

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
M/S. KAVERI MICROTECK PRIVATE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of M/S. KAVERI MICROTECK PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

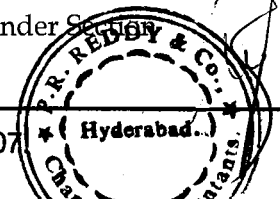
### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section



143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

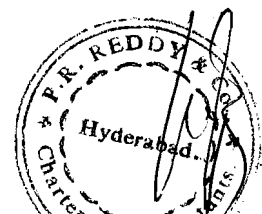
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by the companies (Auditor's Report) Order, 2016("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, 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 purposes 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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.
- (g) 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

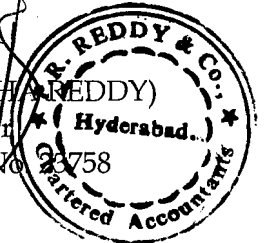
Place: Hyderabad,  
Date: 09<sup>th</sup> May, 2016.

For P R REDDY & CO  
Firm Regn No.003268S  
CHARTERED ACCOUNTANTS

(P. RAGHUNADHAREDDY)

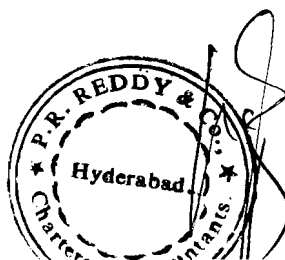
Partner

Membership No. 23758



**Annexure-A referred to in the Auditors' Report to the Members of M/S.KAVERI MICROTECK PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2016. We report that:**

- i.
  - a. The company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified during the year by the management in accordance with regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us, The title deeds for all immovable properties shown in the fixed asset schedule are held in the name of company
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and the book records are not material and they have been properly dealt with in the books of accounts.
- iii. 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 Companies Act, 2013, during the year.
- iv. According to the information and explanations given to us, The Company has not given any loans, made any investments, given any guarantees and securities to any person to which provisions of the section 185 and 186 of the companies Act 2013 are applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- vi. According to the information and explanations given to us, the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, has not been prescribed by the Central Government for the Company.
- vii.



- a. The Company is regular in depositing with appropriate authorities' undisputed statutory dues, including provident fund, Employees' state insurance, income-tax, sales-tax, service tax, customs duty, duty of excise, Value added tax, cess and other material statutory dues as applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect aforesaid dues, as at 31st March, 2016 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, customs duty, duty of excise, value added tax and cess, which have not been deposited on account of any dispute. However, according to information and explanations given to us, the following dues of Duty of Excise have not been deposited by the company an account of disputes.

Name of the Stature	Nature of Dues	Amount Rs.	Period to Which the amount Relates	Forum Where Dispute is pending
Central Excise Act	Excise Duty	83,37,502	June, 2014 to May, 2015	Office of the Commissioner of Customs, Central Excise & Service Tax, Hyd-IV, Ramkoti, HYD.
		43,54,368	June, 2014 to May, 2015	
		<b>1,26,91,870 **</b>		

\*\* The Company has filed an appeal before Commissioner of Customs & Central Excise, Hyderabad IV, Commissionerate, Hyderabad.

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of the term loans for the purposes for which they were raised and has not raised money by way of initial public offer/further public offer (Including debt instruments) during the year.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

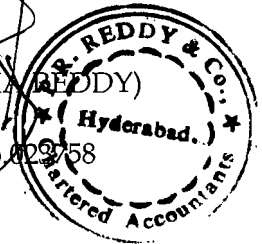


- xi. In our opinion and according to the information and explanations given to us, Managerial remuneration paid or provided is within the limits specified under section 197 read with schedule V to the Companies Act 2013.
- xii. In our opinion, the company is not a nidhi, therefore provisions of clause 3(XII) of companies (Auditors Report) Order, 2016 as amended are not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered by related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment of shares or private placement of shares or fully or partly convertible debentures during the year under the review.
- xv. According to the information and explanations given to us, during the year the company has not made any non-cash transactions with directors or persons connected with him.
- xvi. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, as financing activity is not the principal business of the company.

Place: Hyderabad,  
Date: 9<sup>th</sup> May, 2016.

For P R REDDY & CO  
Firm Regn.No.003268S  
CHARTERED ACCOUNTANTS

(P. RAGHUNADHA REDDY)  
Partner  
Membership No. 022758



**Annexure-B referred to Independent Auditor's Report to the Members of M/S.KAVERI MICROTECK PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2016.**

Referred to in the Independent Auditor's Report of even date to the members of Kaveri Microteck Private Limited on the financial statements for the year ended March 31, 2016.

**Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Act**

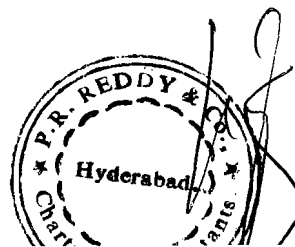
1. We have audited the internal financial controls over financial reporting of Kaveri Microteck Private Limited ("the company") as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. 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 Accounts 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 preventing 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 Act.

**Auditor's Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.

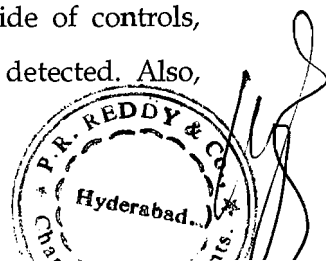
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 depending on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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 purpose 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 transaction are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditure of the company are being made only in accordance with authorisation of the 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**

7. 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,





projection 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.

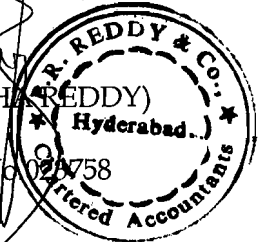
### Opinion

8. In our opinion, the company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accounts of India.

Place: Hyderabad,  
Date: 09<sup>th</sup> May, 2016.

For P R REDDY & CO  
Firm Regn No.0032685  
CHARTERED ACCOUNTANTS

(P. RAGHUNADH REDDY)  
Partner  
Membership No 024758



# KAVERI MICROTECK PVT LTD - SECUNDERABAD

No.513B, V Floor, Minerva Complex, S.D.Road, Secunderabad

## BALANCE SHEET

Particulars	Note	As at 31-Mar-16 Rs.		As at 31-Mar-15 Rs.	
<b>EQUITY AND LIABILITIES</b>					
<b>Share Holders Funds</b>					
Share Capital	2	145,363,600		145,363,600	
Reserves & Surplus	3	2,293,200	147,656,800	13,680,485	159,044,085
<b>Non Current Liabilities</b>					
Other Long Term Liabilities	4	7,730,001	7,730,001	6,843,001	6,843,001
<b>Current Liabilities</b>					
Trade Payables	5	31,203,417		53,598,149	
Other Current Liabilities	6	16,236,769		21,251,901	
Short Term Provisions	7	12,637,751	60,077,937	1,684,151	76,534,201
			<b>215,464,738</b>		<b>242,421,287</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assests	8				
Tangible Assets		17,359,405		21,647,243	
Intangible Assets		-		-	
Capital Work in Progress		1,909,884		-	
Deffered Tax Asset		1,230,741		-	
Long Term Loans and Advances	9	3,253,612		965,655	
Other Non -Current Assets	10	946,450		2,302,904	
			24,700,092		24,915,802
<b>Current Assests</b>					
Inventories	11	46,310,756		59,783,966	
Trade Receivables	12	113,263,208		132,658,126	
Cash & Cash Equivalents	13	18,734,684		18,601,954	
Short Term Loans and Advances	14	1,590,429		275,448	
Other Current Assets	15	10,865,569	190,764,646	6,185,991	217,505,485
			<b>215,464,738</b>		<b>242,421,287</b>
<b>Notes on Financial Statements</b>	1-31				

As per our report of even date attached

For and on behalf of the Board

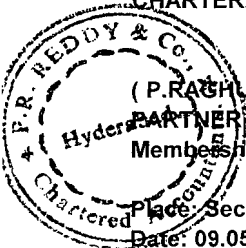
for P.R.REDDY & CO.,  
Firm Registration No.003268S  
CHARTERED ACCOUNTANTS

