



## **GREAVES COTTON LIMITED**

CIN: L99999MH1922PLC000987

**Registered office:** Unit No. 701, 7<sup>th</sup> Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai- 400 070

**Phone:** +91(22)62211700; **Fax:** +91(22)62217499;

**E-mail:** [investorservices@greavescotton.com](mailto:investorservices@greavescotton.com); **Website:** [www.greavescotton.com](http://www.greavescotton.com)

**Contact Person:** Mr. Atindra Basu, Company Secretary and Compliance Officer

### **NOTICE OF POSTAL BALLOT**

[Pursuant to Section 110 of the Companies Act, 2013, as amended read with the Companies (Management and Administration) Rules, 2014, as amended]

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force, and as amended (the "**Rules**") and read with MCA general circular No. 14/2020 dated April 08, 2020 and general circular No. 17/2020 dated April 13, 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19" issued by the Ministry of Corporate Affairs, Government of India (the "**MCA Circulars**") and pursuant to other applicable laws and regulations, that the resolutions appended below are proposed for approval of the shareholders of the Company through postal ballot (only through remote e-voting process).

The proposed Special Resolutions and Explanatory Statement setting out material facts as required in terms of Section 102 of the Act read with the Rules and the MCA Circulars are appended below seeking consent of the Members of Greaves Cotton Limited (the "**Company**") through remote e-voting.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Company has extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for remote e-voting are appended to this Postal Ballot Notice.

The Board of Directors through circular resolution dated May 30, 2020 has appointed Mr. Sunny Gogiya, Practicing Company Secretary, as the Scrutinizer for conducting the meeting only through the remote e-voting process in a fair and transparent manner. In compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members for this Postal Ballot and members are required to communicate their assent or dissent through the remote e-voting system **only**.

The e-voting commences on Friday, June 12, 2020 at 09.00 hours IST and ends on Saturday, July 11, 2020 at 17.00 hours IST. The assent or dissent received after such date and time shall be treated as if reply from the Member has not been received. The Company has engaged the services of KFin Technologies Private Limited ("**KFintech**"),

Registrar & Share Transfer Agent of the Company, for providing remote e-voting facilities to the Members, enabling them to cast their vote in a secure manner.

After completion of scrutiny of the votes, the Scrutinizer will submit his report to the Chairman of the Company or any other person authorized by him, after completion of scrutiny of votes cast by way of remote e-voting. The results of voting by Postal Ballot (through the remote e-voting process) will be declared **on or before 1700 hours IST on Monday, July 13, 2020**, by the Chairman of the Company or any other person authorized by him at the Registered Office at Unit No. 701, 7<sup>th</sup> Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai - 400 070. The results along with the Scrutinizer's Report will be displayed on the website of the Company. The results shall be communicated to the BSE Limited and National Stock Exchange of India Limited (together the "**Stock Exchanges**"), National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**") (together the "**Depositories**"), and the same along with the Scrutinizer's Report will be displayed on the Company's website ([www.greaves cotton.com](http://www.greaves cotton.com)), on the website of KFintech ([www.kfintech.com](http://www.kfintech.com)) as well as on Stock Exchanges' website viz [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). In addition, the results will also be published in the newspapers for information of the Shareholders.

The resolution, if passed by the requisite majority, shall be deemed to have been passed on Saturday, July 11, 2020 i.e. the last date specified for remote e-voting.

#### **Resolution No. 1: To approve 'Greaves Cotton - Employees Stock Option Plan 2020'**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013("the **Act**") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act read with rules framed thereunder, including any statutory modification(s) or re-enactment(s) of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the **SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **SEBI LODR Regulations**"), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and Foreign Exchange Management Act and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the shareholders be and is hereby accorded to introduce and implement the 'Greaves Cotton - Employees Stock Option Plan 2020' ("**ESOP-2020**") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time Director or not, but excluding Promoter, Promoter group and Independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "**Employees**") selected on the basis of criteria decided by the Board under the ESOP-2020, such number of stock options convertible into Equity Shares of the Company ("**Options**"), in one or more tranches, not exceeding 2.00% of the paid-up share capital of the Company of the face value of Rs. 2/- each (Rupees Two) to the eligible employees of the Company, at such price or prices, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the applicable laws and the provisions of ESOP-2020, the salient features of which are presented below:

