

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered shareholder/ beneficial owner of the Equity Shares (“**Equity Shareholder**”) of Kaveri Seed Company Limited (the “**Company**”) as on the Record Date (June 16, 2017 and such Equity Shareholders the “**Eligible Shareholder**”) in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the “**SEBI Buyback Regulations**”). If you require any clarifications about the action to be taken, you should consult your stock broker or your investment consultant or the Merchant Banker to the Buyback (Karvy Investor Services Limited) or the Registrar to the Buyback (Bigshare Services Private Limited). Please refer to the section “Definition of Key Terms” on page 3 for the definition of the capitalised terms used herein.





### kaveri seed company limited

Corporate Identification Number: L01120AP1986PLC006728  
**Registered Office & Correspondence Address** : 513-B, 5th Floor, Minerva Complex,  
 SD Road, Secunderabad – 500003, Telangana  
**Tel.:** +91- 40-27721457; **Fax:** +91- 40-27811237  
**Email id:** cs@kaveriseeds.in **Website:** www.kaveriseeds.in  
**Contact Person:** Mr. G Vijay Kumar, CFO & Compliance Officer

**Cash offer to Buyback up to 29,62,963 (Twenty Nine Lakh, Sixty Two Thousand, Nine Hundred and Sixty Three Only) fully paid-up equity shares of face value ₹2/- each (“Equity Shares”), representing 4.29% of the total number of Equity Shares in the issued, subscribed and paid-up Equity Share capital of the Company as at March 31, 2016, from all the Equity Shareholders as on the Record Date, i.e., June 16, 2017 on a proportionate basis, through the “Tender Offer” route, at a price of ₹675/- (Rupees Six Hundred and Seventy Five Only) per Equity Share payable in cash, for an aggregate amount of ₹200 Crores (Rupees Two Hundred Crores Only) (the “Buyback Size”).**

- 1) The Buyback is in accordance with the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended (“the **Act**”) and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (“the **Share Capital Rules**”) to the extent applicable. Article 75 of the Articles of Association of the Company and in compliance with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments for the time being in force (the “**Buyback Regulations**”) and such other approvals, permissions and exemptions as may be required from time to time from BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) (BSE and NSE collectively referred to as, the “**Recognized Stock Exchanges**”) where the Equity Shares of the Company are listed, and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board of Directors of the Company ( the “**Board**”). For the purpose of this Buyback, BSE is the Designated Stock Exchange.
- 2) The Buyback size is for an aggregate maximum amount of ₹200 Crores(Two Hundred Crores Only) excluding the Transaction Costs, which represents 21.84% and 22.06% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2016 respectively (the audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company. Further, the Buyback size represents 19.96% and 20.15% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone and consolidated audited accounts of the Company respectively for the financial year ended March 31, 2017.
- 3) The Letter of Offer will be sent to all Eligible Shareholders /beneficial owners as on the Record Date i.e. June 16, 2017.
- 4) The procedure for acceptance and tender of Equity Shares are set out in clause 19 and 20 respectively, of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the “**Tender Form**”) is enclosed together with this Letter of Offer.
- 5) A copy of the Public Announcement published on June 06, 2017, the Draft Letter of Offer is available on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in) and a copy of the Letter of offer shall be available on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).
- 6) Equity Shareholders are advised to refer to “Details of the Statutory Approvals” and “Note on Taxation” on page 23 and page 32, respectively, of this Letter of Offer, before tendering their Equity Shares in the Buyback.

MANAGER TO THE BUYBACK	REGISTRAR TO THE BUYBACK
	
<p><b>Karvy Investor Services Limited</b>                      Karvy House, 46, Avenue 4,                      Street No.1, Banjara Hills                      Hyderabad – 500034, Telangana  <b>Tel.:</b> +91 40-23428774/23312454  <b>Fax:</b> +91 40-23374714/23311968  <b>Email:</b> <a href="mailto:cmg@karvy.com">cmg@karvy.com</a>,  <b>Website:</b> <a href="http://www.karvyinvestmentbanking.com">www.karvyinvestmentbanking.com</a>  <b>Contact Person:</b> Mr. M.P.Naidu/Mr. G. Arun  <b>SEBI Registration No.:</b> INM000008365  <b>Validity Period:</b> Permanent</p>	<p><b>Bigshare Services Private Limited</b>                      E-3 Ansa Industrial Estate,                      Sakivihar Road,                      Sakinaka, Andheri (E), Mumbai - 400072  <b>Tel:</b> + 91 22 – 62638200; <b>Fax:</b> + 91 22 - 62638299  <b>Email:</b> <a href="mailto:buyback@bigshareonline.com">buyback@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>Contact Person:</b> Mr. Jibu John  <b>SEBI Registration No.:</b> INR000001385  <b>Validity Period:</b> Permanent</p>
BUYBACK PROGRAMME	
<b>BUYBACK OPENS ON</b>	JULY 10, 2017 (MONDAY)
<b>BUYBACK CLOSSES ON</b>	JULY 21, 2017 (FRIDAY)
<b>LAST DATE/ TIME OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR</b>	JULY 25, 2017 (TUESDAY)

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## 1. SCHEDULE OF ACTIVITIES

Activity	Day & Date
Date of the Board meeting approving the proposal for Buyback of Equity Shares	Monday, March 27, 2017
Date of Postal Ballot results approving the Buyback	Friday, June 02, 2017
Date of publication of Public Announcement for the Buyback	Tuesday, June 06, 2017
Record Date for determining the Buyback Entitlement and the names of Eligible Persons	Friday, June 16, 2017
Buyback opens on / date of opening of Buyback	Monday, July 10, 2017
Buyback closes on / date of closing of Buyback	Friday, July 21, 2017
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar and Transfer Agent	Tuesday, July 25, 2017
Last date of verification by Registrar	Monday, July 31, 2017
Last date of intimation to the Stock Exchange regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar to the Buyback	Monday, July 31, 2017
Last date of completion of settlement by the Clearing Corporation of BSE	Tuesday, August 01, 2017
Last date of dispatch of share certificates(s) by RTA / return of demat shares not accepted under the Buyback offer	Tuesday, August 01, 2017
Last date of extinguishment of Equity Shares	Tuesday, August 08, 2017

## 2. DEFINITION OF KEY TERMS

*This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.*

Term	Description
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by BSE in the form of a separate window in accordance with the SEBI Circular.
Acceptance	Acceptance of Equity Shares tendered by Eligible shareholders in the Buyback Offer.
Act	The Companies Act, 2013 as amended, along with the relevant rules framed Thereunder
Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder and to the extent of equity shares held by such eligible shareholder on the record date.
Articles	Articles of Association of the Company as amended.
Board/ Board of Directors	Board of directors of the Company.
BSE	BSE Limited.
Buyback/ Offer	Offer by Kaveri Seed Company Limited to buy back up to maximum of 29,62,963 fully paid-up Equity Shares of face value of ₹2/- each at a price of ₹675/- per Equity Share from all the Eligible Shareholders of the Company, as on the Record Date through the Tender Offer process on a proportionate basis.
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Eligible Shareholder, on the Record Date and the ratio of Buyback applicable in the category, to which such Equity Shareholder belongs.
Buyback Price	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. ₹675/- per fully paid up Equity Share, payable in cash.
Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 including any statutory modifications or re-enactments thereof.
Buyback Size	Number of Equity Shares proposed to be bought back (i.e., 29,62,963 Equity Shares) multiplied by the Buyback Price (i.e. ₹675 per Equity Share) aggregating to ₹200 Crores/- (Rupees Two Hundred Crores Only). The Buyback Size excludes the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identification Number

Clearing Corporation	Indian Clearing Corporation Limited (the “ICCL”)
Company	Kaveri Seed Company Limited.
Company`s Broker	Karvy Stock Broking Limited
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited.
Designated Stock Exchange	BSE Limited.
DIN	Director Identification Number
Directors	Directors of the Company.
Draft Letter of Offer	The Draft letter of offer dated June 07, 2017, filed with SEBI through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations.
DP	Depository Participant.
Eligible Seller(s)	Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders as on the Record Date being June 16, 2017.
Equity Shares	Fully paid up Equity Shares of face value of ₹2/- each of the Company.
Equity Shareholder	Holders of the Equity Shares and includes beneficial owners thereof.
Escrow Account	The Escrow Account to be opened with Kotak Mahindra Bank Limited in the name and style of ‘KSCL - Buyback Offer - Bank Escrow Account ’ bearing the account no. 2212591147 ).
Escrow Agent	Kotak Mahindra Bank Limited
Escrow Agreement	The escrow agreement dated 21 <sup>st</sup> June, 2017 entered into between the Company, Karvy Investor Services Limited and Kotak Mahindra Bank Limited, pursuant to which certain arrangements for Escrow Account is made in relation to the Buy-back.
FEMA	The Foreign Exchange Management Act, 1999, as amended.
FPI	Foreign Portfolio Investors
FII(s)	Foreign Institutional Investor(s).
General Category	Eligible Shareholders other than Small Shareholders
HUF	Hindu Undivided Family.
IT Act/ Income Tax Act	The Income Tax Act, 1961, as amended.
Letter of Offer	This letter of offer dated June 30, 2017 to be filed with SEBI, through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, incorporating any comments that may be received from SEBI on this Letter of Offer.
LTCG	Long-Term Capital Gains
Management Rules	Companies (Management and Administration) Rules, 2014, as amended
Manager to the Buyback	Karvy Investor Services Limited
Non-Resident Shareholders	Includes Non-resident Indians (NRI) and Foreign Institutional Investors (FII) / Foreign Portfolio Investor as defined under SEBI FPI Regulations.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
Offer Period / Tendering Period / Offer Period	Period of ten Working Days from the Buyback Opening Date i.e. July 10, 2017 till Buyback Closing Date i.e. July 21, 2017 (both days inclusive) during which the Eligible Sellers can tender their Equity Shares.
Public Announcement	Public announcement regarding the Buyback dated June 05, 2017 published in Financial Express (English National Daily), Jansatta (Hindi National Daily) and Nava Telangana (Telugu Language Daily) on June 06, 2017.
RBI	Reserve Bank of India.
Recognized Stock Exchanges	Collectively, BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed.
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Shareholders to whom the Letter of Offer (including Tender Form) will be sent, and who are eligible to participate in the proposed Buyback offer in accordance with the Regulations. The Record Date for the Offer is June 16, 2017.
Registrar to the Buyback or “Registrar”	Bigshare Services Private Limited
SEBI	Securities and Exchange Board of India.
SEBI Circular	Circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 on “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting”, read with Circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 on “Streamlining the Process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buy Back and Delisting of Securities” issued by SEBI.

Seller Member / Seller Broker	A Stock Broker of an Eligible Seller, through whom the Eligible Seller wants to participate in the Buyback
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
Share Capital Rules	Companies (Share Capital and Debentures) Rules, 2014, as amended
Small Shareholder	As defined under Regulation 2(la) of the SEBI Buyback Regulations and in relation to the Buyback means an Eligible Shareholder who holds Equity Shares of market value of not more than ₹200,000 (Rupees two hundred thousand), on the basis of closing price on BSE/ or NSE, whichever registers the highest trading volume in respect of the Equity Shares on the Record Date (June 16, 2017).
STCG	Short-Term Capital Gains
Tender Form	Form of Acceptance-cum-Acknowledgement.
Tender Offer	Method of Buyback as defined in Regulation 2(1)(o) of the Buyback Regulations.
TRS	Transaction Registration Slip
Working Day	Any working day of SEBI

### 3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback, Karvy Investor Services Limited, has certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. Pursuant to this requirement, the Manager to the Buyback, Karvy Investor Services Limited, has furnished to SEBI a Due Diligence Certificate dated June 07, 2017 in accordance with the Buyback Regulations, which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter as part of the due-diligence carried out by us in connection with the finalization of the public announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The public announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback.
- All the legal requirements connected with the said offer including SEBI (Buyback of Securities) Regulations, 1998, as amended, have been duly complied with.
- The disclosures in the public announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback.
- Funds used for the Buyback shall be as per the provisions of the Companies Act, 2013.

The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback

The Promoters / Directors of the Company hereby confirm that no information/ material likely to have a bearing on the decision of Eligible Sellers has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the Promoters /Directors of the Company and the Company shall be liable for penalty in terms of the provisions of the Companies Act, and the Buyback Regulations.

The promoters of the Company/ Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

#### **Important Notice to All Shareholders**

This Letter of Offer has been prepared for the purposes of compliance with the regulations of the Buyback Regulations. Accordingly the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Letter of Offer.

