



POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

(Approved at the Board Meeting held on 2nd November, 2015)

(I) Preamble

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed entity is required to frame a policy for determination of materiality of events / information to be disclosed to the Stock Exchanges. Consequently, the Board of Directors of Greaves Cotton Limited (GCL or Company) has adopted this Policy for Determination of Materiality of Events / Information (this Policy). This Policy is effective from 1st December, 2015.

(II) Objective

To enable the shareholders and the public to appraise the factual position of the Company and to avoid the establishment of a false market in its securities so that the present and potential investors are able to take an informed decision with respect to their investment in the Company.

(III) Scope

This Policy is applicable across the Company including all Business Units.

(IV) Policy

A. The following events shall be deemed to be material for the purpose of disclosing to the Stock Exchanges -

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.

Explanation - For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or

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(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in Rating(s).
4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - b) cancellation of dividend with reasons thereof;
 - c) decision on buyback of securities;
 - d) decision with respect to fund raising proposed to be undertaken;
 - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) decision on voluntary delisting by the Company from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s) / treaty (ies)/ contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Fraud / defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.

7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer.
 8. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 10. One-time settlement with a bank.
 11. Reference to BIFR and winding-up petition filed by any party / creditors.
 12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.
 13. Proceedings of Annual and extraordinary general meetings of the Company.
 14. Amendments to memorandum and articles of association of Company, in brief.
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- B. The following events will need to be disclosed if they meet the test of materiality (as defined below)
1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
 2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
 3. Capacity addition or product launch.
 4. Awarding, bagging / receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
 5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
 6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

The following criteria shall be considered for determination of materiality of events / information (Test of Materiality):

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

C. Any other information / event viz. major development that is likely to affect business:

- a) emergence of new technologies
- b) expiry of patents
- c) any change of accounting policy that may have a significant impact on the accounts, etc.
- d) any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

D. Any other event which the Board may specify from time to time.

All the aforesaid events except Event No.4 shall be intimated not later than twenty four hours from the occurrence of the event or information. However, Outcome of the Board meeting as specified in IV A. (4) above shall be intimated within thirty minutes from the conclusion of the Board Meeting. Once it is decided that an event is material, the requirements of SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, as may be amended, will have to be followed for the purpose of reporting the details of the material event to the Stock Exchanges.

(V) Updates

The Company will, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website. This Policy will be uploaded on the Company's Website.

(VI) Authority to decide materiality

The Managing Director, the Chief Financial Officer and the Company Secretary are jointly authorised to decide on the basis of this Policy whether or not any event / information is material to be disclosed to the Stock Exchanges.

(VII) Amendments

The Board of Directors of the Company reserves its right to amend and/or modify this Policy in whole or in part, at any time without assigning any reason.