



kaveri seeds®

Kaveri Seed Company Limited

CIN: L01120TG1986PLC006728

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NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Start Date : Tuesday, 19 June 2018

Last Date : Wednesday, 18 July 2018

NOTICE PURSUANT TO SECTIONS 108 AND 110 OF THE COMPANIES ACT, 2013 AND RULES 20 AND 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

Dear Member(s),

Notice is hereby given pursuant to Section 108 and 110 of the Companies Act, 2013 (the **Companies Act, 2013**) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended) (the **Management Rules**) including any statutory modification or re-enactment thereof for the time being in force, Secretarial Standard on General Meetings ("SS 2"), and any other laws, applicable provisions if any and regulations applicable from time to time, consent/approval of the Members of the Company is sought to pass the proposed resolutions of Kaveri Seed Company Limited ("Company") as set out hereinafter, by means of postal ballot, which includes e-voting (Voting by electronic means) as a **SPECIAL RESOLUTION**.

A Statement pursuant to Section 102 of the Act setting out the material facts and the reasons thereof (the **Statement**) is annexed hereto along with a Postal Ballot Form (the **Postal Ballot Form**), for your consideration. This Notice along with the Statement and the Postal Ballot Form is also available on the website of the Company (www.kaveriseeds.in). Further, in terms of the said Rules and SS 2, an advertisement shall be published in newspapers specifying the relevant information.

1. Buyback of Equity Shares of the Company

The Board of Directors of the Company (the **Board**) at their meeting held on May 24, 2018 has, subject to the approval of the Members of the Company by way of a special resolution and approval of statutory, regulatory or government authorities as may be required under applicable laws, approved a buyback of fully paid up equity shares of face value ₹2 (Rupees Two) (hereinafter referred to as the **Equity Shares**) each not exceeding 29,63,000 (Twenty Nine Lakhs Sixty Three Thousand only) equity shares (representing 4.48% of the total paid-up Equity Share Capital of the Company as on 31st March, 2018 from the Members holding equity shares of the Company as on Record Date (*as defined hereinafter*) on a proportionate basis through the **Tender Offer** route through Mechanism for acquisition window of shares through Stock Exchange, as prescribed under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended), read with SEBI Circular CIR/CFD/ POLICYCELL/1/2015 dated 13th April, 2015 and circular no CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, at a price of ₹675 (Rupees Six Hundred and Seventy Five Only) per equity share payable in cash for an aggregate amount up to ₹20000.25 Lakhs (Rupees Two Hundred Crores and Twenty Five Thousand Only), excluding brokerage, merchant banker fee, regulatory fee, securities transaction tax, goods and service tax, stamp duty, etc., (**Buyback**). The offer size of the Buyback is 20.24% and 20.42% of the aggregate of paid-up Equity Share Capital and Free Reserves of the Company on a standalone and consolidated basis respectively as at 31st March, 2018.

2. Approval of Kaveri Seed Employee Stock Option Plan 2018 (ESOP 2018) through trust route

The Board of Directors of the Company at their meeting held on 24th May 2018 has, subject to the approval of members of the company by way of special resolution, approved the Kaveri Seed Employee Stock Option Plan 2018 (ESOP 2018) to be implemented through the Trust route involving acquisition of equity shares of the Company by the Trust through secondary market and the Board authorized the Nomination and Remuneration Committee (hereinafter referred to as Compensation Committee) for the superintendence of ESOP 2018.

Grant of stock options under ESOP 2018 shall be as per the terms and conditions as may be decided by the Compensation Committee from time to time in accordance with the provisions of Companies Act, 2013, the rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**SEBI ESOP Regulations**). The ESOP Plan 2018 is proposed to be implemented through the Kaveri Employees Trust (**ESOP Trust**). The ESOP Trust will acquire equity shares of the Company from the secondary market for this purpose.

3. Grant of Stock options to the Employees of subsidiary companies under ESOP 2018

Under the SEBI ESOP Regulations, separate approval is required by the members by way of special resolution to grant stock options to the employees of subsidiary companies. Accordingly, a separate resolution under item no. 3 is proposed, to extend the benefits of ESOP 2018 to the employees of subsidiary company(ies). The Compensation Committee shall have all the powers to take necessary decisions for effective implementation of ESOP 2018 to the employees of subsidiary company(ies).

4. Authorization to ESOP Trust for Secondary Market Acquisition of Equity Shares

The Board of Directors of the Company at their meeting held on 24th May 2018 has proposed the Kaveri Employees Trust (**ESOP Trust**) be entrusted with the responsibility of administration and implementation of the **Kaveri Seed Employees Stock Option Plan - 2018** ("ESOP 2018") subject to the approval of members by way of special resolution. Upon approval of the members and after complying with the procedural and statutory formalities, the ESOP Trust, is empowered to acquire in one or more tranches, equity shares of the Company from the secondary market not exceeding 2% of the paid up equity capital of the Company in the previous financial year for the implementation of the ESOP 2018. The Company proposes to provide financial assistance in the form of interest free loans to the ESOP Trust for implementation of ESOP 2018.

In accordance with the provisions of Section 68(2)(b) and 110 of the Act read with Rule 22(16)(g) of the Management Rules and other applicable provisions of the Act, the approval of the members is required to be obtained by way of a special resolution through postal ballot for the proposed Buyback. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended below:-.

An explanatory statement pursuant to Section 102 of the Act and other applicable legal provisions of the Act and the Buyback Regulations, pertaining to the said Resolution setting out the material facts and the reasons therefor, is appended along with a postal ballot form (the "Postal Ballot Form"). Pursuant to Rule 22(5) of the Management Rules, the Company has appointed L.D.Reddy & Co., Company Secretaries in Practice (holding CP No. 3752), as the Scrutinizer (the "Scrutinizer"), for conducting the Postal Ballot Process (which includes e-voting) in a fair and transparent manner. The Scrutinizer is willing to be appointed and be available for the purpose of ascertaining the requisite majority.

In compliance with the provisions of Sections 110 and 108 of the Act, read with Rules 20 and 22 of the Management Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also offering facility of voting by electronic means ("e-voting") as an alternate mode of voting to all Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The Company has engaged services of Central Depository Services (India) Limited ("CDSL") as its agency for providing e-voting facility to Members of the Company. The period for voting through physical Ballot and e-voting starts from June 19, 2018 at 9.00 am IST and ends on July 18, 2018 at 5.00 pm IST.

