

August 07, 2020

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1,
G Block, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Trading Symbol: ORIENTELEC

Department of Corporate Services -Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 541301

Sub.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
– Gist of Proceedings of 4th Annual General Meeting, Scrutinizers' Report and Voting Results.

Dear Sir / Madam,

We hereby wish to inform you that the 4th Annual General Meeting of the Company was held on Friday, August 07, 2020, commenced at 11.00 A.M. and concluded at 12:09 P.M., through Video Conferencing / Other Audio Visual Means, and the business mentioned in the Notice dated June 01, 2020 were transacted and passed with requisite majority.

In this regard, we are enclosing herewith the following reports:

1. Gist of the proceedings of the 4th Annual General Meeting, as required under Regulation 30, Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (**Listing Regulations**), as **Annexure A**;
2. Voting Results as required under Regulation 44 of the Listing Regulations as **Annexure B**;
3. Scrutinizers' Report pursuant to Section 108 of the Companies Act, 2013 and Rule 20 (4) (xii) of the Companies (Management and Administration), Rules 2014, as **Annexure C**;
4. Copy of the Annual Report for the financial year 2019-20 along with Business Responsibility Report as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, enclosed herewith as **Annexure D**

You are requested to take the above information and enclosed documents on your record.

Thanking you,

Yours Sincerely,

For **Orient Electric Limited**

Hitesh Kumar Jain
Company Secretary

Encl.: as above



GIST OF THE PROCEEDINGS OF FOURTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ORIENT ELECTRIC LIMITED HELD ON FRIDAY, AUGUST 07, 2020 AT 11.00 A.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS.

The 4th Annual General Meeting (“**AGM**” or “**Meeting**”) of the Shareholders of Orient Electric Limited (the “**Company**”) was held on Friday, August 07, 2020. The Meeting commenced at 11.00 A.M. (IST) and concluded at 12:09 P.M. (IST).

The Company Secretary welcomed the shareholders, directors and other panelist to the 4th AGM of Orient Electric Limited and informed the shareholders that due to COVID-19 pandemic and in compliance with the General Circulars issued by the Ministry of Corporate Affairs (“**MCA**”) and SEBI and the applicable provisions of the Companies Act, 2013 and the Rules made thereunder this meeting is being held through Video Conference (“**VC**”) / Other Audio Visual Means (“**OAVC**”).

Mr. Chandra Kant Birla, Chairman of the Board, chaired the AGM and welcomed the shareholders to the 4th AGM of the Company. Thereafter, he requested all the colleagues on the Board and KMPs to introduce themselves.

Mr. Desh Deepak Khetrpal, Non-Executive Vice Chairman, Mr. Rakesh Khanna, Managing Director & CEO, Mr. TCA Ranganathan, Independent Director, Chairman – Audit Committee & Risk Management Committee, Mrs. Alka Marezban Bharucha, Independent Director, Chairperson – Nomination & Remuneration Committee and Stakeholders’ Relationship Committee, Mr. K Pradeep Chandra - Independent Director, Chairman – Corporate Social Responsibility Committee and Mr. Saibal Sengupta, Chief Financial Officer, introduced themselves and confirmed their presence in the AGM. The Chairman also acknowledged the attendance of authorised representative of Statutory auditors, Secretarial Auditor and Scrutinizer.

After ascertaining that the quorum is present, the Chairman called the meeting to order.

Thereafter, on the advice of Chairman, the Company Secretary informed the shareholders, that Register of Directors & Key Managerial Personnel, the Register of Contracts or Arrangements in which Directors are interested and other documents were made available for inspection electronically during the AGM. He also provided instructions related to participation in the AGM and guidelines for speaker shareholders.

Thereafter, the Chairman delivered his speech. With the permission of the shareholders the Notice of the 4th AGM was taken as read. Since there was no qualification, observation or adverse remark in the Statutory Auditor’s Report on the financials of the Company for the financial year 2019-20 and the Secretarial Auditor’s Report, the same were taken as read.

The following items of business, as per the Notice of AGM dated June 01, 2020, were transacted at the meeting. The Chairman read out the Item no. 1 and 2 and requested Mr. Desh Deepak Khetrpal,



Vice Chairman, to chair the meeting since Mr. Birla was interested in that agenda item and resumed as Chairman for Item no. 4 and 5.

Ordinary Business:

1. Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2020 along with reports of the Board of Directors and Auditors' thereon.
2. Declaration of final dividend of Re. 0.50 (50%) per equity share of face value of Re. 1 each for the financial year ended March 31, 2020 and confirmation of the interim dividend of Re. 0.65 (65%) per equity share, already paid during the financial year 2019-20.
3. Appointment of a Director in place of Mr. Chandra Kant Birla (Din: 00118473), who retires by rotation and being eligible, offers himself for re-appointment.
4. Payment of Remuneration to Cost Auditors for the financial year ending March 31, 2021 as specified in the Notice for the AGM.
5. Appointment of Auditors for Branch Office(s) of the Company.

Thereafter, the Company Secretary, on advice of the Chairman, informed the shareholders that in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company had provided the facility, to the shareholders, to cast their vote electronically (remote e-voting) from **Tuesday, August 04, 2020 (9:00 A.M.) to Thursday, August 06, 2020 (5:00 P.M.)** through e-voting platform provided by KFin Technologies Private Limited ("KFinTech") in respect of all the businesses mentioned in the Notice dated June 01, 2020. The shareholders attending the AGM, who had not cast their vote by remote e-voting, had been provided the facility to exercise their right of voting at the AGM through electronic means. Cut-off date for determining the name of the shareholders eligible for voting at the AGM was July 31, 2020. He also informed that Mr. Atul Kumar Labh, Practicing Company Secretary, has been appointed to act as the Scrutinizer for scrutinizing the remote e-voting and the e-voting process at the AGM in a fair and transparent manner. He also informed that results will be declared on or before August 09, 2020 based on scrutinizer's report and the same would be published on the Company's website and would also be uploaded on the websites of the Stock Exchanges, NSE and BSE.

Thereafter, Chairman announced the activation of the e-voting window for allowing the shareholders to vote during the AGM and opened the floor for question & answer session. Chairman requested the shareholders who have registered as Speaker Shareholders, to give their valuable opinions and suggestions. Chairman addressed the queries of the Speaker Shareholders as well as those received over emails and chat box.

Thereafter, Chairman informed that the e-voting will end on casting of the last vote or 15 minutes from the end of this meeting, whichever is earlier. The Chairman severally authorized Mr. Rakesh Khanna, Managing Directors & CEO, Mr. Saibal Sengupta, CFO, and Mr. Hitesh Kumar Jain,



Company Secretary, to receive the scrutinizer report, declare the voting results and submit the same to the Stock Exchanges within 48 hours from the end of this meeting. Chairman announced that the resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

The Chairman thanked the shareholders for their participation, views and suggestions, along with Board Members, Panelist and Auditors, and thereafter announced formal closure of the AGM.

The AGM concluded with a vote of thanks to the Chair

For **Orient Electric Limited**

Hitesh Kumar Jain

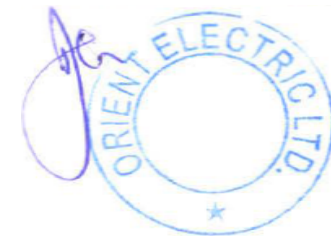
Company Secretary

Date: August 07, 2020



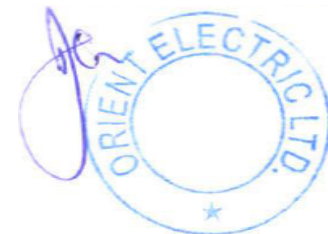
	ORIENT ELECTRIC LIMITED
Date of the AGM/EGM	07-08-2020
Total number of shareholders on record date	39667
No. of shareholders present in the meeting either in person or through proxy:	
Promoters and Promoter Group:	Not Applicable
Public:	Not Applicable
No. of Shareholders attended the meeting through Video Conferencing	
Promoters and Promoter Group:	17
Public:	67

Resolution No.	1										
Resolution required: (Ordinary/ Special)	Ordinary - Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2020 along with reports of the Board of Directors and Auditors' thereon.										
Whether promoter/ promoter group are interested in the agenda/resolution?	No										
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained	
Promoter and Promoter Group	E-Voting	8,17,33,294	8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0	
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0	
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0	
	Total		8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0	
Public- Institutions	E-Voting	6,71,01,488	3,84,95,246	57.3687	3,84,95,246	0	100.0000	0.0000	0	96,50,787	
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0	
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0	
	Total		3,84,95,246	57.3687	3,84,95,246	0	100.0000	0.0000	0	9650787	
Public- Non Institutions	E-Voting	6,33,50,720	2,18,93,151	34.5586	2,18,93,101	50	99.9997	0.0002	0	1	
	Poll		18,736	0.0296	18,736	0	100.0000	0.0000	0	0	
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0	
	Total		2,19,11,887	34.5882	2,19,11,837	50	99.9998	0.0002	0	1	
Total		21,21,85,502	14,21,40,427	66.9888	14,21,40,377	50	100.0000	0.0000	0	9650788	



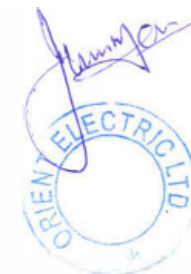
Resolution No.	2									
Resolution required: (Ordinary/ Special)	Ordinary - Declaration of final dividend of Re. 0.50 (50%) per equity share of face value of Re. 1 each for the financial year ended March 31, 2020 and confirmation of the interim dividend of Re. 0.65 (65%) per equity share, already paid during the financial year 2019-20.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	8,17,33,294	8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	6,71,01,488	4,81,32,941	71.7316	4,81,32,941	0	100.0000	0.0000	0	13,092
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		4,81,32,941	71.7316	4,81,32,941	0	100.0000	0.0000	0	13092
Public- Non Institutions	E-Voting	6,33,50,720	2,18,93,151	34.5586	2,18,93,148	3	99.9999	0.0000	0	1
	Poll		18,736	0.0296	18,736	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		2,19,11,887	34.5882	2,19,11,884	3	100.0000	0.0000	0	1
Total	21,21,85,502	15,17,78,122	71.5309	15,17,78,119	3	100.0000	0.0000	0	13093	

Resolution No.	3									
Resolution required: (Ordinary/ Special)	Ordinary - Appointment of a Director in place of Mr. Chandra Kant Birla (Din: 00118473), who retires by rotation and being eligible, offers himself for re-appointment.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	8,17,33,294	8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	6,71,01,488	4,81,32,941	71.7316	4,70,61,149	10,71,792	97.7732	2.2267	0	13,092
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		4,81,32,941	71.7316	4,70,61,149	10,71,792	97.7733	2.2267	0	13092
Public- Non Institutions	E-Voting	6,33,50,720	2,18,93,051	34.5585	2,18,93,001	50	99.9997	0.0002	0	101
	Poll		18,736	0.0296	18,736	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		2,19,11,787	34.5881	2,19,11,737	50	99.9998	0.0002	0	101
Total	21,21,85,502	15,17,78,022	71.5308	15,07,06,180	10,71,842	99.2938	0.7062	0	13193	



Resolution No.	4									
Resolution required: (Ordinary/ Special)	ORDINARY - Payment of Remuneration to Cost Auditors for the financial year ending March 31, 2021 as specified in the Notice for the AGM.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	8,17,33,294	8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	6,71,01,488	4,81,32,941	71.7316	4,81,32,941	0	100.0000	0.0000	0	13,092
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		4,81,32,941	71.7316	4,81,32,941	0	100.0000	0.0000	0	13092
Public- Non Institutions	E-Voting	6,33,50,720	2,18,93,051	34.5585	2,18,93,001	50	99.9997	0.0002	0	101
	Poll		18,736	0.0296	18,736	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		2,19,11,787	34.5881	2,19,11,737	50	99.9998	0.0002	0	101
Total	21,21,85,502	15,17,78,022	71.5308	15,17,77,972	50	100.0000	0.0000	0	13193	

Resolution No.	5									
Resolution required: (Ordinary/ Special)	Ordinary - Appointment of Auditors for Branch Office(s) of the Company.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	8,17,33,294	8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		8,17,33,294	100.0000	8,17,33,294	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	6,71,01,488	4,81,32,941	71.7316	4,78,40,514	2,92,427	99.3924	0.6075	0	13,092
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		4,81,32,941	71.7316	4,78,40,514	2,92,427	99.3925	0.6075	0	13092
Public- Non Institutions	E-Voting	6,33,50,720	2,18,93,051	34.5585	2,18,93,001	50	99.9997	0.0002	0	101
	Poll		18,736	0.0296	18,736	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		2,19,11,787	34.5881	2,19,11,737	50	99.9998	0.0002	0	101
Total	21,21,85,502	15,17,78,022	71.5308	15,14,85,545	2,92,477	99.8073	0.1927	0	13193	



A. K. LABH

FCS, ACMA (ICAI), MBA, M.Com., ACSI (Lond)
DIM, DHRD, PGHDSM, DIRPM
Practicing Company Secretary



A. K. LABH & Co.

Company Secretaries

40, Weston Street, 3rd Floor, Kolkata - 700 013

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Mobile : 98300-55689

e-mail : aklabh@aklabh.com / aklabhcs@gmail.com

Website : www.aklabh.com

CONSOLIDATED SCRUTINIZER'S REPORT

[Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014]

**The Chairman
of the 4th Annual General Meeting of
Orient Electric Limited
Unit VIII, Plot No. 7
Bhoinagar, Bhubaneswar
Odisha-751012**

Dear Sir,

I, Atul Kumar Labh, Practicing Company Secretary (FCS – 4848 / CP - 3238) and proprietor of M/s. A. K. Labh & Co., Company Secretaries, Kolkata was appointed as the scrutinizer in connection with the 4th Annual General Meeting (“AGM”) of the members of “**Orient Electric Limited**” (“Company”) held on Friday, the 7th day of August, 2020 at 11:00 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) in terms of MCA Circular No. 20/2020 dated 5th May, 2020 read with Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 (collectively referred as “MCA Circulars”) for the purpose of scrutinizing the electronic voting (“e-voting”) process through remote e-voting and e-voting at the AGM in a fair and transparent manner and ascertaining the requisite majority for the said voting as per the provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, on the resolutions referred to in this report.

The management of the Company is responsible to ensure the compliance with the requirements of the Companies Act, 2013, MCA Circulars and the Rules relating to remote e-voting and e-voting at the AGM on the resolutions contained in the Notice of the AGM dated the 1st day of June, 2020. My responsibility as a scrutinizer for remote e-voting and e-voting at the AGM is restricted to make a Scrutinizer's Report of the votes cast “in favour” or “against” the resolutions, based on the reports generated from the e-voting system of M/s KFin Technologies Private Limited (“KFin”), the agency engaged by the Company to provide the facilities for both remote e-voting and e-voting at the AGM.



A. K. LABH

FCS, ACMA (ICAI), MBA, M.Com., ACSI (Lond)
DIM, DHRD, PGHDSM, DIRPM
Practicing Company Secretary



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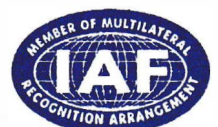
Mobile : 98300-55689

e-mail : aklabh@aklabh.com / aklabhcs@gmail.com

Website : www.aklabh.com

I submit my report as under :

1. The remote e-voting period remained open from 9.00 A.M. IST on Tuesday, the 4th day of August, 2020 up to 5.00 P.M. IST on Thursday, the 6th day of August, 2020.
2. The shareholders holding shares as on the “cut off” date, i.e. the 31st day of July, 2020 were entitled to vote on the proposed 5 (Five) resolutions as mentioned in the Notice dated the 1st day of June, 2020 of the AGM of the Company.
3. The Company has also provided e-voting facility at the AGM to enable the shareholders attending the AGM through VC / OAVM to cast the votes in case the same has not been cast by them through remote e-voting.
4. The votes were unblocked on Friday, the 7th day of August, 2020 around 12:20 P.M. after the completion of the AGM in the presence of two witnesses, namely, Ms. Rachana Agarwal, residing at 162/2, Benaras Road, Salkia, Howrah - 711106 and Mrs. Anushree Dasgupta, residing at 28/N, Dwijen Mukherjee Road, Behala, Kolkata – 700060, who are not in employment of the Company.
5. The e-voting data/results downloaded from the e-voting system of KFin were scrutinized and reviewed; the votes were counted, and the results were prepared.
6. The combined result of the remote e-voting and e-voting at the AGM [EVEN : 5360] are as under:



A. K. LABH

FCS, ACMA (ICAI), MBA, M.Com., ACSI (Lond)
DIM, DHRD, PGHDSM, DIRPM
Practicing Company Secretary



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Website : www.aklabh.com

<A> ORDINARY BUSINESS:

a) Resolution 1

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 along with Reports of the Board of Directors and Auditors' thereon

(i) *Voted in favour of the Resolution:*

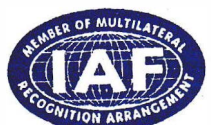
<i>Mode of voting</i>	<i>Number of Members voted</i>	<i>Number of votes cast by them</i>	<i>% of total number of valid votes cast</i>
Remote e-voting	173	142121641	
E-voting at AGM	7	18736	
Total	180	142140377	99.999965%

(ii) *Voted against the Resolution:*

<i>Mode of voting</i>	<i>Number of Members voted</i>	<i>Number of votes cast by them</i>	<i>% of total number of valid votes cast</i>
Remote e-voting	1	50	
E-voting at AGM	0	0	
Total	1	50	0.000035%

(iii) *Invalid Votes:*

<i>Total number of members whose votes were declared invalid</i>	<i>Total number of votes cast by them</i>
1	0



A. K. LABH

FCS, ACMA (ICAI), MBA, M.Com., ACSI (Lond)
DIM, DHRD, PGHDSM, DIRPM
Practicing Company Secretary



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Website : www.aklabh.com

b) Resolution 2

To declare final dividend of Re. 0.50 (50%) per equity share of face value of Re. 1 each for the financial year ended March 31, 2020 and to confirm the interim dividend of Re. 0.65 (65%) per equity share, already paid during the financial year 2019-20

(i) **Voted in favour of the Resolution:**

Mode of voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	176	151759383	
E-voting at AGM	7	18736	
Total	183	151778119	99.999998%

(ii) **Voted against the Resolution:**

Mode of voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	1	3	
E-voting at AGM	0	0	
Total	1	3	0.000002%

(iii) **Invalid Votes:**

Total number of members whose votes were declared invalid	Total number of votes cast by them
1	0



A. K. LABH

FCS, ACMA (ICAI), MBA, M.Com., ACSI (Lond)
DIM, DHRD, PGHDSM, DIRPM
Practicing Company Secretary



A. K. LABH & Co.

Company Secretaries

40, Weston Street, 3rd Floor, Kolkata - 700 013
☎ (033) 2221-9381, Fax : (033) 2221-9381
Mobile : 98300-55689
e-mail : aklabh@aklabh.com / aklabhcs@gmail.com
Website : www.aklabh.com

c) Resolution 3

To appoint a Director in place of Mr. Chandra Kant Birla (DIN: 00118473), who retires by rotation and being eligible, offers himself for re-appointment

(i) *Voted in favour of the Resolution:*

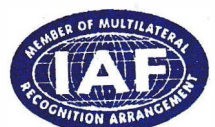
Mode of voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	168	150687444	
E-voting at AGM	7	18736	
Total	175	150706180	99.293809%

(ii) *Voted against the Resolution:*

Mode of voting	Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	8	1071842	
E-voting at AGM	0	0	
Total	8	1071842	0.706191%

(iii) *Invalid Votes:*

Total number of members whose votes were declared invalid	Total number of votes cast by them
1	0



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Website : www.aklabh.com

 SPECIAL BUSINESS:

d) Resolution 4 : Ordinary Resolution

Payment of remuneration to Cost Auditors for the financial year ending March 31, 2021

(i) *Voted in favour of the Resolution:*

<i>Mode of voting</i>	<i>Number of Members voted</i>	<i>Number of votes cast by them</i>	<i>% of total number of valid votes cast</i>
Remote e-voting	175	151759236	
E-voting at AGM	7	18736	
Total	182	151777972	99.999967%

(ii) *Voted against the Resolution:*

<i>Mode of voting</i>	<i>Number of Members voted</i>	<i>Number of votes cast by them</i>	<i>% of total number of valid votes cast</i>
Remote e-voting	1	50	
E-voting at AGM	0	0	
Total	1	50	0.000033%

(iii) *Invalid Votes:*

<i>Total number of members whose votes were declared invalid</i>	<i>Total number of votes cast by them</i>
1	0



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DIM, DHRD, PGHDSM, DIRPM
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e) Resolution 5 : Ordinary Resolution

Appointment of Auditors for Branch Office(s)

(i) *Voted in favour of the Resolution:*

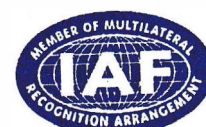
<i>Mode of voting</i>	<i>Number of Members voted</i>	<i>Number of votes cast by them</i>	<i>% of total number of valid votes cast</i>
Remote e-voting	174	151466809	
E-voting at AGM	7	18736	
Total	181	151485545	99.807300%

(ii) *Voted against the Resolution:*

<i>Mode of voting</i>	<i>Number of Members voted</i>	<i>Number of votes cast by them</i>	<i>% of total number of valid votes cast</i>
Remote e-voting	2	292477	
E-voting at AGM	0	0	
Total	2	292477	0.192700%

(iii) *Invalid Votes:*

<i>Total number of members whose votes were declared invalid</i>	<i>Total number of votes cast by them</i>
1	0



A. K. LABH

FCS, ACMA (ICAI), MBA, M.Com., ACSI (Lond)
DIM, DHRD, PGHDSM, DIRPM
Practicing Company Secretary



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e-mail : aklabh@aklabh.com / aklabhcs@gmail.com

Website : www.aklabh.com

7. All the resolutions proposed hereinabove have been passed with requisite majority.
8. The electronic data and e-voting registers including other related papers / registers and records shall remain in my safe custody until the Chairman of the meeting considers, approves and signs the minutes in this regard and thereafter it will be handed over to the Company Secretary as authorised by the Board of Directors for safe keeping.

Thanking You,

Yours truly
For A. K. LABH & Co.
Company Secretaries

(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No. – 3238
UDIN : F004848B000560282



Place: Kolkata

Dated: 07.08.2020



A. K. LABH

FCS, ACMA (ICAI), MBA, M.Com., ACSI (Lond)
DIM, DHRD, PGHDSM, DIRPM
Practicing Company Secretary



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e-mail : aklabh@aklabh.com / aklabhcs@gmail.com

Website : www.aklabh.com

Witness:

1.

(Rachana Agarwal)
162/2, Benaras Road
Salkia, Howrah - 711106



2.

(Anushree Dasgupta)
28/N, Dwijen Mukherjee Road, Behala
Kolkata 700060

Received the Report of the Scrutinizer
For **Orient Electric Limited**



(Hitesh Kumar Jain)
Company Secretary
Memb. No. F6241



Designing a Smart Tomorrow



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02	Key Milestones of FY 2019-20
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In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

Board of Directors

Chandra Kant Birla, Chairman
Desh Deepak Khetrupal, Vice Chairman
Rakesh Khanna, Managing Director & CEO
TCA Ranganathan, Independent Director
K Pradeep Chandra, Independent Director
Alka Marezban Bharucha, Independent Director

Key Managerial Person

Rakesh Khanna, Managing Director & CEO
Saibal Sengupta, Chief Financial Officer
Hitesh Kumar Jain, Company Secretary

Registered Office

Unit VIII, Plot No. 7, Bhoinagar,
Bhubaneswar – 751 012, Odisha

Corporate Office

240, Okhla Industrial Estate
Phase III, Okhla, New Delhi – 110 020

Corporate Identification Number

L31100OR2016PLC025892

ISIN

INE142Z01019

Scrip Code

1. BSE – 541301
2. NSE – ORIENTELEC

Website

www.orientelectric.com

Manufacturing Plants

Kolkata

6, Ghore Bibi Lane, Kolkata – 700 054, West Bengal

Faridabad

11, Industrial Estate, Sector 6, Faridabad – 121006, Haryana

Noida

C-130, Sector 63, Noida 201301, Uttar Pradesh
D-209, Sector 63, Noida 201301, Uttar Pradesh

Statutory Auditors

M/s S. R. Batliboi & Co. LLP
Chartered Accountants,
2nd & 3rd Floor, Golf View Corporate Tower -B Sector 42,
Gurugram – 122 002, Haryana, India

Bankers

1. State Bank of India.
2. HDFC Bank Ltd.
3. ICICI Bank Ltd.
4. IndusInd Bank Ltd.
5. Tata Capital Financial Services Ltd.

Registrar and Share Transfer Agent

M/s Kfin Technologies Private Limited
(Unit: Orient Electric Limited)
Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

Key Milestones of FY 2019-20



Orient Electric is now a certified Great Place To Work®



Superbrand for Fans and Coolers



Orient Electric is ranked #1 in Consumer Durables (#33 overall) in Fortune Next 500 list.



One of the fastest SAP S/4 HANA technical migrations

Corporate Snapshot

Orient Electric. Designing a Smart tomorrow.

Legacy

Orient Electric, tracing its origins to the erstwhile Calcutta Electrical Company, became a part of the 150-year-old CK Birla Group in 1954. A distinguished name in the consumer electrical space for more than 60 years, Orient Electric has established itself as a one-stop provider of fans, lighting, home appliances, switchgears and other electrical solutions.

Manufacturing footprint

Orient Electric has manufacturing facilities in Kolkata, Faridabad and Noida. The Company is the largest manufacturer and exporter of fans in the country.

Retail presence

In addition to India, the Company enjoys a marketing presence across 32 countries. In the domestic market, the Company has a robust distribution network with more than 5,000 dealers, 1,25,000 retail outlets and a service network in over 450+ cities.

Awards and recognition

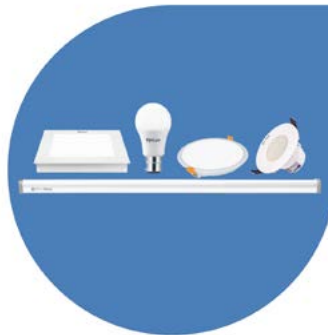
Over the years, Orient Electric has been widely recognized for its product innovation, state-of-the-art manufacturing facilities, branding and customer service. It has received Great Place to Work® certification in the year FY 2019-20 on the back of its inclusive workplace and people-centric culture.

Market Capitalization

The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). The Company enjoyed a market capitalisation of ₹ 41,67.3 crores as on March 31, 2020 and was one of the Top 500 Listed companies by market capitalization.

Strategic alliances

Orient Electric has a strong and continuing partnership with the De'Longhi group since 2018-19. This tie-up enabled the entry of the premium brands of De'Longhi, Kenwood & Braun into India. Each of these brands is an international market leader in its core product category, providing the Company with a strategic market placement advantage.





Chairman's Overview

In its third year as an independent entity, Orient Electric continued its journey of consumer delight and consistent performance backed by its value creation paradigm built on innovation and customer-centricity.

Over the 3 years, OEL has positioned itself to pursue consumer-centric innovation to create stakeholder value. This approach towards innovation extends beyond products into its culture and ways of working. It's credo of 'Switch to Smart' reflects this overarching adherence to delivering first-to-market products and compelling consumer experiences.

FY 2019-20 has been noteworthy on many fronts. The financials validate the strategic choices made in the last few years. The progress achieved towards manufacturing automation and digitization reached a critical momentum with some early gains. I am confident that the company will emerge agile and nimble in the coming years with these initiatives.

A testament to the inclusive workplace and People-first culture, it is heartening to state that OEL has been certified Great Place to Work® in FY 2019-20. The commitment to the belief that a high-performance team is a key pillar for long term performance of the company stands emboldened with this certification. Orient Electric will continue prioritizing on building a smart workplace that facilitates boundary-less thinking and collaborative innovation.

I am pleased to report that despite the challenges of the economy and sectors where we are present, our growth journey as a standalone company remained resilient to sectoral headwinds and continued to enhance overall value for our stakeholder family. I am confident that the strategic direction of the company will help us emerge smarter and stronger from the current business realities.

