NOTICE

NOTICE IS HEREBY GIVEN THAT **20TH ANNUAL GENERAL MEETING** OF THE MEMBERS OF **KAVERI SEED COMPANY LIMITED** WILL BE HELD ON FRIDAY THE 14TH DAY OF SEPTEMBER 2007 AT 3.30 PM AT THE CONFERENCE HALL, R&D CENTRE, GUNDLAPOCHAMPALLY PLANT, SY.NO.28, MEDCHAL, R.R.DISTIRCT, ANDHRA PRADESH TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit & Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. G. Pawan, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri C.Vamsheedhar, Wholetime Director,who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri C.Mithunchand, Wholetime Director,who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s.P.R.Reddy & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

   "RESOLVED THAT in accordance with provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 141 of the Articles of Association of the Company, **Dr. G.Pawan,** who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company and whose period of office shall be liable to retirement of Directors by rotation".

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

   "RESOLVED THAT in accordance with provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 141 of the Articles of Association of the Company, **Dr.I.V.Subba Rao,** who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company and whose period of office shall be liable to retirement of Directors by rotation".

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

"RESOLVED THAT in accordance with provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 141 of the Articles of Association of the Company, **Dr.Y.L.Nene,** who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company and whose period of office shall be liable to retirement of Directors by rotation".

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

   "RESOLVED THAT in accordance with provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 141 of the Articles of Association of the Company, **Dr.N.Ganga Prasad Rao,** who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company and whose period of office shall be liable to retirement of Directors by rotation".

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

    "RESOLVED THAT in accordance with provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 141 of the Articles of Association of the Company, **Sri. K.Vaman Rao,** who was appointed as amn Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company and whose period of office shall be liable to determination by the retirement of Directors by rotation".

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

    "RESOLVED THAT in accordance with provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 141 of the Articles of Association of the Company, **Shri M. Srikanth Reddy,** who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company and whose period of office shall be liable to determination by the retirement of Directors by rotation".

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

"RESOLVED THAT in accordance with provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force and Article 141 of the Articles of Association of the Company, **Sri K.Venkata Durga Prasad Rao,** who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company and whose period of office shall be liable to determination by the retirement of Directors by rotation".

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

"RESOLVED THAT in partial modification of the resolution passed at the Extra Ordinary General Meeting held on 30th December 2006 and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act and subject to such consents/approvals as may be required, the remuneration payable to **Shri R.Venu Manohar Rao,** who was appointed as a Whole time Director of the Company with effect from 15th November 2006 for a period of five years, be and is hereby revised with effect from **1st April 2007** from the existing gross remuneration of Rs.58,000/- p.m. to Rs.65,000/- p.m (consisting of Rs.26,000/- as Basic Salary and Rs.39,000/- as House Rent Allowance), Encashment of leave as per the rules of the Company and Provision of Company's car with driver, whilst the other existing terms remain unchanged".

"FURTHER RESOLVED THAT not withstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Shri.R. Vennu Manohar Rao, Whole time Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary within the limits as laid down under sections 198, 309, 310 and all other applicable provisions, if any of the Act read with schedule XIII of the Act as in force from time to time".

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

"RESOLVED THAT in partial modification of the resolution passed at the Extra Ordinary General Meeting held on 30th December 2006 and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act and subject to such consents/approvals as may be required, the remuneration payable to **Shri C.Vamsheedhar,** who was appointed as a Whole time Director of the Company with effect from 15th November 2006 for a period of five years, be and is hereby revised with effect from **1st April 2007** from the existing gross remuneration of R.20,000/- p.m. to Rs.40,000/- p.m (consisting of Rs.16,000/- as Basic Salary and Rs.24,000/- as House Rent Allowance), Encashment of leave as per the rules of the Company and Provision of Company's car with driver, whilst the other existing terms remain unchanged".

"FURTHER RESOLVED THAT not withstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Shri.C. Vamsheedhar, Whole time Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary within the limits as laid down under sections 198, 309, 310 and all other applicable provisions, if any of the Act read with schedule XIII of the Act as in force from time to time".

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

"RESOLVED THAT in partial modification of the resolution passed at the Extra Ordinary General Meeting held on 30th December 2006 and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act and subject to such consents/approvals as may be required, the remuneration payable to **Shri C. Mithunchand,** who was appointed as a Whole time Director of the Company with effect from 15th November 2006 for a period of five years, be and is hereby revised with effect from **1st April 2007** from the existing gross remuneration of R.25,000/- p.m. to Rs. 55,000/- p.m (consisting of Rs.22,000/- as Basic Salary and Rs.33,000/- as House Rent Allowance), Encashment of leave as per the rules of the Company and Provision of Company's car with driver, whilst the other existing terms remain unchanged".

"FURTHER RESOLVED THAT not withstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Shri.C. Mithunchand, Whole time Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary within the limits as laid down under sections 198, 309, 310 and all other applicable provisions, if any of the Act read with schedule XIII of the Act as in force from time to time".

By Order of the Board of Directors

Sd/-

Secunderabad
1st August 2007

P.S.CHANDRA MOULI
COMPANY SECRETARY

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The register of members and share transfer books of the Company will remain closed from 12th day of September 2007 to 14th day of September 2007 (both days inclusive).

EXPLANATORY STATEMENT

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

ITEM NO.6

The Board of Directors of the Company at its meeting held on 18th September 2006 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Dr. G.Pawan, as an Additional Director (Non Executive Director) of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Dr. G.Pawan, shall hold office of Director up to the ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Dr. G.Pawan, for the office of Director of the Company. Dr.G.Pawan, is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of Section 266A of the said Act.

A brief resume of Dr. G.Pawan, as stipulated under Clause 49 of Listing Agreement of the Stock Exchanges in India, is available at the Registered Office of the Company.

Further, the same may be treated as abstract of the contract pursuant to Section 302(1)(b) of the Companies Act, 1956

The Board commends the resolution for appointment of Dr.G.Pawan, as a Director of the Company.

None of the Directors of the Company other than Dr.G.Pawan, Director and Sri G.V.Bhaskar Rao, Chairman and Managing Director and Smt. G.Vanaja Devi, Director, being their son may be deemed to be concerned or interested in the resolution.

ITEM NO.7

The Board of Directors of the Company at its meeting held on 18th January 2007 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Dr.I.V Subba Rao as an Additional Director (Non Executive/Independent Director) of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Shri Dr.I.V Subba Rao. shall hold office of Director up to the ensuing Annual General meeting of the Company.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Dr.I.V Subba Rao. for the office of Director of the Company. Dr.I.V Subba Rao. is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of Section 266A of the said Act.

A brief resume of Dr.I.V Subba Rao., nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement of the Stock Exchanges in India, is available at the Registered Office of the Company.

