

GE T&D INDIA LIMITED

Unleashing Limitless Energy

Analyst Presentation
AGM FY 2020 - 21



Related Party Transactions for Approval

Rs in Millions

	New/ Existing	Borrowing	Inter Corporate Deposits	Project, Sale/ Purchase	Other Services	Tender Arrangements
Borrowings from cash pool <i>- taken/ to be taken excluding interest</i>	Existing	7,000				
Inter-corporate deposits/ lending in cash pool <i>- given/ to be given excluding interest</i>	Existing		1,500			
Sale and purchase of goods and or materials or property or assets of any kind, including project related services	Existing			2,500		
Entering into contract(s)/ arrangement(s) for availing or rendering of any services (other than project related services), including <i>- support/ shared services</i> <i>- information technology assets related services</i> <i>- travel related services on actual reimbursements,</i> <i>- cost of shared services & resources</i> <i>- manpower training and development services</i> <i>- sharing if of registered office by way of sublease</i>	Existing				1,500	
Total for GE India Industrial Private Limited (GEIPL) : Resolution No 8 and 9*		7,000	1,500	2,500	1,500	-
Tender related arrangements, including joint and several liability undertakings, indemnity obligations, parent company guarantees, support letters	New					20,000
Sale or purchase of materials and components	Existing			1,000		
Rendering and receipt of services	Existing				500	
Total for UK Grid Solutions Limited : Resolution No 10**		-	-	1,000	500	20,000

* RPT approval taken in AGM for FY 19-20 in Sep 20

** Transactions in FY 20-21 were below materiality limit

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Cash Pool : GEIPL

Rs in Millions

Purpose

Purpose : Short term loans to meet its working capital requirements

Limit for FY 21-22:

- **Borrowing : 7,000 minr at any point of time**
- **Lending : 1,500 minr at any point of time**

FY 2020-21 approval in Aug 20 AGM:

- **Borrowing : 10,000 minr at any point of time**
- **Lending : 1,500 minr at any point of time**

Benefits Borrowing

- **Availability of additional source of funds**
- **Market benchmark rate of Interest:**
 - Present rate of interest around 5.50%
 - Variable in nature and is determined by independent transfer pricing team at arm's length, benchmarked to the rates charged by banks.
- **Unsecured, payable on demand - higher flexibility to manage funds and optimize interest cost**
- **Day end balance sweep within the entities thereby interest cost incurred on the day end balance**
- **No minimum tenor of borrowings** Flexibility to repay borrowings on daily basis (which in case of bank is only on due date)
- Terms of the cash pool arrangement are consistent with the cash pool arrangement existing within General Electric Company and its subsidiaries
- Pool participants can terminate cash pooling at any time

Benefits Landing

- **Better fund management and optimization of the interest benefit by depositing overnight funds**
- **Better interest on investment: At present around 4%**
 - Variable in nature and is determined by independent transfer pricing team at arm's length but is benchmarked to rates charged by banks
 - However, no loan is given at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan in compliance with the provision of section 186(7) of the Act.
- Unsecured. daily callable on demand
- No minimum tenor of deposits. No penalty of early withdrawal
- Day end balance sweep within the entities thereby interest earned on the day end surplus balance
- The cash pooling offered rate of 1 year with Govt. of India GSec with no penalty on early withdrawal is better than a similar Bank time deposit rate on new deposit rollovers of 91 day (currently at ~ 3.0% p.a.) with 1 % penalty on early withdrawal.
- Pool participants can terminate cash pooling at any time.



Sale/Purchase of goods and services : GEIPL

Rs in Millions

Sale and purchase of goods and or materials or property or assets of any kind, including project related services

Limit for FY 21-22: 2,500 Minr

FY 2020-21 approval in Aug 20 AGM: 500 MINR*

- **Mainly potential Wind, Hybrid, Gas turnkey project tenders/bids with scope of Grid business expected during FY 21-22**
- **Grid business sell its offering to GEIPL for fulfillment of overall turnkey project**
- **Purchase of products and services to fulfill the requirements of TP customer contracts**
- **Contracts awards may include furnishing of BGs for advance or performance of contracts**
- **Sale / Purchase price to be derived at arms length using TP policy of the Company**

Entering into contract(s)/ arrangement(s) for availing or rendering of any services (other than project related services), including

- support/ shared services
- information technology assets related services
- travel related services on actual reimbursements,
- cost of shared services
- manpower training and development services
- sharing if of registered office by way of sublease

Limit for FY 21-22: 1,500 Minr

FY 2020-21 approval in Aug 20 AGM: 1,000 MINR*

- **GEIPL entity negotiates the contract with TP services provides like IT assets, travel cost, training etc...on pan India basis, to leverage negotiation at larger scale**
- **Deployment of shared resources, manpower to optimize utilization at scale**
- **Lease/Sublease and related recharge for offices to better utilize office space**
- **Price are derived at arms length using TP policy of the Company**

** Overall approval of 1,500 minr taken in AGM in Sep 20*

The above-mentioned related party transactions do not include any transaction in relation to the Global Engineering Operations Division (GEOD) business



UK Grid Solutions Limited

Rs in Millions

Tender related arrangements, including joint and several liability undertakings, indemnity obligations, parent company guarantees, support letters

Limit for FY 21-22: 20,000 Minr

FY 2020-21 approval in Aug 20 AGM: NA

- Jointly bid for projects with UK Grid Solutions Limited
- For bidding in certain projects where the Company may not have the technology and may not meet qualification requirements on standalone basis
- In case of such joint bidding, the companies are jointly and severally liable to the customer(s) and for the same the Company is required to execute necessary undertakings.
- Inter-se, the companies enter into indemnity obligations towards each other joint bidder for any liability arising on account of such joint bidder.
- Further, the bids may require a Guarantee to be issued by the Parent Company on behalf of the Company which may be provided by GE Company(ies)

Sale or purchase of materials and components

Limit for FY 21-22: 1,000 Minr

FY 2020-21 approval in Aug 20 AGM: NA

Rendering and receipt of services

Limit for FY 21-22: 500 Minr

FY 2020-21 approval in Aug 20 AGM: NA

- ***Sale and purchase of materials, components and rendering of services to UK Grid Solutions Limited and receipt of services from UK Grid Solutions Limited.***
- ***Sale / Purchase price to be derived at arms length using TP policy of the Company***



Thank You

