 4) Leave of absence was granted on request to those directors who could not attend the meeting(s).
- 5) Mr. G.V.Bhaskar Rao, Mrs. G.Vanaja Devi and Dr. G.Pawan are related to each other.
- 6) Mr. C.Vamsheedhar and Mr. C.Mithun Chand are related to each other.
- 7) * Dr. V.Bhaskar, Independent Director of the Company was passed away on 4th August 2020.
- 8) ** Dr. Rayappa Ramappa Hanchinal, Independent Director of the Company was appointed as an Additional Director (Independent) on 09th February, 2021.

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

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

Details of Equity Shares of the Company held by the Directors as on March 31, 2021 are given below:

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

The company has not issued any convertible instruments.

ii) Board Committees:

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

iii) Meetings of the Board:

The Board of Directors must meet at least four times in a year, with a maximum time gap of one hundred twenty days between two Board meetings. Dates for the Board Meetings in the ensuring quarter are decided well in advance and communicated to the Directors. Notices of Board Meetings were sent to the Directors as required under Section 173 of the Companies Act, 2013 well in advance. The Agenda along with the explanatory notes are sent in advance to the Directors. In special and exceptional circumstances, additional or supplementary items(s) on the agenda are permitted. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. The Company's Board met Four times during the financial year under review on 30th May 2020, 13th August 2020, 10th November 2020 and 09th February 2021.

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

Date of Meeting	Board Strength	No. of Directors Present
30.05.2020	10	9
13.08.2020	9	9
10.11.2020	9	8
09.02.2021	10	9

iv) Independent Directors Meeting

Pursuant to Schedule IV of the companies Act, 2013 and the rules made there under, the Independent Directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. During the financial year 2020-21, one separate meeting of the Independent Directors was held on 09th February 2021. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors. The Board periodically reviews the compliance reports of all laws applicable to the Company.

v) Information given to the Board:

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

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

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

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

vi) Disclosure of relationships between directors inter-se

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

vii) Details about familiarization program

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

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

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

Name	Category	Skills/ Expertise/ Competence
Mr. Venkata Bhaskar Rao Gundavaram	Promoter - Executive Chairman & MD	He is a graduate in agricultural science and he oversees the production planning and provides guidance in R&D, overall management and business development of the company.
Dr. Pawan Gundavaram	Director & Vice Chairman (Non-executive)	He is a MBBS - MD in medicine. He is focus on strategic issues and long-term business plans and operations of the Company.
Mrs. Vanaja Devi Gundavaram	Promoter and Executive Director	She looks after CSR responsibility activities, in addition to assisting the MD in general functioning of the company
Mr. Vamsheedhar Chennamaneni	Executive Director	He is a key player and growth driver in the 'Team Kaveri and oversees the General Management and overall Marketing of the company.
Mr. Mithun Chand Chennamaneni	Executive Director	He is M.B.A. Apart from general management, he has rich experience in finance, accounts and administration in regulatory affairs of the company.
Dr. Suravaram Raghuvardhan Reddy	Independent Director	He is a Ph.D (Agriculture) and Ex-Vice Chancellor of Acharya N.G. Ranga Agricultural University having vast experience in the Agriculture & Research activities.
Dr. Syed Mohammed Ilyas	Independent Director	He is M.Sc., Agricultural Engineering. He was retired as a Director of National Academy of Agricultural Research Management (NAARM), Hyderabad and he has held several eminent professional positions from Indian Agricultural Research Institute, New Delhi. He has rich experience in the Agriculture & Research management and other International Assignments.
Mr. Kalakala Purushotam	Independent Director	He is a B.Sc., (Agricultural) from A.P. Agricultural University and passed Banking examinations (CAIB Part I) conducted by the Institute of bankers, Mumbai and retired as General Manager cadre in IOB and has rich experience in finance banking, money markets accounting, management, strategy etc.,
Mrs. Chaya Ratan Musinipally	Independent Director	She is IAS (Retired) and M.Sc Eco Social policy & planning from London School of Economics, London. She has rich experience in overall rural management, Rural development and social activities.
Dr. Rayappa Ramappa Hanchinal	Independent Director	He obtained Ph.D in Agriculture, Genetics and Plant Breeding. He is also Fellow of National Academy of Agricultural Sciences, National Academy of Biological Sciences and Honorary fellow/fellow of many professional societies including Bioversity International- Rome. He was awarded with as many as 24 national /international Awards. Also, a grantee for the Obama-Singh 21st Century knowledge initiative (2012). He was awarded M.S.Swaminathan in 2015-16 by RICAREA, Hyderabad and a certificate of appreciation from World Bank group.

ix) Statement on Declaration by Independent Directors

Dr. S.Raghuvardhan Reddy, Dr. S.M.Ilyas, Sri K.Purushotham, Smt. M. Chaya Ratan and Dr. Rayappa Ramappa Hanchinal are the Independent Directors on the Board of the Company as on March 31, 2021. All the Independent Directors have given their respective declarations under Section 149 (6) and (7) of the Companies Act, 2013 and the Rules made thereunder. The Board of Directors, based on the declaration(s) received from the Independent Directors, has verified the veracity of such disclosures and confirms that the Independent Directors fulfill the

conditions of independence specified in the Listing Regulations and are independent of the management.

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

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

x) Resignation of Independent Directors

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

xi) Appointment of Independent Directors

During the year Dr. Rayappa Ramappa Hanchinal, Independent Director appointed as an Additional Director of the Company on 09th February, 2021.

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

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

Mr. Mithun Chand Chennamaneni (DIN 00764906) aged about 46 years was completed his MBA and associated with Kaveri Seed for more than a decade as an Executive Director. He looks after the day-to-day activities of administration, finance and accounts departments. Mr. Chand has a wealth of experience in marketing and finance and advises the management about financial issues of the Company. His thought power envisioned new business platforms and is dedicated towards growing the business with innovations. Besides he has significantly contributed in sales and marketing of Kaveri Microteck and other subsidiaries of the Company and he holds 8,57,344 Equity Shares of ₹ 2/- each of the Company. He is related to Mr. Vamsheedhar Chennamaneni, Whole time Director of the Company. Mr. Mithunchand Chennamaneni, Executive Director, who retire by rotation at this Annual General Meeting and being eligible offer himself for re-appointment as Director of the Company.

COMMITTEES OF THE BOARD

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

review. The Board Committees can request special invitees to join the meeting, as appropriate.

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

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

AUDIT COMMITTEE

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

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

i) Role of Audit Committee:

- ♦ Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible information is disclosed.
- ♦ Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ♦ Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ♦ Review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to;
- ♦ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- ♦ Changes, if any, in accounting policies and practices and reasons for the same;
- ♦ Major accounting entries involving estimates based on the exercise of judgment by management;
- ♦ Significant adjustments made in the financial statements arising out of audit findings;

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

- ◆ Carry out any other functions as is mentioned in the terms of reference of the Audit Committee under the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.
- ◆ Management discussion and analysis of financial condition and results of operations;
- ◆ Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and Internal Auditors;
- ◆ Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon;
- ◆ System for storage, retrieval, security etc. of books of account maintained in the electronic form;
- ◆ Review the existing loans / advances and investments.
- ◆ Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

ii) Composition and other details of Audit Committee

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

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

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

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

During the year under review the Audit Committee has met four times on 30th May 2020, 13th August 2020, 10th November 2020, and 09th February 2021.

The attendance at the Audit Committee meetings during the financial year 2020-21 is as under:

Member	No. of Meetings	Attendance
Mr. K. Purushotham	4	4
Dr. S. Raghuvardhan Reddy	4	4
Mr. C. Mithun Chand	4	4
*Mrs. M. Chaya Ratan	4	1
**Dr. V. Bhaskar	4	1

* Mrs. M. Chaya Ratan, Independent Director of the Company was appointed as a member of Audit Committee on 10th November, 2020.

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

NOMINATION AND REMUNERATION COMMITTEE:

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

- ♦ Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- ♦ Carry on the evaluation of every director's performance;
- ♦ Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- ♦ Recommend to the Board a policy, relating to the remuneration of the Directors and Key Managerial Personnel;
- ♦ Formulation of criteria for evaluation of Independent Directors and the Board;
- ♦ Devising a policy on Board diversity;
- ♦ Grant, issue and allot of options to eligible employees and administering the various Employee Stock Option Scheme(s) from time to time and
- ♦ Undertake any other matter as the Board may decide from time to time.

The composition of the Nomination and Remuneration/Compensation Committee comprises of three Independent Directors. Mr. K. Purushotham, Chairman of the Committee and Dr. S. Raghuvardhan Reddy & Mrs. M. Chaya Ratan are the members of the Committee. During the year, the Nomination and Remuneration Committee met three times on 10.11.2020, 09.02.2021 and 25.03.2021.

The attendance at the Nomination and Remuneration meeting(s) during the financial year 2020-21 is as under:

Member	No. of Meetings	Attendance
Mr. K. Purushotham	3	3
Dr. S.Raghuvardhan Reddy	3	3
Mrs. M. Chaya Ratan	3	3

i) Remuneration Policy:

The remuneration committee of Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the

company and the remuneration of the Key Managerial Persons is to be recommended by the remuneration committee to the Board. The Non- Executive Directors are paid sitting fees for attending meetings of Board.

The nomination and remuneration policy as adopted by the Board is placed on the Company's website at <http://www.kaveriseeds.in/images/pdf/images/Nomination-and-Remuneration-Policy.pdf>

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

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

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

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

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

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

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

iii) REMUNERATION OF DIRECTORS:**a. Executive Directors:**

(Amount in ₹)

Name of the Director	Salary per annum	Contribution to PF & Gratuity	Total
Sri G.V. Bhaskar Rao	3,48,93,193	24,69,913	3,73,63,106
Smt. G. Vanaja Devi	2,15,77,255	15,27,346	2,31,04,601
Sri C. Vamsheedhar	1,03,80,997	8,50,197	1,12,31,194
Sri C. Mithun Chand	85,87,423	7,23,243	93,10,666
TOTAL	7,54,38,868	55,70,699	8,10,09,567

Re-appointment of MD & Whole Time Directors:

The re-appointments of Mr. G.V. Bhaskar Rao, Managing Director, Mrs. G. Vanaja Devi, Mr. C. Vamsheedhar and Mr. C. Mithunchand, Whole-time Directors are being proposed at this Annual General Meeting.

b. Non-Executive Independent Directors:

There were no pecuniary transactions with any non-executive independent directors of the Company

Non-Executive Independent Directors are paid sitting fee for attending the Board meetings and Committee meetings. Sitting fee for Board Meeting is ₹ 40,000/- and Committee Meetings is ₹ 15000/- being paid to Non-Executive Independent Directors for attending each meeting of the Board of Directors and Committee meetings. During the year, the sitting fees paid for attendance of Board and Committee meetings are as follows:

(Amount in ₹)

Member	Designation	Sitting Fee Paid
Dr. S. Raghuvardhan Reddy	Independent Director	3,10,000
Dr. S. M.Ilyas	Independent Director	1,60,000
Sri K. Purushotham	Independent Director	2,65,000
Smt. M. Chaya Ratan	Independent Director	2,20,000
Dr. V. Bhaskar	Independent Director	55,000

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Dr. S. Raghuvardhan Reddy, Non-executive Director is the Chairperson of the Committee and Mr. C.Vamsheedhar, Mr. C.Mithun Chand are the other members of the Committee.

The main functions of the Stakeholders Relationship Committee considers and resolves all matters of the grievances of the

share holders of the Company including complaints related to transfer of shares, non-receipt of annual reports, dividends, issue of duplicate share certificates etc. Specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports /statutory notices by the shareholders of the Company

The attendance at the Stakeholders Relationship Committee meeting(s) during the financial year 2020-21 held on 09.02.2021 is as under:

Member	No.of Meetings	Attendance
Dr. S. Raghuvardhan Reddy	1	1
Mr. C.Vamsheedhar	1	1
Mr. C.Mithun Chand	1	1

Name and designation of Compliance Officer:

Mr. V.R.S.Murti, Company Secretary & Compliance Officer

Email ID for investor grievances: cs@kaveriseeds.in

During the year the Company has not received any grievances from the investors. As on 31st March, 2021 there were no investor grievances pending and no transfers were pending for approval.

RISK MANAGEMENT COMMITTEE:

Pursuant to the requirement of SEBI (LODR) Regulations 2015, the company has a risk management committee of the Board consisting the Directors of Dr. S.Raghuvardhan Reddy, Independent Director and Chairman of the Committee Mr. C.Vamsheedhar and Mr. C. Mithunchand, members of the Committee.

Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report. The Risk Management Policy is available on the Company's website at: http://www.kaveriseeds.in/images/pdf/images/Risk-Management-Policy_final.pdf

All members were attended the Risk Management Committee Meeting held on 09.02.2021.

DIVIDEND DISTRIBUTION POLICY

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one of whom will be an independent director. The constitution of CSR Committee is as under:

Mr. G.V. Bhaskar Rao, Chairman

Mrs. G. Vanaja Devi, Member

Dr. S. Raghuvardhan Reddy, Member

All members were attended the Corporate Social Responsibility Committee meeting held on 13.08.2020.

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

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
31st Annual General Meeting 2017-18	September 21, 2018	12.00 Noon	Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana	1
32nd Annual General Meeting 2018-2019	September 17, 2019	3.00 PM	Surana Udyog Hall. FTAPCCI House, Red Hills, Hyderabad – 500 004., Telangana	4
33rd Annual General Meeting 2019-2020	September 29, 2020	11.00 A.M	Meeting held through Video Conferencing Facility ("VC")/ Other Audio Visual Means ("OAVM")	Nil

i. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2019-20.

MEANS OF COMMUNICATION:

The Quarterly, Half yearly and Annually Financial Results of the company are published in leading newspapers in English and Telugu (Regional Language). The results are also displayed on the Company's website <http://www.kaveriseeds.in/investors/financial-information/#tab-quarterly-financial-results> for the information of shareholders and general public. Financial Results, Presentation, Con call Transcripts made to the institutional investors/analysts after the declaration of quarterly; half yearly and annual results are submitted

to the National Stock Exchange of India Limited and BSE Limited as well as uploaded on the company's website. Further all material information which will have some bearing on the operation of the Company is sent to all Stock Exchanges concerned and also placed on the Company's website. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

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

The Company also filed information through NEAPS and BSE Listing Centre – a web based application provided by NSE & BSE which facilitates online filing of Financial Results, Announcements, Corporate Governance Reports and Shareholding Pattern etc., by the company.

ii) Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its Circular No.37/2011 dated June 7, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

iii) Ministry of Corporate Affairs (MCA)

The company has periodically filed all the necessary documents with the MCA.

iv) SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

v) Letters

Letters reminding the investors to claim their pending/unclaimed dividends are regularly dispatched to the investors.

vi) The Management Discussion and Analysis Report forms part of the Directors' Report:

The Management discussion and analysis forms part of this Report and is provided separately elsewhere in this report.

vii) The Annual Report

The Annual Report containing inter alia the Audited Accounts, Directors Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and analysis forms part of the Annual Report. Pursuant to the Green initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

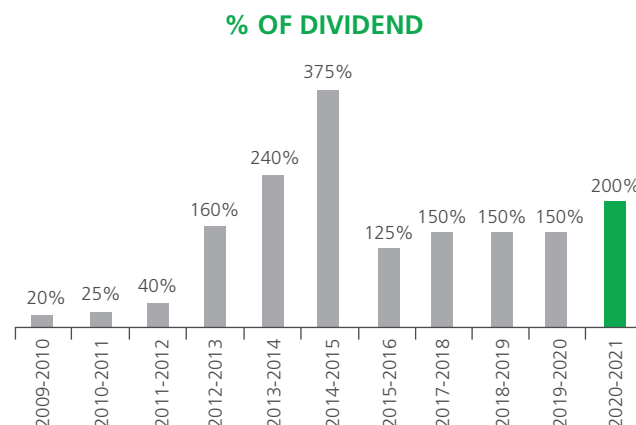
Your Company's Annual Reports are also available on the Company's web site <http://www.kaveriseeds.in/investors/financial-information/#tab-annual-reports>

GENERAL SHAREHOLDERS INFORMATION:

i.	34th Annual General Meeting - Date and Time - Venue	30th September, 2021 at 11:00 AM Pursuant to the Circular No. 20/2020, May 05, 2020 of Ministry of Corporate Affairs, the AGM will be convened through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).
ii.	Financial Calendar	i. Financial Year – April to March ii. First Quarter Results – within 45 days of the end of the quarter. iii. Half-yearly Results – within 45 days of the end of the quarter. iv. Third Quarter Results – within 45 days of the end of the quarter. v. Results for the year ending March 31, 2022 – within 60 days of the end of the quarter (Audited) 24.09.2021 to 30.09.2021 (both days inclusive)
iii.	Date of Book Closure	24.09.2021 to 30.09.2021 (both days inclusive)
iv.	Payment of Dividend	During the year 2020-21, the company has paid an Interim Dividend of ₹ 4/- per equity share.
v.	Listing on Stock Exchanges:	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023. National Stock Exchange of India Ltd., Exchange Plaza, 5th floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
vi.	Listing Fees	Listing fee of both the Stock Exchanges has already been paid for the year 2021-22
vii.	Stock Code:	
	Bombay Stock Exchange Limited	532899
	National Stock Exchange of India Ltd	KSCL

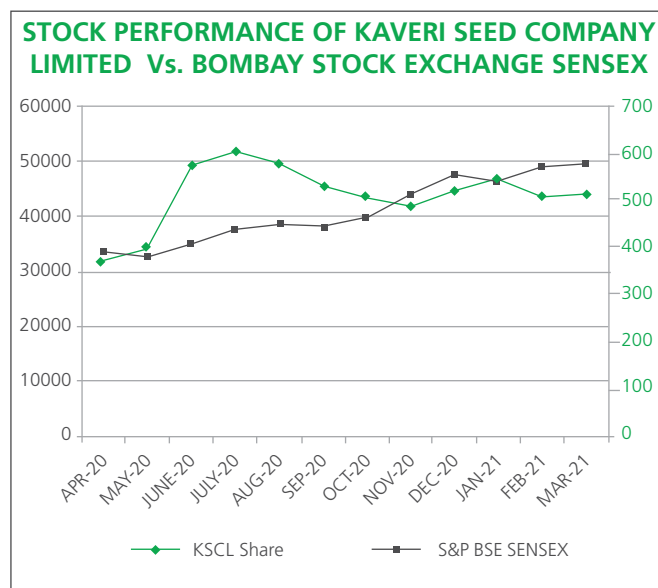
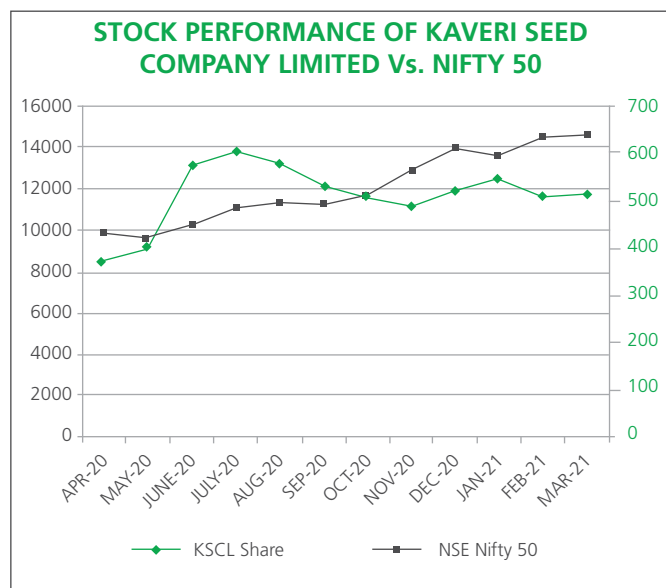
viii. Dividend History:

Financial Year	% of Dividend
2020-2021	200
2019-2020	150
2018-2019	150
2017-2018	150
2015-2016	125
2014-2015	375
2013-2014	240
2012-2013	160
2011-2012	40
2010-2011	25
2009-2010	20



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

Month	National Stock Exchange				Bombay Stock Exchange			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-20	399.45	296.7	371.3	2988405	404.7	297.9	371.75	483579
May-20	427	351.95	398.3	2571922	427	356.3	397.6	800056
Jun-20	634	405.1	573.8	9431389	635	408.9	573.15	960499
Jul-20	638.9	551	604.3	7275190	638.7	551.2	604.15	1076495
Aug-20	682.5	575	577.85	11442557	682	575	577.65	1396175
Sep-20	609.8	507	531.25	5319766	609	507.45	532.1	990265
Oct-20	559	503	506.95	3655323	558.2	504.05	507.05	612541
Nov-20	544	463.05	490.8	5201108	543.2	463.15	490.95	736111
Dec-20	548.05	480.1	520	14051496	548.65	478.7	519.8	2000353
Jan-21	566	516.1	546	7476326	565.85	515.6	547	791360
Feb-21	571.95	502.3	507	4396001	571.4	500	507.35	681899
Mar-21	535	476.55	513.05	3823546	535	477.55	513.55	542765



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

xi. Registrar to an issue and Share Transfer Agents:

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

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

xii. Share Transfer System and Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 100% of the Company's share capital are dematerialized as on 31st March 2021.

The Company's shares are regularly traded on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form. Under the Depository System, the ISIN allotted to the Company's Shares is INE455I01029

xiii. Kaveri Seed Employee Stock Option Plan – 2018 (ESOP Plan)

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

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

Further, the Nomination and Remuneration Committee, at their meeting held on 25.03.2021, granted 2,49,975 options @ ₹ 450/- per option to the eligible employees of the Company during the year under the ESOP Plan 2018. There are no outstanding options for the year ended 31.03.2021.

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

The ESOP Plan is in compliance with the SEBI (Share-Based Employee Benefits) Regulations, 2014, as amended from time to time, and there has been no material change to the plan during the fiscal. The Disclosure required to be made under Regulation 14 of SEBI (Share-Based Employee Benefits) Regulations, 2014 is available on the Company's website at

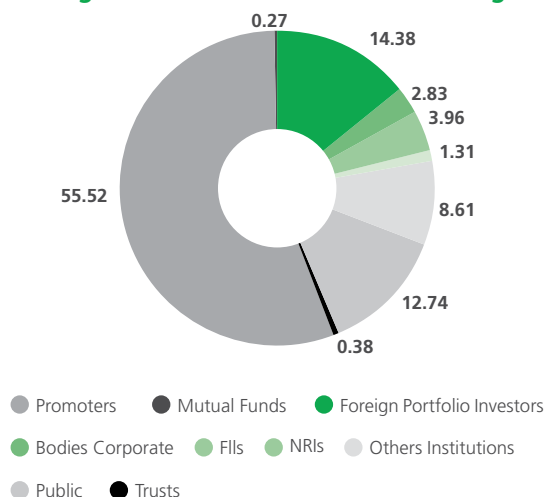
xiv. Distribution Schedule & Shareholding Pattern as on 31st March 2021

Category of Shares	No. of Shareholders	No. of Shares	% of total capital
1 - 500	50646	3854153	94.63
501 - 1000	1470	1102269	2.75
1001 – 2000	708	1021159	1.32
2001 – 3000	219	554464	0.41
3001 – 4000	112	400246	0.21
4001 - 5000	78	361053	0.15
5001 - 10000	131	939006	0.24
10001 – and above	156	52096783	0.29
Total	53520	60329133	100

Note: The above total number of shareholders without the consolidation of their respective folios.