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

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

ITEM NO.8

The Board of Directors of the Company at its meeting held on 18th January 2007 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Dr.Y.L Nene as an Additional Director (Non Executive/Independent Director) of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Shri Dr. Y.L Nene shall hold office of Director up to the ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Dr. Y.L Nene for the office of Director of the Company. Dr Y.L Nene is not disqualified

from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of Section 266A of the said Act.

A brief resume of Dr Y.L Nene, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement of the Stock Exchanges in India, is available at the Registered Office of the Company.

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

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

ITEM NO. 9

The Board of Directors of the Company at its meeting held on 18th January 2007 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Dr. N.Ganga Prasad Rao. as an Additional Director (Non Executive/Independent Director) of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Dr. N.Ganga Prasad Rao shall hold office of Director up to the ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Dr. N.Ganga Prasad Rao for the office of Director of the Company. Dr. N.Ganga Prasad Rao is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of Section 266A of the said Act.

A brief resume of Dr. N.Ganga Prasad Rao, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement of the Stock Exchanges in India, is available at the Registered Office of the Company.

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

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

ITEM NO.10

The Board of Directors of the Company at its meeting held on 18th January 2007 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Shri K.Vaman Rao, as an Additional Director (Non Executive/Independent Director) of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Shri K.Vaman Rao, shall hold office of Director up to the ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri K.Vaman Rao. for the office of Director of the Company. Shri K.Vaman Rao, is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of Section 266A of the said Act.

A brief resume of Shri K.Vaman Rao, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement of the Stock Exchanges in India, is available at the Registered Office of the Company.

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

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

ITEM NO.11

The Board of Directors of the Company at its meeting held on 18th January 2007 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Shri M.Srikanth Reddy, as an Additional Director (Non Executive/Independent Director) of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Shri M.Srikanth Reddy, shall hold office of Director up to the ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri M.Srikanth Reddy, for the office of Director of the Company. Shri M.Srikanth Reddy, is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of Section 266A of the said Act.

A brief resume of Shri M.Srikanth Reddy, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement of the Stock Exchanges in India, is available at the Registered Office of the Company.

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

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

ITEM NO.12

The Board of Directors of the Company at its meeting held on 18th January 2007 appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Shri K. Venkata Durga Prasad Rao, as an Additional Director (Non Executive/Independent Director) of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Shri K. Venkata Durga Prasad Rao, shall hold office of Director up to the ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri K. Venkata Durga Prasad Rao, for the office of Director of the Company. Shri K. Venkata Durga Prasad Rao, is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of obtaining Directors Identification Number in terms of Section 266A of the said Act.

A brief resume of Shri K. Venkata Durga Prasad Rao, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement of the Stock Exchanges in India, is available at the Registered Office of the Company.

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

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

ITEM NO.13

Sri R.Venu Manohar Rao is a Whole time Director of the Company appointed for a period of five years with effect from 15th November 2006. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company. Hence, an upward revision in the remuneration is commensurate with the responsibilities shouldered by him. Therefore, the Board proposes to increase his remuneration with effect from 1st April 2007 on such terms and conditions as set out in the proposed Resolution.

Under the provisions of Sections 198, 310, 311 and all other applicable provisions read with Schedule XIII of the companies Act, 1956, consent of the Members of the Company is required for increase in remuneration payable to Sri R.Venu Manohar Rao in modification of the resolution passed at the Extra Ordinary General Meeting held on 30th December 2006. The Board of Directors, is of the view that the remuneration package is commensurate with the operations of the Company.

Further, the same may be treated as an abstract of the contract pursuant to Section 302(1)(b) of the Companies Act, 1956.

Accordingly, the Board commends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Sri R.Venu Manohar Rao, Whole time Director and Sri G.V.Bhaskar Rao, Chairman and Managing Director, being a relative, may be deemed to be concerned or interested in the resolution.

ITEM NO.14

Sri C. Vamsheedhar is a Whole time Director of the Company appointed for a period of five years with effect from 15th November 2006. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company. Hence, an upward revision in the remuneration is commensurate with the responsibilities shouldered by him. Therefore, the Board proposes to increase his remuneration with effect from 1st April 2007 on such terms and conditions as set out in the proposed Resolution.

Under the provisions of Sections 198, 310, 311 and all other applicable provisions read with Schedule XIII of the companies Act, 1956, consent of the Members of the Company is required for increase in remuneration payable to Sri C. Vamsheedhar, in modification of the resolution passed at the Extra Ordinary General Meeting held on 30th December 2006. The Board of Directors, is of the view that the remuneration package is commensurate with the operations of the Company.

Further, the same may be treated as an abstract of the contract pursuant to Section 302(1)(b) of the Companies Act, 1956.

Accordingly, the Board commends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Sri C.Vamsheedhar, Whole time Director and Sri G.V.Bhaskar Rao, Chairman and Managing Director, being a relative, may be deemed to be concerned or interested in the resolution.

ITEM NO.15

Sri C. Mithunchand is a Whole time Director of the Company appointed for a period of five years with effect from 15th November 2006. The Board recognizes the significant and invaluable contribution made by him in the present operations and growth of the Company. Hence, an upward revision in the remuneration is commensurate with the responsibilities shouldered by him. Therefore, the Board proposes to increase his remuneration with effect from 1st April 2007 on such terms and conditions as set out in the proposed Resolution.

Under the provisions of Sections 198, 310, 311 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the Members of the Company is required for increase in remuneration payable to Sri C. Mithunchand, in modification of the resolution passed at the Extra Ordinary General Meeting held on 30th December 2006. The Board of Directors is of the view that the remuneration package is commensurate with the operations of the Company.

Further, the same may be treated as an abstract of the contract pursuant to Section 302(1)(b) of the Companies Act, 1956.

Accordingly, the Board commends the Resolution for approval of the Members as an Ordinary Resolution.

None of the Directors of the Company other than Sri C.Mithunchand, Whole time Director and Sri G.V.Bhaskar Rao, Chairman and Managing Director, being a relative, may be deemed to be concerned or interested in the resolution.

By Order of the Board of Directors

Sd/-
P.S.CHANDRA MOULI
COMPANY SECRETARY

Secunderabad
1st August, 2007

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 20th Annual Report of the Company with Audited Accounts for the financial Year ended 31st March 2007.

FINANCIAL RESULTS:

(Rs. in Lakhs)

	2006-07	2005-06
Gross Turnover	6723.76	4972.29
Profit before Depreciation, Interest and Taxes	1715.26	486.03
Depreciation/Amortization	123.52	73.55
Interest	—	—
Profit before Tax	1591.74	412.48
Provision for Tax/Deferred Tax	528.59	126.33
Net Profit	1063.15	286.15
Balance brought forward from Previous Year	360.55	295.31
Less: Provision for Deferred Tax	9.17	—
Add: Provision for Deferred Tax	—	4.09
Balance available for appropriation	1414.53	585.55
Appropriations		
Balance carried to Balance Sheet	1414.53	585.55

REVIEW OF OPERATIONS:

During the year, your Company has made a strategic entry in different parts of the Country with its variety of hybrids , resulting into an improved sales and Turnover. This was done while retaining its leadership position in the States of Andhra Pradesh and Karnataka and consolidated its position at different locations of the country from time to time. All these positive developments helped your Company to improve its sales top and bottom line.

