



**EXTRACT THE MINUTES OF THE 37<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KAVERI SEED COMPANY LIMITED HELD ON MONDAY THE 30<sup>TH</sup> DAY OF SEPTEMBER 2024 AT 12.00 NOON (IST) VIA TWO-WAY VIDEO CONFERENCING (VC) FACILITY OR OTHER AUDIO VISUAL MEANS (OAVM).**

**APPROVAL AND IMPLEMENTATION OF THE KAVERI SEED EMPLOYEE STOCK OPTION PLAN - 2024 (ESOP 2024) THROUGH TRUST ROUTE**

**“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 and Sweat Equity) Regulations, 2021 (“**the SEBI SBEB 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 prescribed or imposed while granting such approvals or permissions which may be acceptable 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 - 2024 (“ESOP 2024” or “Scheme”)** the salient features of which are detailed in the Explanatory Statement to this Notice, for the benefit of present and future, employees working exclusively with the Company, whether in or outside India and its subsidiaries, including any director whether wholtime or otherwise (other than an employee who is 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 equity shares of the Company) on such terms and conditions as may be approved by the Board of Directors under the ESOP 2024 in accordance with the SEBI SBEB Regulations and other applicable laws.

**RESOLVED FURTHER THAT** the ESOP 2024 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 2024 shall not exceed 25,00,000 options , exercisable into equivalent number of equity shares of H 2/- each of the Company fully paid up (representing 4.86% of paid up capital of the company as at 31st March, 2024) (“**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 which shall be at a discount not exceeding 50% of the prevailing market price (closing price on the Stock Exchange having the highest trading volume, where the equity 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 authorized to:

- i. Delegate to the ESOP Trust, the authority to administer, implement and supervise the operation of ESOP 2024 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 2024 as it may in its absolute discretion determine subject to applicable laws including the SEBI SBEB Regulations."

**FURTHER RESOLVED THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2024.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either consolidated or sub-divided, then the number of equity shares to be issued by the Company and the price of acquisition payable by the grantees under the ESOP 2024 shall automatically stand increased or reduced as the case may be, in the same proportion as the present face value of H 2/- (Rupees Two only) per equity share shall bear to the revised face value of the equity shares of the Company after such consolidation or sub-division, without affecting any other rights or obligations of the said grantees and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

**RESOLVED FURTHER THAT** the Board and/or the Compensation Committee be and is hereby authorised to devise, formulate, modify, change, vary, alter, extend, amend, suspend or terminate ESOP 2024, subject to compliance with the applicable laws and regulations, in case of any change in applicable laws or as specified by any statutory authority without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and being incidental for effective implementation and administration of the ESOP 2024 and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to delegate any executive / officers powers to execute all such documents, writings and to give such directions and/ or instructions as may be necessary or expedient to give effect to ESOP 2024 and do all other things incidental to and ancillary thereof."

**//Certified True Copy//**

**For KAVERI SEED COMPANY LIMITED**



**G.V. BHASKAR RAO**  
**MANAGING DIRECTOR**  
**DIN: 00892232**



**EXTRACT THE MINUTES OF THE 37<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KAVERI SEED COMPANY LIMITED HELD ON MONDAY THE 30<sup>TH</sup> DAY OF SEPTEMBER 2024 AT 12.00 NOON (IST) VIA TWO-WAY VIDEO CONFERENCING (VC) FACILITY OR OTHER AUDIO VISUAL MEANS (OAVM).**

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**APPROVAL TO EXTEND THE BENEFITS OF KAVERI SEED EMPLOYEE STOCK OPTION PLAN 2024 TO THE EMPLOYEES OF SUBSIDIARY(S) OF THE COMPANY.**

**"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 and Sweat Equity ) Regulations, 2021 ("**the SEBI SBEB 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 prescribed or imposed while granting such approvals or permissions which may be acceptable 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, employees of the subsidiary company(ies) of the Company including 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 under ESOP 2024 shall not in the aggregate exceed 25,00,000 options ("**Options**"), in one or more tranches, exercisable into equivalent number of equity shares of H 2/- each of the Company fully paid up (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 - 2024 ("ESOP 2024" or "Scheme")**, as approved by the Board of Directors, at an exercise price that shall be determined by the Compensation Committee for each grant which shall be at a discount not exceeding 50% 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 2024 as it may in its absolute discretion determine subject to applicable laws including the SEBI SBEB Regulations."