Categories of Equity Shareholders as on 31st March 2021:

Category	No. of Shares	Percentage (%)
Promoters	3,34,97,143	55.52
Mutual Funds	1,63,796	0.27
Foreign Portfolio Investors	86,75,778	14.38
Bodies Corporate	17,08,212	2.83
Foreign Institutional Investors	23,90,010	3.96
Non Resident Indians	7,87,832	1.31
Other Institutions	51,93,287	8.61
Public	76,85,691	12.74
Trusts	2,27,384	0.38
TOTAL	6,03,29,133	100

Categories of Shareholder & Percentages

xv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments

The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on 31st March 2021.

xvi. Commodity price risk or foreign exchange risk and hedging activities:

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

xvii. Plant Locations:
S. Units No.
1. Gatlanarsingapur Plant - 1

Door No.104, Gatlanarsingapur Post, Bheemadevarapally Mandal Warangal Urban District, Telangana State.

2. Gatlanarsingapur Plant - 2

Door No.6-96/2, Gatlanarsingapur Post, Bheemadevarapally Mandal Warangal Urban District, Telangana State.

3. Eluru Plant

Sy.No.853, Koppaka village, Pedavegi Mandal West Godavari Distirct, Andhra Pradesh State.

4. Eluru Plant

Sy.No.154/5, Akannagudem village, Pedavegi Mandal West Godavari Distirct, Andhra Pradesh State.

5. Bellary Plant

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

6. Pamulparthy Plant

Sy.No.703, Part, 707 Part, 712 Part 713 to 719, Pamulaparthi Village, Markook Mandal, Siddipet District, Telangana State.

S. Units No.
7. Molangur Plant

Sy.No.708, 709/A and 712A Molangur village, Shankarapatnam Mandal, Karimnagar District, Telangana State.

8. Gowraram Plant

Sy.No.72 & 73 Part, Gowraram Village, Wargal Mandal, Medak Dist.,

9. Pamulparthy Cold Storage Unit

Sy.No.712, 743, Pamulaparthi Village, Markook Mandal, Siddipet District, Telangana State.

xviii. Registered Office, Corporate Office & Address for correspondence

Kaveri Seed Company Limited
 CIN: L01120TG1986PLC006728
 513-B, 5th Floor, Minerva Complex, S.D.Road,
 Secunderabad – 500 003, Telangana.
 Tel.Nos.+91 40-27721457/27842398
 Fax No.+91 40-27811237
 Email: cs@kaveriseeds.in
 Website: www.kaveriseeds.in

xix. Name & Designation of Compliance Officer

Mr. V.R.S. Murti
 Company Secretary
 513-B, 5th Floor, Minerva Complex, S.D.Road,
 Secunderabad – 500 003, Telangana.
 Tel.Nos. +91 40-27721457/27842398
 Fax No. +91 40-27811237 Email: cs@kaveriseeds.in
 Website : www.kaveriseeds.in

OTHER DISCLOSURES:

i) Related Party Transactions

No transaction of material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Audit Committee and Board regularly. Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report. In terms of SEBI (LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at <https://www.kaveriseeds.in/images/pdf/images/related-party-transaction-policy.pdf>

ii) Details of Non Compliance and Penalties

No penalties have been imposed on the Company by the Stock Exchanges where the Company's shares are listed or SEBI or any other statutory authority on any matter during the last three years.

iii) Whistle Blower Policy

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is hosted on the Company's website at <https://www.kaveriseeds.in/images/pdf/images/whistle-blower-policy.pdf>

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

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

v) Policy on Material Subsidiaries

The Company does not have any material unlisted Indian subsidiary in terms of Regulation 24 of the Listing Regulations. The Minutes of the Meetings of Board of Directors of all the subsidiary companies are periodically placed before the Board of Directors of the Company. The Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: <http://www.kaveriseeds.in/images/pdf/images/material-subsidary.pdf>

vi) The Policy on dealing with **Related Party Transactions** is available on the website of the Company: <https://www.kaveriseeds.in/images/pdf/images/related-party-transaction-policy.pdf>

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

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

ix) The Company has adopted Policy on Dividend Distribution. Policy on Dividend Distribution is available on the website of the Company: <https://www.kaveriseeds.in/images/pdf/images/Dividend-Distribution-Policy.pdf>

x) The Board has adopted the Board Diversity Policy which sets out the approach to diversify of the Board of Directors. The Board Diversity Policy is available on the Company's website <https://www.kaveriseeds.in/wp-content/uploads/2021/02/Policy-on-Board-Diversity.pdf>

xi) Recommendations of Committees of the Board

There were no instances during the financial year 2020-21 wherein the Board had not accepted the recommendations made by any Committee of the Board.

xii) Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm network entity of which the statutory auditor is a part;

₹ In Lakhs

Fees (including taxes)	Kaveri Seed Company Limited to Statutory Auditors	Kaveri Seed Company Limited to network firms of Statutory Auditors	Subsidiaries of Kaveri Seed Company Limited to Statutory Auditors and its network firms
Auditors and its network firms			
Statutory Audit	21.83	-	-
Certification & other attest services	0.18		
Non-audit services	-	-	-
Outlays and Taxes	-	-	-
Total	22.01	-	-

xiii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013:

The policy on Sexual Harassment is available on the website of the Company: <https://www.kaveriseeds.in/images/pdf/images/sexual-harrasment-policy.pdf>

- a. Number of complaints filed during the financial year: 0
- b. Number of complaints disposed of during the financial year: 0
- c. Number of complaints pending as on end of the financial year: Nil

xiv) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V:

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

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

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

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

Shareholder Rights: Quarterly financial results are published in leading newspapers, viz. The Business Standard (all editions - English) and vernacular – Nava Telangana (Hyderabad Edition - Telugu). The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.

Modified opinion(s) in audit report : All the financial statements received during the last five (5) years were with unmodified audit opinion.

Other Discretionary Requirements : At present, other discretionary requirements have not been adopted by the Company.

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

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes

Regulation	Particulars of Regulations	Compliance status (Yes/No)
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Functional Website	yes

xvii) Compliance Certificate of Corporate Governance:

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

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

During the year ended 31st March 2021, there were no proceeds from public issues, rights issues, preferential issues, etc.

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

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

S. No.	Particulars	Number of shareholders	Number of equity shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020.	6	480
2	Shareholders who approached the Company for transfer of shares from Unclaimed Suspense account during the year.	0	0
3	Shareholders to whom shares were transferred from the Unclaimed Suspense account during the year.	0	0
4	Shareholders whose shares are transferred to the demat account of the IEPF Authority pursuant to the provisions of Section 124 of the Companies Act, 2013.	4	1530
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense account at the end of the year i.e., as on March 31, 2021.	10	2010

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 shall remain frozen till the rightful owner of such shares claim the shares.

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

Shareholders who have not claimed their dividend for the years 2013-14 are requested to claim before the due date otherwise the same has been transfer to the Investor Education and Protection Fund Pursuant to Section 124 and 125 of the Companies Act, 2013. The Company has uploaded the details of the unpaid and unclaimed dividend amounts of the previous years' on the website of the Company (www.kaveriseeds.in) and also on the website of Ministry of Corporate Affairs. The unpaid/unclaimed dividend for the year 2013-14 will be transferred to the Investor Education and Protection Fund of the Central Government on the due date. The shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124(6) of the Companies Act, 2013, and the applicable rules. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members,

whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

xxi) Letter of appointment

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

xxii) Code of Conduct

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

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading)(Amendment) Regulations.

financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015 is attached to this Report as **Annexure - C**.

For **KAVERI SEED COMPANY LIMITED**

xxiii) CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company have given the annual certification on

Date: 13.08.2021

G.V.BHASKAR RAO

G. VANAJA DEVI

Place: Secunderabad

Managing Director

Whole Time Director

Declaration on Code of Conduct

I, G.V.Bhaskar Rao, Managing Director, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2021.

For **KAVERI SEED COMPANY LIMITED**

Date: 13.08.2021

Place: Secunderabad

G.V.BHASKAR RAO

Managing Director

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,
Kaveri Seed Company Limited.
 Hyderabad.

SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, L. Dhanamjay Reddy, Practicing Company Secretary, proprietor of L.D.Reddy & C o., Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Kaveri Seed Company Limited (CIN: L01120TG1986PLC006728) having its Registered office at 513B,5th Floor, Minerva Complex, Sarojini Devi Road, Secunderabad - 500003, Telangana, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2021.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021:

List of Director of the Company as on 31st March, 2021:

S. No.	DIN	Full Name	Designation
1	00892232	Sri. VenkataBhaskar Rao Gundavaram	Managing Director
2	00328947	Smt. Vanaja Devi Gundavaram	Whole time Director
3	00768751	Dr.PawanGundavaram	Vice Chairman (Non Executive)
4	01458939	Sri. ChennamaneniVamsheedhar	Whole time Director
5	00764906	Sri. Mithun Chand Chennamaneni	Whole time Director
6	01540645	Sri. PurushotamKalakala	Director
7	01992206	Sri. Raghuvardha Reddy Suravaram	Director
8	03542011	Sri. Syed Mohammed Ilyas	Director
9	08085687	Smt. Chaya RatanMusinipally	Director
10	08138621	Sri. RayappaRamappaHanchinal	Director

Date :13.08.2021
 Place : Hyderabad

For **L.D.Reddy & C o.,**
 Company Secretaries

Sd/-
L. Dhanamjay Reddy
 (Proprietor)
 M.No. A13104
 CP. No.3752
 UDIN:A013104C000822902

Annexure B

Secretarial compliance report of M/s. Kaveri Seed Company Limited for the year ended 31st March 2021

I, L. Dhanamjaya Reddy, proprietor of L.D. Reddy & Co., Company Secretaries have examined:

- a. all the documents and records made available to us and explanation provided by M/s. KAVERI SEED COMPANY LTD. ("the listed entity"),
- b. the filings/ submissions made by the listed entity to the stock exchanges,
- c. website of the listed entity, other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2021 ("Review Period") in respect of compliance with the provisions of :

- a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

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

- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i. other regulations as applicable and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

- a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Nil	Nil	Nil	Nil

- b. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- c. The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

S. No.	Action taken by	Details of violation	Details of action taken E.g. Fines warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
Nil	Nil	Nil	Nil	Nil

- d. The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Nil	Nil	Nil	Nil	Nil

Date :25.05.2021
Place : Hyderabad

For **L.D.Reddy & C o.,**
Company Secretaries

Sd/-
L. Dhanamjay Reddy
(Proprietor)
M.No. A13104
CP. No.3752
UDIN: A013104C000364752

Annexure C

CEO/CFO CERTIFICATION

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

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2021 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee that there are no:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosing in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For **KAVERI SEED COMPANY LIMITED**

Date: 13.08.2021
Place: Secunderabad

G.V.BHASKAR RAO
Managing Director

K.V. CHALAPATHI REDDY
Chief Financial Officer

Annexure D

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Kaveri Seed Company Limited.
Hyderabad.

1. This certificate is issued in accordance with the terms of our engagement letter
2. This report contains details of compliance of conditions of Corporate Governance by **Kaveri Seed Company Limited.** ('the Company') for the year ended 31st March 2021, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.
6. We conducted our examination in accordance with the, Guidance Note on Corporate Governance Certificate, issued by the Institute of Company Secretaries of India ('ICSI'), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations.

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March, 2021.

Date :13.08.2021
Place : Hyderabad

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **L.D.Reddy & C o.,**
Company Secretaries

Sd/-
L. Dhanamjay Reddy
(Proprietor)
M.No. A13104
CP. No.3752

UDIN: A013104C000822924



Standalone

**Financial
Statements**

Independent Auditor's Report

To
The Members of **Kaveri Seed Company Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Kaveri Seed Company Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (here after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue: Management estimate of provision for sales return and Discount & schemes:</p> <p>Estimate for sales returns and discounts and schemes was a critical audit matter in the audit of the Company's financial statements for the year ended 31 March 2021.</p> <p>Management estimates the amount of returns expected based on the goods returned in the past and current market demands. The management considers revenue as key measure for evaluation of performance.</p> <p>Refer Note 2.1, 2.10, 12, 27 and 28 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures:</p> <p>We have performed the following principal audit procedures in relation to revenue recognised:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers"). Understanding and Testing of design and operating effectiveness of Internal controls in place relating to recognition and measurement of sales returns and discount amounts. Testing of relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue. Substantive testing of sales returns and discounts with the underlying documents.

S. No.	Key Audit Matter	Auditor's Response
2	<p>Valuation and classification of Investments:</p> <p>Company has Investments in Mutual funds, Real estate fund and other equity instruments.</p> <p>The Company holds significant amount of funds in the form of investments. Also, considering the complexities involved in classification of investments, the Company considers investments as material account balance.</p> <p>Refer Note 2.13 and 6 to the Standalone Financial Statements</p>	<ul style="list-style-type: none"> • Testing of supporting documentation for sales return transactions recorded during the period closer to the year end and subsequent to year end, including examination of credit notes issued after the year end to determine whether the returns were recognised in the correct accounting period. • Performing analytical procedures on current year revenue based on seasonal trends and where appropriate, conducting further enquiries and testing. • Evaluating historical accuracy of estimates made by management in respect of sales return by performing trend analysis and comparing them with actuals. <p>Principal Audit Procedures:</p> <p>We focused on the valuation and existence of the investments as also the classification and disclosures in the Company's financial statements for the year ended 31 March, 2021.</p> <p>We have performed the following principal audit procedures in relation to investments:</p> <ul style="list-style-type: none"> • We obtained independent confirmation of the number of units held and net asset value per unit for each of the underlying investments as at the year end date. We agreed the details confirmed to the valuation of these investments as per the accounting records. • Re-computation of profit/ (loss) on sale of investments, valuation of investments including fair value movements. • Review of valuation and classification of investment in accordance with Nature of investment made, company's policies, business model and applicable accounting standards.
3	<p>Valuation of Biological assets:</p> <p>The value of Biological assets is measured at fair value less costs to sell. The fair value is determined based on the growth potential of individual standing crops. The growth potential varies depending on the geographic location and varieties of crops. The valuation requires estimates of growth, harvest, sales price and costs.</p> <p>Due to the level of judgment involved in the valuation of biological assets, involvement of discretionary assumptions by management regarding biological transformation and quality of crop and significance of biological assets to the Company's financial position, this is considered to be a key audit matter.</p> <p>Refer Note 2.5 and 11 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures:</p> <p>We have performed the following principal audit procedures in relation to biological assets:</p> <ul style="list-style-type: none"> • We have tested management's controls and effectiveness of systems in place for the valuation of biological assets based on the stage of crop as measured by the company. • We have assessed the key assumptions contained within the fair value calculations including sales price assumptions and growth assumptions. • We have performed the analytical review of the results of valuation to highlight outliers which warrant further audit procedures. • Comparison of actual production costs with provisions made towards standing crops.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Financial and Operational Review, Director's Report, Business Responsibility Report, Corporate Governance Report, Annual Report on CSR activities, but does not include the standalone financial statements and our auditor's report thereon. The above listed reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the above listed reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (changes in equity), and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures,

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash

Flow dealt with by this Report are in agreement with the books of the account;

- d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with rules made thereunder;
- e) on the basis of written representations received from the directors as on 31 March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, which are required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended 31 March 2021.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No 000459S

Sd/-
M. V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, 29 May 2021

UDIN: 21206439AAAABP7276

Annexure A

to the Independent Auditor's Report

(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kaveri Seed Company Limited)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the management in accordance with programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties shown in fixed asset schedule are held in the name of Company as at the balance sheet date.
- ii. As explained to us, inventories were physically verified during the year by the management at reasonable intervals. The discrepancies noticed on physical verification between the physical stocks and the book records were not material and they have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act. In respect of loans and investments made. The company has not given any guarantee and securities to any person to which provisions of the Section 185 and 186 of the Act are applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year to which the directions issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provision of the Act and the Rules framed there under, were applicable. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the activities of the Company.
- vii. According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- (b) There were no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, customs duty, value added tax and cess which were in arrears as at 31 March 2021 for a period of more than six months from the date they become payable.
- (c) The details of statutory dues which have not been deposited as on 31 March 2021 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
Central Excise Act	Excise Duty	Commissioner of Customs & central Excise, Hyderabad	April 2010 To March 2014	276.59
APGST Act	Purchase Tax	Hon'ble High court of Andhra Pradesh	April 2003 To March 2004	22.37
Bihar VAT Act	VAT & CST (Interest and penalty)	Hon'ble High court of Bihar	April 2012 To March 2013	11.94

- viii. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year; accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. According to the information and explanations given to us, the Company has utilised the money raised by way of term loans for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and other records of the Company in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on the examination of records of the Company, managerial remuneration has been paid or provided with requisite approvals mandated in accordance with the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on the examination of records of the Company,
- all the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made preferential allotment or private placement of shares or fully or partly Convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or directors of its subsidiaries or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No 000459S

Sd/-
M. V. Ramana Murthy
Partner

Membership No.206439
UDIN: 21206439AAAABP7276

Hyderabad, 29 May 2021

Annexure B

to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Kaveri Seed Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and according to the information and explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No 000459S

Sd/-
M. V. Ramana Murthy
Partner

Membership No.206439
UDIN: 21206439AAAABP7276

Hyderabad, 29 May 2021

Balance Sheet

as at 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
Property, Plant and Equipment	3	24,025.10	24,277.30
Capital work-in-progress	4	2,558.73	1,298.40
Other Intangible assets	5	88.29	155.83
Financial Assets			
Investments	6	6,814.12	6,254.48
Loans	7	2,860.87	2,673.71
Non-current Tax Assets (Net)	8	752.36	471.81
Other non-current Assets	9	1,971.04	1,288.06
Total Non-current assets		39,070.51	36,419.59
(2) Current assets			
Inventories	10	71,413.49	63,284.54
Biological Assets	11	16,422.24	8,916.23
Financial Assets			
Investments	6	55,871.07	35,117.43
Trade receivables	12	7,378.89	8,967.95
Cash and cash equivalents	13	689.80	409.20
Other Bank balances	14	13.98	12.75
Other Financial Assets	15	22.11	35.44
Other current assets	16	2,478.93	2,646.63
Assets classified as held for sale	17	2,862.93	2,631.15
Total current assets		1,57,153.44	1,22,021.32
Total Assets		1,96,223.95	1,58,440.91
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	18	1,206.58	1,206.58
Other Equity	19	1,25,000.58	96,978.46
Total Equity		1,26,207.16	98,185.04
LIABILITIES			
(1) Non-current liabilities			
Financial Liabilities			
Borrowings	20	108.18	155.76
Provisions	21	974.16	477.16
Deferred tax liabilities (Net)	22	1,571.53	1,809.97
Other non-current liabilities	23	895.74	801.12
Total Non-current liabilities		3,549.61	3,244.01
(2) Current liabilities			
Financial Liabilities			
Trade payables	24		
Total Outstanding dues of Micro and Small Enterprises		432.15	290.78
Total Outstanding dues other than Micro and Small Enterprises		35,228.48	26,250.53
Other financial liabilities	25	186.68	166.07
Provisions	26	103.32	97.15
Other current liabilities	27	30,516.55	30,207.33
Total Current liabilities		66,467.18	57,011.86
Total Equity and Liabilities		1,96,223.95	1,58,440.91
See accompanying notes to the financial statements	1-55		

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**
Firm Registration No.000459S
Chartered Accountants

Sd/-
M.V. Ramana Murthy
Partner
Membership No. 206439

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

Sd/-
G.V.Bhaskar Rao
Managing Director
DIN: 00892232

Place: Secunderabad
Date: 29 May 2021

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

Sd/-
G.Vanaja Devi
Wholetime Director
DIN: 00328947

Statement of Profit and Loss

for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I Income			
Revenue from Operations	28	98,698.07	88,325.60
Other Income	29	4,801.68	4,655.83
Total Income		1,03,499.75	92,981.43
II Expenses			
Cost of Material Consumed	30	67,786.23	56,772.66
Changes in Inventories of Finished Goods and Work in Progress	31	(15,031.50)	(10,025.45)
Employee Benefits Expense	32	7,100.87	5,730.64
Finance Costs	33	38.52	21.81
Depreciation & Amortisation	34	2,131.99	2,430.71
Other Expenses	35	10,155.26	11,894.85
Total Expenses		72,181.37	66,825.22
III Profit before Tax (I-II)		31,318.38	26,156.21
IV Less : Tax expense			
Current Tax		588.14	868.74
Earlier Years Tax		(130.76)	39.66
Deferred Tax		330.00	121.12
		787.38	1,029.52
V Profit for the Year (III-IV)		30,531.00	25,126.69
VI Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or loss			
Fair value of Equity Investments through OCI		24.55	(27.74)
Actuarial gain/(loss) on employee benefits through OCI		17.77	(90.16)
		42.32	(117.90)
(ii) Income tax relating to items that will not be reclassified to Profit or loss			
Fair value of Equity Investments through OCI		(58.12)	9.69
Actuarial gain/(loss) on employee benefits through OCI		(0.36)	0.95
		(58.48)	10.64
		(16.16)	(107.25)
B (i) Items that will be reclassified to Profit or loss			
Fair value of Investments through OCI		(776.10)	(904.04)
(ii) Income tax relating to items that will be reclassified to profit or loss			
Fair value of Investments through OCI		626.91	315.87
		(149.19)	(588.17)
Total Other Comprehensive Income		(165.35)	(695.43)
VII Total Comprehensive Income for the year (V+VI)		30,365.65	24,431.26
VIII Earnings Per Equity Share			
Basic (equity shares, par value ₹2 each)		50.61	40.14
Diluted (equity shares, par value ₹2 each)		50.61	40.14
See accompanying notes to the financial statements	1-55		

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**

Firm Registration No.000459S

Chartered Accountants

Sd/-

M.V. Ramana Murthy

Partner

Membership No. 206439

Sd/-

K.V.Chalapathi Reddy

Chief Financial Officer

Sd/-

G.V.Bhaskar Rao

Managing Director

DIN: 00892232

Sd/-

V.R.S.Murti

Company Secretary

Sd/-

G.Vanaja Devi

Wholetime Director

DIN: 00328947

Place: Secunderabad

Date: 29 May 2021

Statement of Changes in Equity

All amounts are Rupees in lakhs unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Issued and paid up equity share capital	
Balance as at 31 March, 2019	1,262.58
Changes in equity share capital during the year	(56.00)
Balance as at 31 March, 2020	1,206.58
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	1,206.58

B. Other Equity

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Other Comprehensive Income		Total
				Fair Value gain/ (loss) on Investments	Actuarial gain / (loss) on employee benefits	
Balance as at 1 April, 2019	1,000.00	95,681.44	118.52	3,552.87	(319.46)	1,00,033.37
Other Comprehensive Income for the year	-	-	-	(606.22)	(89.21)	(695.43)
Profit for the Year	-	25,126.69	-	-	-	25,126.69
Buyback of Equity Shares	(1,000.00)	(22,986.77)	-	-	-	(23,986.77)
Dividend and Dividend Tax	-	(2,283.17)	-	-	-	(2,283.17)
Interest on loan to Employee Trust	-	(1,216.23)	-	-	-	(1,216.23)
Transferred to General Reserve	1,000.00	(1,000.00)	-	-	-	-
Transferred to Capital Redemption Reserve	-	(56.00)	56.00	-	-	-
Balance as at 31 March 2020	1,000.00	93,265.96	174.52	2,946.65	(408.67)	96,978.46
Other Comprehensive Income for the year	-	-	-	(182.76)	17.41	(165.35)
Profit for the Year	-	30,531.00	-	-	-	30,531.00
Dividend and Dividend Tax	-	(2,413.17)	-	-	-	(2,413.17)
Transfer from OCI towards sale of equity investments	-	69.63	-	-	-	69.63
Transferred to General Reserve	1,000.00	(1,000.00)	-	-	-	-
Balance as at 31 March 2021	2,000.00	1,20,453.42	174.52	2,763.90	(391.26)	1,25,000.58
See accompanying notes to the financial statements	1-55					

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**
Firm Registration No.000459S
Chartered Accountants

Sd/-
M.V. Ramana Murthy
Partner
Membership No. 206439

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

Sd/-
G.V.Bhaskar Rao
Managing Director
DIN: 00892232

Place: Secunderabad
Date: 29 May 2021

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

Sd/-
G.Vanaja Devi
Wholtime Director
DIN: 00328947

Cash Flow Statement

for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Profit before taxation and exceptional items	31,318.38	26,156.21
Adjustments for:		
Fairvalue gain on Investments	(1,717.06)	(291.85)
Depreciation & Amortisation	2,131.99	2,430.71
(Profit)/Loss on sale of Fixed Assets	10.71	(41.74)
Dividend Received	(0.67)	(1.97)
Gain from Investments	(2,676.18)	(3,935.90)
Provision for impairment loss	103.75	-
Provision for Bad Debts	394.88	496.19
Interest received	(254.48)	(196.46)
Finance charges	38.52	21.81
Operating profit before working capital changes	29,349.84	24,637.00
(Increase) / Decrease in Inventories and Biological Assets	(15,634.96)	(11,727.90)
(Increase)/Decrease in Trade Receivables and other receivables	1,194.18	(2,979.48)
(Increase)/Decrease in Loans & Other Financials Assets	78.88	(1,772.65)
Increase/(Decrease) in Trade Payables	9,119.32	4,948.84
Increase/(Decrease) in Provisions	520.94	233.98
Increase/(Decrease) in Other liabilities	405.09	2,947.68
Taxes paid during the year	(737.93)	(1,084.51)
Net cash generated by operating activities	24,295.36	15,202.96
Cash flows from investing activities		
Payments for property, plant and equipment	(3,892.87)	(5,154.97)
Proceeds from disposal of property, plant and equipment	11.48	133.70
Purchase of investment	(51,888.78)	(50,999.70)
Proceeds from disposal of investments	34,256.53	66,865.12
Payments for intangible assets	(10.01)	(24.23)
Proceeds from earmarked balances with Bank	(1.23)	342.19
Loans repaid by subsidiaries	8.73	83.14
Dividend Received	0.67	1.97
Interest received	7.18	7.57
Net cash generated for investing activities	(21,508.30)	11,254.77
Cash flows from financing activities		
Buyback of Equity Shares	-	(24,042.77)
Proceeds from borrowings	-	18.10
Repayments of borrowings	(47.58)	(34.56)
Dividend including Tax on dividend	(2,413.17)	(2,283.17)
Finance charges	(45.70)	(28.21)
Net cash used in financing activities	(2,506.45)	(26,370.59)
Net increase in cash & cash equivalents	280.60	87.15
Cash & Cash equivalents at the beginning of the year	409.20	322.05
Cash & Cash equivalents at the end of the year (Refer Note 13)	689.80	409.20
See accompanying notes to the financial statements	1-55	

As per our report of even date attached

For and on behalf of the Board

 for **M. Bhaskara Rao & Co.**
 Firm Registration No.000459S
 Chartered Accountants

 Sd/-
M.V. Ramana Murthy
 Partner
 Membership No. 206439

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

 Sd/-
G.V.Bhaskar Rao
 Managing Director
 DIN: 00892232

 Place: Secunderabad
 Date: 29 May 2021

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

 Sd/-
G.Vanaja Devi
 Wholtime Director
 DIN: 00328947

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

1 Corporate Information

Kaveri Seed Company Limited ("the Company") has been incorporated on August 27, 1986, as private limited company and converted into public limited company on November 07, 2006. The company has been listed on 04.10.2007 on the Bombay Stock Exchange and the National Stock Exchange in India.