Profit Margins were better and multifold and hence the net profit was higher over the previous year by 371.53% when compared to financial year 2005-06.

Revenues for the year 2006-07 were Rs.6724.00 Lakhs which were higher by1752.00 Lakhs and the net profit by Rs.777.00 Lakhs when compared to previous year ie., an increase of 271.53%. Your Company faced challenges effectively while entering into competitive market in India, even at prevailing high cost and pressure on product prices from other competitors.

The strengths of the Company like efficient processing system, ability to manage its available resources cost competitiveness and capacity to deliver what the farmers want at an affordable prices helped the Company to come out of its shackles and other constraints.

FUTURE OUTLOOK

Your Company sees a big potential for its different Hybrids like Corn, Sun Flower, Bt. Cotton, Paddy, Jowar, Bajara and other divisions like organic manures and micro nutrients. Apart from this, your Company is also planning to come out with an IPO during August/September 2007 for about Rs.80.00 Crores to Rs.100.00 Crores, (price as may be decided in Red Herring Prospectus) in order to further expand and consolidate the company's revenues/turnover in a big way by opening its Godowns, Branch Offices and Research Centers

through out the country to become a market leader in the Hybrid Seeds/Micro Nutrients and allied Products of organic farming.

RESEARCH & DEVELOPMENT:

The Seed market is very dynamic in nature. Once a Hybrid Seed is developed and introduced in the market, its acceptability gradually declines from year to year. Therefore, the Company need to invest in Research to introduce different high quality hybrids in the market to ensure sustainable growth levels in the company's revenues. Research and Development is a constant pursuit of new ideas and innovations and it is market driven.

The Company is on the verge of expansion plans to consolidate the past gains accrued over the years. Plans are afoot to strengthen human resources, infrastructure and to revamp R & D strategy for developing new hybrids or diversify agri based products. During the year under review, steps are initiated (i) to modernize the seed processing plant by addition of automatic drier (ii) refurbish seed technology and quality control units (iii) initiate establishment of a gene bank as a repository of genetic resources. Further expansion of Biotechnology activities for deployment DNA marker technology for hybrid purity testing and marker assisted selection is under way.

In the Agritek Division we have hired two more Microbiologists and procured equipment for mass mixture of Biopesticides. Successfully developed, two new bio- products by name Bioguard and Biocens. On the micronutrient front a new organic product - Ultymax (Bt special for cotton) has been developed and being marketed. The Crops Division has developed few new hybrids this year. These are Kaveri Super Boss (Bajra); Ruby, Elizabeth Local and Green Cap (Tomato); Cyber hot and Kaveri Kranthi (Chilly).

INVESTMENTS

During the year under review, your Company has not made any fresh investments but has renewed and sold/redeemed the following previous year investments:

a. Mutual Fund Units

Sl.No.	Particulars of the fund	Amount invested Rs.	Amount Redeemed Rs.
1.	Reliance monthly income plan	604944	—
2.	Prudential ICICI Income multiplier fund	706194	—
3.	HDFC Monthly Income Plan	617932	—
4.	DSP Merrlynch savings plus fund	608506	—
5.	Franklin Templeton India Monthly Income Plan	717528	20042898
6.	DSP Merrlynch Savings Plus aggressive fund	—	31099803

b. Land

Sl.No	Particulars of Land	Amount invested in Rs.	Amount redeemed in Rs.
1.	Land at Jublee Hills, Hyderabad	—	77,00,000
2.	Land at Pet Basheerbagh, Hyderabad	—	83,50,000
3.	Land at Madhapur, Hyderabad	—	53,00,000

ACQUISITIONS:

During the year under review, your Company has acquired M/s.Kaveri Agri Tech a Partnership concern for a sum of Rs.56,66,932/- which was engaged in the business of organic manures and micro nutrients.

DIRECTORS

In accordance with Clause 49 of Listing Agreement your Board has reconstituted by inducting two new Executive Directors, One Non Executive Promoter Director and Six Non- Executive Independent Directors thus making the total strength of the Board at twelve directors. Apart from this the Board also constituted mandatory/statutory committees and non-statutory committees as as per the norms laid down by SEBI and Stock Exchanges on Corporate Governance.

DIVIDEND

Although your Company has been in profits since inception the management desires to carry the profits to general reserve account keeping in view of its growth potential and expansion plans and hence could not declare any dividend for the financial year 2006-07.

FIXED DEPOSITS

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

DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

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

ii) The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company for preventing and detecting fraud and other irregularities;

iv) The Directors had prepared the Accounts on a going concern basis.

PARTICULARS REQUIRED AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The particulars of employees as required to be disclosed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended are detailed hereunder:

Name of the Employee	Age	Designation	Gross Remuneration	Quali-. fications	Experience	Date of joining	Particulars of last employment
Sri G.V.Bhaskar Rao	57 yrs.	CMD	Rs.60 lacs	B.Sc (Ag,)	33 yrs.	27.08.1986	sole proprietor,G.V.Rao & Co.
Mrs.G.Vanaja Devi	55 yrs	WTD	Rs.36 lacs	B.A.	21 yrs.	27.08.1986	nil

AUDITORS

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

FORM A

Conservation of Energy	**31.03.2007**	**31.03.2006**
Power and Fuel Consumption		
a) Electricity purchased		
Units (Nos.)	399172	330900
Total Amount (Rs. In Lakhs)	20.34	16.55
Unit Rate (Rs.)	5.09	5.00
b. Own Generation:		
Through Diesel Generator		
No.of Units in Litres	47281	—
Units per litre of Diesel	3.00	—
Oil cost per Unit (Rs.)	11.35	—
Others (Gas)		
Through Gas Dryer		
Quantity in Kgs.of Gas	39135	—
Amount (Rs. In Lakhs)	19.40	—

Consumption per unit of production

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

FORM - B

Technology Absorption

Research and Development

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

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

Benefits derived as a result of the above R&D

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

Future Plan of Action:

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

Expenditure on Research and Development:

	Rs. In Lakhs	
	2006-07	**2005-06**
Capital	861.43	—
Recurring	143.44	51.41
	1004.87	51.41
Total R&D expenditure as percentage of total turnover.	15%	1.03%

Technology Absorption, Adaptation and Innovation:

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

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

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

Particulars of Imported Technology: Nil

Foreign Exchange Earning & Outgo:

a) Earnings : Nil

b) Out go : Rs.1.04 Lakhs

CORPORATE GOVERNANCE

It has always been the Company's endeavour to exceed and excel through better Corporate Governance and fair and transparent practices, many of which have already been in place from the date of conversion into a Public Limited Company.

