

GE Power India Limited

Dividend Distribution Policy

Background

This policy is being adopted in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Regulations**') as amended. The regulation 43A of the Regulations requires top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribed that, the dividend distribution policy shall include the following parameters:

- a. the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b. the financial parameters that shall be considered while declaring dividend;
- c. internal and external factors that shall be considered for declaration of dividend;
- d. policy as to how the retained earnings shall be utilized; and
- e. parameters that shall be adopted with regard to various classes of shares

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

Considering the fact that GE T&D India Limited/GE Power India Limited (hereinafter referred to as "**Company**") is amongst the top 500 listed entities, as at 31st March 2016, as per the criteria, the dividend distribution policy has been formulated.

The Company has issued only Equity Shares. The Equity Shares are *pari-passu* with respect to voting rights and dividend. All the members of the Company are entitled to receive the same amount of dividend per share.

Applicability

This policy is applicable on equity shares of the Company.

Objective of the policy

The policy specifies the parameters of distribution of dividend with objective of delivering sustainable value to its stakeholders.

Procedure

Dividend is declared at the Annual General Meeting (AGM) of the shareholders based on recommendations of the Board in compliance with provisions of Companies Act, 2013. The Board may also declare interim dividend(s) as and when it considers fit.

Considerations

The Board of Directors of the Company ('**Board**') recommends dividend distribution based on the following factors, which lead to circumstances under which the shareholders of the Company may or may not expect dividend:

1. Reported and Projected Net Profit after Tax (PAT) available for distribution in the financial statements for the current and projected periods.
2. Reported and projected statements of free cash flow generation.
3. Current and projected cash balance.
4. Current and projected debt-raising capacity.
5. Committed and projected cash flow needs owing to forecasted capital expenditure, anticipated investments and working capital requirements for current and projected periods.
6. The macro economic factors and the general business environment.
7. Corporate actions resulting in significant cash outflow for the Company.

The Company may use retained earnings for distribution of dividend in special circumstances except in cases wherein funds needs to be deployed to sustain growth of the business and operations of the Company.

Review of Policy

This policy is approved by the Company's Board of Directors. The Board may from time to time review and amend the Policy.

Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.