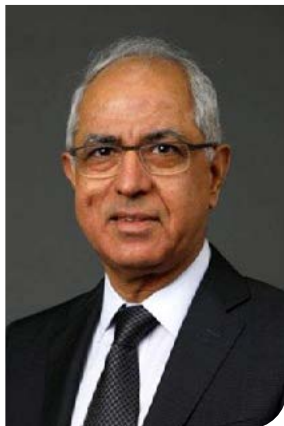
CK BIRLA
CHAIRMAN

Board of Directors



Chandra Kant Birla,
Chairman

Chandra Kant Birla, aged 65 years, is the Chairman and Non-Executive Director of the Company. He is the Chairman of several companies of the CK Birla Group. The Group has interests across industries such as automotive, technology, infrastructure, building products, healthcare and education. He is also a keen philanthropist and deeply committed to creating sustainable positive impact.



Deepak Khetrpal,
Vice Chairman

Desh Deepak Khetrpal, aged 65 years, holds an Honours degree in Business Economics, a Master's degree in Marketing and Finance from Delhi University and is an alumni of Faculty of Management Studies, University of Delhi. He has a rich experience in industrial, consumer and retail businesses. He is a business leader with a track record of leading and transforming large and diversified organisations across various industries including services, industrials, consumer and retail businesses.



Rakesh Khanna,
Managing Director & CEO

Rakesh Khanna, aged 57 years, holds a B.E. (Mechanical Engineering) degree from Thapar Institute of Engineering and Technology and a Master's degree in Management Studies from University of Mumbai. He has more than 31 years of work experience in India and abroad in the consumer durables, consumer electronics, electrical and lighting sectors.



TCA Ranganathan,
Independent Director

TCA Ranganathan, aged 66 years, holds a graduate degree from St Stephen's College, Delhi and Post Graduate degree in Economics from Delhi, School of Economics. He was associated with State Bank of India and Export Import Bank of India. He is currently associated as an arbitrator on the panels of the various stock exchanges and the Indian Council of Arbitration. He is also associated with the United Nations Development Programme for promoting growth in Africa and Asia. He has more than 38 years of experience in Corporate finance, International banking and Investment banking.



K Pradeep Chandra,
Independent Director

K. Pradeep Chandra, aged 63 years, is a retired IAS officer. He holds a Bachelor's Degree in Mechanical Engineering from Indian Institute of Technology, Madras, a Master's degree in Marketing from Indian Institute of Management, Calcutta, a Master's Degree in Finance from Atkinson Graduate School of Management, Willamette University, USA, and a Doctoral degree in Public Administration from University of South California, USA. He has headed a number of state public sector undertakings and has more than 35 years of experience in Education, Finance as well as the Industries and Commerce Departments of the Governments of Andhra Pradesh and Telangana.



Alka Marezban Bharucha,
Independent Director

Alka Marezban Bharucha, aged 63 years, holds a Bachelor's degree in Arts with Honours from University of Mumbai, a law graduate from the University of Mumbai and Master's in law from University of London. She is the founding partner of Bharucha & Partners, is a solicitor of the Bombay High Court and an Advocate on record at the Supreme Court of India. She has more than 31 years of experience in mergers and acquisitions, private equity investments, joint ventures, foreign venture capital investors, brokers, merchant bankers, and other financial intermediaries and is engaged in representing trans-national corporations for investments in the retail, real estate, defence, power and banking sectors.

Performance Metrics

Op. Revenue (₹ Cr.)



Op. EBITDA (₹ Cr.)



PAT (₹ Cr.)



RoCE



Debt-Equity Ratio



Segment-level Performance Metrics

Electric Consumer Durables - ECD

Revenue (₹ Cr.)



PBIT (₹ Cr.)



Lighting & Switchgear

Revenue (₹ Cr.)



PBIT (₹ Cr.)





RAKESH KHANNA
MANAGING DIRECTOR & CEO

Managing Director & CEO's Review

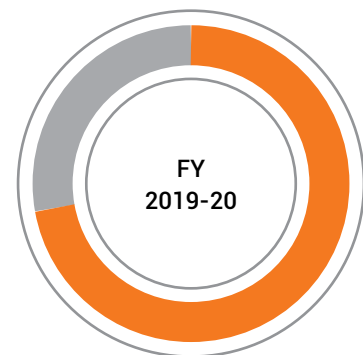
Overview

Despite market challenges, Orient Electric Limited reported its best-ever results in 2019-20. The Company reported its third consecutive year of growth following the demerger from Orient Paper and Industries Limited.

In FY 2019-20, Orient Electric Limited reported a 10.6% increase in revenues and a 14.0% growth in profit after tax. This performance validates the robustness of our business model and our strategic direction.

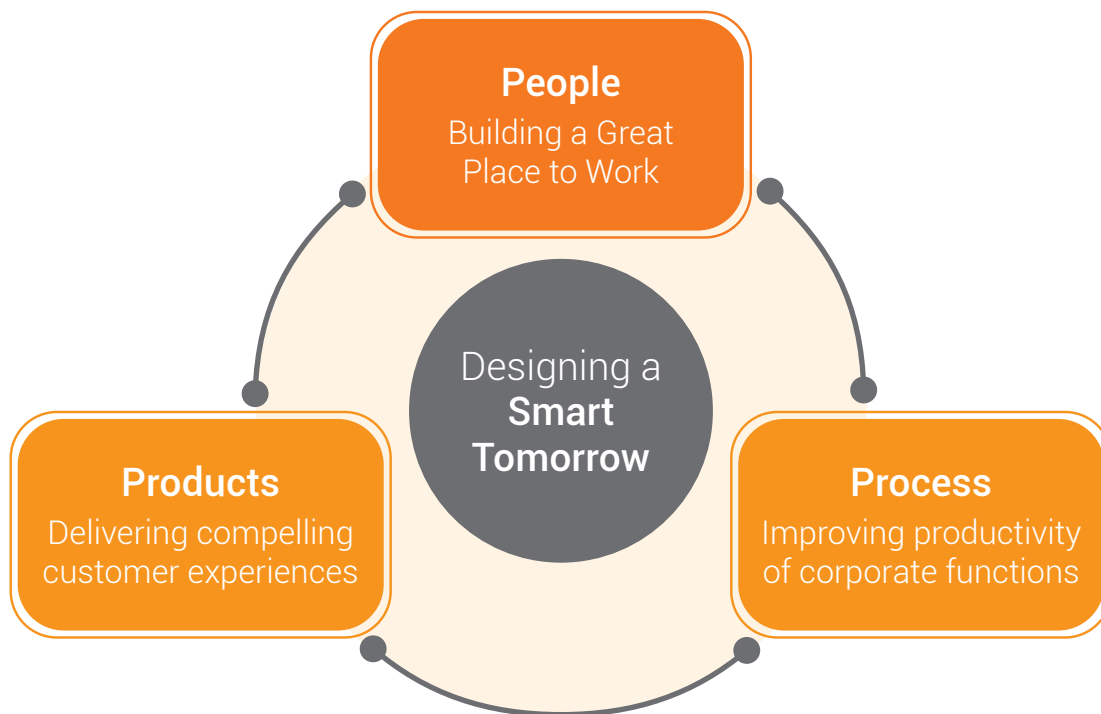
All business segments registered significant growth across the topline and bottom-line during the first three quarters of FY 2019-20. The growth in our financials would have extended into the fourth quarter of the financial year under review but for the national lockdown imposed in late March 2020. The lockdown adversely affected the seasonal sales of summer products, impacting the entity's financials. Even as the impact of the pandemic is expected to extend well into 2020-21, the Company's fundamentals remain strong and future-ready to navigate the current situation and capitalize on emerging opportunities.

Segment Revenue Share



● 27.7%
Lighting & Switchgear

● 72.3%
Electrical Consumer Durables



Building a stronger company

The Orient Electric of today is a nimble organization focused not merely on carving out larger market shares but delivering compelling consumer experiences. The Company is focused on creating market niches through differentiated products and adapting those products for disproportionately larger market spaces thereafter.

At OEL, one of the most decisive initiatives over the last few years was our orientation around 'Designing a Smart Tomorrow'. This overarching commitment addresses the interests of all our stakeholders – internal and external – empowering us to build a smart place to work for our internal stakeholders and smart products and superior experiences for our consumers.

The word 'Designing' reflects our commitment to customize products through differentiated and proprietary capabilities; the word 'Smart' indicates a better way of doing things; the word 'Tomorrow' indicates a commitment to be futuristic/ future-ready in everything we do.

Living to this commitment, the Company undertook multiple initiatives under three overriding strategic themes, each addressed at three pillars of the business – People: Building a Great Place to Work, Products: Delivering compelling consumer experiences, Processes: Unlocking efficiencies. The Company wishes to pursue these programs with greater vigour during the current financial year as we believe the relevance of each of these themes has only deepened following the Covid-19 outbreak.

A. Building a Great Place to Work

At Orient Electric, we have always prioritized people. The culture of the Company is one where we question every convention, create products that extend beyond the usual, commit ourselves to think sans-boundaries, and in doing all these, adapt to markets with agility.

The year under review witnessed a massive activity spike on the capability-building front. Training activities for enhancing performance and competencies were undertaken for employees across the organization from the leadership

to executive levels. These training activities were undertaken in multiple modes: classroom trainings, online trainings and mixed-mode pedagogy trainings. Alongside, we also initiated proactive succession planning, christened FLOE – Future Leaders of Orient Electric across the Company with expert guidance, robust identification and career development plans. As part of the FLOE program, comprehensive development journeys for the inaugural cohort commenced during the year under review.

Multiple initiatives were undertaken to improve workplace vibrancy and deepen employee connect. Some initiatives worth mentioning: Coffee with CEO, Quarterly Hi-flyer awards, Wow cards, Quarterly Townhalls, Skip-level meetings with Functional Heads etc. Leadership connect was improved through Skip-level meetings, Coffee with CEO and Townhalls. Wow cards, Hi-flyer recognitions were aimed at improving a spirit of celebration in the organization.

A testament to inclusive workplace and people-centric culture, Orient Electric was recognized as a Great Place to Work® by Great Place to Work Institute, the global authority in workplace culture assessment and people management practices. This was the first year that the Company participated in this exercise. The Company

reported an enviable engagement score with over 96% workforce participation.

This recognition validates that we possess well-engaged teams that are adequately challenged to consistently outperform. We possess a culture that is passionate, seeking the new and driven by a desire to create innovative products that enhance consumer delight.

B. Delivering compelling Consumer experiences

OEL’s mantra of success through a Product Premiumization focus continued to deliver in FY 2019-20. Multiple products and product lines were launched in the year with the theme of consumer-centric innovation. Our product line remains fully up to date with the needs of the market and emerging technological developments. We continue to launch first-to-market products on what might emerge as two key decadal themes: health orientation and energy-efficiency. Our product line-up is fully equipped to leverage these emerging trends. The EyeLuv series of lighting was launched in the human-centric lighting space while the inverter series fans and coolers were launched with energy efficiency in mind. All our new launches continue to leverage IoT technology and sport connected features.

Orient Electric stock price movement

₹ 196.4 ▲



Multiple awards for these product launches validate our approach to product development. Metal Coolers and Ultimo range of coolers were awarded Frost & Sullivan's 'New Product Innovation Leadership Award' and 'India's Best Design Project' award for 2019 respectively. The EyeLuv series of lighting was recommended by the Indian Medical Academy for Preventive Health (IMAPH). Smart switches and kinetic-push bells were the first-of-their-kind products in the market.

OEL will continue to push the frontier of possibilities in product innovation to capture un-serviced market niches and deliver compelling consumer experiences.

C. Unlocking process efficiencies

During the year, OEL invested in Digitization not merely as a business process but as a way of life. Formally titled 'e-Wings', OEL laid a strong foundation for this journey during the third quarter of last financial year when we upgraded our ERP platform to SAP S/4 HANA in just 16 weeks, one of the shortest such tenures by any company in India. Our digitization journey will have a material impact on our business by facilitating informed decision-making, stronger process control and higher market responsiveness. We have no doubt that by deepening digitization, we would have laid the foundation of a scalable organization that remains nimble even as it gets larger.

Sanchay, the structured cost optimization program, is now transformed into an overarching ideation platform that welcomes contributions from all employees. Sanchay remains a demonstration of cross-functional team-work and collaborative synergy in action with contributions from R&D, Quality, Production, Procurement etc. Over the years, we have observed that the Sanchay program has grown to become an integral part of the Orient DNA that allows every person to directly contribute to the organization.

Multiple other activities were undertaken during the year to simplify processes and improve efficiencies: Liquidity strengthening through channel and vendor financing, vendor and customer onboarding portals, Service 2.0, racking in warehouses etc. to further unlock process efficiencies.

Validation of our strategic direction

Orient Electric Limited continued to be recognized for its business excellence across functions in FY2019-20. Some noteworthy recognitions,

apart from the Great Place to Work® certification, included Fortune India The Next 500 list and Consumer Super Brand recognition for Fans and Coolers.

Orient Electric was ranked 33 on the Fortune India The Next 500 list, moving up 38 spots from number 71 in the previous year; the Company ranked #1 in the Consumer Durables category. The Company's Fans & Coolers categories were acknowledged as Superbrand for 2019-20. OEL was also conferred with The Economic Times Best Brand 2019 award, Asia's Most Promising Brand award, Frost and Sullivan Award for Coolers' New Product Innovation Leadership and India's Best Design Project 2019 for Ultimo Tower Coolers.

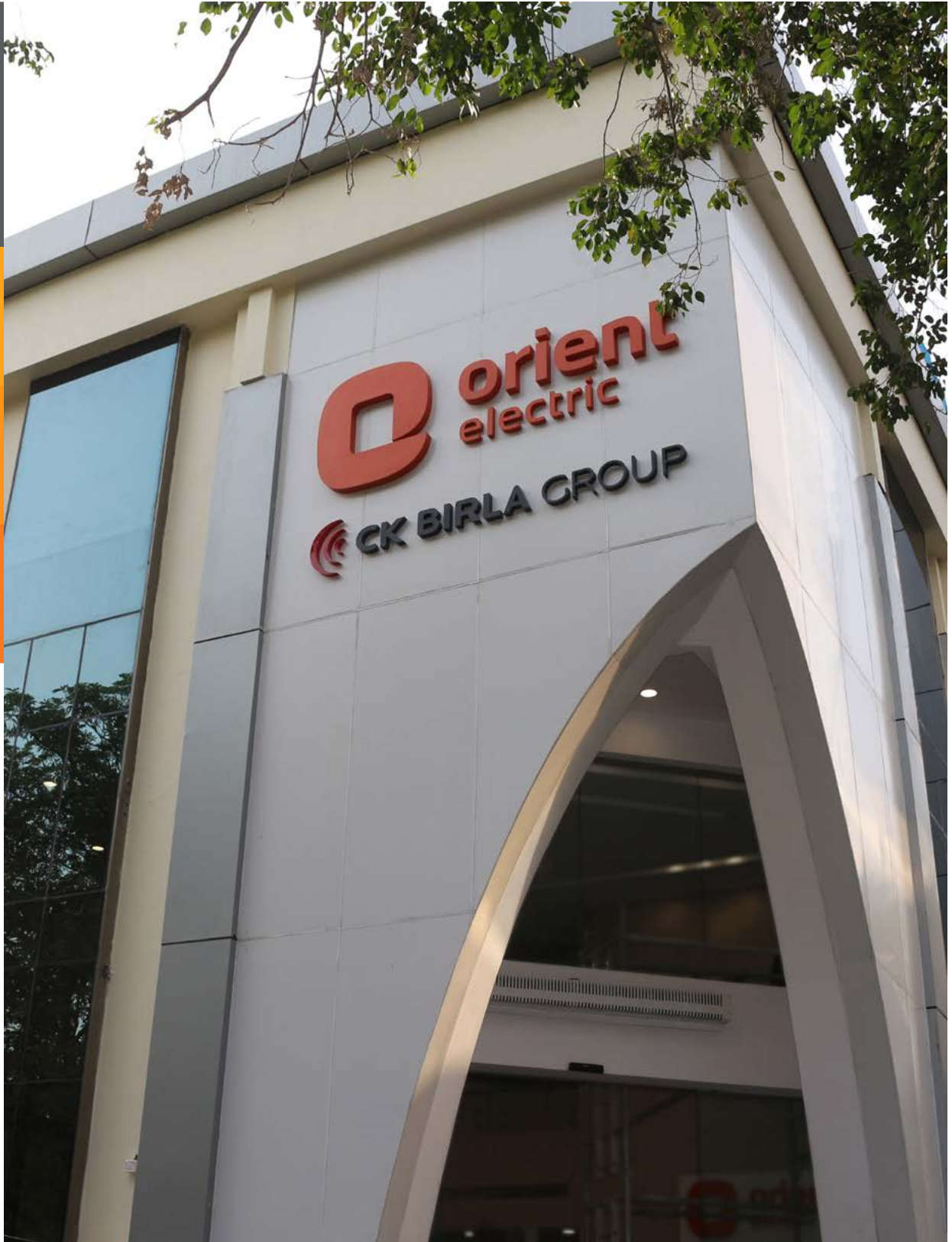
Outlook

Orient Electric will focus on making consistent investments in capability building. We expect to consolidate our presence across categories, deepen our presence in each with the objective to enhance synergies and strengthen our financials.

We are optimistic of generating a multi-year growth rally in each of the segments we operate in. We possess a strong brand recall around 'smart', backed by a differentiated and futuristic product range. We are present in product spaces that are large and where our market shares are relatively low, providing us a large headroom.

At the time of this communication, there is little clarity on how consumer spending will return in a post-Covid world. At Orient Electric, we will continue to do what we have always done. We will deepen engagements with our stakeholder ecosystem, including employees, vendors and trade partners. We will reimagine processes around simplicity and effectiveness. We will deepen investments in training and capability building.

We will rephase some capital projects planned for the year. Though no projects will be shelved, some may need to be deferred in alignment with business priorities and cash flows. Our ambitious greenfield project will continue to remain a priority. At Orient Electric, we continue to remain optimistic that as and when the marketplace normalizes, the strengths of the Orient Electric brand will prevail, returning the Company to its erstwhile growth momentum.



The Making of a Great Place to Work



The Great Place of Work® certification received by Orient Electric is the result of a multi-faceted multi-year cross-functional pursuit poised to continue well into the future. We believe the certification to be a validation of our pursuit and not attainment.

The secret sauce is the self-reinforcing virtuous cycle, which acts as the defining people framework at OEL. We believe it takes constant effort at infusing a spirit of innovation, creation, collaboration, execution and learning into the making of a Great Place to Work.



Great Place
to
Innovate

Successful organizations are innately innovative. At OEL, innovation and consumer centricity form the core of our strategic compact. Our innovation spree is aptly demonstrated by our first-to-market products built on a strong technological basis. Whether it be the EyeLuv series of lighting, i-Series fans with inverter technology or energy-efficient coolers, Orient Electric's products populate the top spots on the list of most innovative products launched in recent years. Innovation-heavy launches from OEL like Aero Series fans, IoT-enabled Coolers and LED battens have exploited existing market gaps with strong and well-received products.

The Research & Development teams work in close conjunction with the Product Development & Sales teams in creating products that deliver compelling consumer experiences. During the year under review, R&D activities were further augmented with the strengthening of teams around competencies across motors, aerodynamics, materials, electronics and packaging. The commissioning of a dedicated R&D centre was in its final phase at the time of publication.



Great Place
to
Create

At Orient Electric, we believe that the enduring companies of the future will be ones demonstrating the highest standard of manufacturing excellence. Over the years, OEL had built an enviable positioning in the market for its rugged and reliable products. This positioning was founded on the manufacturing strength of the business with four captive production facilities at Kolkata, Faridabad and Noida. These manufacturing plants provide OEL with the ability to manufacture first-to-market products with best-in-class quality and performance.

During the last few years, one of the most decisive initiatives by the Company was a progressive

investment in manufacturing automation. This automation was directed at increasing product throughput, moderating costs, enhancing quality cum consistency and reducing waste. The automated proportion of our manufacturing operations increased substantially during the last few years. Correspondingly, we increased our product sophistication, efficiency, and robustness, reflected in their stronger market acceptance. We wish to accelerate our journey towards Industry 3.0/ 4.0 readiness across all our manufacturing facilities in the current year. The ambitious greenfield project in South India will further strengthen OEL's position as the largest manufacturer and exporter of fans in the country.



Great Place
to
Collaborate

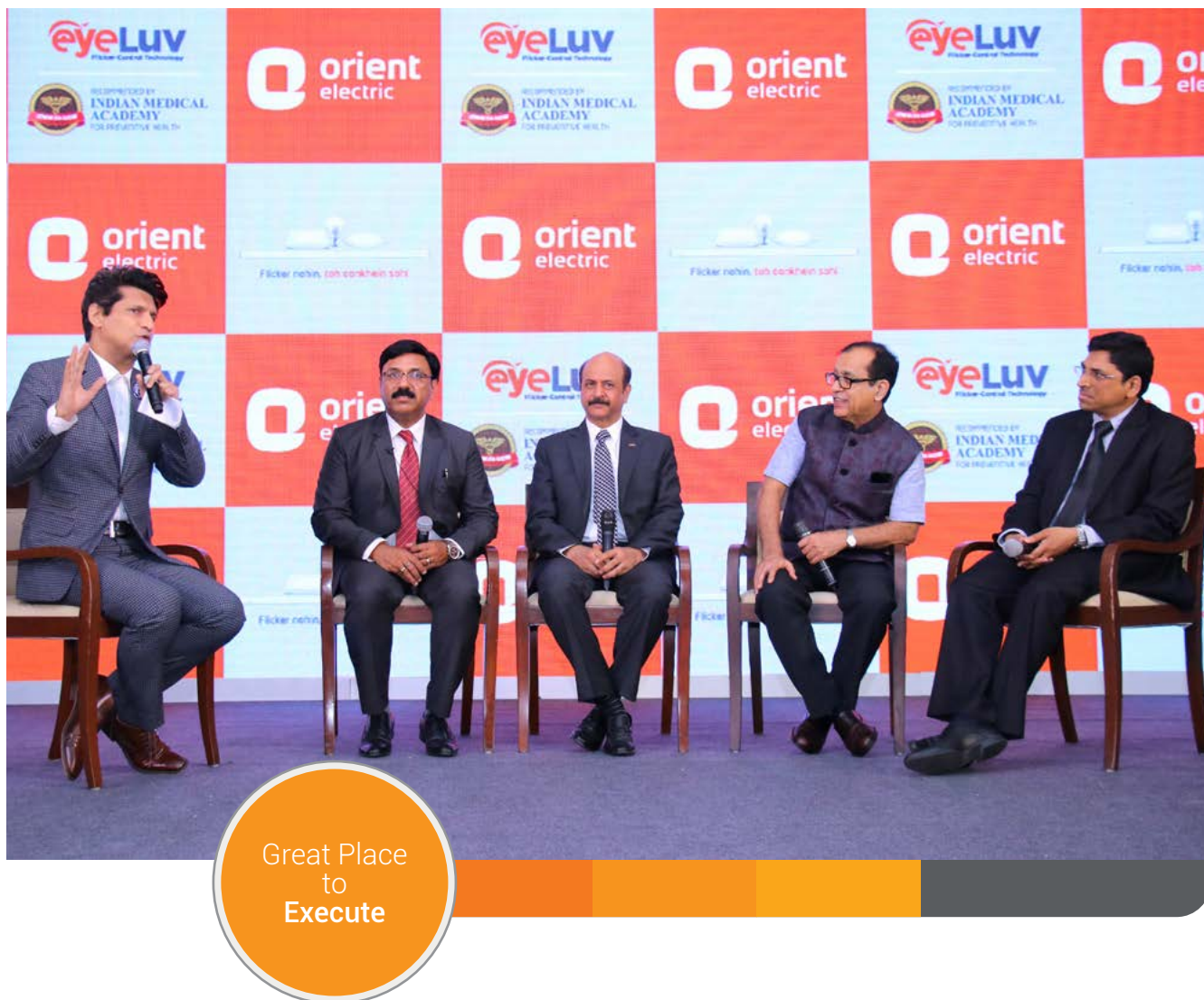
Collaboration is a way of life at Orient Electric. Our Okhla, New Delhi-based corporate office defines the new culture of smart working with cabinless architecture signifying an openness of culture and boundaryless thinking. Starting from product development, the entire lifecycle of any product is driven by cross-functional teams consisting of professionals from R&D, Product Management, Sales, Service, Production and Marketing etc.

Collaboration permeates across the organization at OEL. Some of the major strategic initiatives are built around governance architectures with cross-functional teams. The digitization journey of OEL is driven by a central team staffed with resources from across the organization with individual

projects staffed by cross-functional teams.

The longest and most successful entity-level initiative, Sanchay was conceptualized as a cross-functional effort with each project team staffed with members from the R&D, Production, Quality, Supply chain, Procurement teams and members from support functions.

OEL's emphasis on collaboration was also aptly demonstrated by our alliance with the De'Longhi group for their premium products in the Small Appliances space under the De'Longhi, Kenwood and Braun brands. OEL's premium on collaboration will continue to be a cornerstone of our journey.



OEL is structured to amplify and augment the execution ability of the Company. OEL's forays into product premiumization, prioritizing mind share gains over market share gains have borne fruit on the back of its strong execution capabilities. Organizationally, OEL is designed to empower execution teams. The business is built around four Business Units that drive the four product segments around the famed GE Strategic Business Unit model. This design allows speed, autonomy and agility while also clearly defining accountability. The corporate functions of Human Resources, Marketing, Finance, Information

Technology and Supply Chain are centrally managed for leveraging synergies and enabling the transfer of learnings across the organization.

Our recent launches of Aero series, EyeLuv, LED battens, connected products etc. were noted for their accelerated traction in the market on the back of a well-oiled execution machine. OEL is poised to report sustainable growth on the back of this enabling and empowering organization architecture that prioritizes execution.



Great Place to Learn

For any product to continue its success, it is important to enable an environment that learns and incorporates the market inputs and feedback into the product's successive iterations. Similarly, OEL believes that enduring success will only be possible when every employee remains engaged and equipped with the right capability set. Capability-building is highly emphasized for all employees: from leadership to factory workers. The learning organization at OEL mandates training activities in multiple modes: classroom training, online training and on-the-job training. Customized training incorporating managerial feedback is proactively planned and organized with milestone assessments spread well beyond the training duration.

OEL continues to be a favoured recruiter at various campuses for its structured University-entry programs via the Graduate Engineer Trainee (GET) and Management Trainee (MT) routes. These programs ensure a healthy talent pipeline for the Company besides inducting a fresh set of ideas into the organization ethos. To further strengthen the management pipeline, OEL initiated Future Leaders of Orient Electric (FLOE), a structured succession planning program with modules of training, mentoring and coaching. The comprehensive development journeys of the first cohort were initiated during the year under review.

The pursuit to continue to be a 'Great Place to Learn' will continue to be a priority for OEL.

Delivering Compelling Customer Experiences

FY 2019-20 was an eventful year at Orient Electric. The innovation-driven growth engine envisaged at the time of the demerger moved at full throttle through the year. Our

Products across businesses were received with much acclaim and we firmly believe in the effectiveness of this growth platform built on innovation, customer-centricity and brand strength.



#VocalForLocal

FANS



Reinforced by a Conviction to Deliver Compelling Consumer Experiences

OEL's fans business is the oldest within the Company, having thrived across several economic, market and preference cycles. The business continues to account for a sizable mind cum market share in addition to being India's largest fans exporter. Fans continued to enjoy the Superbrand recognition for the fourth consecutive year.

Despite sectoral headwinds in Q4 FY 2019-20 from extended winters and a pandemic outbreak, the Fans business performed through the year to deliver impressive growth on the back of sustained consumer-centric innovation, brand building and market connect activities. The business continued to grow at a pace faster than the industry and clinch market share increases in consecutive quarters through the year.

The Company accelerated the launch of innovative premium products that strengthened the brand and enhanced trade excitement. It supported the launch of these products with corresponding promotions, consumer incentives and points-of-sale engagements to explain product attributes to hasten the traction of these innovative products.

Continuing the journey of premiumization, OEL launched a new category through the Eleganza series. The Company, through Eleganza, is attempting to shift the marketing and positioning needle from the legacy RPM (rounds per minute) focus to air circulation. The premiumization drive has started paying rich dividends with improving margins and brand perception. Orient Electric continues to enjoy decisive market leadership in the Premium category.



