Business Responsibility Report

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

Kaveri Seed Company Limited (www.kaveriseeds.in) headquartered at Secunderabad, Telangana, India, is one of India's premier quality seed-producing companies. High yielding hybrid crops such as cotton, corn, paddy, bajra and sunflower are the major crops for which the company enjoys a strong leadership position in the seed production and marketing. The Company's R&D activities are recognized by the Department of Scientific and Industrial Research (DSIR), Govt., of India. The main thrust of R&D is to blend traditional breeding with frontier technologies like Biotechnology to be on the forefront of developing new generation hybrids that excel in the home and markets abroad. The Company has built seven state-of-the-art processing facilities, spread over in the states of Telangana, Andhra Pradesh and Karnataka. A nationwide marketing and distribution network manned by technically competent and commercially skilled marketing team is an important asset of the company.

Section A : General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	LO1120AP1986PLC006728
2.	Name of the Company	Kaveri Seed Company Limited
3.	Registered Office address	#513-B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad-500003, Telangana, India
4.	Website	www.kaveriseeds.in
5.	e-mail id	cs@kaveriseeds.in
6.	Financial Year reported	1st April 2016 to 31st March 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC code: 011 — Description: Seed production
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Produce the Cotton, Maize and Paddy
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	Nil
	ii. Number of National Locations	The Company has 9 processing and storage plants including R&D Center
10.	Markets served by the Company – Local/State/National/International	The Company operations are mainly carried out from Hyderabad with manufacturing divisions in Pamulparthy Plant and exports its seed to Bangaladesh.

Section B: Financial details of the Company

1.	Paid up Capital (INR)	Rs.1381.10 Lakhs
2.	Total Turnover (INR)	Rs.66989.10 Lakhs on standalone basis
3.	Total profit after taxes (INR):	Rs.7847.12 Lakhs on standalone basis
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	CSR spent during the financial year 2016-17 was Rs.839.94 Lakhs (10.70% of standalone profit after tax)
5.	List the activities in which expenditure in 4 above has been incurred.	Education Rural Development Support to charitable for social causes

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies	Yes. The Kaveri has 4 subsidiary companies located in India
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The parent company undertakes majority of the BR initiatives
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	Entities like suppliers, distributors do not participate in the company BR initiative in the reporting period.

Section D : BR Information

1.	Details of Director/Directors responsible for BR	a.	Details of the Director responsible for implementation of the BR policies: Name : Mr. G.V.Bhaskar Rao Designation: Managing Director DIN Number : 0892232 Tel.No.04049192344 Email ID: cs@kaveriseeds.in
		b.	Details of the BR head : same as above

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

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

3. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company
Annually

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
This is the first Business Responsibility Report of the company is a part of Annual Report for the financial year 2016-17.

Section E: Principle-Wise Performance

Principle 1 - Ethics

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**
   Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company is committed to build a strong ethical organization. As a result, the Company has adopted a Code of Conduct policy which is applicable to all the employees of the Company including the board members. The policy lays emphasis on the honesty, integrity and ethical conduct of the employees and has been communicated to the employees, across all the locations.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**
   We did not receive any significant stakeholder complaints during the financial year

Principle 2 - Product Life Cycle Sustainability.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   i. Kaveri plant operations team has installed & commissioned 30 mechanical conveyers to replace manual hand grading of delinted processed seed to enhance recovery & the per day output of the ready-to-pack cotton seed.

   ii. A centralized & dedicated stores warehouse was created for non-seed inventory (primary & secondary packing material & seed treatment chemicals) which helped in systematic stacking of the products, proper tagging of the stacked products & correct physical verification of the inventory on periodical basis.

   iii. Provided field safety shoes to entire field production team to mitigate the risk of foot injuries & snake bites during the course of their regular production field visits.

   iv. Provided cost-free plant protection chemical (Cobalt Chloride) to several hundreds of cotton seed farmers to ward-off the leaf reddening impact caused by physiological disorders influenced by the adverse climatic conditions.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
   i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   Reduction of manpower requirement by about 40% in mechanical grading of the delinted processed cotton seed & time reduction in terms of making seed available for timely blending, treating & packing.

