



Corporate Identity Number (CIN): L01120TG1986PLC006728

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Contact Person: Mr. K V Chalapati Reddy, CFO and Compliance Officer

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF KAVERI SEED COMPANY LIMITED (“COMPANY”) FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This Public Announcement (the “Public Announcement”) is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended (including any statutory modifications or re-enactments that may be introduced (the “Buyback Regulations”) for the time being in force and contains the disclosures as specified in Schedule II to the Buyback Regulations.

OFFER FOR BUYBACK OF UP TO 28,00,000 (TWENTY EIGHT LAKHS ONLY) FULLY PAID UP EQUITY SHARES OF THE FACE VALUE OF ₹ 2 (RUPEES TWO ONLY) EACH AT A PRICE OF ₹ 700 (RUPEES SEVEN HUNDRED ONLY) PER FULLY PAID UP EQUITY SHARES ON A PROPORTIONATE BASIS THROUGH THE “TENDER OFFER” ROUTE AS PRESCRIBED UNDER THE BUY-BACK REGULATIONS USING STOCK EXCHANGE MECHANISM.

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors (hereinafter referred to as the “Board” and unless repugnant to the context or meaning thereof, be deemed to include a duly authorised “Buyback Committee”) of Kaveri Seed Company Limited (the “Company”) passed a resolution on Tuesday, September 24, 2019 (the “Board Meeting”) to approve the proposal for buyback of equity shares of the Company and sought approval of its equity shareholders, by a special resolution, through postal ballot notice dated Tuesday, September 24, 2019, the results of which were announced on Tuesday, November 05th, 2019, the equity shareholders of the Company have approved, by way of special resolution, the buyback (the “Buyback”) for up to 28,00,000 (Twenty Eight Lakhs Only) fully paid-up Equity Shares (representing 4.44% of the total number of outstanding equity shares in the paid-up share capital of the Company) of face value ₹ 2 each (“Shares” or “Equity Shares”), at a price of ₹ 700/- (Rupees Seven Hundred Only) per Equity Share (the “Buyback Price”) payable in cash, for an aggregate maximum amount of ₹19,600.00 lakhs (Rupees One Hundred and Ninety Six Crores Only) excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, SEBI Turnover fees, stamp duty, buyback tax, etc. (the “Buyback Size”) being 20.01% and 20.14% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited financial statements of the Company for the financial year ended March 31, 2019 and is within the statutory limit of 25% of the fully paid-up equity share capital and free reserves as per standalone and consolidated audited accounts of the Company, on a proportionate basis through the “tender offer” route as prescribed under the Buyback Regulations, from all the shareholders who hold Equity Shares as on November 22, 2019 (the “Record Date”). As required under the Buyback Regulations, Equity Shares to be bought back are divided into two categories: (i) reserved category for Small Shareholders (as defined hereinafter); and (ii) general category for all other shareholders.

1.2 The Buyback is in accordance with the provisions contained in Article 75 of the Article of Association of the Company, Section 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the “Companies Act”), the Companies (Share Capital and Debentures) Rules, 2014 (as amended) (the “Share Capital Rules”) to the extent applicable, the Companies (Management and Administration) Rules, 2014, (the “Management Rules”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended (including any statutory modifications or re-enactments that may be introduced), and the provisions contained in the Buyback Regulations and subject to approvals, permissions and sanctions of Securities and Exchange Board of India (“SEBI”), Registrar of Companies, Telangana at Hyderabad (the “ROC”) and/or other authorities, institutions or bodies, as may be applicable 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. The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (BSE and NSE collectively referred as, “Stock Exchanges”), where the Equity Shares of the Company are listed.

1.3 The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company as of the Record Date through the “Tender Offer” route, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated 13 April 2015 and CFD/DCR2/CIR/P/2016/131 dated 9 December 2016 (the “SEBI Circular”), including any amendments thereof. The Company will request the BSE to provide the Acquisition Window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. Accordingly, Equity Shares may be tendered in the Buyback through BSE. The details of the Acquisition Window will be specified by the Stock Exchanges from time to time. The Buyback is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/or regulatory authority including SEBI and the Stock Exchanges.