( P.RAGHUNADHA REDDY )  
PARTNER  
Membership No.23758

Place: Secunderabad  
Date: 09.05.2016

G.V.BHASKAR RAO )  
Director

G.Vanaja Devi  
( G.VANAJA DEVI )  
Director



# KAVERI MICROTECK PVT LTD - SECUNDERABAD

No.513B, V Floor, Minerva Complex, S.D.Road, Secunderabd

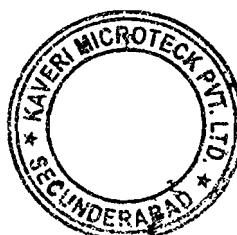
## PROFIT & LOSS STATEMENT

Particulars	Note	Year ended 31-Mar-16 Rs.		Year ended 31-Mar-15 Rs.	
Revenue from Operations	16	256,425,113		262,725,451	
Other Income	17	15,729,675		11,225	
<b>Total Revenue</b>			<b>272,154,788</b>		<b>262,736,676</b>
<b>Expenses</b>					
Cost of Material Consumed	18	89,830,753		106,876,106	
Changes in Inventories of Finished Goods and Work in Progress	19	18,291,738		(12,889,102)	
Employee Benefit Expenses	20	39,878,822		26,941,174	
Finance Costs	21	31,915		(86,278)	
Depreciation & Amortisation Expenses		6,375,380		2,948,615	
Other Expenses	22	126,382,682		109,929,623	
<b>Total Expenses</b>			<b>280,791,290</b>		<b>233,720,138</b>
<b>Profit before Exceptional Items and Tax</b>			(8,636,502)		29,016,538
<b>Profit before Tax</b>			-		29,016,538
Less : Tax expense					
Current Tax		3,981,524		15,000,000	
Deferred Tax		(1,230,741)	2,750,783		15,000,000
<b>Profit after Tax</b>			(11,387,285)		14,016,538
<b>Earnings per share (equity shares, par value Rs.10 each)</b>					
Basic & Diluted			(0.78)		0.96
<b>Notes on Financial Statements</b>	<b>1-31</b>				

As per our report of even date attached

For and on behalf of the Board

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



  
( G.V.BHASKAR RAO )  
Director

  
( G.VANAJA DEVI )  
Director

## KAVERI MICROTECK PVT LTD - NOTES ON FINANCIAL STATEMENTS

### 1. Statement of significant Accounting Policies

#### a. System of Accounting

The Financial Statements of the Company have been prepared under the historical cost convention, on accrual basis, to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, except in the case of sale of realizable scrap which is accounted for on receipt basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

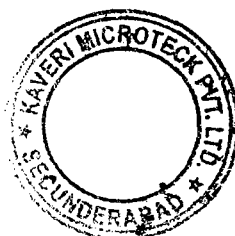
#### b. Revenue Recognition

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

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

#### c. Fixed assets and Depreciation

- i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets are included to the extent they relate to the period till such assets are ready for intended use.
- ii. Expenditure directly relating to construction activity is capitalized. Indirect expenditure is capitalized to the extent it relates to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.
- iii. Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.



- iv. The carrying amount of fixed assets are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount.
- v. Impairment loss, if any, is provided to the extent the carrying amount of Assets exceeds their recoverable amount.
- vi. Depreciation is provided on written down value method, at the rate specified in schedule II to the Companies Act, 2013 and as per applicable Accounting standards.

**d. Inventories**

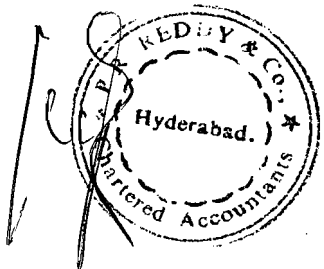
- i. Raw materials, packing materials, stores, spares and consumables are valued at cost, calculated on "First-in first out" basis. Items held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at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

**e. 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. Actuarial gains/losses are immediately taken to Profit and Loss Account.
- iii. The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to revenue in the period determined.

**f. Income Tax**

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



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**g. Deferred Tax Liability**

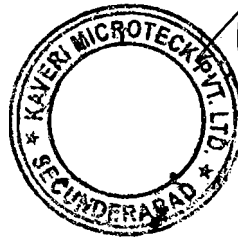
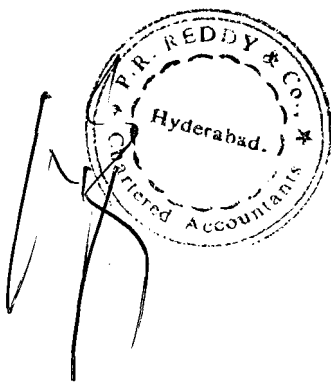
*In conformity with Accounting Standards 22 on Accounting for Taxes on Income issued by Institute of Chartered Accountants of India, the Company has provided for the Deferred Tax Liability in the books of Accounts.*

*Deferred Tax Liability in respect of timing difference:*

<b>PARTICULARS</b>	<b>2015-16(Rs.)</b>	<b>2014-15(Rs.)</b>
<i>Depreciation on Fixed Assets</i>	<i>(1,230,741)</i>	<i>Nil</i>