I	Eligible classes of employees entitled to participate in ESOP-2020	Employee/s as may be determined by the Nomination and Remuneration Committee out of the following:- (i) a permanent employee of the company who has been working in India or outside India; or (ii) a director of the company, whether a whole time director or not but excluding an independent director; (iii) an employee defined in Sub-clauses (i) and (ii) hereof of its Holding Company or one or more of its Subsidiary Company(ies) whether in or outside India, but <b>does not include</b> - (a) an employee who is a promoter or a person belonging to the promoter group of the Company; or (b) a director who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the company.
II	Appraisal process for determining the eligibility of employees to the ESOP-2020	The Nomination and Remuneration Committee shall determine the Grant in its absolute discretion, taking into consideration such factors but not limited to Eligible Employee's performance appraisal, seniority, period of service, role of the Eligible Employee, the present and potential contribution to the growth of the Company. Thereafter, from time to time, the Nomination and Remuneration Committee may grant Options to one or more Eligible Employee/s.
III	Requirements of vesting and period of vesting	The Vesting criteria could either be time-based and/or performance-based (of the Company and/or the Employee) for the Options Granted to Eligible Employees and shall be determined by the Nomination and Remuneration Committee in accordance with the Applicable Law and provided in the Letter of Grant. Provided that, the Nomination and Remuneration Committee in its absolute discretion may accelerate the Vesting criteria and/or period as it deems fit. The options would vest not earlier than 1 year and not later than 7 years from the date of individual grant as decided by the Committee, unless otherwise stipulated under Applicable Law.
IV	Exercise price or pricing formula	Exercise Price means the par value of the Share payable by the Eligible Employee for the Exercise of each Option Granted under the Scheme for the allotment of one Share.
V	Exercise period	Exercise Period means the period as provided in the Letter of Grant or such other period as may be intimated by the Nomination and Remuneration Committee, from time to time, within which the Eligible Employee may elect to Exercise the Vested Options.
VI	Maximum number of options to be issued per employee and in aggregate	The maximum aggregate number of Options that may be granted and thereby the issuance of Shares under the Scheme shall not exceed 2.00% of the paid-up share capital of the Company (relating to the Shares) as on the Effective Date ("Plan Pool"), on such terms and conditions, as is approved by the Shareholders of the Company. The approval of shareholders by way of separate resolution shall be obtained by the company in case of— (a) grant of option to employees of subsidiary or holding company; or (b) grant of option to identified employees, during any one year, equal to or exceeding one per cent of

		the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of option.
VII	Method of Option Valuation	The Company will follow fair value method for computing the compensation cost, if any, for the Options Granted, in accordance with Applicable Law.
VIII	Other ESOP-2020 Plan Provisions	Refer to 'Greaves Cotton Employee Stock Option Scheme 2020' for further details on all plan provisions.

**RESOLVED FURTHER THAT** the Scheme may also envisage provisions for providing financial assistance to the Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot Equity Shares directly to the Employees upon exercise of Options from time to time in accordance with the ESOP-2020 and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company;

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued;

**RESOLVED FURTHER THAT** in case the Shares of the Company are either subdivided or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the Grantees;

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of Directors duly constituted by the Board to exercise its powers conferred by this resolution) is authorised to formulate, evolve, decide upon and implement the ESOP-2020, determine the detailed terms and conditions of the aforementioned ESOP-2020 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the ESOP-2020 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit;

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI SBEB Regulations for the purposes of administration of ESOP-2020;

**RESOLVED FURTHER THAT** the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2020 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2020 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees;

**RESOLVED FURTHER THAT** the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2020 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other applicable laws and regulations;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2020 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