This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. The Letter of Offer shall be dispatched to all Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Shareholders in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an offer being made to them. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buyback Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

#### **4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS**

**“RESOLVED THAT** pursuant to Article 75 of the Articles of Association and the provisions of Section 68, 69, 70 and other applicable provisions, if any of the Companies Act, 2013 (**the “Act”**) as amended (the “Act”), the Companies (Share Capital and Debentures) Rules, 2014 (as amended) (the “Share Capital Rules”) to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (**the “Buyback Regulations”**), including any amendments, statutory modifications or re-enactments thereof for the time being in force, and subject to the approval of the members of the Company by way of a special resolution, and subject to such other approvals, permissions and sanctions as may be required and subject to such conditions and modifications as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**) to exercise powers conferred by this resolution, consent of the Board be and is hereby accorded for buyback not exceeding 29,62,963 (Twenty Nine Lakhs Sixty Two Thousand Nine Hundred Sixty Three Only) fully paid up equity shares (representing 4.29% of the total paid-up equity share capital of the Company as on March 31, 2016) of the face value of ₹2/- (Rupees Two Only) each (hereinafter referred to as the “Equity Shares” or “Shares”) at a price of ₹675/- (Rupees Six Hundred Seventy Five Only) per equity share payable in cash (“Buyback Price”) for an aggregate amount up to ₹200.00 Crores (Rupees Two Hundred Crores Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., (**“Buyback Size”**), representing 21.84% of the aggregate of the Standalone paid-up Share Capital and Free Reserves (including Securities Premium Account) as per the audited accounts of the Company for the financial year ended March 31, 2016, being within the 25% limit of paid-up Share Capital and Free Reserves (including Securities Premium Account) as per the provisions of the Act, out of the Free Reserves and/or the Securities Premium Account of the Company or such other source as may be permitted by the Buyback Regulations or the Act, from the members of the Company, as on record date to be determined by the Board (hereinafter referred to as the “the Record Date”), on a proportionate basis through “Tender Offer” route as prescribed under the Buyback Regulations (the **“Buyback”**).”

**“RESOLVED FURTHER THAT** the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.”

**“RESOLVED FURTHER THAT** all of the shareholders of the Company who hold Equity Shares as on the Record Date will be eligible to participate in the Buyback including promoters, promoter group and persons in control of the Company who hold equity shares of the Company as on the Record Date.”

**“RESOLVED FURTHER THAT** the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/ DCR2/ CIR/ P/ 2016/131 dated December 09, 2016 or such other mechanism as may be applicable.”

**“RESOLVED FURTHER THAT** the Buyback of shares from Non-Resident Shareholders, Overseas Corporate Bodies, Shareholders of foreign nationality etc. shall be subject to such approval of the Reserve Bank of India, if any, as may be required under the Foreign Exchange Management Act, 1999.”

**“RESOLVED FURTHER THAT** the Buyback shall have reservation for small shareholders in accordance with the provisions of the Buyback Regulations.”

**“RESOLVED FURTHER THAT** the Buyback shall be made out of the free reserves of the Company as at March 31, 2016 based on the audited accounts of the Company for the financial year ended March 31, 2016.

**“RESOLVED FURTHER THAT** the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (the “Listing Regulations”).”

**“RESOLVED FURTHER THAT** the amount required by the Company for the Buyback is intended to be met out of the sources permitted under the Act and the Regulations and on such terms and conditions as the Board may decide from time to time at its absolute discretion.”

**“RESOLVED FURTHER THAT** Mr. G. Vijay Kumar, CFO be and is hereby appointed as the Compliance Officer for the purpose of proposed Buy-back issue.”

**“RESOLVED FURTHER THAT** the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and are hereby approved and that Mr. Gundavaram Venkata Bhaskar Rao, Chairman & Managing Director, and any one of Mr. Mithun Chand Chennamaneni, Director, Mr. G.Vijay Kumar, CFO, Mr. V.R.S.Murti, Company Secretary of the Company, be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad, the Securities and Exchange Board of India and Stock Exchanges (BSE Limited and National Stock Exchange of India Limited) in accordance with the applicable laws.”

**“RESOLVED FURTHER THAT** the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

a)that immediately following the date of this Board meeting and the date on which the results of postal ballot approving the Buyback will be declared, there will be no grounds on which the Company could be found unable to pay its debts;

b)that as regards its prospects for the year immediately following the date of this Board meeting and the date on which the results of postal ballot approving the Buyback will be declared, having regard to the Board’s intentions with respect to the management of the Company’s business during that year and to the amount and character of the financial resources which will, in the Board’s view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting and the date on which the results of postal ballot approving the Buyback will be declared; and;

c)that in forming their opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

**“RESOLVED FURTHER THAT** the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- a) All the equity shares for Buy Back are fully paid-up;
- b) The Company, as per provisions of Section 68(8) of the Act, shall not make further issue of the same kind of equity shares or other specified securities within a period of six months after the completion of the Buy Back except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- c) The Company shall not raise further capital for a period of one year from the closure of the Buy Back, except in discharge of subsisting obligations;
- d) The Company shall not buy back locked-in equity shares and non-transferable equity shares till the pendency of the lock-in or till the equity shares become transferable;
- e) The Company shall not buy back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- g) That funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
- h) The aggregate amount of the Buyback i.e. Rs.200.00 (Rupees Two Hundred Crores only) does not exceed 25% of the total paid-up capital and free reserves of Audited Balance Sheet of the Company as on March 31, 2016;
- i) The Company shall not make any offer of buyback within a period of one year reckoned from the date of closure of the Buyback;
- j) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act, as on date; and
- k) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up share capital and free reserves after the Buyback.
- l) There are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of any term loans to any financial institution or banks;



**“RESOLVED FURTHER THAT** Mr. Gundavaram Venkata Bhaskar Rao, Chairman and Managing Director, Mr. Mithun Chand Chennamaneni, Whole Time Director, Mr. G. Vijay Kumar, CFO of the Company and Mr. V.R.S. Murthy, Company Secretary of the Company be and are hereby severally authorized to sign and execute the necessary documents and to do all such acts, deeds and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper with regard to the implementation of the Buyback, including, but not limited to, the following:

- a) Within the limits of Maximum Buy-back price and Maximum Buy-back Size, to determine the specific price at which the Buy-back will be made, the total size of Buy-back and the number of securities to be bought back;
- b) The appointment of Merchant Bankers, Brokers, Lawyers, Registrars and other Advisors, Scrutinizer, Consultants, Representatives or any other intermediaries/ agencies required to be appointed for the implementation of the Buy-back;
- c) Nominate an investors service centre to redress the grievances of the investors;
- d) To fix the record date in accordance with the Buy-back Regulations for determining the entitlement of shareholders to participate in Buy-back;
- e) To seek Shareholders approval through Postal Ballot/ E-voting and to do all necessary actions related thereto, including approving Postal Ballot Notice, appointment of Scrutinizer etc;
- f) The making of all requisite applications to the appropriate authorities for their requisite approvals and filing of intimations with the stock exchange and any other authorities as required under the Buy-back Regulations;
- g) To prepare and file with the Registrar of Companies and Securities and Exchange Board of India the Declaration of Solvency along with annexures thereof;
- h) To initiate all necessary actions for preparation, modification, making alterations, additions, deletions, variations, amendments or correction, approving and filing of various documents including the Public Announcement, Letter of Offer, Declaration of Solvency, Certificate of Extinguishment of shares and all other documents required to be filed in connection with Buy-back with the Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, National Securities Depository Limited, Central Depository Services (India) Limited and other appropriate authorities;
- i) The opening, operation and closure of all necessary accounts including Demat Account, Escrow Account, Special Account(s) and any other bank account(s) and Depository Account for the purpose of Buy-back and authorize officials to operate the said accounts;
- j) Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback;
- k) To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back;
- l) Extinguishment of share certificates, filing of corporate action forms and Certificates of extinguishment required to be filed in connection with the Buy-back on behalf of the Board;
- m) Make public announcement / issue notice on completion of Buy-back etc. in the news papers as required under the Buy-back Regulations
- n) To sign the documents as may be necessary with regard to the Buyback and use the Common Seal of the Company on relevant documents required to be executed for the Buyback of shares and take all such actions required for undertaking the Buy-back;
- o) To delegate all or any of the authorities conferred as above to any Officer(s), Authorized Representative(s) of the Company to give effect to the aforesaid resolution and to revoke and substitute such delegation / sub-delegation of authority from time to time.”

**“RESOLVED FURTHER THAT** a copy of the foregoing resolution certified by any of the Director of the Company or the Company Secretary/Compliance Officer be forwarded to concerned persons/authorities and they be requested to act thereon.”

## 5. DETAILS OF THE PUBLIC ANNOUNCEMENT

As per Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated June 05, 2017 for the Buyback of Equity Shares published on June 06, 2017 in the following newspapers, which is within two working days from the date of passing the shareholders resolution of the Company approving the Buyback i.e. June 02, 2017.

Name of the Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Nava Telangana	Telugu	Hyderabad

(A copy of the Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in))

## 6. DETAILS OF THE BUYBACK

- 6.1 The Board of Directors of the Kaveri Seed Company Limited in its meeting held on March 27, 2017 has announced (the “**Board Meeting**”) the buyback of up to 29,62,963 (Twenty Nine Lakh, Sixty Two Thousand, Nine Hundred and Sixty Three Only) fully paid-up Equity Shares of face value of ₹2/- each from all the Eligible Shareholders of the Company as on the Record Date being June 16, 2017, on a proportionate basis, through the Tender Offer route, subject to compliance with the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act, the Buyback Regulations, the SEBI Listing Regulations and applicable rules and regulations as specified by RBI, amongst others, at the Buyback Price of ₹675/- per Equity Share payable in cash, for an aggregate maximum amount of ₹200 Crores (Rupees Two Hundred Crores Only), which is 21.84% and 22.06% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2016 (the audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 25% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone audited financial statements of the Company. The maximum number of Equity Shares proposed to be bought back represents 4.29% of the total number of Equity Shares in the total paid up equity share capital of the Company as at March 31, 2016. Further, the Buyback size represents 19.96% and 20.15% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone and consolidated audited accounts of the Company respectively for the financial year ended March 31, 2017.
- 6.2 The Equity Shareholders of the Company have approved the buyback by way of a Special Resolution through postal ballot (including E-Voting) pursuant to a postal ballot notice dated March 27, 2017 (“**Notice**”), the results of which were announced on June 02, 2017.
- 6.3 The Buyback is proposed to be implemented by the Company through Tender Offer Method as prescribed under the Buyback Regulations read with the SEBI Circular, using “Mechanism for acquisition of shares through Stock Exchange” or such other mechanism as may be applicable, from all the Eligible Sellers, on a proportionate basis. However, 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per their shareholding whichever is higher, shall be reserved for Small Shareholders.
- 6.4 The aggregate shareholding of the Promoters /Promoter Group and the persons who are in control of the Company and of Directors and Key Managerial Personnel of the Company, as on the date of Notice (i.e. March 27, 2017) and June 02, 2017 being the date on which the results of postal ballot were declared is given below:

(i) Shareholding of the Promoters/ Promoter Group and Persons in Control of the Company:

Sr. No.	Name of Shareholder	No. of Equity Shares held	% of Issued Equity Capital	No. of Equity Shares held	% of Issued Equity Capital
		As on March 27, 2017		As on June 02, 2017	
1.	Mr. Mithun Chand Chennamaneni	9,28,895	1.35%	9,28,895	1.35%
2.	Mr. Vamsheedhar Chennamaneni	10,99,320	1.59%	10,99,320	1.59%
3.	Mr. Pawan Gundavaram	25,09,000	3.63%	25,09,000	3.63%
4.	Ms. Vanaja Devi Gundavaram	1,57,75,050	22.84%	1,57,75,050	22.84%
5.	Mr. Gundavaram Venkata Bhaskar Rao	60,31,990	8.74%	60,31,990	8.74%
6.	Venkata Bhaskar Rao Gundavaram (HUF)	1,12,40,645	16.28%	1,12,40,645	16.28%
	<b>Total</b>	<b>3,75,84,900</b>	<b>54.43%</b>	<b>3,75,84,900</b>	<b>54.43%</b>

Apart from the above, no other member forming part of the promoter/ promoter group as disclosed in 6.4(i) above hold any equity shares in the company

(ii) Shareholding of the Directors or Key Managerial Personnel of the Company:

Sl. No.	Name	Designation	No. of Equity Shares held	Percentage of issued Equity Share Capital
1.	Mr. Mithun Chand Chennamaneni	Whole Time Director	9,28,895	1.35%
2.	Mr. Gundavaram Venkata Bhaskar Rao	Managing Director	60,31,990	8.74%
3.	Ms. Vanaja Devi Gundavaram	Whole Time Director	1,57,75,050	22.84%
4.	Mr. Vamsheedhar Chennamaneni	Whole Time Director	10,99,320	1.59%
5.	Mr. Pawan Gundavaram	Director	25,09,000	3.63%

Apart from the above, none of the other Directors or Key Managerial Personnel of the Company holds any equity share in the Company.