**I. 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.*



Particulars	As at 31-Mar-16		As at 31-Mar-15	
	Rs.	Rs.	Rs.	Rs.
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
1,50,00,000 (1,50,00,000) Equity shares of Rs.10/- each		150,000,000		150,000,000
<b>Issued,Subscribed &amp; Paid up</b>				
1,45,36,360 (1,45,36,360) Equity shares of Rs.10/- each		145,363,600		145,363,600
<b>TOTAL</b>		<b>145,363,600</b>		<b>145,363,600</b>
The details of Shareholders holding more than 5% Shares :				
Name of the Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	Rs.	Rs.	Rs.	Rs.
Kaveri Seed Company Limited	14,536,360	100%	14,536,360	100%

### 3 RESERVES & SURPLUS

Capital subsidy	200,000	-	200,000	
Less: Transferred to General Reserve	<u>200,000</u>		<u>-</u>	200,000
General Reserve	-			
Add: Transferred from Capital Subsidy	<u>200,000</u>	200,000	<u>-</u>	-
<b>Profit &amp; loss Account Balance</b>				
As per last Balance Sheet	13,480,485		(536,053)	
Add : Profit for the year	<u>(11,387,285)</u>		<u>14,016,538</u>	
		2,093,200		13,480,485
<b>TOTAL</b>		<b><u>2,293,200</u></b>		<b><u>13,680,485</u></b>

### 4 OTHER LONG TERM LIABILITIES

Security deposits from dealers	<b>7,730,001</b>	6,843,001
<b>TOTAL</b>	<b><u>7,730,001</u></b>	<b><u>6,843,001</u></b>

### 5 TRADE PAYABLES

Creditors for Expenses	2,686,481	961,262
Sundry Creditors	28,516,936	52,636,887

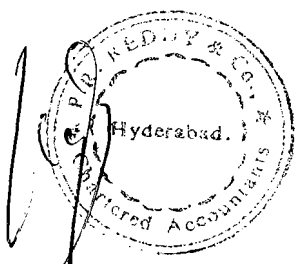
#### Micro and Small Enterprises

There are no micro and small enterprises, to whom the company owes dues, which are outstanding as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

#### TOTAL

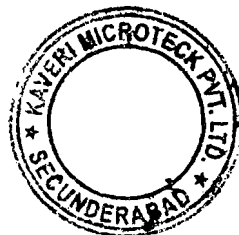
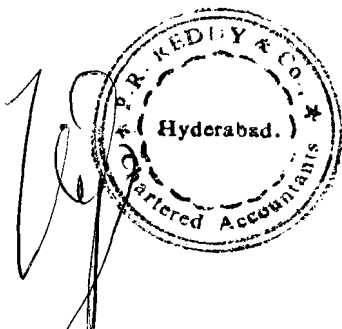
**31,203,417**

**53,598,149**



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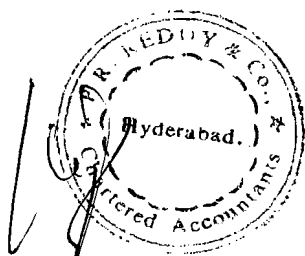
Particulars	As at 31-Mar-16		As at 31-Mar-15	
	Rs.	Rs.	Rs.	Rs.
<b>6 OTHER CURRENT LIABILITIES</b>				
Advance from customers against Sales		11,368,657		14,907,002
Payable to Staff		4,717,007		5,931,127
TDS Payable		151,105		413,772
<b>TOTAL</b>		<b>16,236,769</b>		<b>21,251,901</b>
<b>7 SHORT TERM PROVISIONS</b>				
Provision for Income Tax		3,981,524		-
Provision for employee benefits		1,338,636		1,332,987
Sales Tax Payable		255,959		351,164
Provisions for schemes and returns		7,061,632		-
<b>TOTAL</b>		<b>12,637,751</b>		<b>1,684,151</b>
<b>9 LONG TERM LOANS AND ADVANCES</b>				
<b>Unsecured considered good</b>				
Advance for Capital Expenditure		1,924,757		-
Security Deposits		1,328,855		965,655
<b>TOTAL</b>		<b>3,253,612</b>		<b>965,655</b>
<b>10 OTHER NON CURRENT ASSETS</b>				
Unamortised Preliminary Expenses (Pre-operative Expenses)		946,450		2,302,904
<b>TOTAL</b>		<b>946,450</b>		<b>2,302,904</b>
<b>11 INVENTORIES (at lower of cost or net realisable value)</b>				
Finished Goods		21,216,043		39,507,781
Raw Material		25,094,713		20,276,185
<b>TOTAL</b>		<b>46,310,756</b>		<b>59,783,966</b>
<b>12 TRADE RECEIVABLES</b>				
<b>Receivables outstanding for a period exceeding six months</b>				
Unsecured, considered good		46,324,201		53,636,331
Considered Doubtful - unsecured		32,816,147		12,639,666
Less: Provision for doubtful debts		(32,816,147)		(12,639,666)
<b>Other Receivables</b>				
Unsecured, considered good		66,939,007		79,021,795
<b>TOTAL</b>		<b>113,263,208</b>		<b>132,658,126</b>
<b>13 CASH &amp; CASH EQUIVALENTS</b>				
Cash on hand		120,367		631,724
Balance with Banks		18,614,317		17,970,230
<b>TOTAL</b>		<b>18,734,684</b>		<b>18,601,954</b>
<b>14 SHORT TERM LOANS AND ADVANCES</b>				
Advance to Staff - Unsecured and considered good		1,590,429		275,448
<b>TOTAL</b>		<b>1,590,429</b>		<b>275,448</b>