**//Certified True Copy//  
For KAVERI SEED COMPANY LIMITED**



**G.V. BHASKAR RAO  
MANAGING DIRECTOR  
DIN: 00892232**

## **Explanatory Statement**

Pursuant to Section 102(1) of the Companies Act, 2013

**In respect of the Special Business Pursuant to Section 102(1) of the Companies Act, 2013 given hereunder sets out all the material facts relating to the Special Business mentioned at Item No.5 to 11 of the accompanying Notice dated 12<sup>th</sup> August 2024.**

**ITEM NO. 5 & 6 :**

***Approval and implementation of the Kaveri Seed Employee Stock Option Plan - 2024 (ESOP 2024) through Trust route and Grant of Stock Options to the Employees of Subsidiary Companies under ESOP 2024***

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 organization 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 22<sup>nd</sup> May 2024 have approved the Kaveri Seed Employee Stock Option Plan 2024 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 2024.

Grant of stock options under ESOP 2024 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 and Sweat Equity) Regulations, 2021 ("**SEBI SBEB Regulations**"). The ESOP Plan 2024 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.5, 6 and 7 which is proposed for approval of the Shareholders are set out in this Notice.

The main features of ESOP 2024 and other details of the Scheme as required to be disclosed as per Part C of Schedule – I to SEBI SBEB Regulations pursuant to Regulation 6(2) thereof, are as under:

**1. Brief description of the Scheme:**

The Scheme contemplates grant of Options to the eligible employees as specified at clause 3 below, from time to time as may be determined in due compliance of SEBI SBEB Regulations and provisions of the Scheme. After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The employees may create wealth depending on prevailing market price of Shares as on the date of sale. The Compensation Committee of the Company shall supervise the Scheme as required under SEBI SBEB Regulations. All questions of interpretation of the Scheme shall be determined by the Compensation Committee and such determination shall be final and binding upon all persons having an interest in the Scheme. The Trust shall administer the Scheme.

**2. Total number of Options to be granted under the Scheme**

- i. A total of 25,00,000 options ( not exceeding 4.86% of the paid up capital of the Company as at 31<sup>st</sup> March , 2024) 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 2024.
- 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, merger, sale of division etc. of the Company. Accordingly, if any additional Options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the aforesaid the ceiling of Options/Shares shall be deemed to be increased to the extent of such additional Options issued.
- 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 2024.

**3. Identification of classes of employees entitled to participate in the Scheme:**

Following classes of employees and directors (collectively referred to as "Employees") are eligible being:

(i) an employee as designated by the Company, who is exclusively working in India or outside India; or

(ii) a director of the Company, whether a wholetime director or not, including a non-executive director, who is not a promoter or member of the promoter group but excluding an independent director; and

(iii) an employee as defined in sub-clauses (i) and (ii), of a group company, in India or outside India, of the Company, but does not include:

a) an employee who is a Promoter or a person belonging to the Promoter Group;

b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

The Compensation Committee while granting the Options to any eligible employee(s), shall at its discretion, consider the factors including but not limited to the role(s) of such employee(s) for safeguarding the interest of the Company, or such employee's contribution to the Company.

**4. Requirements of vesting and period of vesting:**

Any Option granted under the Scheme shall vest not earlier than minimum vesting period of 1 (one) year and not later than the maximum vesting period of 5 (Five) years from the date of grant as may be determined by the Compensation Committee.

The Options granted shall vest so long as the employee continues to be in the employment or service of the Company, on the date of vesting and must neither be serving his notice of resignation nor termination of employment/service on such date of vesting nor be subject to any disciplinary proceedings pending against him on such date of vesting.

Apart from this, the Compensation Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, and which may be specified in the respective grant letters to be issued in this regard.

In the event of death or permanent incapacity of an Employee, the minimum vesting period shall not be applicable and in such instances, all the unvested

Options shall vest with effect from date of the death or permanent incapacity as required under the SEBI SBEB Regulations.

**5. Maximum period within which the Option shall be vested:**

Any Option granted under the Scheme shall be subject to a maximum vesting period of 5 (Five) years from the date of grant of Options. The Compensation Committee subject to minimum and maximum ceiling of vesting period shall have the power to prescribe the vesting schedule for a particular grant.