Strengths of the business

Legacy: The principal strength of the Company's fans business is its multi-decade legacy, which has made its fans virtually a generic name in many markets. The Company's products are valued for a superior price-value proposition and endurance, translating into market leadership.

Captive manufacturing: The Company draws a sizable advantage from proprietary production facilities delivering the highest quality standards and the ability to control intellectual property related to innovative products.

Distribution network: The Company boasts of wide network coverage of over 1,00,000+ retailers for the Fans business. This ensures the availability

of OEL's fans across the length and breadth of the country. This distribution network continues to be engaged through a Channel Loyalty program run on the mobile application 'Orient Connect'.

Design capabilities: A strong and well-experienced design team with the expertise of delivering first-to-market products across the year augurs well for the Company to capitalize on changing trends and needs.

Exports: OEL continued to be the largest exporter of Fans from India thanks to a legacy of product acceptance in global markets. To further strengthen the international presence, the Company commissioned a branch office in Dubai in FY 2019-20.

Product launches

Objectives

- Designed to disrupt the market
- Focus on creating a new market segment
- Commitment to carve away a disproportionate segment share

Inverter technology fans

- Disruptive technology launched in January 2020
- Consumes half the electricity in comparison to a conventional induction motor based fan and generates a payback of less than a year
- Convergence of aesthetic design, inverter technology and IoT (pairable with voice assistants)
- Designed for India: Suited to work in fluctuating voltages (140V– 270V)
- Operates silently and is available in three models

Eleganza Luxury Chandelier category

- Premium air circulating chandeliers launched in January 2020
- Available in three lighting moods (white, yellow and mix)
- Designed with high-quality crystals and transparent and retractable blades
- Operates through remote control



Outlook for 2020-21

With energy-efficiency norms on the anvil, the Company is geared to introduce a gamut of products - smart, energy-efficient, IoT-enabled and consumer-centric. The Company intends to sustain the momentum of new product launches, especially in the premium category. The Company is optimistic of prospects of energy-efficient

fans in India as ceiling fans alone account for significant chunk of overall power consumption. During the last few years, the Company's fans – especially the newly-introduced - have demonstrated considerably lower electricity consumption coupled with a sharply lower payback period. The Design and Manufacturing teams are well-equipped to deliver through this expected transition.



Creating 'fans-following' for tomorrow's generation

For decades fans have been just fans. Where if one needed to switch a fan on, one needed to walk to a switch. Where in the middle of the night if one needed to slow the fan down, one needed to rise and walk in the dark to a switch. Where if one realised that a fan had been left on in another room, one needed to walk halfway across the house to switch off.

Finally, the fan has outgrown its conventional avatar. Thanks to OEL, it is now possible to simply say 'Alexa switch on the fan'.

Because now fans do not just work; they also 'listen' these days; they also execute spoken instructions. They are also fused with lights

to provide an integrated solution. They also enhance aesthetics as opposed to being unseen and unacknowledged.

Thanks to customer-centric innovation at OEL.



Air Coolers with ECM Inverter Technology



Designing to Disrupt

The Indian appliances market has emerged as one of the most exciting consumer engagement spaces on account of aspirational products, convenience and product-centric innovation. OEL leveraged this trend through the introduction of attractive appliances marked by consumer-centric designs and consumer value proposition. The partnership with the De'Longhi group initiated in FY 2018-19 continued to provide inroads for OEL into the premium small appliances segment.

As a testament in excellence of product innovation and consistent performance, air-coolers were adjudged Consumer Superbrand 2019-20.

The FY 2019-20 marked the entry of multiple players in the industry, further intensifying competition. While Covid-19 lockdown severely impacted Cooler offtake in the last quarter, OEL benefited from sectoral tailwinds of an extended winter resulting in super-normal growth of the water heater and room heating categories. On the back of impressive performance in the first three quarters, the Appliances business posted appreciable growth for the full year under review.

Strengths of the business

Team: The Company succeeded in introducing a new sectoral paradigm (through innovation and technology) with a dedicated team executing multiple successful go-to-market strategies driven by customer insights, structured workflow and superior products.

Design capabilities: The Company strengthened its presence in the premium segment following the launch of Ultimo and Knight desert coolers while the launch of metal coolers opened up a niche market for the Company. Orient Air Coolers were conferred with the Superbrand 2019 status, The Economic Times Best Brand award and the

Frost & Sullivan award for 'Coolers New Product Innovation Leadership'. Orient Ultimo bagged the India's Best Design award.

Consumer-centricity: The Company was the first player to offer IoT-enabled air coolers at a superior price-value proposition.

Outlook for 2020-21

The business intends to accelerate the launch of innovative products while sustaining the offtake of products introduced during the last financial year. The business intends to make deep inroads into the small appliances category, leveraging the traction of the De'Longhi partnership.



Product launches

Coolers

The Company launched four products in the air cooler category (Ultimo, Knight Desert coolers, metal coolers and inverter air coolers). The aesthetics-centric Ultimo and Knight Desert coolers were positioned around design superiority. Ultimo was adjudged 'India's Best Design Project 2019' and the Company received an innovation award, Frost & Sullivan award for 'Coolers New Product Innovation Leadership' for the metal cooler, the first of its kind to be launched in the country. The innovative inverter air cooler range was designed around the electronically

commuted motor technology, saving upto 50% electricity coupled with doubled motor life and reduced noise.

Water Heaters

A new range of Glassline Water Heaters with connected features, was introduced in the year. Further, Gas water heaters were also launched in the year under review.

Small Appliances

A new Breakfast series of Kitchen appliances – Induction cooktop, toaster etc.– was launched by the Company in the year.



Pioneering a New Paradigm

OEL's Lighting business was introduced in 2008 to capitalize on the opportunities created by the transition of lighting products from conventional incandescent lighting to the modern technologies of CFL and LED. The business has faced significant challenges over the last few years due to a sharp erosion in prices and corresponding realisations, affecting the value growth of the business. Besides, in a slowing economy, muted consumer demand and institutional spending further moderated industry growth. Despite sectoral headwinds, the Lighting business posted industry-leading growth and profitability figures by unlocking manufacturing efficiencies and on the back of sustained market penetration initiatives.

OEL's focus on the B2G play via LED Street light tenders paid rich dividends. Constant efforts at optimizing product, development of design capabilities and benchmarking to demanding government standards has made the Company a preferred LED street-lighting supplier of Energy Efficient Services Limited (EESL).

Strengths of the business

Brand perception: Brand perception has played a vital role in the rapid market acceptance of the Company's lighting products. OEL's Lighting products are perceived to be high on product quality and durability.

Agility: The Company was the first to completely move into LED manufacturing, sidelining other technologies, which translated into high focus and early attainment of learning curve efficiencies in manufacturing. This allowed the Company to quickly diversify into adjacent product spaces of street lights and government tenders.

Design capabilities: The Company's success in this business has been derived from an understanding of electronics, design and manufacturing of LED products. This competence is reflected in the ability to launch differentiated products with superior speed-to-market. The Company was the first to launch star-rated LED lamps and pioneered the space of LED battens.

Footprint: The Company enjoys a substantial retail presence on account of an extensive distribution footprint, comprising over 40,000 pan-India retailers.

Outlook for 2020-21

The Company is optimistic on multiple counts. The Company's increased investments in research & development, automation and skilling are expected to accelerate new product launches, enhance product features and moderate costs. The Company's increased engagement with architects, designers and builders will enhance its share in the B2B segment, façade lighting and plug distribution gaps in the B2C segment.



Creating a health-centric platform technology

The conventional approach to marketing was about launching products to plug expressed market needs. At OEL, we took a differentiated perspective. We resolved to introduce products whose needs had not been overtly expressed. This was most visible with the launch of the EyeLuv range, a flicker-controlled LED lighting product line during the year under review.

Until now, lighting products in India had been promoted around the adequacy of light and affordability. EyeLuv campaigned to put health to the left, centre and right of lighting. This was the first time that a lighting product was being promoted around eye

health. Besides, at a time when most LED lights reported 40 to 80% invisible flicker and the California standard (considered to be the world's best) mandated less than 30%, OEL extended the frontier: the Company's unique EyeLuv product reported an invisible flicker of less than 10%.

The product warranted a leap of faith. Through EyeLuv, OEL launched more than just a product; it created a scalable platform that can be extended across a large number of lighting products.

The launch of EyeLuv then was not the culmination of a journey; it was the start of one.



Pure Premium Play

Despite severe headwinds on account of muted institutional demand through the year and falling unit sales realizations, the Switchgear, Switches & Wiring accessories business continued its trend of posting impressive growth figures. The performance was built on initiatives aimed at improving the mind share of channel partners (distributors, retailers and electricians) via continuous engagement.

It was an eventful year with multiple product launches for the business. The sustained commitment to launch new products enhanced the Company's perception among trade partners and consumers in addition to building excitement around new product attributes. A sizable share of the Company's revenues were derived from new product launches, validating the Company's ability to deliver to market needs.

The Company continued to deepen engagement with channel partners to further enhance influencer-driven selling. The Influencer channel was chosen as a vehicle to communicate the value proposition of OEL's superior safety-centric technology. The Company is engaged with 8000+ retailers and 30,000+ electricians pan-India to build awareness of the Company's products that could swing decisive opinion-building at the points of sale in the Company's favour. These engagements were designed to communicate superior product utility, aesthetic design, product safety

and ease of installation. Further augmenting these efforts, the Company arranged visits of trade partners and influencers to its manufacturing facilities, showcased plant walk-throughs, arranged comprehensive product displays at the prospective customer's facilities and engaged with architect associations for wider engagement.

Strengths of the business

Technological superiority: The Company's products stand out on the superior safety-centric technology backbone. The Switchgear product portfolio is built on SDB technology and the Switches product portfolio comprise 3AB technology.

Premium Proposition: OEL's premise and play in this business were built on a premium proposition. The brand had since acquired a space for itself in

the premium category where it continues to enjoy enviable patronage by the channel partners.

Manufacturing excellence: Modern manufacturing facilities built to be benchmarked with the best in the world and stringent testing facilities have ensured improved product reliability and quality control.

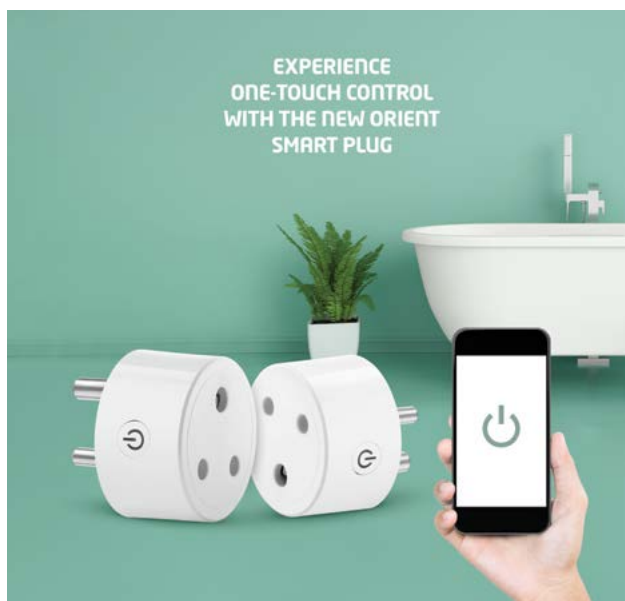
Influencer-driven selling: OEL has centred its strategy around influencer-driven concept selling. To that extent, the business undertakes continuous outreach events for electricians, architects and contractors throughout India.

Outlook for 2020-21

The Switchgear, Switches and Wiring accessories business is poised to scale new heights on account of product portfolio augmentation, geographic footprint expansion, increased influencer engagement and multiple sectoral tailwinds: increasing aspirations, rising awareness of electrical safety and higher traction for automated and connected products.

Major Product Launches

Smart Plugs, KRIS switch range, Switch Chrome Plates, Wireless call bell, Hospitality Switch Range and Extension Reels



Switching to success

When the Company announced its decision to expand into switches, it was a fiercely competed and crowded market space where the scope for differentiation was scanty.

OEL resolved to create a niche for itself. The Company focused on a simple proposition: Premium 'cutting-edge' switches with superior design, superior price-value proposition and a highly engaged channel (retailers and electricians).

The Company immediately got its product launches right. It built on its success. It reinforced its positioning around safety and technology. The result is that in the last couple of years, OEL's switches have carved out an attractive mind and market share.

Unlocking Process Efficiencies

Corporate Functions have ably supported the entity's growth in FY 2019-20. They remain central to the future trajectory of OEL. OEL has strategically prioritized to uncover efficiencies, build agility and improve the responsiveness of all enabling functions. OEL continues to remain committed to the shared belief that the Company's long-term ambitions are predicated on sustainable corporate practices and resilient shared functions.





Human Resources

At OEL, it is believed that the Company is made by its people. This precept places a premium on the ability to recruit better, train intensively and retain effectively. Over the last few years, the Company intensified its human resource management to strengthen competitiveness and business sustainability.

During the year under review, the Human Resources function put in enormous efforts to coordinate Great Place to Work® certification for the Company, strengthen the leadership pipeline, enhance talent retention and increase workplace vibrancy and productivity.

A validation of our employee-centric policies and performance-driven culture, Orient Electric was recognized as a Great Place to Work® by Great Place to Work Institute in FY 2019-20. It is hearty to note that OEL was successfully certified in its first year of assessment with enviable engagement scores and over 96% workforce participation.

The year under review witnessed a multitude of initiatives: increased training, deeper employee engagement, digitization readiness programs and initiatives aimed at fostering a culture of delegation, accountability and ownership. There was a high emphasis placed on across-the-board competency-building via mixed-mode learning programs – classroom and online trainings.

The Company laid a strong foundation for its succession planning programme, christened 'Future Leaders of Orient Electric (FLOE)'. FLOE is designed as a three-year program encompassing comprehensive 360° assessments, classroom training, external coaching, mentoring by internal leaders, and holistic development journeys for

all the participants. In the year under review, the initial cohort was identified and initiated their development journey. The FLOE program represents a holistic approach towards people development with the objective of transforming competent managers into leaders.

The HR function has also planned and executed employee engagement initiatives calendar throughout the year. Multiple initiatives aimed at improving connectedness and a spirit of celebration were undertaken: Coffee with CEO, Quarterly Hi-flyer recognitions, Wow cards, Quarterly Townhalls, Skip-level meetings with Functional Heads etc. While Coffee with CEO sessions, Townhalls and Skip-level meetings were intended for improving leadership connect, Hi-flyer recognitions and Wow cards were aimed at celebrating the achievements of employees who went over and beyond their call of duty to deliver for OEL.

Structured campus entry programs have continued to be key drivers of OEL's talent management philosophy. The GET (Graduate Engineer Trainees) and MT (Management Trainees) programs continue to help us build a future-ready OEL.

The function will continue to prioritize the capability building of all employees. Structured Campus Entry programs will remain a centrepiece of the talent development paradigm of the Company. There will be a greater focus on enhancing functional synergies to achieve simpler workflows resulting in superior outcomes. The team remains committed to intensifying initiatives to foster a high-trust and high-performance culture.



Research & Development

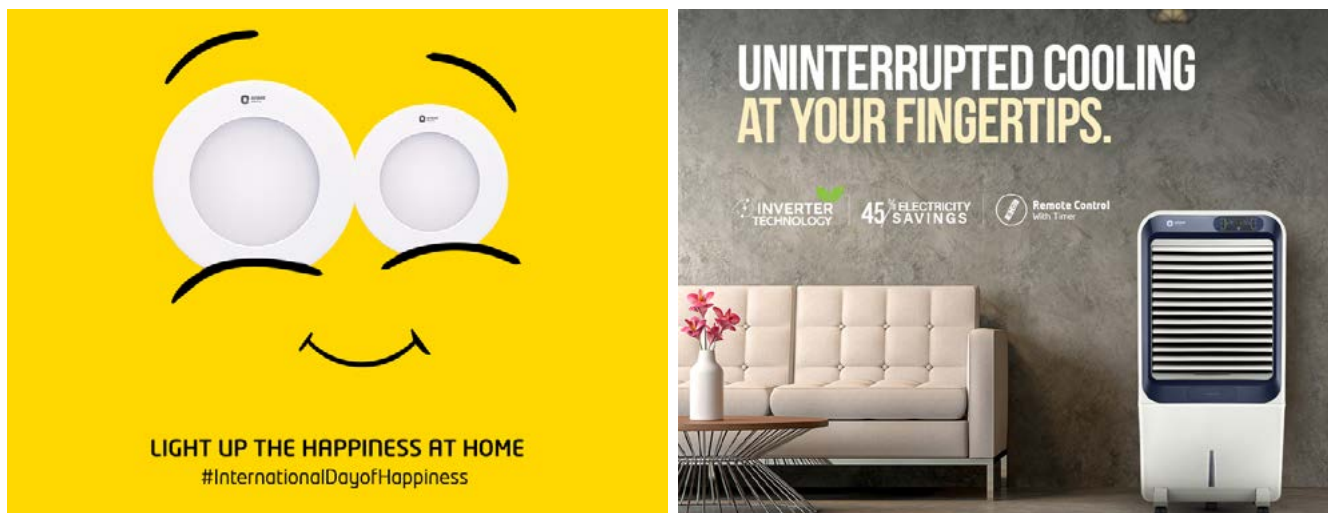
At OEL, innovation is not just about the differentiated attributes within a product but an overarching commitment to deliver excellence to consumers. This commitment permeates across all functions resulting in an innovation-centric and performance-driven culture.

Despite increasing competition and growing consumer expectations, OEL, through its strong culture of innovation, reinforced its brand recall around 'Switch to Smart'. Constant efforts and gradual investments in knowledge capital kept OEL in good stead in remaining ahead of the curve of disruption and competition.

Our development teams received multiple accolades this year. Fans and Coolers continued to be acknowledged with 'Consumer Superbrand' recognition, a fine validation of the innovation engine of the entity. Further to that, Orient Air Coolers bagged a slew of awards in FY 2019-20: Frost & Sullivan 'New Products Innovation Leadership award for Air Coolers' and 'India's Best Design Project 2019'.

R&D investments were strengthened and the team was augmented in FY 2019-20. Strong multi-disciplinary teams across motors, aerodynamics, materials, electronics and packaging were established. To institutionalize an innovation culture, a dedicated R&D centre construction was initiated. The R&D centre was in the final stages of commissioning at the time of going to press.

The Company's emphasis on understanding market gaps and directing corresponding investments in Research & Development is projected to graduate into new launches and cutting-edge products. Investments in Research & Development will be further ramped up to match the growing appetite for connected and smart products in the market. There will be a focus on delivering compelling consumer experiences and improving speed to market.



Branding & Corporate Communication

Every consumer company is built on its brand promise, a proxy to the value, reliability and quality of the Company's products. At OEL, we have collectively resolved to prioritize mind share gains over market share gains. This resolution placed a huge emphasis on the marketing engine of the Company, driven by the Branding & Corporate Communication function. At Orient Electric, Branding & Corporate Communication plays a vital role in the conduct of business and in defining the corporate trajectory. The success of the re-branding journey from 'Orient Electricals' to 'Orient Electric', undertaken in 2014, is a testament to the commitment and competency of the Branding & Corporate Communication function. While remembering our previous brand avatars, it is worth noting that Orient Electric was recognized as 'Asia's Most Promising Brand' by WCRC International in FY 2019-20.

The Branding & Corporate Communication team played a crucial part in all Orient Electric's milestone achievements of FY 2019-20. The function spearheaded the effort to gain 'Superbrand' recognition for Fans and Coolers in the year. It coordinated all product launches of the year: Eleganza series and i-Series in Fans, Energy-saving Inverter Air Coolers and the EyeLuv series in Lighting. The function also spearheaded all ATL, BTL campaigns of all businesses. Notable

advertisement campaigns concluded during the year included the i-Series campaign and the EyeLuv campaign with MS Dhoni.

The year under review also witnessed a strengthening of OEL's digital brand presence. The dedicated Online Reputation Management team, set up for online redressal of complaints on digital platforms, was effective at improving OEL's online presence. The Digital Marketing component also increased over the years in line with emerging consumer touch points. The Eleganza series was launched with a digital-first approach. The proactiveness of the Company on the social media platforms and increased engagement resulted in an increase of followers to 820,000+ followers on Facebook.

Validations for the function poured in from multiple places. The EyeLuv campaign was awarded 'India Content Leadership award', The Aeroslim campaign was adjudged TAVF's 'Best Media Campaign of the Year', the head of the function, Anshuman Chakravarty, was inducted into the 'IAMAI – CMO Super 30 Honor Roll' and the function found a place in Reputation Today's 'India's Top 30 Corp Comm Teams' list. The Branding & Corporate Communication team continues to build the brand bedrock for Orient Electric Limited.



Supply Chain

A sturdy supply chain is now a business imperative. The Supply Chain function lays a strong foundation for an agile and market-responsive company. Towards that direction, The Supply Chain function has been an integral part of the OEL growth story over the years. The function has proven its ability to deliver time and again. A frequently awarded team at OEL, The Supply Chain function was awarded 'CII Scale Award' in FY 2019-20 for excellence in Supply Chain & Logistics.

During the year under review, the Company looked up to The Supply Chain function to manage growing volumes, SKUs, raw material sourcing locations, product supply locations as well as meeting market expectations of reduced turn-

around times. These realities called for enhanced flexibility and heightened market responsiveness. Concrete steps in that direction were taken with reinforced SOPs, improved spare parts management, reduced product duplication and improved availability via constant monitoring and efficient stock accounting.

The Company intends to further strengthen its logistics management through warehouse modernization, reinforcing warehouse management systems, expanding racking and unlocking efficiencies in vehicle fleet management.



Service

During the last decade, one of the biggest challenges in the electrical products and appliances sector was related to post-purchase engagement. The Service relationship that begins after the sale of products is increasingly being characterized by the responsiveness of the Company to address product issues with speed and precision. The Service relationship is further strengthened by building and developing products with minimal downtime and simple troubleshooting.

During the financial year under review, the Company responded to the increasing volumes of issues induced from increasing sales, increasing product diversity and rising consumer expectations with speed, quality and precision. The Company institutionalized its Service approach via 'Service 2.0' program that comprised structured workflows, training intensity, increased process transparency and last-mile access.

The Company enhanced knowledge access to service technicians through multiple avenues: classroom training, on-the-job training, e-catalogues and online modules. This initiative was further catalysed by 'Train the Trainers' programme where conventional classroom training for technicians was replaced by training for regional managers, who, in turn, trained technicians, facilitating a quicker service rollout.

The Company's documentation system was augmented with frequent reviews to ascertain progress, prompt improvements and strengthen the overall service initiative. The result was an appreciable increase in the number of successful 24-hour resolution of customer calls.

In FY 2019-20, the Company revamped satisfaction measurement at the customer end where, for every resolved customer issue, the customer received a feedback invitation message concerning the service provided. Besides, select customers were contacted again for the second feedback round, strengthening the integrity of the process. The two-tiered approach resulted in an appreciable increase in customer satisfaction levels during the year under review. The Company's online reputation was enhanced through the prompt online redressal of consumer issues. The Company crossed 800,000 likes on its official Facebook page and grew followers on Instagram and Twitter.

Service and post-purchase engagement remained central to OEL's philosophy of customer-centricity. The Service function will continue to improve access to technicians, speed of resolution and in being a part of the product development process to bring in interventions right at the drawing board to improve the serviceability of products.



Finance

True to the adage that 'Accounting is the language of business,' Finance plays a central role in all initiatives and functioning of OEL. Efficient financial systems are a key backbone of the growth engine. Multiple initiatives were undertaken by Finance function during the year to strengthen financial float and enhance the liquidity of the entity.

The Company strengthened its liquidity by facilitating financing arrangement for channel partners via Vendor Financing and Channel Financing routes. This initiative reduced working capital intensity of the business while also providing much-needed credit to trade partners. Further, the Company set up a fully online Collection Management system, seamlessly integrated with banks, enhancing accounting

discipline and collection efficiency. A dedicated Treasury Management team was instituted to manage banking relationships and spearhead Vendor Financing and Channel Financing initiatives.

To smoothen Vendor and Channel Partner onboarding and improve transparency, Vendor Onboarding & Customer On-boarding portals were commissioned in the year. These portals enabled a higher speed of processing, compliance adherence and real-time status updates.

The Finance function remains agile and nimble to adapt to changing market conditions, regulatory environment and compliance mandates. It will continue to play a central role in the making of a smarter, sharper and stronger OEL.



Digitization

In FY 2018-19, OEL initiated an ambitious digital journey to adapt best-in-class business practices and ways of working. A three-year digitization trajectory was prepared to adapt to the changing business landscape, enhance channel connectivity, improve speed-of-doing-business, process efficiency, data-driven decision making and sales effectiveness. This large-scale Digitization drive is expected to unlock efficiencies, simplify workflows and improve the speed of execution for superior enterprise outcomes.

Early projects of FY 2018-19 included the launch of a Channel Loyalty application, commissioning of an enterprise-level Business Intelligence tool and Demand Planning system along with deployment of enterprise security systems (Device Leakage Protection & Mobile Device Management). The organization-wide momentum to adopt digital tools continued into FY 2019-20.

Early in the year, the Digitization journey was christened as 'e-Wings' and communicated to the entire organization. A centrally managed Project Management team with Leadership oversight was established in early FY 2019-20 for all Digital initiatives. Every Digital Project was being championed by a member of the Senior Leadership team for strategic guidance, execution

acceleration and leadership oversight.

A major milestone of our Digitization journey was the successful migration of our ERP systems to SAP S/4 HANA. The Company completed the entire migration within 16 weeks as against the prevailing benchmark of 25 weeks, considered one of the shortest such implementation tenures within India. The core implementation team of SAP S/4 HANA consisted of nominated employees from across the length and breadth of the organization. This small achievement is symbolic of the collective efforts and cultural readiness to adopt the new digital reality.

Further building on this success, the year under review also witnessed multiple rollouts: a Cash Management System, Vendor & Customer onboarding portals and a fully digital management workflow system to promote paperless working. Multiple implementations permeating across all functions and businesses of the organization were spearheaded by the Project Management teams augmented by cross-functional teams staffed from all impacted businesses and functions. The speed of Digitization demonstrates a collective resolve in accelerating the Digitization journey as it continues to be a core priority of OEL's near-term plans.



Sanchay

Sanchay metamorphosed over the years into an overarching ideation platform for OEL from being a structured cost optimization and frugal innovation program. To that end, efforts at democratizing this program and adapting this into OEL's cultural makeup is a continuous work-in-progress. Sanchay now extends to all the functions enabling ideation across the entity. Sanchay has quickly emerged into a potent employee engagement tool as it empowers even the junior-most employees to directly impact policies and practices of the Company.

Results from this initiative have been evident from inception. The program strongly encouraged questioning the status quo to identify avenues for improving competitiveness and augmenting financials: both bottomline and topline. While a majority of Sanchay program initiatives continue to be centred around optimizing costs via improved process execution and product-side interventions, significant traction is also being

seen in ideas that improve product attributes and lead to the design of new products. Sanchay remains a strong bed of cross-functional working in the organization with individual execution teams made up from R&D, Sales, Quality, Supply chain, procurement etc.

Sanchay permeates across manufacturing locations and offices with dedicated units in every manufacturing locations and central functions. The program initiated in FY 2016-17 continues to be driven without targets to promote boundary-less thinking. The year under review saw mammoth activity on the savings front. By conservative estimates, the Sanchay program delivered over ~50% EBITDA savings and further helped avoid ₹400+ Lacs of costs for the year ending March 2020.

OEL will continue its pursuit to further deepen employee participation in driving competitiveness and improving financial strength through Sanchay.

Resilience in Pandemic Times: Covid-19 Impact

The outbreak

The COVID-19 pandemic is the most defining global crisis in a century. The rapid spread of the virus disrupted the global economy starting December 2019 and was declared a global pandemic by the World Health Organisation in March 2020. Consumer demand remains muted and institutional demand for goods and services has dipped to historical lows.

The Indian government was prompt in implementing a national lockdown in late March 2020, which mandated a comprehensive closure of offices, factories and public places. At the time of publishing this report, the economy and country are slowly opening, being referred to as Unlock 1.0, with relaxations on the movement of people and restoration of business activities in most geographies of the country.