The Board of Directors of the Company had also evolved and adapted a code of conduct based on the principles of good corporate governance and best management practices being followed globally and constituted all mandatory committees as per Clause 49 of the Listing Agreement.

EMPLOYEE RELATIONS

Employee relations were cordial during the year and the Board would like to place on record its deep appreciation to all the executives/employees/workers of the Company for their dedicated services and performance in qualitative and quantitative parameters.

ACKNOWLEDGEMENTS

Your Directors express their gratitude to all stakeholders, farmers, dealers, banks and Regulatory and Governmental Authorities for their continued support at all times and look forward to have the same in our future endeavors.

For and on behalf of the Board

	Sd/-	Sd/-
Place:Secunderabad,	G.V.BHASKAR RAO	G.VANAJA DEVI
Date:1st August 2007	Managing Director	Whole time Director

AUDITORS' REPORT

To

The Members of

KAVERI SEED COMPANY LIMITED

We have audited the attached Balance Sheet of Kaveri Seed Company Limited, as at 31st March 2007 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based in our audit.

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

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

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

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii. In our opinion, Proper Books of Account, as required by Law have been kept by the company, so far as appears from our examination of such books.

iii. The balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.

iv. In our opinion, the Balance sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

v. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as director in terms of clause(g) of sub-section (1) Section 274 of the Companies Act, 1956.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the companies Act, 1956 in the manner so required.

   a. In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2007 and

   b. In the case of the Profit & Loss Account, of the Profit for the year ended on that date.

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

Sd/-
P.RAGHUNADHA REDDY
Partner
Membership No.23758

Place: Hyderabad
Date: 1st August 2007.

Annexure referred to in the Auditors' Report to the Members of KAVERI SEED COMPANY LIMITED for the year ended 31st March 2007, we report that:

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

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

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

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

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

c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

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

b. The Company has granted interest free unsecured loan of Rs.1,83,23,284/- to M/s.Kaveri Agritech, a partnership firm in which directors are interested, and the same has been squared-up during the year and interest free un-secured advance of Rs.88,60,330/- given to the Directors and their relatives is outstanding as on 31.03.2007.

c. In our opinion, the rate of interest and other terms and conditions on which loan has been granted to company listed in the register maintained u/s.301 of the Companies Act, 1956 are not prima-facie, prejudicial to the interest of the Company.

d. In respect of loan granted by the company the party has repaid the principle amount as stipulated and has been regular in payment of interest.

e. There is no overdue amount of loan granted to the company listed in the register, maintained u/s. 301 of the Companies Act, 1956.

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

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

v. a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained u/s.301 of the Companies Act, 19556 have been so entered.

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

vi. The Company has not accepted any deposits from the public.

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

viii. According to the information and explanations given to us, maintenance of cost records u/s.209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central government for the Company.

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

b. According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2007 for a period of more than six months from the date they became payable.

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

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

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

xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

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

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

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

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

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

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

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

xx. The Company has not raised any money by way of public issue during the year under audit. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 regarding disclosure of the end use of money raised by public issue are not applicable to the Company.

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

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

Sd/-
P.RAGHUNADHA REDDY
Partner
Membership No.23758

Place: Hyderabad
Date: 1st August 2007.

KAVERI SEED COMPANY LIMITED

Secunderabad

BALANCE SHEET AS AT 31ST MARCH 2007

Rs.

Particulars	Schedule No.	Current Year 31.03.2007		Previous Year 31.03.2006	
SOURCES OF FUNDS					
Share Holders Funds					
Equity Share Capital	1	9,70,00,000		1,77,77,000	
Reserves & Surplus	2	16,97,58,523	26,67,58,523	5,86,60,610	7,64,37,610
Loan Funds					
Secured Loans	3	11,89,33,884		14,11,24,607	
Unsecured Loans	4	-	11,89,33,884	30,75,559	14,42,00,166
Defered Tax Liability (Net)			14,71,164		5,53,818
			38,71,63,571		**22,11,91,594**
APPLICATION OF FUNDS					
Fixed Assests	5				
Gross Block		25,25,68,424		12,48,43,939	
Less: Depreciation		4,41,41,411		3,23,26,892	
Net Block			20,84,27,013		9,25,17,047
Current Assests, Loans & Advances					
Inventories	6	10,77,61,530		3,23,62,854	
Sundry Debtors	7	17,45,12,956		10,47,45,495	
Cash & Bank Balances	8	4,81,02,184		3,77,66,604	
Other Current Assets	9	22,05,882		16,93,629	
Loans & Advances	10	13,11,73,241		20,72,22,971	
		46,37,55,794		**38,37,91,553**	
Less: Current Liabilities & Provisions					
Current Liabilities	11	24,32,15,550		25,28,69,338	
Provisions	12	4,53,80,498		22,47,668	
			17,51,59,745		12,86,74,547
MISCELLEANEOUS EXPENDITURE					
Defered Revenue Expenditure	13		3,576,813		
			38,71,63,571		**22,11,91,594**
NOTES TO THE FINANCIAL STATEMENTS	19				

In terms of our report of even date
for P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

Sd/-
P.RAGHUNADHA REDDY
PARTNER
Membership No.23758

Place: Secunderabad
Date: 1st August, 2007

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

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJADEVI
Whole time Director

Sd/-
V.RAGHU RAM KUMAR
Chief Financial Officer

Sd/-
P.S.CHANDRAMOULI
Company Secretary

KAVERI SEED COMPANY LIMITED

Secunderabad

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

Rs.

Particulars	Schedule No.	Current Year 31.03.2007		Previous Year 31.03.2006	
INCOME					
Sales		65,77,15,824		48,16,73,817	
Dividend from Mutual Fund Units		73,52,225		1,19,88,265	
Capital Gain	**13**	65,56,991		19,23,600	
Other Income	**14**	7,51,302		16,43,677	
			67,23,76,342		**49,72,29,359**
EXPENDITURE					
Cost of goods sold	**15**	28,71,52,219		30,37,37,110	
Establishment Expenses	**16**	6,60,58,591		3,82,32,813	
Selling & Distribution Exp.	**17**	13,33,48,949		9,99,42,179	
Financial Expenses	**18**	1,42,90,436		67,13,333	
Depreciation	**5**	1,23,52,244		73,55,461	
			51,32,02,438		**45,59,80,896**
Net Profit before Tax			15,91,73,904		4,12,48,463
Less Provision for Income Tax		4,85,93,905		1,03,87,314	
Less:Provision for Fringe Benefit Tax		41,82,637		21,82,136	
Less: Provision for Wealth Tax		82,103	5,28,58,645	63,493	1,26,32,943
Net Profit after Tax			10,63,15,259		2,86,15,520
Profit of the earlier year b/f			3,60,54,805		2,95,30,649
Less:Provision for Deffered tax			9,17,346		(4,08,636)
Carried to Balance Sheet			**14,14,52,718**		**5,85,54,805**
NOTES TO THE FINANCIAL STATEMENTS					

In terms of our report of even date
for P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

Sd/-
P.RAGHUNADHA REDDY
PARTNER
Membership No.23758

Place: Secunderabad
Date: 1st August, 2007

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

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJADEVI
Whole time Director

Sd/-
V.RAGHU RAM KUMAR
Chief Financial Officer

Sd/-
P.S.CHANDRAMOULI
Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March, 2007

Rs.