1.4 In terms of Buy-back regulations, under the tender offer process, members of the promoter and promoter group have the option to participate in the Buy-back. In this regard, the promoters and members of promoter group of the company, have informed the company, vide their letter dated September 24, 2019 regarding their intention to participate in the Buy-back and tender up to 15,00,000 (Fifteen lakhs only) equity shares or such lower number of shares as required to comply with the Buyback Regulations. The extent of its participation in the Buyback has been detailed in paragraph 7 of this Public Announcement.

1.5 Participation in the Buyback by Eligible Shareholders may trigger tax implications in India and in their country of residence. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, the Eligible Shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

1.6 A copy of this Public Announcement is available on the website of the Company at www.kaveriseeds.in and is expected to be available on the website of the SEBI at www.sebi.gov.in during the period of Buyback and on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

2. NECESSITY OF THE BUYBACK

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

- 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;
- 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”;
- The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- 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 offer, without additional investment.
- Optimizes the capital structure.

2.2 The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

2.3 The post Buyback debt-equity ratio of the Company will be less than 2:1, as prescribed by Section 68 of the 2013 Act, assuming full acceptance by the Shareholders.

3. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUY BACK

The Board of Directors decided to recommend Buy-back of up to 28,00,000 (Twenty Eight Lakhs Only) Equity Shares of ₹ 2 each (representing 4.44% of the total number of the equity share capital of the Company as at March 31, 2019) at the Buyback Price i.e., ₹ 700/- (Rupees Seven Hundred Only) per Equity Share aggregating to ₹ 19,600.00 Lakhs (Rupees One Hundred and Ninety Six Crores Only).

4. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK

The Equity Shares of the Company are proposed to be bought back at a price of ₹ 700/- (Rupees Seven Hundred Only) per share (“Buyback Price”). The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on BSE and NSE where the Equity Shares of the Company are listed.

The Buyback Price represents:

- Premium of 32.44% and 33.35% over the closing price of the Equity Share on BSE and NSE, respectively, as on the date of intimation to the Stock Exchanges of the date of the Meeting of the Board of Directors (i.e., September 16, 2019) wherein proposal of the Buyback was considered.
- Premium of 53.24% and 50.72% over the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the three months preceding the date of intimation to the Stock Exchanges of the date of the Meeting of the Board of Directors wherein proposal of the Buyback was considered.
- Premium of 44.34% and 41.71% over the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the two weeks preceding the date of intimation to the Stock Exchanges of the date of the Meeting of the Board of Directors wherein proposal of the Buyback was considered.

5. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK, AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES AND SOURCE OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED

5.1 The maximum amount required for Buyback will not exceed ₹19,600.00 lakhs (Rupees One Hundred and Ninety Six Crores only) excluding Transaction Cost. The said amount constitutes 20.01% and 20.14% of the aggregate total issued and paid-up equity share capital and free reserves of the Company as per standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019.

5.2 The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (retained earnings) and/or such other source as may be permitted by the Buyback Regulations or the Act. The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback. The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares so bought back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statements.

6. DETAILS OF PROMOTERS’ SHAREHOLDING AND TRANSACTION IN THE EQUITY SHARES OF THE COMPANY

6.1 The aggregate shareholding of the (i) promoter and promoter group of the Company (“Promoter and Promoter Group”) and persons in control, (ii) Key Managerial Personnel of the Company as on the date of the Board meeting and Postal Ballot Notice, i.e., September 24, 2019, and (iii) Aggregate Equity Shares purchased or sold by the persons/entities specified in clause 6.1(i) and 6.1(ii) below, during a period of six months preceding the date of the Board meeting at which the Buyback was approved i.e. September 24, 2019 and the date of Postal Ballot Notice, are as follows:

(i) Aggregate shareholding of the Promoter and members of Promoter Group:

Sr. No.	Name	No. of Equity Shares held	Percentage (%) of Issued Equity Share Capital
1	Venkata Bhaskar Rao Gundavaram (HUF)	1,03,91,682	16.46
2	Gundavaram Venkata Bhaskar Rao	55,76,416	8.83
3	Vanaja Devi Gundavaram	1,45,83,618	23.10
4	Pawan Gundavaram	23,19,505	3.68
5	Vamsheedhar Chennamaneni	10,16,295	1.61
6	Mithun Chand Chennamaneni	8,92,205	1.41
	Total	3,47,79,721	55.09

(ii) Aggregate shareholding of the Key Managerial Personnel of the Company:

Sr. No.	Name	No. of Equity Shares held	Percentage (%) of Issued Equity Share Capital
1	K V Chalapati Reddy	12,000	0.02

iii. No equity shares or other specified securities of the Company were either purchased or sold by any of the persons mentioned at 6.1(i) and 6.1(ii) above, during the period of six months preceding the date of the Board Meeting at which the Board recommended the proposal for Buyback and from that date till the date of postal ballot notice i.e., September 24, 2019 for Buyback.