*Consolidated*

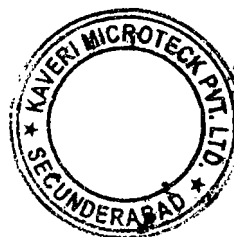
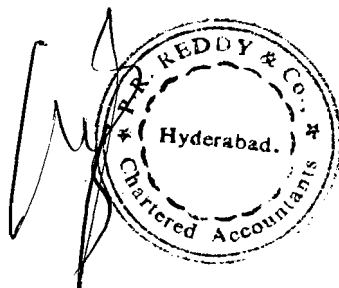


Particulars	As at 31-Mar-16		As at 31-Mar-15	
	Rs.	Rs.	Rs.	Rs.
<b>15 OTHER CURRENT ASSETS</b>				
(Unsecured and considered good)				
Advance to suppliers		9,565,637		5,121,369
Prepaid expenses		290,954		22,716
Others		1,008,978		1,041,906
<b>TOTAL</b>		<b>10,865,569</b>		<b>6,185,991</b>
<b>16 REVENUE FROM OPERATIONS</b>				
Sale of Micronutrients		260,602,540		265,905,716
Less: Excise Duty		4,177,427		3,180,265
<b>TOTAL</b>		<b>256,425,113</b>		<b>262,725,451</b>
<b>17 OTHER INCOME</b>				
Capital Gain		-		7,611
Interest Income		339		3,614
Creditors Written Back		15,729,336		-
<b>TOTAL</b>		<b>15,729,675</b>		<b>11,225</b>
<b>18 COST OF MATERIALS CONSUMED</b>				
Raw Material Consumed/Production Expenses				
Opening Stock		20,276,185		-
Add : Purchases		66,612,882		106,725,694
Processing Charges**		28,036,399		20,426,597
		114,925,466		127,152,291
Less : Closing Stock		25,094,713		20,276,185
		<b>89,830,753</b>		<b>106,876,106</b>
<b>** Processing Charges</b>				
Freight Inward		236,488		120,313
Machinery Repairs & Maintenance		1,137,711		419,708
Power & Fuel		3,219,353		1,857,312
Godown Rent		809,438		453,092
Cold Storage Maintenance		-		24,000
Factory Maintenance		11,524,485		11,175,212
Expense on processing		11,108,924		6,376,960
<b>TOTAL</b>		<b>28,036,399</b>		<b>20,426,597</b>
<b>19 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>				
(Increase)/Decrease in Finished goods				
Opening Stock		39,507,781		26,618,679
Closing Stock		21,216,043		39,507,781
<b>TOTAL</b>		<b>18,291,738</b>		<b>(12,889,102)</b>