The Scrutinizer will submit his report to the Chairman / Managing Director, after completion of scrutiny of postal ballot forms (including e-voting) in a fair and transparent manner. The results of the postal ballot will be announced by the Chairman or in his absence by any of the Directors duly authorised by the Company or in their absence by the Company Secretary of the Company on or before July 19, 2018 at the Registered Office of the Company. The results of the postal ballot alongwith the Scrutinizer's Report will be displayed at the Registered Office of the Company and communicated to BSE Limited (the "BSE") where the Equity Shares of the Company are listed. The results of the postal ballot will also be displayed on the Company's website (www.kaveriseeds.in) and on the website of CDSL (www.evoting.cDSL.com) and will also be communicated to the stock exchanges on which the Equity Shares of the Company are listed. The date of declaration of the result of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. The Members are requested to consider and, if thought fit, pass the following resolution as a special resolution.

SPECIAL BUSINESS:

Item No 1-APPROVAL FOR BUYBACK OF EQUITY SHARES

To consider and, if thought fit, to give assent or dissent to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 68, 69, 70 and other applicable provisions of the Companies Act, 2013 (the "Companies Act") as amended, the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules") and the provisions contained in the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended (the "Buyback Regulations") to the extent applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Obligations") including any amendments, Article 75 of the Articles of Association of the Company and compliance of other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any, and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, the approval of members of the Company be and is hereby accorded for the Buy-back of fully paid-up Equity Shares of the face value of ₹2/- (Rupees Two only) each up to 29,63,000 (Twenty Nine Lakhs Sixty Three Thousand only) equity shares (representing 4.48% of the total issued and paid-up Equity Share Capital of the Company) at a price of ₹675/- (Rupees Six Hundred and Seventy Five Only) ("Buyback Price") per Equity Share payable in cash for a total consideration not exceeding ₹20000.25 lakhs (Rupees Two Hundred Crores and Twenty Five Thousand Only) excluding transaction costs viz. brokerage, merchant banker fee, regulatory fee, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc., ("Buyback Size"), representing 20.24% and 20.42% of the aggregate of the standalone and consolidated 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, 2018, which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2018, out of the free reserves of the Company (including securities premium account) or such other source as may be permitted by the Buyback Regulations or the Act, from the equity shareholders of the Company, as on the Record Date, on a proportionate basis, through the 'tender offer' route as prescribed under the SEBI Buyback Regulations (hereinafter referred to as the "Buyback").

RESOLVED FURTHER THAT the Buy-back, to the extent permissible under law and subject to all applicable legal provisions, be implemented using the "Mechanism for acquisition window of shares through Stock Exchange" in accordance with Circulars notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.

RESOLVED FURTHER THAT the Company may buyback Shares from all the existing members holding Equity Shares of the Company as on the Record Date (including promoters and promoter group and persons in control, including such persons acting in concert) on a proportionate basis, provided 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders (as defined under the Buyback Regulations) are entitled to as per their shareholding on the Record Date, (whichever is higher), shall be reserved for the small shareholders in terms of the proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT the Buyback of Shares from the non-resident members of the Company, including Overseas Corporate Bodies, Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, etc., shall be subject to such approvals if and to the extent necessary or required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder.

RESOLVED FURTHER THAT the Buyback shall be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations.

RESOLVED FURTHER THAT Mr. G.Vijay Kumar, CFO be and is hereby appointed as the Compliance Officer for the purpose of proposed Buyback.

RESOLVED FURTHER THAT Mr. Gundavaram Venkata Bhaskar Rao, Chairman and Managing Director, Mr. Mithun Chand Chennamaneni, Whole Time Director, Mr. Vamsheedhar Chennamaneni, Whole Time Director, Mr. G. Vijay Kumar, CFO of the Company and Mr.V.R.S.Murti, Company Secretary of the Company be and are hereby severally authorized 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) finalizing the terms of the Buyback including the mechanism for the Buyback, Record Date, entitlement ratio, schedule of activities, opening and closing date of the Buyback, time frame for completion of the Buyback;
- (b) opening, operating and closing of all necessary accounts including bank accounts, depository account (including escrow) as per applicable law for the purpose of acceptances and settlement of tendered shares and authorizing persons to operate the said accounts;
- (c) entering into escrow arrangements as may be required in terms of the Buyback Regulations;
- (d) arranging for bank guarantees as may be necessary for the Buyback in accordance with applicable law;
- (e) preparation, finalisation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, ROC, the stock exchanges and other Appropriate Authority(ies);
- (f) signing, executing and delivering such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities;
- (g) completing any process or requirements to procure approval of the members of the Company for the proposed Buyback during the postal ballot process;
- (h) approving the explanatory statement to be annexed to the meeting of the shareholders of the Company in relation to the proposed Buyback, if required;
- (i) appointment of merchant bankers, lawyers, scrutinizers, company's brokers, bankers, depository participants and other intermediaries, agencies, advisors, advertising agencies, consultants or representatives and to decide and settle the remuneration for all such intermediaries/ agencies/ persons, including the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
- (j) determining limits on the participation of the promoters of the Company in the Buyback, if any;
- (k) making all necessary applications, providing all necessary information and documents to, and representing the Company before third parties, including, statutory auditors, in relation to the Buyback;
- (l) taking all actions for obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- (m) taking all actions for extinguishment of dematerialised shares and physical destruction of the share certificates in respect of the Equity Shares bought back by the Company;
- (n) proposing the final acceptance of shares tendered under the Buyback process;
- (o) proposing and accepting any change(s) or modification(s) in the Buyback mechanism and the documents connected with the said Buyback including declaring a reduction/extension of the Buyback offer period, as may be deemed fit and necessary in compliance with applicable law;
- (p) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated 13 April 2015 and CFD/DCR2/CIR/P/2016/ 131 dated 9 December 2016;
- (q) settling and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback;
- (r) any other action as may be necessary for the completion of the Buyback; and (s) delegation of all or any of the authorities conferred above to any executive, officer and/or representative of the Company, in order to give effect to the Buyback.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any member to offer and / or any obligation on the part of the Company or the Board to buyback any Shares, and / or impair any power of the Company or the Board to terminate any process in relation to the Buyback, if so permissible by law.

Item No 2 - APPROVAL OF KAVERI SEED EMPLOYEE STOCK OPTION PLAN - 2018 (ESOP 2018) THROUGH TRUST ROUTE
To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 62(1) (b) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) ("the Act") read with the rules made thereunder, and subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI ESOP Regulations"), including the relevant circulars and notifications, if any, issued by the Securities and Exchange Board of India ("SEBI") from time to time and the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, Companies (Share Capital and Debentures) Rules, 2014 and the Articles of Association of the Company and other applicable laws, rules and regulations for the time being in force, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors including the committee constituted by the Board, consent of the Company be and is hereby accorded to the Board to adopt and implement the proposed **Kaveri Seed Employee Stock Option Plan - 2018 ("ESOP 2018")**, for the benefit of present and future, permanent employees of the Company and its subsidiaries, other than a promoter or a person who belongs to the promoter group, Independent Directors(s) and Director who directly or indirectly holds more than 10% of the outstanding shares of the Company., as approved by the Board of Directors.