7. INTENTION OF THE PROMOTERS / PERSON IN CONTROL OF THE COMPANY TO TENDER EQUITY SHARES FOR BUY-BACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITION WITH DATES AND PRICE.

7.1 In terms of the Buyback Regulations, under the Tender Offer, the Promoters and members of Promoter Group of the Company have an option to participate in the Buyback. In this regard the Promoters and members of Promoter group have expressed their intention to participate in the Buyback and it may tender up to an aggregate maximum of 15,00,000 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations:

Sr. No.	Name	Maximum number of Equity Shares intended to be Tendered
1	Venkata Bhaskar Rao Gundavaram (HUF)	448,178
2	Gundavaram Venkata Bhaskar Rao	240,502
3	Vanaja Devi Gundaaram	628,970
4	Pawan Gundavaram	100,040
5	Vamsheedhar Chennamaneni	43,831
6	Mithun Chand Chennamaneni	38,479
	Total	15,00,000

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

Venkata Bhaskar Rao Gundavaram (HUF)					
Date	No. of Shares	Nature of Transaction	Nominal Value (In ₹)	Issue Price / Transfer Price (In ₹)	Cumulative No. Shares
26.07.2006	5,79,000	Purchase	57,90,000	10.00	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	10.00	23,16,000
28.01.2013	(67,871)	Market sale	6,78,710	1,402.00	22,48,129
		Split of Each equity share of ₹ 10 each into Five equity shares of ₹ 2 Each			1,12,40,645
03.08.2017	(4,21,627)	Buyback of Shares	8,43,254	675.00	1,08,19,018
12.09.2018	(4,27,336)	Buyback of Shares	8,54,672	675.00	1,03,91,682

Gundavaram Venkata Bhaskar Rao					
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	10.00	100
26.02.1991	12,400	Allotment	1,24,000	10.00	12,500
29.03.1996	44,000	Allotment	4,40,000	10.00	56,500
27.06.2005	3,90,000	Allotment	39,00,000	10.00	4,46,500
23.06.2006	6,50,000	Allotment	65,00,000	10.00	10,96,500
26.07.2006	1,43,500	Purchase	14,35,000	50.00	12,40,000
29.07.2006	(3,00,000)	Sale	30,00,000	50.00	9,40,000
01.08.2006	(71,000)	Sale	7,10,000	50.00	8,69,000
01.08.2006	(5,79,000)	Sale	57,90,000	10.00	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	10.00	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	220.80	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
		Split of Each equity share of ₹ 10 each into Five equity shares of ₹ 2 Each			60,31,990
03.08.2017	(2,26,255)	Buyback of Shares	4,52,510	675.00	58,05,735
12.09.2018	(2,29,319)	Buyback of Shares	4,58,638	675.00	55,76,416

Vanaja Devi Gundavaram					
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	10.00	100
26.02.1991	8,900	Allotment	89,000	10.00	9,000
29.03.1996	30,000	Allotment	3,00,000	10.00	39,000
27.06.2005	5,95,000	Allotment	59,50,000	10.00	6,34,000
26.07.2006	(97,000)	Sale	9,70,000	50.00	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	10.00	21,48,000
20.09.2006	74,600	Acquisition of Agritek	7,46,000	NA	22,22,600
		Split of Each equity share of ₹ 10 each into Five equity shares of ₹ 2 Each			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
03.08.2017	(5,91,709)	Buyback of Shares	11,83,418	675.00	1,51,83,341
12.09.2018	(5,99,723)	Buyback of Shares	11,99,446	675.00	1,45,83,618

Pawan Gundavaram					
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	10.00	2,000
29.03.1996	12,500	Allotment	1,25,000	10.00	14,500
27.06.2005	99,000	Allotment	9,90,000	10.00	1,13,500
26.07.2006	(14,500)	Sale	1,45,000	50.00	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	10.00	3,96,000
20.09.2006	1,05,800	Acquisition of Agritek	10,58,000	NA	5,01,800
		Split of Each equity share of ₹ 10 each into Five equity shares of ₹ 2 Each			25,09,000
03.08.2017	(94,110)	Buyback of Shares	1,88,220	675.00	24,14,890
12.09.2018	(95,385)	Buyback of Shares	1,90,770	675.00	23,19,505