**6. Exercise price or pricing formula:**

The exercise price per such Option shall be at a discounted price as determined by the Compensation Committee which shall be at a discount not exceeding 50% 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.

**7. Exercise period and the process of Exercise:**

The exercise period for vested Options shall be a maximum of 5 years commencing from the relevant date of vesting of Options, or such other shorter period as may be prescribed by the Compensation Committee at time of Grant.

The vested Option shall be exercisable by the Option grantees by a written application to the Company expressing his desire to exercise such Options in such manner and on such format as may be prescribed by the Compensation Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.

The Compensation Committee shall decide the exercise period from time to time which can be extended up to 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 2024 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. The cashless exercise shall be carried out to enable the employee to fund the payment of the exercise price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of options granted under the ESOP 2024 and SEBI SBEB Regulations.

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.

**8. Appraisal process for determining the eligibility of employees under the Scheme:**

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.

**9. Maximum number of Options to be issued per employee and in aggregate:**

The maximum number of options that may be granted to each employee in any year shall in aggregate not exceed 1% (one percent) of the issued equity share capital. If the number of Options that may be offered to any specific employee shall exceed 1% (one percent) or more of the issued capital (excluding warrants & conversion) of the Company at the time of grant of Options, then the Company shall take prior approval from members of the Company.

**10. The conditions under which Options vested in employees may lapse:**

The vested Options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested Options are not exercised within the prescribed exercise period, then such vested Options shall lapse.

**11. The specified time period within which the employee shall exercise the vested Options in the event of a proposed termination of employment or resignation or retirement of employee:**

In case of termination of employment due to misconduct, all the vested options shall lapse and cannot be exercised.

In case of resignation/ termination (other than due to misconduct), all the vested Options as on the date of submission of notice of resignation/termination shall be exercisable by the Option grantee by last working date.

In the case of retirement, all vested Options can be exercised by the option grantee, within 6 (Six) months from the date of retirement.

In the case of termination of employment due to death or permanent incapacity of the option grantee, all vested Options can be exercised by the option grantee or its nominees or legal heir, within 12 (twelve) months from the date of Death of the Option Grantee or such Permanent Incapacity.

**12. Maximum quantum of benefits to be provided per employee:**

The maximum quantum of benefits underlying the Options granted to an eligible employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Exercise Price and the Market Price of the Equity Shares on the exercise date.

**13. Route of Scheme implementation:**

The ESOP 2024 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 2024 to the ESOP Trust.

**14. Source of acquisition of shares under the Scheme:**

The Scheme contemplates acquisition of Shares from secondary acquisition through the ESOP Trust.

**15. 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 Company shall provide necessary financial assistance by grant of loan, provision of guarantee or security in connection with a loan to the ESOP Trust, subject to 5% of the paid up capital and free reserves, being the statutory ceiling under Rule 16 of the Companies (Share Capital and Debenture) Rules,

2014 as amended and SEBI SBEB Regulations. The loan amount may be disbursed in one or more tranches.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of Shares and any other eventual income of the ESOP Trust. Any proceeds of exercise of vested Options prior to completion of all grants under ESOP 2024 shall be utilised by the ESOP Trust to purchase equity shares from secondary market and only after completion of such grants will such proceeds be used to repay the loan to the Company.

The ESOP Trust shall utilise the loan amount disbursed from time to time strictly for the acquisition of the Shares to be utilized for the purposes of the Scheme.

**16. Maximum percentage of secondary acquisition:**

The Scheme envisages a maximum of secondary acquisition through the Trust of 25,00,000 (Twenty five Lakhs) Equity shares i.e. not exceeding 5% of the paid-up equity share capital, as at the end of the financial year immediately prior to the year in which the shareholders' approval is obtained for such secondary acquisition. This is well within the statutory limit as prescribed under the SEBI SBEB Regulations.

**17. Accounting and Disclosure Policies:**

The Company shall follow the Accounting Standard IND AS 102 on Share based payments and/ or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein in due compliance with the requirements of Regulation 15 of the SEBI SBEB Regulations. In addition, the Company shall disclose such details as required under the applicable laws including under other applicable provisions of the SEBI SBEB Regulations.