RESOLVED FURTHER THAT the ESOP 2018 be implemented through the Kaveri Employees Trust ("ESOP Trust") based on the guidelines formulated by the Nomination and Remuneration Committee of the Board ("Compensation Committee") provided that the total number of options that can be granted in one or more tranches under ESOP 2018 shall not exceed 30,00,000 options , exercisable into equivalent number of equity shares of Rs.2/- each of the Company (representing 4.54% of paid up capital of the company as at 31st March, 2018) ("Options") (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to be acquired by the ESOP Trust from the secondary market, at an exercise price that shall be determined by the Compensation Committee for each grant at a discount up to 80% of the prevailing market price (closing price on the Stock Exchange having the highest trading volume, where

the shares of the Company are listed) of the equity shares of the Company one day prior to the date of grant and on such other terms and conditions as the Compensation Committee or the ESOP Trust, as the case maybe, may determine from time to time.

RESOLVED FURTHER THAT the Compensation Committee be and is hereby authorised to:

- i. Delegate to the ESOP Trust, the authority to administer, implement and supervise the operation of ESOP 2018 on such terms and conditions as it may specify;
- ii. determine the terms and conditions of grant, issue, re-issue, cancellation and withdrawal of options from time to time;
- iii. formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive any sub-scheme or plan for the purpose of grant of options to the employees and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time;
- iv. to do all such acts, deeds, things and matters as may be considered necessary or expedient for the purpose of giving effect to the above resolution including delegation of all or any of the powers herein conferred by this resolution to the ESOP Trust; and
- v. to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Compensation Committee be and is hereby also authorised to determine, modify and vary all or any of the terms and conditions of ESOP 2018 as it may in its absolute discretion determine subject to applicable laws including the SEBI ESOP Regulations."

"FURTHER RESOLVED THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI ESOP Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2018."

Item No 3 – GRANT OF STOCK OPTIONS TO THE EMPLOYEES OF SUBSIDIARY COMPANIES UNDER ESOP 2018

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 62(1) (b) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) ("the Act") read with the rules made thereunder, and subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI ESOP Regulations"), including the relevant circulars and notifications, if any, issued by the Securities and Exchange Board of India ("SEBI") from time to time and the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, Companies (Share Capital and Debentures) Rules, 2014 and the Articles of Association of the Company and other applicable laws, rules and regulations for the time being in force, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors including the committee constituted by the Board, consent of the company be and is hereby accorded to the Board to grant to the present and future, permanent employees of the subsidiary company(ies) of the Company and their director(s) whether whole time director or not other than a promoter or a person who belongs to the promoter group, Independent Director(s) and Director who directly or indirectly holds more than 10% of the issued capital of the Company, such number of stock options which together with the stock options granted to the employees of the Company shall not in the aggregate exceed 30,00,000 options ("Options"), in one or more tranches, exercisable into equivalent number of equity shares of Rs 2/- each of the capital Company (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time), under the Kaveri Employee Stock Option Plan - 2018 ("ESOP 2018"), as approved by the Board of Directors, at an exercise price that shall be determined by the Compensation Committee for each grant at a discount up to 80% of the prevailing market price (closing price on the Stock Exchange having the highest trading volume, where the shares of the Company are listed) of the equity shares of the Company one day prior to the date of grant and on such other terms and conditions as the Nomination and Remuneration Committee of the Board of the Company ("Compensation Committee") or the Kaveri Employees Trust ("ESOP Trust"), as the case may be, may determine from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Compensation Committee be and is hereby authorized to do all such acts, deeds, things and matters as may be considered necessary or expedient including delegation of all or any of the powers herein conferred by this resolution to the ESOP Trust and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Compensation Committee be and is hereby also authorized to determine, modify and vary all or any of the terms and conditions of ESOP 2018 as it may in its absolute discretion determine subject to applicable laws including the SEBI ESOP Regulations."

Item No 4 - AUTHORIZATION TO ESOP TRUST FOR SECONDARY MARKET ACQUISITION OF EQUITY SHARES.

To consider and, if thought fit, to pass the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, and subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI ESOP Regulations"), including the relevant circulars and notifications, if any, issued by the Securities and Exchange Board of India ("SEBI") from time to time, approval of the members of the Company be and is hereby accorded to the Kaveri Employees Trust ("ESOP Trust") to acquire equity shares of the Company, in one or more tranches, from the secondary market, provided that such acquisition in any financial year shall not exceed 2% of the paid up equity share capital of the Company as at the end of the previous financial year, for the purpose of implementation of the Kaveri Seed Employee Stock Option Plan - 2018 ("ESOP 2018") as approved by the Board of Directors, at such price and at such terms and conditions that the ESOP Trust may deem fit and to do all such acts, deeds and things as maybe incidental or ancillary in this regard.

RESOLVED FURTHER THAT pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Act, read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, approval of the members of the Company be and is hereby accorded to the Board of Directors ("Board" which term shall be deemed to include any Committee thereof) to extend an interest free loan to the ESOP Trust of such amounts from time to time whereby the value of shares to be purchased in the aggregate together with the money provided by the Company shall not exceed five per cent of the aggregate of paid up capital and free reserves of the Company for the purpose of implementation of ESOP 2018 subject to overall limits, if any, specified under the Act and / or the SEBI ESOP Regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company, the number and percentage of shares of the Company to be acquired from the

secondary market by the ESOP Trust shall be appropriately adjusted.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Compensation Committee and the ESOP Trust be and is hereby authorized to do all such acts, deeds, things and matters as may be considered necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company.

