



29th November, 2019

Stock Code: NSE- GREAVESCOT

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor
Plot No. C /1, G Block
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051

Dear Sir / Madam,

Sub: Clarification provided to National Securities Exchange of India Limited

This is in reference to the mail dated 7th October, 2019 seeking clarification with respect to the announcement submitted to the Exchanges dated 25th September, 2019, regarding Employee Stock Option Scheme - 2019. ("ESOP Scheme 2019")

Please find our responses for the same attached as Annexure - 1.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For Greaves Cotton Limited

Atindra Basu
Head - Legal, Internal Audit
& Company Secretary

Encl. : a/a

GREAVES COTTON LIMITED

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Annexure - 1

Sr. No.	Clarification sought	Response
1	Whether the scheme is in terms of SEBI (SBEB) Regulations, 2014 (if applicable)	Yes, the ESOP Scheme 2019 is in terms of SEBI (SBEB) Regulations, 2014
2	Pricing formula	The exercise price shall be average of closing market price of shares of the Company of maximum up to 40 preceding trading sessions prior to date on which the Committee grants the options
3	Options vested	As on date, no grant has been made and hence no options have vested. The ESOP Scheme is subject to approval by the shareholders of the Company. Post approval by the shareholders, Nomination and Remuneration committee will grant the options. Post grant, vesting of options may commence after a period of not less than one year from the date of individual grant and the maximum vesting period may extend up to 7 (Seven) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee as detailed out in the Scheme document.
4	Time within which option may be exercised	The exercise period shall not be more than 6 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time. The options shall lapse if not exercised within the specified exercise period.
5	The total number of shares arising as a result of exercise of option	Total number of shares to be arise as a result of exercise of option cannot be determined as on date, since the ESOP Scheme 2019 will be subject to approval of shareholders of the Company. Total number of shares arising as result of exercise of options will not be exceeding 20,00,000 (Twenty lakhs) having face value of Rs. 2/- each as mentioned in the scheme document.
6	Variation of terms of options	The Board/ Compensation Committee is authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2019 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2019 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 as referred in scheme document. As on date, no variation of the terms of options has happened.
7	Brief details of significant terms	<u>Requirements of vesting and period of vesting:</u> 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-2019.

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Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:		
Separations	Vested Options	Unvested Options
Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
Termination (with cause)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
Termination (Without cause)	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 on the date of such termination shall stand cancelled with effect from the termination date.
Retirement approved by the Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within permitted exercise period.
Early Retirement approved by the Company	All Vested Options as on date of retirement may be exercised by the Option Grantee within permitted exercise period.	All Unvested Options on the date of such retirement shall stand cancelled with effect from the retirement date.
Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir within permitted exercise period	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within permitted exercise period.
Permanent Disability	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir within permitted exercise period	All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir within permitted exercise period
Abandonment	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.

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		<p>Other reasons apart from those mentioned above</p> <p>The Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p>All Unvested Options on the date of separation shall stand cancelled with effect from that date.</p>
		<p><u>Vesting Period:</u></p> <p>The minimum vesting period is 1 (one) year and maximum vesting period is 7 (seven) years from the date of individual grant. Vesting may occur in tranches subject to the terms and conditions of vesting, as stipulated in the ESOP-2019.</p> <p><u>Lock-in-period:</u></p> <p>Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise.</p> <p><u>Surrender of Options:</u></p> <p>An employee may surrender his/her vested /unvested options at any time during his employment with the company. Thereafter the surrendered options shall be brought back to the Employee Stock Options pool and shall become available for future grants.</p> <p><u>Exit Route in case de-listing:</u></p> <p>If the Company gets de-listed from all the recognized Stock Exchanges, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws</p> <p><u>Other terms and conditions:</u></p> <ul style="list-style-type: none"> • Employee shall not have a 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. • Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. • If the Company issues bonus shares or rights shares, the Option Grantee shall not be eligible for the bonus or rights shares in the capacity of an Option Grantee. • Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee.
8	Diluted earnings per share pursuant to issue of equity shares on exercise of options	The ESOP Scheme 2019 is subject to approval by the shareholders of the Company. As on date, no options have been granted / vested / exercised and there is no issue of equity shares on exercise of options. Hence, Diluted earnings per share cannot determined as on date.

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