The company is into research, production, processing and marketing of various high quality hybrid seeds.

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

The standalone financial statements have been authorised for issue by the board of directors of the company on 29th May 2021.

2 Summary of significant accounting policies

2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter, guidelines issued by Securities and Exchange Board of India (SEBI), relevant provisions of the Act and other Accounting principles generally accepted in india

2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fairvalue. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of

Ind AS 116, and measurements that have some similarities to fair value but are not fairvalue, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Use of Estimates:

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

2.4 Property, Plant & Equipment and Other Intangible assets:

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

Freehold land is not depreciated.

Separately purchased intangible assets are initially measured at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any. Intangible assets are amortized over their respective individual estimated useful lives on a WDV basis, from the date that they are available for use.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

2.5 Biological Asset:

Recognition and measurement

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

- (a) the company controls the asset as a result of past events;
- (b) it is probable that future economic benefits associated with the asset will flow to the company; and
- (c) the fair value or cost of the asset can be measured reliably.

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

2.6 Leases:

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted

using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

2.7 Borrowing Costs:

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

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

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

2.8 Government Grants:

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

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

2.9 Impairment of Assets:

i) Financial assets

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

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

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

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

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

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

2.10 Revenue recognition:

The Company adopted IndAS115 "Revenue from Contracts with Customers" using the modified retrospective approach.

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration the company expects to receive in exchange for those products or services.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and indirect taxes. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. Therefore, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

The company classifies the right to consideration in exchange for goods as a receivable and is presented net of impairment in the Balance Sheet

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

2.11 Dividend and Interest Income:

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

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

2.12 Foreign currency transactions:

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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Gains and losses arising on settlement and translating monetary items at reporting date are included in the profit or loss.

2.13 Financial Instruments:

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

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

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

i) Non-derivative financial instruments

Cash and cash equivalents

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

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through Profit or loss

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

Financial assets at cost

Investment in subsidiaries are measured at cost.

Financial liabilities

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

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

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cashflows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.14 Non current assets held for sale:

Non-Current Assets are classified as Held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A Sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as Held for Sale are measured at the lower of their carrying amount and fair value less cost of sell and are presented separately in the Balance Sheet

2.15 Employee Benefits:

a) Gratuity:

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

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

b) Provident fund:

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

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

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

c) Compensated absences:

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

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

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

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

d) Other short term employee benefits:

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

2.16 Share Based Payment Arrangements:

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

a) Equity settled share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense in the statement of profit and loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and performance conditions at the vesting date. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

b) Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the statement of profit and loss.

2.17 Inventories:

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

2.18 Trade Receivables:

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

2.19 Taxation:

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

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

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

Deferred income taxes

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

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

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

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

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

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.20 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

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

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable,

had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

2.21 Provision, Contingent Liabilities and Contingent Assets:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made.

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

2.22 Critical accounting estimates and judgements:

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

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

- a) Provision for doubtful debts - Refer note no.12
- b) Provision for schemes - Refer note no.27
- c) Provision for returns - Refer note no.27
- d) Biological assets - Refer note no.11
- e) Measurement of useful life and residual values of property, plant and equipments and useful life of intangible assets - Refer note no.3

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

3 Property, Plant and Equipment

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Gross Carrying Amount								
Balance as at 01.04.2020	11,656.36	9,645.51	18,081.35	861.53	1,052.71	205.38	264.02	41,766.86
Additions	1,416.75	75.46	475.05	17.55	40.15	10.50	44.55	2,080.00
Deletions	231.78	-	91.68	89.18	125.32	41.99	47.08	627.03
Balance as at 31.03.2021	12,841.33	9,720.97	18,464.71	789.90	967.53	173.89	261.49	43,219.83
Accumulated Depreciation/ Amortisation								
Balance as at 01.04.2020	-	4,140.53	11,710.21	508.18	788.57	129.56	212.51	17,489.56
Additions	-	501.46	1,317.14	91.44	83.31	33.77	36.92	2,064.06
Deletions	-	-	71.49	84.72	118.06	39.89	44.73	358.89
Balance as at 31.03.2021	-	4,642.00	12,955.87	514.90	753.82	123.45	204.71	19,194.73
Net Carrying Amount								
Balance as at 31.03.2021	12,841.33	5,078.97	5,508.85	275.00	213.71	50.44	56.78	24,025.10
Gross Carrying Amount								
Balance as at 01.04.2019	9,915.18	9,330.48	17,311.75	598.84	1,075.26	173.49	245.04	38,650.04
Additions	1,780.25	315.03	1,025.77	273.11	69.96	70.95	42.95	3,578.02
Deletions	39.07	-	256.17	10.42	92.51	39.06	23.97	461.20
Balance as at 31.03.2020	11,656.36	9,645.51	18,081.35	861.53	1,052.71	205.38	264.02	41,766.86
Accumulated Depreciation/ Amortisation								
Balance upto 01.04.2019	-	3,615.45	10,372.59	443.42	771.53	135.58	199.88	15,538.45
Additions	-	525.08	1,556.94	74.44	98.24	30.84	34.82	2,320.36
Deletions	-	-	219.32	9.68	81.20	36.86	22.19	369.25
Balance upto 31.03.2020	-	4,140.53	11,710.21	508.18	788.57	129.56	212.51	17,489.56
Net Carrying Amount								
Balance as at 31.03.2020	11,656.36	5,504.98	6,371.14	353.35	264.14	75.82	51.51	24,277.30

4 Capital work-in-progress

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Carrying Amount								
Balance as at 01.04.2020	-	1,295.84	0.36	2.20	-	-	-	1,298.40
Additions	-	1,143.76	277.51	6.70	-	-	37.00	1,464.97
Deletions	-	77.91	117.82	8.91	-	-	-	204.64
Balance as at 31.03.2021	-	2,361.69	160.04	0.00	-	-	37.00	2,558.73
Carrying Amount								
Balance as at 01.04.2019	-	2,764.62	517.98	1.15	-	8.49	-	3,292.24
Additions	-	1,469.77	229.27	262.73	-	-	16.84	1,978.61
Deletions	-	307.39	746.90	261.68	-	8.49	16.84	1,341.30
Transferred to Assets held for sale	-	2,631.15	-	-	-	-	-	2,631.15
Balance as at 31.03.2020	-	1,295.84	0.36	2.20	-	-	-	1,298.40

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

5 Other Intangible assets

Particulars	Software	Total
Gross Carrying Amount		
Balance as at 01.04.2020	555.71	555.71
Additions	10.01	10.01
Deletions	192.12	192.12
Balance as at 31.03.2021	373.60	373.60
Accumulated Depreciation/Amortisation		
Balance as at 01.04.2020	399.88	399.88
Additions	67.94	67.94
Deletions	182.51	182.51
Balance as at 31.03.2021	285.31	285.31
Net Carrying Amount		
Balance as at 31.03.2021	88.29	88.29
Gross Carrying Amount		
Balance as at 01.04.2019	531.48	531.48
Additions	24.23	24.23
Deletions	-	-
Balance as at 31.03.2020	555.71	555.71
Accumulated Depreciation/Amortisation		
Balance upto 01.04.2019	289.53	289.53
Additions	110.36	110.36
Deletions	-	-
Balance upto 31.03.2020	399.88	399.88
Net Carrying Amount		
Balance as at 31.03.2020	155.83	155.83

6 Investments

Particulars	As at 31 March 2021		As at 31 March 2020	
Non Current Investments				
Equity Investments of Subsidiaries	2,985.93		2,985.93	
Less: Provision for impairment	30.29	2,955.64	-	2,985.93
Equity Investments in Other Entities		1.00		1.02
Investment in Real Estate Portfolio Management Fund		3,769.85		3,192.81
Equity Investments - Others		87.63		74.72
		6,814.12		6,254.48
Current Investments				
Liquid Mutual Fund Units		3,625.01		504.24
Fixed Maturity Plan Mutual Fund Units		8,133.16		18,008.34
Other Debt Mutual Fund Units		44,112.90		16,604.85
		55,871.07		35,117.43

Notes

to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

6 Investments (Contd..)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Qty Nos	Amount	Qty Nos	Amount
Non Current Investments				
Un-Quoted				
Equity Investment in Subsidiaries (Investments Carried at Cost)				
Equity shares of ₹10 each fully paid up in Aditya Agri Tech Pvt Ltd	7,70,000	77.00	7,70,000	77.00
Equity shares of ₹10 each fully paid up in Kaveri Microteck Pvt Ltd	1,65,57,789	2,868.64	1,65,57,789	2,868.64
Equity shares of ₹10 each fully paid up in Genome Agritech Pvt Ltd	91,800	30.29	91,800	30.29
Equity shares of ₹10 each fully paid up in Genomix Agri Genetics Pvt Ltd	99,999	10.00	99,999	10.00
		2,985.93		2,985.93
Equity Investments in Other Entities (Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,600	-	3,600	-
Equity Shares of ₹10 each in Swadeshi Biotechnics Ltd -fully paid up	7,000	1.00	7,000	1.02
		1.00		1.02
Investment in Real Estate Portfolio Management Fund (Investments Carried at Fair Value through Profit & Loss Statement)				
ASK Real Estate Special Situations Mutual Fund	375	371.11	375	371.11
ASK PMS Real Estate Special Opportunities Portpolio - III	-	3,275.04	-	2,698.00
		3,646.15		3,069.11
(Investments Carried at Fair Value through Other Comprehensive Income)				
ASK Real Estate Special Situations Mutual Fund	125	123.70	125	123.70
		123.70		123.70
		3,769.85		3,192.81
Quoted				
Equity Investments - Others (Other than trade) (Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹10 each in Vijay Textiles Ltd - fully paid up	32,642	11.95	1,99,425	31.51
Equity shares of ₹10 each in Bank of Maharashtra - fully paid up	1,900	0.40	1,900	0.17
Equity shares of ₹10 each in Indian Overseas Bank - fully paid up	9,700	1.55	9,700	0.68
Equity Shares of ₹1 each in Tata Consultancy Services Ltd - full paid up	2,320	73.73	2,320	42.37
		87.63		74.72
Current Investments				
Unquoted (Other than trade)				
Liquid Mutual Fund Units (Investments Carried at Fair Value through Profit & Loss Statement)				
HDFC Liquid Fund -Direct Plan - Growth Option	37,084	1,500.23	-	-
Mirae Asset Cash Management Fund - Direct Plan Growth	-	-	24,073	504.24
Tata Treasury Advantage Fund direct Plan - Growth	68,128	2,124.78	-	-
		3,625.01		504.24

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

6 Investments (Contd..)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Qty Nos	Amount	Qty Nos	Amount
Fixed Maturated Plan Mutual Fund Units (Investments Carried at Fair Value through Other Comprehensive Income)				
Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 Days) - Direct Growth	30,00,000	378.80	30,00,000	356.49
Aditya Birla Sun Life Fixed Term Plan - Series PE (1159 Days) - Direct Growth	30,00,000	377.73	30,00,000	355.22
Aditya Birla Sun Life Fixed Term Plan - Series QJ (1098 Days) - Direct Growth	1,50,00,000	1,863.09	1,50,00,000	1,758.96
Franklin India Fixed Maturity Plans - Series 3 - Plan F 1098 days - Direct - Growth	50,00,000	630.50	50,00,000	589.40
HDFC FMP 1178D Feb,2017 Direct Growth -Series 37	-	-	2,40,48,573	3,095.39
ICICI Prudential Fixed Maturity Plan Series 80-1150 Days Plan N Direct Plan Cumulative	-	-	78,04,662	1,000.58
ICICI Prudential Fixed Maturity Plan Series 83-1113 Days Plan E Direct Plan Cumulative	1,70,00,000	2,141.27	1,70,00,000	1,970.35
ICICI Prudential Fixed Maturity Plan Series 83-1105 Days Plan M Direct Plan Cumulative	51,04,334	638.36	51,04,334	585.08
Kotak FMP Series 235 Direct - Growth	50,00,000	627.94	50,00,000	587.72
HDFC FMP 1302 D SEPTEMBER 2016 (1) - SERIES 37 REG - G	-	-	2,42,73,023	3,213.75
Nippon Fixed Horizon Fund -XXXVIII -Series 03 - Direct Growth Plan	60,00,000	751.72	60,00,000	702.45
UTI Fixed Term Income Fund Series XXIX - XI (1112 Days)-Direct Growth Plan	64,78,435	723.75	64,78,435	674.68
IIFL Wealth Finance Limited SR-IFGPD - II BR NCD	-	-	2,700	3,118.27
		8,133.16		18,008.34

Particulars	As at 31 March 2021		As at 31 March 2020	
	Qty Nos	Amount	Qty Nos	Amount
Other Debt Mutual Fund Units (Investments Carried at Fair Value through Other Comprehensive Income)				
IDFC Credit Risk fund Direct Plan Growth	-	-	5,89,183	75.00
Aditya Birla Sun Life Medium Term Plan-Growth-Direct Plan	60,30,081	1,620.25	60,30,081	1,388.71
HDFC Credit Risk Debt Fund - Direct Growth	2,85,10,870	5,466.56	2,85,10,870	4,973.21
		7,086.81		6,436.92
(Investments Carried at Fair Value through Profit & Loss Statement)				
Tata Money Market Fund Direct Plan - Growth	68,520	2,514.60	29,418	1,019.68
Axis Money Market Fund - Direct Growth (MMDGG)	1,96,016	2,169.67	-	-
HDFC Money Market Fund - Direct Plan - Growth Option	6,705	299.98	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	10,82,153	3,022.07
ICICI Prudential Ultra Short Term Fund - Direct Plan Growth-8123	1,76,00,293	4,026.47	-	-
ICICI Prudential Short Term Fund - Direct Plan - Growth Option	69,16,614	3,362.80	-	-
IDFC Ultra Short Term Fund Direct Plan - Growth	1,72,54,440	2,065.55	1,32,33,585	1,509.48
Invesco India Money Market Fund - Direct Plan Growth	82,232	2,010.50	-	-
Invesco India Ultra Short Term Fund - Direct Plan Growth	45,287	1,006.46	-	-
Kotak Savings Fund - Direct Plan - Growth	90,13,558	3,126.15	-	-
Nippon India Money Market Fund - Direct Growth Plan Growth Option	71,784	2,311.97	-	-
SBI Savings Fund - Direct Plan - Growth	60,66,252	2,073.92	-	-
UTI Money Market Fund - Direct Growth Plan	86,498	2,071.76	-	-
Aditya Birla Sun Life Low Duration Fund- Growth - Direct Plan	1,30,099	718.24	-	-
Kotak Banking and PSU Debt Fund Direct Growth	31,53,640	1,624.87	31,53,640	1,502.61

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

6 Investments (Contd..)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Qty Nos	Amount	Qty Nos	Amount
Kotak Low Duration Fund Direct Growth	23,356	647.80	23,356	602.87
Nippon India Low Duration Fund - Direct Growth Plan Growth Option	88,960	2,686.78	88,960	2,511.21
Nippon India Floating Rate Fund - Direct Growth Plan (FRAGG)	61,88,835	2,227.24	-	-
Sundaram Banking and PSU Debt Fund - Direct Growth (BDDG)	60,89,291	2,081.33	-	-
		37,026.09		10,167.93
		44,112.90		16,604.85
Market Value of Quoted Investments		87.63		74.72
Aggregate amount of Quoted Investments		37.81		204.27
Aggregate amount of Unquoted Investments		56,300.31		35,910.59
Aggregate amount of impairment in value of investments		30.29		-
Investments Carried at Cost		2,985.93		2,985.93
Investments Carried at Fair Value through Other Comprehensive Income		15,432.30		24,644.70
Investments Carried at Fair Value through Profit & Loss		44,297.25		13,741.27
Investments Carried at amortised Cost		-		-

Investments in Mutual Funds

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

Investments in Subsidiaries

The Company has designated these investments at cost.

Investments in Equity Instruments of Other Entities (Quoted and Unquoted)

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

Equity Investment in Subsidiaries	Nature of Business	Proportion (%) of equity interest	
		31 March 2021	31 March 2020
Equity shares of ₹10 each fully paid up in Aditya Agri Tech Pvt Ltd	Seeds	70	70
Equity shares of ₹10 each fully paid up in Kaveri Microtech Pvt Ltd	Micronutrients	100	100
Equity shares of ₹10 each fully paid up in Genome Agritech Pvt Ltd	Seeds	51	51
Equity shares of ₹10 each fully paid up in Genomix Agri Genetics Pvt Ltd	Seeds	100	100

7 Loans

Particulars	As at	As at
	31 March 2021	31 March 2020
Unsecured and considered good		
Loan to Kaveri Employees Trust	2,860.87	2,673.71
	2,860.87	2,673.71

8 Non-current Tax Assets (Net)

Particulars	As at	As at
	31 March 2021	31 March 2020
Advance Income Tax and Tax Deducted at Source (Net of Provision ₹3,222.35 Lakhs (31 March 2020: ₹ 2764.97 Lakhs))	752.36	471.81
	752.36	471.81

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

9 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		
Security deposits	322.68	242.58
Advances for Capital Expenses	1,648.36	1,045.48
	1,971.04	1,288.06

10 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at lower of cost or net realisable value		
Raw Materials	7,491.89	6,888.43
Work in Process	11,054.21	8,645.93
Finished Goods	52,867.39	47,750.18
	71,413.49	63,284.54

11 Biological Asset

Particulars	As at 31 March 2021	As at 31 March 2020
Standing Crop	16,422.24	8,916.23
	16,422.24	8,916.23

Reconciliation of Biological Asset

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	8,916.23	5,308.98
Add : Cost incurred during the year	42,377.19	40,525.29
Less: Changes in fair value	2,986.54	1,398.71
Less: Transfer of Biological assets to Inventories	31,884.64	35,519.33
Balance at the end of the year	16,422.24	8,916.23

12 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good - Unsecured	7,378.89	8,967.95
Receivables- Credit impaired	3,630.80	3,327.38
Less: Loss Allowance	(3,630.80)	(3,327.38)
	7,378.89	8,967.95

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

12 Trade receivables (Contd..)

Trade receivables from related parties are disclosed in note no. 45

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

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Movement in the Loss Allowance		
Balance at the beginning of the year	3,327.38	2,831.19
Movement during the year based on ageing	303.42	496.19
Balance at the end of the year	3,630.80	3,327.38

13 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	3.63	2.75
Balances with Banks - Current Accounts	686.17	406.45
	689.80	409.20

14 Other Bank Balances

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks		
- Unclaimed Dividend	13.98	12.75
	13.98	12.75

15 Other Financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Interest Receivable	22.11	35.44
	22.11	35.44

16 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		
Advance to suppliers	2,052.04	2,302.72
Advance to Related Parties (Refer Note no.45)	62.47	71.20
Advance to Staff	120.67	110.57
Prepaid expenses	221.32	119.87
Others	22.43	42.27
	2,478.93	2,646.63

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

17 Assets classified as held for sale

Particulars	As at	As at
	31 March 2021	31 March 2020
Assets held for sale	2,862.93	2,631.15
	2,862.93	2,631.15

During the year 2019-20, the Company had decided to dispose off one immovable property which was under Capital work in progress. Due to the ongoing Covid-19 Pandemic, the Company was not able to dispose off the same during the financial year 2020-21 and expects to dispose of the asset in the year 2021-22. Further, during the year company has classified 42.02 acres of land as asset held for sale.

18 Equity Share Capital

Particulars	As at	As at
	31 March 2021	31 March 2020
SHARE CAPITAL		
Authorised		
10,00,00,000 (10,00,00,000) Equity shares of ₹2/- each	2,000.00	2,000.00
Issued, Subscribed & Paid up		
6,03,29,133 (6,03,29,133) Equity shares of ₹2/- each	1,206.58	1,206.58
	1,206.58	1,206.58

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

Equity Shares of ₹2/- each

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
At the beginning of the year	6,03,29,133	1,206.58	6,31,29,133	1,262.58
Add: Issued during the year	-	-	-	-
Less: Shares Cancelled during the year	-	-	28,00,000	56.00
At the end of the year	6,03,29,133	1,206.58	6,03,29,133	1,206.58

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	% of holding	No of shares	% of holding
G Vanaja Devi	1,40,90,157	23.36%	1,40,90,157	23.36%
G V Bhaskar Rao - HUF	99,85,649	16.55%	99,85,649	16.55%
G V Bhaskar Rao	53,58,530	8.88%	53,58,530	8.88%

c) Rights, preferences and restrictions attached to equity shares

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

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

18 Equity Share Capital (Contd..)

d) Buy back of Equity Shares

Aggregate number of shares bought back by the company during the period of five years immediately preceding the reporting date.