Particulars	Current Year 31.03.2007	Previous Year 31.03.2006
1 SHARE CAPITAL		
Authorised		
2,00,00,000 Equtity shares of Rs.10/- each	20,00,00,000	2,00,00,000
Issued,Subscribed & Paid up		
97,00,000 Equtity shares of	9,70,00,000	1,60,00,000
Rs. 10/- each fully paid up		
Share Application Money	-	17,77,000
	9,70,00,000	**1,77,77,000**
2 RESERVES & SURPLUS		
Capital subsidy		
As per last Balance Sheet	2,88,400	88,400
Investment allowance Reserve		
As per last Balance Sheet	17,405	17,405
Share Premium	2,80,00,000	-
Profit & loss Account Balance	14,14,52,718	5,85,54,805
	16,97,58,523	**5,86,60,610**
3 SECURED LOANS		
Term Loan from HDFC (Secured on Vehicles)	38,12,655	29,31,151
Term Loan from ICICI (Secured on Vehicles)	10,98,510	-
Term Loan from IOB (Secured on Vehicles, Plant & Machinery)	1,09,12,521	60,53,636
HDFC Investment Loan (Secured on Investments in Mutual Fund Units)	6,80,00,000	12,00,00,000
Cash Credit from Indian Overseas Bank (Secured on Inventory & Book debts)	3,51,10,198	1,21,39,820
	11,89,33,884	**14,11,24,607**
4 UNSECURED LOANS		
GVB Construction Pvt. Ltd.	-	30,75,559
	-	**30,75,559**

5. FIXED ASSETS

Kaveri Seed Company Limited

Secunderabad

Rs.

Sl. No.	Particulars	GROSS BLOCK					DEPRECIATION			NET BLOCK	
		As On 01-04-2006	Additons	Deletions	Up to 31-03-2007	As On 31-03-2006	For the Year	Deletions	Up to 31.03.2007	As On 31-03-2007	As On 31-03-2006
1	Land	2,09,14,140	6,39,96,895	0	8,49,11,035	0	0	0	0	8,49,11,035	2,09,14,140
2	BUILDINGS										
	a) Factory	1,56,88,227	3,52,18,236	4,98,348	5,04,08,115	64,40,001	32,35,453	4,29,782	92,45,672	4,11,62,443	92,48,226
	b) Office	57,67,435	11,60,136	0	69,27,571	14,09,905	1,29,058	0	15,38,963	53,88,608	43,57,530
3	Furniture & Fixtures	26,15,244	26,98,925	0	53,14,169	12,30,980	3,34,958	0	15,65,938	37,48,231	10,93,750
4	Vehicles	35,23,577	62,80,800	1,18,492	96,85,885	12,90,923	14,09,750	1,07,943	25,92,730	70,93,155	22,32,654
	Motor Cars	2,08,13,855	44,79,564	0	2,52,93,419	1,00,33,384	34,51,872	0	1,34,85,256	1,18,08,163	1,07,80,471
5	Plant & Machinery	2,99,07,730	1,93,36,949	0	4,92,44,679	99,41,077	27,87,176	0	1,27,28,253	3,65,16,426	1,99,66,653
6	Equipments	12,92,032	51,12,290	0	64,04,322	8,98,051	4,20,679	0	13,18,730	50,85,592	6,84,495
7	Computers	12,69,259	17,67,055	0	30,36,314	8,31,030	4,11,235	0	12,42,265	17,94,049	4,38,229
8	Cold Storage	4,62,726	0	0	4,62,726	1,67,481	41,069	0	2,08,550	2,54,176	2,95,245
9	Lab Equipments	9,94,939	45,032	0	10,39,971	84,060	1,30,994	0	2,15,054	8,24,917	9,10,879
10	Building Under Cont.	2,15,94,775	47,57,436	1,65,11,993	98,40,218	0	0	0	0	98,40,218	2,15,94,775
	Total	**12,48,43,939**	**14,48,53,318**	**1,71,28,833**	**25,25,68,424**	**3,23,26,892**	**1,23,52,244**	**5,37,725**	**4,41,41,411**	**20,84,27,013**	**9,25,17,047**
	Previous Year Total	7,80,50,633	4,70,57,342	2,64,036	12,48,43,939	2,50,44,337	73,55,461	72,906	3,23,26,892	9,25,17,047	5,30,06,296

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March, 2007

Rs.

6 INVENTORIES		
Finished Goods	8,40,80,139	2,84,15,033
Foundation seeds	58,42,670	-
Rawmaterial	21,45,476	
Packing Material	1,56,93,245	39,47,821
	10,77,61,530	**3,23,62,854**

Particulars	Current Year 31.03.2007	Previous Year 31.03.2006
7 SUNDRY DEBTORS		
a. Over Six Months - considered good	4,33,00,011	2,78,07,222
b. Others - considered good	13,12,12,945	7,69,38,273
	17,45,12,956	**10,47,45,495**
8 CASH & BANK BALANCES		
a. Cash Balance	12,33,570	5,00,112
b. Balance with schedule Banks		
in current Accounts	4,23,36,522	3,30,99,944
in fixed Deposits	45,32,092	41,66,548
	4,81,02,184	**3,77,66,604**
9 OTHER CURRENT ASSETS		
Dividend Receivable	22,05,882	16,93,629
	22,05,882	**16,93,629**
10 LOANS & ADVANCES		
Advance to Staff	80,09,469	24,47,953
Deposits - others	6,18,370	-
Microtek Division	-	-
Loan & Advances	4,32,35,241	6,38,62,457
Investments	7,25,58,827	13,51,71,772
Advance for purchases	67,51,334	57,40,789
	13,11,73,241	**20,72,22,971**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March, 2007

Rs.