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
		Split of Each equity share of ₹ 10 each into Five equity shares of ₹ 2 Each			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	806.70	10,99,320
03.08.2017	(41,233)	Buyback of Shares	82,466	675.00</	

10. THE TEXT OF THE REPORT DATED SEPTEMBER 24, 2019 RECEIVED FROM M.BHASKARA RAO & CO, CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS OF THE COMPANY, ADDRESSED TO THE BOARD OF DIRECTORS OF THE COMPANY IS REPRODUCED BELOW:

Quote

To
The Board of Directors
Kaveri Seed Company Limited
513-B, 5th Floor,
Minerva Complex, SD Road,
Secunderabad 500 003
Telangana

Dear Sirs/Madam,

Statutory Auditor's report in respect of the proposed Buy-back of equity shares of Kaveri Seed Company Limited ("the Company") in terms of the clause (xi) of Regulation 5(iv)(b) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) ("Buyback Regulations")

- This report is issued in accordance with the terms of our engagement letter dated 19 September 2019.
- The Board of Directors of Kaveri Seed Company Limited have approved a proposed buy-back of equity shares by the Company (subject to the approval of its shareholders) at its meeting held on 24 September 2019, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 and the Buyback Regulations.
- We have been requested by the management of the Company to provide a report on the accompanying statement of permissible capital payment as at 31 March 2019 ("Annexure A") prepared by the management of the Company, which we have initiated for identification purpose only.

Management's Responsibility for the Statement

- The preparation of the Statement in accordance with Section 68 (2)(c) of the Act and regulation 4(i) of Buyback Regulations and its compliance is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- The Board of Directors is also responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts and will not be rendered insolvent within a period of one year from the date of the Board meeting at which the proposal for buyback was approved by the Board of Directors of the Company and from the date on which the results of the shareholders resolution with regard to the proposed buyback are declared and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

Auditors' Responsibility

- Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide reasonable assurance that:
 - we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at and for the year ended 31 March 2019;
 - the amount of permissible capital payment as stated in **Annexure A**, has been properly determined considering the audited standalone and consolidated financial statements as at March 31, 2019 in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations; and
 - the Board of Directors in their meeting dated 24 September 2019, have formed the opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date and from the date on which the results of the shareholders resolution with regard to the proposed buyback was declared.
- The audited financial statements, referred to in paragraph 6 above, have been audited by us, on which we have issued unmodified audit opinion vide our report dated 27 May 2019. We conducted our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India ("Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- Based on enquiries conducted and our examination as stated above and based on the representations, information and explanations given to us, we report that:
 - We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for the year ended 31 March 2019 which have been approved by the Board of Directors of the Company on 27 May 2019;
 - The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith as **Annexure A**, in our view, has been determined in accordance with Section 68(2) (c) of the Act and Regulation 4(i) of the Buyback Regulations. The amounts of share capital and free reserves have been extracted from the audited Standalone and Consolidated financial statements of the Company as at and for the year ended 31 March 2019;
 - The Board of Directors of the Company, in their meeting held on 24 September 2019 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date of the meeting of the Board of Directors and from the date on which the results of the shareholder's results with regard to the proposed buyback was declared.

Restriction on Use

- This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Act, and the Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers to the buyback, each for the purpose of extinguishment of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buyback Regulations, and may not be suitable for any other purpose.

Sd/
For M.Bhaskara Rao & Co.,
Chartered Accountants
Firm Reg No: 000459S

Sd/
M.V.Ramana Murthy
Partner
Membership No. 206439

Hyderabad, 24 September 2019
UDIN: 19206439AAAABQ7681

Annexure A

Statement of permissible capital payment

Computation of amount of permissible capital payment for the buy-back of equity shares in accordance with Section 68(2) of the Companies Act, 2013 and Securities and Exchanges Board of India (Buy-Back Securities) Regulations, 2018 based on audited standalone and consolidated Ind AS financial statements as at and for the year ended 31st March, 2019