Particulars	Year ended 31 March				
	2021	2020	2019	2018	2017
Equity Shares of ₹ 2 each	-	2,800,000	2,963,000	2,962,962	-

e) Employee Stock Option Scheme

As per Kaveri ESOP 2018 Scheme during the current period the company has granted 249,975(6,29,516) options through Kaveri Employee Trust (ESOP Trust). The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years. Liability recognised at 31 March 2021 and cost recognised is disclosed in notes (Refer Note 47)

19 Other Equity

Particulars	As at 31 March 2021		As at 31 March 2020	
a) General Reserve				
Opening Balance	1,000.00		1,000.00	
Less: Utilized for Buyback	-		(1,000.00)	
Add: Transfer from Retained Earnings	1,000.00	2,000.00	1,000.00	1,000.00
b) Retained Earnings				
Opening Balance	93,265.96		95,681.44	
Add:				
Profit for the year	30,531.00		25,126.69	
Less:				
Transferred to General Reserve	(1,000.00)		(1,000.00)	
Payment of Dividend & Dividend Tax	(2,413.17)		(2,283.17)	
Utilized for Buyback	-		(22,986.77)	
Transfer from OCI towards sale of equity investments	69.63		-	
Interest on loan to Employee Trust	-		(1,216.23)	
Transferred to Capital Redemption Reserve	-	1,20,453.42	(56.00)	93,265.96
c) Capital Redemption Reserve				
Opening Balance	174.52		118.52	
Add:				
Transfer from Retained Earnings	-	174.52	56.00	174.52
d) Other Comprehensive Income - Fair Value Gain on Investments				
Opening Balance	2,946.65		3,552.87	
Add:				
Fair value of Equity Investments through OCI will not be reclassified to Profit & Loss	24.55		(27.74)	
Fair value of Investments through OCI will be reclassified to Profit & Loss	(776.10)		(904.04)	
Less:				
Tax on Fair value of Equity Investments through OCI will not be reclassified to Profit & Loss	58.12		(9.69)	
Tax on Fair value of Investments through OCI will be reclassified to Profit & Loss	(626.91)		(315.87)	
		2,763.90		2,946.65

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

19 Other Equity (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
e) Other Comprehensive Income - Actuarial Gain/(Loss) on Employee Benefits		
Opening Balance	(408.67)	(319.46)
Add:		
Actuarial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit or loss	17.77	(90.16)
Less:		
Tax on Actuarial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit & Loss	0.36	(0.95)
	(391.26)	(408.67)
	1,25,000.58	96,978.46

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained Earnings: Retained earnings are the profits that the Company has earned till date less any transfers to general reserve, dividends, utilisations or other distributions paid to shareholders.

Other Comprehensive Income: The fair value change of the investments measured at fair value through other comprehensive income recognised through Other Comprehensive Income. Upon derecognition the cumulative fair value changes on the said investments except equity investments are reclassified to the Statement of Profit and Loss. Accumulated gain or loss on employee benefits also recognised through other comprehensive income.

Capital Redemption Reserve: Face value of the No. of Shares cancelled through buyback is transferred to Capital Redemption Reserve.

20 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Term Loan from Department of Biotechnology, Ministry of Science & Technology	108.18	155.76
	108.18	155.76

Two Term Loans from Department of Biotechnology, Ministry of Science & Technology with 2% p.a interest is secured by all equipment, Plant & Machinery and other movable assets of the company acquired for the project and is repayable in ten equal half yearly instalments starting from June,2019.

21 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Gratuity (Refer note 46.3)	47.27	193.36
Provision for Compensated absences (Refer note 46.2)	396.20	281.03
Provision for ESOP Liability (Refer note 47)	530.69	2.77
	974.16	477.16

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

22 Deferred tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Liability/(Asset) on account of differences in depreciation as per tax books and financial books.	7.44	16.57
Deferred Tax Liability/(Asset) arising on account of timing differences relating to:		
Provision for Bad and doubtful trade receivables	(27.41)	(34.88)
Employee Benefits	(5.49)	(7.74)
Employee Benefits recognised through Other Comprehensive Income	(0.44)	(0.79)
Deferred Tax Liability arising on account of timing differences relating to:		
Impairment of investments	(7.62)	-
Fair value gain on investments through Profit & Loss Statement	677.12	340.09
Fair value gain on investments through Other Comprehensive Income	927.93	1,496.72
	1,571.53	1,809.97

23 Other Non current Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits from customers	872.54	774.79
Grant/Subsidy	23.20	26.33
	895.74	801.12

23.1 Grant/subsidy Reconciliation:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	26.33	29.47
Add: Received during year	-	4.52
Less: Amortised during year	3.13	7.66
Closing balance	23.20	26.33

24 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Creditors for Expenses	20,825.74	13,016.82
Sundry Creditors	14,834.89	13,524.49
	35,660.63	26,541.31
Total Outstanding dues of Micro and Small Enterprises	432.15	290.78
Total Outstanding dues other than Micro and Small Enterprises	35,228.48	26,250.53
	35,660.63	26,541.31

Trade payables to related parties are disclosed in note no.45

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

25 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Unclaimed Dividend	13.98	12.75
Interest Accrued but not due	5.94	13.13
Current Maturities of Long term debt	47.58	47.58
Capital Payables	119.18	92.61
	186.68	166.07

There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the companies Act, 2013 as at 31st March 2021 and 31st March 2020.

26 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Compensated absences (Refer note 46.2)	103.32	97.15
	103.32	97.15

27 Other Current Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers for sales	24,551.27	22,700.33
Payable to staff	891.85	745.67
Statutory Payables	188.29	137.66
Advance for sale of assets	252.30	252.30
Provision for returns	1,312.15	3,623.93
Provision for schemes	3,318.37	2,747.44
Others	2.30	-
	30,516.55	30,207.33

28 Revenue from Operations

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
Sale of Seeds (net)				
- Domestic	97,118.49		86,343.88	
- Exports	1,579.58	98,698.07	1,981.72	88,325.60
		98,698.07		88,325.60

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

29 Other Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit on sale of assets (Net)	(10.71)	41.74
Dividend Income	0.67	1.97
Profit on sale of Investments	2,676.18	3,935.90
Interest Income		
Interest on financial asset measured at amortised cost	187.16	139.93
Interest on others	67.32	56.53
Others	160.87	165.58
Grant/Subsidy amortisation	3.13	7.66
Fair value gain on Investments (Net)	1,717.06	291.85
Foreign exchange gain (Net)	-	14.67
	4,801.68	4,655.83

30 Cost of Material Consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw Material Consumed/Production Expenses		
Opening Stock	6,888.43	5,185.98
Add : Purchases/Production Expenses including processing Charges**	68,389.69	58,475.11
	75,278.12	63,661.09
Less : Closing Stock	7,491.89	6,888.43
	67,786.23	56,772.66
**Processing Charges		
Freight Inward	1,696.95	1,155.84
Repairs & Maintenance		
Plant & Machinery	342.60	343.45
Buildings & Godowns	59.22	63.11
Cold Storage	126.77	119.34
Factory Maintenance	1,710.26	1,145.26
Seed Certification charges	0.87	0.92
Power & Fuel	766.76	774.45
Godown Rent	166.04	137.75
Expense on processing	1,073.67	934.04
Other Farm & Cultivation expenses	181.10	52.15
R&D Expenses ***	2,869.16	2,368.04
	8,993.40	7,094.35
***R&D Farm Expenses		
Salaries and allowances	1,316.36	1,045.96
Cultivation Expenses	81.63	85.99
Fertilizers & Pesticides	62.91	57.91
Electricity charges	17.63	14.08
Electrical Maintenance	4.90	3.33
Farm Maintenance	128.16	126.50
Labour charges	655.53	430.45
Postage & telephones	8.64	9.13
Printing & Stationery	5.80	4.41
Security charges	46.11	48.22

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

30 Cost of Material Consumed (Contd..)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Staff Welfare	9.09	13.24
Travelling expenses	29.52	21.72
Vehicle Maintenance	18.99	13.86
Land Lease	139.84	118.17
Research Expenses	124.77	121.98
Testing Expenses	199.28	232.76
Professional Expenses	20.00	20.33
	2,869.16	2,368.04

31 Changes in Inventories of Finished Goods and Work in Progress

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
(Increase)/Decrease in Finished goods				
Opening Stock	47,750.18		40,761.65	
Closing Stock	52,867.39	(5,117.21)	47,750.18	(6,988.53)
(Increase)/Decrease in Work in Process				
Opening Stock	8,645.93		9,216.26	
Closing Stock	11,054.21	(2,408.28)	8,645.93	570.33
(Increase)/Decrease in Biological Assets				
Opening Stock	8,916.23		5,308.98	
Closing Stock	16,422.24	(7,506.01)	8,916.23	(3,607.25)
	(15,031.50)		(10,025.45)	

32 Employee Benefits Expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and allowances	5,990.02	5,239.23
Employee Stock option Expense	527.92	2.77
Contribution to Provident and other funds	473.66	395.32
Staff Welfare Expenses	109.27	93.31
	7,100.87	5,730.64

33 Finance Costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Termloans	3.60	4.40
Interest on Others	24.55	8.25
Bank Charges	10.37	9.16
	38.52	21.81

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

34 Depreciation and Amortisation

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Property, Plant & Equipment	2,064.05	2,320.36
Depreciation on Intangible Assets	67.94	110.35
	2,131.99	2,430.71

35 Other Expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Establishment Expenses		
Travelling Expenses	1,435.31	1,487.81
Postage & Telephone	81.88	106.21
Payment to Auditors (Refer Note No.35.1)	22.17	23.73
Vehicle Maintenance	137.75	132.57
Rent	60.37	49.92
Printing & Stationery	55.98	54.20
Insurance	172.37	130.84
Books & Periodicals	0.56	1.24
Rates & Taxes	151.95	75.27
Office Maintenance	78.19	78.12
General Expenses	69.76	67.80
Conveyance	4.26	2.46
Donations & Subscriptions	21.25	37.59
Legal Expenses	108.60	177.88
Professional Charges	222.07	243.90
Professional Tax	0.34	0.56
GST Expense	293.65	135.74
CSR Expenditure (Refer Note No.53)	462.14	346.10
Market Cess	27.68	30.47
Security Charges	138.44	137.53
Computer Maintenance	166.05	110.82
Directors Sitting Fees	10.10	10.30
Foreign Exchange Loss	6.03	-
Buyback Expenses	0.24	191.92
Provision for impairment loss on investments and other receivables	103.94	-
(a) Total	3,831.08	3,632.98
Selling & Distribution Expenses		
Sales promotion expenses	3,021.62	3,500.67
Advertisement	8.82	7.37
Freight & Forwarding	2,533.24	2,082.85
Farmers Meeting Expenses	306.90	430.60
Staff & Dealers Meeting Expenses	50.67	188.75
Royalty	-	1,445.67
Bad debts Write Off	8.05	109.77
Provision for Bad debts	394.88	496.19
(b) Total	6,324.18	8,261.87
Total of (a) & (b)	10,155.26	11,894.85

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

35 Other Expenses (Contd..)

35.1 Audit Fees (including Goods & Service Tax)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) For statutory audit	21.83	21.83
b) For other services	0.18	1.27
c) For reimbursement of expenses	0.16	0.63
	22.17	23.73

36 Commitments and Contingencies

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. Claims against the company not acknowledged as debts. This comprises of		
i) Tax demands disputed by the company relating to disallowances / additions of fiscal benefits, pending before various judicial forums and tax authorities	324.46	324.46
ii) Other matters not related to tax	10.75	10.75
	335.21	335.21

Consequent to the search proceedings on the Company, during the year 2017-18, the Company had submitted returns for the block assessment years from FY 2011-12 to FY 2017-18 in response to notice u/s 153A disclosing the same income as was disclosed in the returns filed earlier. Assessments upto the date of search have been completed by the Income Tax Department.

Aggrieved by the departments basis for initiating search proceedings, the Company filed a writ petition before the Hon'ble High Court of Telangana, Hyderabad, challenging the validity of the search proceedings. The Hon'ble High Court granted interim stay against assessment proceedings pending disposal of the writ. The assessment of income as per returns submitted in response to notice u/s 153A, for said block period is kept in abeyance by the Income Tax Department in view of the interim stay granted by the Hon'ble High Court. Additional tax liability, if any, is dependent on the outcome of the writ petition and consequent completion of the assessment.

Particulars	As at 31 March 2021	As at 31 March 2020
B. Commitments		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,882.20	692.59

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

37 Income Taxes:

The reconciliation between the statutory income tax rate applicable to the company and the effective income tax rate of the company is as follows:

Income Tax Recognised in profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory Income tax rate	25.17%	34.94%
Differences due to:		
Income exempt from tax	-23.04%	-28.69%
Effect of expenses that are not deductible in determining taxable profit (permanent disallowances)	0.01%	0.47%
Taxable income at different rates	-0.28%	-2.76%
Others	0.02%	-0.63%
Effective tax rate	1.88%	3.32%

The company has adopted lower rate of income tax from the current year by opting for 115BAA of Income Tax Act.

38 Movement in Deferred Tax (Assets)/Liabilities

Movement during the year ended March 31, 2021

Deferred Tax (Asset)/Liabilities	As at 01 April, 2020	(Credit)/charge in the statement of Profit and Loss	Recognised in OCI	As at 31 March, 2021
Provision for employee benefits	(8.53)	2.25	0.36	(5.93)
Provision for bad and doubtful trade receivables	(34.88)	7.47	-	(27.41)
Depreciation	16.57	(9.13)	-	7.44
Provision for impairment of investments	-	(7.62)	-	(7.62)
Fair value gain on investments through Profit & Loss Statement	340.09	337.03	-	677.12
Fair value gain on investments through Other Comprehensive Income	1,496.72	-	(568.79)	927.93
	1,809.97	330.00	(568.43)	1,571.53

Movement during the year ended March 31, 2020

Deferred Tax (Asset)/Liabilities	As at 01 April, 2019	(Credit)/charge in the statement of Profit and Loss	Recognised in OCI	As at 31 March, 2020
Provision for employee benefits	(5.12)	(2.46)	(0.95)	(8.53)
Provision for bad and doubtful trade receivables	(29.68)	(5.20)	-	(34.88)
Depreciation	(10.25)	26.82	-	16.57
Fair value gain on investments through Profit & Loss Statement	238.12	101.97	-	340.09
Fair value gain on investments through Other Comprehensive Income	1,822.29	-	(325.57)	1,496.72
	2,015.36	121.12	(326.51)	1,809.97

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

39 Capital Management:

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain or if necessary adjust its capital structure.

40 Earning Per Equity Share :

Earnings per share is computed as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Profit for the year	30,531.00	25,126.69
Weighted average Equity Shares outstanding (in no.s)	6,03,29,133	6,26,01,264
Earnings Per Share (Face Value of ₹2/- each) - Basic and Diluted	50.61	40.14

41 Dividend on Equity Share

Dividend on Equity Shares paid during the year

Particulars	As at 31 March 2021	As at 31 March 2020
Interim Dividend ₹4 Per share for FY 2020-21 (₹3 per share for FY 2019-20)	2,413.17	1,893.88
Dividend Distribution Tax on Interim Dividend	-	389.29
	2,413.17	2,283.17

42. Financial Instruments

Refer Note 2.13 for accounting policy on Financial Instruments.

A. Accounting Classification and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial Assets		
Financial assets measured at fair value		
Investments measured at		
i. Fair value through other comprehensive income	15,432.30	24,644.70
ii. Fair value through Profit & Loss Statement	44,297.25	13,741.27
Financial assets measured at amortised cost		
i. Interest free loan to employee trust	2,860.87	2,673.71
	62,590.42	41,059.68
Financial Liabilities		
i. ESOP Liability	530.69	2.77

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, current account balances with group companies, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

42. Financial Instruments (Contd..)

B. Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Financial assets measured at fair value through other comprehensive income		
Investment in equity & debt instruments	(751.55)	(931.78)
Financial assets measured at fair value through Profit & Loss Statement		
Investment in equity & debt instruments	1,717.06	291.85

C. Fair Value Hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 : Quoted Prices for identical Instruments in an active Market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs, and

Level 3: Inputs which are not based on observable market data

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March, 2021 Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	87.63	15,343.66	1.00	15,432.30
ii. Fair Value through Profit or Loss	-	44,297.25	-	44,297.25
As at 31 March, 2021 Liabilities at fair value				
i. Esop liability	-	530.69	-	530.69
As at 31 March, 2020 Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	74.72	24,568.95	1.02	24,644.70
ii. Fair Value through Profit or Loss	-	13,741.27	-	13,741.27

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

- The fair values of investment quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
- The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

42. Financial Instruments (Contd..)

C. Fair Value Hierachy (Contd..)

Other financial assets and liabilities

Cash and cash equivalents (except for investments in mutual funds), trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

43. Financial Risk Management

The Company's business activities are exposed to a variety of financial risks namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

A. Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy with a positive cash balance throughout the year ended 31 March, 2021 and 31 March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated over and above the amount required for working capital management and other operational requirements is retained as cash and cash equivalents (to the extent required) and any excess is invested in highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying amount	Payable within 1 year	More than 1 years	Total
As at 31 March, 2021				
Financial liabilities				
Trade payables (including acceptances)	35,660.63	35,660.63	-	35,660.63
Borrowings	155.76	47.58	108.18	155.76
Unpaid dividend	13.98	13.98	-	13.98
Other Payables	5.94	5.94	-	5.94
Capital Payables	119.18	119.18	-	119.18

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

43. Financial Risk Management (Contd..)

A. Management of Liquidity Risk (Contd..)

Particulars	Carrying amount	Payable within 1 year	More than 1 years	Total
As at 31 March, 2020				
Financial liabilities				
Trade payables (including acceptances)	26,541.31	26,541.31	-	26,541.31
Borrowings	203.34	47.58	155.76	203.34
Unpaid dividend	12.75	12.75	-	12.75
Other Payables	13.13	13.13	-	13.13
Capital Payables	92.61	92.61	-	92.61

B. Management of Market Risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

Currency Risk

Price Risk

Interest Rate Risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

a Currency Risk

Potential Impact of Risk

The impact of risk due to change in foreign currency value is very minute on the company as the company's exposure to foreign currency is very low.

As at 31 March, 2021, the net unhedged exposure to the Company on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹438.89 Lakhs (31 March, 2020 ₹ 15.96 Lakhs).

Management Policy

The Company is not majorly exposed to foreign currency exchange risk because of its low volume foreign currency transactions, even though management exercises proper precautions to minimize the currency risk in foreign exchange transactions. The company deals with US Dollar and Euro for its foreign currency transactions.

The Company makes its exports against advance irrevocable LC to mitigate the risk of currency exchange due to delay in remittances. The company does not opt for forward exchange contracts. Foreign exchange transactions are closely monitored to reduce the risk.

The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

Sensitivity to Risk

A 5% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹21.94 Lakhs gain in the Statement of Profit and Loss (2019-20: ₹ 0.80 Lakhs). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

b Price Risk

Potential Impact of Risk

The Company is exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2021, the investments in debt mutual funds amounts to ₹51017.17 Lakhs (31st March, 2020 ₹ 30627.44 Lakhs). These are exposed to price risk.

Management Policy

The Company takes all the precautions to minimise price risk arising from investments in debt mutual funds. The company is investing mainly in debt mutual funds through leading mutual fund companies and in best mutual funds where price risk is very low. The company examine fund performance, rating, liquidity and risk aspects before investing.

Sensitivity to Risk

A 0.5% increase in prices would have led to approximately an additional gain of ₹ 255.09 Lakhs in the Statement of Profit and Loss or Other Comprehensive Income (2019-20: gain of ₹ 153.14 Lakhs). A 0.5 % decrease in prices would have led to an equal but opposite effect.

c Interest Rate Risk

Potential Impact of Risk

The impact of interest rate risk is very minute on the company as the company does not have exposure to any interest rate sensitive investments or securities.

The company does not have any investment in interest sensitive securities/bonds as on 31st March 2021 and 2020.

Management Policy

The Company makes maximum of the investments in non interest sensitive sectors to mitigate interest rate risk.

Sensitivity to Risk

A 0.25% or 0.50% increase/decrease in interest rates will not make any difference to the company profit or loss as there are no interest rate sensitive investments.

d Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentration of credit risk with respect to trade receivables is moderate due to the Company's customer base being large and diverse and also company receives good amount of receipts towards advances. All trade receivables are reviewed and assessed for default on a quarterly basis based on collections and ageing.

Our historical experience of collecting receivables is that credit risk is moderate . Hence trade receivables are considered to be a single class of financial assets.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments money market liquid mutual funds and derivative instrument with financial institutions. The Company has set counter-parties limits based on multiple factors including financial position, credit rating, etc. The Company has given inter-corporate deposits (ICD) only to its subsidiaries amounting ₹62.47 Lakhs (31st March, 2020 ₹ 71.20 Lakhs).

The Company's maximum exposure to credit risk as at 31st March, 2021 and 2020 is the carrying value of each class of financial assets.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

44 Disclosures Pursuant to Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 186 of The Companies Act, 2013

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Advances to subsidiaries		
Kaveri Microteck Pvt Ltd		
Balance as at the year end	62.47	71.20
Maximum amount outstanding at any time during the year	175.69	154.34

45 Related Party Transactions

45.1 Following is the list of related parties and their relationships

A. Key managerial persons and their relatives

- 1 Mr. G.V.Bhaskar Rao
- 2 Mrs. G. Vanaja Devi
- 3 Mr. C. Vamsheedhar
- 4 Mr. C. Mithun Chand
- 5 Mr. G.Pawan
- 6 G.V.Bhaskar Rao - HUF
- 7 Mrs. Ch. Madhavi
- 8 Mr. K.V.Chalapathi Reddy
- 9 Mr. V.R.S. Murti

B. Subsidiary Companies

- 1 M/s. Aditya Agri Tech Pvt Ltd
- 2 M/s. Genome Agritech Pvt Ltd
- 3 M/s. Kaveri Microteck Pvt Ltd
- 4 M/s. Genomix Agri Genetics Pvt Ltd

C. Other related firms & Associates

- 1 M/s. Kaveri Infra
- 2 M/s. Bhaskara Investments
- 3 M/s. Kaveri Bhaskarrao Charitable Foundation
- 4 M/s. Kaveri Employees Trust

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

45 Related Party Transactions (Contd..)

45.2 Related party transactions for the year are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration paid		
Mr. G.V.Bhaskar Rao	373.63	311.36
Mrs. G. Vanaja Devi	231.05	192.54
Mr. C. Vamsheedhar	112.31	116.79
Mr. C. Mithun Chand	93.11	77.78
Mr. K.V.Chalapathi Reddy	89.62	74.56
Mr. V.R.S. Murti	4.00	4.00
	903.72	777.02
Land and godown lease paid		
Mr. G.V.Bhaskar Rao	0.63	0.63
Mrs. G. Vanaja Devi	8.92	8.92
Mr. G.Pawan	9.93	9.93
G.V.Bhaskar Rao - HUF	47.67	45.66
M/s. Kaveri Infra	11.41	11.41
M/s. Bhaskara Investments	3.05	3.05
M/s. Kaveri Microteck Pvt Ltd	36.00	36.00
	117.61	115.60
Dividend paid		
Mr. G.V.Bhaskar Rao	214.34	167.29
Mrs. G. Vanaja Devi	563.61	437.51
Mr. C. Vamsheedhar	39.06	30.49
Mr. C. Mithun Chand	34.29	26.77
Mr. G.Pawan	89.16	69.59
G.V.Bhaskar Rao - HUF	399.43	311.75
Mr. K.V.Chalapathi Reddy	0.48	0.36
M/s. Kaveri Employees Trust	35.18	-
	1,375.55	1,043.75
Advances Paid during the year		
M/s. Kaveri Microteck Pvt Ltd	(8.73)	(83.14)
M/s. Kaveri Employee Trust	-	750.00
	(8.73)	666.86
Land Lease Received		
M/s. Kaveri Microteck Pvt Ltd	75.93	75.93
	75.93	75.93
Sales made during the year		
M/s. Aditya Agri Tech Pvt Ltd	8,349.79	7,153.86
M/s. Genomix Agri Genetics Pvt Ltd	1,409.09	1,164.68
	9,758.88	8,318.53

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

45 Related Party Transactions (Contd..)

45.2 Related party transactions for the year are as follows: (Contd..)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Received		
M/s. Kaveri Employee Trust	-	0.59
	-	0.59
CSR Expenditure		
M/s. Kaveri Bhaskarrao Charitable Foundation	412.14	276.04
	412.14	276.04
Provision for Baddebts		
M/s. Genome Agritech Pvt Ltd	172.94	354.55
	172.94	354.55
Provision for Impairment of Investments		
M/s. Genome Agritech Pvt Ltd	30.29	-
	30.29	-

Particulars	As at 31 March 2021	As at 31 March 2020
Credit balances outstanding		
Outstanding Land lease to KMP and relatives	3.30	9.29
Outstanding Land lease to Associates	-	3.62
Outstanding remunerations to KMP	39.91	42.27
Advance received from M/s. Aditya Agri Tech Pvt Ltd	4,521.57	4,865.42
Advance received from M/s. Genomix Agri Genetics Pvt Ltd	446.55	91.26
Advances received from KMP for Sale of Land	252.30	252.30
Debit balances outstanding		
Outstanding advance paid to M/s. Kaveri Microteck Pvt Ltd	62.47	71.20
Outstanding loan paid to M/s. Kaveri Employee Trust	3,759.37	3,759.37
Trade receivable balance from M/s. Genome Agritech Pvt Ltd	527.50	527.50
Provision for receivable balance from M/s. Genome Agritech Pvt Ltd	527.50	-
Provision for impairment of investments in M/s. Genome Agritech Pvt Ltd	30.29	-

46 Employee Benefit plans

46.1 Defined Contribution Plan:

The company has certain defined contribution plans. Contributions are made to provident fund in India for qualifying employees at the specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is ₹ 473.66 Lakhs (31 March 2020 : 395.32 Lakhs)

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

46 Employee Benefit plans (Contd..)

46.2 Compensated Absences:

The company provides for accumulation of compensated absences. These employees can carry forward portion of unutilised compensated absences and utilise it in future period or receive cash in lieu there of as per the company's policy. The company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the company towards its obligation was ₹499.52 Lakhs (31 March 2020 : ₹378.18 Lakhs)

46.3 Gratuity:

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mitigate the risks commonly affecting the liabilities and the financial results.