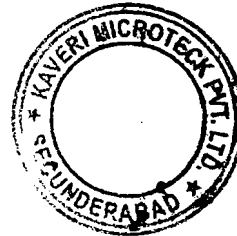
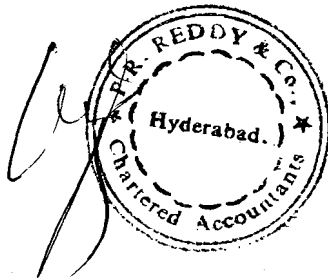
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Particulars	As at 31-Mar-16		As at 31-Mar-15	
	Rs.	Rs.	Rs.	Rs.
<b>20 EMPLOYEE BENEFIT EXPENSES</b>				
Salaries to Staff		37,267,041		25,107,260
Contribution to Provident and other funds		2,091,940		1,454,163
Staff Welfare Expenses		519,841		379,751
<b>TOTAL</b>		<b>39,878,822</b>		<b>26,941,174</b>
<b>21 FINANCIAL COSTS</b>				
Bank Charges		31,915		(86,278)
<b>TOTAL</b>		<b>31,915</b>		<b>(86,278)</b>
<b>22 OTHER EXPENSES</b>				
<b>ESTABLISHMENT EXPENSES</b>				
Travelling Expenses		11,440,976		9,091,005
Postage & Telephone		1,802,924		1,155,748
Payment to Auditors		90,563		85,500
Vehicle Maintenance		219,521		217,404
Printing & Stationery		302,804		284,604
Insurance		52,107		53,579
Books & Periodicals		3,360		1,740
Rates & Taxes		243,764		2,488,122
Office Maintenance		307,193		138,750
General Expenses		428,643		1,123,859
Conveyance		42,591		36,958
Legal Expenses		-		85,000
Professional Charges		184,100		150,235
Service Tax		1,699,843		850,860
Security Charges		2,350,288		-
Rent		510,497		-
Preoperative expenses written off		315,483		565,856
Computer Maintenance		13,337		6,170
<b>(a) TOTAL</b>		<b>20,007,994</b>		<b>16,335,390</b>
<b>SELLING &amp; DISTRIBUTION EXP</b>				
Sales promotion expenses		6,591,978		13,406,841
Sales Schemes		59,264,972		50,500,909
Advertisement		-		8,000
Freight & Forwarding		14,425,029		15,969,561
Farmers Meeting Expenses		82,066		41,813
Staff & Dealers Meeting Expenses		5,511,251		9,807,412
Bad debts Written Off		322,911		152,843
Provision for Doubtful Debts		20,176,481		3,706,854
<b>(b) TOTAL</b>		<b>106,374,688</b>		<b>93,594,233</b>
<b>TOTAL of (a) &amp; (b)</b>		<b>126,382,682</b>		<b>109,929,623</b>



# 8. Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2015	Additions	Deletions	Up to 31-03-2016	As on 01-04-2015	Additions	Deletions	Up to 31-03-2016	As on 31-03-2016	As on 31-03-2015
<b>A. Tangible Asset</b>										
Land	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	196,135	-	-	196,135	117,351	23,022	-	140,373	55,762	78,784
Vehicles	20,052,083	62,807	-	20,114,890	11,550,927	3,290,871	-	14,841,798	5,273,092	8,501,156
Plant & Equipment	19,876,953	1,612,735	-	21,489,688	6,919,715	2,864,842	-	9,784,557	11,705,131	12,957,238
Office Equipments	194,485	147,250	-	341,735	170,685	18,565	-	189,250	152,485	23,800
Computers	581,699	264,750	-	846,449	495,434	178,080	-	673,514	172,935	86,265
<b>Tangible Asset Total</b>	<b>40,901,355</b>	<b>2,087,542</b>	<b>-</b>	<b>42,988,897</b>	<b>19,254,112</b>	<b>6,375,380</b>	<b>-</b>	<b>25,629,492</b>	<b>17,359,405</b>	<b>21,647,243</b>
<b>Total Previous Years (A)</b>	<b>34,808,704</b>	<b>6,117,740</b>	<b>25,089</b>	<b>40,901,355</b>	<b>15,792,144</b>	<b>3,484,668</b>	<b>22,700</b>	<b>19,254,112</b>	<b>21,647,243</b>	<b>-</b>
<b>B. In - Tangible Asset</b>										
Software	-	-	-	-	-	-	-	-	-	-
Patents	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-
<b>In - Tangible Asset Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Previous Years (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Capital Work - In- Progress</b>										
Building Under Cont.	-	1,909,884	-	1,909,884	-	-	-	-	1,909,884	-
Other Work in Progress	-	-	-	-	-	-	-	-	-	-
<b>Capital Work - In- Progress Total</b>	<b>-</b>	<b>1,909,884</b>	<b>-</b>	<b>1,909,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,909,884</b>	<b>-</b>
<b>Total Previous Years (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>40,901,355</b>	<b>3,997,426</b>	<b>-</b>	<b>44,898,781</b>	<b>19,254,112</b>	<b>6,375,380</b>	<b>-</b>	<b>25,629,492</b>	<b>19,269,289</b>	<b>21,647,243</b>
<b>Grand Total Previous Year (A+B+C)</b>	<b>34,808,704</b>	<b>6,117,740</b>	<b>25,089</b>	<b>40,901,355</b>	<b>15,792,144</b>	<b>3,484,668</b>	<b>22,700</b>	<b>19,254,112</b>	<b>21,647,243</b>	<b>-</b>



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### 23. Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs27.57 Lakhs (Nil) Lakhs.