**18. Method of Option valuation:**

The Company shall use such valuation method(s) as may be prescribed from time to time in accordance with applicable laws for valuation of the Options granted, to calculate the employee compensation cost.

In case the Company opts for expensing of share based employee benefits using the intrinsic value, 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 and the impact of this difference on profits and on Earning Per Share ("EPS") of the Company shall also be disclosed in the Directors' report.

**19. Period of Lock-in:**

The shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

**20. Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Scheme:**

Subject to the provisions of the prevailing applicable laws, the Compensation Committee shall determine the procedure for buy-back of Options granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

The Options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription of securities of the Company and the Scheme confirms to the SEBI SBEB Regulations.

Regulation 6(1) of SEBI SBEB Regulations and other applicable provisions requires that every employee stock option scheme shall be approved by the Members of the Company by passing a special resolution in a general meeting. Accordingly, the Special Resolution set out at item Nos. 5 and 6 of this Notice is proposed for approval by the members.

A draft copy of the Scheme will be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of conclusion of voting on all working days (Monday to Friday) between 10.00 a.m. and 1.00 p.m. at the Corporate Office of the Company.

Directors/Key Managerial Personnel of the Company/their relatives who may be granted Options under the Scheme may be deemed to be concerned or interested in the Special Resolutions at Item Nos. 5 and 6 of this Notice. Save as aforesaid, none of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

Accordingly, the Board recommends the Resolutions no. 5 and 6 of the accompanying notice of Postal Ballot for passing by the members of the Company as a Special Resolution. The Members are requested to approve the Special Resolution.

**//Certified True Copy//**  
**For KAVERI SEED COMPANY LIMITED**



*G.V. Bhaskar Rao*  
**G.V. BHASKAR RAO**  
**MANAGING DIRECTOR**  
**DIN: 00892232**

**EXTRACT THE MINUTES OF THE 37<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KAVERI SEED COMPANY LIMITED HELD ON MONDAY THE 30<sup>TH</sup> DAY OF SEPTEMBER 2024 AT 12.00 NOON (IST) VIA TWO-WAY VIDEO CONFERENCING (VC) FACILITY OR OTHER AUDIO VISUAL MEANS (OAVM).**

**AUTHORIZATION TO ESOP TRUST FOR SECONDARY MARKET ACQUISITION OF EQUITY SHARES.**

**“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 and Sweat Equity) Regulations, 2021 (**“the SEBI SBEB 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 which shall in the aggregate not exceed 25,00,000 equity shares, 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 - 2024 (“ESOP 2024” or “Scheme”)** in accordance with SEBI SBEB Regulations and other applicable laws, 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** the trustee(s) of the ESOP Trust shall not vote in respect of the Shares subscribed, acquired and held by such Trust.

**RESOLVED FURTHER THAT** for the purposes of disclosures to the stock exchange(s), the shareholding of the ESOP Trust shall be shown as ‘non-promoter and non-public shareholding’.

**RESOLVED FURTHER THAT** the ESOP Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary market acquisition as permitted under the SEBI SBEB Regulations.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Act, and subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“the SEBI SBEB Regulations”**), including the relevant circulars and notifications, if any, issued by the Securities and Exchange Board of India (**“SEBI”**) from time to time, 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 5% (five per cent) of the aggregate of paid up capital and free reserves of the Company for the purpose of implementation of ESOP 2024 subject to overall limits, if any, specified under the Act and / or the SEBI ESOP Regulations.

**RESOLVED FURTHER THAT** the loan provided by the Company to the ESOP Trust shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company upon realization of proceeds on permitted sale/transfer of Shares including realization of exercise price and any other eventual income of the ESOP Trust.

**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 merger and sale of division 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".

**//Certified True Copy//**

**For KAVERI SEED COMPANY LIMITED**



**G.V. BHASKAR RAO**  
**MANAGING DIRECTOR**  
**DIN: 00892232**

## Explanatory Statement

Pursuant to Section 102(1) of the Companies Act, 2013

### ITEM NO. 7

#### *Authorization to ESOP Trust for Secondary Market Acquisition of Equity Shares*

The Company intends to implement a new share-based employee benefit scheme namely 'Kaveri Seed Employee Stock Option Plan - 2024' ("ESOP 2024" or "Scheme") for which approval is sought from the members in separate resolutions at Item Nos. 5 and 6. This proposed Scheme shall be administered through an irrevocable employee welfare trust namely 'Kaveri Employees Trust' ("ESOP Trust") being set up by the Company. The proposed Scheme contemplates acquisition of equity shares ("Shares") of the Company from secondary acquisition.