OEL's response

Prioritizing the health and safety of all its employees, OEL's management initiated many measures in early March 2020, including rolling out a comprehensive manual on how to restart operations taking adequate preventive measures, disinfecting office premises and factories, suspending biometric attendance, hand sanitisation, travel advisories and social distancing, while continuously spreading safety awareness amongst employees, distribution network, front end teams, retail and vendor partners. The Company had already ramped its technology-enablement, geared up for 'Work from Home' and voluntarily closed its Head Office at Okhla from 20th March, 2020, even prior to government orders. OEL had put in place a Business Continuity Plan to be able to sustain and manage its call centre operations for providing customer service support remotely. Subsequently, the Company temporarily shut all its plants based out of Faridabad, Noida and Kolkata from 23rd March 2020, complying with Government guidelines.

With relaxations on lockdown being promulgated by the Government from mid-May 2020, OEL re-opened its production facilities, warehouses and administrative offices. Corporate and branch offices continued to work on minimal strength with a majority of employees working from home.

Impact on OEL's business

OEL performed exceptionally well for the first three quarters of FY 2019-20. The growth momentum consequently experienced a slowdown. OEL's Electrical Consumer Durables, largely season-dependent and sold from March to June, were heavily affected by the lockdown. The Lighting and Switchgear segment, despite continuing their growth trajectory till February 2020, was beset with supply chain disruptions, which heavily impacted their execution in March 2020.

The Electrical Consumer Durables segment was season-ready for 2020 with impressive portfolio launches comprising the i-Series, luxury Chandelier series and energy-efficient Inverter Air Coolers, focusing on adequate retail availability. However, the lockdown impacted product sales with reduced room for planning and responsiveness. Consequently, the working capital outlay to sustain Fans & Coolers category had an adverse impact on the entity numbers, marked by higher receivables and inventory on account of a closure of normal operations.

Profitability was further impacted by the payment of wages on minimal sales and no production activity during the lockdown period. Subsequently, the suspension of economic activity in March 2020 resulted in OEL reporting negative year-on-year growth for the quarter for revenues and profits. OEL's performance in the previous three quarters of FY 2019-20 allowed it to post yearly growth of 10.6% on revenues and 14.0% on PAT.

OEL responded with speed to the transforming environment. The Company extended support to all its channel partners through these testing times, announced schemes and offered extensions on payments. OEL also re-negotiated with its vendors for payment timelines while remaining fully compliant with Government guidelines on MSME payments. The Company reworked strategies and rephased capital projects scheduled for FY 2020-21. The Company's greenfield projects in South India and digitization initiatives continued to remain a priority.

Future direction

FY 2020-21 is expected to be a challenging year of operations with muted consumer sentiment, supply-side constraints with worker migration, challenges in normalizing manufacturing and supply chain management. OEL's management does not foresee any short-term liquidity challenges on the back of the strong balance sheet and current liquidity position. Sanchay program, which has been a central part of our cost optimization, will be prioritized in the short-term to maximize possible savings.

While it remains premature to comment, post-COVID demand patterns might change with a greater proportion of disposable spends being allocated to health-centric and hygiene-centric products. OEL will remain agile and responsive to the evolving situation and market conditions. In the short term, the Company will deepen its focus on competency building activities and enhancing organisational effectiveness. When COVID-19 recedes and consumer sentiment returns, OEL expects to leverage its established brand, innovative portfolio and a deep distribution network with the objective to sustain its culture of consistent performance.

Management Discussion & Analysis



1. Overview

The fiscal year 2019-20 was punctuated with general elections in the opening month and pandemic outbreak in the closing month. What unfolded in between was a creditable performance of the businesses of Orient Electric Limited (OEL) across all reporting periods. Whilst the premium positioning started paying back with encouraging consumer response, the distribution outreach enabled increase in market share and the efficient supply chain consistently delivered the products at the right time and the right place. Thereby, the financial performance together with strong seasonal support, customer-friendly new product innovation and increased distribution strength invited market attention and improved investor confidence. Activity was clearly noticed

for OEL stocks in the bourses over the course of the year with increase in shareholding by Domestic Institutional Investors. The digitisation program 'E-wings' took off mid-year and accelerated pace to make OEL future-ready and in rolling out a string of new tech-supported interventions early next fiscal. All this was made possible with a strong, motivated and capable team of employees at every level. With increasing employee engagement, employees voiced their opinions enthusiastically in the first ever Great Place to Work survey, resulting in OEL being certified Great Place to Work® in February 2020. Topping it up, OEL emerged #1 among consumer durables brand in the Fortune Next500 companies for FY 2019-20.

Despite growth through the year, Corona virus (Covid19) lockdown's timing in the last month of last quarter which happens to be the peak business season has resulted in the moderation of growth. With the uncertainty of the pandemic looming large on life and business, far-reaching impact on the Indian and global economy is anticipated. We expect that business will steadily improve in a new economic reality that prioritizes social distancing in physical interactions and heavily prefers digital medium for transactions. We believe that our continuing Digitization drive and our continued focus on consumer centric innovation will enable us to emerge stronger and sharper in the new business environment.

2. Segment-wise Business Analysis

A. Economy overview

Global view: The Global economy had a chequered FY 2019-20 with China-US trade dispute dominating the narrative for much of the year. As a near term fallout of the trade dispute, commodity prices hardened and there were duty implications on certain imports to India. Apart from Brexit and other protectionist overtures, International financial markets brought back the focus on Corporate Governance with one of the most anticipated IPOs of FY2019-20 being pushed to go back to the drawing board with its IPO plans.

The coronavirus outbreak (Covid19) in early February brought industrial production and life to a near halt in China, severely impacting critical component availability. The demand-side impact from Covid19 outbreak multiplied manifold as 200+ countries were affected and multiple countries went into lockdown mode by the middle of March.

Indian Economy: India emerged as the fifth-largest global economy in 2019, overtaking the UK and France. According to the first advance estimate of Central Statistic Organisation published in January 2020, the Indian economy was estimated to have grown at a 11-year low

of 5% in FY 2019-20, compared to 6.8% in FY 2018-19. The full-year GDP growth numbers are awaited as on the date of this report.

Private consumption growth, the prime driver of the Indian economy accounting for about 60% of the country's consumption, was estimated to have declined from FY2018-19 levels. Demand in several sectors remained sluggish owing to a 40-day General Election period in the first quarter and weakness continued well into the year due to muted infrastructure/ industrial growth, general liquidity tightening amid multiple NBFC insolvencies.

The economy faced severe headwinds through Q4 FY 2019-20. While there were supply-side issues due to China shutdown, the demand-side of the economy started slowing down with preventive measures undertaken by the Government and finally came to a near standstill with the lockdown imposed from March 24, 2020. The uncertainty and unpredictability of the situation is likely to continue to influence the economic slowdown well into FY 2020-21 and beyond till Covid19 is contained and normalcy is restored across the world.

Covid19 impact: The accelerated outbreak of Covid19 worldwide has substantially slowed down the pace of economic activity in India with complete uncertainty, in a period that is generally seen to thrust and thrive in the closing fortnight of every financial year. The pandemic rapidly gathered momentum during March 2020, to trigger a 'Janata Curfew' on 22nd March 2020 followed by factory closures from 23rd March 2020 and a country-wide lockdown w.e.f. 24th March 2020. OEL complied with all government advisories and guidelines to temporarily shutdown its plants, warehouses and offices across the country. It has also taken every possible action to ensure complete sanitisation, hygiene and protection at all locations, staying ready to resume business activities post-lockdown. As the March-June period generates maximum cash for OEL, the Company expects temporary working capital

pressures during this period till the restoration of normalcy. The Company is well placed to tide over the situation with available cash credit lines. As a response to the emergent situation, OEL has re-phased the capital projects planned for FY 2020-21 basis business priorities. The greenfield project in South India and digitisation initiative will continue to remain as top priorities for the Company with re-scheduling of the timelines basis the relaxation of restrictions by Government authorities.

B. Industry overview

The Electrical Consumer Durables industry grew above the GDP growth rate largely on account of higher demand offtake and growing premiumization across product lines in the Consumer Electricals industry. Delayed summers of FY 2018-19 contributed to increased sales offtake across Fans, Coolers in Q1 FY2019-20 & extended winters resulted in higher-than-normal growth for water heaters & room-heating equipment across Q2, Q3 FY 2019-20. Competition continues to intensify in Ceiling Fans & Appliances segments with the entry of new players. Revenues for the fiscal were significantly affected due to business shutdown in the closing days of March, especially for summer products.

Lighting & Switchgear industry faced margin pressures due to increased component prices and intensified price-led competition, leading to lower price realization. Demand in LED lighting also saturated with market transition nearing upper thresholds & the replacement demand softening due to longer life of LED lighting coming into play. This situation was further aggravated by year-round real estate segment slowdown impacting usual demand expansion.

The Indian electrical products space, comprising of the public, home and professional product segments, is passing through several transitions: from the analog to the digital and from the conventionally functional to smarter devices. In the case of Lighting products, for instance, the growth of LED technology applications is catalysing the development of human-centric lighting, street lighting, façade lighting solutions and their connected versions. The mature ceiling fans segment is being driven by a growing

focus on energy-efficiency and premium positioning. Energy-efficiency, convenience-enhancing connected features will drive the product innovation agenda in this arena for the foreseeable future.

While short-term growth is expected to remain muted as the economy recovers from lockdown induced historic lows, the medium-term outlook for India's electrical products and durables markets continues to be upbeat on account of enhanced aspirations and a stronger introduction of relevant consumer products.

C. Segment-wise Review and Analysis for the Company

i. Electrical Consumer Durables

OEL retained its position as one of the key players in the home appliances and fan segments (Electrical consumer durables) in FY 2019-20. The economic headwinds of the pandemic outbreak coupled with a subdued season resulting from lockdown in Q4, FY 2019-20 have moderated the growth that OEL had otherwise enjoyed through the year. Therefore, for the year ended March 31, 2020, OEL's Electrical Consumer Durables Segment revenues stood at ₹ 1491.6 Cr. with a 12.2% year-on-year growth and a PBIT of ₹ 181.8 Cr. with 20.5% growth.

OEL's focus continued to remain on premium range of products. OEL continued to be the largest Indian manufacturer and exporter of fans. OEL's coolers and fans product categories continued to consistently perform and water heaters experienced good tailwinds throughout the year.

The performance of this business during the year under review was marked by product innovation coupled with a focus on manufacturing excellence, enhanced quality, widening footprint, new product launches and introduction of smart features. Concurrently, the business deepened its premium positioning, strengthened brand influence and profitability.

Major strategic initiatives undertaken during the year are:

Eleganza series Air-circulators: OEL launched in January 2020, the unique Eleganza series of

air-circulating luxury chandeliers, strengthening the Company's premium product portfolio & positioning, and extending the Company's range into the Luxury segment.

i-Series fans: In February 2020, OEL launched the new Inverter i-Series fans range powered by the Electronically Commutated Motor (ECM) technology, saving nearly 50% energy over conventional fans, also with IoT & voice controls.

IoT-enabled appliances portfolio expansion: OEL continued to deepen its presence in the air-cooler and water heater segments through smart solutions and state-of-the-art designs. Multiple models of IoT-enabled air-coolers & water heaters, operable through smartphones & voice assistants, were introduced in the year. OEL also launched energy-saving inverter air-coolers in March 2020, which deliver up to 50% savings in energy consumption and are embedded with smart & connected features.

Strengthening partnership with De'Longhi group: OEL's partnership with the globally renowned De'Longhi Group was strengthened with enhanced distribution and product portfolio augmentation in the year.

ii. Lighting & Switchgear

For the year ended March 31, 2020, OEL's Lighting & Switchgear Segment reported a 6.6% increase in revenue to ₹ 570.2 Cr and a 1.5% growth in PBIT to ₹ 59.7 Cr despite the sluggish growth of the country's construction and real estate sectors. This performance was the result of preparedness to address emerging consumer needs through smart design and proprietary manufacturing capabilities. This resulted in a favourable sales mix from increased sales of Consumer & Professional Luminaires.

The Company focused on enhancing the experience of all stakeholders: distributors, retailers, electricians and consumers, through the development of products that enhanced health, safety, savings, convenience and aesthetics.

Major strategic initiatives undertaken during the year are:

EyeLuv series of lighting: OEL introduced EyeLuv lighting series in July 2019. EyeLuv series aims to

address the ocular health-centric concerns in the lighting space through the development of flicker-control products.

Wireless call-bells: Powered without battery, Wireless Bells which function on kinetic bell push were launched in September 2019.

Smart plugs: Continuing its journey to introduce smart and connected products, OEL introduced IoT-enabled smart plugs in December 2019 which allow for wireless control & operation of appliances/ devices through smartphones & voice-control devices.

Kris switch range: Launch of the new range of switches based on Triple Arc Blocking Technology (3AB) with aesthetic finish, highest level of safety and endurance in March 2020.

Deepening footprint: The Company continued to penetrate deeper into its established geographies as a part of its growth strategy.

Covid-19 impact on OEL's segments

At a time when a large portion of the aggregate business coming from the Electrical Consumer Durables segment is primarily season dependent, spanning between March to June every year, this untimely and abrupt closure has allowed very little time to adequately plan and respond to this situation. Similarly, the Lighting & Switchgear segments also remain impacted with business disruption expected to stretch well into the next fiscal. By and large, the implications are likely to affect the industry.

D. Major Opportunities/Drivers

Under-penetration of consumer appliances: Consumer appliances are under-penetrated in India vis-à-vis developed nations. Channel expansion, expected to improve with improving aspirations, will continue to drive growth and penetration in the coming years.

Increase in disposable incomes: While disposable income component of GDP will remain stressed in the short term, it is expected that with full resumption of normal economic activity, previous levels of spending power will return in the medium term, strengthening the consumption of electrical consumer products and durables.

Government Rural housing projects: Towards its stated aim of 'Housing for All', the Government's target to build over 2+ crore houses by 2022 via its affordable housing schemes, is expected to widen the headroom for the consumer durable sector.

Urbanization: India's urban population is envisaged at 40% of its total population by 2030 from the current 34% levels, which will catalyse offtake for ECD, Lighting & Switchgear industries.

Energy-efficiency focus: Increasing awareness on energy-efficiency through the use of superior technologies & supported by Government initiatives like UJALA (Unnat Jeevan by Affordable LEDs and Appliances for All), SEEP (Super-Efficient Equipment Programme) etc. is set to further result in profitability improvement & revenue expansion. With high priority of government on BEE star-rating in Fans, the organized sector is poised to grow in both volume and value terms. Street Lighting transition to LED technologies continues to be a major growth driver in the institutional segment.

Rising smartphone usage: Increasing smartphone penetration & usage will drive up the adoption of smart & connected products hastening portfolio premiumization and improving replacement demand across products. Increasing data consumption and smartphone usage will also improve access across geographies to best-in-class products via e-commerce.

E. Major Threats

Closure of markets: The virus outbreak in March 2020, originating in China had brought all non-essential activities of the economy to a near halt as Governments chose containment as the way out to tackle unprecedented health crisis. Such market closures will adversely impact the revenue-generation capability, growth and profitability of the business in the near term until normalcy is restored.

Unpredictable weather: Erratic weather conditions like delayed summers or winters, shorter seasons than usual, irregular rains and winter mildness could impact the offtake of fans, air coolers and water heaters.

Material costs: Enhanced raw material or resource costs could adversely impact the overall

product cost structure which can put pressure on profit margins.

Commodity & Currency: Unprecedented swings in forex rate and commodity prices due to global macro economic factors may create short term economic pressures.

Covid19 after-effects: Goods and services markets are likely to suffer a setback as a result of poor consumer sentiments leading to lower retail footfalls and muted consumer demand coupled with liquidity challenges and inventory pile-up from season shrinkage. The Manufacturing and Logistics Segment will also face challenges with the short-term displacement of migrant workers.

3. Strategic Focus Areas

A. Creating High-Performance Team

OEL's long-term performance is predicated in creating and sustaining a high-performance team, which thus remains its most important strategic priority. In the year under review, OEL invested in 360-degree assessments and 9-box high-potential/ high-performance classifications for identifying critical talent and establishing a strong leadership pipeline. Concrete steps were taken towards building a learning organization through instructor-led training programs, augmented by anytime-anywhere available online learning modules and executive coaching programs across all levels of the organization.

OEL employs structured University-entry programs through GET (Graduate Engineer Trainees) and MT (Management Trainees) programs for building a leadership pipeline. Sustained measures to enhance employee engagement with the Company's Leadership included periodic Town halls, skip-level meetings and coffee sessions. OEL rewarded exceptional performances through quarterly HiFlyer ceremonies, where employees were recognised and rewarded by the Company's leadership for demonstration of Orient's values of Excellence, Integrity, Collaboration, Trust, and Care.

B. Innovation and Product design

In its quest to stay relevant in a competitive landscape, OEL strengthened its R&D investments, augmented the existing team

and established engineering design team with competencies across motors, aerodynamics, materials, electronics, sustainability and packaging. In the year under review, OEL has undertaken the building of a state-of-the-art dedicated R&D centre for centralizing all R&D work and professionals. The R&D centre is expected to commence operations shortly after lifting of lockdown. As part of its long-term plan, OEL aims

to continue its market leadership in introducing first-to-market products in the categories it operates in.

OEL received Frost and Sullivan's award for 'New Product Innovation Leadership' & 'India's Best Design Project 2019' for Ultimo Tower Coolers. Multiple new products were launched throughout the year.

New Product Launches in the year

Fans	Lighting	Appliances	Switchgear
<ul style="list-style-type: none"> Eleganza series Energy-efficient fans/ i-Series Affordable inverter fan/ Hector 	<ul style="list-style-type: none"> EyeLuv series: Flicker control LED lamp EyeLuv series expansion into Luminaire & Battens 	<ul style="list-style-type: none"> Energy-efficient Inverter Coolers High capacity desert coolers Breakfast series of Kitchen Appliances 	<ul style="list-style-type: none"> Smart plugs Salus Bloom chrome plates KRIS switch range

C. Strengthening Brand 'Orient Electric'

OEL strengthened its brand through the launch of technology-intensive products, reinforcing its position as an innovator and thought leader in the country's crowded consumer durables space. Brand recall was reinforced through robust advertising and promotions on TV, print, digital, social and word-of-mouth publicity. OEL received the 'India Content Leadership 2019' award for delivering 'Best Content in a 360-degree Marketing Campaign' for Orient EyeLuv series LED lights and was acknowledged as a 'Superbrand 2019' for Fans and Coolers.

D. Nurturing Channel Partnerships

E-commerce platforms: OEL leveraged its online presence, partnering with major online platforms to launch and promote its products with expanded range.

Exports: In its journey of widening and deepening international footprint, OEL commissioned a branch office in Dubai to drive its Middle East business.

Retail presence: OEL strengthened its retailer relationship through enhanced ease of transactions, continuous engagement, portfolio widening, stable terms of trade and in-shop promotion activities. OEL's retailer loyalty program, Orient Connect, continued to improve engagement levels across retailers.

Institutional relationships: A dedicated effort to foster institutional relationships through the KAM model has been initiated. Government e-Marketplace has been prioritized by the formation of a dedicated central team with Leadership oversight.

Influencer engagement programs: OEL continued to engage with Electricians/ Architects/ Interior Designer & Building contractors through regular contact programs round the year.

E. Digitization

A 3-year digitization road map was prepared with an aim of enhancing channel connectivity, speed-of-doing-business, process efficiency, data-driven decision making and sales effectiveness.

Christened 'e-Wings', the digitization journey was kicked-off with successful SAP S4/HANA migration. A central Project Management team has been established for driving all Digital initiatives at OEL. Multiple digitization projects are set to be commissioned in the coming year.

F. Harnessing Quality and manufacturing efficiencies

OEL continues to focus on improving product quality, process efficiency and cost-competitiveness through shop floor automation. OEL intends to adopt industry best-practices including Industry 3.0/ 4.0 readiness across manufacturing facilities. Along with initiatives in existing plants, the greenfield project in South India is also expected to help achieve this objective.

G. Optimizing Supply chain

The implementation of racking systems coupled with warehouse management systems in select warehouses improved inventory management and cost productivity. OEL plans to further unlock significant efficiencies in its supply chain by expanding racking implementation across warehouses and leveraging technology to improve freight efficiency and warehouse utilization.

4. Risk Mitigation

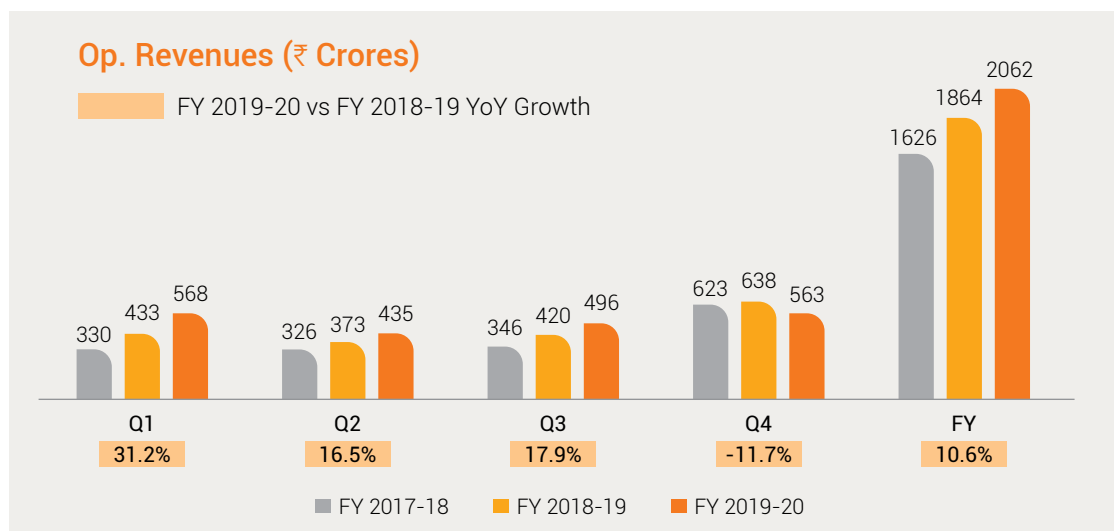
Risks are an integral part of any business. At OEL, risks are managed in line with prevailing best practices in risk management.

During the financial year, OEL has strengthened its Risk Management framework by revisiting the nature of all business risks together with the respective mitigation plans and re-assigning responsibilities, with due diligence of revised risk framework conducted by independent experts. Reinforced ERM (Enterprise Risk Management) process is periodically reviewed by the Board for measuring its effectiveness as per policy. The process evaluates each risk associated with various business transactions and undertakes effective mitigation strategies to minimise the impact.

In view of Covid19, OEL's business continuity plans & risk mitigating actions are being relooked at and further sharpened.

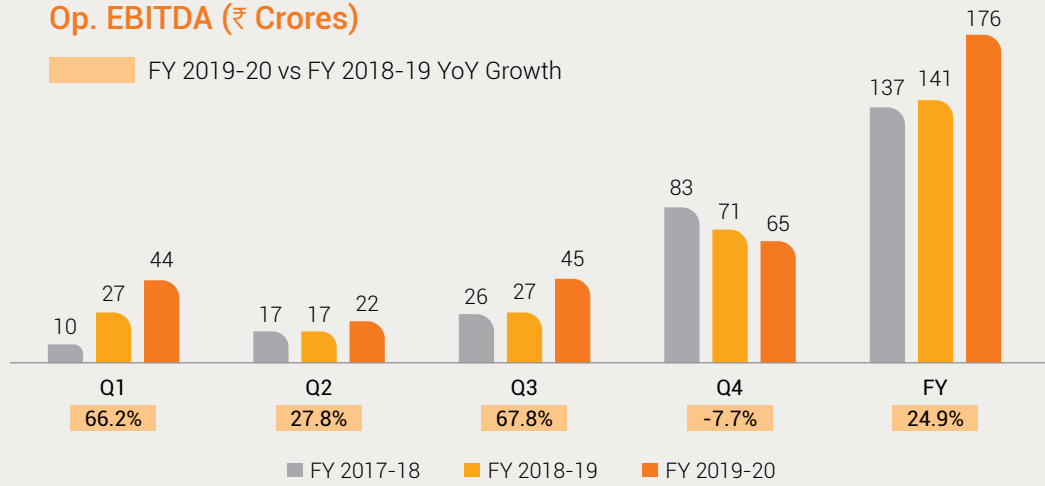
5. Finance

In the year under review, OEL reported growth across quarters till Quarter 4. Covid19 pandemic had severely impacted market sentiments and disrupted OEL's business. Some of the leading performance indicators and their trajectories are presented here.



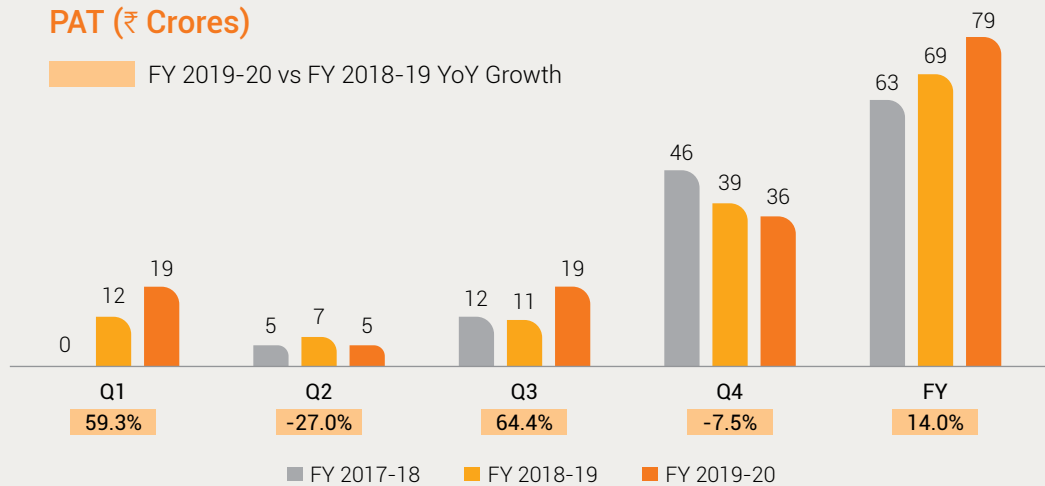
Op. EBITDA (₹ Crores)

FY 2019-20 vs FY 2018-19 YoY Growth

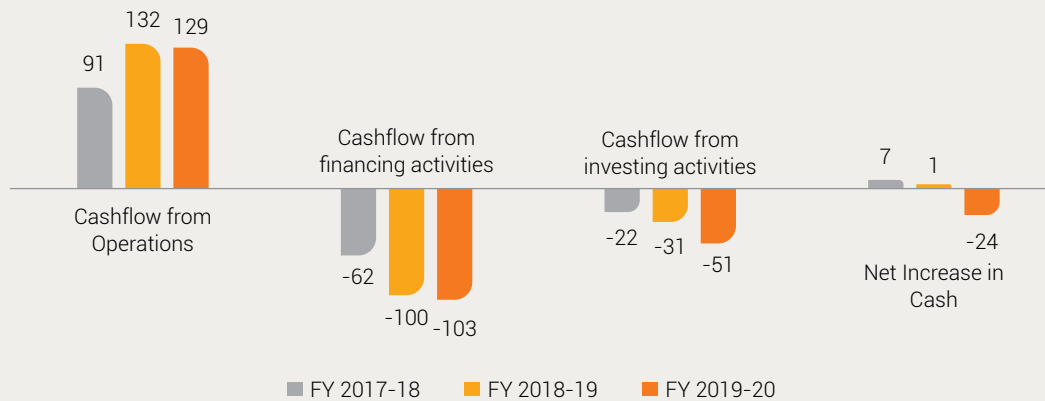


PAT (₹ Crores)

FY 2019-20 vs FY 2018-19 YoY Growth



Cashflow trajectory (₹ Crores)



During the financial year, the Company opted for lower rate of income tax (25%) pursuant to the Taxation Laws (Amendment) Ordinance, 2019.

The Company has decreased debt by ₹ 36 crores, improving its Debt-Equity ratio from 0.44 end-March'19 to 0.27 as at end-March'20.

Key initiatives for working capital improvement

To improve the working capital and cash conversion cycle, together with supporting key business partners, OEL has extended Channel financing & Vendor financing facilities through its banks. Furthermore, renegotiation of credit terms with vendors, restructuring credit management policy for channel partners, facilitating user friendly cash management portal for the distributors has enabled the improvement in the ongoing working capital requirements during the year.