**Resolution no. 2: To extend approval of 'Greaves Cotton - Employees Stock Option Plan 2020' for the employees of the Holding Company and its Subsidiary Company (ies).**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) of the Companies Act,2013 ("the **Act**") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the **SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **SEBI LODR Regulations**"), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and of Foreign Exchange Management Act and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the **Board**", which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the shareholders be and is hereby accorded extend the benefits of 'Greaves Cotton - Employees Stock Option Plan 2020' ("**ESOP-2020**") proposed in the resolution under item number 1 above to such persons who are in the permanent employment of the Holding Company and its subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India and to the directors of the Holding Company or its Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP-2020;

**RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP-2020 from time to time or to suspend, withdraw, or revive ESOP-2020 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

**By Order of the Board  
For Greaves Cotton Limited**

Atindra Basu  
Head - Legal, Internal Audit  
& Company Secretary  
Membership No.: ACS 32389

Date: June 11, 2020  
Place: Mumbai

**Notes:**

1. The explanatory statement pursuant to Sections 102 and 110 of the Act stating all material facts and the reasons for the proposal is annexed herewith. It also contains all the disclosures as specified in the SEBI SBEB Regulations, 2014 and Companies Act, 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("**Listing Regulations**") read with MCA general circular No. 14/2020 dated April 08, 2020 and general circular No. 17/2020 dated April 13, 2020.
2. The Postal Ballot Notice is being sent to the shareholders of the Company whose names appear on the Register of Members/List of Beneficial Owners as received from the Depositories as on June 05, 2020. The Postal Ballot Notice is being sent to shareholders in electronic form to the e-mail addresses registered with their depository participants (in case of electronic shareholding) or the e-mail addresses registered with the KFinTech (in case of physical shareholding).
3. Shareholders may note that this notice is also available on the websites of the Company ([www.greavescotton.com](http://www.greavescotton.com)), KFinTech (<https://evoting.karvy.com/>) and the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)). Shareholders whose names appear on the Register of Members/List of Beneficial Owners as on June 05, 2020, will be considered for the purpose of remote e-voting.
4. On account of the threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send this postal ballot notice in electronic form only. The hard copy of this Postal Ballot Notice along with postal ballot forms and pre-paid business envelope will not be sent to the members for the postal ballot in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only.
5. Considering the MCA Circulars for remote e voting for this Postal Ballot, shareholders who have not registered their mail ids and in consequence the e-voting notice could not be serviced may temporarily get their email registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://karisma.kfintech.com/emailreg>. Shareholders may also visit the website of the company and Click on the <http://www.greavescotton.com/investors/investor-information> and follow the registration process

as guided thereafter. Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this Postal Ballot. In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

6. Eligible Members who have not submitted their e-mail IDs to KFintech, are required to provide their e-mail IDs to KFintech, by following the email registration process as provided in this notice, on or before 5:00 p.m. on Wednesday, July 08, 2020 pursuant to which, any Member may receive on the e-mail ID provided by the Member the Postal Ballot Notice and the procedure for remote e-voting along with the login ID and password for remote e-voting.

After successful submission of the e-mail ID, the KFintech or the Company will share a copy of this Postal Ballot Notice, immediately and not later than 48 hours of receipt of the e-mail ID from the Eligible Members.

**The Company:** Please click on the link and follow the process provided at <http://www.greavescotton.com/investors/investor-information>.

**The Registrar:** Process to be followed for submission of e-mail ID is as follows:

**Electronic folios**

- (a) Visit the link <https://karisma.kfintech.com/emailreg>
- (b) Select the company name
- (c) Shareholder to enter DPID-CLID / Folio No and PAN No.
- (d) Shareholder to enter the email id and Mobile No.
- (e) System check the authenticity of the client id and PAN and send the different OTPs to Mobile and Email to validate.
- (f) Shareholder to enter the OTPs received by SMS and Email to complete the validation process. (OTPs will be valid for 5 minutes only).
- (g) System confirms the email id for the limited purpose of serviced postal ballot notice.
- (h) System will send the notice & procedure for e-voting to the email given by shareholder