11 CURRENT LIABILITIES		
Sundry Creditors	4,52,09,444	5,34,50,717
Advance against Sales	15,94,08,373	15,51,10,664
Payable to Staff	43,27,329	-
Creditor for Expenses	82,68,865	58,97,064
Security deposits	68,74,272	46,87,772
Creditors for Purchases	1,91,27,267	3,37,23,121
	24,32,15,550	**25,28,69,338**
12 PROVISIONS		
Kaveri Bhavisya Nidhi	3,88,033	1,51,996
Provision for Income Tax	3,70,70,517	89,495
Provision for Fringe Benefit Tax	46,28,015	16,82,136
Provision for Wealth Tax	82,103	63,493
TDS Payable	10,39,819	2,60,548
Sales Tax Payable	2,04,125	-
Provision for diminution in value of investments	19,67,886	-
	4,53,80,498	**22,47,668**

Particulars	Current Year 31.03.2007		Previous Year 31.03.2006	
13 CAPITAL GAINS				
Short Term Capital Gain				
Capital gain on sale of land	45,01,905		3,00,000	
Equity Mutual Funds			8,41,948	
Debt Mutual Funds			9,88,249	21,30,197
Long Term Capitla Gains				
Equity Mutual Funds	11,42,701			(2,60,567)
Profit on Sale of Assets	9,12,385	65,56,991		**53,970**
		65,56,991		**19,23,600**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March, 2007

Rs.

14 OTHER INCOME		
Dividend from mutual fund units & shares	73,52,225	-
Rental Income	1,50,000	2,70,000
Interest received	3,90,302	6,600
Processing Charges	-	7,09,762
Packing & Forwarding Charges	2,11,000	3,14,570
Chit Profit	-	3,42,745
	81,03,527	**16,43,677**
15 COST OF GOODS SOLD		
Opening Stock - Finished Goods	3,14,78,601	2,03,13,554
Opening Stock - Rawmaterials	20,77,601	-
Opening of Stock - Packing Material	57,21,852	51,24,789
Add: Purchases Less returns	26,72,61,476	26,81,49,714
Add: Packing Material	3,42,47,076	1,89,26,562
Add: Processing Charges	5,41,27,143	2,35,85,345
	39,49,13,749	*33,60,99,964*
Less: Closing Stock		
Finished Stock	8,40,80,139	2,84,15,033
Foundation Seeds	58,42,670	-
Rawmaterial	21,45,476	-
Packing Material	1,56,93,245	39,47,821
	10,77,61,530	*3,23,62,854*
	28,71,52,219	**30,37,37,110**

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT AS AT 31st March, 2007

Rs.

Particulars	Current Year 31.03.2007	Previous Year 31.03.2006
16 Processing charges		
Freight Inward	1,12,65,381	36,59,387
Machinery Repairs & Maintenance	9,45,321	10,23,138
Chemicals	1,36,09,211	86,32,705
Seed Certification charges	1,65,571	1,74,992
Power & Fuel	22,09,844	19,25,241
Building & Godown repairs & maint.	1,26,965	1,29,210
Godown Rent	6,28,242	5,20,359
Cold Storage Maintenance	16,85,699	9,16,154
Factory Maintenance	61,05,525	51,22,201
Seed Dryer charges	30,41,632	-
R&D Farm Expenses	1,43,43,752	51,41,345
	5,41,27,143	**2,35,85,345**
R&D Farm Expenses		
Cultivation Expenses	7,91,383	-
Fertilizers & Pesticides	4,27,230	-
Electricity charges	4,09,706	-
Electrical items & motor repairing charges	1,05,141	-
Farm Maintenance	10,78,975	-
Generator Maintenance	1,23,616	-
Labour charges	17,62,168	-
Postage & telephones	8,369	-
Packing material	64,420	-
Printing & Stationery	5,765	-
Rent	50,008	-
Security charges	78,400	-
Staff Welfare	1,643	-
Travelling expenses	7,44,140	-
Vehicle Maintenance	6,71,600	-
Land Lease	13,27,425	-
Research Expenses	23,48,408	-
RCGM Trial Expenses	7,31,143	-
Research & Development (Subscriptions)	2,50,000	5,14,1345
BT Cotton Expenses	7,40,857	-
Salaries - Farm	26,23,355	-
	1,43,43,752	**51,41,345**

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT AS AT 31st March, 2007

Rs.

Particulars	Current Year 31.03.2007	Previous Year 31.03.2006
17 ESTABLISHMENT EXPENSES		
M.D's Salary	60,00,000	18,10,000
Directors Salary	45,00,000	21,04,800
Salaries to Staff	2,28,89,738	1,32,50,823
ESI	46,428	46,585
Travelling Expenses	1,21,72,767	79,15,592
Postage & Telephone	27,63,902	17,83,782
Audit Fee	2,24,480	1,20,000
Audit Expenses	26,109	-
Vehicle Maintenances	62,66,833	36,54,451
Provident Fund	5,11,328	3,97,335
Rent	4,00,595	1,09,912
Printing & Stationery	9,42,542	11,64,316
Insurance	5,48,012	5,63,370
Books & Periodicals	24,662	24,620
Staff welfare	7,37,704	4,79,026
Rates & Taxes	8,45,590	6,09,293
Office Maintenance	12,65,567	7,41,510
General Expenses	9,55,487	8,54,887
Conveyance	63,523	26,270
Donations & Subscriptions	2,17,476	33,006
Legal Expenses	4,52,291	77,600
Professional Charges	2,75,272	3,17,917
Professional Tax	6,570	9,680
Sales Tax	18,62,738	13,08,398
Market Cess	2,28,334	2,02,047
Security Charges	1,40,644	66,031
Seed Testing Charges	11,22,231	3,45,965
Service Tax	4,38,391	2,15,597
Computer Maintenance	91,994	-
Directors meeting & sitting fees	37,383	-
	6,60,58,591	**3,82,32,813**
17 SELLING & DISTRIBUTION EXP		
Sales promotion expenses	3,90,23,854	2,48,71,875
Gold & Silver Gifts	58,38,926	39,52,523
Sales Schemes	6,19,72,626	4,68,21,702
Demonstration Expenses	6,97,580	9,24,021
Advertisement	16,67,249	41,46,739
Freight & Forwarding	1,58,30,281	1,41,88,542
Farmers Meeting Expenses	49,74,789	6,17,185
Staff & Dealers Meeting Expenses	33,03,181	23,67,501
Bad debts Write Off	40,463	20,52,091
	13,33,48,949	**9,99,42,179**
18 FINANCIAL CHARGES		
Bank charges	19,73,657	14,59,781
Interest	1,03,48,893	52,53,552
Deminition in value of investments	19,67,886	-
	1,42,90,436	**67,13,333**

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007

1. Statement of significant Accounting Policies

a. System of Accounting

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

b. Revenue Recognition

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

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

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

c. Fixed assets and Depreciation

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

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

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

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

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

d. Research and Product Development costs:

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

e. Investments

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

ii. Long-term investments are carried at cost. However, provisions for diminution in value is made to recognize a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.

f. Inventories

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

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

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

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

v. Management has carried out physical verification of stock.

g. Retirement and other Employee Benefits

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

ii. Liability for gratuity is accounted on payment basis.