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

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

3. **Does the company have procedures in place for sustainable sourcing (including transportation) ?**
   We, as an organization, have made persistent efforts to retain our sourced seed suppliers by ensuring their continuous engagement in two seasons of seed production & by providing multiple crop seed production opportunities in multiple geographies. Resultantly, the grower base retention & loyalty, production reliability & sustainability have been ensured.

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**
   The company introduced direct grower procurement model in the proximity of our seed conditioning & drying facilities to effectively engage the small land holders & the neighborhood farming societies to produce quality seed for us. This initiative of ours has yielded in complete retention of these small land holders bringing hundreds of acres under seed production & we becoming their continued & most preferred seed company.

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

Principle 3 - Employee well being

1. **Please indicate the Total number of employees.**
The company has 793 employees as on 31.03.2017

2. **Please indicate the Total number of employees hired on temporary/ contractual/casual basis.**
The company has 400 contractual employees as on 31.03.2017

3. **Please indicate the Number of permanent women employees.**
The company has 32 women employees as on 31.03.2017

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

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

6. **What percentage of your permanent employees is members of this recognized employee association?**
Not Applicable

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

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

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
   - Permanent employees: Employee training is a continuous process in the organization and all the employees are given mandatory safety training at the time of joining the organization. Further, there is continuous skill based trainings imparted to over 70% of our employees.
   - Permanent women employees: No separate record is maintained.
   - Casual/temporary/contractual employees: All our contractual employees are imparted with trainings.
   - Employees with disabilities: -NA-

Principle 4 - Stakeholders Engagement

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

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

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**
The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. This is one of the corporate values that focuses on being responsive, listening to stakeholders, being proactive and transparent.

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

Principle 5 - Human Rights

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

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

Principle 6 - Environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**
   The company is committed to operate all its plants in an environmentally friendly manner while protecting health and safety of its employees..

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

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

4. **Does the company have any project related to Clean Development Mechanism?**
   At present the company does not have any project related to clean development mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.**
   No

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes, all the processing plants comply with the prescribed permissible limits for air emissions, effluent quality and discharge, solid and hazard waste generation and disposal as per their regulatory authorities.

   No pending notices as on 31.03.2017

Principle 7 - Policy Advocacy

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   The Company is associated with various trade organizations, chambers etc., as follows:

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

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

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**
   Yes, we do from time to time take up issues through the associations on matter of public interest.

Principle 8 - Community Development (CSR)

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   Kaveri Seed Company Limited is committed to continuously improving its social responsibilities, environment and economic practices to make positive impact on the society. The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged/ downtrodden sections of the society.

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

3. **Have you done any impact assessment of your initiative?**
   We review our projects time to time. Each project has specific deliverables to be met.

The internal teams ensure the implementation of the projects undertaken from time to time. The Company also takes feedback from the local persons/ representatives from Villages/Gram Sabah's / Ward members.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
Kaveri has spent Rs.893.94 Lakhs on CSR activities during the financial year 2016-17. The amount was spent on areas as referred in point 1.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**
The community development program revolves around education development, rural development, health and sanitation etc. Overall, these programs have benefitted many students and villagers of Warangal Urban and Siddipet Districts of Telangana during the year. All our community development initiatives are heart fully welcomed and adopted by the community and well appreciated by leaders and social activists.

Further details on the CSR projects undertaken during 2016-17 are mentioned in a separate section of the annual report.

Principle 9 - Customer value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
The Company has mechanism to handle customer complaints. As on March 31, 2017 less than 1% of the complaints were pending beyond the acceptable timelines as per the Standard Operating Procedures (SOP).

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**
The company has displayed the labels on the packing products as per regulatory requirements; comply with the Seed Act, 1966; Seed Rules, 1968; Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 and other local laws from time to time.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.**
As on 31st March 2017, there are no pending cases.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
We regularly undertake survey with farmers by internal team to understand product satisfaction and intention for coming season. We conduct crop torus by crops functional team with user farmers to understand product performance in farmer field conditions.