**Physical folios:**

- (a) Visit the link <https://karisma.kfintech.com/emailreg>
- (b) Select company name
- (c) Shareholder to enter physical Folio No and PAN No.
- (d) If PAN No is not available in the records, shareholder to enter one of the Certificate No.
- (e) Shareholder to enter the Email id and Mobile No.
- (f) System check the authenticity of the Folio No and PAN / Certificate No and send the different OTPs to Mobile and Email to validate.
- (g) Shareholder to enter the OTPs received by SMS and Email to complete the validation process (OTPs will be valid for 5 minutes only).
- (h) If PAN is not available, system will prompt to upload the duly signed scan copy of the PAN.
- (i) System confirm the registration of email id.
- (j) System will send the notice & procedure for e-voting to the Email given by shareholder.

7. Those shareholders who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants / the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices / documents / Annual Reports electronically to their email address.

8. Resolutions passed by the shareholders through Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
9. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of the shareholders as on June 05, 2020. A person who is not a shareholder on the relevant date should treat this notice for information purpose only.
10. A shareholder cannot exercise his vote by proxy on Postal Ballot.
11. The Scrutinizer will submit his report to the Chairman or any other person authorized by him after the completion of scrutiny, and the result of the voting by Postal Ballot will be announced by the Chairman of the Company or any other person authorized by him **on or before 1700 hours IST on Monday, July 13, 2020**. The notice/result of the e-voting will also be displayed on the website of the Company ([www.greavescotton.com](http://www.greavescotton.com)), besides being communicated to the Stock Exchanges.
12. After the national lockdown is lifted by the respective statutory authority, all relevant documents referred to in the Explanatory Statement would be made available for inspection at the registered office of the Company on all working days, except Saturdays, Sundays and holidays, between 11.00 a.m. to 1.00 p.m. up to the last date of remote e-voting for postal ballot. During the national lockdown, a member may write to the Company at [investorservices@greavescotton.com](mailto:investorservices@greavescotton.com) requesting for relevant documents as referred in the Explanatory Statement.
13. Contact details of the person responsible to address the queries/grievances connected with the voting by Postal Ballot including voting by electronic means are as under:
  - i) Mr. Atindra Basu, Company Secretary and Compliance Officer, Unit No. 701, 7<sup>th</sup> Floor, Tower 3, Equinox Business Park, LBS Marg, Kurla West, Mumbai- 400 070, E-mail: [investorservices@greavescotton.com](mailto:investorservices@greavescotton.com); or
  - ii) Mr. Sunny Gogiya, Scrutinizer, Office No. 6, Om Anand CHS., B wing, Louiswadi, Thane (West) - 400604; Tel: +91 9922744338 / +91 9326644338; E-mail: [cssunnygogiya@gmail.com](mailto:cssunnygogiya@gmail.com)
14. The details of the process and manner for remote e-voting are explained herein below:

#### **General information and instructions relating to e-voting**

- i. A person whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Friday, June 05, 2020 only shall be entitled to avail the facility of e-voting.
- ii. Any shareholder who holds the shares as on the cut-off date i.e., Friday, June 05, 2020 may obtain the User ID and password in the manner as mentioned below:
  - a) If the mobile number of the shareholder is registered against Folio No/DP ID Client ID, the shareholder may send SMS:

**MYEPWD**<space>E-voting Event Number+Folio No. or OP 10 Client 10 to +919212993399.

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWO <SPACE> 1402345612345678

Example Physical: MYEPWO <SPACE> XXX1234567890



- b) If e-mail address of the shareholder is registered against Folio No. /DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the shareholder may click "Forgot password" and enter Folio No. or DP ID Client ID and Permanent Account Number ("PAN") to generate a password.
  - c) Shareholders may call Kfintech's toll free number 1-800-3454-001.
  - d) Shareholders may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com) and [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). If the shareholder is already registered with the Kfintech e-voting platform then such shareholder can use his/her existing User ID and password for casting the vote through e-voting.
- iii. The e-voting facility will be available during the following period:
- a) Commencement of e-voting: 0900 hours IST on Friday, June 12, 2020
  - b) End of e-voting: 1700 hours IST on Saturday, July, 11, 2020