h. Income Taxes

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

i. Earnings per Share

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

j. Provisions

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

2. Contingent Liabilities not provided for

(Rs. In Lakhs)

S.NO.	PARTICULARS	PENDING BEFORE	**31.03.2007**	31.03.2006
1	Director of Agriculture	At Bangalore	**—**	45.00
2	Joint Collector	At Karimnagar	**10.75**	10.75
3.	Amar Singh Vs. Kaveri Seed Company Limited	M.P.State Consumer Disputes Redressal Commission	**0.65**	0.65
4	Mangilal Vs. Kaveri Seed Company Limited	M.P.State Consumer Disputes Redressal Commission	**1.80**	1.80
5	Dhulchand Vs. Kaveri Seed Company Limited	M.P.State Consumer Disputes Redressal Commission	**0.65**	0.65
6	Ananda Ekaram Mali Vs. Kaveri Seed Company Limited	Maharastra State Consumer Disputes Redressal Commission	**0.25**	0.25
7	Basavaraj Kanada mane Vs. Kaveri Seed Company Limited	District Consumer forum, Davangere	**0.10**	0.00
		TOTAL	**14.20**	59.10

3. Share Capital

i. During the year the company has enhanced its authorized share capital from Rs.2.00 Crores to Rs.20.00 Crores, divided into 2,00,00,000 equity shares of Rs.10/- each.

ii. During the year the company has issued 22,50,000/- equity shares of Rs.10/- each fully paid up Bonus Shares in the ratio of 1:1 to the existing shareholders of the Company out of its reserves.

iii. During the year the Company has made an issue of 45,00,000 equity shares of Rs.10/- each at Rs.10/- per share as fully paid to the existing shareholders of the Company.

iv. During the year the Company has made a preferential allotment of 2,00,000 equity shares of Rs.10/- each at a premium of Rs.140/- per shares issued to M/s. India Emerging Capital Private Limited, New Delhi, aggregating to an amount of Rs.3.00 Crores.

4. Investments

a. During the year, the company has purchased and sold/redeemed the following investments:

Description

Mutual Fund Units

Sl.No.	Particulars of the fund	Amount invested Rs.	Amount Redeemed Rs.
1.	Reliance monthly income plan	604944	—
2.	Prudential ICICI Income multiplier fund	706194	—
3.	HDFC Monthly Income Plan	617932	—
4.	DSP Merrlynch savings plus fund	608506	—
5.	Franklin Templeton India Monthly Income Plan	717528	20042898
6.	DSP Merrlynch Savings Plus aggressive fund	—	31099803

Land

Sl.No	Particulars of Land	Amount invested in Rs.	Amount Redeemed in Rs.
1.	Land at Jublee Hills, Hyderabad	—	77,00,000
2.	Land at Pet Basheerbagh, Hyderabad	—	83,50,000
3.	Land at Madhapur, Hyderabad	—	53,00,000

5. Loans and Advances:

Loans and Advances include Rs.88,60,330/- given as un-secured advance to the Directors and their relatives.

6. Remuneration to Whole time Directors

Particulars

Name of the Director	Salary per annum (Rs.)	Contribution to PF (Rs.)	Total Rs.
Shri G.V.Bhaskar Rao	60,00,000	9,360	60,09,360/-
Smt. G.Vanaja Devi	36,00,000	9,360	36,09,360/-
Shri R.Venumanohar Rao	6,96,000	9,360	7,05,360/-
Shri C.Vamsheedar	90,667	3,536	94,203/-
Shri C.Mithun Chand	1,13,333	3,536	1,16,869/-
TOTAL	**1,05,00,000**	**35,152**	**1,05,35,152/-**

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

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

Particulars

Statutory Audit	Rs.1,58,480/-
Other Audit Services	Rs.33,000/-
For Tax Matters	Rs.33,000/-
Reimbursement of out of pocket expenses	Rs.26,109
TOTAL	Rs.2,50,589/-

8. Earnings per Share

Earnings per Share is computed based on the following:

Particulars

i. Profit after taxation considered for calculation of basic and diluted Earnings per Share

ii. Weighted average number of equity shares considered for calculation of basic earnings per share.

iii. Weighted average number of Equity Shares considered for calculation of diluted Earnings per share.

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

1	Growmore Farms	Purchase of 11.38 Acres of Agricultural Land	179.25
	Growmore Farms	Purchase of 23.24 Acres of Agricultural Land	177.00
	Growmore Farms	Purchase of 31.08 Acres of Agricultural Land	85.80
2	G.V. Bhaskar Rao H.U.F	Purchase of 40.00 Acres of Agricultural Land	50.00
	G.V. Bhaskar Rao H.U.F	Purchase of 50.20 Acres of Agricultural Land	63.12
	G.V. Bhaskar Rao H.U.F	Purchase of 23.27 Acres of Agricultural Land	29.59
	G.V. Bhaskar Rao H.U.F	Purchase of 1674 sft of Buildings / Open Plots	20.19
	G.V. Bhaskar Rao H.U.F	Purchase of 2142 sft of Buildings / Open Plots	3.53
	G.V. Bhaskar Rao H.U.F	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres (one acre= 40guntas) ie 0.20 acres means 20 guntas	0.38
	G.V. Bhaskar Rao H.U.F	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 30000 per acre per annum for a total land of 5 acres	1.50
	G.V. Bhaskar Rao H.U.F	The Company has given an unsecured loan to G V Bhaskar Rao H.U.F and the loan amount of Rs. 7483447 was out standing as on 31.03.2007	74.83
	G.V. Bhaskar Rao H.U.F	Seed purchased by the Company	2.70
3	G.V. Bhaskar Rao	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 15000 per acre per annum for a total land of 16.25 acres (one acre= 40guntas) ie 0.25 acres means 25 guntas	2.49

	G.V. Bhaskar Rao	Purchase of 6.19 Acres of Agricultural Land	59.89
	G.V. Bhaskar Rao	Purchase of 5.22 Acres of Industrial Land	83.25
	G V Bhaskar Rao	The Company has given an unsecured loan to Mr.G V Bhaskar Rao and the loan amount of Rs. 733215 was out standing as on 31.3.2007	7.33
4	R. Venu Manohar Rao H.U.F	Purchase of 1674 sft of Buildings / Open Plots	20.19
5	R. Venu Manohar Rao	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 12000 per acre per annum for a total land of 38.28 acres(one acre= 40guntas) ie 0.28 acres means 28 guntas	4.64
6	G. Vanaja Devi	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres(one acre = 40 guntas) ie 0.20 acres means 20 guntas	0.38
	G. Vanaja Devi	The Company has given an unsecured loan to Mrs.G. Vanaja Devi and the loan amount of Rs. 643668 was out standing as on 31.3.2007	6.44
	G. Vanaja Devi	Seed purchased by the Company	5.30
	G.Vanaja Devi	Sale of land at pet Basheerbagh 1120 Sq.yds	56.00
7	G. Pawan	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres(one acre= 40guntas) ie 0.20 acres means 20 guntas	0.38
	G. Pawan	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 30000 per acre per annum for a total land of 2.09 acres (one acre= 40guntas) ie 0.09 acres means 9 guntas	0.67
	G. Pawan	Seed purchased by the Company	4.28
	G.Pawan	Sale of land at Pet Basheerbagh 1100 Sq.yds	27.50
8	G. Madhusree	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 25000 per acre per annum for a total land of 1.20 acres(one acre= 40guntas) ie 0.20 acres means 20 guntas	0.38
9	C. Vamsheedhar	Agricultural Land Lease Rent Paid - as per the agreement entered On April 01, 2006 for a period of 3 years for an amount of Rs. 12000 per acre per annum for a total land of 20.23 acres (one acre= 40guntas) ie 0.23 acres means 23 guntas	2.47
10	Kaveri Agriteck	Acquisition of Assets & Liabilities of the Firm	50.00
	TOTAL		**1019.48**