Registered Office:

513-B, 5th Floor,
Minerva Complex,
SD Road
Secunderabad-530003, Telangana, India
CIN: L01120TG1986PLC006728
Email id: cs@kaveriseeds.in
Website: www.kaveriseeds.in

By order of the Board
For Kaveri Seed Company Limited

Sd/-
VRS Murti
Company Secretary
Membership No. ACS3566

Place: Secunderabad

Date: May 24, 2018

Notes:

1. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 setting out material facts in respect of Special Resolution to be passed through postal ballot/e-voting is annexed hereto along with Postal Ballot Form for your consideration. It also contains all the disclosures as specified in Schedule II Part A of SEBI (Buyback of Securities) Regulations, 1998.
2. The Notice is being sent to such members whose names appear on Friday, June 08, 2018 in the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) those members holding physical shares, whose details are received from the registrar and share transfer agent. Any person who is not a member of the Company as on the record date specified above shall treat the Notice for information purposes only.
3. Members who have registered their e-mail IDs with depositories / with the Company/ with registrar and share transfer agent are being sent this Notice by e-mail and the members who have not registered their e-mail IDs will receive Notice along with the Postal Ballot Form by Registered Post or any other prescribed mode.
4. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to cs@kaveriseeds.in. The registrar and share transfer agent/Company shall forward the same along with self-addressed postage-prepaid business reply envelope to the Member.
5. Members are requested to carefully read the instructions printed on the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed, should be returned in the enclosed self-addressed Business Reply Envelope, directly to the Scrutinizer so as to reach on or before July 18, 2018, 5.00 p.m. (IST). Postage expense will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the Members, will also be accepted. Any response received from the Members after July 18, 2018, 5.00 p.m. (IST) shall be treated as if no response is received in terms of Rule 22(12) of the Companies (Management and Administration) Rules, 2014.
6. A Member cannot exercise his vote by proxy on postal ballot.
7. In case of any grievance / clarification in connection with the postal ballot including e-voting, Members may contact CDSL by e-mail at evoting@cDSLindia.com or the Company Secretary at the contact details given hereinabove or at cs@kaveriseeds.in.
8. The Notice and Postal Ballot Form are also placed on the website of the Company, www.kaveriseeds.in and website of CDSL www.evoting.cDSL.com.
9. **INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MODE:**

1. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote through postal ballot by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The E-voting facility is available at the link:

Electronic Voting Sequence Number (EVSN)	Commencement of E-Voting	End of E-Voting
180612007	19 th June, 2018 (9.00 AM)	18 th July, 2018 (5.00 PM)

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

(I) Instructions for e-voting

- a) Shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on "Shareholders" tab.
- c) Now enter your User ID

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For CDSL: 16 digits beneficiary IDFor NSDL: 8 Character DP ID followed by 8 Digits Client ID	Folio Number registered with the Company

- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the serial number (refer serial no. printed on the name and address sticker/Postal Ballot Form) in the PAN Field. In case the serial number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN Field.
Dividend BankDetails OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c) above.

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Members holding shares in Physical form will then directly reach the Company selection screen.
- i) Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- j) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the relevant EVSN for the "KAVERI SEED COMPANY LIMITED" on which you choose to vote.
- l) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- m) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Postal Ballot.
- n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- q) Note for Non-Individual Shareholders & Custodians:
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- r) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

2. In case of members receiving the Physical copy of Notice of Postal Ballot [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]

- (A) Please follow all steps from (a) to (r) above, to cast vote.
- (B) Non-Individual Shareholders (i.e., other than individuals, HUF, NRI etc.) and custodian are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- (C) The voting period begins at 9:00 A.M on 19th June, 2018 and ends at 5:00 P.M. on 18th July, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 08th June, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

3. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 8th June, 2018.

4. L.D.Reddy & Co, Company Secretaries in Practice (holding CP No. 3752) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the Postal Ballot process.

5. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith and submit to the Chairman of the Company.
6. The result of the Postal ballot will be announced on Thursday, July 19, 2018 at the Registered Office of the Company and intimation to National Stock Exchange of India Limited and BSE Limited where the shares of the company are listed and uploaded on the Company's website www.kaveriseeds.in and on the website of CDSL www.cdslindia.com

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013
FORMING PART OF THE NOTICE**

Item No. 1. Approval for Buyback of Equity Shares

With an objective of enhancing overall shareholder value, optimizing returns to shareholders and optimizing the capital structure of the Company through return of surplus cash the Board at its meeting held on May 24, 2018 has approved and recommended the proposal of buyback of Equity Shares as contained in the Resolution in the Notice. As per the relevant and other applicable provisions of the Act and Buyback Regulations, this Explanatory Statement contains relevant and material information to enable the members holding Equity Shares of the Company to consider and approve the Special Resolution for the Buyback of the Company's Equity Shares. Requisite details relating to the Buyback are given below:

a) Necessity for the Buy Back

The Board at its meeting held on May 24, 2018, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts as on March 31, 2018 and considering these, the Board decided to allocate a sum of ₹20000.25 Lakhs (Rupees Two Hundred Crores and Twenty Five Thousand only) excluding transaction costs viz. brokerage, merchant banker fee, regulatory fee, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc. for distributing to the members holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the members holding Equity Shares of the Company, the Board decided to recommend Buyback of not exceeding 29,63,000 (Twenty Nine Lakhs Sixty Three Thousand only) Equity Shares (representing 4.48% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of Rs.675/- (Rupees Six Hundred and Seventy Five only) per Equity Share for an aggregate consideration of ₹20000.25 Lakhs (Rupees Two Hundred Crores and Twenty Five Thousand only). Buyback is being undertaken, 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 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" as per Regulation 2(1)(a) of the Buyback Regulations;
- 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 any additional investment.
- v. Optimizes the capital structure.

b) Maximum number of securities that the company proposes to Buyback

The Company proposes to Buyback not exceeding 29,63,000 (Twenty Nine Lakhs Sixty Three Thousand only) Equity Shares of the Company.

c) Buyback price and the basis of arriving at the Buyback price

The Equity Shares are proposed to be bought back at a price of ₹675/- (Rupees Six Hundred and Seventy Five Only) per Equity Share (the "Buyback Price").

The Buyback Price 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, 2018, 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.

The Buyback Offer Price of ₹675/- (Rupees Six Hundred and Seventy Five Only) per equity share represents a premium of 34.06% and 33.53% over the closing price of the Equity Shares on the BSE Limited ("BSE") and on the National Stock Exchange of India Limited ("NSE") (collectively referred to as the "Stock Exchanges"), respectively, as on May 14th 2018, being the date on which the Company intimated the Stock Exchanges of the date of the meeting of the Board wherein proposal of the Buyback was considered.

The Company confirms that as required under Section 68(2) (d) of the Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buyback.

d) Maximum amount required under the Buy-back, its percentage of the total paid up capital and free reserves and the sources of funds from which the Buy-back would be funded

The maximum amount required under the Buy-back will not exceed ₹20000.25 lakhs (which is 4.48% of the total paid-up equity capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2018) excluding transaction costs viz. brokerage, merchant banker fee, regulatory fee, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company including securities premium account or such other source as may be permitted by the Buyback Regulations or the Act. The funds used will not exceed 25% of aggregate of the paid-up share capital and free reserves of the Company as on March 31, 2018.

