



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") and National Stock Exchange of India Limited (the "NSE") (the NSE together with the BSE is referred to as the "Stock Exchanges") 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 of Directors 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 Directors(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 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
Secundrabad-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 (EVS/N)	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 ID For 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 Bank Details OR Date of Birth (DOB)	<p>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.</p>

- 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 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" as per Regulation 2(1)(la) 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