- 6.5 No equity shares or other specified securities of the Company were either purchased or sold by any (i) Promoter (ii) Member of Promoter group and (iii) Persons who are in control of the company during the period of twelve months preceding the date of the Public Announcement i.e., June 5, 2017.
- 6.6 In terms of the Buyback Regulations, under the Tender Offer, the Promoter and Promoter Group, being in control of the Company, have an option to participate in the Buyback. In this regard, the members of Promoter/ Promoter Group have expressed their intention to participate in the Buyback and may tender up to an aggregate maximum of 15,00,000 Equity Shares or such lower number in accordance with the buyback regulations vide letters dated 27<sup>th</sup> March 2017.

Sr. No.	Name of Shareholder	Maximum Number of Shares intended to be tendered
1.	Mr. Vamsheedhar Chennamaneni	44,987
2.	Mr. Pawan Gundavaram	1,02,670
3.	Mrs. Vanaja Devi Gundaaram	6,45,530
4.	Mr. Gundavaram Venkata Bhaskar Rao	2,46,835
5.	Venkata Bhaskar Rao Gundavaram (HUF)	4,59,978
	<b>Total (A)</b>	<b>15,00,000</b>

- 6.7 The details of the date and price of acquisition of the Equity Shares that the Promoters/ Promoter Group intend to tender are set out below:

Vamsheedhar Chennamaneni					
Date	No. of Shares	Nature of Transaction	Nominal Value (In ₹)	Issue Price / Transfer Price (In ₹)	Cumulative No. Shares
20.09.2006	77,600	Acquisition of Agritek	7,76,000	NA	77,600
20.09.2009	22,400	Gift from Gundavaram Venkata Bhaskar Rao	2,24,000	NA	1,00,000
03.05.2010	2,060	Off Market Purchase	20,600	300.00	1,02,060
02.04.2011	44,135	Market Purchase	4,41,350	386.60	1,46,195
26.07.2011	6,000	Off Market Purchase	60,000	330.00	1,52,195
26.03.2011	50,000	Gift From Gundavaram Venkata Bhaskar Rao	5,00,000	NA	2,02,195
13.10.2011	57,138	Market Purchase	5,71,380	440.72	2,59,333

13.07.2012	50,000	Gift From Gundavaram Venkata Bhaskar Rao	5,00,000	NA	3,09,333
07.03.2013	5,000	Market Purchase	50,000	1,355.00	3,14,333
22.07.2013	(39,682)	Market sale	3,96,820	1,590.00	2,74,651
<b>Split of Each equity share of ₹10 each into Five equity shares of ₹2 Each</b>					13,73,255
10.06.2014	(50,000)	Market sale	1,00,000	658.93	13,23,255
23.06.2015	(2,23,935)	Market sale	4,47,870	806.7	10,99,320

<b>Pawan Gundavaram</b>					
Date	No. of Shares	Nature of Transaction	Nominal Value (In ₹)	Issue Price / Transfer Price (In ₹)	Cumulative No. Shares
26.02.1991	2,000	Allotment	20,000	10	2,000
29.03.1996	12,500	Allotment	1,25,000	10	14,500
27.06.2005	99,000	Allotment	9,90,000	10	1,13,500
26.07.2006	(14,500)	Sale	1,45,000	50	99,000
04.08.2006	99,000	Bonus issue	9,90,000	NA	1,98,000
20.09.2006	1,98,000	Rights	19,80,000	10	3,96,000
20.09.2006	1,05,800	Acquisition of Agritek	10,58,000	NA	5,01,800
<b>Split of Each equity share of ₹10 each into Five equity shares of ₹2 Each</b>					25,09,000

<b>Vanaja Devi Gundavaram</b>					
Date	No. of Shares	Nature of Transaction	Nominal Value (In ₹)	Issue Price / Transfer Price (In ₹)	Cumulative No. Shares
27.08.1986	100	Subscription to Memorandum	1,000	10	100
26.02.1991	8,900	Allotment	89,000	10	9,000
29.03.1996	30,000	Allotment	3,00,000	10	39,000
27.06.2005	5,95,000	Allotment	59,50,000	10	6,34,000
26.07.2006	(97,000)	Sale	9,70,000	50	5,37,000
04.08.2006	5,37,000	Bonus issue	53,70,000	NA	10,74,000
20.09.2006	10,74,000	Rights	1,07,40,000	10	21,48,000
20.09.2006	74,600	Acquisition of Agritek	7,46,000	NA	22,22,600
<b>Split of Each equity share of ₹10 each into Five equity shares of ₹2 Each</b>					1,11,13,000
09.07.2014	(31,62,552)	Market sale	63,25,104	836.15	79,50,448
03.11.2014	73,20,000	Gift	1,46,40,000	NA	1,52,70,448
24.08.2015	4,19,865	Market purchase	8,39,730	426.63	1,56,90,313
26.08.2015	84,737	Market purchase	1,69,474	472.31	1,57,75,050

<b>Gundavaram Venkata Bhaskar Rao</b>					
<b>Date</b>	<b>No. of Shares</b>	<b>Nature of Transaction</b>	<b>Nominal Value (In ₹)</b>	<b>Issue Price / Transfer Price (In ₹)</b>	<b>Cumulative No. Shares</b>
27.08.1986	100	Subscription to Memorandum	1,000	10	100
26.02.1991	12,400	Allotment	1,24,000	10	12,500
29.03.1996	44,000	Allotment	4,40,000	10	56,500
27.06.2005	3,90,000	Allotment	39,00,000	10	4,46,500
23.06.2006	6,50,000	Allotment	65,00,000	10	10,96,500
26.07.2006	1,43,500	Purchase	14,35,000	50	12,40,000
29.07.2006	(3,00,000)	Sale	30,00,000	50	9,40,000
01.08.2006	(71,000)	Sale	7,10,000	50	8,69,000
01.08.2006	(5,79,000)	Sale	57,90,000	10	2,90,000
04.08.2006	2,90,000	Bonus	29,00,000	NA	5,80,000
20.09.2006	5,80,000	Rights	58,00,000	10	11,60,000
20.09.2006	1,70,400	Acquisition of Agritek	17,04,000	NA	13,30,400
20.09.2006	(82,400)	Gift to C.Vamsheedhar and C.Mithunchand	8,24,000	NA	12,48,000
12.08.2009	45,852	Market Purchase	4,58,520	229.17	12,93,852
22.08.2009	43,401	Market Purchase	4,34,010	214.89	13,37,253
09.09.2009	21,145	Market Purchase	2,11,450	220.8	13,58,398
22.09.2009	48,000	Market Purchase	4,80,000	222.62	14,06,398
26.03.2011	(50,000)	Gift	5,00,000	NA	13,56,398
26.03.2011	(50,000)	Gift	5,00,000	NA	13,06,398
13.07.2012	(50,000)	Gift	5,00,000	NA	12,56,398
13.07.2012	(50,000)	Gift	5,00,000	NA	12,06,398
<b>Split of Each equity share of ₹10 each into Five equity shares of ₹2 Each</b>					60,31,990

<b>Venkata Bhaskar Rao Gundavaram (HUF)</b>					
<b>Date</b>	<b>No. of Shares</b>	<b>Nature of Transaction</b>	<b>Nominal Value (In ₹)</b>	<b>Issue Price / Transfer Price (In ₹)</b>	<b>Cumulative No. Shares</b>
26.07.2006	5,79,000	Purchase	57,90,000	10	5,79,000
04.08.2006	5,79,000	Bonus Issue	57,90,000	NA	11,58,000
20.09.2006	11,58,000	Rights Issue	1,15,80,000	10	23,16,000
28.01.2013	(67,871)	Market sale	6,78,710	1,402	22,48,129
<b>Split of Each equity share of ₹10 each into Five equity shares of ₹2 Each</b>					1,12,40,645

6.8 For details with respect to aggregate shareholding of Promoters / Promoter Group and Persons in Control Post-Buyback please refer clause 13 of this Letter of Offer.

6.9 After the completion of the Buyback, the shareholding of the Equity Shareholders other than the Promoters / Promoter Group and Persons in Control shall not fall below the minimum level required as per Regulation 38 of the SEBI Listing Regulations.

## **7. AUTHORITY FOR THE BUYBACK**

Pursuant to the provisions of, Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 and in accordance with Article 75 of the Articles of Association of the Company and subject to the provisions of the Buyback Regulations, the SEBI Listing Regulations and such other approvals, permissions and exemptions as may be required from time to time from Stock Exchanges, where the Equity Shares of the Company are listed, and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board, the Buyback through a tender offer has been duly authorised by a resolution passed by the Board of Directors at its meeting held on March 27, 2017 and by the shareholders of the Company through postal ballot(including E-Voting), the results of which were announced on June 02, 2017 (which is deemed to be the date of passing the special resolution by the shareholders).

## **8. NECESSITY OF THE BUYBACK**

Buyback will be beneficial to the Company and its Equity Shareholders, inter-alia, for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members , holding equity shares and tendering under the Buyback, broadly in proportion to their shareholding, thereby, enhancing the overall return to the members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;
- iii. The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of equity shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback, without additional investment.
- v. Optimizes the capital structure.
- vi. After considering the above mentioned factors and benefits to the Equity Shareholders, the Board of Directors decided to recommend Buyback of up to 29,62,963 (Twenty Nine Lakhs Sixty Two Thousand Nine Hundred Sixty Three Only) Equity Shares of ₹2 each (representing 4.29% of the total number of the equity share capital of the Company as at March 31, 2016) at the Offer Price of ₹675(Rupees Six hundred and Seventy Five Only) per Equity Share not exceeding ₹200 Crores (Rupees Two Hundred Crores Only).

## **9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY**

- 9.1 The Company believes the Buyback is not likely to cause any material impact on the profitability or earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income Assuming there is full response to the Buyback, the funds deployed by the Company towards the Buyback would be ₹200 Crores (Rupees Two Hundred Crores Only), excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc. This shall impact the investment income earned by the company on account of reduced funds available.
- 9.2 We believe the Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.3 The Buyback is expected to contribute to the overall enhancement of shareholder value, and result in an increase in the return on equity of the Company.
- 9.4 The Promoters and Promoter Group (the “**Promoter Group**”) have expressed their intention to participate in the Buyback and offer up to an aggregate maximum of 15,00,000 Equity Shares or such lower number of shares as required in compliance with the Buyback Regulations. For details in regard to the intention of the Promoter Group to participate in the Buyback and the maximum number of Equity Shares to be tendered, kindly refer to clause 6.6 of this Letter of Offer.
- 9.5 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoters and Promoter Group post the Buyback will increase from 54.43%, which is the Promoter and Promoter Group holding as at date to 54.60% of the post Buyback Equity Share capital of the Company.

- 9.6 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the aggregate shareholding of the public shall decrease from 45.57%, which is the public holding as at date, to 45.40% of the post Buyback Equity Share capital of the Company.
- 9.7 The Buyback of Equity Shares shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.8 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of each such person may undergo a change.
- 9.9 The debt-equity ratio after the completion of the Buyback will be within the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.10 The Promoters and Promoter Group of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of *inter-se* transfer(s) of Equity Shares among the Promoters and Promoter Group during the period from the date of Shareholders resolution approving the Buyback till the closing of the Offer.
- 9.11 The Company shall not raise further capital for a period of one year from the closure of the Buyback except in discharge of its subsisting obligations.
- 9.12 The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.13 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2017 are as under:

Parameter	Standalone		Consolidated	
	Pre-Buyback*	Post Buyback*	Pre-Buyback*	Post Buyback*
Networth (₹ in Lakhs)	1,02,401.40	82,401.40	1,01,433.63	81,433.63
Return on Networth (%)	7.66	9.52	7.67	9.56
Basic Earnings per Share (₹)	11.36	11.87	11.27	11.78
Book Value per Share (₹)	148.29	124.68	146.89	123.21
P/E as per the latest audited financial results <sup>§</sup>	56.99	54.537	57.44	54.95
Total Debt/Equity Ratio (Total Debt/Net worth) <sup>#</sup>	0.007	0.009	0.013	0.016

\* Pre and Post Buyback Calculations are based on financial numbers as on March 31, 2017. The post Buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance) without factoring in any impact on the profit & loss account.

1) Return on Net Worth = Profit After Tax (PAT) / Average Net Worth

2) Total Debt = Long Term Borrowings + Other Long Term Liabilities

3) Basic EPS = PAT / Weighted Average Number of equity shares outstanding

4) Book Value per Share = (Equity Share Capital + Reserves & Surplus) / Total Outstanding Shares

5) Debt Equity Ratio = Total Debt as defined above / Total Net Worth

<sup>§</sup> P/E Ratio based on the closing market price as on June 06, 2017, the date of publication of the Public Announcement ₹647.35 on NSE.

