Genus Power Infrastructures Limited

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Dividend Distribution Policy

(I) PREFACE

The Board of Directors (the "Board") of Genus Power Infrastructures Limited (hereinafter referred to as "Genus" or the "Company") has adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend" means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.

(II) OBJECTIVE

The aim of this policy is to help the investors in taking well informed investment decisions and to get a clearer picture on returns from the investments made by them in the Company.

(III) SCOPE

The dividend distribution policy shall include the following parameters:

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

When the Company proposes to declare dividend on the basis of parameters other than those mentioned above 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.

(IV) DIVIDEND DISTRIBUTION POLICY

Dividends on equity shares are declared at the Annual General Meeting of the shareholders based on the recommendation by the Board. The Board may also declare interim dividends, subject to the applicable laws. The Company specifies dividends in term of a dividend rate, which is percentage of the paid up capital per share or dividends in term of INR per share.
The Company may consider distribution of dividend up to 25 percent of profit after tax (PAT) of the Company.

The Board of Directors shall review the dividend distribution policy periodically.

Circumstances under which their shareholders can or cannot expect dividend:

No dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-sections (1) and (2) of section 123 of the Companies Act, 2013 (the "Act"), or out of the profits of the Company for any previous financial year or years arrived at after providing for previous year's losses if any and all depreciation and remaining undistributed, or out of both.

Where, owing to inadequacy or absence of profits in any financial year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf. The following are some major conditions of the Companies (Declaration and Payment of Dividend) Rules, 2014 (Rule 3) regarding declaration of dividend out of surplus in the absence of adequacy or absence of profits in any year:

(a) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year.
(b) The total amount to be drawn from such accumulated profits shall not exceed $1/10^{th}$ of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.
(c) The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.
(d) The balance of reserves after such withdrawal shall not fall below 15% of its paid up share capital as appearing in the latest audited financial statement.

No dividend shall be declared or paid by the Company from its reserves other than free reserves.

The Board of Directors of the Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared. In case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years.

No dividend shall be paid by the Company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

If the Company fails to comply with the provisions of sections 73 and 74 of the Act, it shall not, so long as such failure continues, declare any dividend on its equity shares.

Financial parameters, Internal and external factors that will be considered while declaring dividends:

The following parameters/factors may be considered by the Board before declarations or making any recommendations for the dividend include, but are not limited to,

- capital expenditure for the current year;
- future capital expenditure plans;
- profits earned during the financial year;
- past year earnings;
- expected future earnings;
- debt position
- cost of raising funds from alternate sources;
- cash position of the company;
- cash flow position;
- applicable taxes including tax on dividend;
- pattern of past dividends;
- dividend yield;
- external trends in dividend payment and PAT; and
- industry-wise dividend pattern.

Policy as to how the retained earnings will be utilized:

Retained earnings are defined as all the profits that an organization has earned since it came into existence, minus dividends paid to shareholders and taxes paid to Government.

The Company can reinvest retained earnings back into the business to fund additional growth of the business in such areas as working capital, capital expenditures, acquisitions, research and development, and marketing network. Retained earnings can be used to acquire assets to generate income for the Company. Retained earnings can also be used to pay outstanding debts, loans and other liabilities. Retained earnings can also be used for all legitimate purposes as per the prevailing laws.

Parameters that shall be adopted with regard to various classes of shares:

The Company has issued only one class of shares, i.e. equity share of face value of Re.1/- each, which is listed on BSE and NSE.

(V) CONFLICT BETWEEN LAWS AND POLICY

In case of any conflict between the prevailing laws/rules/regulations and this policy, the prevailing laws/rules/regulations shall prevail. Further, any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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- (Formulated on July 29, 2016 and Effective from July 29, 2016)
- (Reviewed on September 22, 2018 and Effective from September 22, 2018)
- (Reviewed on March 30, 2019 and Effective from April 01, 2019)
- (Reviewed on May 28, 2021 and Effective from May 28, 2021)
- (Reviewed on May 12, 2022 and Effective from May 12, 2022)