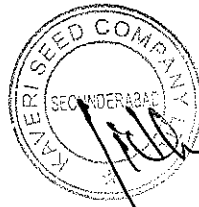


**EXTRACT OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF KAVERI SEED COMPANY LIMITED THROUGH POSTAL BALLOT/ E-VOTING OF WHICH WAS ANNOUNCED ON THURSDAY THE 19<sup>TH</sup> DAY OF JULY, 2018 AT THE REGISTERED OFFICE OF THE COMPANY AT 513-B, 5<sup>TH</sup> FLOOR, MINERVA COMPLEX, S.D. ROAD, SECUNDERABAD - 500003, TELANGANA.**

**AUTHORISATION 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) 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.

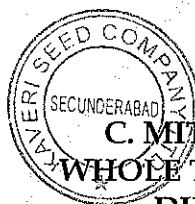
**RESOLVED FURTHER THAT** pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Act, read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, approval of the members of the Company be and is hereby accorded to 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."

**///CERTIFIED TRUE COPY///  
FOR KAVERI SEED COMPANY LIMITED**



**C. MITHUNCHAND**  
**WHOLE TIME DIRECTOR**  
**DIN: 00764906**

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

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

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

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

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

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

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

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

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

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

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

Present and future, permanent employees and directors (whether whole time director or

Regd. Office : # 513-B, 5th Floor, Minerva Complex, S.D. Road, Secunderabad - 500 003. Telangana, India  
Tel : +91-40-2784 2398, 2784 2405 Fax : +91-40-2781 1237 e-mail : info@kaveriseeds.in

CIN : L01120AP1986PLC006728

www.kaveriseeds.in

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

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

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

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

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

Name of the Trustees:

1. Mr. Satish Jagannath Patil
2. Mr. P. Malla Reddy
3. Mr. Matti Lakshmikanth

Particulars/Name of the Trust : **Kaveri Employee Trust**  
513-B, 5<sup>th</sup> Floor, Minerva Complex,  
S.D.Road, Secunderabad – 500003, Telangana,  
India.

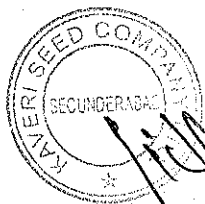
Name, Address, Occupation and nationality of Trustees:

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

Occupation: Service  
Nationality : Indian

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

Occupation: Service  
Nationality : Indian



3. Matti Lakshmikanth  
S/o. Sri Matti Janardhanbabu  
Flat No.401, H.No.6-1-277/1,  
PJS Residency,  
Padmarao Nagar  
Secunderabad-500025, Telangana, India.

Occupation: Service  
Nationality : Indian

Relationship of trustees with promoters, directors or key managerial personnel, if any

None of the trustees are related to the Promoters/Directors/Key Managerial Personnel of the Company. Subject to compliance of the provisions of applicable laws, the aforesaid trustees may be changed at any time.

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

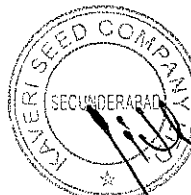
The Key Managerial Personnel and Directors are interested in the ESOP only to the extent of stock options, if any, that may be granted to them under ESOP 2018.

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

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

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

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



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

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

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

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

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

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

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

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

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**FOR KAVIR SEED COMPANY LIMITED**



**C. MITHUN CHAND**  
**WHOLETIME DIRECTOR**  
**DIN: 00764906**