## 10. BASIS OF CALCULATING THE BUYBACK PRICE

- 10.1 The Buyback Price per Equity Share has been arrived at after considering various factors such as the accumulated free reserves (including Securities Premium Account) as well as the cash liquidity reflected in the audited accounts of the Company for the financial year ended March 31, 2016, the prevailing market price of the equity shares of the Company before the announcement of Board Meeting for consideration of Buyback, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The closing market price of the Equity Shares as on the date of intimation of the date of the Board meeting for considering the Buyback, being March 20, 2017 was ₹549.80 and ₹551.15 on BSE and NSE respectively, and the Buyback Offer Price of ₹675/- (Rupees Six Hundred and Seventy Five Only) per equity share represents a premium of 22.77% and 22.47% over the closing price of the Equity Shares on BSE and NSE, respectively.

- 10.3 The Offer Price per Equity Share represents a premium of 56.61% and 56.53% over the average closing prices of the Company's Equity Shares on BSE and NSE respectively for 6 months preceding the date of intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback, being March 20, 2016 and 30.67% and 30.64% over the average closing prices of the Company's equity shares on BSE and NSE respectively for 2 weeks preceding the date of intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback.
- 10.4 The basic earnings per Equity Share of the Company pre Buyback as on March 31, 2016, considering the number of shares outstanding as on March 31, 2016 is ₹25.65 and ₹25.01 on a standalone and consolidated basis respectively, which will increase to ₹26.80 and ₹26.13 on a standalone and consolidated basis respectively, post Buyback assuming full acceptance of the Buyback.
- 10.5 The return on net worth of the Company pre Buyback as on March 31, 2016 is 19.34% and 19.05% on a standalone and consolidated basis respectively, which will increase to 24.75% and 24.44% on a standalone and consolidated basis respectively, post Buyback assuming full acceptance of the Buyback.

## 11. SOURCES OF FUNDS FOR THE BUYBACK

Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be ₹200 Crores/- (Rupees Two Hundred Crores Only).

The funds for the Buyback will be sourced from current balances of cash and cash equivalents and/or internal accruals of the Company and/or liquidation of financial instruments held by the Company. The Company shall transfer from its free reserve / securities premium account a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, funds from banks and financial institutions will not be used for the Buyback.

## 12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the Buyback Regulations, the Company has appointed Kotak Mahindra Bank Limited, having its registered office at 2<sup>nd</sup> Floor, 27BKC, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, as the Escrow Agent for Buyback, and an Escrow Agreement has been entered into amongst the Company, Karvy Investor Services Limited and Escrow Agent namely Kotak Mahindra Bank Limited on 21<sup>st</sup> June, 2017.
- 12.2 In accordance with the Buyback Regulations, the Company proposed to open an Escrow Account in the name and style of "KSCL - Buyback Offer - Bank Escrow Account" bearing account number 2212591147 with the Escrow Agent. In accordance with Regulation 10(2) of the Buyback Regulations, the Company has deposited cash of ₹35.00 crores (Rupees Thirty Five Crores only) being equivalent to 25% upto the first ₹100 crores and 10% thereafter for the rest of the total consideration payable by the Company under the Buyback Offer assuming full acceptance. The Manager to the Buyback will be empowered to operate the Escrow Account in accordance with Buyback Regulations.
- 12.3 The Company has adequate and firm financial resources to fulfill the obligations under the Buyback and the same has been certified by the statutory auditors to the Company, M/s. P.R.Reddy & Co., Chartered Accountants, Firm Registration No. 003268S, Partner P Raghunatha Reddy, Membership No. 023758, located at No 7-70/41, Street No 8, Maheshwari Nagar, Hubsiguda, Hyderabad 500007, vide their certificate dated June 2, 2017.
- 12.4 Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

## 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure of the Company is as follows:

Parameters	(₹ in Lakhs) Pre-Buyback
<b>Authorized Share Capital</b>	
10,00,00,000 Equity Shares of ₹2/- each	2,000.00
<b>Issued, Subscribed and Paid-up Share Capital</b>	
6,90,55,095 Equity Shares of ₹2/- each	1,381.10



Assuming full acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows:

(₹ in Lakhs)

Parameters	Post-Buyback
<b>Authorized Share Capital</b>	
10,00,00,000 Equity Shares of ₹2/- each	2,000.00
<b>Issued, Subscribed and Paid-up Share Capital</b>	
6,60,92,132 Equity Shares of ₹2/- each	1,321.84

- 13.2 The Company has not undertaken any Buy Back of its Equity Shares in the last three years.
- 13.3 There are no partly paid up Equity Shares or calls in arrears or convertible instruments or preference shares as on the date of this Letter of Offer.
- 13.4 The shareholding pattern of the Company pre-Buyback as on June 16, 2017 (the Record Date) as well as the post Buyback shareholding is as follows:

Category of Shareholder	Pre Buyback		Post Buyback#	
	No. of Shares	% to the existing Equity Share capital	No. of Shares	% to the existing Equity Share Capital
Promoters and persons acting in Concert (Collectively “the Promoters”)	37,584,900	54.43%	36,084,900	54.60%
Foreign Investors (Including Non-Resident Indians, FIIs and Foreign Mutual Funds)	15,053,151	21.80%	30,007,232	45.40%
Financial Institutions/Banks & Mutual Funds promoted by Banks/Institutions	4,772,901	6.91%		
Others (Public, Public Bodies Corporate etc.)	11,644,143	16.86%		
<b>Total</b>	<b>69,055,095</b>	<b>100.00%</b>	<b>66,092,132</b>	<b>100.00%</b>

# Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders of the Equity Shares upto their Buyback Entitlement.

- 13.5 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.

#### 14. BRIEF INFORMATION OF THE COMPANY

##### 14.1 HISTORY OF THE COMPANY

The Company was incorporated on August 27, 1986 as “Kaveri Seed Company Private Limited” under the Companies Act, 1956 with the Registration No. 6728 of 1986-87 having its registered office at 513B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad – 500 003, Andhra Pradesh, India; and is promoted by Mr. Gundavaram Venkata Bhaskar Rao and Mrs. Gundavaram Vanaja Devi .

In 1997, the Company set up a Seed Processing Plant at Biramulguda near Hyderabad. In the same year the Company introduced sunflower hybrid seeds.. In the year 2002, the Promoters entered into a complementary business of Bio-Products and Micro-Nutrients for which they set up a partnership firm under the name and style of M/s. Kaveri Agritek for manufacturing and marketing bio-products and micro-nutrients under the brand ‘Microteck’.

On November 7, 2006, the Company was converted into a public limited company and a fresh certificate of incorporation was issued by the RoC in the name of “Kaveri Seed Company Limited”.

The Company is mainly into the business of production, processing and marketing of high quality hybrid seeds for different crops like corn, sunflower, cotton, paddy, grain sorghum, etc. and have recently forayed into micronutrients and bioproducts. The company produces non-hybrid seeds, primarily for paddy.

The Company is a leading provider of crop solutions to the farmer by supplying high yielding hybrid seeds and crop management namely micronutrients, bioproducts etc. The Company is engaged in research and development in the areas of superior breeding programmes and biotechnology tools that will enable them to develop highly effective and differentiated hybrid seeds, micronutrients and bioproducts.

As per the audited consolidated financial statements, the Company's Total Revenue has grown from ₹37,500.39 Lakhs in Fiscal 2012 to ₹86,491.16 Lakhs in Fiscal 2016, at a compounded annual growth rate ("CAGR") of 18.19% and the Company's profit after tax has increased from ₹5,810.36 Lakhs in fiscal 2012 to ₹17,712.19 Lakhs in fiscal 2016, at a CAGR of 24.97%.

The Company has achieved a consolidated revenue of ₹ 70,635.76 lakhs for the FY ended 2017 as per the financial statements prepared in accordance with Indian Accounting Standards. The Equity Shares of the Company are listed on the NSE (Code: KSCL) and on the BSE (Code: 532899) since the year 2007.

14.2 Details of changes in share capital of the Company since incorporation is as follows:

Date of Issue/ Allotment / Reduction	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Particulars of Issue/Allotment	Consideration	Cumulative Equity Share Capital (₹)	
27.08.1986	200	10	10	Subscription to the Memorandum	Cash	2,000	
26.02.1991	33,300	10	10	Preferential Allotment	Cash	3,35,000	
28.03.1996	1,16,500	10	10	Preferential Allotment	Cash	15,00,000	
27.06.2005	14,50,000	10	10	Preferential Allotment	Cash	1,60,00,000	
23.06.2006	6,50,000	10	10	Preferential Allotment	Cash	2,25,00,000	
04.08.2006	22,50,000	10	-	Bonus(1:2)	Other than Cash	4,50,00,000	
20.09.2006	45,00,000	10	10	Rights(1:2)	Cash	9,00,00,000	
20.09.2006	5,00,000	10	-	Acquisition of M/s. Kaveri Agritek (India) Private Limited	Other than Cash	9,50,00,000	
15.02.2007	2,00,000	10	10	Private Placement	Cash	9,70,00,000	
04.10.2007	4,002,184	10	170	IPO	Cash	1,37,021,840	
02.04.2013	46,257	10	170	ESOP	Cash	13,74,84,410	
28.01.2014	68,742,205	<b>Split of Equity shares of ₹10 each into ₹2 each</b>					1,37,484,410
09.04.2014	1,53,990	2	34	ESOP	Cash	1,37,792,390	
13.04.2015	1,58,900	2	34	ESOP	Cash	1,38,110,190	

14.3 The details of the Board of Directors of the Company are as follows:

Name, Age and DIN	Designation	Educational Qualification and Occupation	Director on the Board since	Other Directorships
Mr. Gundavaram Venkata Bhaskar Rao Age:67 Years DIN: 00892232	Chairman and Managing Director	Qualification: B.Sc (Agricultural Sciences)  Occupation: Business	27-08-1986	1.G V B Constructions Pvt Limited 2.Swadeshi Bio-Technics Limited 3.Swarnabharat Bio-Technics Pvt Limited 4.Ganga Kaveri Health Care Pvt Limited 5.Kexveg India Pvt Limited 6.Kaveri Microteck Pvt Limited 7.Genome Agritech Pvt Limited 8.Aditya Agri Tech Pvt Limited
Mrs. Gundavaram Vanaja Devi Age:65 Years DIN:00328947	Whole Time Director	Qualification: B.A(Arts)  Occupation :Business	27-08-1986	1.Kexveg India Pvt Limited 2.Kaveri Microteck Pvt Limited 3.GVB Constructions Pvt Limited
Mr. Gundavaram Pawan Age:37 Years DIN:00768751	Director	Qualification: M.B.B.S  Occupation: Business	18-09-2006	1.Ganga Kaveri Healthcare Pvt. Ltd
Mr. Chennamaneni Vamsheedhar Age: 46 Years DIN: 01458939	Whole Time Director	Qualification: B.A(Arts)  Occupation: Business	18-09-2006	1.Aditya Agri Tech Pvt Limited 2.Genome Agritech Pvt Limited
Mr. Chennamaneni Mithun Chand Age: 40 Years DIN: 00764906	Whole Time Director	Qualification: MBA  Occupation: Business	27-09-2011	1.Kaveri Microteck Pvt Limited
Mr. S.Raghuvardhan Reddy Age: 70 Years DIN: 01992206	Independent Director	Qualification: PhD in Agricultural Sciences  Occupation: Business	21-10-2010	1.Prathista Industries Limited
Mr. Yeshwant Laxman Nene Age: 80 Years DIN: 01372263	Independent Director	Qualification: B.Sc(Agricultural Sciences) Occupation: Business	18-01-2007	Nil
Mr. M. Srikanth Reddy Age: 66 Years DIN: 00026249	Independent Director	Qualification: B.Sc(Agricultural Sciences)  Occupation: Business	14-09-2007	1.Ganga Kaveri Seeds Pvt Ltd 2.Ganga Kaveri Industries Pvt Ltd 3.Ganga Kaveri Health Care Pvt Ltd 4.Ganga Kaveri Infrastructure India Pvt Ltd 5.Shravani Agri Farms Pvt Ltd 6.Akshara Agri Farms Pvt Ltd 7.Omni Centre Sea Foods Pvt Ltd 8.Vijay Textiles Ltd 9.Crown Beers International Pvt Ltd

Mr. K. Purushotham Age:70 Years DIN:01540645	Independent Director	Qualification: B.Sc(Agricultural Sciences)  Occupation: Business	14-02-2013	1.Rithwik Projects Pvt Limited 2.GAR Corporation Pvt Limited
Mr. Puskar Vara Prasada Rao Age:68 DIN:01971782	Independent Director	Qualification: B.Sc(Agricultural Sciences)  Occupation: Business	31-01-2008	1.Green Bricks India Pvt Limited 2.VSP Security Packaging Systems Pvt Limited
Mr. S.M.Ilyas Age: 69 Years DIN: 03542011	Independent Director	Qualification: Agricultural Engineer  Occupation: Business	16-05-2011	Nil

14.4 The details of changes in the Board of Directors during the last 3 years are as under:

Director Name and DIN	Designation	Appointment/ Cessation/ Re-appointment/ Change in designation	Effective date	Reason
Mr. R.Venumanohar Rao DIN:00637125	Whole Time Director	Cessation	01-04-2016	Personal Reasons

14.5 The Buyback will not result in any benefit to any Directors of the Company/Promoters and Promoter Group/person in control of the company/group companies except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback Offer.