The Buy-back would be funded out of free reserves of the Company. The Company shall transfer a sum equal to the nominal value of the Equity Shares bought back through the Buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.

The funds borrowed, if any, from Banks and Financial Institutions will not be used for the Buyback.

e) Method to be adopted for Buy-back

The buy-back shall be on a proportionate basis from the equity shareholders / beneficial owners of the Equity Shares of the Company through the "Tender Offer" route, as prescribed under the Buy-back Regulations to the extent permissible, as prescribed under the "Mechanism for acquisition window of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/ POLICYCELL/1/2015 dated April 13, 2015. The Buyback will be implemented in accordance with the Act and Share Capital Rules, made thereunder to the extent applicable, and the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date (the "Record Date") for determining the names of the members holding equity shares of the Company who will be eligible to participate in the Buyback.

In due course, a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback .

The Equity Shares to be bought back as a part of the Buy-back is divided in two categories:

(a) Reserved category for small shareholders; and

(b) The General category for all other shareholders.

As defined in the Buy-back Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price of shares, on the recognized stock exchange in which highest trading volume in respect of Equity Shares as on Record Date is not more than ₹2,00,000 (Rupees Two Lacs).

In accordance with the proviso to Regulation 6 of the Buy-back Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buy-back.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buy-back applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding Equity Shares of the Company may also accept a part of their entitlement. Members holding Equity Shares of the Company 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 shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.

The settlement of the tenders under the Buyback is expected to be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular No.CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015.

Detailed instructions for participation in the Buy-back (tender of equity shares in the Buy-back) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the members holding Equity Shares of the Company as on the Record Date.

f) Time limit for completing the Buyback Subject to receipt of regulatory consents and approvals, if any, the Buyback is proposed to be completed within 12 months from the date of passing of special resolution detailed in this Postal Ballot Notice.

g) Compliance with Section 68(2) (c) of the Act

The aggregate paid-up share capital and free reserves on consolidated and standalone financials as on March 31, 2018 is ₹97934.00 lakhs and ₹98813.84 lakhs respectively. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company on consolidated and standalone is ₹24483.50 lakhs and ₹24703.46 lakhs respectively. The maximum amount proposed to be utilized for the Buyback, is not exceeding ₹20000.25 lakhs (Rupees Two Hundred crores and Twenty Five Thousand only) excluding transaction costs viz., brokerage, securities transaction tax, goods and service tax, stamp duty, etc., representing and is therefore within the limit of 25% of the Company paid-up share capital and free reserves as per the audited accounts of the Company for the financial year March 31, 2018 (the last audited financial statements available as on the date of Board meeting recommending the proposal for the Buyback).

h) The aggregate shareholding of the Promoters and of Persons who are in Control of the Company, and of Directors and Key Managerial Personnel of the Company as on the date of this Notice:

Sr. No	Name of Shareholder	No. of Equity Shares held	Percentage of Issued Equity Share Capital
1	Gundavaram Venkata Bhaskar Rao	58,05,735	8.78
2	Venkata Bhaskar Rao Gundavaram (HUF)	1,08,19,018	16.37
3	Vanaja Devi Gundavaram	1,51,83,341	22.97
4	Pawan Gundavaram	24,14,890	3.65
5	Vamsheedhar Chennamaneni	10,58,087	1.60
6	Mithun Chand Chennamaneni	9,28,895	1.41
	Total	3,62,09,966	54.79

f) **Aggregate number of equity shares purchased or sold by persons including persons mentioned in (g) below from a period of six months preceding May 24, 2018, being the date of Board Meeting at which the buyback was approved:**

No shares or other specified securities in the Company were either purchased or sold by promoters and promoter group and by persons who are in control of the Company during a period of 6 months preceding the date of the Board meeting at which the Buyback was approved and from that date till the date of this Notice of postal ballot for Buyback.

g) **Intention of the Promoters and Promoter Group of the Company to tender equity shares for Buyback indicating the number of shares, details of acquisition with dates and price**

In terms of the Buyback Regulations, under the Tender Offer, the Promoters and Promoter Group being in control of the Company, have an option to participate in the Buyback. The Promoters have expressed their intention letters dated May, 25 2018 to participate in the Buyback and it may tender up to an aggregate maximum of 29,63,000 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. The promoters have not acquired/sold any equity shares during the last 6 months.

Sr. No	Name of Shareholder	Maximum number of shares Intended to Tender
1	Venkata Bhaskar Rao Gundavaram (HUF)	4,48,178
2	Gundavaram Venkata Bhaskar Rao	2,40,502
3	Vanaja Devi Gundaaram	6,28,971
4	Pawan Gundavaram	1,00,037
5	Mithun Chand Chennamaneni	38,480
6	Vamsheedhar Chennamaneni	43,832
Total		15,00,000

(h) Details of the date and price of acquisition of the Equity Shares held by Promoters and Promoter Group intends to tender for the Buyback, including date and cost of acquisition, 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	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
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

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	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	85,704	229.17	12,93,852
22.08.2009	43,401	Market Purchase	86,802	214.89	13,37,253
09.09.2009	21,145	Market Purchase	42,290	220.8	13,58,398
22.09.2009	48,000	Market Purchase	96,000	222.62	14,06,398
26.03.2011	(50,000)	Gift	1,00,000	NA	13,56,398
26.03.2011	(50,000)	Gift	1,00,000	NA	13,06,398
13.07.2012	(50,000)	Gift	1,00,000	NA	12,56,398
13.07.2012	(50,000)	Gift	1,00,000	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

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	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
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

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	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	10	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

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	39,682	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	806.7	10,99,320
03.08.2017	(41,233)	Buyback of Shares	82,466	675.0	10,58,087