6. Human Resources

OEL has always prioritized the engagement of its 997 employees as a key pillar to support organizational growth. The effectiveness of OEL's people-centric initiatives are reflected in increased revenues, profitability, and productivity. A testament to the inclusive workplace and People-First culture, OEL has been certified Great Place to Work® for the period, February 2020 to January 2021 by Great Place to Work institute.

FLOE (Future Leaders of Orient Electric) program, a comprehensive development journey for critical talent, aimed at creating a succession pipeline and enhancing career progression was initiated this year. The inaugural cohort of employees have commenced their development journeys.

7. Corporate Social Responsibility (CSR)

The year under review was the first full year of OEL's CSR outlay since de-merger. As a responsible corporate citizen, OEL spent ~₹ 1.55 crores in 2019-20 on giving back to society. OEL's CSR spends were directed towards Healthcare, Women Empowerment & Education, promoting Heritage, Art & Culture and Livelihood Improvement.

8. Internal Controls Systems

OEL's governance framework is aligned to comply with all relevant laws of the land. The internal control system provides efficiency, reliability and completeness of accounting records thus helping the Company in timely and accurate dispersion of financial and management information. These controls help OEL to ensure compliance of all applicable laws and regulations. These internal controls also facilitate optimum utilization of resources, protect Company's assets and investors' interests. The clearly defined organization structure, delegation of authority, code of conduct, and standard operating procedures enable all OEL's employees to conduct business in an orderly and efficient manner.

OEL has IFC (Internal Financial Control), Whistle Blower Policy and Fraud Risk Framework Policy to address different risks. A comprehensive Internal Audit Programme has been worked out in alignment with business priorities and developments, approved by the Audit Committee. The findings of the Internal Audit Programme are reviewed by the Audit Committee periodically. Internal Audit function updates Management periodically on any findings and advises Management on immediate action areas. The Audit Committee of the Board regularly reviews significant audit findings of the Internal Audit Function, covering operational, financial and other areas and providing guidance on strengthening internal controls.

9. Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimations and expectations may be 'forward-looking statements' within the meaning of applicable law and regulations. Management has based these forward-looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

STATUTORY SECTION

Directors' Report

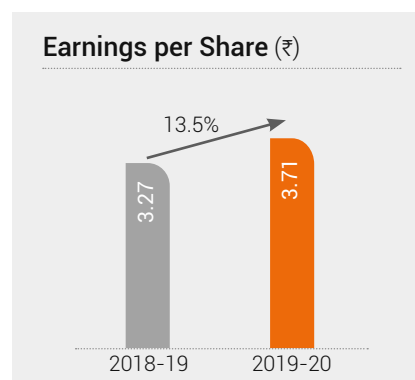
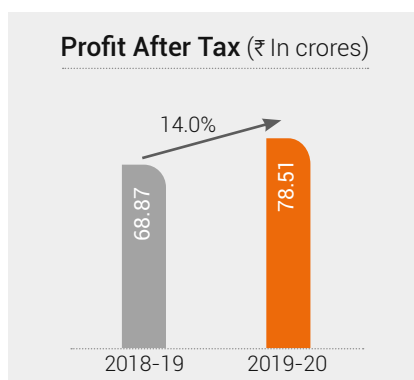
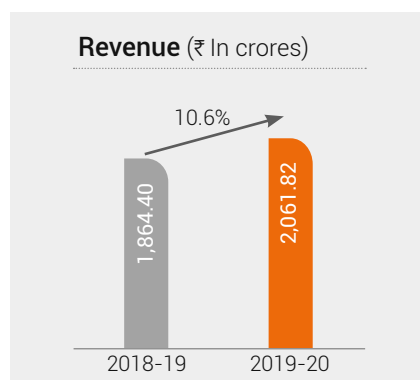
Dear Shareholder's,

The Board of Directors hereby submits the report on the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2020.

Summary of Financial Performance

Key highlights of the financial performance of the Company during the financial year ended March 31, 2020, are as follows:

Particulars	(₹ in crores)	
	2019-20	2018-19
Revenue	2,061.82	1,864.40
Other Income	4.09	9.53
Total Revenue	2,065.91	1,873.93
Expenses		
Operating Expenditure	1,885.40	1,723.12
Depreciation and Amortization Expense	40.12	23.05
Total Expenses	1,925.52	1,746.17
Profit Before Finance Cost and Tax	140.39	127.76
Finance Costs	26.12	22.86
Profit Before Tax (PBT)	114.27	104.90
Tax Expense	35.65	35.59
Total Comprehensive Income / (Losses)	-0.11	-0.44
Profit After Tax (PAT)	78.51	68.87
Transfer to General Reserve	15.00	15.00
Dividend	24.40	21.22
Corporate Dividend Tax	5.02	4.36
Balance carried to Balance Sheet	338.17	285.36
Earnings per Share (Basic) (In ₹)	3.71	3.27



Operational and Financial Performance

Despite the challenging business environment throughout the year, your Company delivered a consistent performance throughout the preceding three quarters. The rapid pace of the unprecedented Coronavirus (Covid19) outbreak in India followed by the countrywide lockdown, unfortunately halted the run rate of the Company's performance in the last quarter just at a time when the business was poised for a quantum seasonal uplift. What was emerging as a continuation of the moderate growth, slowed down in pace by the year end. Revenue from operations for the financial year 2019-20 was ₹2,061.82 crores higher by 10.6% over the previous year's revenue of ₹1,864.40 crores. Earnings before Interest, Depreciation and Tax increased by 20.13% at ₹180.36 crores as against ₹150.14 crores in the previous year. Depreciation was higher by 74.06% at ₹40.12 crores, as against ₹23.05 crores during the previous year due to progressive capitalization and accounting of leased assets (Rights of Use Assets) under IND AS 116 implemented w.e.f. April 01, 2019. The net Finance Cost, without considering accounting of lease assets under IND AS 116, reduced by 7.57% at ₹21.13 crores, as against ₹22.86 crores during the previous year. Profit After Tax for the year increased by 14% at ₹78.51 crores as against ₹68.87 crores in the previous year.

Digitisation: During the financial year under review, your Company has started its ambitious journey of Digitisation of processes under the umbrella program titled "e-Wings" that denotes the wings of transformation to the new era. This journey is aimed to bring cultural change in the Company as all the projects under Digitisation are focused on improving the business efficiency and harness growth. The endeavour is to digitise all the business processes in order to build a much agile and best-in-class organisation.

Awards & Recognition

Your Company has been certified as a "Great Place To Work" in February 2020, for the period, February 2020 to January 2021 by Great Place to Work Institute. This goes to prove the confidence all employees have in your Company and commends on the efforts taken by the management towards building an impeccable performance-based organization.

Your Company also emerged #1 among consumer durables brand in the Fortune Next500 companies during the financial year 2019-20.

Transfer to General Reserve

During the year under review, the Company transferred ₹15 crores to the General Reserve of the Company.

Dividend

Based on market capitalization as on March 31, 2019, your Company falls under the top 500 listed companies as per the list published by the National Stock Exchange of India Limited ("**NSE**") & BSE Limited ("**BSE**"). Accordingly, pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"), the Board of Directors of your Company have adopted a Dividend Distribution Policy. The policy lays down, in the interest of transparency to its shareholders, a broad framework and factors which the Board would consider for deciding the distribution of dividend to its shareholders and/ or plough back of the profits into business operations of the Company. This policy forms part of this Report as **Annexure - A** and is available on the Company's website at <https://www.orientelectric.com/images/investors/dividend-distribution-Policy.pdf>

Pursuant to the approval of the Board of Directors on January 28, 2020, your Company paid an interim dividend of ₹0.65 per equity share of face value of ₹1 each, to the shareholders who were on the register of members as on February 07, 2020, being the record date fixed for this purpose.

The Board of Directors is pleased to recommend a final dividend of ₹0.50 per equity share of face value of ₹1 each for the financial year ended March 31, 2020, subject to the approval of shareholders at the ensuing Annual General Meeting ("**AGM**") to be held on August 07, 2020. The total dividend for the financial year ended March 31, 2020 aggregates to ₹1.15 per equity share of face value of ₹1 each.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 01, 2020 to Friday, August 07, 2020, both days inclusive, for determining the entitlement of the shareholders to the final dividend for the financial year ended March 31, 2020 and for annual book closure.

Your Company has been consistently declaring dividends over the last three years. Dividend per share declared is in line with the Dividend Distribution Policy of the Company. Details of dividend(s) declared by the Company during the last three financial years is as follows:

Type of Dividend	Financial Year 2019-20			Financial Year 2018-19			Financial Year 2017-18		
	Dividend per share (₹)	Dividend paid / Payable (₹ crores)	Dividend Distribution Tax (₹ crores)	Dividend per share (₹)	Dividend Paid (₹ crores)	Dividend Distribution Tax (₹ crores)	Dividend per share (₹)	Dividend paid (₹ crores)	Dividend Distribution Tax (₹ crores)
Interim Dividend	0.65	13.79	2.84	0.50	10.61	2.18	0.50	10.61	2.18
Final Dividend*	0.50	10.61	N.A.	0.50	10.61	2.18	0.50	10.61	2.18
Total	1.15	24.40	2.84	1.00	21.22	4.36	1.00	21.22	4.36

*Final Dividend for the financial year 2019-20, is subject to approval by shareholders in the ensuing AGM and will be paid to the entitled shareholders as on book closure date within stipulated timeline post approval by the shareholders at the AGM.

Representative Office in Dubai

With the objective to facilitate business in the Middle East and Africa for its products, and also engaging in active business development of new geographies in the international markets, the Company is maintaining a representative office (Branch Office) in Dubai Multi Commodity Centre, free trade zone of Dubai.

Directors and Key Managerial Personnel

Based on the terms of appointment, Non-Executive and Non-Independent Directors are subject to retirement by rotation. Mr. Chandra Kant Birla, Non- Executive Director and Chairman of the Company, who was appointed on January 19, 2018, in the current term, is liable to retire by rotation and being eligible, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Chandra Kant Birla as a Non- Executive Director, liable to retire by rotation, at the ensuing AGM of the Company.

His brief profile and other details as required under the

provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder, Secretarial Standard issued by the Institute of Company Secretaries of India and Listing Regulations are provided in the Notice to the AGM.

During the year, Mr. Desh Deepak Khetrpal, Non-Executive Director of the Company, has been re-designated as Non-Executive Vice Chairman of the Company with effect from October 22, 2019.

Mr. Rakesh Khanna, Managing Director & CEO, Mr. Saibal Sengupta, Chief Financial Officer and Mr. Hitesh Kumar Jain, Company Secretary, are the whole-time Key Managerial Personnel of the Company in terms of Section 203 of the Act.

Board of Directors and its committees

During the year under review the Company had six Directors on its Board comprising of Executive, Non-Executive and Independent Directors, including one Woman Independent Director. The Board has constituted following Committees as per regulatory requirements:



During the financial year 2019-20, five meetings of the Board of Directors were held. The gap between the two meetings was within the limits prescribed under the Act and Listing Regulations.

Composition of the Board and its Committees, details of the terms of reference of the Committees, and attendance of Directors in the meetings of the Board and Committees are provided in the Corporate Governance Report for the financial year 2019-20.

Audit Committee

The Audit Committee as on March 31, 2020 comprises of three Independent Directors and one Non-Executive Non-Independent Director. Details on the role and terms of reference of Audit Committee, meetings held during the year etc. are provided in the section 'Board Committees', in the Corporate Governance Report, which forms part of this Annual Report. During the year under review all recommendations made by the Audit Committee to the Board of Directors were accepted by the Board.

Director's Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, the Board of Directors, to the best of their knowledge, belief and ability, confirm the following:

- a. In the preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared these Annual Accounts on a going concern basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal

financial controls are adequate and were operating effectively; and

- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

The Company has received necessary declarations from each Independent Director under Section 149 of the Act and Regulation 25 of the Listing Regulations, confirming that he / she meets the criteria of independence laid down in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

Independent Directors of the Company have got their name included in the data bank of Independent Directors being maintained by the Indian Institute of Corporate Affairs at Manesar notified under sub-section (1) of Section 150 of the Act as the Institute for the creation and maintenance of data bank of Independent Directors.

Familiarization Programme for Independent Directors

The Company believes that a Board, which is well informed and familiarised with the Company, its affairs and the industry which it belongs to, can contribute significantly for effective discharge of its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.

Pursuant to Regulation 25(7) of Listing Regulations, conducting familiarization programmes for the Directors in the Company is a continuous process, whereby Directors are informed, either through presentations at the Board or committee meetings, board notes, interactions or otherwise about industry outlook, business operations, future strategies, business plans, competitors, market positions, products & new launches, internal and operational controls over financial reporting, budgets, analysis on the operations of the Company etc. Pursuant to Regulation 46 of Listing Regulations, the details required are available on the website of your Company and can be accessed at the web link: <https://www.orientelectric.com/images/investors/familiarisation-programme.pdf>.

Performance Evaluation of the Board, its Committees and Individual Directors, including Independent Directors

Pursuant to applicable provisions of the Act, Listing Regulations and Directors' Performance Evaluation Policy, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, *inter-alia*, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees, individual Directors, including Independent Directors and the Chairman of the Board. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on the need and new compliance requirements.

Evaluation of the Board and its Committees is based on various aspects of their functioning, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the meetings, processes followed at the meeting, Board's focus, regulatory compliances, Corporate Governance, etc., Similarly, for evaluation of individual Director's performance, various parameters like Director's profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances, governance, etc. are considered.

Further, the performance of Chairman, Non-Executive Directors, Executive Directors and Independent Directors are evaluated on certain additional parameters depending upon their roles and responsibilities. For the Chairman the criteria includes demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for setting Board agenda, etc. For the Executive and Independent Directors, preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board Members, Senior Management and Key Managerial Personnel, etc.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director, including Independent Director, was carried out for the financial year 2019-20 by the Board through a standard set of questionnaires and personal interaction. The Director being evaluated was not present during the discussion.

The Independent Directors had met separately on October 22, 2019 without the presence of Non-Independent Directors and the members of Management and discussed, *inter-alia*, the performance of the Non-Independent Directors and the Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors. Nomination and Remuneration Committee annually reviews the implementation of performance evaluation criteria.

Share Capital

During the year under review, the Company has not issued any new shares, therefore there was no change in the Authorised, Issued and Paid-Up share capital of the Company.

Orient Electric Employee Stock Option Scheme - 2019

During the financial year 2018-19, with the approval of its shareholders, the Company had introduced 'Orient Electric Employee Stock Option Scheme-2019' (ESOP Scheme - 2019), as part of its Long Term Incentive Programme in line with growth objective of the Company and with the intention to attract, motivate and retain high quality talent at the senior level. Under the ESOP Scheme - 2019, Stock Options can be granted to the eligible employees of the Company, which upon exercise are convertible into an equal number of equity shares of the Company of the face value of Re. 1 each at a grant price to be decided by the Nomination and Remuneration Committee. The ESOP Scheme - 2019 is in line with SEBI (Share Based Employee Benefits) Regulations, 2014 ("**ESOP Regulations**") and Listing Regulations.

During the financial year 2019-20 the Board, on the recommendation of the Nomination and Remuneration Committee, granted 1,90,443 new stock options to eligible employees. Further, 1,45,482 stock options granted earlier under the ESOP Scheme - 2019 of the Company were forfeited for the employee no more associated with the Company.

There is no change in the ESOP Scheme - 2019 during the financial year 2019-20. A certificate from the Auditors of the Company to the effect that the ESOP Scheme - 2019 is implemented in accordance with the ESOP Regulations and the resolutions passed by the shareholders, would be available for inspection by the shareholders at the ensuing AGM. The details on ESOPs including those required as per Regulation 14 of ESOP Regulations are available on the website of the Company viz. <http://www.orientelectric.com>. Details of ESOPs are also available in the notes to accounts of

the financial statements forming part of the Annual Report for the financial year 2019-20.

Auditors

Statutory Auditors

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/ E300005) was appointed as the Statutory Auditor of the Company for a period of five years i.e. to hold office from the conclusion of the 1st AGM till the conclusion of 6th AGM of the Company to be held in the calendar year 2022. Pursuant to the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of ratification of appointment of Statutory Auditors by the shareholders of the Company at every AGM has been discontinued. The Company is accordingly not placing this matter for ratification before its shareholders at the forthcoming AGM.

Auditors' Report is unmodified i.e. it does not contain any reservation or qualification, on the financial statement of the Company for the financial year 2019-20. Auditors Report is self-explanatory and therefore, does not require further comments and explanation.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has, on the recommendation of the Audit Committee, appointed M/s A. K. Labh & Co., Practicing Company Secretaries, (C.P. No. 3238) as the Secretarial Auditor of the Company for the financial year 2020-21. Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed thereunder, the Company has received a certificate from the Secretarial Auditor, *inter-alia*, confirming that their appointment is within the limits laid down by the Act and rules made thereunder, is as per the term provided under the Act, they are not disqualified for being appointed as Secretarial Auditor under the provisions of applicable laws and also that there are no pending proceedings against them involving matters of professional misconduct.

The Secretarial Audit Report for the financial year 2019-20, is annexed as **Annexure B** and forms an integral part of this Report. There is no qualification, reservation or adverse remark in the Secretarial Audit Report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2019-20 for all applicable Securities and Exchange Board of India ("SEBI") compliances as per circular dated February

08, 2019 issued by SEBI. The Annual Secretarial Compliance Report issued by Mr. A. K. Labh (C.P. No. 3238), Practicing Company Secretary, for the financial year 2019-20 has been submitted to the Stock Exchanges within the prescribed time limit.

Cost Auditor

As per Section 148 of the Act read with Companies (Cost Records and Audit) Rules 2014, Mr. Somnath Mukherjee, Cost Accountant in Practice (M. No. – 5343) has been appointed as the Cost Auditor for the financial year 2020-21 to conduct cost audit of the accounts made and maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules. The remuneration of Cost Auditor has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditor by the shareholders of the Company has been set out in the Notice of ensuing AGM. The Cost Auditor has certified that their appointment is within the limits as prescribed under Section 141(3)(g) of the Act and that they are not disqualified from such appointment within the meaning of the said Act.

Reporting by Auditors under Section 143(12) of the Act

The Statutory Auditor and Secretarial Auditor of the Company have confirmed that during the course of their respective audits for the financial year 2019-20, they have not come across any event which could have indicated on commitment of any fraud by the officers or employees of the Company and therefore, no reporting under Section 143(12) of the Act including rules made thereunder, is applicable.

Management Discussion and Analysis Report

Management Discussion and Analysis Report, as per Regulation 34 of the Listing Regulations, for the year under review is presented in a separate section forming part of the Annual Report for the financial year 2019-20.

Corporate Governance

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. Corporate Governance is a process that aims to allocate corporate resources in a manner that maximizes value for all stakeholders i.e. the shareholders, employees, customers, suppliers, government authorities and the community at large and holds those at the helms to account by evaluating their decisions on transparency, inclusivity, equity and responsibility. Your Company has a rich legacy of ethical governance practices and is committed to transparency in all

its dealings and places high emphasis on business ethics.

A separate report on Corporate Governance together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 of Listing Regulations is included in the Annual Report for the financial year 2019-20. A Certificate from the CEO and CFO of the Company in terms of Listing Regulations, *inter-alia*, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed to the Corporate Government Report.

Business Responsibility Report

Regulation 34(2)(f) of the Listing Regulations mandates the inclusion of Business Responsibility Report ("**BRR**") as part of the Annual Report for top 500 listed companies which was thereafter amended to top 1000 listed companies with effect from December 26, 2019, based on market capitalization as on March 31 every year. Based on the market capitalization as on March 31, 2019, your Company falls under top 500 listed companies as per the list of such listed companies published by NSE & BSE. In compliance with the Listing Regulations, BRR of your Company for the financial year 2019-20 is included in the Annual Report.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting aspirational targets and improving economic performance to ensure business continuity and rapid growth. Your Company is committed to leverage 'Alternative Thinking' to build competitive advantage in achieving high returns for the shareholders through customer centricity, innovation, good governance and inclusive human development while being sensitive to the environment.

Corporate Social Responsibility

Corporate Social Responsibility ("**CSR**") of your Company portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, the Company aims to contribute for social and economic development on a regular basis. The Company believes that in order to succeed, an organization must maintain the highest standards of corporate behaviour not only towards its employees, consumers and vendors but also towards the society in which it operates. The Company is of firm opinion that CSR underlines the objective of bringing

about a difference and adding value in the stakeholder's lives.

CSR Committee has been formulated by your Company pursuant to the provisions of Section 135(1) of the Act. The Company has in place a CSR Policy in line with Section 135 of the Act read with Rules made thereunder and Schedule VII thereto. As per the policy, the CSR activities are focused not just around the plants and offices of the Company, but also in other geographies based on the needs of the communities. With its focus on driving positive change to enable communities and marginalized sections of the society to rise, your Company's CSR initiatives are designed to support the constituencies of girls, youth and tribals through the domains of education, health and protection of national heritage, art & culture. The CSR policy is available on the website of the Company and can be accessed through the web link: <https://www.orientelectric.com/images/investors/corporate-social-responsibility-policy.pdf>.

During the year under review, your Company spent ₹1.55 crores on CSR activities i.e. 2% of the average of the net profits of the Company for the past three financial years. In accordance with the provisions of Section 134(3)(o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, a report on Corporate Social Responsibility covering brief extract of the CSR policy of the Company and the CSR projects undertaken during the financial year 2019-20, is annexed as **Annexure - C** to this Report.

Composition, role and terms of reference of the CSR Committee are stated in the Corporate Governance Report forming part of this Annual Report.

Related Party Transactions

In line with the provisions of the Act and the Listing Regulations, the Board has approved a policy on related party transactions which is available on the Company's website and can be accessed at the web link: <https://www.orientelectric.com/images/investors/related-party-policy.pdf>. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions entered during the year under review were in the ordinary course of business operations of the Company and on arms' length basis. During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeding ten percent of the annual

consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee for review and approval. The Audit Committee of the Company has approved the criteria for granting omnibus approval for transactions with related parties within the overall framework of the related party Transaction Policy. Omnibus approval for transactions with Related Parties, which are of repetitive nature and / or entered in the Ordinary Course of Business operations of the Company and are at arm's length basis, are obtained as and when required. The approval of the Board and shareholders is also taken, wherever such approval is required as per the provisions of Section 188 of the Act, rules made thereunder, Regulation 23 of the Listing Regulations and applicable Accounting Standards.

In terms of Section 188(1) of the Act and the rules made thereunder, Form AOC-2 is annexed to this Report as **Annexure - D**. Shareholders may also refer to notes to the Financial Statements for details on Related Party Transactions.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH**"), your Company has a robust mechanism in place to investigate and redress complaints, if any, reported under it as defined under the policy on prevention, prohibition and redressal of sexual harassment of women at workplace, of the Company. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral. The Company has complied with provisions relating to the constitution of the Internal Complaints Committee under POSH. The Internal Complaints Committee is composed of internal members and an external member who has extensive experience in the field.

During the course of the year, several initiatives were undertaken to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material which were also made easily accessible. In addition, workshops were also organized for the employees to enhance awareness and

knowledge on sexual harassment and on other biases that may influence thinking and actions.

During the calendar year ended December 31, 2019, one complaint with allegations of sexual harassment was filed with the Internal Complaint Committee, which was disposed-off as per the provisions of POSH. Details, as required to be disclosed under POSH, including that of the said complaint, are provided in the Corporate Governance Report which forms part of the Annual Report for the financial year 2019-20.

Risk Management

The present business environment has become increasingly volatile, uncertain, complex and ambiguous (VUCA) world-over with rapid changes in all domains potentially impacting the operating conditions. The ongoing pandemic outbreak has been an eye-opener for a never before anticipated risk that has thrown the entire national and global economy out of gear. These changes bring in new opportunities for your Company and also bring about multi-dimensional risks, which need to be judiciously managed. Risk Management is, thus, an integral part of your Company's strategy. The Company proactively identifies potential risks and accordingly devise the short-term and long-term actions to mitigate any risk which could materially impact your Company's long-term goals.

Your Company has revisited and further strengthened the Enterprise Risk Management ("**ERM**") framework and adopted an ERM policy based on globally recognized standards. The ERM framework is administered by the Risk Management Committee. The Chief Risk Officer of the Company identifies the risks, based on discussions with functional heads, which are affecting or may affect the operations of the Company and evaluates the risk management framework in consultation with the management of the Company. The ERM report, prepared after analysis of identified risks, is presented before the Risk Management Committee. The ERM report is also reviewed by the Audit Committee of the Company with the objective to ensure that the Company's internal controls and risk mitigation strategies are functioning effectively. The objective of the ERM framework is to enable and support the achievement of business objectives through risk-intelligent assessment apart from placing a significant focus on constantly identifying and mitigating risks within the business. The ERM Framework covers various categories of risks including, *inter alia*, information security and cyber security risks, effectiveness of the controls that have been implemented to prevent such risks

and continuous improvement of the systems and processes to mitigate such risks.

Your Company operates a wide range of processes and activities across all its operations covering strategy, planning, execution and performance management. Controls are built into every stage of the business process and are formalised and documented. The Company is actively pursuing the digital transformation of its activities and always embraces the advances in technology to help centralise and automate several controls into the transactional Information Technology systems.

Business risk assessment is a cross functional exercise involving leadership across the organisation to identify, update and mitigate business risks. Each risk is assessed basis its probability of occurrence and the severity of impact.

Basis this assessment, your Company classifies various risks into three major heads and accordingly decides the strategies to monitor, manage and mitigate such risks– 1) High risk exposure requiring immediate attention; 2) Medium risk exposure requiring close monitoring; and 3) Low risk exposure. This comprehensive exercise ensures an effective risk culture across the organisation and an embedded approach to risk management. The Risk Management Committee periodically reviews the findings of the risk assessment exercise and the effectiveness of the management controls in place to mitigate the risk exposure. Your Company's Board of Directors, through the Audit Committee and Risk Management Committee, also periodically reviews the assessment of risks, internal controls and disclosure controls and procedures in operation within your Company.

Risk likelihood measurement matrix:

Score	Rating	Risk Likelihood of Occurrence
5	Expected / Almost Certain	Very high, will be almost a routine feature every month / quarter within the immediate next twelve months
4	Likely	High, may rise several times within the next twelve months
3	Possible	Possible, may rise once or twice within twelve months
2	Unlikely	May occur once or twice between two to three years
1	Rare	Not likely, almost impossible to occur between two to three years

The details of Risk Management Committee, its terms of reference, number and frequency of meetings held during the financial year 2019-20 are included in the Corporate Governance Report which is an integral part of the Annual Report for the financial year 2019-20.

Internal Financial Controls and their Adequacy

The Act emphasizes the need for an effective Internal Financial Control system in the companies which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's Report.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the

Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Your Company recognises that Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits, rigorous follow-up actions and review processes ensure that such systems are reinforced on an ongoing basis.

Vigil Mechanism / Whistle Blower Policy

In line with the objective of strengthening the governance mechanism and to report to the Audit Committee instances of illegal or unethical practices, unethical behaviour, actual

or suspected, fraud or violation of the Company's code of conduct or ethics policy and as per the provisions of Section 177(9) and (10) of the Act and Regulation 22 of the Listing Regulations, your Company has adopted a Vigil Mechanism through Whistle Blower Policy' ("**Policy**"). The Policy of the Company was amended to align with the requirements under Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Under this Policy, your Company encourages any Whistle Blower, internal or external, who has enough knowledge of any illegal or unethical practices, unethical behaviour or malpractices being committed by any employee(s) of the Company, to blow the whistle without fear of punishment or unfair treatment. He has the option to remain anonymous. Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation. The mechanism provides adequate safeguards against victimization of Whistle Blower. Awareness of Policy is created through awareness sessions, posters and mailers, portraying the mechanism followed under the Policy.

The Company has provided a dedicated e-mail address for reporting such concerns. Alternatively, the Whistle Blower can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

The Company Secretary is the designated officer for effective implementation of the policy and handling the complaints registered under the policy. All cases registered under the Policy are reported to the Whistle Blower Committee and are subject to review by the Audit Committee and the Board.