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company on a standalone basis as extracted from the audited results are given below: (₹ in Lakhs)

Particulars	For the year ended	For the year ended	For the year ended
	31-Mar-17	31-Mar-16	31-Mar-15
	(Audited)#	(Audited)@	(Audited)@
Revenue from Operations (net)	66,989.10	84,895.51	1,11,555.52
Other Income	3,434.90	1,595.66	1,562.22
<b>Total Income</b>	<b>70,424.00</b>	<b>86,491.17</b>	<b>1,13,117.74</b>
Total Expense (Excluding Interest & Depreciation)	53,201.43	65,698.79	80,897.18
Interest	12.27	16.89	15.42
Depreciation	2,849.21	2,493.03	1,227.89
Exceptional Items – Expense / (Income)	5,923.80	-	33.25
<b>Profit Before Tax</b>	<b>8,437.29</b>	<b>18,282.46</b>	<b>30,944.00</b>
Provision for Tax (including Deferred Tax)	590.17	570.27	759.69
<b>Profit After Tax</b>	<b>7,847.12</b>	<b>17,712.19</b>	<b>30,184.31</b>
Paid-up Equity Share capital	1,381.10	1,381.10	1,377.92
Reserve and Surplus	1,01,020.30	90,181.49	74,496.27
<b>Net Worth</b>	<b>10,24,01.40</b>	<b>91,562.59</b>	<b>75,874.19</b>
Total Debt	674.54	633.49	599.88

@ Based on Indian GAAP

# Based on IND AS

Financial Ratios on standalone basis are as under:

Particulars	For the year ended March 31, 2017 (Audited)	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)
Basic Earnings Per Share (EPS)	11.36	25.65	43.81
Diluted Earnings Per Share (EPS)	11.36	25.65	43.71
Debt Equity Ratio	0.006	0.007	0.008
Book Value (₹ per share)	148.29	132.59	110.13
Return on Net worth (In %)	7.66	19.34	39.78

**Note:**

- 1) Basic EPS = PAT / Weighted Average Number of equity shares outstanding
- 2) Total Debt = Long Term Borrowings + Other Long Term Liabilities
- 3) Diluted EPS = PAT/ Weighted Average Number of equity shares outstanding including Stock Options outstanding
- 4) Debt Equity Ratio = Total Debt as defined above / Total Net Worth
- 5) Book Value per Share = (Equity Share Capital + Reserves & Surplus)/ Total Outstanding Shares
- 6) Return on Net Worth = Profit After Tax (PAT) / Average Net Worth

15.2 The salient financial information of the Company on a consolidated basis as extracted from the audited results are given below:

Particulars	(₹ in Lakhs)		
	For the year ended 31-Mar-17	For the year ended 31-Mar-16	For the year ended 31-Mar-15
	(Audited)#	(Audited)@	(Audited)@
Revenue from Operations (net)	70,635.76	89,277.90	1,16,094.47
Other Income	3,442.23	1,738.81	1,571.61
<b>Total Income</b>	<b>74,077.99</b>	<b>91,016.71</b>	<b>1,17,666.08</b>
Total Expense (Excluding Interest & Depreciation)	56,681.09	70,416.39	85,124.99
Interest	24.14	23.89	17.06
Depreciation	3,023.67	2,739.12	1,490.69
Exceptional Items – Expense / (Income)	5,923.80	-	33.25
<b>Profit Before Tax</b>	<b>8,425.29</b>	<b>17,837.31</b>	<b>31,000.09</b>
Provision for Tax (including Deferred Tax)	696.34	609.28	922.04
<b>Profit After Tax</b>	<b>7,728.95</b>	<b>17,228.03</b>	<b>30,078.05</b>
Paid-up Equity Share capital	1,381.10	1,381.10	1,377.92
Reserve and Surplus	100,052.53	89,286.64	74,045.15
<b>Net Worth</b>	<b>101,433.63</b>	<b>90,667.74</b>	<b>75,423.07</b>
Total Debt	1,286.74	868.66	779.71

@ Based on Indian GAAP

# Based on IND AS

Financial Ratios on consolidated basis are as under:

Particulars	For the year ended March 31, 2017 (Audited)	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)
Basic Earnings Per Share (EPS)	11.27	25.01	43.68
Diluted Earnings Per Share (EPS)	11.27	25.01	43.68
Debt Equity Ratio	0.013	0.009	0.010
Book Value (₹ per share)	146.89	131.30	109.47
Return on Net worth (In %)	7.67	19.05	39.87

**Note:**

- 1) *Basic EPS = Profit attributable to Owners of the Company/ Weighted Average Number of equity shares outstanding*
- 2) *Diluted EPS = Profit attributable to Owners of the Company/ Weighted Average Number of equity shares outstanding including Stock Options outstanding*
- 3) *Debt Equity Ratio = Long Term Borrowings / Equity Share Capital + Reserves & Surplus*
- 4) *Book Value per Share = (Equity Share Capital + Reserves & Surplus)/ Total Outstanding Shares*
- 5) *Return on Net Worth = Profit for the year / Average Net Worth*

15.3 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Section 68, 69 and 70 of the Act and the Share Capital Rules, as may be applicable to the Buyback.

**16. STOCK MARKET DATA**

16.1 The Equity Shares of the Company are listed and traded on BSE and NSE.

16.2 Based on the trading volumes, the equity shares of the Company, the equity shares are more frequently traded on NSE.

16.3 The high, low and average market prices in preceding three financial years and the monthly high, low and average market prices for the six months preceding the date of Public Announcement i.e., June 05<sup>th</sup>, 2017 and the corresponding volumes on BSE and NSE are as follows:

**BSE**

Period	High Price (₹)	Date of High Price	No. of shares traded on date of High Price	Low Price (₹)	Date of Low Price	No. of shares traded on date of Low Price	Average Price (₹)	Total Volume Traded in the period (No. of shares)
<b>PRECEDING 3 YEARS</b>								
April 1, 2016- March 31, 2017	568.00	24-03-2017	5,08,080	325.25	02-09-2016	2,08,263	433.42	1,98,59,154
April 1, 2015- March 31, 2016	1060.00	13-04-2015	17,119	300.00	18-01-2016	1,78,685	431.83	2,66,32,195
April 1, 2014- March 31, 2015	1077.00	20-03-2015	40,134	508.45	16-05-2014	26,799	810.53	82,13,309
<b>PRECEDING 6 MONTHS</b>								
May 1, 2017 – May 31, 2017	599.65	31-05-2017	62,652	472.85	24-05-2017	2,07,815	542.45	12,94,770
April 1, 2017 – April 30, 2017	589.90	25-04-2017	80,263	540.05	17-04-2017	21,758	564.76	11,81,379
March 1, 2017 – March 31, 2017	568.00	24-03-2017	5,08,080	482.50	02-03-2017	77,922	531.72	25,12,992
February 1, 2017 February 28, 2017	498.65	28-02-2017	2,16,645	449.10	01-02-2017	54,568	474.41	28,78,981
January 1, 2017 – January 31, 2017	499.00	27-01-2017	1,39,444	401.00	10-01-2017	51,940	463.10	16,09,169
December 1, 2016 – December 31, 2016	446.00	14-12-2016	4,80,001	381.00	27-12-2016	39,496	406.01	12,03,535

(Source: [www.bseindia.com](http://www.bseindia.com))

NSE

Period	High Price (₹)	Date of High Price	No. of shares traded on date of High Price	Low Price (₹)	Date of Low Price	No. of shares traded on date of Low Price	Average Price (₹)	Total Volume Traded in the period (No. of shares)
<b>PRECEDING 3 YEARS</b>								
April 1, 2016- March 31, 2017	572.00	31-03-2017	10,92,733	324.50	02-09-2016	16,19,230	432.02	16,88,32,790
April 1, 2015- March 31, 2016	1060.00	13-04-2015	1,23,359	300.00	18-01-2016	7,33,302	437.94	16,96,95,445
April 1, 2014- March 31, 2015	1075.50	20-03-2015	3,35,406	506.60	16-05-2014	3,96,529	803.90	4,51,17,245
<b>PRECEDING 6 MONTHS</b>								
May 1, 2017 – May 31, 2017	599.00	31-05-2017	10,05,059	472.55	24-05-2017	29,34,717	540.96	1,68,58,622
April 1, 2017 – April 30, 2017	589.60	25-04-2017	8,35,775	539.50	17-04-2017	4,27,318	562.16	91,80,535
March 1, 2017 – March 31, 2017	572.00	31-03-2017	10,92,733	481.80	02-03-2017	14,22,676	530.44	2,45,47,889
February 1, 2017 February 28, 2017	499.15	28-02-2017	21,14,969	448.40	15-02-2017	4,93,537	470.61	1,24,55,133
January 1, 2017 – January 31, 2017	499.55	27-01-2017	8,50,756	400.30	10-01-2017	6,70,899	463.54	1,73,50,449
December 1, 2016 – December 31, 2016	444.80	14-12-2016	29,27,110	380.15	27-12-2016	4,74,004	404.65	1,14,49,045

(Source: [www.nseindia.com](http://www.nseindia.com))

*Note: High and Low price for the period are based on intraday prices and Average Price is the volume weighted average.*

- 16.4 The closing market price of the Equity Shares on BSE and NSE as on March 24, 2017, being the working days prior to the day the Board of Directors of the Company was ₹559.85 and ₹560.25, respectively.

Also, the closing market price of the Equity Shares on BSE and NSE as on June 01, 2017, being the working days prior to the date of approval of Buyback by the shareholders was ₹622.90 and ₹622.45 respectively.

## 17. DETAILS OF THE STATUTORY APPROVALS

- 17.1 The Buyback has been approved by the Board of Directors in its meeting held on March 27, 2017 and by the shareholders by a special resolution through Postal Ballot, the results of which were declared on June 02, 2017.
- 17.2 Buyback from Non-Resident Shareholders may be subject to approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under. It is the obligation of such Non-Resident Shareholders to obtain such approvals and ensure necessary compliance with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, so as to enable them to tender Equity Shares in the Buyback and for the Company to purchase such Equity Shares, tendered.
- 17.3 As of date, there is no other statutory or regulatory approval pending to implement the Buyback. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of the statutory / regulatory approvals are delayed, changes to the proposed timetable, if any, shall be intimated to the Stock Exchanges, and hence made available for the benefit of Equity Shareholders.

## **18. DETAILS OF THE REGISTRAR TO THE BUYBACK**

Eligible Sellers who wish to tender their Equity Shares in the Buyback can send by registered post / speed post or hand deliver the Tender Form, TRS generated by the exchange bidding system along with all relevant documents by superscribing the envelope as “**KSCL Buyback Offer 2017**”, to the Registrar to the Buyback at its office set out below, so that the same are received not later than 2 (two) days from the Buyback Closing Date i.e. July 25, 2017 (by 5 P.M.):

### **BIGSHARE SERVICES PRIVATE LIMITED**

E/2, Ansa Industrial Estate, Sakivihar Road,

Sakinaka, Andheri (E), Mumbai - 400 072

**Tel:** +91-22-62638200

**Fax:** +91-22- 62638299

**E-Mail:** buyback@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Mr. Jibu John

**SEBI Reg. No.:** INR000001385

**THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK OFFER.**

## **19. PROCESS AND METHODOLOGY FOR THE BUYBACK**

- 19.1** The Company proposes to Buy Back not exceeding 29,62,963 Equity Shares from the Equity Shareholders as on the Record Date, on a proportionate basis, through the Tender Offer route at a price of ₹675/- (Rupees Six Hundred and Seventy Five Only) per Equity Share, payable in cash for an aggregate amount of ₹200 Crores (Rupees Two Hundred Crores Only). The maximum number of Equity Shares proposed to be bought back represents 4.29% of the total paid-up Equity Share capital of the Company. The shareholders approved the Buyback, by way of a special resolution, through Postal Ballot, the results of which were declared on June 02, 2017 (which is deemed to be the date of passing the special resolution by the shareholders). The Buyback is in accordance with Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act and in accordance with Article 75 of the Articles of Association of the Company, and subject to Regulation 5A and other applicable provisions contained in the Buyback Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and/or regulatory authorities, including but not limited to SEBI, BSE and the RBI. The Buyback Size is 21.84% and 22.06% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2016 (the audited financial statements available as on the date of the Board Meeting approving the Buyback). Further, the Buyback size represents 19.96% and 20.15% of the aggregate of the fully paid-up equity share capital and free reserves as per the standalone and consolidated audited accounts of the Company respectively for the financial year ended March 31, 2017.
- 19.2** The aggregate shareholding of the Promoter and Promoter Group as at the date of the Public Announcement i.e., June 05, 2017 is 3,75,84,900 Equity Shares which represents 54.43% of the existing Equity Share Capital of the Company. In terms of the Buyback Regulations under the tender offer method, the Promoters and Promoter Group of a company have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group (“Promoter Group”) have expressed their intension to participate in the Buyback and offer up to an aggregate maximum of 15,00,000 Equity Shares or such lower number of shares as required in compliance with the Buyback Regulations vide their letters dated March 27, 2017, as described in details under clause 6.6.
- 19.3** Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders of the Equity Shares upto their entitlement, the aggregate shareholding of the Promoters and Promoter Group post Buyback may increase from 54.43% to 54.60% of the post Buyback Equity Share capital of the Company.



