



Greaves Cotton Limited

Dividend Distribution Policy

1. Preamble:

Greaves Cotton Limited has consistent dividend paying track record. This Dividend Distribution Policy is in terms of the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

2. Effective Date:

The Board of Directors of the Company at its meeting held on 14th February, 2017 has adopted the Dividend Distribution Policy of the Company. The Policy is effective from the financial year 2016-2017.

3. Parameters for declaration of Dividend

The Board of Directors of the Company shall declare dividends at its own discretion and at such periodicity as they may deem fit. The Board will consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors :

The Board of Directors of the Company would consider the Free Cash Flow projections for the year under consideration for declaring or recommending dividend to shareholders.

External Factors:

The Board of Directors of the Company would consider the prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws for declaring or recommending dividend to shareholders.

Circumstances under which the shareholders may or may not expect Dividend:

The shareholders of the Company may not expect Dividend under the following circumstances:

- a. In the event of Force Majore events outside the control of the Company.
- b. If the prevailing regulatory environment does not permit declaration or payment of dividend.

Utilization of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

Parameters adopted with regard to various classes of shares:

- a. At present, the issued and paid-up share capital of the Company comprises only equity shares.
- b. The factors and parameters for declaration of dividend to different class of shares of the Company shall be in compliance with the existing laws, governing the dividend payout.
- c. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

4. General

- a. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- b. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- c. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