- a) **Interest rate risk** : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- b) **Salary inflation risk** : Higher than expected increases in salary will increase the defined benefit obligation
- c) **Demographic risk** : For example, as plan is open to new entrants an increase in membership will increase the defined benefit obligation. Also the plan only provides benefits upon completion of a vesting criteria. Therefore if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

Reconciliation of Defined Benefit Obligation

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening of defined benefit obligation	735.52	555.77
Current service cost	133.04	100.47
Past service cost	-	-
Interest on defined benefit obligation	50.03	42.68
Remeasurements due to:		
<i>Actuarial loss / (gain) arising from change in financial assumptions</i>	-	78.24
<i>Actuarial loss / (gain) arising from change in demographic assumptions</i>	-	-
<i>Actuarial loss / (gain) arising on account of experience changes</i>	(16.79)	4.57
Benefits paid	(18.92)	(46.21)
Closing of defined benefit obligation	882.88	735.52

Reconciliation of Plan Assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening fair value of plan assets	542.16	471.73
Employer contributions	271.26	83.96
Interest on plan assets	40.14	40.02
Administration expenses	-	-
Remeasurements due to:		
<i>Actual return on plan assets less interest on plan assets</i>	0.97	(7.34)
Benefits paid	(18.92)	(46.21)
Closing fair value of plan assets	835.62	542.16

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

46 Employee Benefit plans (Contd..)

46.3 Gratuity: (Contd..)

Amount recognized in Balance Sheet

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Present value of funded defined benefit obligation	882.88	735.52
Fair value of plan assets	835.62	542.16
Net funded obligation	47.27	193.36
Net defined benefit liability / (asset) recognized in balance sheet	47.27	193.36
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	-	-
Non-current	47.27	193.36

Current Year Expense Charged to Profit & Loss Account

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	133.04	100.47
Past service cost	-	-
Administration expenses.	-	-
Interest on net defined benefit liability / (asset)	9.89	2.66
Total expense charged to profit and loss account	142.93	103.12

Amount Recorded as Other Comprehensive Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening amount recognized in OCI outside profit and loss account	409.47	319.31
Remeasurements during the period due to		
<i>Changes in financial assumptions</i>	-	78.24
<i>Changes in demographic assumptions</i>	-	-
<i>Experience adjustments</i>	(16.79)	4.57
<i>Actual return on plan assets less interest on plan assets</i>	(0.97)	7.34
Closing amount recognized in OCI outside profit and loss account	391.70	409.47

Disaggregation of Assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Category of Assets		
Non Quoted Value		
Insurer managed funds.	835.62	542.16
Others.	-	-
Grand Total	835.62	542.16

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

46 Employee Benefit plans (Contd..)

46.3 Gratuity: (Contd..)

Results of Sensitivity Analysis

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate		
Impact of increase in 50 bps on DBO.	-5.96%	-6.11%
Impact of decrease in 50 bps on DBO.	6.50%	6.68%
Salary escalation rate		
Impact of increase in 50 bps on DBO	5.75%	6.60%
Impact of decrease in 50 bps on DBO	-5.32%	-6.10%

Summary of Actuarial Assumptions Adopted

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate (p.a.)	6.90%	6.90%
Salary escalation rate (p.a.)	10.00% until year 2 inclusive, then 7.00%	10.00% until year 3 inclusive, then 7.00%

Maturity Profile

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expected benefits for year 1	28.43	20.84
Expected benefits for year 2	26.68	24.40
Expected benefits for year 3	52.74	23.85
Expected benefits for year 4	42.55	47.53
Expected benefits for year 5	33.05	35.08
Expected benefits for year 6	55.79	28.85

The Principal Assumptions used for the purposes of the actuarial valuation as follows

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions while the Plan's sensitivity to such changes can vary over time.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

47. Share Based Payments

- a) The Company implemented the Kaveri ESOP 2018 Scheme for all eligible employees pursuant to the special resolution approved by the shareholders through postal ballot on 19th July 2018. The Kaveri ESOP 2018 Scheme covers all employees and directors (excluding independent and promoter directors, promoter group) of the parent company and its subsidiaries (collectively, "eligible employees"). Upon the exercise of options granted under the Kaveri ESOP 2018 Scheme, the applicable equity shares will be transferred from the Kaveri Employees Trust ("ESOP Trust") to the eligible employee. The ESOP Trust will acquire such equity shares by way of secondary market acquisitions funded through loans from the Company. The Nomination and Remuneration Committee of the Board of the parent company (the "Compensation Committee") administers the Kaveri ESOP 2018 Scheme and grants stock options to eligible employees, it has delegated functions and powers relating to the administration of the Kaveri ESOP 2018 Scheme to the ESOP Trust. The Compensation Committee determines which eligible employees will receive the options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years.

As at 31 March 2021, The ESOP trust has purchased Nil (31 March 2020: 8,79,491 shares) from secondary market for an aggregate consideration of Nil (₹3,683.20 Lakhs)

b) The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

Particulars	As at	As at
	31 March 2021	31 March 2020
	Nos	Nos
Opening balance	6,29,516	-
Granted during the year	2,49,975	6,29,516
Exercised during the year	-	-
Forfeited during the year	-	-
Closing balance	8,79,491	6,29,516
Vested and exercisable	1,25,903	-

c) Share options outstanding at the end of the year have the following expiry date:

Grant Date	Expiry Date	Share Options	Share Options
		31 March 2021	31 March 2020
31-03-2020	30-03-2025	-	6,29,516
25-03-2021	24-03-2026	2,49,975	-

- d) The effect of expenses arising from share-based payment transactions on the entity's profit or loss for the period is ₹527.92 Lakhs (2019-2020: ₹ 2.77 Lakhs).

e) Fair value of Options granted

The fair value of options granted during the year as at 31 March 2021 is ₹ 83.49 and the fairvalue of options granted during the financial year 2019-20 as at 31 March 2021 is ₹ 178.50. The fair value options as at reporting date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

47. Share Based Payments (Contd..)

e) Fair value of Options granted (Contd..)

The model inputs for the options fairvalue as at 31 March 2021 included:

Grant Date	Grant II Nos	Grant I Nos
Option Grant Price	450	315
Vesting Period	4 years	4 years
Exercise Period	5 years	5 years
Grant Date	25-03-2021	31-03-2020
Expiry Date	24-03-2026	30-03-2025
Share Price at Grant Date	488.85	341.90
Expected Price Volatility	11.44%	11.44%
Expected Dividend Yield	0.55%	0.55%
Risk Free Interest Rate	6.90%	6.90%

The expected price volatility is based on the historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

48 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Principle amount due to suppliers registered under the MSMED Act and Remaining unpaid as at year end	432.15	290.78
Interest due to supplies registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further Interest remaining due and payable for earlier years	-	-

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

48 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under: (Contd..)

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

49 Operating Leases

The Company's significant leasing arrangements are in respect of operating leases for lands and premises (Agricultural lands, office, stores, godown etc.). These leasing arrangements which are cancellable range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss in respect of short term and low value leases where company has availed exemption under IndAS 116.

50 Disaggregated Revenue

The company deals in variety of hybrid seeds which are sold directly to dealers or distributors with similar characteristics in terms of revenue recognition, nature, timing, cashflows etc. The operations of company are primarily located in India. Thus, the quantitative disclosure in respect of disaggregation of revenue is not required.

51 Contract Liabilities

Contract liabilities resulting from advance payments by customers for delivery of goods and schemes/discounts are predominantly recognized as sales within one year. The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as on 31 March 2021 is ₹24,551.27/- (31 March 2020 is ₹ 22,700.33/-) resulting from advance payments and shown under other current liabilities.

52 Segment Information

- a) The Company has only one business segment i.e, Sale of Seeds and there are no other reportable segments under Ind AS 108 "Operating Segments.
- b) **Geographical information**

The Company operates in single principal geographical area i.e., India. Though the Company has operations across various geographies within India, the same are considered as a single operating segment considering the following factors

 - These operating segments have similar long term gross profit margins.
 - The nature of the products and production processes are similar and the methods used to distribute the products to the customers are the same.
- c) In view of the above mentioned classification of business and geographical segments the particulars relating to Segment revenue and results, Segment assets and liabilities, Other segment information, revenue from major products and services, geographical information are not furnished herewith.

Notes to the financial statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

53 Expenditure incurred for corporate social responsibility

The Company spent ₹462.14 Lakhs and ₹ 346.10 Lakhs towards CSR Expenditure for the year ended 31st March 2021 and 31st March 2020. The details are as follows.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Average net profit of the Company for last three financial years	23,107.19	17,304.30
Prescribed CSR expenditure 2% of the above amount	462.14	346.09
Amount unspent at the Starting of the year	-	0.01
Total Amount to be spent for the year	462.14	346.10
Direct Expenses made by company		
Education development activities		
Farmer Education and Training programme at Gadwal, Telangana	-	0.06
Rural Development		
Contribution made towards development of Minor Irrigation system in Wanaparthy District through The District Collector, Wanaparthy, Telangana	-	20.00
Contribution to "Community Cattle Shed" construction through Bala Vikasa Social Service Society, Warangal, Telangana	50.00	50.00
Donation made towards CSR Activites		
Contribution made to Kaveri Bhaskar Rao Charitable Foundation	412.14	276.04
Total Amount Spent during the year	462.14	346.10
Unspent amount at the end of the year	-	-

54 Covid Impact:

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The government has classified seed business as "Essential Commodity" and granted certain relaxations and guidelines so that production, processing and distribution of the seeds will not be effected. The impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments and other financial assets considering the available internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.

55 Previous year figures are regrouped wherever considered necessary to confirm to current year classification.

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**

Firm Registration No.0004595

Chartered Accountants

Sd/-

M.V. Ramana Murthy

Partner

Membership No. 206439

Sd/-

K.V.Chalapathi Reddy

Chief Financial Officer

Sd/-

G.V.Bhaskar Rao

Managing Director

DIN: 00892232

Sd/-

V.R.S.Murti

Company Secretary

Sd/-

G.Vanaja Devi

Wholetime Director

DIN: 00328947

Place: Secunderabad

Date: 29 May 2021



Consolidated

**Financial
Statements**

Independent Auditor's Report

To
The Members of **Kaveri Seed Company Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Kaveri Seed Company Limited ("the Holding Company") its subsidiaries and other consolidating entity (the Holding Company and its subsidiaries, Trust together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and other consolidated entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows and for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue: Management estimate of provision for sales return and Discount & schemes:</p> <p>Estimate for sales returns and discounts and schemes was a critical audit matter in the audit of the Group's financial statements for the year ended 31 March 2021.</p> <p>Management estimates the amount of returns expected based on the goods returned in the past and current market demands. The management considers revenue as key measure for evaluation of performance.</p> <p>Refer Note 2.1, 2.11, 13, 30 and 31 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures:</p> <p>We have performed the following principal audit procedures in relation to revenue recognised:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers"). Understanding and Testing of design and operating effectiveness of Internal controls in place relating to recognition and measurement of sales returns and discount amounts. Testing of relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.

S. No.	Key Audit Matter	Auditor's Response
2	<p>Valuation and classification of Investments:</p> <p>Group has Investments in Mutual funds, Real estate fund and other equity instruments.</p> <p>The Group holds significant amount of funds in the form of investments. Also, considering the complexities involved in classification of investments, the Group considers investments as material account balance.</p> <p>Refer Note 2.14 and 7 to the Consolidated Financial Statements</p>	<ul style="list-style-type: none"> • Substantive testing of revenue recognised with the underlying documents, sales returns and discounts. • Testing of supporting documentation for sales return transactions recorded during the period closer to the year end and subsequent to year end, including examination of credit notes issued after the year end to determine whether the returns were recognised in the correct accounting period. • Performing analytical procedures on current year revenue based on seasonal trends and where appropriate, conducting further enquiries and testing. • Evaluating historical accuracy of estimates made by management in respect of sales return by performing trend analysis and comparing them with actuals. <p>Principal Audit Procedures:</p> <p>We focused on the valuation and existence of the investments as also the classification and disclosures in the Group's financial statements for the year ended 31 March, 2021.</p> <p>We have performed the following principal audit procedures in relation to investments:</p> <ul style="list-style-type: none"> • We obtained independent confirmation of the number of units held and net asset value per unit for each of the underlying investments as at the year end date. We agreed the details confirmed to the valuation of these investments as per the accounting records. • Re-computation of Profit/ (loss) on sale of investments, valuation of investments including fair value movements. • Review of valuation and classification of investment in accordance with Nature of investment made, company's policies, business model and applicable accounting standards.
3	<p>Valuation of Biological assets:</p> <p>The value of Biological assets is measured at fair value less costs to sell. The fair value is determined based on the growth potential of individual standing crops. The growth potential varies depending on the geographic location and varieties of crops. The valuation require estimates of growth, harvest, sales price and costs.</p> <p>Due to the level of judgment involved in the valuation of biological assets, involvement of discretionary assumptions by management regarding biological transformation and quality of crop and significance of biological assets to the Group's financial position, this is considered to be a key audit matter.</p> <p>Refer Note 2.6 and 12 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures:</p> <p>We have performed the following principal audit procedures in relation to biological assets:</p> <ul style="list-style-type: none"> • We have tested management's controls and effectiveness of systems in place for the valuation of biological assets based on the stage of crop as measured by the company. • We have assessed the key assumptions contained within the fair value calculations including sales price assumptions and growth assumptions. • We have performed the analytical review of the results of valuation to highlight outliers which warrant further audit procedures. • Comparison of actual production costs with provisions made towards standing crops.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Financial and Operational Review, Director's Report, Business Responsibility Report, Corporate Governance Report, Annual Report on CSR activities, but does not include the consolidated financial statements and our auditor's report thereon. The above listed reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the above listed reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Material Uncertainty Related to Going Concern in case of a Subsidiary Company

We draw attention to Note 55 to the consolidated financial statements, which indicates that one subsidiary Company as on 31 March 2021 has negative net worth of Rs.492.08 Lakhs and, as of that date, the Company's current liabilities exceeded its total assets by Rs.526.94 Lakhs. As stated in the said note, these events or conditions, along with other matters as set forth in Note, indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the

selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of four subsidiaries and one consolidated entity whose financial statements reflect total assets of Rs.14,508.38 Lakhs and net assets of Rs.3520.07 Lakhs as at 31 March 2021, total revenues of Rs. 14,798.62 Lakhs and net cash inflows amounting to Rs. 266 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, referred in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules made thereunder;
 - (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021

taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the

other financial information of subsidiaries, as noted in the 'Other matter' paragraph:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 39 to the consolidated financial statements;
- ii. the group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there has been no delay in transferring amounts, which are required to be transferred, to the Investor Education and Protection Fund by the Holding Company for the year ended 31 March 2021.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No 000459S

Sd/-
M. V. Ramana Murthy
Partner

Membership No.206439
UDIN: 21206439AAAABS8168

Hyderabad, 29 May 2021

Annexure A

to the Independent Auditor's Report

(Referred to in paragraph '1.1.f' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kaveri Seed Company Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Kaveri Seed Company Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India (the Holding Company and its subsidiaries, together referred to as "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and according to the information and explanation given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **M. Bhaskara Rao & Co.**,
Chartered Accountants
Firm Registration No 0004595

Sd/-
M. V. Ramana Murthy
Partner
Membership No.206439
UDIN: 21206439AAAABS8168

Hyderabad, 29 May 2021

Consolidated Balance Sheet

as at 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
Property, Plant and Equipment	3	24,449.85	24,787.18
Capital work-in-progress	4	3,081.66	1,821.34
Goodwill	5	26.70	26.70
Other Intangible assets	6	88.29	155.83
Financial Assets			
Investments	7	3,858.55	3,268.62
Deferred tax assets (net)	8	144.92	126.33
Non-current Tax Assets (net)	9	790.35	473.01
Other non-current assets	10	1,996.78	1,315.51
Total Non-current assets		34,437.10	31,974.52
(2) Current assets			
Inventories	11	71,951.22	63,905.02
Biological Assets	12	16,422.24	8,916.23
Financial Assets			
Investments	7	56,039.58	35,117.43
Trade receivables	13	10,567.89	11,801.90
Cash and cash equivalents	14	1,325.15	778.56
Other bank balances	15	83.50	26.86
Other Financial Assets	16	22.11	35.44
Other current assets	17	2,474.44	2,662.52
Assets Classified as held for sale	18	2,862.93	2,631.15
Total current assets		1,61,749.07	1,25,875.11
Total Assets		1,96,186.17	1,57,849.63
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	19	1,206.58	1,206.58
Other Equity	20	1,23,235.76	94,660.31
Non-Controlling Interest	21	95.23	24.02
Total Equity		1,24,537.57	95,890.91
LIABILITIES			
(1) Non-current liabilities			
Financial Liabilities			
Borrowings	22	108.18	578.78
Provisions	23	1,057.60	573.46
Deferred tax liabilities (net)	24	1,565.68	1,806.26
Other non-current liabilities	25	1,353.51	1,216.94
Total Non-current liabilities		4,084.97	4,175.44
(2) Current liabilities			
Financial Liabilities			
Trade payables	26		
Total Outstanding dues of Micro and Small Enterprises		441.86	296.86
Total Outstanding dues other than Micro and Small Enterprises		35,402.24	26,389.83
Other financial liabilities	27	186.68	166.07
Current Tax Liabilities (net)	28	20.10	92.18
Provisions	29	111.81	108.12
Other current liabilities	30	31,400.94	30,730.22
Total Current liabilities		67,563.63	57,783.28
Total Equity and Liabilities		1,96,186.17	1,57,849.63
See accompanying notes to the financial statements	1-57		

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**
Firm Registration No.000459S
Chartered Accountants

Sd/-
M.V. Ramana Murthy
Partner
Membership No. 206439

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

Sd/-
G.V.Bhaskar Rao
Managing Director
DIN: 00892232

Place: Secunderabad
Date: 29 May 2021

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

Sd/-
G.Vanaja Devi
Wholetime Director
DIN: 00328947

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2021 (All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I Income			
Revenue from Operations	31	1,03,630.55	93,034.63
Other Income	32	4,574.68	4,558.94
Total Income		1,08,205.23	97,593.57
II Expenses			
Cost of Material Consumed	33	69,016.92	57,954.40
Changes in Inventories of Finished Goods and Work in Progress	34	(14,957.67)	(9,903.27)
Employee Benefit Expense	35	8,452.81	6,788.35
Finance Costs	36	50.50	47.85
Depreciation & Amortisation	37	2,224.66	2,566.38
Other Expenses	38	11,316.75	12,874.53
Total Expenses		76,103.97	70,328.24
III Profit before Tax (I-II)		32,101.26	27,265.33
IV Less : Tax expense			
Current Tax		809.11	1,124.33
Earlier Years Tax		(136.14)	55.13
Deferred Tax		307.73	95.42
		980.70	1,274.88
V Profit for the Year (III-IV)		31,120.56	25,990.45
Attributable to:			
Equity Share Holders of the Company		31,049.52	25,903.74
Non Controlling Interest		71.04	86.71
VI Other Comprehensive Income			
A (i) Items that will not be subsequently reclassified to Profit or loss			
Fair value of Equity Investments through OCI		24.55	(27.74)
Actuarial (gain)/loss on employee benefits through OCI		17.78	(99.58)
		42.33	(127.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Fair value of Equity Investments through OCI		(58.12)	9.69
Actuarial (gain)/loss on employee benefits through OCI		(0.55)	0.95
		(58.67)	10.64
		(16.34)	(116.68)
B (i) Items that will be reclassified to Profit or loss			
Fair value of Investments through OCI		(776.10)	(904.04)
(ii) Income tax relating to items that will be reclassified to profit or loss			
Fair value of Investments through OCI		626.91	315.87
		(149.19)	(588.17)
Total Other Comprehensive Income		(165.53)	(704.85)
VII Total Comprehensive Income for the year (V+VI)		30,955.03	25,285.60
Attributable to:			
Equity Share Holders of the Company		30,883.82	25,200.11
Non Controlling Interest		71.21	85.49
VIII Earnings Per Equity Share			
Basic (equity shares, par value ₹2 each)		52.23	41.82
Diluted (equity shares, par value ₹2 each)		52.23	41.82
See accompanying notes to the financial statements	1-57		

As per our report of even date attached

For and on behalf of the Board

 for **M. Bhaskara Rao & Co.**
 Firm Registration No.000459S
 Chartered Accountants

 Sd/-
M.V. Ramana Murthy
 Partner
 Membership No. 206439

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

 Sd/-
G.V.Bhaskar Rao
 Managing Director
 DIN: 00892232

 Place: Secunderabad
 Date: 29 May 2021

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

 Sd/-
G.Vanaja Devi
 Wholtime Director
 DIN: 00328947

Statement of Changes in Equity

All amounts are Rupees in lakhs unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Issued and paid up equity share capital	
Balance as at 31 March, 2019	1,262.58
Changes in equity share capital during the year	(56.00)
Balance as at 31 March, 2020	1,206.58
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	1,206.58