#### 19.4 Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:

- (a) The Company has announced June 16, 2017 as Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders, who are eligible to participate in the Buyback.
- (b) The Equity Shares to be bought back as a part of this Buyback is divided into two categories:
- (i) Reserved category for Small Shareholders (“**Reserved Category**”); and
- (ii) General Category for other Eligible Persons (“**General Category**”).
- (c) As defined in the Buyback Regulations, Small Shareholder includes a shareholder, who holds shares whose market value, on the basis of closing price on the NSE, registering the highest trading volume, as on Record Date, is not more than Rupees Two Lakhs. As on Record Date, the closing price on 16<sup>th</sup> June, 2017 was ₹656.70. Accordingly, all Equity Shareholders holding not more than 304 Equity Shares as on the Record Date are classified as “Small Shareholders” for the purpose of the Buyback.
- (d) Based on the above definition, there are 24,019 Small Shareholders in the Company with aggregate shareholding of 19,01,632 Equity Shares as on Record Date, which constitutes 2.75% of the outstanding number of Equity Shares of the Company and 64.18% of the Maximum Number of Equity Shares which the Company proposes to Buyback as a part of this Buyback.
- (e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- (1) Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 29,62,963 Equity Shares which works out to 4,44,445 Equity Shares; or
- (2) The number of Equity Shares entitled as per their shareholding as on the Record Date (i.e.  $(19,01,632 / 6,90,55,095) \times 29,62,963$ ) which is 81,594 Equity Shares.
- (i) All the outstanding Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter also intends to offer its Equity Shares in the Buyback.
- (ii) Based on the above analysis and in accordance with Regulation 6 of the Buyback Regulations, 4,44,445 Equity Shares have been reserved for the Small Shareholders (“Reserved Category”) and accordingly, the General Category for all other Eligible Shareholders shall consist of 25,18,518 Equity Shares (“General Category”)
- (f) In order to ensure that the same Eligible Seller with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Seller with a common Permanent Account Number (“PAN”) shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Sellers holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ subaccounts and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.
- (g) Based on the above Buyback Entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	7 Equity Shares out of every 30 fully paid-up Equity Shares held on the Record Date
General category for all other Equity Shareholders	3 Equity Shares out of every 80 fully paid-up Equity Shares held on the Record Date

### **19.5 Fractional Entitlements:**

If the Buyback Entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on the Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Sellers.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 4 or less Equity Shares as on the Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

### **19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- (a) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- (b) Post the acceptance as described in Clause 19.6 (a) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and one share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- (c) Post the acceptance as described in Clause 19.6 (a) and 19.6 (b), in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buyback Regulations, i.e. valid Acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom one Equity Share has been Accepted in accordance with Clause 19.6 (b) above, shall be reduced by one.
- (d) Adjustment for fractional results in case of proportionate Acceptance, as described in Clause 19.6 (c) above:
  - (i) For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - (ii) For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

### **19.7 Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback by all other Eligible Persons in the General Category in the following order of priority:

- (a) Acceptance of 100% Equity Shares from other Eligible Sellers in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (b) Post the Acceptance as described in Clause 19.7 (a) above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Sellers over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Sellers divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.

- (c) Adjustment for fractional results in case of proportionate acceptance as described in Clause 19.7 (b) above:
- (i) For any Eligible Seller, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- (ii) For any Eligible Seller if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

#### **19.8 Basis of Acceptance of Equity Shares between Categories**

- (a) In case there are any Equity Shares left to be bought back in one category (“**Partially Filled Category**”) after Acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be Accepted proportionately, i.e. valid Acceptances per Eligible Seller shall be equal to the additional outstanding Equity Shares validly tendered by a Eligible Seller in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the partially filled category.
- (b) If the Partially Filled Category is the General Category, and the second category is the reserved category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Equity Share has been Accepted in accordance with Clause 19 (6)(b) shall be reduced by one.
- (c) Adjustment for fraction results in case of proportionate Acceptance, as defined in Clause 19.7 (a) above:
- (i) For any shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- (ii) For any shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

#### **19.9 For avoidance of doubt, it is clarified that:**

- (a) the Equity Shares Accepted under the Buyback from each Eligible Seller, in accordance with clauses above, shall not exceed the number of Equity Shares tendered by the respective Eligible Seller;
- (b) the Equity Shares Accepted under the Buyback from each Eligible Seller, in accordance with clauses above, shall not exceed the number of Equity Shares held by respective Eligible Seller as on the Record Date; and
- (c) the Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the clauses above.

### **20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT**

#### **A. GENERAL**

20.1 The Buyback is open to all Eligible Persons.

20.2 The Company proposes to effect the Buyback through a tender offer method, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Sellers

**Eligible Sellers which have registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. If Eligible Sellers wish to obtain a physical copy of the Letter of Offer, they may send a request to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer.**

**Eligible persons which have not registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode.**

- 20.3 The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/sale of such shares.
- 20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- 20.5 Eligible Sellers will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Sellers are required to tender the applications separately from each demat account.
- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Sellers, on basis of their Buyback Entitlement as on the Record Date.
- 20.7 As elaborated under Clause 19.4, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Sellers, and the Buyback Entitlement of a Eligible Sellers in each category shall be calculated accordingly.
- 20.8 After Accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Sellers in that category, and thereafter, from Eligible Sellers who have tendered over and above their Buyback Entitlement, in other category.
- 20.9 The non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any eligible seller, shall not invalidate the Offer to any eligible seller. In case of non-receipt of the Letter of Offer, Eligible sellers holding shares as on Record Date may participate in the offer by providing their application in plain paper in writing signed by all equity shareholders, stating name, address, number of shares held, Client ID number, DP name, DO id number, number of shares tendered and other relevant documents such as physical share certificate and Form SH 4 in case of shares being held in physical form. Eligible Person(s) have to ensure that their bid is entered in the electronic platform to be made available by the Recognized Stock Exchange before the closure of the Offer.

## **B. PROCESS AND METHODOLOGY FOR THE BUYBACK**

### **20.10 Process**

- (i) The Buyback Offer is open to all Equity Shareholders holding Equity Shares as on Record Date i.e. June 16, 2017 in physical form (“**Physical Shares**”) and beneficial owners holding Equity Shares in dematerialised form (“**Demat Shares**”).
- (ii) The Buyback Offer will be implemented by the Company through the Stock Exchange mechanism, as provided under the Buyback Regulations and SEBI circular and in accordance with the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board (including the committee/persons authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- (iii) For the implementation of the Buyback Offer, the Company has appointed Karvy Stock Broking Limited as the registered broker (“**Company’s Broker**”) through whom the purchases and settlements on account of the Buyback Offer would be made by the Company. The contact details of the Company’s Broker are as follows:

**KARVY STOCK BROKING LIMITED**  
Karvy Millennium, Plot No.31,  
Financial District, Gachibowli,  
Hyderabad - 500 032  
**Tel:** +91 40 33216775  
**Fax:** +91 2331968  
**Email:** service@karvy.com  
**Contact Person:** Mr. G. Suresh Kumar  
**Website:** www.karvyonline.com

- (i) The Company shall request BSE to provide a separate acquisition window to facilitate placing of sell orders by eligible Equity Shareholders who wish to tender their Equity Shares in the Buyback. The details of the platform will be as specified by BSE from time to time. In case Equity Shareholders registered stock broker is not registered with BSE, Equity Shareholders may approach Company's Broker to place its bid.
- (ii) At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the tendering period, the order for selling the Equity shares will be placed by the Equity Shareholders through their respective stock brokers ("**Seller Member**") during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Equity Shareholders. The Equity Shareholder Broker can enter orders for demat as well as physical shares.
- (iii) Modification / cancellation of orders and multiple bids from a single Equity Shareholder will be allowed during the Tendering Period of the Offer. Multiple bids made by single Equity Shareholder for selling the Equity Shares shall be clubbed and considered as "one" bid for the purposes of Acceptance.
- (iv) The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.

#### **20.11 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**

- (i) Equity Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Buyback would have to do so through their respective Seller Member by giving the details of Equity Shares they intend to tender under the Buyback.
- (ii) The Seller Member would be required to place an order/bid on behalf of the Equity Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the BSE. Before placing the bid, the Shareholder would be required to transfer the tendered Equity Shares to the Indian Clearing Corporation Limited (the "**ICCL**"), by using the early pay in mechanism as prescribed by the BSE or the ICCL prior to placing the bid by the Seller Member.
- (iii) Upon placing the order, the Seller Member shall provide transaction registration slip ("**TRS**") generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- (iv) In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Eligible Seller shall be deemed to have been accepted.

#### **20.12 Procedure to be followed by Equity Shareholders holding Equity Shares in the Physical form:**

- (i) Equity Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including the
  - (a) original share certificate(s),
  - (b) valid Form SH 4 (transfer form) duly filled and signed by the Eligible Seller (in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company,
  - (c) self-attested copy of the Eligible Seller's PAN Card, and
  - (d) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Equity Shareholder has undergone a change from the address registered in the register of members of the Company, the Equity Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

- (ii) Based on these documents, the concerned Seller Member shall place a bid on behalf of the Equity Shareholder holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Seller. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- (iii) The Seller Member/Equity Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post or courier or hand delivery to the registrar to the Buyback i.e. Bigshare Services Private Limited (“**Registrar**”) (at the address mentioned at Clause 27 below within 2 (two) days of bidding by Seller Member. The envelope should be super scribed as “**KSCL - Buyback Offer 2017**”. One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/Equity Shareholder.
- (iv) Eligible Sellers holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as ‘unconfirmed physical bids’. Once the Registrar confirms the bids, it will be treated as ‘Confirmed Bids’.
- (v) In case any Eligible Seller has submitted Equity Shares in physical form for dematerialization, such Eligible Seller should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback offer before the Closing Date.

#### **METHOD OF SETTLEMENT**

##### **Upon finalization of the basis of acceptance as per Buyback Regulations:**

- (i) The Company will transfer the funds pertaining to the Buyback Offer to the ICCL’s bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, ICCL will make direct funds payout to respective Eligible Seller’s bank account as provided by the Depository System. . If Eligible Seller’s bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Seller Members settlement bank account for onward transfer to their respective Eligible Seller.
- (ii) In case of Eligible Sellers where there are specific RBI and other regulatory requirements pertaining to funds pay-out, which do not opt to settle through custodians, the funds pay-out would be given to their respective Seller Members settlement bank account for onward transfer to the Eligible Sellers. For this purpose, the client type details would be collected from the Registrar to the Buyback
- (iii) The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buyback (“**Special Demat Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Special Demat Account on receipt of the Equity Shares from the ICCL.
- (iv) Eligible Sellers tendering Equity Shares will have to ensure that they keep the depository participant (“**DP**”) account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of shares under the offer.
- (v) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity shareholders would be returned to them by ICCL.
- (vi) Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Sellers holding Equity Shares in the Physical form.

(vii) Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Eligible Sellers' bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Eligible Sellers will be transferred to the Seller Member for onward transfer to the Eligible Sellers.

(viii) Eligible Sellers who intend to participate in the Buyback should consult their respective Seller Member for any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Seller Member upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Seller, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.

(ix) The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

#### C. Rejection Criteria

The shares tendered by Eligible Person(s) would be liable to be rejected on the following grounds:

1. For Equity shareholders holding shares in the dematerialized form if
  - a. the Equity Shareholder is not a shareholder of the Company as on the Record date or
  - b. if there a name mismatch in the demat account of the Shareholder or
2. For Equity shareholders holding shares in the physical form if
  - a. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company ;
  - b. If the transmission of shares is not completed, and the shares are not in the name of the Eligible Person(s)
  - c. If the Eligible Seller(s) bid the shares but the Registrar does not receive the physical share certificate
  - d. In case the signature in the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
3. The documents mentioned in Instruction number 3 and 4 of the Tender Form for physical shareholders are not received by the Registrar before the close of business hours to the Registrar on or before July 25, 2017 by 5 PM.
4. Where there exists any restraint order of a Court/ any other competent authority for transfer/ disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

## 21. NOTE ON TAXATION

“Tax implications in the hands of the shareholders on the buy-back of shares:

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THESE PARAGRAPHS ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.**

**IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, ELIGIBLE SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

**THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

### **CLASSIFICATION OF SHARES AND SHAREHOLDERS**

#### **21.1 GENERAL.**

The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 (the “Income Tax Act”).