The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Kfintech upon expiry of aforesaid period.

iv. **Instructions and other information relating to e-voting:**

- A. **In case of shareholders receiving an e-mail from KFin Technologies Private Limited for shareholders whose e-mail addresses are registered with the Company/depository participant(s)**
- a) Launch internet browser by typing the following URL: <https://evoting.karvy.com>.
  - b) Enter the login credentials (i.e. User ID and password). The Event No. +Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or send an e-mail request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or contact toll free number 1-800-3454-001 for re-setting the password.
  - c) After entering the above details Click on - Login.
  - d) You will now reach password change menu, wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$, etc.). The system will also prompt you to update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - e) You need to login again with the new credentials.
  - f) On successful login, system will prompt to select the e-voting event number of Greaves Cotton Limited.
  - g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in

"FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

- h) Shareholders holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- i) Voting must be done for each items of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- j) You may then cast your vote by selecting an appropriate option and click on "Submit" and also "Confirm" when prompted.
- k) Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have not voted on the Resolution(s).
- l) Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI, etc. ) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and to Scrutinizer at the e-mail Id: [cssunnygogiya@gmail.com](mailto:cssunnygogiya@gmail.com). They may also upload the same in the e-voting module under their login. The scanned images of the above mentioned documents should be in the naming format "GREAVES COTTON EVENT NO."

#### **Explanatory Statement pursuant to Sections 102 and 110 of the Act**

##### **Item No. 1 and 2: To approve 'Greaves Cotton - Employees Stock Option Plan 2020'**

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Holding Company or its Subsidiary Company (ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Holding Company or its Subsidiary Company (ies) on the growth path.

Keeping in line with the above, "Greaves Cotton - Employees Stock Option Plan 2020" ('the Scheme') has been formulated by the Company and to be implemented by Nomination & Remuneration Committee ("NRC") constituted under Section 178 of the Act in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on April 27, 2020, subject to the approval of the shareholders.

The Scheme will be operated and administered under the superintendence of the NRC, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The NRC will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP-2020;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

**Brief Description of the Scheme is given as under:**

*a) The total number of options to be granted:*

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches up to 2.00% of the paid-up share capital of the Company (as appearing on the date of the approval of shareholders).

SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during his employment with the company. Any employee willing to surrender his/her options shall communicate the same to the Board or Committee in writing.

Vested options lapsed due to non-exercise, surrender and/or unvested options that gets cancelled due to resignation of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of ESOP-2020.

*b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:*

All permanent employees working in India or out of India and Directors (whether Managing/Whole time Director or not) of Company and its Holding Company and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the NRC.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance and role assigned to the employee and such other parameters as may be decided by the NRC in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

*c) Terms of the scheme:*

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

*d) Transferability of Employee Stock Options:*

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to Holding Company and its Subsidiary Company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

*e) Requirements of vesting and period of vesting:*

Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2020.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