Particulars	Amount (Rs. In Lakhs)	
	Standalone	Consolidated
Paid up equity share capital as on March 31, 2019 (A)	1,262.58	1,262.58
Free Reserves as on March 31, 2019		
Securities Premium Account	--	--
General Reserves	1,000.00	1,002.00
Retained Earnings	95,681.44	95,071.80
Total Free Reserves (B)	96,681.44	96,073.80
Total paid up capital and free reserves (A+B)	97,944.02	97,336.38
Maximum amount permissible for buyback under Section 68 of the Act and Regulation 4(i) of the SEBI Buyback Regulations (25% of the total equity paid-up capital and free reserves with the shareholder approval)	24,486.01	24,334.10
Maximum amount permitted by board resolution dated 24 September 2019 approving Buyback, subject to shareholders approval, based on the audited financial statements for the year ended 31 March 2019.	19,600.00	19,600.00

We certify that above computation of permissible capital payment for buyback of Equity Shares is based on audited standalone and consolidated financial statements of the Company as at and for the year ended on 31 March 2019 which have been approved by the Board of Directors in their meeting held on 27 May 2019.

For Kaveri Seed Company Limited

Sd/-
G.V.Bhaskar Rao
Chairman and Managing Director
Hyderabad, 24 September 2019

Statement referred to in our certificate of event date

for N.Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

Sd/-
M V Ramana Murthy
Partner
Membership No.206439
Hyderabad, 24 September 2019
UDIN: 19206439AAAABQ7681

Unquote

11. RECORD DATE AND SHAREHOLDER'S ENTITLEMENT

- As required under the Buyback Regulations, the Company has announced the record date (the "**Record Date**") of November 22, 2019 for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback Offer.
 - The Equity Shares to be bought back as a part of this Buyback Offer is divided into two categories:
 - Reserved category for Small Shareholders; and
 - General category for all eligible shareholders other than small shareholders.
 - As defined in the Regulation 2(i)(n) of the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of the closing price of the Equity Shares on the Stock Exchanges having the highest trading volume as on the Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakh only). For the purposes of classification of a shareholder, as a "small shareholder", multiple demat accounts having the same permanent account number ("**PAN**"), in case of securities held in the demat form are to be clubbed together.
 - In accordance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders will be higher of (a) 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buy back, or (b) number of Equity Shares to which the Small Shareholders are entitled, as per the shareholding of Small Shareholders as on the Record Date.
 - Based on the holding of Equity Shares as on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including Small Shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs. The final number of Equity Shares that the Company shall purchase from each Eligible Shareholders will be based on the total number of Equity Shares tendered by such Eligible Shareholder. Accordingly, the Company may not purchase all of the Equity Shares tendered by an Eligible Shareholder.
 - In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios does not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such Eligible Shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of Eligible Shareholders holding Equity Shares in physical form, where the sequence of PANs is identical or where the PANs of all joint shareholders are not available, the Company 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, pension funds/trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the registrar to the Buyback ("**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 the 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.
 - After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.
 - Eligible Shareholders' participation in the Buyback will be voluntary. Eligible Shareholders can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders may also choose to participate in part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in Buyback.
 - The maximum number of Equity Shares that can be tendered under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. If the Buyback entitlement for any Eligible Shareholder is not a round number (i.e. not a multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. The Small Shareholders whose entitlement would be less than 1 Equity Share may tender additional Equity Shares as part of the Buyback and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.
 - The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. Each Eligible Shareholder will receive the letter of offer along with a tender/offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.
 - Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders as on the Record Date.

12. PROCESS AND METHOD TO BE ADOPTED FOR THE BUYBACK

- The Buyback is open to all Eligible Shareholders and beneficial owners of Equity Shares of the Company as on the Record Date as per the records made available to the Company by the Depositories/registrar as on the Record Date. An Eligible Shareholder who wishes to tender their shares in the Buyback must have an active demat account, trading account and bank account.
- The Buyback shall be undertaken on a proportionate basis through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall, subject to applicable laws, be facilitated by tendering of Equity Shares by the Eligible Shareholders and settlement of the same, through the stock exchange mechanism as specified in the SEBI Circulars.
- 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,
TelNo. +91 40 33216775,
Fax No. +91 40 23311968,
Email: service@karvy.com,
Website: www.karvyonline.com,
Contact Person: Mr. G Suresh Kumar.
- The Company will request the Stock Exchanges, i.e. BSE and NSE, to provide a separate acquisition window ("**Acquisition Window**") to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. Accordingly, Equity Shares may be tendered in the Buyback through either BSE or NSE. BSE would be the designated stock exchange for the Buyback. The details of the Acquisition Window will be specified by the Stock Exchanges from time to time.
- During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers during normal trading hours of the secondary market. In the tendering process, the Company Broker may also process the orders received from the Eligible Shareholders.