The Whistle Blower Policy is available on the website of the Company and can be accessed through the web link: <https://www.orientelectric.com/images/investors/whistle-blower-policy.pdf>.

During the year under review two complaints were received under the Policy. The Whistle Blower Committee, consisting of senior managerial personnel, including Managing Director & CEO, investigated the matter. Based on the investigation, necessary disciplinary actions were taken against the employees, who were found to be involved in the irregularities.

The complaints were disposed-off as per the provisions of the Policy and as of March 31, 2020, no complaint was pending. The details and status of the said complaints were placed before the Audit Committee and Board of Directors of the Company.

Nomination and Remuneration Policy

Pursuant to the provisions of Section 178 of the Act and Listing Regulations, your Company has adopted a Nomination & Remuneration Policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, and providing for their remuneration and that of the senior management personnel as part of its charter and other matters provided under the Act and Listing Regulations.

Pursuant to Section 134(3) of the Act, the Nomination and Remuneration policy of the Company is available on the Company's website at <https://www.orientelectric.com/images/investors/Nomination-Remuneration-Policy.pdf>.

The Company affirms that the remuneration paid to Directors during and for the financial year 2019-20 is in accordance with the Nomination and Remuneration Policy of the Company.

The Board approves remuneration of the Managing Director & CEO, Key Managerial Personnel and the Senior Management Personnel on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee also decides and recommends to the Board of Directors, the remuneration, in the form of commission, apart from sitting fees for attending meetings of the Board and Committees thereof, payable to the Non- Executive Directors.

Details of sitting fees paid to the Non-Executive Directors for attending meetings of the Board and Committees thereof along with the commission paid for the financial year 2019-20 are provided in the Corporate Governance Report annexed to the Annual Report for the financial year 2019-20.

Holding, Subsidiary and Joint Venture Companies

During the financial year 2019-20, the Company had no holding, subsidiary or joint venture company.

Particulars of Directors and Employees

The statement of disclosure on the remuneration of Directors and Key Managerial Personnel as per the provisions of Section 197 of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure - E** to this Report.

Compliance with Secretarial Standards

During the year under review your Company has complied with the respective mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

Particulars of Loans, Guarantees and Investments

During the year under review your Company has not given any loans, provided any guarantees / security and made investments that are covered under the provisions of Section 186 of the Act.

Deposits

During the year under review your Company has not accepted any deposits from the public under Chapter V of the Act and as such, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2020.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure - F** and forms part of this Report.

Change in the Nature of Business of the Company

During the year under review, there is no change in the nature of the business operations of the Company.

Material Changes During the year

During the year under review there was no material change in the business operations and the financial position of the Company. However, due to operational challenges and consequent commercial disadvantages and considering the insignificant volume of production, the Board approved the transfer of manufacturing operations from Guwahati plant to other manufacturing plants of the Company with effect from February 01, 2020.

During the year under review, your Company had, for the purpose of setting up a manufacturing facility in the southern states of India, purchased 23 acres of land in Hyderabad. The Company is in the process of setting up a manufacturing plant for its products in Hyderabad.

Material changes after the end of the year

There are no material changes and commitments affecting the financial positions of the Company that occurred after the close of the financial year to which the Financial Statements relate till the date of this Report. However, the accelerated outbreak of Covid-19 across the globe and in India, has substantially disrupted the economic activities with complete uncertainty. On March 11, 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organisation (WHO). Consequent to this, the Government of India declared countrywide lockdown on March 24, 2020 which was further extended from time to time. To ensure the safety of its employees and workman and to contain the spread of Covid-19, the Company had temporarily shut down the operations at all its plants on March 23, 2020, which has impacted the business activities of the Company. Based on Government's directives the Company has gradually started the operations at its plants and several depots across the country. Resumption of normal business operations completely is also dependent on future directives from the Government including future implications of the pandemic on the people and economy, which is not known as of now and will be closely monitored by the Company, to assess for any material implication on its financial performance. The management of the Company is constantly deliberating and taking all necessary actions to manage the situation in the best possible manner.

Investor Education and Protection Fund

During the year under review no share of the Company was liable to be transferred to the demat account of Investor Education and Protection Fund Authority ("**IEPF Authority**") pursuant to Section 124(6) of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**IEPF Rules**"). In the past, Company has transferred 5,57,238 equity shares to the demat account of IEPF Authority. Corresponding dividend amount on the said shares, required to be transferred during the financial year 2019-20 in the designated bank account of IEPF Authority, has been transferred by the Company. Details of dividend amount so far remitted to IEPF are as follows:

Financial Year	Type of Dividend	Dividend declared on	Amount Transferred to IEPF (In ₹)
2017-18	Interim Dividend	February 12, 2018	2,78,619.00
2017-18	Final Dividend	July 16, 2018	2,78,619.00
2018-19	Interim Dividend	January 28, 2019	2,78,619.00
2018-19	Final Dividend	July 16, 2019	2,78,619.00
2019-20	Interim Dividend	January 28, 2020	3,62,204.70
Total			14,76,680.70

Registrar and Share Transfer Agent

The Registrar and Share Transfer Agent ("**RTA**") of the Company was changed to Kfin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) from MCS Share Transfer Agent Limited, effective from May 10, 2019.

Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2020 in Form No. MGT-9 is attached as **Annexure - G** and forms part of this Report.

The Annual Return of the Company can also be accessed at the website of the Company at <http://www.orientelectric.com/images/investors/Annual-Report-2019-20.pdf>.

Significant and Material Orders Passed by any Regulators or Court

During the year under review no regulator or court has passed any significant and material orders impacting the going concern status of the Company and its future operations.

Appreciations and Acknowledgements

Your Directors take this opportunity to thank its customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to your Company. Your Directors also convey their sincere appreciation to all employees of your Company for their hard work and commitment. Their dedication and competence have ensured that your Company continues to be a significant and leading player in the industry.

For and on behalf of the Board of Directors

For **Orient Electric Limited**

New Delhi
June 01, 2020

Chandra Kant Birla
Chairman
DIN:00118473

ANNEXURE A

Dividend Distribution Policy

1. Background, Purpose, Objectives and Scope

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), top five hundred listed companies based on their market capitalization, as on March 31 of the previous financial year, are required to have in place a Dividend Distribution Policy. The Board of Directors of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of Directors of the Company, with regard to distribution of Dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders. The intent of the Policy is to broadly cover the following:

- (a) The circumstances under which the shareholders of the Company may or may not expect Dividend;
- (b) Internal and external factors including financial parameters that shall be considered while declaring Dividend;
- (c) Policy as to how the retained earnings shall be utilized;
- (d) Parameters that shall be adopted with regard to various classes of shares.

Any deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Board of Directors of the Company in its meeting held on March 27, 2019 has approved this Dividend Distribution Policy of the Company which endeavors fairness, consistency and sustainability while distributing profits to the shareholders of the Company.

2. Effective Date

This Dividend Distribution Policy is effective from April 01, 2019.

3. Definitions

"Act" means Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

"Board" or **"Board of Directors"** means the Board of Directors of the Company.

"Company" means Orient Electric Limited.

"Dividend" includes any interim Dividend and shall mean Dividend as defined under the Act.

"Listing Regulations" shall mean the "Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015" and the amendments thereto.

"Policy" means this Dividend Distribution Policy.

"SEBI" means Securities and Exchange Board of India.

4. Parameters and Factors for Declaration of Dividend

(I) Financial parameters and Internal Factors

- (a) Working capital requirements
- (b) Cash flow required to meet contingencies
- (c) Profits earned during the year
- (d) Profit available for distribution
- (e) Past Dividend payout ratio/ trends
- (f) Earnings Per Share (EPS)
- (g) Cost of Borrowing
- (h) Capital expenditure requirement
- (i) Business expansion, growth and acquisition
- (j) Creation of contingency fund
- (k) Investment in joint-ventures, associates and subsidiaries
- (l) Agreements with lending institutions / Debenture Trustees etc.
- (m) Likelihood of crystallization of contingent liabilities, if any

(II) External Factors

- (a) Statutory provisions and guidelines
- (b) Economic Environment
- (c) Capital Markets
- (d) Global conditions
- (e) Dividend payout ratio of competitors

5. Circumstances under which Dividend Payout may or may not be expected

The decision of Dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders & the Company. The Board of the Company may not declare Dividend under the following circumstances:

- (a) Proposed expansion plans including capital expenditure for existing operations, requiring higher capital allocation.
- (b) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow.
- (c) Requirement of higher working capital for the purpose of business of the Company.
- (d) Proposal for buyback of securities.
- (e) In the event of loss or inadequacy of profit.

6. Manner of utilization of Retained Earnings

The Board may decide to plough back the earnings for a particular financial year(s) to ensure the availability of funds for any of the following purpose:

- (a) Expansion plans
- (b) Modernization plans
- (c) Diversification/ acquisition of business
- (d) Plant expansion & diversification
- (e) Replacement of capital assets
- (f) Mitigate dependence on external debts
- (g) High financial leverage
- (h) Other such criteria as the Board may deem fit from time to time

7. Parameters For Various Classes Of Shares

The holders of the equity shares of the Company, as on the record date, are entitled to receive Dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the shareholders of the Company are entitled to receive the same amount of Dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares with or without differential voting rights, depending upon the nature and guidelines thereof.

8. Procedure

- (a) The Chief Financial Officer in consultation with Managing Director & CEO of the Company shall recommend any

amount to be declared / recommended as Dividend to the Board of the Company.

- (b) The agenda of the Board where Dividend declaration / recommendation is proposed shall contain the rationale of the proposal.
- (c) Pursuant to the provisions of the applicable laws and this Policy, interim Dividend approved by the Board will be confirmed by the shareholders and final Dividend, if any, recommended by the Board, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.
- (d) The Company shall ensure compliance of provisions of applicable laws, the Act, SEBI Rules and Regulations and this Policy in relation to Dividend declared by the Company.

9. Policy Exclusion:

The Policy shall not be applicable in the following circumstances:

- (a) Any distribution of cash as an alternative to payment of Dividend by way of buyback of equity shares.
- (b) Distribution of Dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities.
- (c) Determination and declaring Dividend on preference shares, if any.

10. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.orientelectric.com.

11. General

- (a) The Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, SEBI or such other regulatory authority as may be authorised, from time to time, on the subject matter.
- (b) The Company reserves its right to alter, modify, cancel, 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.

ANNEXURE B

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Orient Electric Limited
Unit VIII, Plot No. 7
Bhoinagar, Bhubaneswar – 751 012
Odisha

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Orient Electric Limited having its Registered Office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751 012, Odisha (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain

reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

We have relied upon the accuracy of the documents and information as shared by the Company with us through appropriate Information Technology tools to assist us in completing the secretarial audit work during lock down period due to unprecedented situation prevailing in the Country due to CoVID-19 virus pandemic and the same is subject to physical verification by us post normalization of the situation.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2020

according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Act:

1. Bureau of Indian Standards Act, 2016
2. Bureau of Energy Efficiency
3. Electricity Act, 2003 and Rules

to the extent of its applicability to the Company during the financial year ended 31.03.2020 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations

as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

- (a) The Company has transferred fan manufacturing operations from its Guwahati Plant to other manufacturing locations of the Company with effect from February 1, 2020. As informed by the management, the Company does not anticipate any material impact on the operations and the financial results from such transfer.
- (b) Karvy Fintech Private Limited was appointed as the Registrar and Transfer Agent of the Company with effect from May 10, 2019 in place of MCS Share Transfer Agent Private Limited. The name of Karvy Fintech Private Limited was subsequently changed to KFin Technologies Private Limited during the year under report.
- (c) The Company has initiated legal actions against Orient General Agencies (Bombay) Private Limited (OGA) and Alco Logistics Pvt. Ltd. (Formerly known as Apollo Fiege Integrated Logistics Pvt. Ltd.). (ALCO) for recovery of outstanding amount along with interest and damages for the Company's goods supplied to OGA through ALCO and otherwise.
- (d) In the light of heightened concern on spread of Covid-19 across the nation and as per the notifications issued by

the Central / State Government(s), the Company has temporarily shut down operations at all its plants w.e.f March 23, 2020, upon announcement of the Government order and till such time as has been specified in such notifications. However, the Company has resumed its operations in a phased manner in its Plants and at several Depots located across the Country in compliance of the directives issued and permissions granted by Central/ State Government(s) Authorities.

For **A. K. LABH & Co.**
Company Secretaries

Sd/-

(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No.- 3238
UDIN : F004848B000292872

Place : Kolkata
Dated : June 01, 2020

ANNEXURE C

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2019-20.

1. Brief outline of Company's CSR Policy including overview of projects or programmes proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programmes.

Corporate Social Responsibility ("CSR") at your Company portrays a deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, the Company tries to contribute for social and economic development on regular basis. The Company believes that CSR underlines the objective of bringing about a difference and adding value in the stakeholder's lives.

The CSR Policy of the Company, as approved by the Board of Directors, is available on the Company's website viz. <https://www.orientelectric.com/images/investors/corporate-social-responsibility-policy.pdf>.

During the year, the Company has undertaken the following CSR Projects:

Project 1 - Renovation and Modernization of Govt Girls' High School, Kaurali, Faridabad

The major objective of the project was to improve the infrastructure of Government Girls' High School in Village Kaurali of Faridabad District in Haryana, in close proximity to our Plant, so as to impart quality education to the girl students. The Company initiated this project in association with 'EK Sangharsh' a not for profit public charitable trust, registered under the Indian Trust Act, 1882, based out of Faridabad, Haryana. When the Company undertook this project, the infrastructure of the School was in a very pathetic condition. The Company improved the all-round infrastructure of this school which included:

- Installation of RO and water cooler along with proper washing and drainage system.
- Replacement of electrical fittings, installation of fans and lighting in all classrooms.
- Installation of inverter for power back-up facility in the school.
- Dual desk for students.

- New toilets for students including for differently abled students.
- Repair and painting of all classrooms which included roof slab recasting, wall plaster, tiles on the floors and walls upto 6ft heights, MS doors, windows and ventilators.
- Interlocking tiles in open areas and sideways.
- Development of sports ground.
- Installation of rainwater harvesting system.
- Whitewash of the entire school building.

Project 2 - Pink Health - Distribution of Free Sanitary Napkins for Girls and Women.

The major objective of the project was to educate and create awareness about the use of Sanitary Napkins and provide easy access to Menstrual Health and Hygiene by distribution of Sanitary Napkins in rural areas of Faridabad District in Haryana so that Girls/Women get habituated to use Sanitary Napkins for their better health care. This project was undertaken with Ek Sangharsh, a not for profit public charitable trust, registered under the Indian Trust Act, 1882, based out of Faridabad, Haryana.

Project 3 - Primary Education to children from marginalised section of community in Noida

Under this project the Company undertook the formal education in the pre-primary section for classes 2 to 5 children from poor and marginalized families. The education is provided in Setu Shikshajyoti Kendra ("Setu"), Nithari, Noida. The school works in 2 shifts. Currently there are 142 students in the pre-primary section. The focus is on activity based and experiential learning apart from formal education. Performance is measured through attendance records, number of activities/projects conducted, unit tests, half yearly and the final examination. The Company provided for uniforms, books & stationary, site excursions and such other activities for primary section students. The Company also provided for teachers' salaries and training.

This project was undertaken through Setu, a not for profit registered trust.

Project 4 - Vocational Lab for imparting vocational education to girl students

The Company joined hands with Dr. O. P. Bhalla Foundation, Haryana, a not for profit trust for public charitable purposes duly registered under Indian Trust Act 1882, to impart vocational education to probable school dropout girls student of grades from 9 to 12 in government school. The objective is to improvise vocational education through Kunskapsskolan Education Sweden AB methodology from Sweden. Considering the current vocational education being offered in a traditional classroom teaching manner and with a very weak supporting infrastructure in Government schools, this project includes conversion of such vocational lab into 'Model Labs' wherein teaching of vocational subjects is done through digital content in local language which is an enabler in the learning process.

The project involved the following activities:

- a Set up of modern vocational lab in Government Girls Senior Secondary School, NIT 05, Faridabad, Haryana.
- b The Lab comprises of laptops for students and trainer, overhead projector with wall mounted speaker, UPS for uninterrupted power supply to laptops, internet dongles, furniture for students & teachers, locked almirah and refurbishing of civil infrastructure.
- c Training to the probable school drop-out girl students through digital content for 3 popular sectors viz. Retail, IT and Beauty & Wellness in Hindi and English language, for making them employable.
- d Engaging subject matter experts in the development of digital content.
- e Periodic teacher's training via industry expert.

Project 5 - Preservation & promotion of national heritage, art, culture & traditions in tribal areas – Himachal Pradesh

This project includes bringing the residents of tribal or remote villages to mainstream and make them self-confident and self-reliant individuals by improving their intellect through moral and cultural education, preventive health care knowledge, imparting knowledge and awareness about national heritage, art, culture, traditions, de-addiction, social harmony, skill development, agriculture related issues, educating them about their rights/policies under various government

schemes etc. For this project, the Company joined hands with Vanvasi Raksha Parivar Foundation ("**VRPF**"), a not for profit trust registered under the Indian Trust Act, 1882. VRPF has been working for more than 17 years in the field of promoting above activities in tribal and remote rural areas by organizing weekly gatherings. Several motivational assemblies at regular intervals were also organised by VRPF for tribal and rural folks endeavouring to bridge the gap between tribal villages and urban population.

Project 6 - Subsidised food at Civil Hospital,

Through Faridabad Navchetna Trust, a not for profit trust registered under the Indian Trust Act, 1882, your Company provided subsidised food, by contributing in running cost of one day in a month for the canteen being maintained at Civil Hospital at Faridabad & Palwal.

Project 7 - NAVINIKARAN – Biomedical equipments in hospital

Under the Navinikaran project the Company provided financial support for the upgradation of Bio-medical equipment in the hospital being managed by Calcutta Medical Research Institute Trust ("**CMRI Trust**"), a not for profit trust, Kolkata, conceived with the ideology of delivering quality medical care through research and education. CMRI Trust is committed to serve the society at large through clinical excellence.

Laid on three key principles - Clinical Excellence, Ethical and Patient Centric Approach, it caters to patient needs and makes sure that the patients and their families are looked after well by a team of efficient doctors, caring and vigilant nurses, organised housekeeping and back office management.

2. Composition of the CSR Committee.

CSR Committee of the Company consists of three Non-Executive Directors out of which two are Independent. Chairman of the Committee is an Independent Director.

Mr. K. Pradeep Chandra – Chairman (Independent Director)

Mr. Desh Deepak Khetrpal – Member (Non-Executive Director)

Mr. T C A Ranganathan – Member (Independent Director)

3. Average Net Profit of the Company for last three financial years – ₹77.26 crores

4. Prescribed CSR Expenditure (2% of the amount mentioned at point 3 above) – ₹1.55 crores

5. Details of CSR spent during the financial year 2019-20:

- total amount to be spent for the financial year - ₹1.55 crores
- amount unspent, if any - Nil
- manner in which the amount was spent during the financial year -

(₹ in crore)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: direct or through implementing agency
1	Renovation & Modernisation of Govt. Girls School, Faridabad	Promoting education, among children, women.	Local Area Haryana District -Faridabad	0.26	Direct expense: 0.26 Overhead expense: Nil	0.26	Through implementing agency: Ek Sangharsh
2	Pink Health	Promoting health care including preventive health care	Local Area Haryana District -Faridabad	0.01	Direct expense: 0.01 Overhead expense: Nil	0.01	Through implementing agency: Ek Sangharsh
3	Primary Education	Promoting education, including special education and employment enhancing	Local Uttar Pradesh Village Nithari District - Gautam Budh Nagar	0.10	Direct expense: 0.10 Overhead expense: Nil	0.10	Through implementing agency: SETU School
4	Vocational Lab	enhancing vocation skills especially among children, women, and livelihood enhancement projects. Women Empowerment	Local Haryana District - Faridabad	0.20	Direct expense: 0.20 Overhead expense: Nil	0.20	Through implementing agency: Dr. O. P. Bhalla Foundation
5	Preservation & promotion of national heritage art, culture & traditions	Protection of national heritage, art and culture	Tribal villages - Himachal Pradesh	0.50	Direct expense: 0.50 Overhead expense: Nil	0.50	Through implementing agency: Vanvasi Raksha Parivar Foundation
6	Subsidised food at Civil Hospital	Eradicating hunger	Local Haryana District - Faridabad	0.02	Direct expense: 0.02 Overhead expense: Nil	0.02	Through implementing agency: Faridabad Navchetna Trust

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: direct or through implementing agency
7	Navinikaran	Promoting health care including preventive health care	Kolkata West Bengal	0.46	Direct expense: 0.46 Overhead expense: Nil	0.46	Through implementing agency: Calcutta Medical Research Institute Trust
TOTAL						1.55	

6. In case the Company fails to spend 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board Report:

Not Applicable, as the Company has spent full amount.

7. Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For **Orient Electric Limited**

K. Pradeep Chandra
Chairman – CSR Committee
DIN:05345536

For **Orient Electric Limited**

Rakesh Khanna
Managing Director & CEO
DIN:00266132

ANNEXURE D

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis- Nil

- | | |
|--|--|
| <p>a. Name(s) of the related party and nature of relationship – Not Applicable</p> <p>b. Nature of contracts / arrangements / transactions – Not Applicable</p> <p>c. Duration of the contracts / arrangements / transactions – Not Applicable</p> <p>d. Salient terms of the contracts or arrangements or</p> | <p>transactions including the value, if any – Not Applicable</p> <p>e. Justification for entering into such contracts or arrangements or transactions – Not Applicable</p> <p>f. Date(s) of approval by the Board – Not Applicable</p> <p>g. Amount paid as advances, if any – Not Applicable</p> <p>h. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 - Not Applicable</p> |
|--|--|

2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

Related Party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any. (In ₹ crores)	Date(s) of approval by the Board, if any
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During the financial year 2019-20 no 'Material' (as per Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Related Party Policy of the Company) contracts or arrangements or transactions were entered into with any related party of the Company.

June 01, 2020
New Delhi

For and on Behalf of the Board of Directors
For **Orient Electric Limited**

Chandra Kant Birla
Chairman
DIN: 00118473

ANNEXURE E

Details of Remuneration

As per Section 197 of the Companies Act, 2013 (the "Act") and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A. Details as per Section 197 of the Act and Rule 5(1):

(i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:

Sr. No.	Name of Director	Designation	Ratio of Remuneration to median remuneration of employees
Executive Director			
1	Mr. Rakesh Khanna	Managing Director & CEO	40.40
Non-Executive Directors*			
1	Mr. Chandra Kant Birla	Chairman	4.12
2	Mr. Desh Deepak Khetrapal	Vice Chairman	2.06
3	Mr. TCA Ranganathan	Independent Director	1.76
4	Mr. K. Pradeep Chandra	Independent Director	1.47
5	Mrs. Alka Marezban Bharucha	Independent Director	1.47

(ii) Percentage increase in remuneration of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, in the financial year 2019-20 is as follows:

Sr. No.	Name of the Directors / KMP's	Designation	Percentage increase / (decrease) in remuneration in the financial year 2019-20*
1	Mr. Chandra Kant Birla	Chairman	-
2	Mr. Desh Deepak Khetrapal	Vice Chairman	40
3	Mr. TCA Ranganathan	Independent Director	20
4	Mr. K. Pradeep Chandra	Independent Director	-
5	Mrs. Alka Marezban Bharucha	Independent Director	-
6	Mr. Rakesh Khanna	Managing Director & CEO	12
7	Mr. Saibal Sengupta	Chief Financial Officer	11
8	Mr. Hitesh Kumar Jain	Company Secretary	9

*For Non-Executive Directors, ratio and percentage increase are based on the remuneration in the form of Commission and excluding sitting fees.

(iii) Median Remuneration:

Median annual remuneration of employees has been increased by 9.1% during the financial year 2019-20 over the previous financial year.

(iv) Permanent Employees:

The Company had 997 permanent employees on its rolls as on March 31, 2020.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and**point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of employees other than the managerial personnel during the financial year 2019-20 was 8.2%. Keeping in view the duties and responsibilities cast on the Managing Director & CEO and considering his knowledge of various aspects relating to the Company's affairs, the percentage increase in his remuneration for the same financial year was 12%.

(vi) The Company affirms that the remuneration to Directors and employees during the financial year 2019-20 is as per its Nomination and Remuneration Policy.

B. Details as per Section 197 of the Act and Rule 5(2) and 5(3):

1. Statement of Top 10 permanent employees in terms of remuneration drawn during the financial year 2019-20:

Sr. No.	Employee Name	Designation	Remuneration (₹ crores)	Educational Qualification	Age (Years)	Experience (Years)	Date of Commencement of Employment	Previous Employment	% of Equity Shares held by the employee in the Company
1	Mr. Rakesh Khanna	Managing Director & CEO	3.38	B.E. - Mechanical MBA - Marketing	57	34	December 01, 2014	Jumbo Electronic-Head, Sony & IT Products, UAE	Negligible
2	Mr. Atul Jain	Exec. Vice President - Fans BU & International Business	2.51	B.Tech - Mechanical, MBA	53	30	July 04, 2017	LeEco Technology - COO & Head of India Operations	Negligible
3	Mr. Srihari Madhava Rao	Sr. Vice President -Innovation	2.08	B. Tech. - ECE	48	26	March 19, 2018	Philips Lighting India Ltd. - VP & Global R&D Head Professional Lighting System	Negligible
4	Mr. Saibal Sengupta	Chief Financial Officer	1.85	B. Com, CA	57	23	April 02, 2018	Usha International - CFO	Negligible

Sr. No.	Employee Name	Designation	Remuneration (₹ crores)	Educational Qualification	Age (Years)	Experience (Years)	Date of Commencement of Employment	Previous Employment	% of Equity Shares held by the employee in the Company
5	Mr. Puneet Dhawan	Exec. Vice President - Lighting BU & Switchgear, Wiring Accessories	1.75	B.Tech. – Agriculture MBA (Sales & Marketing)	52	29	September 09, 2013	Crompton Greaves Ltd.- GM Sales (Consumer Business Unit)	Nil
6	Mr. Arvind Kumar Singh	VP & Head- Manufacturing - Fans	1.54	B.E. (Mechanical)	54	31	May 02, 2016	Hero Cycles Ltd. - Executive Director – Operations	Nil
7	Mr. Ashok Kumar Singh	SBU Head (Switchgear & Wiring Accessories)	1.20	B.Tech. (Electricals) M.Tech. (Electricals)	56	30	Jun 24, 2015	Havells India P. Ltd. - VP- Industrial Product	Nil
8	Mr. Ravi Chopra	Vice President - Human Resources	1.12	B.Sc. Masters (HRM)	45	21	July 25, 2016	Samsung India Electronics Pvt. Ltd – Director- HR	Nil
9	Mr. Pushp Saurabh Baishakhia*	SBU Head Appliances	0.94	B.Sc. – Electronics MBA (Sales & Marketing)	46	22	October 05, 2015	LG Electronics India Pvt. Ltd - Business Head	Nil
10	Ms. Nitu Jaiswal	Asst. Vice President - Special Channel	0.85	M. Sc. - Botany P.G.D.B.M - (Marketing & HR)	52	22	May 01, 2018	Spencer's Retail - Vice President Marketing	Nil

*Resigned from the Company w.e.f October 14, 2019.

2. During the financial year 2019-20, employees of the Company, other than Managing Director & CEO, mentioned in Point No. 1 above from Sr. No. 2 to 8, received remuneration of one crore and two lac rupees or more per annum while working for the whole year.
3. Employees of the Company, other than Managing Director & CEO, who, during the financial year 2019-20, received remuneration at the rate of not less than eight lacs and fifty thousand rupees per month while working for a part of the year:

Sr. No.	Employee Name	Designation	Remuneration (INR crores)	Educational Qualification	Age (Years)	Experience (Years)	Date of Commencement of Employment	Previous Employment	%age of Equity Shares held by the employee in the Company
1	Mr. Pushp Saurabh Baishakhia*	SBU Head Appliances	0.95	B.Sc. - Electronics MBA (Sales & Marketing)	46	22	October 05, 2015	LG Electronics India Pvt. Ltd - Business Head	Nil
2	Mr. Salil Kapoor**	Business Head - Appliances	0.50	B.E.- Mechanical MBA - (Sales & Marketing)	51	30	December 10, 2019	Voltas Ltd. - Chief Operating Officer	Nil

* Resigned from the Company w.e.f. October 14, 2019.