- a. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person’s India sourced income or income received by such person in India. Any gains arising to a non-resident on transfer of Equity Shares should be taxable in India under the Income Tax Act. Further, the non-resident can avail the beneficial provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- b. The Income Tax Act also provides for different tax regimes / rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary of tax implications on buyback of listed equity shares on the stock exchange is set out below. All references to equity shares in this note refer to listed equity shares unless stated otherwise.

#### **21.2 CLASSIFICATION OF SHAREHOLDERS**

Shareholders can be classified under the following categories:

**a) Resident Shareholders being:**

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

**b) Non Resident Shareholders being:**

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Others:
  - Company
  - Other than Company



### **21.3 CLASSIFICATION OF INCOME.**

Shares can be classified under the following 2 (two) categories:

- a) **Shares held as investment (income from transfer taxable under the head “Capital Gains”)**
- b) **Shares held as stock-in-trade (income from transfer taxable under the head “Profits and Gains from Business or Profession”)**

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). The issue of characterization of income arising from sale of shares has been a subject matter of litigation. The apex body of Income-tax has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months, if the taxpayer desires to treat the income arising from the transfer thereof as “capital gains”, the same shall not be put to dispute by the Tax Officer.

Further, investments by FII in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset under the provisions of the Income Tax Act.

### **21.4 SHARES HELD AS INVESTMENT.**

As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of Section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per provisions of Section 48 of the Income Tax Act. The provisions of Buyback tax under Section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

#### **21.4.1 Period of holding.**

Depending on the period for which the shares are held, the gains would be taxable as “short term capital gain” or “long term capital gain”:

- In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as “short term capital gains” (“STCG”).
- Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as “long-term capital gains” (“LTCG”).

#### **21.4.2 Buyback of shares through a recognized stock exchange.**

Where transaction for transfer of such equity shares (i.e. buyback) is transacted through a recognized stock exchange then the taxability will be as under (for all categories of shareholders)

- LTCG arising from such transaction would be exempt under Section 10(38) of the Income Tax Act; and
- STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the Income Tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under Section 111A of the Income Tax Act. In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (*Please refer to Note 21.7 for rate of surcharge and cess*).

Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

### **21.5 SHARES HELD AS STOCK-IN-TRADE.**

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains from Business or Profession. In such a case, the provisions of Section 46A of the Income Tax Act will not apply.

### **21.5.1 Resident Shareholders**

- a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- b) For persons other than stated in (i) above, profits would be taxable @ 30%. While for companies with a reported turnover of more than ₹ 50 crore during the previous year 2015- 16, profits would be taxable @ 30% and such companies with reported turnover of up to ₹ 50 crore, a tax rate of 25% would be applicable.

No benefit of indexation by virtue of period of holding would be available in any case.

### **21.5.2 Non Resident Shareholders**

a) Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

b) Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
- For foreign companies, profits would be taxed in India @ 40%
- For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable.

## **21.6 TAX DEDUCTION AT SOURCE.**

### **21.6.1 In case of Resident Shareholders**

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

### **21.6.2 In case of Non-resident Shareholders**

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians/ authorized dealers/ tax advisors appropriately.

## **21.7 RATE OF SURCHARGE AND CESS.**

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

### **21.7.1 Surcharge.**

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs.10 crores and @ 7% where the total income exceeds 1 crore but upto Rs.10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs.10 crores and @ 2% where the total income exceeds Rs.1 crore but upto Rs.10 crores.
- In case of Firms: Surcharge @12% is leviable where the total income exceeds Rs.1 crore.
- In case of other assessee (i.e. other than companies and Firms): Surcharge @10% is leviable where the total income exceeds Rs. 50 Lakhs but not more than Rs.1 crore and Surcharge @15% is leviable where the total income exceeds Rs.1 Crore.

### **21.7.2 Cess.**

Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases

**The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.**

## 22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required by Clause (ix) and Clause (x) of Part A of Schedule II under Regulation 5 (1) of the Buyback Regulations

- 22.1 The Board confirms that there are no defaults subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company.
- 22.2 The Board of Directors has confirmed that it has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company and has formed an opinion:
- a. that immediately following the date of the Board Meeting held on March 27, 2017, and the date on which the results of postal ballot is declared (i.e. June 2, 2017), there will be no grounds on which the Company could be found unable to pay its debts;
  - b. that as regards the Company's prospects for the year immediately following the date of the Board Meeting, approving the Buyback and the date on which the results of postal ballot were declared (i.e. June 2, 2017), having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback and also from the date of passing of special resolution passed by the way of postal ballot(including E-Voting).
  - c. in forming its opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act.

This declaration is made and issued pursuant to the resolution passed at the meeting of the Board of Directors held on March 27, 2017.

For and on behalf of the  
**Board of Directors of Kaveri Seed Company Limited**

Sd/-  
G.V. Bhaskar Rao  
Managing Director  
DIN: 00892232

Sd/-  
C.Mithun Chand  
Whole Time Director  
DIN: 00764906

## 23. AUDITOR'S CERTIFICATE

The text of the report dated March 27, 2017 received from the Statutory Auditors of the Company viz. P R Reddy & Co., Chartered Accountants, addressed to the Board of Directors of the Company is reproduced below:

“To

The Board of Directors,  
**Kaveri Seed Company Limited**  
513-B, 5<sup>th</sup> Floor  
Minerva Complex,  
SD Road,  
Secunderabad - 500003

Dear Sirs,

**Subject: Report in terms of Clause (xi) of Part A of Schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended)**

1. In connection with the proposal of Kaveri Seed Company Limited (the ‘Company’), and as approved by its Board of Directors at its meeting held on 27<sup>th</sup> March, 2017, to buy back its shares and in pursuance to the provisions of Section 68, Section 69 and Section 70 of the Companies Act, 2013 (the ‘Act’) and The Companies (Share Capital and Debentures) Rules, 2014 and subsequent amendments thereof, and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the ‘Regulations’), we have examined the Company’s Audited Accounts for the year ended March 31, 2016 on standalone basis and according to the information and explanations given to us and on the basis of verification of relevant records as we consider appropriate, we report that
  - i) We have inquired into the Company's State of Affairs in relation to its audited financial statements as at March 31, 2016;
  - ii) The amount of permissible payments for the Buy Back of equity shares, as computed in the table below, has been properly determined in our view in accordance with Section 68(2) of the Act and Regulation 4(1) of the Buy Back Regulations. The amount of equity share capital and free reserves (including Securities Premium) have been extracted from the audited financial statements of the Company for the year ended March 31, 2016 as under:

Particulars	Amount(in ₹ Lakhs)
<b>(A) Paid-up equity share capital</b>	1,381.10
(6,90,55,095 equity shares of Rs.2/- each fully paid-up)	
<b>(B) Free Reserves</b>	
Securities Premium Account	6,612.83
General Reserve	8,001.06
Surplus in the Statement of Profit and Loss	75,567.60
<b>Total Paid up Capital and Free Reserves (A)+(B)</b>	<b>91,562.59</b>
<b>Permissible capital payment (25% of the paid-up capital and free reserves)</b>	22,890.65
<b>Buyback Size proposed by Board of Directors</b>	20,000.00

2. The Board of Directors in its meeting held on March 27, 2017 have formed their opinion as specified in Clause (x) of Part A of Schedule II to the Regulations, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting and the date on which the results of the Postal Ballot will be declared.
3. We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

4. Compliance with the provisions of the Act and the Buy Back Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on our review procedures.
5. For the purpose of this report, we have conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.
6. This report has been prepared and issued to the Company with reference to the proposed Buyback of Equity Shares including disclosing in the Postal Ballot Notice, Public Announcement, Draft Letter of Offer, Letter of Offer and submission to various Regulatory bodies such as SEBI, Stock Exchanges, RBI etc., as required under the Buy Back Regulations and should not be used, referred or distributed for any purpose without our prior written consent.
7. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **P.R.REDDY & CO**  
Chartered Accountants  
ICAI Firm Registration Number: 003268S

Sd/-  
P RAGHUNANDHA REDDY  
Partner  
Membership No. 23758

Place: Secunderabad  
Date: March 27, 2017"

## 24. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company between 10.30 a.m. and 5.30 p.m. on all working days (Monday to Friday) during the offer period:

- a. Certificate of Incorporation of the Company.
- b. Memorandum and Articles of Association of the Company.
- c. Annual reports of the Company for the financial years ended March 31, 2016, 2015 and 2014 and audited financials of the Company for the period ended March 31, 2017, as submitted with stock exchanges.
- d. Copy of resolution passed by the Board of Directors at their meeting held on March 27, 2017 approving the proposal of the Buyback.
- e. Copy of special resolution passed by the Shareholders through postal ballot notice dated March 27, 2017, the results of which were declared on June 02, 2017 approving the proposal of the Buyback.
- f. Certificate dated March 27, 2017 received from P R Reddy & Co., Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations.
- g. Certificate from P R Reddy & Co., Chartered Accountants dated June 02, 2017 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations.
- h. Copy of Public Announcement dated June 05, 2017 published in the newspapers on June 06, 2017 regarding Buyback.
- i. Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH 9 prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- j. Copy of Escrow Agreement dated 21<sup>st</sup> June, 2017 between the Company, Karvy Investor Services Limited and Kotak Mahindra Bank Limited.
- k. Confirmation letter by the Escrow Agent dated 30<sup>th</sup> June, 2017 that the Escrow Account has been opened and Escrow Amount has been deposited.
- l. SEBI comments *vide* letter dated June 28, 2017 issued in terms of the Buyback Regulations.

## 25. DETAILS OF THE COMPLIANCE OFFICER

Mr.G Vijay Kumar,  
Chief Financial Officer & Compliance Officer  
513-B, 5th Floor, Minerva Complex, SD Road,  
Secunderabad – 500003, Telangana  
**Tel:** +91- 40-27721457; **Fax:** +91- 40-27811237  
**Email:** cfo@kaveriseeds.in  
**Website:** www.kaveriseeds.in;

Investor may contact the Compliance Officer for any clarification on the buyback or to address their grievances, if any, during office hours i.e. 10.30 a.m. to 5.30 p.m. on all working days (Monday and Friday).

## 26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

- (i) In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the eligible shareholder can approach the Manager to the Buyback and/or Registrar to the Buyback and/or Compliance Officer of the Company for redressal.
- (ii) If the Company makes any default in complying with the provisions of Section 68, 69, 70, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.
- (iii) The address of the concerned office of the Registrar of Companies is as follows:

**The Registrar of Companies**  
2<sup>nd</sup> Floor,  
Corporate Bhawan, Near Central Water Board,  
GSI Post, Bandlaguda, Nagole,  
Hyderabad-500068

**27. DETAILS OF INVESTOR SERVICE CENTRE**

**INVESTOR SERVICE CENTRE & REGISTRAR TO THE OFFER**

In case of any queries, Equity shareholders may contact the Registrar to the Buyback, during the office hours i.e., between 10.00 a.m. to 5.00 p.m. on all working days (Monday to Friday) at the following address:

**BIGSHARE SERVICES PRIVATE LIMITED**

E/2, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai - 400 072

Tel: +91-22-6263 8200

Fax: +91-22-6263 8299

E-Mail: buyback@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Jibu John

SEBI Reg. No.: INR000001385

**28. DETAILS OF THE MANAGER TO THE BUYBACK**



**KARVY INVESTOR SERVICES LIMITED**

Karvy House, 46, Avenue 4,

Street No.1, Banjara Hills

Hyderabad – 500034,

Telangana

Tel.: +91 40-23428774/23312454

Fax: +91 40-23374714

Contact Person: Mr.M.P.Naidu/ Mr. G.Arun

Email: cmg@karvy.com

Website: www.karvyinvestmentbanking.com

**29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER**

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Letter of Offer or any other information, advertisement, circular, brochure, publicity material which may be issued and confirms that such document contains true, factual and material information and does not contain any misleading information.

This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on March 27, 2017.