10. Particulars of Employees:

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

11. Deferred Tax Liability:

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

Deferred Tax Liability in respect of timing difference:

PARTICULARS	**2006-07**	2005-06
Depreciation on Fixed Assets	**9,17,346**	(4,08,636)

12. Foreign Currency/Exchange transactions:

PARTICULARS	**2006-07 (Rs.)**	2005-06 (Rs.)
a. Import of Raw Materials	**—**	Nil
b. Earnings in foreign Exchange	**—**	Nil
c. Expenditure in Foreign Currency for Travel	**Rs.1,04,000/-**	Rs.95,945

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

Finished goods — Quantity in Kgs.

Particulars	Opening Stock	Production	Issues	Closing Stock
Seeds	450928	13960837	12504299	1907466
Micronutrient	286577	1466933	1289119	464391

14. Raw Material Consumed

Value of Imported and indigenous material consumed

Particulars	Quantity in Kgs.	Rs.
Indigenous		
Seeds	12504299	275999639
Micronutrients	1134960	11152580

15. Segment Information:

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

(Rs. In Lakhs)

Sl.No.	**Particulars**	**Seeds Division**		**Micro Nutrients Division**		**Total**	
		2006-07	2005-06	**2006-07**	2005-06	**2006-07**	2005-06
	Segment Revenue						
1	Inter Segment Turnover	6,173.07	4,816.73	404.08	0	6,577.15	4,816.73
	Less: Excise Duty, Service tax recovered	0	0	0	0	-	-
	Net Turnover	6,173.07	4,816.73	404.08	-	6,577.15	4,816.73

2	**Segment result before interest and taxes**	1623.99	465.01	67.33	0	1,691.32	465.01
	Less: Interest Expense	102.78	52.53	0.71	0	103.49	52.53
	Add: Interest Income	3.9	-	0	0	3.90	-
	Profit before tax	1525.11	412.48	66.62	0	1,591.73	412.48
	Current tax	463.39	103.87	22.55	0	485.94	103.87
	Fringe Benefit Tax	36.36	21.82	5.46	0	41.82	21.82
	Wealth tax	0.82	0.63	0	0	0.82	0.63
	Net profit after tax	1024.55	286.16	38.60	0	1,063.15	286.16
3	**Other Information**						
	Segment Assets	6332.9	3838	304	0	6,636.90	3,838.00
	Segment Liabilities	3,743	3995	347	0	4,090.00	3,998.00
	Capital Expenditure	1999.43	925.17	84.84	0	2,084.27	925.17
	Depreciation	114	73.55	9.87	0	123.52	73.55

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

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

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

SIGNATURES TO SCHEDULES 1 TO 19

In terms of our report of even date
For P.R.REDDY & CO.,
CHARTERED ACCOUNTANTS

Sd/-
P.RAGHUNADHA REDDY
Partner
Membership No.23758

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

Sd/-
G.V.BHASKAR RAO
Managing Director

Sd/-
G.VANAJADEVI
Whole time Director

Place: Secunderabad
Date: 1st August 2007

Sd/-
V.RAGHURAM KUMAR
Chief Financial Officer

Sd/-
P.S.CHANDRA MOULI
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(As per schedule VI, Part IV of the Companies Act, 1956)

I Registration Details

Registraion No.	06728	State Code	01
Balance Sheet Date	31-03-2007 (Date Month Year)		

II Capital Raised during the Year (Amount in Rs.Thousands)

Public Issue	-	Rights Issue	- -
Bonus Issue	22500	Private Placement	58500

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	288596	Total Assets	463756
Sources of Funds:			
Paid-up Capital	97000	Reserves & Surplus	169758
Secured Loans	118934	Unsecured Loans	
		Interested Tax	1471
Application of Funds:			
Net Fixed Assets	208427	Investments	
Net Current Assets	175160	Misc.Expenditure (Deffered Rev. Exp)	3577
Accumulated Losses			

IV Performance of Company (Amount in Rs.Thousands)

Pofit Before Tax	159173	Profit After Tax	106315
Earning Per Share (Rs.)	1096	Dividend Rate on CRPS	NA
Dividend on Equity Shares	NIL		

V Generic Names of Principal Producs of the Company

Item Code No. (ITC Code)	010-10051 0 012-1206
Product Description	CORN SUNFLOWER
Item Code No. (ITC Code)	012-120720
Product Description	COTTON SEEDS

For and on behalf of the Board of Directors

Sd/-
G.V. BHASKAR RAO
Managing Director

Sd/-
G.VAJAJADEVI
Whole time Director

Sd/-
V.RAGHU RAM KUMAR
Chief Financial Officer

Sd/-
P.S.CHANDRAMOULI
Company Secretary

Date:1st August, 2007
Place: Secunderabad

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ATTENDANCE SLIP

Kaveri Seed Company Limited

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

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

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

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

NAME AND ADDRESS OF THE SHAREHOLDER.....

.....

I hereby record my presence at the Twenth Annual General Meeting of the Company held on Friday, the 14th September,2007 at 3.30 P.M at Confirence hall, R & D Centre, Gundlapochampally Plant, Survey No. 28, Medchal, R.R. District.

Signature of the shareholder or proxy

*Applicable for investors holding shares in electronics form. Signature

Kaveri Seed Company Limited

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

PROXY FORM

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

I/We.....

of .....being a member/members of Kaveri Seed Company Limited hereby appoint ..... of..... or failing him.....of .....as my/our proxy to vote for me/us and on my/our behalf at the Twenth Annual General Meeting to be held on Friday, the 14th September,2007 at 3.30 P.M at Confirence hall, R & D Centre, Gundlapochampally Plant, Survey No. 28, Medchal, R.R. District.

Pl. affix 30 paise Revenue Stamp

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

*Applicable for investors holding shares in electronic form.

Signature

Note:

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

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