Mithun Chand Chennamaneni

Date	No. of Shares	Nature of Transaction	Nominal Value (In₹)	Issue Price / Transfer Price (In₹)	Cumulative No. Shares
26.07.2006	4,000	Gift received from Raghupathi Rao Rangineni	0	NA	4,000
04.08.2006	4,000	Bonus	0	NA	8,000
20.09.2006	8,000	Rights	80,000	10/-	16,000
20.09.2006	60,000	Gift received from Gundavaram Venkata Bhaskar Rao	60,000	NA	76,000
10.12.2009	3,000	Market Purchase	6,33,930	211.31	79,000
03.05.2010	1,175	Market purchase	3,52,500	300.00	80,175
02.04.2011	22,614	Market purchase	75,43,352	333.57	1,02,789
26.07.2011	6,500	Market purchase	21,45,000	330.00	1,09,289
13.10.2011	5,200	Market purchase	24,90,800	479.00	1,14,489
26.03.2011	50,000	Gift from Gundavaram Venkata Bhaskar Rao	0	NA	1,64,489
19.01.2012	60,000	Market purchase	2,84,40,000	474.00	2,24,489
13.07.2012	50,000	Gift from Gundavaram Venkata Bhaskar Rao	0	NA	2,74,489
28.01.2013	70,800	Market purchase	9,92,61,600	1402.00	3,45,289
07.03.2013	(2,512)	Market sale	32,53,040	1295.00	3,42,777
28.03.2013	(1,553)	Market sale	18,60,494	1198.00	3,41,224
02.08.2013	(22,245)	Market sale	3,41,38,067	1534.64	3,18,979
Split of Each equity share of ₹10 each into Five equity shares of ₹2 Each					15,94,895
10.06.2014	(666000)	Market sale	43,55,64,000	654.00	9,28,895

h) **Confirmation that the Board of Directors have made full enquiry into the affairs and prospects of the Company and that they have formed the opinion to the effect that the Company, after buy-back will continue to be able to meet its liabilities and will not be rendered insolvent**

The Board confirms that it has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that:

- immediately following the date of Board Meeting held on May 24, 2018 and the date on which the results of postal ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- as regards the Company's prospects for the year immediately following the date of the Board Meeting convened for approving the Buy-back i.e., May 24, 2018 and the date on which the results of Postal Ballot will be declared, having regard to their 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 view of the Board, 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 Buy-back and within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be; and
- Informing its opinion for the above purposes, 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 Act.

i) **Report addressed to the Board of Directors by the Company's Auditors**

The text of the Report dated May 24, 2018 received from **M/s.M.BHASKARA RAO & CO**, Chartered Accountants, 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 Part A of Schedule II of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended [SEBI Buyback Regulations].

- This report is issued in accordance with the terms of our engagement letter dated 24th May, 2018. The Board of Directors of Kaveri Seed Company Limited have approved a proposed buy-back of equity shares by the Company at its meeting held on 24th May 2018, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ('the Act') and the SEBI Buyback Regulations.
- We have been requested by the Management of the Company to provide a report on the accompanying Statement of permissible capital payment (including premium) in 'Annexure A' as at 31 March 2018 (hereinafter referred together as the "Statement"). This statement is prepared by the management, based on the audited standalone and consolidated financial statements of the Company as at and for the year ended on 31 March 2018, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with Section 68 (2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, 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 and making full enquiry into the affairs and prospects of the Company and forming an opinion that the Company will not be rendered insolvent within a period of one year from that date. 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.

Auditors' Responsibility

4. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance:

- whether 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 2018;
- if the amount of permissible capital payment for the proposed Buy-back of equity shares as stated in **Annexure A**, has been properly determined in accordance with Section 68(2)(c) of the Act based on the audited standalone and consolidated financial statements as at and for the year ended 31 March 2018; and
- if the Board of Directors in their meeting dated 24 May 2018, have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

5. The standalone and consolidated financial statement referred to in paragraph 4 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated 24 May, 2018 we conducted our audit of the standalone and consolidated financial statements in accordance with the standards on auditing and other applicable pronouncements issued by Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

6. 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. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant 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

8. Based on inquiries conducted and our examination referred to in paragraph 6 above, 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 2018;
- the amount of permissible capital payment (including premium) for the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view properly determined in accordance with Section 68(2) (c) of the Act. Amount of the 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, 2018 and
- the Board of Directors of the Company, in their meeting held on May 24, 2018 have formed their opinion as specified in clause (x) of Part A of Schedule II to the SEBI 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 date of passing the resolution by the Board of Directors i.e., 24 May, 2018.

Restriction on Use

9. This report is issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back 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, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

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

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

Hyderabad,
24 May 2018

Annexure A

Statement of determination of the maximum amount of permissible capital payment for buyback of Equity Shares in accordance with the provisions of the Act and the Regulations (the "Statement")

(Amount Rs.in Lakhs)

Particulars	Standalone	Consolidated
Paid up equity share capital as on March 31, 2018 (A)	1321.84	1321.84
Free Reserves as on March 31, 2018	—	—
Securities Premium Account	1000.00	1002.00
General Reserves	96492.00	95610.18
Retained Earnings	97492.00	96612.18
Total Free Reserves (B)	98813.84	97934.02
Total (A+B)		

Maximum amount permissible for the Buy-back i.e. 25% of total paid-up equity capital and free reserves	24703.46	24483.50
Amount proposed for Buyback, not exceeding	20000.25	20000.25

We certify that above computation of maximum amount 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 31st March 2018 which have been approved by the Board of Directors in their meeting held on 24th May 2018.

For Kaveri Seed Company Limited

Sd/-

G V Bhaskar Rao

Chairman & Managing Director

Hyderabad,
May 24, 2018

Statement referred to in our certificate of even date

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

Sd/-

M V Ramana Murthy
Partner
Membership No.206439

Hyderabad,
May 24, 2018

Unquote

- i) **As per the provisions of the Buy-back Regulations and the Act**
- I. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buy-back;
- II. The Company shall not raise further capital for a period of one year from the closure of the Buy-back, except in discharge of its subsisting obligations;
- III. The special resolution approving the Buy-back will be valid for a maximum period of 1 year from the date of passing the said special resolution (or such extended period as may be permitted under the Act or the Buy-back Regulations or by the appropriate authorities). The Schedule of Activities for the Buy-back shall be decided by the Board of Directors within the above time limits;
- IV. The Equity Shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
- V. The Company shall not withdraw Buy-back after the public announcement of the offer to Buy-back is made;
- VI. 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; and
- VII. The Company confirms that as required under Section 68(2)(d) of the Companies Act, 2013, the company is a debt free company and the debt equity ratio of aggregate of secured and unsecured debts owed by the Company shall not be more than twice the equity share capital and free reserves after the Buy-back.

A copy of the Notice is also available on the website of the Company, at www.kaveriseeds.in, website of registrar, Bigshare Services Private Limited at www.bigshareonline.com, websites of the National Stock Exchange of India Limited, at www.nseindia.com and BSE Limited, at www.bseindia.com.