For and on behalf of the Board of Directors of  
**Kaveri Seed Company Limited**

Sd/-  
Mr. G. V. Bhaskar Rao  
Managing Director  
(DIN: 00892232)

Sd/-  
Mr. C. Mithun Chand  
Whole Time Director  
(DIN: 00764906)

Sd/-  
Mr. V R S Murti  
Company Secretary  
Membership .No.ACS3566

Date: June 30, 2017

Place: Hyderabad

**Enclosure:**

1. Tender Form for Equity Shareholders holding Equity Shares in Dematerialised Form
2. Tender Form for Equity Shareholders holding Equity Shares in Physical Form along with Form SH 4

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORM)**

Bid Number:

Date:

BUYBACK OPENS ON		10th July, 2017
BUYBACK CLOSES ON		21st July, 2017
<i>For Registrar Use:</i>		
Inward No.	Date	Stamp
<i>Status (please tick appropriate box)</i>		
<input type="checkbox"/>	Individual	<input type="checkbox"/>
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/>
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>
<input type="checkbox"/>	VCF	<input type="checkbox"/>
<input type="checkbox"/>	FII's/FPIs	<input type="checkbox"/>
<input type="checkbox"/>	NRI/OCB	<input type="checkbox"/>
<input type="checkbox"/>	Bank / FI	<input type="checkbox"/>
<input type="checkbox"/>	Partnership/LLP	<input type="checkbox"/>
<input type="checkbox"/>	Insurance Co.	<input type="checkbox"/>
<input type="checkbox"/>	FVCI	<input type="checkbox"/>
<input type="checkbox"/>	Pension / PF	<input type="checkbox"/>
<input type="checkbox"/>	Others (specify)	<input type="checkbox"/>
<i>India Tax Residency Status: Please tick appropriate box</i>		
<input type="checkbox"/>	Resident in India	<input type="checkbox"/>
<input type="checkbox"/>	Non-Resident in India	<input type="checkbox"/>
Resident of		Resident of
		_____
		(Shareholder to fill the country of residence)

To,

**The Board of Directors**

Kaveri Seed Company Limited  
513-B, 5th Floor, Minerva Complex  
SD Road, Secunderabad – 500003

Dear Sir / Madam,

**Sub: Letter of Offer dated 30th June, 2017 in relation to Buyback of upto 29,62,963 Equity Shares of Kaveri Seed Company Limited (the “Company”) at a price of ₹ 675/- (Rupees Six Hundred and Seventy Five only) per Equity Share (the “Offer Price”) payable in cash**

- I / We (having read and understood the Letter of Offer dated 30th June, 2017) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorize the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this Tender / Offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my/our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the Company will pay the consideration as per secondary market mechanism.
- I / We agree to receive, at my own risk, the invalid / unaccepted Equity Shares under the Buyback Offer in the demat a/c from where I / we have tendered the Equity Shares in the Buyback. In case if for any reason the Equity Shares cannot be credited to the above demat account, I / we agree to receive a single share certificate for the unaccepted Equity Shares in physical form.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/ our tender/offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and the Buyback Regulations.
- This clause is applicable for Non-Resident Shareholders only** - I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“RBI”) under Foreign Exchange Management Act, 1999, as amended (the “FEMA Regulations”) and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

----- Tear along this line -----

Acknowledgement Slip: **Kaveri Seed Company Limited – Buyback**

(to be filled by the Eligible Seller) (subject to verification)

Folio No. / DP ID \_\_\_\_\_ Client ID \_\_\_\_\_

Received from Mr. / Ms. / M/s. \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement along with:

No. of Equity Shares offered for Buyback(In Figures) \_\_\_\_\_

(In Words) \_\_\_\_\_

Please quote Client ID No. & DP ID No. for all future correspondence

STAMP OF BROKER




10. Details of Equity Shares held and tendered / offered for Buyback Offer:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date, i.e. June 16, 2017		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (Including Additional Shares)		

*Note: An Eligible Seller may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Seller up to the Buyback Entitlement of such Eligible Seller shall be accepted to the full extent. The Equity Shares tendered by any Eligible Seller over and above the Buyback Entitlement of such Eligible Seller shall be accepted in accordance with clause 19 of the Letter of Offer. Equity Shares tendered by any Equity Shareholders over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance.*

11. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
Name of the Depository Participant		
DP ID No.		
Client ID with the DP		

12. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Equity Shareholder				
Telephone No. / Email ID				

\*Corporate must affix rubber stamp

**INSTRUCTIONS**

- This Buyback Offer will open on 10<sup>th</sup> July, 2017 and close on 21<sup>st</sup> July, 2017.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- The Equity Shares tendered in the Offer shall be rejected if (i) the Eligible Seller is not a shareholder of the Company as on the Record date,  
(ii) if there is a name mismatch in the demat account of the Shareholder, or (iii) if the Eligible Seller has made a duplicate bid on both the recognized stock exchanges.
- The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback as decided by the Company.
- Eligible Sellers to whom the Offer is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
- For the procedure to be followed by Eligible Sellers for tendering in the Buyback, please refer to clause 20 of the Letter of Offer.
- All documents sent by Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
- Eligible Shareholders have to fill up the EVENT number issued by Depository in the column for settlement details along with the market type as “**Buyback**”, ISIN, Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that shares can be tendered for buyback offer.

----- Tear along this line -----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUYBACK OFFER AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID & DP ID.

**BIGSHARE SERVICES PRIVATE LIMITED**

E/2, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai - 400 072  
Tel: +91-22-62638200  
Fax: +91-22-62638299  
E-Mail: buyback@bigshareonline.com  
Contact Person: Jibu John

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

Bid Number:

Date:

BUYBACK OPENS ON		10th July, 2017
BUYBACK CLOSES ON		21st July, 2017
<b>For Registrar Use:</b>		
Inward No.	Date	Stamp
<b>Status (please tick appropriate box)</b>		
<input type="checkbox"/>	Individual	<input type="checkbox"/>
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/>
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>
<input type="checkbox"/>	VCF	<input type="checkbox"/>
<input type="checkbox"/>	FII's/FPIs	<input type="checkbox"/>
<input type="checkbox"/>	NRI/OCB	<input type="checkbox"/>
<input type="checkbox"/>	Bank / FI	<input type="checkbox"/>
<input type="checkbox"/>	Partnership/LLP	<input type="checkbox"/>
<input type="checkbox"/>	Insurance Co.	<input type="checkbox"/>
<input type="checkbox"/>	FVCI	<input type="checkbox"/>
<input type="checkbox"/>	Pension / PF	<input type="checkbox"/>
<input type="checkbox"/>	Others (specify)	<input type="checkbox"/>
<b>India Tax Residency Status: Please tick appropriate box</b>		
<input type="checkbox"/>	Resident in India	<input type="checkbox"/>
<input type="checkbox"/>	Non-Resident in India	<input type="checkbox"/>
<input type="checkbox"/>	Resident of _____ (Shareholder to fill the country of residence)	<input type="checkbox"/>

To,  
**Board of Directors**  
Kaveri Seed Company Limited  
513-B, 5th Floor, Minerva  
Complex SD Road,  
Secunderabad – 500003

Dear Sirs,

**Sub: Letter of Offer dated 30th June, 2017 in relation to Buyback of upto 29,62,963 Equity Shares of Kaveri Seed Company Limited (the “Company”) at a price of ₹ 675/- (Rupees Six Hundred and Seventy Five only) per Equity Share (the “Offer Price”) payable in cash**

- I / We (having read and understood the Letter of Offer dated 30<sup>th</sup> June, 2017) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and as a consequence to extinguish the share certificates.
- I / We hereby affirm that the Equity Shares comprised in this Tender / Offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act and the Buyback Regulations.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback.
- This clause is applicable for Non-Resident Shareholders only** - I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“RBI”) under Foreign Exchange Management Act, 1999, as amended (the “FEMA Regulations”) and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

----- Tear along this line -----

Acknowledgement Slip: **Kaveri Seed Company Limited – Buyback**

(to be filled by the Eligible Seller) (subject to verification)

Received from Mr. / Ms. / M/s. \_\_\_\_\_

Ledger Folio No. \_\_\_\_\_ No. of Share Certificate(s) submitted \_\_\_\_\_

No. of Equity Shares offered for Buyback (In Figures) \_\_\_\_\_

(In Words) \_\_\_\_\_

Please quote the Ledger Folio No. for all future correspondence

STAMP OF BROKER


11. Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date June 16, 2017		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (Including Additional Shares)		

*Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with clause 19 of the Letter of Offer. Equity Shares tendered by any Eligible Seller over and above the number of Equity Shares held by such Eligible Seller as on the Record Date shall not be considered for the purpose of Acceptance. The signature on the Transfer deed (Form SH 4) should match with the signature recorded / registered with the records of the Company.*

12. Details of Share Certificate(s) enclosed: Total No. of Share Certificates Submitted:

Sr. No.	Folio No.	Share Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
1					
2					
3					
4					
Total					

13. Details of other Documents (Please  $\surd$  as appropriate, if applicable) enclosed:

- Power of Attorney
  Previous RBI approvals for acquiring the Equity Shares of Kaveri Seed Company Limited hereby tendered in the Buyback Offer
- Corporate authorizations
  Death Certificate
- Succession Certificate
  Self-attested copy of Permanent Account Number (PAN Card)

Others (please specify): \_\_\_\_\_

Mode of Payment (Please Tick)  Electronic  Physical

14. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Equity Shareholder				
Telephone No. / Email ID				

\*Corporate must affix rubber stamp

## INSTRUCTIONS

1. This Buyback Offer will open on 10<sup>th</sup> July, 2017 and close on 21<sup>st</sup> July, 2017.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. Eligible Sellers who wish to tender their Equity Shares in response to this Buy Back Offer should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before 25<sup>th</sup> July, 2017 by 5 PM.
  - a) The relevant Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
  - b) Original sharecertificates
  - c) Self attested copy of the Permanent Account Number (PAN) Card
  - d) Transfer deed (Form SH 4) duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares
  - e) Transaction Registration Slip (TRS) generated by the Exchange Bidding System.
4. Eligible Sellers should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
  - a) Duly attested Power of Attorney registered with the Registrar if any person other than the Eligible Sellers has signed the relevant Tender / Offer Form
  - b) Duly attested death certificate / succession certificate in case any Eligible Sellers has expired
  - c) Necessary corporate authorizations, such as Board Resolutions etc., in case of companies
5. Eligible Sellers to whom the Offer is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
6. For the procedure to be followed by Eligible Sellers for tendering in the Buyback, please refer to clause 20 of the Letter of Offer.
7. All documents as mentioned above, shall be enclosed with the valid Tender Form otherwise the shares will be liable for rejection. The shares shall be liable for rejection on the following grounds amongst others:
  - a) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
  - b) If the transmission of shares is not completed, and the shares are not in the name of the Eligible Shareholder
  - c) If the Eligible Shareholders bid the shares but the RTA does not receive the share certificate
  - d) In case the signature in the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
  - e) If there is a duplicate bid on both the recognized stock exchanges.

----- Tear along this line -----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUYBACK OFFER AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NO.

**BIGSHARE SERVICES PRIVATE LIMITED**

E/2, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai - 400 072

Tel: +91-22- 62638200

Fax: +91-22- 62638299

E-Mail: [buyback@bigshareonline.com](mailto:buyback@bigshareonline.com)

Contact Person: Jibu John

**Form No. SH-4  
Securities Transfer Form**

Pursuant to section 56 of the Companies act, 2013 and sub-rule (1) of rule 11  
of the Companies (Share Capital and Debentures) Rules 2014

**Date of execution** .....

**FOR THE CONSIDERATION** stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid

<b>CIN:</b>	L01120AP1986PLC006728
<b>Name of the company (in full):</b>	KAVERI SEED COMPANY LIMITED
<b>Name of the Stock Exchange where the company is listed, if any:</b>	BSE Limited and National Stock Exchange of India Limited

DESCRIPTION OF SECURITIES			
Kind / Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	₹ 2/-	₹ 2/-	₹ 2/-

No. of Securities being Transferred		Consideration Received (₹)	
In Figures	In Words	In words	In figures

Distinctive Number	From				
	To				
Corresponding Certificate Nos:					

TRANSFEROR'S PARTICULARS	
Registered Folio Number:	
Name(s) in full	Signature (s)
1.	
2.	
3.	

I, hereby confirm that the Transferor has signed before me.
Signature of Witness
Name and address

TRANSFEREE'S PARTICULARS			
	1	2	3
Name in full	Kaveri Seed Company Limited		
Father's / mother's / Spouse name	N.A.		
Address & E-mail ID	513-B, 5th Floor, Minerva Complex, SD Road, Secunderabad – 500003, Telangana Email id: cs@kaveriseeds.in		
Occupation	Company		
Existing folio no., if any			
Signature			

Folio No. of Transferee:	Specimen Signature of Transferee
	1.
	2.
	3.

Value of stamp affixed: \_\_\_\_\_ (₹)

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, letter of allotment.
- (3) Other, Specify.....

**Stamps:**

**For office use only**

Checked by \_\_\_\_\_ Signature tallies by \_\_\_\_\_  
 Entered in the Register of Transfer on \_\_\_\_\_ vide Transfer No. \_\_\_\_\_  
 Approval Date \_\_\_\_\_ Power of attorney/Probate/Death Certificate/Letter of administration Registered on  
 \_\_\_\_\_ at No. \_\_\_\_\_