** Appointed w.e.f. December 10, 2019.

4. No employee was in receipt of remuneration in the financial year 2019-20 which, in the aggregate, or as the case may be, was at a rate which, in the aggregate, is in excess of that drawn by the Managing Director & CEO and hold by himself or along with his spouse and dependent children, two percent of the equity shares of the Company.
- year and excludes any benefits accrued but not paid during the year under review.
- b. Nature of employment is contractual in all cases.
- c. None of the above employees is a relative of any Director or Manager of the Company. Managing Director & CEO is not related to any other Director of the Company.

Note:

- a. The remuneration includes employer's contribution to Provident Fund and other similar Fund, as the case may be, but excludes the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Remuneration is calculated on actual receipt basis, including variable pay paid during the financial year 2019-20, belonging to the previous financial

For and on behalf of the Board of Directors
For **Orient Electric Limited**

Chandra Kant Birla

Chairman

DIN: 00118473

New Delhi
June 01, 2020

ANNEXURE F

Conservation of Energy and Technology Absorption

A. Conservation Of Energy

Environmental sustainability is embedded in procedures followed by your Company. As part of long-term sustainability, your Company ensures that the products, packaging and operations are safe for employees, consumers and the environment. Your Company ensures this with a focus on technologies, processes and improvements that have a positive impact on the environment. In your Company, processes are guided by sustainability. The Company gives the highest priority to ensure that environment friendly practices are followed at all its plants and offices. These include reduction in power consumption, optimal water consumption, eliminating excess use of paper and using eco-friendly products, operating with a rooftop solar system in offices. Energy always remains a material aspect from climate change as well as an operational perspective. During the year 2019-20, the Company has implemented various measures with best available solutions towards energy conservation as mentioned hereunder:

Steps taken and impact on conservation of energy:

- Installation of Variable Frequency Drives (VFD) in coil machines, spot welding machines, conveyor and lifts to reduce power consumption.
- Optimization of energy consumption in production and non-production processes.
- Replacement of equipment motors with low-capacity energy-efficient motors.
- Automation of cooling tower in the plant to avoid idle running.
- Replacement of conventional lights with LED lights which reduces the electricity consumption by 50%.

Alternate source of energy:

Wherever possible, the Company is using sunlight on manufacturing floors and rooftop Solar Panels in its offices. It not only reduces the dependency on conventional energy but also saves electricity consumption.

B. Technology Absorption

Your Company is committed towards technology driven innovation and inculcating an innovation driven culture within the organisation. During the year under review, your Company continued to work on advanced technologies, upgradation of existing technology and capability development in the critical areas for current and future growth.

The efforts taken by your Company towards technology development and absorption help deliver competitive advantage and market leadership through the launch of customer centric products and variants, introduction of new features and improvement of product performance. Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness and energy conservation are the major benefits derived by using new and advanced technology.

Following activities were undertaken during the year under review:

For Products:

For product lines, the efforts of the Company are directed towards improving quality, building new features, reducing cost, increasing product lifecycle and conservation of energy.

- Inverter technology adopted for all newly developed fans which resulted in less power consumption, cost reduction, increased life cycle. Use of Inverter technology enabled BLDC Motor in ceiling fan can save upto 50% in power consumption compared to the conventional Induction Motor. Efforts were made to use Electronically Commutated Motor in fans and air coolers which resulted in saving 50% in electricity consumption cost, increased lifecycle and safety for end consumers.
- Ecotech energy saver technology, used in some of the ceiling fans of the Company, can maximize a small amount of energy into required energy to ensure the highest air delivery.
- Intelligent Software Building of the smart & eco mode of

water heaters resulted in improved product benefits and cost reduction.

- BEE 5 Star rated products launched, which are 10% more energy efficient than 4 Star Models.
- Introduced Driver on Board technology products for LED lighting.
- Introduced inverter technology-based emergency bulb & batten, which would help consumers to have the optimum utilisation of energy.
- Developed Solar LED Street Lights. This would result in effective utilisation of natural resources and energy conservation.
- Developed a new range of Modular Switches - Kris with 3AB technology that provides an unprecedented three layers of safety.

In Operations:

In the manufacturing process, the Company has taken several steps to automate the process, which resulted in lessor human intervention, improvement in product quality and reduction in bill of material cost, waste and production time.

- Installed fully automatic wire stripping & cutting machine to automate the plant operations.
- Installed automatic pouch sealing machine for accessories assembly section.
- Installed automatic coil making machine for high rating coils.
- Installed check weigher in production packaging & stores dispatch to eliminate shortage cases.
- Installed semi-automatic riveting machine for isolator and multipole MCBs in the assembly line.
- Introduced automatic rivet fixing & crimping machine to fix the rivet and crimp the aluminum cap to plastic housing.
- Eliminated aluminum cap soldering process in LED lights thereby reducing fumes at production floors.
- Installed high placement speed Surface Mount Technology Machine.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- Details of technology imported: Automatic Rivet fixing & Crimping Machine
- Year of import: FY 2019-20
- Whether the technology has been fully absorbed: Initially

its was implemented in one section of the Plant. Now, after getting satisfactory results, Company is planning to implement it in other sections of the plant as well during the financial year 2020-21.

B. Research & Development

Specific areas in which research and development was carried out by your Company during the financial year 2019-20 include the following:

- Orient become the #1 company in India to launch IOT based Super Smart fans operated with Google Home/Alexa devices.
- Launch of aerodynamics based "Aero series" – latest technology w.r.t Fan performance & efficiency.
- Launch of IOT based Products – LED lamp and LED Batten which provide comfort and ease of use for modern consumers.
- EyeLuv LEDs with the revolutionary Flicker-Control-Technology (FCT) launched for LED Bulbs and LED Battens. FCT reduces the harmful invisible flicker present in the LED lighting source which causes eyestrain, eye-fatigue and many other health complications, thus making it better and safer for overall eye health.
- Development of BEE 5 Star rated LED lamps which are 20% more efficient as compared to 3 Star rated LED lamps.
- Introduction of newly established Facade Lighting segment focusing on dynamic lighting of heritage monuments / modern buildings.
- Developed energy efficient BLDC motor-based fans, which are compatible with normal regulator used in the Indian market.
- Introduced Modular switch range (Kris) developed with the USP of 3AB Technology.
- Launched Smart Plug, Key Tag Holder, Hospitality range, Wireless Bells, Ringo Holder, Salus Bloom Plate Range, Shakti Metal Boxes, Reel, MCB type change over & Off load change over DP/ FP plastic enclosure.
- Electronically Commutated Motor, Eco Friendly Insulation Puff, are also some of the areas in which research & development was carried out.
- Launch of Inverter series fan with Inverter technology which consumes 57% less power and reduces the electricity bill by approximately 50% as compared to Induction Fan Motor. Inverter technology increases the durability of the motor, reduces motor noise and also

doubles the efficiency of operation. Saving in the cost of electricity consumption is explained as under:

Particulars	Conventional Fan	Inverter-Series Fan
Power Consumption	75W	32W
Per day usage (Hours)	16	16
KWH Units per day (power*hours/1000)	1.2	0.512
Electricity bill per day @ 6.5 INR/Unit	7.8	3.33
Electricity bill per annum (INR)	2,847	1,215
Annual savings on 1 Fan (INR)		1,632
Annual savings on 4 Fans (INR)		6,529

Future Plan of Actions:

Your Company believes in using newer technologies with more automation which improves product qualities, introduces new features, increases the lifecycle of the products and reduces cost. It has always been Company's endeavour to give comfort to the end user of its products by use of ever evolving technology be it development of Inverter Series Electronically Commutated Motors, or wi-fi / IOT based products or Flicker-Control-Technology. In this direction for carrying out its research activities, the Company is developing a new centralised R&D centre.

Expenditure on Research & Development

The Company has an in-house research and development lab registered with the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology. During the financial year 2019-20, the Company incurred ₹1.10 crores on its research & development activities carried out in the above lab.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange earnings and outgo during the year under review are as follows: (₹ in crores)

Particulars	For the financial year ended March 31, 2020	For the financial year ended March 31, 2019
Foreign Currency Earnings	94.34	85.36
Foreign Exchange Outgo	109.54	140.92

June 01, 2020
 New Delhi

For and on Behalf of the Board of Directors
 For **Orient Electric Limited**

Chandra Kant Birla
Chairman
 DIN: 00118473

ANNEXURE G

Form MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

1	CIN	L31100OR2016PLC025892
2	Registration Date	October 10, 2016
3	Name of the Company	Orient Electric Limited
4	Category / Sub-Category of the Company	Company limited by shares
5	Address of the registered office and contact details	Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha – 751012
6	Whether listed company (Yes / No)	Yes
7	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	#KFin Technologies Private Limited Karvy Selenium Tower B, Plot 31 -32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032

*Effective from May 10, 2019, Registrar and Share Transfer Agent of the Company was changed to Kfin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) from MCS Share Transfer Agent Limited.

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the Company:

Name and description of main products / services	NIC Code of the product / service	% to total Turnover of the Company
Lighting, Electrical distribution and Wiring devices	2740 / 2710 / 2733	27.65%
Electrical Fans and Appliances	2750	72.35%

III. Particulars of Holding, Subsidiary and Associate Companies – Not Applicable

Sr. No.	Name of Company	Address of Company	CIN / GLN	Holding / Subsidiary /Associate	% of shares held as on 31.03.2020	Applicable Section
Not Applicable						

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(I) Category-wise shareholding

	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2019)				No. of shares held at the end of the year (as on 31.03.2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	76,04,945	-	76,04,945	3.58	76,04,945	-	76,04,945	3.58	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	7,41,28,349	-	7,41,28,349	34.94	7,41,28,349	-	7,41,28,349	34.94	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	8,17,33,294	-	8,17,33,294	38.52	8,17,33,294	-	8,17,33,294	38.52	-
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8,17,33,294	-	8,17,33,294	38.52	8,17,33,294	-	8,17,33,294	38.52	-
B.	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds	3,18,40,320	-	3,18,40,320	15.01	3,30,10,323	-	3,30,10,323	15.56	0.55
(b)	Banks / Financial Institutions	66,758	93,460	1,60,218	0.08	1,84,529	93,460	2,77,989	0.13	0.06
(c)	Central Govt / State Govt.	-	4,000	4,000	0.00	-	4,000	4,000	0.00	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	84,14,083	-	84,14,083	3.97	25,06,096	-	25,06,096	1.18	(2.78)
(f)	Foreign Institutional Investors	88,65,624	-	88,65,624	4.18	1,08,84,072	-	1,08,84,072	5.13	0.95
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any Other (Alternate Investment Fund)	-	-	-	-	63,29,725	-	63,29,725	2.98	2.98
	Sub-Total (B)(1)	4,91,86,785	97,460	4,92,84,245	23.24	5,29,14,745	97,460	5,30,12,205	24.98	1.76

	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2019)				No. of shares held at the end of the year (as on 31.03.2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	1,69,48,201	3,34,120	1,72,82,321	8.14	80,16,310	-	80,16,310	3.78	(4.37)
(ii)	Overseas	38,13,748	-	38,13,748	1.80	38,13,748	-	38,13,748	1.80	-
(b)	Individuals									
I	Individual shareholders holding nominal share capital of up to ₹1 lac	2,44,15,986	7,78,201	2,51,94,187	11.87	2,02,86,534	7,00,191	2,09,86,725	9.89	(1.99)
II	Individual shareholders holding nominal share capital in excess of ₹1 lac	89,04,259	-	89,04,259	4.19	88,16,943	-	88,16,943	4.15	(0.04)
(c)	Others (specify)									
	Trust	1,30,754	-	1,30,754	0.06	3,33,334	-	3,33,334	0.16	0.10
	NBFC	13,000	-	13,000	0.01	2,000	-	2,000	0.00	(0.01)
	IEPF	5,57,238	-	5,57,238	0.26	5,57,238	-	5,57,238	0.26	-
	Co-operative Societies	2,17,43,600	-	2,17,43,600	10.25	2,17,43,600	-	2,17,43,600	10.25	-
	Clearing Members	-	-	-	-	77,081	-	77,081	0.04	0.04
	Non-Resident Indians	35,16,856	12,000	35,28,856	1.66	13,68,298	3,34,120	17,02,418	0.80	(0.86)
	Qualified Institutional Buyer	-	-	-	-	1,13,90,606	-	1,13,90,606	5.37	5.37
	Sub-Total (B)(2)	8,00,43,642	11,24,321	8,11,67,963	38.24	7,64,05,692	10,34,311	7,74,40,003	36.50	(1.76)
	Total Public Shareholding (B)= (B)(1)+(B)(2)	12,92,30,427	12,21,781	13,04,52,208	61.48	12,93,20,437	11,31,771	13,04,52,208	61.48	-
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	21,09,63,721	12,21,781	21,21,85,502	100.00	21,10,53,731	11,31,771	21,21,85,502	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Central India Industries Ltd.	5,25,59,648	24.77	-	5,25,59,648	24.77	-	-
2	Shekhavati Investment and Traders Ltd.	1,27,60,895	6.014	-	1,27,60,895	6.014	6.013	-
3	Nirmala Birla	36,06,410	1.70	-	36,06,410	1.70	-	-
4	Chandra Kant Birla	34,05,893	1.61	-	34,05,893	1.61	-	-
5	Hindusthan Discounting Company Ltd.	23,10,678	1.09	-	23,10,678	1.09	-	-
6	Gwalior Finance Corporation Ltd.	16,49,375	0.78	-	16,49,375	0.78	-	-
7	Amer Investments (Delhi) Ltd.	14,22,000	0.67	-	14,22,000	0.67	-	-
8	Universal Trading Company Ltd.	9,12,280	0.43	-	9,12,280	0.43	-	-
9	Rajasthan Industries Ltd.	6,90,035	0.33	-	6,90,035	0.33	-	-
10	Ashok Investment Corporation Ltd.	6,83,038	0.32	-	6,83,038	0.32	-	-
11	National Engineering Industries Ltd.	5,37,400	0.25	-	5,37,400	0.25	-	-
12	Amita Birla	3,28,000	0.15	-	3,28,000	0.15	-	-
13	Jaipur Finance and Dairy Products Pvt. Ltd.	2,08,000	0.10	-	2,08,000	0.10	-	-
14	India Silica Magnesite Works Ltd.	2,00,000	0.09	-	2,00,000	0.09	-	-
15	Bengal Rubber Company Ltd.	1,95,000	0.09	-	1,95,000	0.09	-	-
16	Avanti Birla	1,34,642	0.06	-	1,34,642	0.06	-	-
17	Avani Birla	1,30,000	0.06	-	1,30,000	0.06	-	-
18	*Shyam Sundar Jajodia & Yogesh Goenka (As trustees of Hindustan Charity Trust)	-	-	-	-	-	-	-

*Currently not holding any shares of the Company, but part of the Promoter Group.

(iii) Change in Promoter' shareholding

Sr. No.		Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	8,17,33,294	38.52	-	-
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
3	At the end of the year (as on 31.03.2020)			8,17,33,294	38.52

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRS and ADRS):

Sr. No.	Name of Shareholder	Shareholding at the beginning (01.04.2019)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2020)	
		No. of shares	% of total shares of the Company	Date	Purchase/ Sale	No. of shares	No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co Ltd- A/C Nippon India Small Cap Fund	1,73,31,541	8.17	05.07.2019	Sale	(2,25,000)	1,71,06,541	8.06
				16.08.2019	Sale	(12,54,600)	1,58,51,941	7.47
				23.08.2019	Sale	(6,750)	1,58,45,191	7.47
				20.09.2019	Purchase	8,600	1,58,53,791	7.47
				18.10.2019	Sale	(9,98,193)	1,48,55,598	7.00
				21.02.2020	Purchase	13,96,851	1,62,52,449	7.66
				28.02.2020	Purchase	10,000	1,62,62,449	7.66
				20.03.2020	Purchase	22,819	1,62,85,268	7.68
				27.03.2020	Purchase	25,000	1,63,10,268	7.69
				31.03.2020			1,63,10,268	7.69
2	ICICI Prudential Life Insurance Company Limited	21,42,999	1.01	31.05.2019	Purchase	32,957	21,75,956	1.03
				07.06.2019	Purchase	29,646	22,05,602	1.04
				28.06.2019	Sale	(56,651)	21,48,951	1.01
				09.08.2019	Purchase	1,55,421	23,04,372	1.09
				16.08.2019	Purchase	11,08,537	34,12,909	1.61
				23.08.2019	Purchase	1,00,000	35,12,909	1.66
				30.08.2019	Purchase	1,10,000	36,22,909	1.71
				04.10.2019	Purchase	2,23,165	38,46,074	1.81
				29.11.2019	Purchase	21,15,872	59,61,946	2.81
				06.12.2019	Purchase	9,41,880	69,03,826	3.25
				13.12.2019	Purchase	35,543	69,39,369	3.27
				20.12.2019	Sale	(1,25,514)	68,13,855	3.21
				27.12.2019	Purchase	1,25,514	69,39,369	3.27
				31.01.2020	Purchase	57,000	69,96,369	3.30
				07.02.2020	Purchase	1,23,929	71,20,298	3.36
				14.02.2020	Purchase	83,447	72,03,745	3.40
28.02.2020	Purchase	4,76,345	76,80,090	3.62				
06.03.2020	Purchase	1,63,474	78,43,564	3.70				
13.03.2020	Purchase	4,33,780	82,77,344	3.90				
20.03.2020	Purchase	1,00,629	83,77,973	3.95				
27.03.2020	Purchase	19,913	83,97,886	3.96				
31.03.2020			83,97,886	3.96				

Sr. No.	Name of Shareholder	Shareholding at the beginning (01.04.2019)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2020)	
		No. of shares	% of total shares of the Company	Date	Purchase/Sale	No. of shares	No. of shares	% of total shares of the Company
3	ICICI Prudential Value Fund - Series 18	15,87,144	0.75	26.04.2019	Purchase	18,110	16,05,254	0.76
				10.05.2019	Purchase	5,570	16,10,824	0.76
				31.05.2019	Purchase	7,761	16,18,585	0.76
				14.06.2019	Purchase	16,875	16,35,460	0.77
				21.06.2019	Purchase	83,947	17,19,407	0.81
				28.06.2019	Purchase	35,263	17,54,670	0.83
				05.07.2019	Purchase	12,834	17,67,504	0.83
				19.07.2019	Purchase	50,276	18,17,780	0.86
				26.07.2019	Purchase	8,04,940	26,22,720	1.24
				02.08.2019	Purchase	10,252	26,32,972	1.24
				09.08.2019	Purchase	99,330	27,32,302	1.29
				16.08.2019	Purchase	63	27,32,365	1.29
				23.08.2019	Purchase	67	27,32,432	1.29
				30.08.2019	Purchase	86,744	28,19,176	1.33
				06.09.2019	Purchase	18,540	28,37,716	1.34
				13.09.2019	Purchase	1,78,026	30,15,742	1.42
				20.09.2019	Purchase	99,288	31,15,030	1.47
				27.09.2019	Purchase	4,038	31,19,068	1.47
				30.09.2019	Purchase	62	31,19,130	1.47
				04.10.2019	Purchase	62	31,19,192	1.47
				11.10.2019	Purchase	62	31,19,254	1.47
				18.10.2019	Purchase	9	31,19,263	1.47
				25.10.2019	Purchase	62	31,19,325	1.47
				01.11.2019	Purchase	1	31,19,326	1.47
				22.11.2019	Purchase	62	31,19,388	1.47
				06.12.2019	Sale	(18,290)	31,01,098	1.46
				20.12.2019	Sale	(4,608)	30,96,490	1.46
				27.12.2019	Purchase	52	30,96,542	1.46
				03.01.2020	Purchase	32,253	31,28,795	1.47
				10.01.2020	Purchase	4,59,688	35,88,483	1.69
				31.01.2020	Purchase	62	35,88,545	1.69
07.02.2020	Purchase	62	35,88,607	1.69				
14.02.2020	Purchase	31	35,88,638	1.69				
28.02.2020	Sale	(18,841)	35,69,797	1.68				
06.03.2020	Purchase	155	35,69,952	1.68				
20.03.2020	Purchase	71,493	36,41,445	1.72				
27.03.2020	Purchase	1,05,937	37,47,382	1.77				
31.03.2020	Purchase	62	37,47,444	1.77				
31.03.2020			37,47,444	1.77				
4	Birla Institute of Technology & Science	35,19,850	1.66	31.03.2020	-	-	35,19,850	1.66
5	Rukmani Birla Educational Society	34,72,140	1.64	31.03.2020	-	-	34,72,140	1.64

Sr. No.	Name of Shareholder	Shareholding at the beginning (01.04.2019)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2020)	
		No. of shares	% of total shares of the Company	Date	Purchase/Sale	No. of shares	No. of shares	% of total shares of the Company
6	Shri Jagannath Educational Institute	31,70,000	1.49	31.03.2020	-	-	31,70,000	1.49
7	ITPL - Invesco India Contra Fund	0	0	05.04.2019	Purchase	2,46,121	2,46,121	0.12
				12.04.2019	Purchase	48,378	2,94,499	0.14
				19.04.2019	Purchase	2,16,614	5,11,113	0.24
				26.04.2019	Purchase	15,23,268	20,34,381	0.96
				03.05.2019	Purchase	19,426	20,53,807	0.97
				10.05.2019	Purchase	1,32,053	21,85,860	1.03
				17.05.2019	Purchase	21,271	22,07,131	1.04
				31.05.2019	Purchase	13,023	22,20,154	1.05
				07.06.2019	Purchase	16,847	22,37,001	1.05
				28.06.2019	Purchase	1,428	22,38,429	1.05
				26.07.2019	Purchase	87,324	23,25,753	1.10
				02.08.2019	Purchase	83,767	24,09,520	1.14
				09.08.2019	Purchase	1,86,091	25,95,611	1.22
				23.08.2019	Purchase	7,463	26,03,074	1.23
				30.08.2019	Purchase	10,67,821	36,70,895	1.73
				06.09.2019	Purchase	1,00,425	37,71,320	1.78
				20.09.2019	Purchase	1,00,109	38,71,429	1.82
				27.09.2019	Purchase	95,518	39,66,947	1.87
				11.10.2019	Purchase	1,40,815	41,07,762	1.94
				18.10.2019	Purchase	4,89,062	45,96,824	2.17
				25.10.2019	Purchase	2,55,338	48,52,162	2.29
				08.11.2019	Purchase	50,533	49,02,695	2.31
				08.11.2019	Sale	(51,217)	48,51,478	2.29
				15.11.2019	Sale	(775)	48,50,703	2.29
				29.11.2019	Sale	(2,94,489)	45,56,214	2.15
				20.12.2019	Sale	(59,981)	44,96,233	2.12
				31.01.2020	Sale	(3,29,854)	41,66,379	1.96
				14.02.2020	Sale	(3,15,461)	38,50,918	1.81
				21.02.2020	Sale	(12,399)	38,38,519	1.81
				28.02.2020	Sale	(4,29,722)	34,08,797	1.61
				06.03.2020	Purchase	54,675	34,63,472	1.63
				06.03.2020	Sale	(4,58,274)	30,05,198	1.42
				20.03.2020	Purchase	60,935	30,66,133	1.45
				31.03.2020			30,66,133	1.45
8	Sri Govinddeo Educational Institute	30,05,000	1.42	31.03.2020	-	-	30,05,000	1.42
9	Shri Venkateshwara Educational Institute	28,51,860	1.34	31.03.2020	-	-	28,51,860	1.34

Sr. No.	Name of Shareholder	Shareholding at the beginning (01.04.2019)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2020)	
		No. of shares	% of total shares of the Company	Date	Purchase/Sale	No. of shares	No. of shares	% of total shares of the Company
10	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	0	0	20.09.2019	Purchase	1,07,735	1,07,735	0.05
				27.09.2019	Purchase	30,037	1,37,772	0.06
				11.10.2019	Purchase	5,604	1,43,376	0.07
				18.10.2019	Purchase	10,45,000	11,88,376	0.56
				25.10.2019	Purchase	1,50,747	13,39,123	0.63
				17.01.2020	Purchase	7,305	13,46,428	0.63
				14.02.2020	Purchase	5,27,000	18,73,428	0.88
				21.02.2020	Purchase	39,500	19,12,928	0.90
				28.02.2020	Purchase	7,672	19,20,600	0.91
				06.03.2020	Purchase	3,88,458	23,09,058	1.09
				13.03.2020	Purchase	1,15,252	24,24,310	1.14
				20.03.2020	Purchase	1,98,731	26,23,041	1.24
				27.03.2020	Purchase	2,21,803	28,44,844	1.34
				31.03.2020			28,44,844	1.34

(V) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Director/ KMP	Shareholding at the beginning of the year (as on 01.04.2019)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (as on 31.03.2020)	
		No. of shares	% of total shares of the Company	Date	Purchase/Sale	No. of shares	No. of shares	% of total shares of the Company
A. Directors								
1	Mr. Chandra Kant Birla (Chairman and Non-Executive Director)	34,05,893	1.61	-	-	-	34,05,893	1.61
2	Mr. Rakesh Khanna (Managing Director & CEO)	0	0	12.03.2020	Purchase	100	100	-
3	Mr. Desh Deepak Khetrpal (Non-Executive Director)	-	-	-	-	-	-	-
4	Mr. TCA Ranganathan (Independent Director)	-	-	-	-	-	-	-
5	Mr. K Pradeep Chandra (Independent Director)	-	-	-	-	-	-	-
6	Mrs. Alka Marezban Bharucha (Independent Director)	-	-	-	-	-	-	-
B. Key Managerial Personnel								
1	Mr. Saibal Sengupta (Chief Financial Officer)	0	0	26.06.2019	Purchase	2,500	2,500	-
2	Mr. Hitesh Kumar Jain (Company Secretary)	0	0	13.03.2020	Purchase	2	2	-

V. Indebtedness

Details of Indebtedness for the financial year 2019-20:

(₹ In crores)

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	94.94	40.00	-	134.94
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.03	-	-	0.03
Total (i+ii+iii)	94.97	40.00	-	134.97
Change in Indebtedness during the financial year				
i. Addition	-	60.00	-	60.00
ii. Reduction	56.43	40.00	-	96.43
Net Change	(56.43)	20.00	-	(36.43)
Indebtedness at the end of the financial year				
i. Principal Amount	38.51	60.00	-	98.51
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.29	-	-	0.29
Total (i+ii+iii)	38.80	60.00	-	98.80

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager:

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Rakesh Khanna (Managing Director & CEO)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	3.06	3.06
	(b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961	Nil	Nil
2.	Stock Option (No. of options)	5,13,138*	5,13,138
3.	Sweat Equity	Nil	NA
4.	Commission	NA	NA
	- as % of profit		
	- others, specify		
5.	Others	0.14	0.31
	Employer's contribution to PF	0.17	
	Superannuation Fund		
	Total (A)		3.37

Ceiling for remuneration to Managing Director & CEO: 5% of the net profit for the financial year ended March 31, 2020, as per Section 198 of the Act.

Note: The remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Remuneration is inclusive of variable pay, paid during the financial year 2019-20, belongs to the previous financial year 2018-19.

*Granted during the financial year 2018-19, which shall vest in April 2022 and April 2023 in the ratio of 40% and 60% respectively.

B. Remuneration to other Directors (Non-Executive Directors)

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Chandra Kant Birla	Mr. Desh Deepak Khetrapal	Mr. TCA Ranganathan	Mr. K Pradeep Chandra	Mrs. Alka Marezban Bharucha	
1	Fee for attending Board and Committee Meetings	0.06	0.15	0.155	0.13	0.15	0.645
2	Commission	0.35	0.175	0.15	0.125	0.125	0.925
3	Others, please Specify	-	-	-	-	-	-
	Total (B)	0.41	0.325	0.305	0.255	0.275	1.57

Ceiling for commission: 1% of the net profit for the financial year ended March 31, 2020, as per Section 198 of the Act.

Total Managerial Remuneration (A+B) ₹4.94 crores

Overall Ceiling as per the Act: 11% of the net profit for the financial year ended March 31, 2020, as per Section 198 of the Act.

