



kaveri seeds®

# kaveri seed company limited

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## Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2020

### DISCLOSURES ON EMPLOYEE STOCK OPTION SCHEME FOR THE YEAR ENDED MARCH 31, 2020

(a) Name of the Scheme: - **Employee Stock Option Scheme 2018 - ESOP Plan**

#### Details of the Scheme:

Pursuant to the approval of the shareholders, by way of postal ballots on 19<sup>th</sup> July 2018 the Company has established an 'Employee Stock Option Scheme 2018' ('ESOP Plan or 'the Scheme') to be administered by the Nomination and Remuneration Committee of the Board of Directors and authorized to introduce, offer, issue and grant the share-based incentives to eligible employees of the Company and its subsidiaries under the ESOP Plan. The ESOP Plan involves acquisition of shares shall not exceed 30,00,000 equity shares from the secondary market through Barclays Wealth Trustees (India) Private Limited Trustees of Kaveri Employees Trust setup for implementation and administration of Scheme.

As on 31st March 2020 a total 8,79,491 (Eight Lakhs Seventy Nine Thousand Four Hundred Ninety One Only) equity shares were acquired from the secondary market through Barclays Wealth Trustees (India) Private Limited as Trustees of Kaveri Employees Trust.

The Nomination and Remuneration Committee (NRC), is empowered to formulate detailed terms and conditions of the ESOP Plan 2018, and supervise the same. The specific employees to whom the Options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee at its sole discretion. Further, the Nomination and Remuneration Committee is empowered to determine the eligible employees of subsidiary companies, whether existing or future, whose employees will be entitled to stock options under this Scheme.



The Nomination and Remuneration Committee has granted 6,29,516 options @ Rs.315/- per option to the eligible employees of the Company during the financial year 2019-20 under ESOP Plan. The number of options after the grant, outstanding as at the year-end was 2,49,975.

The granted options would vest on or after 1 (one) year from the date of grant i.e., 31.03.2020 but not later than 4 (four) years from the date of grant of such Options or any other terms as decided by the Nomination and Remuneration Committee.

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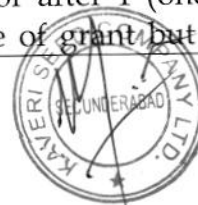
A. For disclosures in terms of the 'Indian Accounting Standard 33 - Earnings Per Share', please refer Note No. 41 of the Standalone Financial Statements of the Company for the year ended March 31, 2020.

**B. Diluted EPS in accordance with Indian Accounting Standard**

Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Indian Accounting Standard (Ind AS) - 33.	Refer Note. 41 of the Standalone Financial Statements
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**C. Details related to Employee Stock Option Scheme (ESOP Plan) of the Company:**

Sl.No.	Nature of Disclosure	Particulars
(i)	<b>Details of Disclosures of ESOP Plan 2018 for the year ended March 31, 2020</b>	
a)	Date of shareholder's approval	19 <sup>th</sup> July 2018
b)	Total number of options approved under ESOP Plan	Under the ESOP Plan 2018 shall not exceed 30,00,000 equity shares. To implement the ESOP Plan a total 8,79,491 equity shares were acquired from the secondary market through Barclays Wealth Trustees (India) Private Limited as Trustees of Kaveri Employees Trust. During the year 6,29,516 options were granted. Each option gives the grantee a right to subscribe to one equity share of ₹ 2/- each of the Company.
c)	Vesting Requirement	The granted options would vest on or after 1 (one) year from the date of grant but not later than 4



		(four) years from the date of grant of such Options or any other terms as decided by the Nomination and Remuneration Committee.
d)	The pricing formula	The Options carry a right to subscribe to equity shares @ Rs.315/- per option at discount of Rs.2.50/- per option on closing price of the Stock Exchange in which there was highest trading volume, prior to the date of grant of the Options.
e)	Maximum term of options granted	4 (Four) years from the date of grant of options.
f)	Source of Shares Primary (Primary, Secondary or Combination)	Secondary
g)	Variation of the terms of Option	The Board/Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP Plan 2018, subject to Compliance with the applicable laws and regulations.
ii)	Method used to account for ESOP Plan (Intrinsic or fair value)	Fair Value
iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not applicable
iv)	<b>Options movement during the year</b>	
	Options Outstanding at the beginning	8,79,491
	Options granted	6,29,516
	Options lapsed/surrendered	Nil
	Options vested	Nil
	Options exercised	Nil
	The total no of shares arising as a result	Nil



	of exercise of option	
	Money realised by exercise of Options, If scheme is implemented directly by the company	Nil
	Options Cancelled	Nil
	Loan repaid by the Trust during the year from exercise price received	Nil
	Total No. of options outstanding at the end of the year	879,491
	Total No. of options exercisable at the end of the year	Nil
(v)	<b>i. Weighted Average exercise price of Options</b>	Rs.315/-per option
	<b>ii. Weighted average fair value of Options</b>	Rs.178.50/- per option
(vi)	<b>Employee wise details of options granted:</b>	
(i)	<b>Senior Management Personnel:</b>	
	<b>Name and Designation</b>	<b>No of Options Granted</b>
	Mr. Hari Singh Chauhan, President - Sales & Marketing	20,000
	Mr. Sirigineedi Purnachandra Rao, President - Supply Chain Operations	20,000
	Mr. Yogendra Singh Verma, President - R&D	20,000
	Mr. Venkata Chalapathi Reddy Kuppam, Chief Financial Officer	20,000
	Mr. Rajesh Varma, Head - Sales & Marketing	15,000
(ii)	Any other employee who received a grant in any one year of Option amounting to 5% or more of Options granted during that year	None
(iii)	Employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant	None
(vii)	<b>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information</b>	
(i)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the fair value method of accounting to account for options issued under the ESOP Plan 2018. The stock-based compensation cost as per