For facilitating acquisition of the Shares, the amount of loan to be provided by the Company under the Scheme shall not exceed 5% (Five percent) of the aggregate of the paidup equity share capital and free reserves of the Company, being the statutory ceiling as per the SEBI SBEB Regulations read with relevant provisions of the Companies Act, 2013 and Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of Shares including realization of exercise price and any other eventual income of the Trust.

**Necessary details in this regard are provided as under:**

**a) The class of employees for whose benefit the Scheme is being implemented and money is being provided for acquisition of the Shares:**

Following classes of employees and directors (collectively referred to as "Employees") are eligible being:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the Company, whether a whole-time director or not, including a non-executive director, who is not a promoter or member of the promoter group but excluding an independent director; and
- (iii) an employee as defined in sub-clauses (i) and (ii), of a Group Company, in India or outside India, of the Company, but does not include:
  - a) an employee who is a Promoter or a person belonging to the Promoter Group;
  - b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

**b) The particulars of the Trustee or employees in whose favour such Shares are to be registered:**

It is contemplated that designated trustee shall acquire and hold the Shares of the Company in due compliance of the SEBI SBEB Regulations and Companies Act, 2013 solely for the purposes of the Scheme. An Employee shall be a registered owner of Shares pursuant to exercise of vested Options and transfer of corresponding number of Shares by the trustee.

**c) 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:**

The ESOP Trust is an irrevocable employee welfare trust with the name Kaveri Employees Trust settled by the Company, having its principal office at 513-B, 5th Floor, Minerva Complex, S.D. Road , Secunderabad - 500 003, Telangana or such other place as determined by Company from time to time.

S.No.	Name	Address	Occupation	Nationality
1.	Barclays Wealth Trustees (India) Private Limited	208, Ceejay House, Shivsagar Estate, Dr Annie Besant Road, Worli, Mumbai - 400 018, India	SEBI registered trusteeship entity	Indian

The trustee(s) of the ESOP Trust shall be appointed/amended/added/removed by the Board / NRC of the Company in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Regulations from time to time. The trustees are neither a promoter, nor a director nor key managerial personnel of the Company nor is related to any of promoters, directors, or key managerial personnel.

**d) Any interest of key managerial personnel, directors or promoters in such Scheme or trust and effect thereof:**

Promoters are not eligible to be covered under the Scheme. However, key managerial personnel and directors (excluding independent directors) may be covered under the Scheme in due compliance with relevant Companies Rules read with SBEB Regulations.

**e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:**

The Options shall be granted to the eligible employees on grant date. After exercising of the Options and payment of exercise price with applicable taxes, the ESOP Trust shall transfer corresponding number of Shares to the eligible employees at a pre-determined exercise price as per the terms of grant and

such exercise price being lesser than the market price. The eligible employees can then sell the Shares in open market and can reap the benefit.

- f) **The details about who would exercise and how the voting rights in respect of the shares to be acquired under the Scheme would be exercised:**

The trustee(s) of the ESOP Trust shall not vote in respect of Shares held in the Trust as per extant SEBI SBEB Regulations. In this circumstance, the voting rights can be exercised by an eligible employee only when the Shares are transferred by the Trust to him upon exercise.

None of the directors and / or key managerial personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

Consent of the members is being sought by way of a special resolution pursuant to the Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 read with Regulation 3(8) of the SBEB Regulations and other applicable provisions.

Accordingly, the Board commends the Resolution no. 7 of the accompanying notice for passing by the members of the Company as a Special Resolution. The Members are requested to approve the Special Resolution.

- g) **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 ESOP 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, in terms of the SEBI SBEB Regulations.

**//Certified True Copy//**  
**For KAVERI SEED COMPANY LIMITED**



**G.V. BHASKAR RAO**  
**MANAGING DIRECTOR**  
**DIN: 00892232**