<b>Sr. No.</b>	<b>Separations</b>	<b>Vested Options</b>	<b>Unvested Options</b>
1	<b>Resignation</b>	All Vested Options prior to termination of employment (due to resignation) will have to be exercised by the Option Holder within the timeline mentioned in the Letter of Grant.	All Unvested Options shall lapse unless NRC stipulates otherwise in the Letter of Grant.
2	<b>Termination (With cause)</b>	All Vested Options shall lapse on the termination of employment of the Option holder, they shall be cancelled and revert to the Plan Pool.	All Unvested Options shall lapse on the termination of employment of the Option holder, they shall be cancelled and revert to the Plan Pool.
3	<b>Termination (Without cause)</b>	All Vested Options, which were not allotted at the time of such termination, may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options shall lapse with immediate effect unless otherwise determined by the NRC, at its sole discretion. The Option holder may exercise the Vested Options in the manner and within a period as may be stipulated in the Letter of Grant. Any Options which are not exercised within the period, shall lapse and be cancelled and revert to the Plan Pool.
4	<b>Retirement approved by the Company</b>	All Vested Options prior to termination of employment, will have to be exercised by the Option Holder within the timeline as mentioned in the Letter of Grant. Any Options which are not exercised within the period, shall lapse and be cancelled and revert to the Plan Pool	All Unvested Options shall continue to vest as per original vesting criteria/period as stipulated in the Letter of Grant. Upon vesting of unvested options, will have to be exercised by the Option Holder within the timeline as mentioned in the Letter of Grant. Any Options which are not exercised within the period, shall lapse and be cancelled and revert to the Plan Pool.
5	<b>Death</b>	All Vested Options may be exercised by the Option Grantee's nominee or legal heir within permitted exercise period.	All the Unvested Options shall vest on the date of termination of such employment due to death. The nominee or legal heir may exercise the Vested Options in the manner and within a period as may be stipulated in the Letter of Grant. Any Options which are not exercised within the period, shall lapse and be cancelled and revert to the Plan Pool.
6	<b>Permanent Disability</b>	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, by the nominee within permitted exercise period.	All the Unvested Options shall vest on the date of termination of such employment. The Option holder or his nominee may exercise the Vested Options in the manner and within a period as may be stipulated in the

			Letter of Grant. Any Options which are not exercised within the period, shall lapse and be cancelled and revert to the Plan Pool.
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*f) Maximum period within which the options shall be vested:*

The maximum vesting period shall be 7 (Seven) years from the date of grant of options or such other period as may be prescribed under the Applicable Law including but not limited to SEBI (SBEB) Regulations unless otherwise decided by the Nomination and Remuneration Committee.

*g) Exercise price or pricing formula:*

Exercise Price means the par value of the Share payable by the Eligible Employee for the Exercise of each Option Granted under the Scheme for the allotment of one Share

*h) Exercise period and process of exercise:*

The period as provided in the Letter of Grant or such other period as may be intimated by the NRC, from time to time, within which the Eligible Employee may elect to Exercise the Vested Options.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the NRC from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

*i) Appraisal Process for determining the eligibility of Employees to the Scheme:*

The appraisal process for determining the eligibility of the Employee will be specified by the NRC and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the NRC.

*j) Maximum number of options to be issued per Employee and in the aggregate:*

The number of Options that may be granted to any specific employee under ESOP-2020 shall not exceed the number of Shares equivalent to 2% of the paid-up Share Capital of the Company in aggregate and shall not exceed equal to or exceeding 1% of the paid up Share Capital during any one year if the prior specific approval from shareholders of the Company through a special resolution to this effect is not obtained.

*k) Maximum quantum of benefits to be provided per employee under a Scheme:*

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

*l) Certificate from auditors:*

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

*m) Whether the scheme is to be implemented and administered directly by the Company or through a trust:*

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

*n) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust:*

The Scheme will involve only new issue of shares by the Company.

*o) Disclosure and accounting policies:*

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI SBEB Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

*p) 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.:*

Not Applicable

*q) 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).:*

Not Applicable

*r) Method of Valuation:*

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements as are applicable to the Company for the same.

*s) Rights of the option holder:*

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

*t) Consequence of failure to exercise option:*

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period;  
or

(b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

*u) Other terms:*

The Board or NRC shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or NRC may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2020, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the shareholders is sought pursuant to the provisions of section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and as per the requirement of Clause 6 of the SEBI SBEB Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

The Board recommends the Special Resolution as set out in Item No. 1 and 2 of this Notice for approval of the Shareholders.

**By Order of the Board  
For Greaves Cotton Limited**

Atindra Basu  
Head - Legal, Internal Audit  
& Company Secretary  
Membership No.: ACS 32389

Date: June 11, 2020  
Place: Mumbai