All documents referred to in the accompanying Notice and Statement pursuant Section 102(1) of the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during working hours on all working days up to the date of last date of voting i.e. July 18, 2018.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its members holding equity shares of the Company. The Director, therefore recommend passing of the Special Resolution as set out in the accompany Notice. None of the Directors or any Key Managerial Personnel of the Company or their relatives is, in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

Item No.2 and 3 - Approval of Kaveri Seed Employee Stock Option Plan - 2018 (ESOP 2018) through Trust route and Grant of Stock Options to the Employees of Subsidiary Companies under ESOP 2018

Stock options represent a reward system based on performance. They help companies to attract, retain and motivate the best available talent. Stock options also have gone a long way in aligning the interest of the employees with that of the organisation besides providing employees an opportunity to participate in the growth of the Company and creating long term wealth in their hands.

The Board of Directors of the Company at its meeting held on 24th May 2018 have approved the Kaveri Seed Employee Stock Option Plan 2018 to be implemented through the Trust route involving acquisition of equity shares of the Company by the Trust through secondary market and the Board authorized the Nomination and Remuneration Committee (hereinafter referred to as Compensation Committee) for the superintendence of ESOP 2018.

Grant of stock options under ESOP 2018 shall be as per the terms and conditions as may be decided by the Compensation Committee from time to time in accordance with the provisions of Companies Act, 2013, the rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations"). The ESOP Plan 2018 is proposed to be implemented through the Kaveri Employees Trust ("ESOP Trust"). The ESOP Trust will acquire equity shares of the Company from the secondary market for this purpose.

As consequence to the aforesaid, the statement under Section 102 and relevant resolutions at Item No.2, 3 and 4 which is proposed for approval of the Shareholders are set out in this Notice.

The main features of ESOP 2018 and other details of the Scheme as required under Regulation 6(2) of SEBI ESOP Regulations, are as under:

1. Total number of Options to be granted under the Scheme

- i. A total of 30,00,000 options (not exceeding 4.54% of the paid up capital of the Company as on 31st March, 2018) would be available for grant to the eligible employees including employees of the subsidiaries of the Company and its director(s) other than a promoter or a person who belongs to the promoter group, Independent Directors(s) and Director who directly or indirectly holds more than 10% of the outstanding shares of the Company under ESOP 2018.
- ii. Number of options shall be adjusted due to any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company.
- iii. Each option when exercised would give the option holder a right to get one fully paid equity share of Rs.2/- each of the Company.
- iv. In cases where options, whether vested or unvested, lapse or expire or are forfeited for any reason, the Compensation Committee may re-issue the options to other eligible employees. The options so issued shall be subject to the terms and conditions of ESOP 2018.

2. Implementation of ESOP through ESOP Trust

The ESOP 2018 would be implemented through the ESOP Trust since it is proposed that the equity shares of the Company would be acquired from the secondary market. The Company believes that the implementation of the ESOP through secondary market acquisition is in the best interests of the Company and its shareholders and it will not cause any loss to the existing shareholders from dilution in their shareholding besides being easier and efficient in implementation. The ESOP Trust shall be authorized to acquire equity shares of the Company from the secondary market. The Company proposes to provide financial assistance to the ESOP Trust for this purpose subject to the overall limits specified under the applicable laws. In terms of the SEBI ESOP Regulations, the Compensation Committee shall delegate the administration and implementation of ESOP 2018 to the ESOP Trust.

3. Classes of employees entitled to participate in the ESOP 2018

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the Company and its subsidiary company(ies) as may be determined by Compensation Committee from time to time, shall be eligible to participate in ESOP 2018.

The promoter, the person belonging to the promoter group or a director, who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the ESOP 2018. Moreover, independent directors are also not eligible to participate in the ESOP 2018.

4. Requirements of Vesting, period of Vesting and maximum period of Vesting

The options granted shall vest so long as the employee continues to be in the employment of the Company or any of its subsidiary companies. The vesting period shall be decided by the Compensation Committee from time to time but shall not be less than one year and not more than 5 years from the date of grant of options. Vesting may happen in one or more tranches. The detailed terms and conditions for vesting will be governed by ESOP 2018.

5. Exercise Price or pricing formula

The exercise price shall be determined by the Compensation Committee for each grant at a discount up to 80% of the prevailing market price (closing price on the Stock Exchange having the highest trading volume, where the shares of the Company are listed) of the equity shares of the Company one day prior to the date of grant.

Employee shall bear all tax liability in relation to the options.

6. Exercise Period and process of exercise

The Compensation Committee shall decide the exercise period from time to time which can be extended upto four years from the vesting date(s).

The grantee can exercise the options at any time after the vesting date and during the exercise period either in full or in tranches by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Compensation Committee, from time to time.

The ESOP 2018 will also permit cashless exercise of options. When a grantee exercises the option, the corresponding shares relating to such option exercised will be sold within a reasonable time on a stock exchange on which the shares are listed and publicly traded at the time of such cashless exercise, and the grantee will be entitled to receive the difference between the selling price and the exercise price for the options exercised by him after deducting taxes payable on exercise/ sale, if any, and other amounts, expenses and charges due from him (including that in connection with the sale of shares. For the purpose of implementing the cashless exercise, the Compensation Committee shall be entitled to specify such procedures and/or mechanisms for exercise of the options as may be necessary and the same shall be binding on the grantee.

7. Appraisal process for determining the eligibility of the employees

The process for determining the eligibility of the employees will be specified by the Compensation Committee and will be based on various parameters, such as length of service, designation, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential etc., and such other functional and managerial parameters such as may be deemed appropriate by the Compensation Committee at its sole discretion, from time to time.

8. Maximum number of options to be granted per employee

The maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee on case to case basis and shall be lesser than 1% (One percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options. .

9. Compliance with Accounting Policies

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under regulation 15 of the SEBI ESOP Regulation, and other applicable laws from time to time.

10. Method of valuation of options

The Company will adopt the fair value method for accounting purposes.

The Compensation Committee shall have all the powers to take necessary decisions for effective implementation of ESOP 2018. In terms of the provisions of the SEBI ESOP Regulations, the ESOP 2018 is required to be approved by the members by passing of special resolution.

The SEBI ESOP Regulations also require separate approval of members by way of special resolution to grant stock options to the employees of subsidiary companies. Accordingly, a separate resolution under item no. 3 is proposed, to extend the benefits of ESOP 2018 to the employees of subsidiary company(ies) as may be decided by the Compensation Committee from time to time under applicable laws.

A copy of the draft ESOP 2018 will be available for inspection on all working days (Monday to Friday) between 10.00 AM to 5.00 PM from 19.06.2018 to 18.07.2018 at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolutions except to the extent of the stock options that may be granted to them under the ESOP 2018.

The Board commends passing of the resolutions as set out under Item No. 2 and 3 for approval of the members as a special resolution through Postal Ballot.