12.6 Procedure to be followed by Eligible Shareholders:

- In accordance with the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, the Company will not be able to accept Equity Shares tendered in physical form in the Buyback. Eligible Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized before tendering their Equity Shares in the Buyback.

In case any person has submitted the Equity Shares held by them in the physical form for dematerialisation should ensure that the process of getting the Equity Shares dematerialised is completed before such Eligible Shareholders tender their Equity Shares in the Buy-back, so that they can participate in the Buyback.

- Eligible Shareholders who desire to tender their Equity Shares in dematerialised form under the Buyback would have to do so through their respective stock broker by indicating the details of Equity Shares they intend to tender under the Buyback, to their stock broker.
 - Each Stock broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of the Indian Clearing Corporation Limited or the National Securities Clearing Corporation (the "**Clearing Corporation**"), by using the early pay in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation prior to placing the bid by the stock broker.
 - The details of the special account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the Stock Exchanges/Clearing Corporation.
 - For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by the custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
 - Upon placing the bid, the stock broker shall provide a Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of the order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.
- 12.7 Modification/cancellation of orders will be allowed during the tendering period of the Buyback.
- 12.8 The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

13. METHOD OF SETTLEMENT

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

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India/Eligible Shareholders' bank, due to any reason, then such funds will be transferred to the concerned stock broker's settlement bank account for onward transfer to such Eligible Shareholders.
- The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company ("**Company Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- In case of certain client types viz. Non-Resident Shareholders (where there may be specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Shareholder Broker's settlement accounts for releasing the same to the respective Eligible Shareholder account. For this purpose, the client type details would be collected from the Depositories, whereas amount payable to the Eligible Shareholder pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchanges and the Clearing Corporation from time to time.
- The Eligible Shareholders 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 Equity Shares under the Buyback.
- Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders will be returned to them by the Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to such Eligible Shareholder.
- The Company's Broker would issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- Eligible Shareholders who intend to participate in the Buyback should consult their respective stock broker for any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the stock broker upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders 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 Shareholders.
- The Equity Shares accepted, bought and lying to the credit of the Company's Demat Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

14. COMPLIANCE OFFICER

Investors may contact for any clarification 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 except Saturday, Sunday and public holidays.

K.V.Chalapathi Reddy,
Chief Financial Officer & Compliance Officer
Kaveri Seed Company Limited
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

15. REGISTRAR TO THE BUYBACK OFFER AND INVESTOR SERVICE CENTRE

Investors may contact for any queries, Equity shareholders may contact the Registrar & Share Transfer Agent, during the office hours i.e., between 10.00 a.m. to 5.00 p.m. Indian Standard Time on all working days except Saturday, Sunday and public holidays, at the following address:

 **Bigshare Services Pvt. Ltd.**

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building, Opp Vasant Oasis,
Makwana Road, Marol, Andheri (E), Mumbai - 400059
Tel: +91-22- 6263 8200 **Fax:** +91-22- 6263 8280
Email: buybackoffer@bigshareonline.com **Website:** www.bigshareonline.com
Contact person: Mr. Arvind Tandel **SEBI Registration Number:** INR000001385

16. MANAGER TO THE BUYBACK

KARVY INVESTMENT BANKING

Karvy Investor Services Limited
Plot No.31, 8th Floor, Karvy Millennium, Nanakramguda, Financial District, Gachibowli
Hyderabad -500 032, Telangana, India.
Tel.: +91 40-23428774/23312454 **Fax:** +91 40-23374714/23311968
Email: cmg@karvy.com **Website:** www.karvyinvestmentbanking.com
Contact Person: M.P.Naidu /P.Pranavi **SEBI Registration No.:** INM000008356

17. DIRECTORS' RESPONSIBILITY

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of
kaveri seed company limited

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

Sd/-
Mr C Mithunchand
Whole Time Director
(DIN: 00764906)

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

Date : November 06, 2019
Place : Secunderabad