B. Other Equity

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Treasury Shares	Other Comprehensive Income		Total
					Fair Value gain / (loss) on Investments	Actuarial gain / (loss) on employee benefits	
Balance as at 01 April 2019	1,002.00	95,071.80	118.52	-	3,552.86	(321.14)	99,424.04
Other Comprehensive Income for the year	-	-	-	-	(606.21)	(97.41)	(703.62)
Profit for the Year	-	25,903.74	-	-	-	-	25,903.74
Buyback of Equity Shares	(1,000.00)	(22,986.77)	-	-	-	-	(23,986.77)
Dividend and Dividend Tax	-	(2,283.17)	-	-	-	-	(2,283.17)
Transferred to General Reserve	1,000.00	(1,000.00)	-	-	-	-	-
Transferred to Capital Redemption Reserve	-	(56.00)	56.00	-	-	-	-
Adjustment on Consolidation	-	(10.71)	-	-	-	-	(10.71)
Treasury shares purchased during the year	-	-	-	(3,683.20)	-	-	(3,683.20)
Balance as at 31 March 2020	1,002.00	94,638.89	174.52	(3,683.20)	2,946.65	(418.55)	94,660.31
Other Comprehensive Income for the year	-	-	-	-	(182.76)	17.06	(165.70)
Profit for the Year	-	31,049.52	-	-	-	-	31,049.52
Dividend and Dividend Tax	-	(2,378.00)	-	-	-	-	(2,378.00)
Transferred to General Reserve	1,000.00	(1,000.00)	-	-	-	-	-
Transfer from OCI towards sale of equity investments	-	69.63	-	-	-	-	69.63
Balance as at 31 March 2021	2,002.00	1,22,380.04	174.52	(3,683.20)	2,763.89	(401.49)	1,23,235.76
See accompanying notes to the financial statements	1-57						

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**
Firm Registration No.000459S
Chartered Accountants

Sd/-
M.V. Ramana Murthy
Partner
Membership No. 206439

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

Sd/-
G.V.Bhaskar Rao
Managing Director
DIN: 00892232

Place: Secunderabad
Date: 29 May 2021

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

Sd/-
G.Vanaja Devi
Wholetime Director
DIN: 00328947

Consolidated Cash Flow Statement

for the year ended 31 March, 2021 (All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Profit before taxation	32,101.26	27,265.33
Adjustments for:		
Fairvalue gain on Investments	(1,717.06)	(291.85)
Depreciation & Amortisation	2,224.66	2,566.38
(Profit)/Loss on sale of Fixed Assets	8.19	(42.23)
Dividend Received	(5.58)	(26.30)
Gain from Investments	(2,676.18)	(4,006.82)
Provision for impairment loss	73.46	-
Provision for Bad Debts	323.89	228.99
Interest received	(75.23)	(57.51)
Finance charges	50.50	47.85
Operating profit before working capital changes	30,307.91	25,683.84
(Increase) / Decrease in Inventories and Biological Assets	(15,552.21)	(11,388.98)
(Increase)/Decrease in Trade Receivables and other receivables	910.14	(3,569.29)
(Increase)/Decrease in Loans & Other Financial Assets	118.50	1,932.22
Increase/(Decrease) in Trade Payables	9,157.41	4,868.30
Increase/(Decrease) in Provisions	505.62	259.83
Increase/(Decrease) in Other liabilities	800.04	2,678.22
Taxes paid during the year	(1,061.03)	(1,290.70)
Net cash generated from operating activities	25,186.39	19,173.45
Cash flows from investing activities		
Payments for property, plant and equipment	(3,901.89)	(5,175.92)
Proceeds from disposal of property, plant and equipment	15.23	135.60
Purchase of investment	(52,057.30)	(50,928.77)
Proceeds from disposal of investment	34,256.53	66,865.12
Payments for intangible assets	(10.01)	(24.23)
Proceeds from earmarked balances with Bank	(56.64)	342.19
Dividend Received	5.58	26.30
Interest received	14.99	7.57
Net Cash generated from investing activities	(21,733.51)	11,247.86
Cash flows from financing activities		
Buyback of Equity Shares	-	(24,042.77)
Proceeds from Borrowings	-	22.62
Repayments of Borrowings	(470.60)	(102.55)
Dividend including Tax on Dividend	(2,378.00)	(2,283.17)
Purchase of treasury shares	-	(3,683.20)
Finance charges	(57.68)	(54.25)
Net cash used in financing activities	(2,906.29)	(30,143.32)
Net increase in cash & cash equivalents	546.59	277.99
Cash & Cash equivalents at the beginning of the period	778.56	500.57
Cash & Cash equivalents at the end of the period (Refer Note 14)	1,325.15	778.56
See accompanying notes to the financial statements	1-57	

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**
 Firm Registration No.000459S
 Chartered Accountants

Sd/-
M.V. Ramana Murthy
 Partner
 Membership No. 206439

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

Sd/-
G.V.Bhaskar Rao
 Managing Director
 DIN: 00892232

Place: Secunderabad
 Date: 29 May 2021

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

Sd/-
G.Vanaja Devi
 Wholtime Director
 DIN: 00328947

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

1 Group Information

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

The Company and its Consolidating entities (jointly referred as the "Group") considered in the consolidated financial statements.

The Consolidated financial statements have been authorised for issue by the board of directors of the company on 29th May 2021.

a) Subsidiaries considered for consolidation

Name of the subsidiary	Nature of Business	Place of incorporation	Proportion of ownership interest and voting power held by the Company	
			As at 31 March 2021	As at 31 March 2020
Kaveri Microteck Private Ltd	Micronutrients	India	100%	100%
Aditya Agri Tech Private Ltd	Seeds	India	70%	70%
Genome Agritech Private Ltd	Seeds	India	51%	51%
Genomix Agri Genetics Private Ltd	Seeds	India	100%	100%
b) Other consolidating entity				
Kaveri Employees Trust (From 1 April 2019)	ESOP Trust	India	*-	-

* The company does not have any equity interest in this entity, but has control over it.

** Refer Note 53 of financial statements

2 Summary of significant accounting policies

2.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the relevant amendment rules issued thereafter, guidelines issued by Securities and Exchange Board of India (SEBI), relevant provisions of the Act and other Accounting principles generally accepted in India.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability

if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Division II of Schedule III of Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Use of Estimates:

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

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Basis of Consolidation:

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries and other entities having control are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

2.5 Property, Plant & Equipment and Other Intangible assets:

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

Freehold land is not depreciated.

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

Intangible assets are amortized over their respective individual estimated useful lives on a WDV basis, from the date that they are available for use.

2.6 Biological Asset

Recognition and measurement

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

- (a) the Group controls the asset as a result of past events;
- (b) it is probable that future economic benefits associated with the asset will flow to the Group; and
- (c) the fair value or cost of the asset can be measured reliably.

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

2.7 Leases:

The Group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

2.8 Borrowing Costs

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

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

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

2.9 Government Grants

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

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

2.10 Impairment of Assets:

i) Financial assets

Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more

events have had a negative effect on the estimated future cash flows of that asset.

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

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

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

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

2.11 Revenue recognition:

The Group adopted IndAS115 "Revenue from Contracts with Customers" using the modified retrospective approach.

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and indirect taxes. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale. Therefore, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

The company classifies the right to consideration in exchange for goods as a receivable and is presented net of impairment in the Balance Sheet

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

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

2.12 Dividend and Interest Income

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

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

2.13 Foreign currency transactions:

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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Gains and losses arising on settlement and translating monetary items at reporting date are included in the profit or loss.

2.14 Financial Instruments

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

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

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

i) Non-derivative financial instruments

Cash and cash equivalents

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through Profit or loss

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

Financial liabilities

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

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

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

Derecognition of financial instruments

"The Company derecognizes a financial asset when the contractual rights to the cashflows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Company derecognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or have expired.

2.15 Non current assets held for sale:

Non-Current Assets are classified as Held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A Sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as Held for Sale are measured at the lower of their carrying amount and fair value less cost of sell and are presented separately in the consolidated Balance Sheet

2.16 Employee Benefits:

a) Gratuity:

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

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

b) Provident fund:

The eligible employees of the Group are entitled to receive the benefits of Provident fund a defined contribution plan in which both employees and the Company and its subsidiaries make monthly contributions at a specified percentage of the covered employees' salary which are

charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company and its subsidiaries.

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

c) Compensated absences:

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

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

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

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

d) Other short term employee benefits:

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

2.17 Share Based Payment Arrangements

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

a) Equity settled share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense in the statement of profit and loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and performance conditions at the vesting date. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

b) Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the statement of profit and loss.

2.18 Inventories

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

2.19 Trade Receivables

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

2.20 Taxation:

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

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

Deferred income taxes

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

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

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

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

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

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.21 Earnings per Share:

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

The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

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

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

2.22 Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the securities premium.

2.23 Provision, Contingent Liabilities and Contingent Assets:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made

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

2.24 Critical accounting estimates and judgements:

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

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

- a) Provision for doubtful debts - Refer note no.13
- b) Provision for schemes - Refer note no.30
- c) Provision for returns - Refer note no.30
- d) Biological assets - Refer note no.12
- e) Measurement of useful life and residual values of property, plant and equipments and useful life of intangible assets - Refer note no.3

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

3 Property, Plant and Equipment

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Gross Carrying Amount								
Balance as at 01.04.2020	11,696.54	9,865.26	19,480.26	879.25	1,374.58	220.39	297.00	43,813.28
Additions	1,416.75	75.46	478.22	17.55	40.15	11.25	49.40	2,088.77
Deletions	231.78	-	91.68	89.18	145.29	41.99	47.08	647.00
Balance as at 31.03.2021	12,881.51	9,940.72	19,866.80	807.62	1,269.43	189.65	299.32	45,255.05
Accumulated Depreciation/ Amortisation								
Balance as at 01.04.2020	-	4,208.29	12,910.00	520.09	1,008.94	139.43	239.35	19,026.10
Additions	-	515.78	1,357.19	92.94	113.82	36.18	40.81	2,156.73
Deletions	-	-	71.49	84.72	136.81	39.86	44.74	377.62
Balance as at 31.03.2021	-	4,724.07	14,195.70	528.30	985.95	135.75	235.43	20,805.20
Net Carrying Amount								
Balance as at 31.03.2021	12,881.51	5,216.65	5,671.09	279.31	283.48	53.89	63.89	24,449.85
Gross Carrying Amount								
Balance as at 01.04.2019	9,955.36	9,550.23	18,703.10	616.56	1,408.34	185.70	274.62	40,693.90
Additions	1,780.25	315.03	1,033.33	273.11	69.96	73.75	46.35	3,591.78
Deletions	39.07	-	256.17	10.42	103.72	39.06	23.97	472.41
Balance as at 31.03.2020	11,696.54	9,865.26	19,480.26	879.25	1,374.58	220.39	297.00	43,813.28
Accumulated Depreciation/ Amortisation								
Balance as at 01.04.2019	-	3,667.30	11,507.50	453.18	955.13	142.43	223.58	16,949.12
Additions	-	540.99	1,621.82	76.59	144.81	33.86	37.96	2,456.03
Deletions	-	-	219.32	9.68	91.00	36.86	22.19	379.05
Balance upto 31.03.2020	-	4,208.29	12,910.00	520.09	1,008.94	139.43	239.35	19,026.10
Net Carrying Amount								
Balance as at 31.03.2020	11,696.54	5,656.97	6,570.26	359.16	365.64	80.96	57.65	24,787.18

4 Capital work-in-progress

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Carrying Amount								
Balance as at 01.04.2020	-	1,818.78	0.36	2.20	-	-	-	1,821.34
Additions	-	1,143.76	277.51	6.70	-	-	37.00	1,464.98
Deletions	-	77.91	117.82	8.91	-	-	-	204.64
Balance as at 31.03.2021	-	2,884.63	160.04	-	-	-	37.00	3,081.66
Balance as at 01.04.2019	-	3,287.55	517.98	1.15	-	8.49	-	3,815.18
Additions	-	1,469.77	229.27	262.73	-	-	16.84	1,978.61
Deletions	-	307.39	746.90	261.68	-	8.49	16.84	1,341.30
Transferred to Assets held for sale	-	2,631.15	-	-	-	-	-	2,631.15
Balance as at 31.03.2020	-	1,818.78	0.36	2.20	-	-	-	1,821.34

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

5 Goodwill

Particulars	Goodwill	Total
Gross Carrying Amount		
Balance as at 01.04.2020	26.70	26.70
Additions	-	-
Deletions	-	-
Balance as at 31.03.2021	26.70	26.70
Accumulated Depreciation/Amortisation		
Balance upto 01.04.2020	-	-
Additions	-	-
Deletions	-	-
Balance upto 31.03.2021	-	-
Net Carrying Amount	-	-
Balance as at 31.03.2021	26.70	26.70
Gross Carrying Amount		
Balance as at 01.04.2019	26.70	26.70
Additions	-	-
Deletions	-	-
Balance as at 31.03.2020	26.70	26.70
Accumulated Depreciation/Amortisation		
Balance upto 01.04.2019	-	-
Additions	-	-
Deletions	-	-
Balance upto 31.03.2020	-	-
Net Carrying Amount	-	-
Balance as at 31.03.2020	26.70	26.70

6 Other Intangible assets

Particulars	Software	Total
Gross Carrying Amount		
Balance as at 01.04.2020	555.71	555.71
Additions	10.01	10.01
Deletions	192.12	192.12
Balance as at 31.03.2021	373.60	373.60
Accumulated Depreciation/Amortisation		
Balance as at 01.04.2020	399.88	399.88
Additions	67.94	67.94
Deletions	182.51	182.51
Balance as at 31.03.2021	285.31	285.31
Net Carrying Amount	88.29	88.29
Balance as at 31.03.2021	88.29	88.29
Gross Carrying Amount		
Balance as at 01.04.2019	531.48	531.48
Additions	24.23	24.23
Deletions	-	-
Balance as on 31.03.2020	555.71	555.71
Accumulated Depreciation/Amortisation		
Balance upto 01.04.2019	289.53	289.53
Additions	110.36	110.36
Deletions	-	-
Balance upto 31.03.2020	399.88	399.88
Net Carrying Amount	155.83	155.83
Balance as at 31.03.2020	155.83	155.83

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

7 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current Investments		
Equity Investments in Other Entities	1.00	1.02
Investment in Government Securities	0.07	0.07
Investment in Real Estate Portfolio Management Fund	3,769.85	3,192.81
Equity Investments - Others	87.63	74.72
	3,858.55	3,268.62
Current Investments		
Liquid Mutual Fund Units	3,793.53	504.24
Fixed Maturity Plan Mutual Fund Units	8,133.16	18,008.34
Longterm Debt Mutual Fund Units	44,112.90	16,604.85
	56,039.58	35,117.43
	59,898.14	38,386.04

Particulars	As at 31 March 2021		As at 31 March 2020	
	Qty Nos	Amount	Qty Nos	Amount
Non Current Investments				
Un-Quoted				
Equity Investments in Other Entities (Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹100 each in Swarna Bharat Biotechnics Pvt Ltd - fully paid up	3,600	-	3,600	-
Equity Shares of ₹10 each in Swadeshi Biotechnics Ltd -fully paid up	7,000	1.00	7,000	1.02
		1.00		1.02
Investment in Government Securities (Investments Carried at Cost)				
National Savings Certificates	-	0.07	-	0.07
		0.07		0.07
Investment in Real Estate Portfolio Management Fund (Investments Carried at Fair Value through Profit & Loss Statement)				
ASK Real Estate Special Situations Mutual Fund	375	371.11	375	371.11
ASK PMS Real Estate Special Opportunities portfolio - III	-	3,275.04	-	2,698.00
		3,646.15		3,069.11
(Investments Carried at Fair Value through Other Comprehensive Income)				
ASK Real Estate Special Situations Mutual Fund	125	123.70	125	123.70
		123.70		123.70
		3,769.85		3,192.81
Quoted				
Equity Investments - Others (Other than trade) (Investments Carried at Fair Value through Other Comprehensive Income)				
Equity Shares of ₹10 each in Vijay Textiles Ltd - fully paid up	32,642	11.95	1,99,425	31.51
Equity shares of ₹10 each in Bank of Maharashtra - fully paid up	1,900	0.40	1,900	0.17
Equity shares of ₹10 each in Indian Overseas Bank - fully paid up	9,700	1.55	9,700	0.68
Equity Shares of ₹ 1 each in Tata Consultancy Services Ltd - full paid up	2,320	73.73	2,320	42.37
		87.63		74.72

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

7 Investments (Contd..)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Qty Nos	Amount	Qty Nos	Amount
Current Investments				
Unquoted (Other than trade)				
Liquid Mutual Fund Units (Investments Carried at Fair Value through Profit & Loss Statement)				
HDFC Liquid Fund -Direct Plan - Growth Option	37,084	1,500.23	-	-
Mirae Asset Cash Management Fund - Direct Plan Growth Growth	-	-	24,073	504.24
Tata Treasury Advantage Fund direct Plan - Growth	68,128	2,124.78	-	-
HDFC Liquid Fund -Regular Plan - IDCW- Daily Reinvest	16,525	168.52	-	-
		3,793.53		504.24
Fixed Matured Plan Mutual Fund Units (Investments Carried at Fair Value through Other Comprehensive Income)				
Aditya Birla Sun Life Fixed Term Plan - Series PB (1190 Days) - Direct Growth	30,00,000	378.80	30,00,000	356.49
Aditya Birla Sun Life Fixed Term Plan - Series PE (1159 Days) - Direct Growth	30,00,000	377.73	30,00,000	355.22
Aditya Birla Sun Life Fixed Term Plan - Series QJ (1098 Days) - Direct Growth	1,50,00,000	1,863.09	1,50,00,000	1,758.96
Franklin India Fixed Maturity Plans - Series 3 - Plan F 1098 days - Direct - Growth	50,00,000	630.50	50,00,000	589.40
HDFC FMP 1178D Feb,2017 Direct Growth -Series 37	-	-	2,40,48,573	3,095.39
ICICI Prudential Fixed Maturity Plan Series 80-1150 Days Plan N Direct Plan Cumulative	-	-	78,04,662	1,000.58
ICICI Prudential Fixed Maturity Plan Series 83-1113 Days Plan E Direct Plan Cumulative	1,70,00,000	2,141.27	1,70,00,000	1,970.35
ICICI Prudential Fixed Maturity Plan Series 83-1105 Days Plan M Direct Plan Cumulative	51,04,334	638.36	51,04,334	585.08
Kotak FMP Series 235 Direct - Growth	50,00,000	627.94	50,00,000	587.72
HDFC FMP 1302 D SEPTEMBER 2016 (1) - SERIES 37 REG - G	-	-	2,42,73,023	3,213.75
Nippon Fixed Horizon Fund -XXXVIII -Series 03 - Direct Growth Plan	60,00,000	751.72	60,00,000	702.45
UTI Fixed Term Income Fund Series XXIX - XI (1112 Days)-Direct Growth Plan	64,78,435	723.75	64,78,435	674.68
IIFL Wealth Finance Limited SR-IFGPD - II BR NCD	-	-	2,700	3,118.27
		8,133.16		18,008.34
Other Debt Mutual Fund Units (Investments Carried at Fair Value through Other Comprehensive Income)				
IDFC Credit Risk fund Direct Plan Growth	-	-	5,89,183	75.00
Aditya Birla Sun Life Medium Term Plan-Growth-Direct Plan	60,30,081	1,620.25	60,30,081	1,388.71
HDFC Credit Risk Debt Fund - Direct Growth	2,85,10,870	5,466.56	2,85,10,870	4,973.21
		7,086.81		6,436.92
(Investments Carried at Fair Value through Profit & Loss Statement)				
Tata Money Market Fund Direct Plan - Growth	68,520	2,514.60	29,418	1,019.68
Axis Money Market Fund - Direct Growth (MMDGG)	1,96,016	2,169.67	-	-
HDFC Money Market Fund - Direct Plan - Growth Option	6,705	299.98	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	10,82,153	3,022.07
ICICI Prudential Ultra Short Term Fund - Direct Plan Growth-8123	1,76,00,293	4,026.47	-	-
ICICI Prudential Short Term Fund - Direct Plan - Growth Option	69,16,614	3,362.80	-	-
IDFC Ultra Short Term Fund Direct Plant - Growth	1,72,54,440	2,065.55	1,32,33,585	1,509.48
Invesco India Money Market Fund - Direct Plan Growth	82,232	2,010.50	-	-
Invesco India Ultra Short Term Fund - Direct Plan Growth	45,287	1,006.46	-	-
Kotak Savings Fund - Direct Plan - Growth	90,13,558	3,126.15	-	-
Nippon India Money Market Fund - Direct Growth Plan Growth Option	71,784	2,311.97	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

7 Investments (Contd..)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Qty Nos	Amount	Qty Nos	Amount
SBI Savings Fund - Direct Plan - Growth	60,66,252	2,073.92	-	-
UTI Money Market Fund - Direct Growth Plan	86,498	2,071.76	-	-
Aditya Birla Sun Life Low Duration Fund- Growth - Direct Plan	1,30,099	718.24	-	-
Kotak Banking and PSU Debt Fund Direct Growth	31,53,640	1,624.87	31,53,640	1,502.61
Kotak Low Duration Fund Direct Growth	23,356	647.80	23,356	602.87
Nippon India Low Duration Fund - Direct Growth Plan Growth Option	88,960	2,686.78	88,960	2,511.21
Nippon India Floating Rate Fund - Direct Growth Plan (FRAGG)	61,88,835	2,227.24	-	-
Sundaram Banking and PSU Debt Fund - Direct Growth (BDDG)	60,89,291	2,081.33	-	-
		37,026.09		10,167.93
		44,112.90		16,604.85
Market Value of Quoted Investments		87.63		74.72
Aggregate amount of Quoted Investments		37.81		204.27
Aggregate amount of Unquoted Investments		56,468.83		32,924.73
Aggregate amount of impairment in value of investments		-		-
Investments Carried at Cost		0.07		0.07
Investments Carried at Fair Value through Other Comprehensive Income		15,432.30		24,644.70
Investments Carried at Fair Value through Profit & Loss		44,465.77		13,741.27
(Investments Carried at amortised Cost)		-		-

Investments in Mutual Funds

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

Investments in Equity Instruments of Other Entities (Quoted and Unquoted)

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

8 Deferred tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Asset/(Liability) on account of differences in depreciation as per tax books and financial books.	30.91	29.11
Deferred tax Asset/(Liability) arising on account of timing differences relating to:		
Provision for Bad and doubtful trade receivables	90.75	71.29
Employee Benefits	24.81	25.93
Employee Benefits recognised through Other Comprehensive Income	(1.56)	-
	144.92	126.33

9 Non-Current Tax Assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance Income Tax and Tax Deducted at Source (Net of Provision ₹3,320.97 Lakhs (31 March 2020: ₹2,764.97 Lakhs)	790.35	473.01
	790.35	473.01

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

10 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		
Security deposits	346.59	267.18
Advances for Capital Expenses	1,650.19	1,048.33
	1,996.78	1,315.51

11 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at lower of cost or net realisable value		
Raw Materials	7,748.64	7,154.09
Work in Process	11,054.21	8,645.93
Finished Goods	53,148.36	48,105.00
	71,951.22	63,905.02

12 Biological Asset

Particulars	As at 31 March 2021	As at 31 March 2020
Standing Crop	16,422.24	8,916.23
	16,422.24	8,916.23

Reconciliation of Biological Asset

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	8,916.23	5,308.98
Add : Cost incurred during the year	42,377.19	40,525.29
Less: Changes in fair value	2,986.54	1,398.71
Less: Transfer of Biological assets to Inventories	31,884.64	35,519.33
Balance at the end of the year	16,422.24	8,916.23

13 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good - Unsecured	10,567.89	11,801.90
Receivables- Credit impaired	4,133.05	3,525.52
Less: Loss Allowance	(4,133.05)	(3,525.52)
	10,567.89	11,801.90

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

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

13 Trade receivables (Contd..)

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

Movement in the loss allowance

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	3,525.52	3,283.69
Movement during the year based on ageing	607.53	241.83
Balance at the end of the year	4,133.05	3,525.52

14 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	5.72	5.59
Balances with Banks - Current Accounts	1,319.43	772.97
	1,325.15	778.56

15 Other Bank Balances

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fixed Deposit with Banks	69.52	14.11
Earmarked balances with banks - Unclaimed Dividend	13.98	12.75
	83.50	26.86

16 Other Financial Assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Receivable	22.11	35.44
	22.11	35.44

17 Other current assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Unsecured and considered good		
Advance to suppliers	2,104.32	2,366.92
Advance to Staff	126.20	132.87
Prepaid expenses	230.48	129.57
Others	13.44	33.17
	2,474.44	2,662.52

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

18 Assets classified as held for sale

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Assets held for sale	2,862.93	2,631.15
	2,862.93	2,631.15

During the year 2019-20, the Company had decided to dispose off one immovable property which was under Capital work in progress. Due to the ongoing Covid-19 Pandemic, the Company was not able to dispose off the same during the financial year 2020-21 and expects to dispose of the asset in the year 2021-22. Further, during the year company has classified 42.02 acres of land as asset held for sale.