Item No.4 - Authorization to ESOP Trust for Secondary Market Acquisition of Equity Shares

In terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations"), employees' welfare schemes may be implemented *inter-alia* by acquisition of existing shares of the company from the secondary market through a trust.

It is proposed that the Kaveri Employees Trust ("ESOP Trust") be entrusted with the responsibility of administration and implementation of the **Kaveri Seed Employees Stock Option Plan - 2018** ("ESOP 2018") for this purpose. Upon approval of the members and after complying with the procedural and statutory formalities, the ESOP Trust, is empowered to acquire in one or more tranches, equity shares of the Company from the secondary market not exceeding 2% of the paid up equity capital of the Company in the previous financial year for the implementation of the ESOP 2018.

The Company proposes to provide financial assistance in the form of interest free loans to the ESOP Trust for implementation of ESOP 2018, details of which are as follows:

Amount of loan : Maximum amount of loan to be provided to the ESOP Trust at any time shall be such amount whereby the value of shares to be purchased in the aggregate together with the money provided by the Company shall not exceed five per cent of the aggregate of paid up capital and free reserves of the Company

Tenure of the loan : till the objects of the ESOP Trust are accomplished or the repayment of loan is made, whichever is later.

Utilisation: The loan amount will be utilized by the ESOP Trust for the objects as mentioned in the Trust deed including the implementation of the ESOP 2018 whereby it will purchase the equity shares of the Company from the secondary market.

Repayment Terms: The ESOP Trust shall repay the loan to the Company by either utilizing the proceeds realised from exercise of options by the employees or sale of equity shares in the secondary market by the ESOP Trust as permissible under the SEBI ESOP Regulations, as the case may be.

Disclosures as required under Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014:

1. The class of employees for whose benefit the scheme is being implemented and money is being provided for purchase of or subscription to shares:

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the Company and its Indian subsidiary company(ies) as may be determined by the Compensation Committee from time to time, shall be eligible to participate in the ESOP 2018.

The promoter, the person belonging to the promoter group or director, who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the ESOP 2018. Moreover, independent directors are also not eligible to participate in the ESOP 2018.

2. The particulars of the trustee or employees in whose favour such shares are to be registered:

The shares will be registered in the name of all or any of the trustees to hold equity shares of the Company for and on behalf of the ESOP Trust.

3. The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

Name of the Trustees:

1. Mr. Satish Jagannath Patil
2. Mr. P. Mallu Reddy
3. Mr. Matti Lakshmi Kanth

Particulars/Name of the Trust : **Kaveri Employee Trust**

513-B, 5th Floor, Minerva Complex,
S.D.Road, Secunderabad – 500003, Telangana, India.

Name, Address, Occupation and nationality of Trustees:

1. Satish Jagannath Patil
S/o. Sri Jagannath Chhagan Patil
C/o Hemant Patel, B3/401,688, Manmohan Park,
Opp Chintamani Nagar-2, Bibavewadi, Pune, Maharashtra-411037, India

Occupation: Service

Nationality : Indian

2. Malla Reddy Pindi
S/o. Sri P. Raji Reddy
Plot.No:102, Vishwam Vihar Apts, P S Colony,
Ramanthapur, Hyderabad-500013, Telangana, India
Occupation: Service
Nationality : Indian

3. Matti Lakshminikanth
S/o. Sri Matti Janardhanbabu
Flat No.401, H.No.6-1-277/1,
PJS Residency, Padmarao Nagar
Secunderabad-500025, Telangana, India.
Occupation: Service
Nationality : Indian

Relationship of trustees with promoters, directors or key managerial personnel, if any
None of the trustees are related to the Promoters/Directors/Key Managerial Personnel of the Company. Subject to compliance of the provisions of applicable laws, the aforesaid trustees may be changed at any time.

4. Any interest of Key Managerial Personnel, Directors or Promoters in such scheme or trust and effect thereof:

The Key Managerial Personnel and Directors are interested in the ESOP only to the extent of stock options, if any, that may be granted to them under ESOP 2018.

5. The detailed particulars of benefits which will accrue to the employees from the implementation of the scheme:

Upon exercise of stock options, the eligible employees, will be entitled to equivalent number of equity shares of the Company, at a pre-determined exercise price as per the terms of grant and such exercise price being lesser than the market price ,

6. The amount of loan to be provided for implementation of the scheme(s) by the Company to the Trust, its tenure, utilization, repayment terms etc.,

The amount of loan to be provided to the ESOP Trust shall not at any time exceed 5% of the aggregate of paid up capital and free reserves of the company. The loan granted will be utilized by the ESOP Trust for making secondary market purchases of the securities of the Company for implementing the scheme and shall be repaid by the ESOP Trust from the exercise price realized (sale proceeds under cashless exercise) as and when the employees exercise their vested options or from sale of equity shares in the secondary market by the ESOP Trust as permissible.

7. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the scheme(s)

Acquisition by the Trust in a financial year shall not exceed 2% of the paid up equity capital of the Company as at the end of the previous financial year and holding of shares acquired shall at no time exceed 5% of paid up equity capital as at the end of the financial year prior to the year of the passing of this resolution for all the schemes in the aggregate, in terms of the ESOP Regulations.

8. The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised:

The ESOP Trust would be considered as the registered shareholder of the shares acquired for the purpose of implementation of ESOP 2018 till the date of transfer of shares to the employees under the terms of ESOP 2018.

In line with the requirements of the SEBI ESOP Regulations, the trustees of the ESOP Trust shall not exercise voting rights in respect of the shares of the Company held by the ESOP Trust.

Once the shares are transferred to the employees upon their exercise, the employees will be treated as the shareholder of the Company and shall acquire the right to vote in respect of such shares.

In terms of the Companies Act 2013, read with Rule 16 of the **Companies (Share Capital and Debentures) Rules, 2014** and the SEBI ESOP Regulations , the approval of the members by passing of special resolution as set out under item no. 4 is sought for the secondary market acquisition of equity shares of the Company by the ESOP Trust for the implementation of the ESOP 2018 and also to extend financial assistance to the trust towards acquisition of such shares.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of the stock options that may be granted to them under ESOP 2018.

The Board commends the passing of resolution as set out under Item No. 4 for approval of the members as a special resolution through Postal Ballot.

Registered Office:

513-B, 5th Floor
Minerva Complex,
SD Road
Secunderabad-530003, Telangana, India
CIN: L01120TG1986PLC006728
Email id: cs@kaveriseeds.in
Website: www.kaveriseeds.in

Place: Secunderabad
Date: May 24, 2018

By order of the Board
For Kaveri Seed Company Limited

Sd/-
VRS Murti
Company Secretary
Membership No. ACS3566