### 24. Contingent Liabilities and Commitments.

The demands disputed by the company relating to disallowances/additions of fiscal benefits, pending before various judicial forums and tax authorities, aggregating to Rs 43.54 Lakhs (Rs.NIL)

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

Particulars	2015-16	2014-15
Statutory Audit	Rs.67,922/-	Rs.64,125/-
Other Audit Services	Rs.22,641/-	Rs.21,375/-
<b>TOTAL</b>	<b>Rs.90,563/-</b>	<b>Rs.85,500/-</b>

### 26. Related Parties Disclosure:

#### Key Managerial Persons and their relatives

Mr. G.V.Bhaskar Rao

Mrs. G. Vanaja Devi

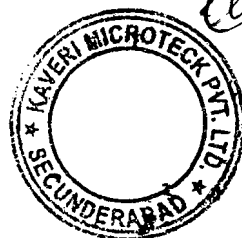
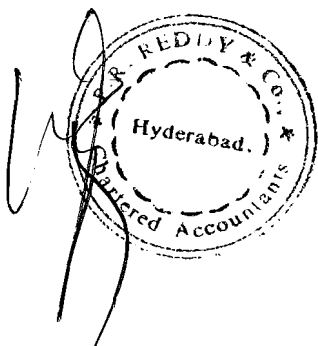
#### Holding Companies:

M/s. Kaveri Seed Company Ltd

#### Transactions with related parties during the year

Rs. in Lakhs

Details of Transactions	2015-16	2014-15
<b>Capital Inclusion during the year</b>		
Allotment of Equity Shares to M/s.Kaveri Seed Company Ltd	Nil	1452.64
<b>Sales made during the year</b>		
M/s.Kaveri Seed Company Ltd	Nil	59.58



**27. Foreign Currency/Exchange transactions:**

<b>PARTICULARS</b>	<b>2015-16 (Rs.)</b>	<b>2014-15 (Rs.)</b>
a. Import of Capital Goods	Nil	Nil
b. Earnings in foreign Exchange (Export of goods on FOB basis)	Nil	Nil
c. Expenditure in Foreign Currency for Travel	Nil	Nil

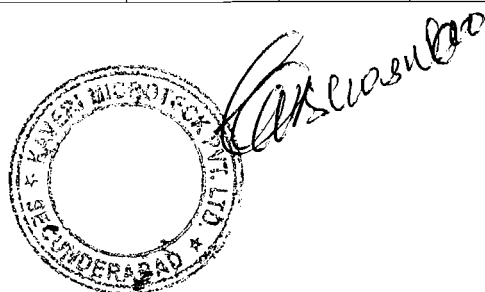
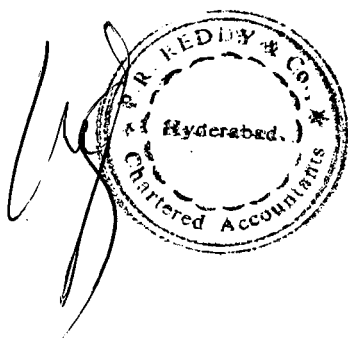
**28. Particulars in respect of sales turnover(gross) for each class of goods dealt by the company.**  
**Rs. in Lakhs**

<b>Particulars</b>	<b>For the Year ended 31st March 2016</b>			<b>For the Year ended 31st March 2015</b>		
	<i>Unit</i>	<i>Quantity</i>	<i>Value(Rs.)</i>	<i>Unit</i>	<i>Quantity</i>	<i>Value(Rs.)</i>
Micronutrients	MT	3527	2564.25	MT	3699	2627.25

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

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March 2016</b>				<b>As at 31st March 2015</b>			
	<b>Opening Stock</b>		<b>Closing Stock</b>		<b>Opening Stock</b>		<b>Closing Stock</b>	
	<i>Quantity (MT)</i>	<i>Value(Rs.)</i>	<i>Quantity (MT)</i>	<i>Value(Rs.)</i>	<i>Quantity (MT)</i>	<i>Value(Rs.)</i>	<i>Quantity (MT)</i>	<i>Value(Rs.)</i>
Micronutrients	1111.93	395.08	654.28	212.16	Nil	Nil	1111.93	395.08