19 Equity Share Capital

Particulars	As at 31 March 2021	As at 31 March 2020
SHARE CAPITAL		
Authorised		
10,00,00,000 (10,00,00,000) Equity shares of ₹2/- each	2,000.00	2,000.00
Issued, Subscribed & Paid up		
6,03,29,133 (6,03,29,133) Equity shares of ₹2/- each	1,206.58	1,206.58
	1,206.58	1,206.58

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

Equity Shares of ₹2/- each

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
At the beginning of the year	6,03,29,133	1,206.58	6,31,29,133	1,262.58
Add: Issued during the year	-	-	-	-
Less: Shares Cancelled during the year	-	-	28,00,000	56.00
At the end of the year	6,03,29,133	1,206.58	6,03,29,133	1,206.58

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	% of holding	No of shares	% of holding
G Vanaja Devi	1,40,90,157	23.36%	1,40,90,157	23.36%
G V Bhaskar Rao - HUF	99,85,649	16.55%	99,85,649	16.55%
G V Bhaskar Rao	53,58,530	8.88%	53,58,530	8.88%

c) Rights, preferences and restrictions attached to equity shares

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

d) Buy back of Equity Shares

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

19 Equity Share Capital (Contd..)

Particulars	Year ended 31 March				
	2021	2020	2019	2018	2017
Equity shares of ₹2 each	-	28,00,000	29,63,000	29,62,962	-

e) Employee Stock Option Scheme

As per Kaveri ESOP 2018 Scheme during the current period the company has granted 249,975(31 March 2020 - 6,29,516) options through Kaveri Employee Trust (ESOP Trust). The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years. Liability recognised at 31 March 2021 and cost recognised is disclosed in notes (Refer Note 48)

20 Other Equity

Particulars	As at 31 March 2021		As at 31 March 2020	
a) General Reserve				
Opening Balance	1,002.00		1,002.00	
Less: Utilized for Buyback	-		(1,000.00)	
Add: Transfer from Retained Earnings	1,000.00	2,002.00	1,000.00	1,002.00
b) Retained Earnings				
Opening Balance	94,638.89		95,071.80	
Add:				
Profit for the year	31,049.52		25,903.74	
Less:				
Transferred to General Reserve	(1,000.00)		(1,000.00)	
Payment of Dividend & Dividend Tax	(2,378.00)		(2,283.17)	
Utilized for Buyback	-		(22,986.77)	
Adjustment on Consolidation	-		(10.71)	
Transfer from OCI towards sale of equity investments	69.63		-	
Transferred to Capital Redemption Reserve	-	1,22,380.04	(56.00)	94,638.89
c) Capital Redemption Reserve				
Opening Balance	174.52		118.52	
Add:				
Transfer from Retained Earnings	-	174.52	56.00	174.52
d) Other Comprehensive Income - Fair Value Gain on Investments				
Opening Balance	2,946.65		3,552.86	
Add:				
Fair value of Equity Investments through OCI will not be reclassified to Profit & Loss	24.55		(27.74)	
Fair value of Investments through OCI will be reclassified to Profit & Loss	(776.10)		(904.04)	
Less:				
Tax on Fair value of Equity Investments through OCI will not be reclassified to Profit & Loss	58.12		(9.69)	
Tax on Fair value of Investments through OCI will be reclassified to Profit & Loss	(626.91)	2,763.89	(315.87)	2,946.65

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

20 Other Equity (Contd..)

Particulars	As at 31 March 2021		As at 31 March 2020	
e) Other Comprehensive Income - Acturial Gain/(Loss) on Employee Benefits				
Opening Balance	(418.55)		(321.14)	
Add:				
Acturial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit or loss	17.61		(98.36)	
Less:				
Tax on Acturial Gain/(Loss) on employee benefits through OCI will not be reclassified to Profit & Loss	0.55	(401.49)	(0.95)	(418.55)
f) Treasury Shares		(3,683.20)		(3,683.20)
		1,23,235.76		94,660.31

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

Retained Earnings: Retained earnings are the profits that the Company has earned till date less any transfers to general reserve, dividends, utilisations or other distributions paid to shareholders.

Other Comprehensive Income: The fair value change of the investments measured at fair value through other comprehensive income recognised through Other Comprehensive Income. Upon derecognition the cumulative fair value changes on the said investments except equity investments are reclassified to the Statement of Profit and Loss. Accumulated gain or loss on employee benefits also recognised through other comprehensive income.

21 Non-Controlling Interest

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	24.02	(61.47)
Additions during the year	71.21	85.49
At the end of the year	95.23	24.02

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests :

Name of Subsidiary	Principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests as at 31 March 2021	Accumulated non-controlling interests as at 31 March 2021
Aditya Agritech Private Limited	Secunderabad	30	304.70
Genome Agritech Private Limited	Secunderabad	49	(209.47)

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

21 Non-Controlling Interest (Contd..)

Summarised financial information in respect of each of the subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Particulars	Aditya Agri tech Pvt Ltd		Genome Agritech Pvt Ltd	
	As at	As at	As at	As at
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Non-current assets	76.57	66.82	34.86	35.20
Current assets	5,603.15	5,831.54	26.59	20.43
Non-current liabilities	(255.82)	(242.04)	-	(6.82)
Current liabilities	(4,300.35)	(4,738.82)	(553.53)	(560.07)
Net Assets	1,123.55	917.50	(492.08)	(511.26)
Carrying amount of Non-controlling interest	304.70	242.89	(209.47)	(218.87)

Particulars	Aditya Agri tech Pvt Ltd		Genome Agritech Pvt Ltd	
	Year ended	Year ended	Year ended	Year ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue	9,857.76	8,731.81	20.71	3.63
Expenses	(9,652.29)	(8,413.85)	(1.53)	(21.35)
Profit(Loss) for the year	205.47	317.96	19.18	(17.72)
Other Comprehensive Income	0.58	(4.06)	-	-
Total Profit/(Loss) & Other Comprehensive Income	206.05	313.90	19.18	(17.72)
Profit(loss) attributable to owners of the Company	144.24	219.73	9.78	(9.04)
Profit(loss) attributable to non-controlling interests	61.82	94.17	9.40	(8.68)
Profit(Loss) for the year	206.05	313.90	19.18	(17.72)

22 Borrowings

Particulars	As at	As at
	31 March 2021	31 March 2020
Secured		
From Others		
Term Loan from Department of Biotechnology, Ministry of Science & Technology	108.18	155.76
From Banks		
Cash Credit facility from Yes Bank Ltd	-	423.02
	108.18	578.78

- Two Term Loans from Department of Biotechnology, Ministry of Science & Technology with 2% p.a interest is secured by all equipment, Plant & Machinery and other movable assets of the company acquired for the project and is repayable in ten equal half yearly instalments starting from June,2019 .
- Cash Credit secured on all current assets and second charge on movable fixed assets of "kaveri microteck pvt ltd" and personal guarantee of the Director.

23 Provisions

Particulars	As at	As at
	31 March 2021	31 March 2020
Provision for Gratuity (Refer note 47.3)	47.27	227.27
Provision for Compensated absences (Refer note 47.2)	479.65	343.42
Provision for ESOP Liability (Refer note 48)	530.69	2.77
	1,057.60	573.46

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

24 Deferred tax liabilities (Net)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Deferred Tax Liability/(Asset) on account of differences in depreciation as per tax books and financial books.	7.44	16.57
Deferred Tax Liability/(Asset) arising on account of timing differences relating to:		
Provision for Bad and doubtful trade receivables	(33.26)	(38.59)
Employee Benefits	(5.49)	(7.74)
Employee Benefits recognised through Other Comprehensive Income	(0.44)	(0.79)
Deferred Tax Liability arising on account of timing differences relating to:		
Fair value gain on investments through Profit & Loss Statement	669.50	340.09
Fair value gain on investments through Other Comprehensive Income	927.93	1,496.72
	1,565.68	1,806.26

25 Other non-current liabilities

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Security deposits from customers	1,330.31	1,190.61
Grant/Subsidy	23.20	26.33
	1,353.51	1,216.94

25.1 Grant/subsidy Reconciliation:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	26.33	29.47
Add: Received during year	-	4.52
Less: Amortised during year	3.13	7.66
Closing balance	23.20	26.33

26 Trade payables

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Creditors for Expenses	20,914.39	13,128.61
Sundry Creditors	14,929.71	13,558.08
	35,844.10	26,686.69
Total Outstanding dues of Micro and Small Enterprises	441.86	296.86
Total Outstanding dues other than Micro and Small Enterprises	35,402.24	26,389.83
	35,844.10	26,686.69

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

27 Other financial liabilities

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Un Claimed Dividend	13.98	12.75
Interest Accrued but not due	5.94	13.13
Current Maturities of long term debt	47.58	47.58
Capital Payables	119.18	92.61
	186.68	166.07

There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the companies Act, 2013 as at 31 March 2021 and 31 March 2020.

28 Current Tax Liabilities

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Provision for Income Tax	20.10	92.18
Net of advance tax ₹167.57 Lakhs (31 March 2020 : ₹101.47 Lakhs)	20.10	92.18

29 Provisions

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Provision for Compensated absences	111.81	108.12
	111.81	108.12

30 Other current liabilities

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Advance from customers against Sales	24,497.59	22,748.63
Payable to Staff	1,124.20	911.71
Statutory Payables	210.69	149.54
Advance for Sale of Assets	252.30	252.30
Provision for Returns	1,512.41	3,666.96
Provision for Schemes	3,801.44	3,001.08
Others	2.30	-
	31,400.94	30,730.22

31 Revenue from Operations

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
Sale of Seeds (net)				
- Domestic	99,085.25		88,206.96	
- Export	1,579.58	1,00,664.83	1,981.72	90,188.68
Sale of Micronutrients		2,965.73		2,845.95
		1,03,630.55		93,034.63

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

32 Other Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit on sale of assets (Net)	(8.19)	42.23
Dividend Income	5.58	26.30
Profit on sale of Investments	2,676.18	4,006.82
Interest Income	75.23	57.51
Others	105.69	93.52
Grant/Subsidy amortisation	3.13	7.66
Baddebts Recovered	-	18.37
Fair value gain on Investments (Net)	1,717.06	291.85
Foreign exchange gain (Net)	-	14.67
	4,574.68	4,558.94

33 Cost of Material Consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw Material Consumed/Production Expenses		
Opening Stock	7,154.09	5,668.39
Add : Purchases/Production Expenses including processing Charges**	69,611.47	59,440.10
	76,765.57	65,108.49
Less : Closing Stock	7,748.64	7,154.09
	69,016.92	57,954.40
**Processing Charges		
Freight Inward	1,708.67	1,166.38
Repairs & Maintenance		
Plant & Machinery	354.63	364.13
Buildings & Godowns	59.29	63.54
Cold Storage	126.77	119.34
Factory Maintenance	1,911.61	1,361.96
Seed Certification charges	15.01	0.92
Power & Fuel	787.68	802.12
Godown Rent	166.04	137.75
Expense on processing	1,210.29	1,032.51
Other Farm & Cultivation expenses	181.10	52.15
R&D Expenses ***	2,948.63	2,440.79
	9,469.73	7,541.59

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

33 Cost of Material Consumed (Contd..)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
*** R&D Farm Expenses		
Salaries and allowances	1,387.97	1,097.43
Cultivation Expenses	85.72	92.80
Fertilizers & Pesticides	68.77	65.52
Electricity charges	17.63	14.08
Electrical Maintenance	4.90	3.33
Farm Maintenance	130.67	130.16
Labour charges	666.45	441.64
Postage & telephones	8.90	9.49
Printing & Stationery	6.22	5.25
Security charges	46.11	48.22
Staff Welfare	9.81	13.78
Travelling expenses	31.79	25.00
Vehicle Maintenance	21.75	18.58
Land Lease	139.84	118.17
Research Expenses	88.77	85.98
Testing Expenses	212.32	249.83
Professional Expenses	21.01	21.53
	2,948.63	2,440.79

34 Changes in Inventories of Finished Goods and Work in Progress

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
(Increase)/Decrease in Finished goods				
Opening Stock	48,105.00		41,238.64	
Closing Stock	53,148.36	(5,043.36)	48,105.00	(6,866.36)
(Increase)/Decrease in Work in Process				
Opening Stock	8,645.93		9,216.26	
Closing Stock	11,054.21	(2,408.29)	8,645.93	570.34
(Increase)/Decrease in Biological Assets				
Opening Stock	8,916.23		5,308.98	
Closing Stock	16,422.24	(7,506.02)	8,916.23	(3,607.26)
		(14,957.67)		(9,903.27)

35 Employee Benefit Expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and allowances	7,238.19	6,217.49
Employee Stock option Expenses	527.92	2.77
Contribution to Provident and other funds	570.50	466.24
Staff Welfare Expenses	116.20	101.85
	8,452.81	6,788.35

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

36 Finance Costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on Termloans	3.60	4.40
Interest on Others	35.76	33.86
Bank Charges	11.14	9.59
	50.50	47.85

37 Depreciation and Amortisation

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Property, Plant & Equipment	2,156.73	2,456.02
Depreciation on Intangible Assets	67.94	110.36
	2,224.66	2,566.38

38 Other Expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Establishment Expenses		
Travelling Expenses	1,798.14	1,881.37
Postage & Telephone	98.34	124.46
Payment to Auditors (Refer note 38.1)	28.31	29.72
Vehicle Maintenance	162.65	150.02
Rent	97.75	83.85
Printing & Stationery	61.99	59.68
Insurance	190.49	141.14
Books & Periodicals	0.64	1.41
Rates & Taxes	171.45	102.34
Office Maintenance	95.53	99.32
General Expenses	79.58	80.22
Conveyance	4.90	2.94
Donations & Subscriptions	22.05	38.16
Legal Expenses	117.62	182.53
Professional Charges	230.31	260.74
Professional Tax	0.51	0.66
GST Expense	310.30	148.12
CSR Expenditure (Refer note no. 54)	462.14	346.10
Market Cess	27.68	30.47
Security Charges	157.09	159.15
Computer Maintenance	166.14	110.84
Directors Sitting Fees	10.10	10.30
Foreign Exchange Loss	6.03	-
Buyback Expenses	0.24	191.92
Provision for other receivables	73.65	-
(a) Total	4,373.63	4,235.46

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

38 Other Expenses (Contd..)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Selling & Distribution Expenses		
Sales promotion expenses	3,385.64	3,849.77
Advertisement	8.82	7.56
Freight & Forwarding	2,828.57	2,305.07
Farmers Meeting Expenses	307.30	440.51
Staff & Dealers Meeting Expenses	52.13	202.15
Royalty	-	1,445.67
Bad debts Write Off	36.77	146.49
Provision for Bad Debts	323.89	241.83
(b) Total	6,943.12	8,639.07
Total of (a) & (b)	11,316.75	12,874.53

38.1 Audit Fees

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) For statutory audit	26.57	26.40
b) For taxation matters	1.40	1.42
c) For other services	0.18	1.27
d) For reimbursement of expenses	0.16	0.63
	28.31	29.72

39 Commitment and Contingencies

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. Claims against the Company not acknowledged as debts. This comprises of		
i. Tax demands disputed by the Company relating to disallowances / additions of fiscal benefits pending before various judicial forums and tax authorities aggregating to	628.52	628.52
ii. Other matters not related to tax	10.75	10.75
	639.27	639.27

Consequent to the search proceedings on the Holding Company, during the year 2017-18, the Company had submitted returns for the block assessment years from FY 2011-12 to FY 2017-18 in response to notice u/s 153A disclosing the same income as was disclosed in the returns filed earlier. Assessments upto the date of search have been completed by the Income Tax Department.

"Aggrieved by the departments' basis for initiating search proceedings, the Company filed a writ petition before the Hon'ble High Court of Telangana, Hyderabad, challenging the validity of the search proceedings. The Hon'ble High Court granted interim stay against assessment proceedings pending disposal of the writ. The assessment of income as per returns submitted in response to notice u/s 153A, for said block period is kept in abeyance by the Income Tax Department in view of the interim stay granted by the Hon'ble High Court. Additional tax liability, if any, is dependent on the outcome of the writ petition and consequent completion of the assessment.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

39 Commitment and Contingencies (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
B. Commitments		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for:	1882.20	692.59

40 Income Taxes:

- a) The reconciliation between the statutory income tax rate applicable to the company and the effective income tax rate of the company is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory Income tax rate	25.17%	34.60%
Differences due to:		
Income Exempt from Tax	-22.49%	-27.98%
Effect of expenses that are not deductible in determining taxable profit (permanent disallowances)	0.07%	0.01%
Tax Income at Different Rates	-0.28%	-2.67%
Others	0.04%	0.16%
Effective tax rate	2.52%	4.12%

- b) **Movement in Deferred Tax Assets:**

Movement during the Year ended March 31st, 2021

Deferred Tax Assets/(Liabilities)	As at 01 April, 2020	(Charge)/credit in the statement of Profit and Loss	Recognised in OCI	As at 31 March, 2021
Provision for employee benefits	25.93	(1.12)	(1.56)	23.25
Provision for bad and doubtful trade receivables	71.29	19.46	-	90.75
Depreciation	29.11	1.80	-	30.91
	126.33	20.15	(1.56)	144.92

Movement during the Year ended March 31st, 2020

Deferred Tax Assets/(Liabilities)	As at 01 April, 2019	(Charge)/credit in the statement of Profit and Loss	Recognised in OCI	As at 31 March, 2020
Provision for employee benefits	13.49	12.44	-	25.93
Provision for bad and doubtful trade receivables	61.37	9.92	-	71.29
Depreciation	28.13	0.98	-	29.11
	102.99	23.34	-	126.33

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

40 Income Taxes: (Contd..)

c) Movement in Deferred Tax Liabilities

Movement during the Year ended March 31st, 2021

Deferred Tax (Asset)/Liabilities	As at 01 April, 2020	(Credit)/charge in the statement of Profit and Loss	Recognised in OCI	As at 31 March, 2021
Provision for employee benefits	(8.53)	2.26	0.36	(5.92)
Provision for bad and doubtful trade receivables	(38.59)	5.33	-	(33.26)
Depreciation	16.57	(9.13)	-	7.44
Fair value gain on investments through Profit & Loss Statement	340.09	329.41	-	669.50
Fair value gain on investments through Other Comprehensive Income	1,496.72	-	(568.79)	927.93
	1,806.26	327.86	(568.43)	1,565.68

Movement during the Year ended March 31st, 2020

Deferred Tax (Asset)/Liabilities	As at 01 April, 2019	(Credit)/charge in the statement of Profit and Loss	Recognised in OCI	As at 31 March, 2020
Provision for employee benefits	(5.12)	(2.46)	(0.95)	(8.53)
Provision for bad and doubtful trade receivables	(29.68)	(8.91)	-	(38.59)
Depreciation	(10.25)	26.82	-	16.57
Fair value gain on investments through Profit & Loss Statement	238.12	101.97	-	340.09
Fair value gain on investments through Other Comprehensive Income	1,822.29	-	(325.57)	1,496.72
	2,015.36	117.42	(326.51)	1,806.26

41 Capital Management:

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain or if necessary adjust its capital structure.

42 Earning Per Equity Share :

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Earnings per Share has been computed as under		
Profit for the Year	31,049.52	25,903.74
Weighted average Equity Shares outstanding (in no.s)	5,94,49,642	6,19,37,206
Earnings Per Share (Face Value of ₹2/- each) - Basic and Diluted	52.23	41.82

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

43 Dividend on Equity Share

Particulars	As at 31 March 2021	As at 31 March 2020
Final Dividend ₹Nil Per share for FY 2020-21 (₹Nil per share for FY 2019-20)	-	-
Dividend Distribution Tax on Final Dividend	-	-
Interim Dividend ₹4 Per share for FY 2020-21 (₹3 per share for FY 2019-20)	2,378.00	1,893.88
Dividend Distribution Tax on Interim Dividend	-	389.29
	2,378.00	2,283.17

44 Financial Instruments

Refer Note 2.14 for accounting policy on Financial Instruments.

A. Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets		
Financial assets measured at fair value		
Investments measured at		
i) Fair value through other comprehensive income	15,432.30	24,644.70
ii) Fair value through Profit & Loss Statement	44,465.77	13,741.27
	59,898.07	38,385.97
Financial Liabilities		
i. ESOP Liability	530.69	2.77

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B. Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Financial assets measured at fair value through other comprehensive income		
Investment in equity & debt instruments	(751.55)	(931.78)
Financial assets measured at fair value through Profit & Loss Statement		
Investment in equity & debt instruments	1,717.06	291.85

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

44 Financial Instruments (Contd..)

C. Fair Value Hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1 : Quoted Prices for identical Instruments in an active Market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs, and

Level 3: Inputs which are not based on observable market data

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarized below:

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March, 2021 Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	87.63	15,343.66	1.00	15,432.30
ii. Fair Value through Profit or Loss	-	44,465.77	-	44,465.77
As at 31 March, 2021 Liabilities at fair value				
i. Esop liability	-	530.69	-	530.69
As at 31 March, 2020 Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	74.72	24,568.95	1.02	24,644.70
ii. Fair Value through Profit or Loss	-	13,741.27	-	13,741.27

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

- The fair values of investment quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
- The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Other financial assets and liabilities

- Cash and cash equivalents (except for investments in mutual funds), trade receivables, investments in term deposits, other financial assets trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.
- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

45 Financial Risk Management

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group to set and monitor appropriate risk limits and controls periodically review the changes in market conditions and reflect the changes in the policy accordingly.

A. Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

The Group maintained a cautious liquidity strategy with a positive cash balance throughout the year ended 31st March, 2021 and 31st March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated over and above the amount required for working capital management and other operational requirements is retained as cash and cash equivalents (to the extent required) and any excess is invested in highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying amount	Payable within 1 year	More than 1 years	Total
As at 31 March, 2021				
Financial liabilities				
Trade payables (including acceptances)	35,844.10	35,844.10	-	35,844.10
Borrowings	155.76	47.58	108.18	155.76
Unpaid dividend	13.98	13.98	-	13.98
Other Payables	5.94	5.94	-	5.94
Capital Payables	119.18	119.18	-	119.18
As at 31 March, 2020				
Financial liabilities				
Trade payables (including acceptances)	26,686.69	26,686.69	-	26,686.69
Borrowings	626.36	47.58	578.78	626.36
Unpaid dividend	12.75	12.75	-	12.75
Other Payables	13.13	13.13	-	13.13
Capital Payables	92.61	92.61	-	92.61

B. Management of Market Risk

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

Currency Risk

Price Risk

Interest Rate Risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

45 Financial Risk Management (Contd..)

B. Management of Market Risk (Contd..)

1 Currency Risk

Potential Impact of Risk

The impact of risk due to change in foreign currency value is very minute on the Group as the Group's exposure to foreign currency is very low.

As at 31st March, 2021 the net unhedged exposure to the Group on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹438.89 Lakhs (31st March, 2020 ₹ 15.96 Lakhs)

Management Policy

The Group is not majorly exposed to foreign currency exchange risk because of its low volume foreign currency transactions even though management exercises proper precautions to minimise the currency risk in foreign exchange transactions. The Group deals with US Dollar and Euro for its foreign currency transactions.

The Group makes its exports mainly against advance irrevocable LC to mitigate the risk of currency exchange due to delay in remittances. The Group does not opt for forward exchange contracts. Foreign exchange transactions are closely monitored to reduce the risk.

The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.

Sensitivity to Risk

A 5% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to approximately an additional ₹21.94 Lakhs gain in the Statement of Profit and Loss (2019-20: ₹0.80 Lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

2 Price Risk

Potential Impact of Risk

The Group is exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

At 31st March 2021, the investments in debt mutual funds amounts to ₹51185.69 Lakhs (31st March, 2020 ₹ 30627.44 Lakhs). These are exposed to price risk.

Management Policy

The Group takes all the precautions to minimise price risk arising from investments in debt mutual funds. The Group is investing mainly in debt mutual funds through leading mutual fund companies and in best mutual funds where price risk is very low. The Group examines fund performance, rating, liquidity and risk aspects before investing.

Sensitivity to Risk

A 0.5% increase in prices would have led to approximately an additional ₹255.93 Lakhs gain in the Statement of Profit and Loss (2019-20 ₹ 153.14 Lakhs gain). A 0.5% decrease in prices would have led to an equal but opposite effect.

Notes

to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

45 Financial Risk Management (Contd..)

B. Management of Market Risk (Contd..)

3 Interest Rate Risk

Potential Impact of Risk

The impact of interest rate risk is very minute on the Group as the Group does not have exposure to any interest rate sensitive investments or securities.

The Group does not have any investment in interest sensitive securities/bonds as on 31 March 2021, and 2020.

Management Policy

The Group makes maximum of the investments in non interest sensitive sectors to mitigate interest rate risk.

Sensitivity to Risk

A 0.25% or 0.50% increase/decrease in interest rates will not make any difference to the Group profit or loss as there are no interest rate sensitive investments.

C Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentration of credit risk with respect to trade receivables is moderate due to the Group's customer base being large and diverse and also Group receives good amount of receipts towards advances. All trade receivables are reviewed and assessed for default on a quarterly basis based on collections and ageing.

Our historical experience of collecting receivables is that credit risk is moderate. Hence trade receivables are considered to be a single class of financial assets.

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and investments in money market liquid mutual funds with financial institutions. The Group has set counter-parties limits based on multiple factors including financial position, credit rating, etc.

The Group's maximum exposure to credit risk as at 31 March, 2021 and 2020 is the carrying value of each class of financial assets.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

46 Related Party Transactions

46.1 Following is the list of related parties and their relationships

A. Key managerial persons and their relatives

- 1 Mr. G.V.Bhaskar Rao
- 2 Mrs. G. Vanaja Devi
- 3 Mr. C. Vamsheedhar
- 4 Mr. C. Mithun Chand
- 5 Mr. G.Pawan
- 6 G.V.Bhaskar Rao - HUF
- 7 Mrs.C.Madhavi
- 8 Mr. K.V.Chalapathi Reddy
- 9 Mr. V.R.S. Murti
- 10 Mr. T. Venkateswarlu
- 11 Mr. N.Papa Rao
- 12 Mr. N.Venkateswara Rao

B Other related firms & Associates

- 13 M/s. Kaveri Infra
- 14 M/s. Bhaskara Investments
- 15 M/s. Kaveri Bhaskarrao Charitable Foundation
- 16 M/s. Kaveri Employees Trust

46.2 Related party transactions for the year ended are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration paid		
Mr. G.V.Bhaskar Rao	373.63	311.36
Mrs. G. Vanaja Devi	231.05	192.54
Mr. C. Vamsheedhar	112.31	116.79
Mr. C. Mithun Chand	93.11	77.78
Mr. T. Venkateswarlu	28.84	26.26
Mr. K.V.Chalapathi Reddy	89.62	74.56
Mr. V.R.S. Murti	4.00	4.00
	932.56	803.28
Land and godown lease paid		
Mr. G.V.Bhaskar Rao	0.63	0.63
Mrs. G. Vanaja Devi	8.92	8.92
Mr. G.Pawan	9.93	9.93
G.V.Bhaskar Rao - HUF	47.67	45.66
M/s. Kaveri Infra	11.41	11.41
M/s. Bhaskara Investments	3.05	3.05
	81.61	79.60

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

46 Related Party Transactions (Contd..)

46.2 Related party transactions for the year ended are as follows: (Contd..)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend paid		
Mr. G.V.Bhaskar Rao	214.34	167.29
Mrs. G. Vanaja Devi	563.61	437.51
Mr. C. Vamsheedhar	39.06	30.49
Mr. C. Mithun Chand	34.29	26.77
Mr. G.Pawan	89.16	69.59
G.V.Bhaskar Rao - HUF	399.43	311.75
Mr. K.V.Chalapathi Reddy	0.48	0.36
	1,340.37	1,043.75
CSR Expenditure		
M/s. Kaveri Bhaskarrao Charitable Foundation	412.14	276.04
	412.14	276.04

Particulars	As at 31 March 2021	As at 31 March 2020
Payable balances outstanding		
Outstanding Land lease to KMP and relatives	3.30	9.29
Outstanding Land lease to Associates	-	3.62
Outstanding remunerations to KMP	50.27	52.42
Advances received from KMP for Sale of Land	252.30	252.30

47 Employee benefit plans

47.1 Defined Contribution Plan:

The group has certain defined contribution plans. Contributions are made to provident fund in India for qualifying employees at the specified percentage of salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is ₹ 570.50 Lakhs (31 March 2020 - 466.24 Lakhs)

47.2 Compensated Absences:

Group provides for accumulation of compensated absences. These employees can carry forward portion of unutilised compensated absences and utilise it in future period or receive cash in lieu thereof as per the group's policy. The group records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the group towards its obligation was ₹591.46 Lakhs (31 March 2020: ₹451.55 Lakhs)

47.3 Gratuity:

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mitigate the risks commonly affecting the liabilities and the financial results.

- Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

47 Employee benefit plans (Contd..)

47.3 Gratuity: (Contd..)

- b) Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
- c) Demographic risk : For example as plan is open to new entrants an increase in membership will increase the defined benefit obligation. Also the plan only provides benefits upon completion of a vesting criteria. Therefore if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

Reconciliation of Defined Benefit Obligation

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening of defined benefit obligation	841.68	635.11
Current service cost	157.58	120.46
Past service cost	-	-
Interest on defined benefit obligation	57.01	48.13
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	-	89.19
Actuarial loss / (gain) arising from change in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	(16.83)	2.41
Liabilities assumed / (settled)*	(3.51)	(5.06)
Benefits paid	(25.83)	(48.56)
Closing of defined benefit obligation	1,010.10	841.68

Reconciliation of Plan Assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening fair value of plan assets	614.41	522.59
Employer contributions	322.64	103.86
Interest on plan assets	45.54	44.51
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.96	(7.98)
Benefits paid	(25.83)	(48.56)
Closing fair value of plan assets	957.72	614.41

Amount recognized in Balance Sheet

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Present value of funded defined benefit obligation	1,010.10	838.17
Fair value of plan assets	957.72	614.41
Net funded obligation	52.38	223.76
Present value of unfunded defined benefit obligation	-	3.51
Net defined benefit liability / (asset) recognized in balance sheet	52.38	227.27
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	-	-
Non-current	52.38	227.27

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

47 Employee benefit plans (Contd..)

47.3 Gratuity: (Contd..)

Current Year Expense Charged to Profit & Loss Account

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	157.58	120.46
Past service cost	-	-
Administration expenses.	-	-
Interest on net defined benefit liability / (asset)	11.47	3.62
Total expense charged to profit and loss account	169.05	124.08

Amount Recorded as Other Comprehensive Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening amount recognized in OCI outside profit and loss account	419.65	320.06
Remeasurements during the period due to		
Changes in financial assumptions	-	89.19
Changes in demographic assumptions	-	-
Experience adjustments	(16.83)	2.41
Actual return on plan assets less interest on plan assets	(0.96)	7.98
Closing amount recognized in OCI outside profit and loss account	401.86	419.65

Disaggregation of Assets

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Category of Assets		
Non Quoted Value		
Insurer managed funds.	957.72	614.41
Others.	-	-
Grand Total	957.72	614.41

Summary of Actuarial Assumptions Adopted

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate (p.a.)	6.90%	6.90%
Salary escalation rate (p.a.)	10.00% until year 2 inclusive, then 7.00%	10.00% until year 3 inclusive, then 7.00%

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

47 Employee benefit plans (Contd..)

47.3 Gratuity: (Contd..)

Maturity Profile

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expected benefits for year 1	32.90	23.87
Expected benefits for year 2	30.88	27.60
Expected benefits for year 3	56.46	27.37
Expected benefits for year 4	54.36	50.71
Expected benefits for year 5	40.00	45.07
Expected benefits for year 6	62.72	34.50

The Principal Assumptions used for the purposes of the actuarial valuation as follows

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions while the Plan's sensitivity to such changes can vary over time.

48 Share Based Payments

- a) The Company implemented the Kaveri ESOP 2018 Scheme for all eligible employees pursuant to the special resolution approved by the shareholders through postal ballot on 19th July 2018. The Kaveri ESOP 2018 Scheme covers all employees and directors (excluding independent and promoter directors, promoter group) of the parent Group and its subsidiaries (collectively, "eligible employees"). Upon the exercise of options granted under the Kaveri ESOP 2018 Scheme, the applicable equity shares will be transferred from the Kaveri Employees Trust ("ESOP Trust") to the eligible employee. The ESOP Trust will acquire such equity shares by way of secondary market acquisitions funded through loans from the company. The Nomination and Remuneration Committee of the Board of the parent Group (the "Compensation Committee") administers the Kaveri ESOP 2018 Scheme and grants stock options to eligible employees, it has delegated functions and powers relating to the administration of the Kaveri ESOP 2018 Scheme to the ESOP Trust. The Compensation Committee determines which eligible employees will receive the options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the Kaveri ESOP 2018 Scheme vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years.

As at 31 March 2021, The ESOP trust has purchased Nil (31 March 2020: 8,79,491 shares) from secondary market for an aggregate consideration of Nil (₹3,683.20 Lakhs)

- b) The nature and extent of share-based payment arrangements that existed during the period.

Summary of options granted under plan:

Particulars	As at 31 March 2021 Nos	As at 31 March 2020 Nos
Opening balance	6,29,516	-
Granted during the year	2,49,975	6,29,516
Exercised during the year	-	-
Forfeited during the year	-	-
Closing balance	8,79,491	6,29,516
Vested and exercisable	1,25,903	-

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

48 Share Based Payments (Contd..)

c) Share options outstanding at the end of the year have the following expiry date:

Grant Date	Expiry Date	Share Options	Share Options
		31 March 2021	31 March 2020
31-03-2020	30-03-2025	-	6,29,516
25-03-2021	24-03-2026	2,49,975	-

d) The effect of expenses arising from share-based payment transactions on the entity's profit or loss for the period is ₹527.92 Lakhs (2019-2020: ₹ 2.77 Lakhs).

e) Fair value of Options granted

The fair value of options granted during the year as at 31 March 2021 is ₹ 83.49 and the fairvalue of options granted during the financial year 2019-20 as at 31 March 2021 is ₹ 178.50. The fair value options as at reporting date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for the options fairvalue as at 31 March 2021 included:

Particulars	Grant II	Grant I
	Nos	Nos
Option Grant Price	450	315
Vesting Period	4 years	4 years
Exercise Period	5 years	5 years
Grant Date	25-03-2021	31-03-2020
Expiry Date	24-03-2026	30-03-2025
Share Price at Grant Date	488.85	341.90
Expected Price Volatility	11.44%	11.44%
Expected Dividend Yield	0.55%	0.55%
Risk Free Interest Rate	6.90%	6.90%

The expected price volatility is based on the historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

49 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Particulars	As at	As at
	31 March 2021	31 March 2020
Principle amount due to suppliers registered under the MSMED Act and Remaining unpaid as at year end	441.86	296.86
Interest due to supplies registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

49 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under: (Contd..)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest due and payable towards suppliers registered under MSMED Act for payments already made	-	-
Further Interest remaining due and payable for earlier years	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

50 Operating Leases

The Company's significant leasing arrangements are in respect of operating leases for lands and premises (Agricultural lands, office, stores, godown etc.). These leasing arrangements which are cancellable range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss in respect of short term and low value leases where company has availed exemption under IndAS 116.

51 Contract Liabilities

Contract liabilities resulting from advance payments by customers for delivery of goods and schemes/discounts are predominantly recognized as sales within one year. The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as on 31 March 2021 is ₹24,497.59/- (31 March 2020 is ₹22,748.63/-) resulting from advance payments and shown under other current liabilities.

52 Segment Information

The Group has identified and reported three reportable segments viz., Seeds, Micronutrients and Vegetables based on the nature of products and service, the differing risks and returns and the internal reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Group.

Segment information is as follows:

S. Particulars No.	Segment						Total	
	Seeds		Micronutrients		Vegetables		2020-21	2019-20
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20		
1 Segment Revenue	1,00,664.82	90,188.68	2,965.73	2,845.95	-	-	1,03,630.55	93,034.63
2 Segment results before interest and taxes and Other Income	27,119.42	22,304.77	457.66	449.47	-	-	27,577.08	22,754.24
Interest Expenses	39.37	23.00	11.13	24.85	-	-	50.50	47.85
Other Income	4,566.49	4,539.84	8.19	19.10	-	-	4,574.68	4,558.94
3 Profit before Exceptional Item and tax	31,646.55	26,821.61	454.71	443.72	-	-	32,101.26	27,265.33
Exceptional Item	-	-	-	-	-	-	-	-
Current Tax	556.01	1,059.57	116.96	119.89	-	-	672.97	1,179.46
Deferred Tax	308.32	103.27	(0.59)	(7.85)	-	-	307.73	95.42
4 Net Profit after Tax	30,782.22	25,658.77	338.34	331.68	-	-	31,120.56	25,990.45

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

52 Segment Information (Contd..)

Segment information is as follows: (Contd..)

S. Particulars No.	Segment						Total	
	Seeds		Micronutrients		Vegetables		2020-21	2019-20
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20		
5 Other Information								
Segment Assets	1,92,135.76	1,54,241.87	4,050.41	3,607.76	-	-	1,96,186.17	1,57,849.63
Segment Liabilities	70,442.20	60,899.28	1,206.40	1,059.44	-	-	71,648.60	61,958.72
Capital Expenditure	3,354.95	4,240.49	4.16	12.84	-	-	3,359.11	4,253.33
Depreciation	2,137.80	2,437.73	86.86	128.65	-	-	2,224.66	2,566.38

53 Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2021

Name of the Group Company	Net assets, i.e. total assets minus total liabilities		Share in Sale of Products		Share in profit or loss		Share in other comprehensive income(attributable to share holders)		Share in total comprehensive income(attributable to share holders)	
	As % of net assets	Amount ₹ In Lakhs	As % of Sales	Amount ₹ In Lakhs	As % of profit or loss	Amount ₹ In Lakhs	As % of other comprehensive income	Amount ₹ In Lakhs	As % of total comprehensive income	Amount ₹ In Lakhs
	Parent									
Kaveri Seed Company Ltd	100.64%	1,25,328.86	85.82%	88,939.19	74.90%	23,255.34	99.79%	(165.35)	74.76%	23,089.99
Subsidiaries										
Kaveri Microteck Pvt Ltd	2.31%	2,877.18	2.86%	2,965.73	1.22%	378.27	0.46%	(0.76)	1.22%	377.51
Aditya Agri Tech Pvt Ltd	-2.73%	(3,398.02)	9.51%	9,855.49	19.29%	5,988.68	-0.25%	0.41	19.39%	5,989.09
Genome Agritech Pvt Ltd	0.03%	35.42	0.00%	-	0.03%	9.78	0.00%	-	0.03%	9.78
Genomix Agri Genetics Private Ltd	-0.38%	(475.13)	1.80%	1,870.15	4.56%	1,416.95	0.00%	-	4.59%	1,416.95
Kaveri Employees Trust	0.14%	169.26	0.00%	-	0.00%	0.50	0.00%	-	0.00%	0.50
Total	100%	1,24,537.57	100%	1,03,630.55	100%	31,049.52	100%	(165.70)	100%	30,883.82

54 Expenditure incurred for corporate social responsibility

The Company spent ₹462.14 Lakhs and ₹ 346.10 Lakhs towards CSR Expenditure for the year ended 31st March 2021 and 31st March 2020. The details of expenditure upto 31 March 2021 are as follows.

Particulars of CSR Activity	Year ended 31 March 2021	Year ended 31 March 2020
Average net profit of the Company for last three financial years	23,107.19	17,304.30
Prescribed CSR expenditure 2% of the above amount	462.14	346.09
Amount unspent at the Starting of the year	-	0.01
Total Amount to be spent for the year	462.14	346.10
Direct Expenses made by company		
Education development activities		
Farmer Education and Training programme at Gadwal, Telangana	-	0.06
Rural Development		
Contribution made towards development of Minor Irrigation system in Wanaparthy District through The District Collector, Wanaparthy, Telangana	-	20.00
Contribution to "Community Cattle Shed" construction through Bala Vikasa Social Service Society, Warangal, Telangana	50.00	50.00

Notes to the Consolidated Financial Statements for the year ended 31 March, 2021

All amounts are Rupees in lakhs unless otherwise stated

54 Expenditure incurred for corporate social responsibility (Contd..)

Particulars of CSR Activity	Year ended 31 March 2021	Year ended 31 March 2020
Donation made towards CSR Activites	-	-
Contribution made to Kaveri Bhaskar Rao Charitable Foundation	412.14	276.04
Total Amount Spent during the year	462.14	346.10
Unspent amount at the End of the year	-	-

55 In respect one of the Subsidiary company M/s. Genome Agritech Private Limited which has accumulated losses of ₹ 534.01 Lakhs (Previous Year ₹ 553.19 Lakhs) on March 31, 2021, resulting in the negative net worth of ₹ 492.08 lakhs (Previous Year ₹ 511.26 Lakhs). The company's current liabilities exceed its current assets by ₹ 526.94 Lakhs (Previous Year ₹ 539.64 Lakhs) as of that date. Turnover during the period ended 31st March 2021 is ₹ Nil (Previous Year ₹ Nil). Due to the lack of working capital requirement the operations of the company have been substantially curtailed. The company's ability to continue as a going concern in spite of the present accumulated losses is dependent upon the infusion of funds for its operations.

56 COVID-19 Impact on the Business:

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The government has classified seed business as "Essential Commodity" and granted certain relaxations and guidelines so that production, processing and distribution of the seeds will not be effected. The impact of Covid-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments and other financial assets considering the available internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets.

57 Previous year figures are regrouped wherever considered necessary to conform to current year classification.

As per our report of even date attached

For and on behalf of the Board

for **M. Bhaskara Rao & Co.**
Firm Registration No.0004595
Chartered Accountants

Sd/-
M.V. Ramana Murthy
Partner
Membership No. 206439

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

Sd/-
G.V.Bhaskar Rao
Managing Director
DIN: 00892232

Place: Secunderabad
Date: 29 May 2021

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

Sd/-
G.Vanaja Devi
Wholetime Director
DIN: 00328947

Corporate Information

Board of Directors

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

Dr. G. Pawan
Vice Chairman (Non-Executive)

Mrs. G. Vanaja Devi
Executive Director

Mr. C. Vamsheedhar
Executive Director

Mr. C. Mithun Chand
Executive Director

Dr. S. Raghuvardhan Reddy
Independent Director

Dr. S M Ilyas
Independent Director

Mr. K. Purushotham
Independent Director

Mrs. M. Chaya Ratan
Independent Director

Prof. R.R. Hanchinal
Independent Director

Company Secretary

Mr. V R S Murti

Chief Financial Officer

Mr. K. Venkata Chalapathi Reddy

Audit Committee

Mr. K. Purushotham
Dr. S. Raghuvardhan Reddy
Mr. C. Mithun Chand
Mrs. M. Chaya Ratan

Nomination & Remuneration Committee

Mr. K. Purushotham
Dr. S. Raghuvardhan Reddy
Mrs. M. Chaya Ratan

Shareholders' Relationship Committee

Dr. S. Raghuvardhan Reddy
Mr. C. Vamsheedhar
Mr. C. Mithun Chand

Risk Management Committee

Dr. S. Raghuvardhan Reddy
Mr. C. Vamsheedhar
Mr. C. Mithun Chand

CSR Committee

Mr. G.V. Bhaskar Rao
Mrs. G. Vanaja Devi
Dr. S. Raghuvardhan Reddy

Bankers

Indian Overseas Bank
Kotak Mahindra Bank Ltd.
HDFC Bank
ICICI Bank Ltd.
Axis Bank

Listing

NSE & BSE

Registered Office & CIN of the Company

Kaveri Seed Company Limited
CIN: L01120TG1986PLC006728
513-B, 5th Floor, Minerva Complex,
S.D. Road, Secunderabad – 500 003.
Telangana, India
Tel. Nos. +91 40-27721457/27842398
Fax No. +91 40-27811237
Email: cs@kaveriseeds.in
Website: www.kaveriseeds.in

Statutory Auditors

M/s. M. Bhaskara Rao & Co.,
Chartered Accountants
5-D, Fifth Floor, "Kautilya"
6-3-652, Somajiguda,
Hyderabad – 500082, Telangana.
Tel. Nos. +91 -40-23311245/ 233939000
Fax No. +91-40 -23399248
E-mail: mbr_co@mbrco.co.in

Registrars and Share Transfer Agents

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

Internal Auditors

M/s. M. Anandam & Co.
Chartered Accountants, 7 'A' Surya Towers,
S.P. Road, Secunderabad – 500003, Telangana
Tel. Nos. +91 -40-27812377/27812034
Fax No. +91-40 - 27812091
Website: www.anandam.in

Plants

Gatlanarsingapur Plant – 1

Door No.104, Gatlanarsingapur Post,
Bheemadevarapally Mandal,
Warangal Urban District,
Telangana State.

Gatlanarsingapur Plant – 2

Door No.6-96/2, Gatlanarsingapur Post,
Bheemadevarapally Mandal,
Warangal Urban District,
Telangana State.

Eluru Plant

Sy.No.853, Koppaka village,
Pedavegi Mandal, West Godavari Distirct,
Andhra Pradesh State.

Eluru Plant

Sy.No.154/5, Akannagudem village,
Pedavegi Mandal, West Godavari Distirct,
Andhra Pradesh State.

Pamulparthy Cold Storage Unit

Sy.No.712, 743, Pamulaparthi Village,
Markook Mandal, Siddipet District,
Telangana State.

Bellary Plant

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

Pamulparthy Plant

Sy.No.703, Part, 707 Part,
712 Part 713 to 719, Pamulaparthi Village,
Markook Mandal, Siddipet District,
Telangana State.

Molangur Plant

Sy.No.708, 709/A and 712A
Molangur village,
Shankarapatnam Mandal,
Karimnagar District,
Telangana State.

Gowraram Plant

Sy.No.72 & 73 Part, Gowraram Village,
Wargal Mandal, Medak District,
Telangana State.



Registered Office

kaveri seed company limited

CIN: L01120TG1986PLC006728

513-B, 5th Floor, Minerva Complex,

S.D. Road, Secunderabad – 500 003, Telangana

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