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

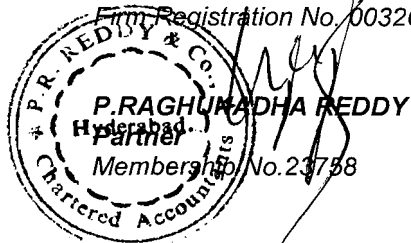
<i>Rs. in Lakhs</i>				
<b>Particulars</b>	<b>Value as on 31.03.2016</b>	<b>%</b>	<b>Value as on 31.03.2015</b>	<b>%</b>
<b>IMPORTED</b>				
Micronutrients	NIL		NIL	
<b>INDIGENOUS</b>				
Micronutrients	898.30	100	1068.76	100

31. Previous year's figures have been regrouped / rearranged wherever necessary to confirm to those of current year.

As per our report of even date attached

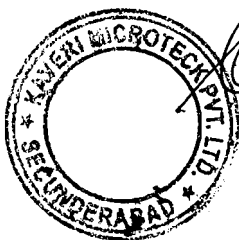
**For P.R.REDDY & CO.,  
CHARTERED ACCOUNTANTS**

Firm Registration No. 003268S



Place: Hyderabad  
Date: 09-05-2016

for and on behalf of the Board  
**For KAVERI MICROTECK PVT LIMITED**



*[Signature]*  
**G.V.BHASKAR RAO**  
Director

*[Signature]*  
**G.VANAJADEVI**  
Director

# Cash Flow Statement

Particulars	As at 31-Mar-2016 Rs	As at 31-Mar-2015 Rs
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>(8,636,502)</b>	<b>29,016,538</b>
Adjustments for:		
Depreciation & Amortisation	6,375,380	2,948,615
(Profit)/Loss on sale of Fixed Assets	-	-
Dividend Received	-	-
Gain from Investments	-	-
Interest received	-	-
Finance charges	31,915	86,278
<b>Operating profit before working capital changes</b>	<b>(2,229,207)</b>	<b>32,051,431</b>
(Increase) / Decrease in Inventories	13,473,210	(59,783,966)
(Increase)/Decrease in Sundry Debtors	19,394,918	(132,658,126)
(Increase)/Decrease in Loans & Advances	(6,926,062)	(9,625,651)
Miscellaneous Expenses	-	-
Increase/(Decrease) in Trade Liabilities	(22,394,732)	53,598,149
Increase/(Decrease) in Other Current Liabilities	5,938,468	22,927,625
Taxes paid during the year	(3,981,524)	(15,000,000)
<b>Net cash provided by operating activities</b>	<b>3,275,071</b>	<b>(108,490,538)</b>
<b>Cash flows from investing activities</b>		
(Purchase)/Sale of Fixed Assets	(3,997,426)	(25,131,911)
(Purchase)/Sale of Investments	-	-
Dividend Received	-	-
Gain from Investments	-	-
Interest received	-	-
<b>Net Cash used for investing activities</b>	<b>(3,997,426)</b>	<b>(25,131,911)</b>
<b>Cash flows from financing activities</b>		
Increase / (Decrease) in equity	-	145,263,600
Dividend Including Tax on Dividend	-	-
Share Application Money	-	-
Capital Subsidy	-	200,000
Long Term Loans	887,000	6,843,001
Finance charges	(31,915)	(86,278)
<b>Net cash provided by financing activities</b>	<b>855,085</b>	<b>152,220,323</b>
Net increase in cash & cash equivalents	132,730	18,597,874
Cash & Cash equivalents at the beginning of the period	18,601,954	4,080
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>18,734,684</b>	<b>18,601,954</b>

As per our report of even date attached

For and on behalf of the Board

for P.R.REDDY & CO.,

Firm Registration No.0982685

CHARTERED ACCOUNTANTS

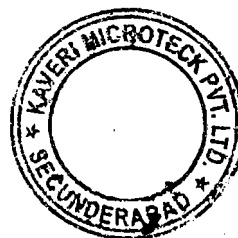
( P.RAGHUNADHA REDDY )

PARTNER

Membership No.22758

Place: Secunderabad

Date: 09.05.2016



*G.V. Bhaskar Rao*  
(G.V.BHASKAR RAO)  
Director

*G. Vanaja Devi*  
( G.VANAJA DEVI )  
Director