C. Remuneration to Key Managerial Personnel (Other than MD / MANAGER / WTD)

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount
		Saibal Sengupta	Hitesh Kumar Jain	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	1.79	0.39	2.18
	(b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option (No. of options)	1,65,408*	NA	1,65,408
3.	Sweat Equity	NA	NA	NA
4.	Commission			
	- as % of profit	NA	NA	NA
	- others, specify			
5.	Others Employer's contribution to PF	0.06	0.01	0.07
	Total	1.85	0.40	2.25

Note: The remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Remuneration is inclusive of variable pay, paid during the financial year 2019-20, belongs to the previous financial year 2018-19.

*Granted during financial year 2018-19 which shall vest in April 2022 and April 2023 in the ratio of 40% and 60% respectively.

VII. Penalties/Punishment/Compounding of Offences against Company/Directors/Officers in default under the Act:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

June 01, 2020
New Delhi

For and on Behalf of the Board of Directors
For **Orient Electric Limited**

Chandra Kant Birla
Chairman
DIN: 00118473

Business Responsibility Report for the Financial Year 2019-20

This Business Responsibility Report ('BRR') of Orient Electric Limited (the 'Company') is in accordance with the provisions of clause (f) of sub regulation (2) of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and is as per the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India. This BRR is a disclosure of responsible business practices adopted by the Company for all its stakeholders.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L31100OR2016PLC025892
2.	Name of the Company	Orient Electric Limited
3.	Registered Address	Unit –VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, (Odisha), India
4.	Website	www.orientelectric.com
5.	E-mail id	investor@orientelectric.com
6.	Financial Year Reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Consumer Electric Goods
	Group	Description
	2740 / 2710 / 2733	Lighting, Electrical Distribution and Wiring devices
	2750	Electrical Fans and Appliances
	<i>(Description as per National Industrial Classification, issued by Ministry of Statistic and Programme Implementation)</i>	
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is primarily engaged in the manufacturing and selling / trading of Fans & Appliances under Electric Consumer Durables, LED Lighting, MCBs and Switches under Lighting & Switchgear segments.
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	Company has a Representative Office (Branch) in DMCC (free trade zone), Dubai.
	b. Number of National Locations	Company has 4 manufacturing plants. For locations of the plants refer Corporate Governance Report in the Annual Report for the financial year 2019-20. Apart from above plants, the Company has 17 offices and 26 warehouses spread in several States / Union Territories in India.
10.	Markets served by the Company – Local/State/National/International	Company serves both, national as well as international markets. In national, Company's products are sold pan-India, while out of India, Company's products are sold in 32 international markets.

Section B: Financial Details of the Company

1.	Paid-up Capital (INR)	₹21,21,85,502/-
2.	Total Turnover (INR)	₹2061.82 crores
3.	Total profit after taxes (INR)	₹78.51 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company spent 2% (₹1.55 crs.) of average net profit of the Company made during the last three financial years, as per Section 198 of the Companies Act, 2013, on CSR activities during the financial year 2019-20. Please refer Annual Report on CSR given as Annexure – C in the Directors' Report for the financial year 2019-20.
5.	List of activities in which expenditure in 4 above has been incurred	a. Women Empowerment through vocational and skill training b. Education c. Healthcare d. Protection of national heritage, art & culture.

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable. The Company does not have any subsidiary company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	N.A.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for the implementation of BR policy/policies

Sr. No.	Particulars	Details
1	DIN Number	00266132
2	Name	Mr. Rakesh Khanna
3	Designation	Managing Director & Chief Executive Officer

b. Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Mr. Saibal Sengupta
3	Designation	Chief Financial Officer
4	Telephone No.	011-40507000
5	Email – ID	saibal.sengupta@orientelectric.com

Principle-wise (as per national Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business {NVGs}) BR Policies/ Policies (Reply in Y/ N):

Principle 1 (P1) Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2 (P2) Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3 (P3) Businesses should promote the well-being of all employees.

Principle 4 (P4) Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5 (P5) Businesses should respect and promote human rights.

Principle 6 (P6) Businesses should respect, protect and make efforts to restore the environment.

Principle 7 (P7) Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8 (P8) Businesses should support inclusive growth and equitable development.

Principle 9 (P9) Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy(ies) for..	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies and processes referred, are in the best interest of the Company and the relevant stakeholders, internal and external. During the formulation of these policies and processes, the stakeholders, to the extent possible and considered relevant, were consulted and regulatory provisions, wherever applicable & industry standards, as deemed appropriate, were considered.								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes. Refer Note 1	Yes. Refer Note 1	Yes. Refer Note 1	Yes. Refer Note 1	Yes. Refer Note 1	Yes. Refer Note 1	NA	Yes. Refer Note 1	Yes. Refer Note 1
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner/ CEO / appropriate Board Director?	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	NA	Refer Note 1	Refer Note 1
5	Does the company have a specified committee of the Board / Director/ Official to oversee the implementation of the policy?	Yes. Refer Note 2	Yes. Refer Note 2	Yes. Refer Note 2	Yes. Refer Note 2	Yes. Refer Note 2	Yes. Refer Note 2	NA	Yes. Refer Note 2	Yes. Refer Note 2
6	Indicate the link for the policy to be viewed online?	Refer Policy Links below	Refer Policy Links below	Refer Policy Links below	Refer Policy Links below	Refer Policy Links below	Refer Policy Links below	NA	Refer Policy Links below	Refer Policy Links below
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
8	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. Refer Note 3	Yes. Refer Note 3	Yes. Refer Note 3	Yes. Refer Note 3	Yes. Refer Note 3	Yes. Refer Note 3	NA	Yes. Refer Note 3	Yes. Refer Note 3

If answer to the question in serial no. 1. above, against any principle, is 'No', explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task					Not Applicable				
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Policies and Links:

P1: Disciplinary Action Policy, Company's Values and Compliance Management Policy are internal policies and available on the Company's intranet portal. Code of Ethical Standards & Behavioural Conduct Policy, Whistle Blower Policy, Code of Conduct for Directors & Senior Management and Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information are available on the website of the Company. The link to the policies is provided below under the head Policy Links.

P2: Quality Policy, Media & Communication Policy, Social Media Policy, Occupational Health & Safety Policy, Company's Values, General Guidelines for In-shop Demonstrator & Regional Sales Officers related to training the employees about the products to create consumer awareness, Safety Guidelines of the Products and SOP on Research and Development of new products – are Internal policies of the Company.

P3: Group Mediclaim and Personal Accident Policy, HiFlyer Policy, WOW Policy, Group Term Insurance Policy, Prevention of Sexual Harassment at Workplace Policy, Marriage Gift Policy, Team Get Together Policy are internal policies and available on Company's intranet portal. Whistle Blower Policy is available on the website of the Company. The link to the policy is provided below under the head Policy Links.

P4: Policies on after sale services and Prevention of Sexual Harassment at Workplace Policy are internal policies. CSR Policy and Whistle Blower Policy are available on the website of the Company. The link to the policies is provided below under the head Policy Links.

P5: Prevention of Sexual Harassment at Workplace Policy and Disciplinary Action Policy are available on the Company's intranet portal. Code of Ethical Standards & Behavioural Conduct Policy and Whistle Blower Policy are available on the website of the Company. The link to the policies is provided below under the head Policy Links.

P6: Occupational Health & Safety Policy, SOP on Environment, Health and Safety, Safety Guidelines of the Products, are internal policies available on the Company's intranet. As an environment friendly move, the Company discourages the use of non-biodegradable plastic, thermocol and tissue papers and encourages Tree Plantation.

P8: SOP on Research and Development of new products is an internal policy; CSR Policy is available on the website of the Company. The link to the policy is provided below under the head Policy Links.

P9: Quality Policy, Policies on after sale services, Media & Communication Policy, Social Media Policy, are internal policies of the Company.

Policy Links:

Code of Ethical Standards & Behavioural Conduct Policy	https://www.orientelectric.com/code-of-ethical-standards-and-behavioural-conduct.pdf
Code of Conduct for Directors & Senior Management	https://www.orientelectric.com/images/investors/code-of-conduct-for-directors-and-senior-management.pdf
Whistle Blower Policy	https://www.orientelectric.com/images/investors/whistle-blower-policy.pdf
Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information	https://www.orientelectric.com/images/investors/code-of-conduct-for-fair-disclosure-of-upsi.pdf
CSR Policy	https://www.orientelectric.com/images/investors/corporate-social-responsibility-policy.pdf

Notes:

1. Policies confirm to applicable statutory provisions, national and industry's best prevailing standards such as Companies Act, 2013, Listing Regulations, Legal Metrology Act, 2009, Bureau of Indian Standards Act, 1986, The Advertising Standards Council of India and other applicable labour laws. Policies framed under the above statutory provisions are approved by the Board of Directors and signed by the Managing Director & CEO, while the other policies are approved and signed by the Managing Director & CEO or respective Business / Function Head, as applicable.
2. Corporate Social Responsibility Committee of the Board administers the CSR Policy, while the Executive Committee oversees the execution of CSR projects. Audit Committee oversees the Whistle Blower Policy and Compliance Management Policy. Code of Conduct for Directors & Senior Management is overseen by the Board of Directors, while the implementation of the Code of Ethical Standard and Behavioural Conduct for employees is looked after by the Human Resource Department. Media & Communication Policy and Social Media Policy are implemented by the Branding & Corporate Communication Department in confirmation with the Managing Director & CEO. Environment, Health & Safety Policy is implemented by Plant Heads under the supervision of the Managing Director & CEO of the Company. After Sales Service Policies for redressing customers' complaints are looked after by the Service Head. Shareholders' grievance redressal mechanism is managed by the Company Secretary. Quality and Research & Development policies are supervised by respective quality heads of the plants.
3. Policies and procedures referred are reviewed periodically by concerned internal teams as well as independent Internal Auditors.

2. Governance Related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The requirement of the Business Responsibility Report is applicable on the Company for the first time. The Board / Committee thereof will be reviewing the Business Responsibility performance annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes. The Business Responsibility Report is part of the Annual Report and is approved by the Board of Directors of the Company. The Company will publish this Business Responsibility Report on its website and shall be available at <http://www.orientelectric.com/images/investors/Annual-Report-2019-20.pdf>.

Section E– Principle Wise Performance

Principle 1: Ethics, Transparency and Accountability

a. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers /Contractors /NGOs / Others?

The Company is committed to the highest standards of moral, integrity – professional and financial and business ethics in its business operations. The Company is also committed to create a workplace, at all of its working locations, that, all the time, is free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct. In order to maintain these standards, the Company has adopted the 'Code of Ethical Standards & Behavioural Conduct' ('**Code of Ethics**') for all its employees, which lays down the principles and standards that governs the actions of the employees in the course of conduct of the business of the Company. It covers all dealings of the employees with vendors, customers, and other business partners and strictly prohibits resorting to any unethical, corrupt and illegal business practices or processes. However, there is no separate policy as such for ethics, bribery and corruption. Any actual or potential violation of the Code of Ethics, however insignificant it be, would be a matter of serious concern for the Company, which would warrant a disciplinary action under Disciplinary Policy, HR Practices and other HR Policies. The Company has also adopted a 'Code of Conduct for Directors & Senior Management' applicable to all its Senior Management and Directors, which lays down the duties and responsibilities of all members of Senior Management and Board.

The above codes apply only to Company, its Directors and employees and all their dealings with suppliers, vendors, customers and contractors on behalf of the Company, but do not extend to group, suppliers, contractors, NGOs, or other entities as far as their own internal operations are

concerned.

b. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has set up a different set of processes and procedures for enabling its various stakeholders to raise concerns. As part of its vigil mechanism, the Company adopted 'Whistle Blower Policy'. The Whistle Blower Policy provides a channel to the Whistle Blower to report to the Audit Committee concerns about illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Ethics. The Company has designated a separate email id: **whistle.blower@orientelectric.com** where any stakeholder can lodge their concerns. The vigil mechanism provides for complete confidentiality and adequate safeguards against victimization of Whistle Blower. Under the Prevention of Sexual Harassment of women at Workplace Policy ('**POSH**'), the matter can be reported to Internal Complaint Committee. For customers, the Company has created separate email id: **customer.connect@orientelectric.com** for enabling its customer to lodge their complaints. 99.89% complaints received from customers during the financial year 2019-20 were resolved upto the satisfaction of the customers and 0.11% of the complaints were pending as on March 31, 2020. All customer complaints were related to products, which have been attended on priority and none were related to unethical conduct. For shareholders, as part of its investors' friendly move and also in compliance with Listing Regulations, the Company has created an email id: **investor@orientelectric.com** where shareholders can connect with the Company for resolution of their concerns or seeking any services.

During the financial year 2019-20, following complaints were received under vigil mechanism, POSH and from shareholders:

Complaints	Vigil Mechanism	POSH	Shareholders
Pending as on April 1, 2019	Nil	Nil	Nil
Received during the financial year 2019-20	2	1	1
Resolved during the financial year 2019-20	2	1	1
Pending as on March 31, 2020	Nil	Nil	Nil

Principle 2: Products Life Cycle Sustainability

a. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the manufacturing and trading of Electrical Consumer Durables and Lighting & Switchgear products. The Company always remains focused on manufacturing products with a sustainable life cycle through product innovation and consumer-centric approaches coupled with environment protection.

1. Energy Efficient Products: Research and development team of the Company is fully committed to develop newer and advanced technologies that enable less energy consumption and more output and at the same time environment friendly. Ecotech energy saver Fans, Inverter-Series Fans and Coolers and 5-star BEE rating Storage Water Heaters are examples of the Company's commitment to energy conservations and greener environment.

2. Flicker controlled LED lamps and Battens: Considering the harmful effect of flickering in human eyes, the Company developed flicker-controlled LED lamps and Battens.

3. Eco-friendly products: Company is always endeavouring to develop newer and innovative technologies and products which are environment friendly as well as safe for human use. As a step towards a greener environment, the Company started using non-solder type B22 aluminum caps in LED lamps which helped significantly in reducing the bad effects of solder fumes.

b. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Company's EyeLuv LED's with the revolutionary FCT (Flicker-Control-Technology) reduces the harmful invisible flicker present in the LED lighting source which causes eyestrain, eye-fatigue and many other health complications, thus making it better and safer for overall eye health. Flicker-controlled LED lighting offers a promising alternative to fluorescent, incandescent and

early-generation LED lighting. It also significantly reduces maintenance costs. Ecotech energy saver technology, used in some of the ceiling fans of the Company, can maximize a small amount of energy into required energy to ensure the highest air delivery. It is effectively operational under a lower energy setting that sustains its functionality even on a lower voltage of 140 V. Inverter-Series range of fans and air coolers, using Electronically Commutated Motor, consumes 50% less electricity, results in the increased lifecycle and ensures safety for end consumers. Star BEE rated Storage Water Heaters are 10% more energy efficient.

The Company is making continuous efforts in reducing the Bill of Material cost of various products along with process waste reduction to minimise natural resource exploitation by adopting process automation and reuse of spare parts without compromising the quality.

The Company is consistently focused on the reduction of water usage and have recycled the wastewater for re-use in toilets and washroom. The Company has also installed a rainwater harvesting system at one of its plants. All these efforts, at one side, helps reduce water consumption, at the same time contributes in maintaining underground water level. Further, the Company ensures regular maintenance of machines and generator sets which contributes in increasing its on-going efforts made towards energy conservation.

c. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of inputs was sourced sustainably?

The Company is closely situated in the vicinity of its vendor base which effectively help in reducing the logistics cost. The Company has strategically created storage locations and is continuously driving cost reduction through transportation efficiencies such as increased loading capacity for finished goods across the Country for quick and easy serving and better transportation of stocks. Company always looks for using alternate avenues of sourcing to reduce usage of natural resources.

d. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company always believes in the development of local vendors. The Company encourages procurement of

material and services from local and small manufacturers nearby to its plant and office locations. Selection criteria involves capability, quality, performance, on-time delivery, ethical conduct and meeting all statutory compliances including Environment, Health & Safety compliances. Company treats all its vendors as Business Partners and partnering with local vendors for the Company's business also has cost arbitrage as it reduces the product Bill of Material cost. Services and goods such as moulding job work, annual maintenance contract for generators and machineries, as applicable, labourers, housekeeping, some raw materials etc. are sourced from local vendors and small manufacturers. The Company involves local vendors in several training programs for harnessing their skills, improving capabilities, enhancing capacities and standardisation of their processes to sync them with that of the Company's standard practices.

e. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

It is the Company's ongoing endeavour to have a mechanism to recycle waste generated in the business operations. The Company has tied up with Government authorized waste management organizations for collecting hazardous wastes including used oil generated from generators and lifts.

Principle 3: Promoting the Wellbeing of All Employees

The Company promotes employee's wellbeing by providing safe, healthy, clean and ergonomic working environment. Employee's wellbeing is promoted through various employee friendly policies like Group Medical Insurance Coverage, Term Insurance Policy, Leave Policy, Maternity Benefits, Paternity Benefit, Doctor on call, cab facility for employees working late, travel and relocation support, financial support to permanent workers, enabling work from home in times of distress etc. The Company also organises several indoor and outdoor sports events and health awareness sessions – Badminton Championship, Orient Cricket League, Yoga Session etc.

The Company is also concerned about its employees and are keen in supporting them when they need help to handle any crisis or critical situation. This not only helps earn the trust and loyalty of the employees but also leads to higher productivity and curbs attrition. Such acts also set a precedence and gives confidence to employees that if they were ever in a personal crisis, Company will stand by them and help them face and get through the challenge. During the year the Company has been certified as a 'Great Place to Work' by Great Place to Work® Institute, the global authority in workplace culture assessment and people management practices.

Sr. No.	Employee Number	As on March 31, 2020
A	Total number of employees	997 permanent employees
B	Total number of employees hired on temporary / contractual / casual basis	3197 employees including women employees
C	Number of permanent women employees.	48
D	Number of permanent employees with disabilities	The Company do not follow differential recruitment policy based on employees' demographic details and physical abilities.
E	Any employee association that is recognized by management	Yes, one union of permanent staff and workers at Kolkata Plant which is affiliated to INTTUC.
F	Percentage of permanent employees who are members of this recognized employee association	5%

g. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment received in the financial year 2019-20 and pending, as on March 31, 2020.

Sr. No.	Category	No. of complaints at the beginning of the financial year	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
a.	Child labour/ forced labour/ involuntary labour	Nil	Nil	Nil
b.	Sexual harassment	Nil	01	Nil
c.	Discriminatory employment	Nil	Nil	Nil

h. What percentage of the Company's under mentioned employees were given safety & skill up-gradation training in the financial year 2019-20:

I	Permanent Employees	100%
II	Permanent Women Employees	Covered under permanent employees
III	Casual/Temporary/Contractual Employees	100%
IV	Employees with Disabilities	Covered under Sr. No. I, II, and III

At Orient Electric Limited employees are considered a critical part of the Company's success, and hence their learning and development are taken as a top priority. The Company has been constantly working towards developing a culture of learning by providing employees a variety of channels to further enhance both their professional growth and personal interests. The Company has adopted a blended learning approach where the focus is on all employees and various learning methods – be it instructor led training, online learning, projects, mentoring, on the job training, management development program, books, subscription to learning forums etc.

Creating a culture of learning is crucial to any organization that wants to excel. There are 5 knowledge-based building blocks constructed at the Company to equip its employees with the necessary skills and make them future ready. At Orient Electric Limited we looked at level-based development of employees to ensure all levels get equally covered.

At junior management level trainings focuses on enhancing their behavioural skills, technical skills and selling skills. Regular workshops are being conducted on building sales capability for all frontline sales employees. Behavioural trainings are held to help employees improve their analytical acumen, and success through ownership.

At middle management level trainings, spread over a period of 4-5 months, are focused on building managerial capabilities leading to cultural change. LEAD (Learning to Lead for first time Managers) workshop is aimed at new managers to hone

their managerial skills while LEAP (Leadership Excellence Accelerated program) aims at bringing the cultural change in the organization through managers practicing their listening, thanking and developing skills.

Senior management trainings include tailor-made coaching through external coaches to work on their individual development plans alongwith customized learning modules.

Succession planning is done through a focussed initiative FLOE (Future Leaders of Orient Electric), which is a nine months development program for identified successors.

Principle 4: Stakeholder's Engagement

a. Has the company mapped its internal and external stakeholders?

Yes. The Company has judiciously mapped its internal and external stakeholders for engaging with them. Internal stakeholders are Company's employees and contract workers while the external stakeholders identified are: Customers, Suppliers, Shareholders, Bankers, Government / Regulatory Authorities, Media and Communities surrounding the workplaces.

b. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the disadvantaged, vulnerable and marginalized stakeholders identified by the Company includes its workers and communities surrounding its plants.

c. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company in its manufacturing operations, gives preference to local workers. In the Fan plant at Faridabad and Lighting Plant at Noida, Company has created an assembly line for women employees who are from disadvantaged and marginalised communities near plant area. The Company has also undertaken its CSR projects in the fields of education, women empowerment and hygienes & sanitation in the proximity of its manufacturing plants. For more details on the CSR projects please refer Annual Report on CSR given as Annexure – C in the Directors' Report for the financial year 2019-20.

Principle 5: Human Rights

a. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company does not have a separate policy on Human Rights, however, the Code of Ethical Standards and Behavioural Conduct provides ample protection for the human rights. The Company is committed to highest standards of integrity, professional, financial and business ethics in the operation of its business. The Company respects the human rights of all its stakeholders. The Code of Ethics extends to the Company and all its dealings with suppliers, contractors etc. It advocates for mutual respect, dignity and equal employment opportunity. Company is also committed in creating a workplace that is free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct.

The Company promotes RESPECT, since working in partnership is vital to the Company's continued success and mutual respect must be the basis for all work relationships. Employees are expected to treat others with the same respect and dignity that any reasonable person may wish to receive, by creating a work environment that is inclusive, supportive and free of harassment and unlawful discrimination. It also promotes EQUAL EMPLOYMENT. Company has a long-standing commitment to a meaningful policy of equal employment opportunity, which ensures equal employment and advancement opportunity for all qualified individuals without distinction or discrimination because of race, colour, religion, gender,

sexual orientation, age, national origin, disability, covered veteran status, marital status or any other unlawful basis.

Prevention of Sexual Harassment and Other Discriminatory Harassment: Sexual harassment and other discriminatory harassment are illegal and is against Company policies. Actions or words of a sexual nature that harass or intimidate others are prohibited. Similarly, actions or words that harass or intimidate based on race, colour, religion, gender, sexual orientation, age, national origin, disability, covered veteran status, marital status or any other unlawful basis are also prohibited.

b. How many stakeholder complaints have been received in the financial year 2019-20 and what percent was satisfactorily resolved by the management?

Refer point (b) of Principle 1 and (a) of Principle 9.

Principle 6: Environment

a. Does the policy, related to Principle 6, cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The Company's Occupational Health & Safety Policy covers only to Company. However, suppliers, vendors and contractor are encouraged and educated to follow environment friendly processes and policies. Compliance of environment, health and safety processes and policies by suppliers, vendors and contractors is one of the criteria the Company ensures at the time of their selection. Extract from the Company's Occupational Health & Safety Policy are displayed at the manufacturing plants in English as well as in Hindi languages.

b. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, as a responsible corporate, the Companies has taken several initiatives in its manufacturing process to address global environmental issues. The Company understands that rampant and injudicious usage of energy, water and other natural resources worsening the global environmental conditions leading to climate change, global warming, increase air and water pollution etc. It exhausts the planet's life support systems that provide to all creatures on the earth with fresh air, water and other living necessities and leaves them short of materials critical to health and quality of life. The initiatives taken by the Company are, therefore, largely focused on – conservation of energy & water and reducing carbon

footprint. The Company is taking following initiatives for saving our environment:

- i. Usage of Electronically Commutated Motors / Inverter Technology in air coolers and ceiling fans with increased longevity, contribute to lower power consumption and saves more than 50% electricity,
- ii. Ecotech energy saver technology in fans again saves the electricity consumption,
- iii. Usage of biodegradable polybags instead of LDPE polybags in entire Lifestyle Appliances drastically reduces plastic wastage and usage of other environment friendly packaging,
- iv. Smart Mode and Eco Mode in Water Heaters with microprocessor intelligence smartly reduces the power consumption in addition to delivering efficient performance,
- v. Switching to Laser Printing from Screen Printing helps in reducing carbon emission,
- vi. Lead is not a good and safe metal. It has a very bad impact on the environment. Lead when released into the environment makes its way into the air, soils, and water. It remains in the environment as dust indefinitely. Plants exposed to lead can absorb the metal dust through their leaves. It accumulates in the bodies of water and soil organisms and leave ill-effects on their health. To reduce the lead usage, the Company has replaced lead content safety fuses with Tin Alloy in Electric Irons,
- vii. Implementation of Cyclo-Pentane as blowing agent instead of R-141B for PUF Foaming Process for Water Heater Manufacturing,
- viii. Steps for conservation of water by installing rainwater harvesting system.
- ix. Change in the manufacturing process by eliminating Cap soldering process thereby reducing fumes and use of RoHS (Restriction of using hazardous substances) compliant components,
- x. Encouraging tree plantation drive.

The Company is not updating above initiatives on any webpage, however necessary returns, under Environment Act, are being filed.

c. Does the company identify and assess potential environmental risks?

Identification, assessing and taking necessary actions

for mitigating potentially critical environmental risks is a continuing process as part of the Risk Management Plan of the Company. For an effective environment management system, the Company is following the requirements of ISO14001:2015 standards at Faridabad and Kolkata Plants to mitigate the potential environmental risks.

d. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

Though the Company has not taken up any such project separately however, in the manufacturing process the Company always endeavours to use the technologies and process which can minimise the bad impact on the environment. All the plants of the Company are operated in compliance with Occupational, Health and Safety standards.

e. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.

The Company has taken various process improvement initiatives at its plants for implementing clean technology, energy efficiency and minimising the release of waste in the environment. Some of them are:

- i. With the introduction of Nano Technology in Pre-Treatment Plant, consumption of processed water has been reduced by fifty percent. Installed UF+RO to process wastewater and re-use it.
- ii. The Company has a sewage treatment plant, a water treatment plant and neutralization pit for treating water and wastewater generated at Faridabad Plant.
- iii. Water harvesting system has been installed at Faridabad Plant. This recharge the groundwater level of surrounding areas and supports the existence of local flora and fauna.
- iv. The Company is continuously concentrating on reducing its power and thermal energy consumption. The electrical equipments used in the plant are made energy efficient through usage of Variable Frequency Drives (VFDs) and continuous monitoring. The Company's focus on increasing operating efficiencies has led to one of the lowest specific energy and power consumption metrics in the industry.
- v. At Faridabad plant, the electrical drives are of latest IE3 class having the highest energy efficiency. Most

of the plant drives, where speed control is necessary, are provided with VFDs so as to optimize the electrical energy utilization.

- vi. Manufacturing BEE 5 Star rated LED bulbs and storage water heaters, using Flicker controlled technology in LED bulbs and tubes, Electronically Commutated Motor / Inverter Technology in air coolers and ceiling fans have the effect of considerably reducing the electricity consumption.
- vii. Plants of the Company are compliant of Environmental laws.

f. Are the Emissions/Waste generated by the company within the permissible limits given by Central Pollution Control Board /State Pollution Control Board for the financial year 2019-20?

Yes, the emissions/ waste generated at all the plants of the Company during the financial year 2019-20 were within the permissible limits as prescribed by the Central Pollution Control Board / respective State Pollution Control Boards.

g. Number of show cause/ legal notices received from Central Pollution Control Board /State Pollution Control Board which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the financial year 2019-20, the Company has not received any show cause / legal notice from Central Pollution Control Board / respective State Pollution Control Boards for any of its manufacturing plants.

Principle 7: Responsible Public Policy Advocacy

a. Is the Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

During the financial year 2019-20, Company held membership of following trade / business associations:

- i. The Indian Fan Manufacturers Associations,
- ii. Electric Lamp and Component Manufacturers Association of India; and
- iii. Indian Electrical and Electronics Manufacturers' Association

b. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the broad areas are Governance, Environment, Energy and Sustainable Business Principles. The Company advocated for revised star labelling guidelines & compulsory registrations scheme.

Principle 8: Inclusive Growth and Equitable Development

a. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company believes in inclusive and equitable growth of the society / community. Company treats its vendors and suppliers as its business partners. Company conducts for its vendors / suppliers, various technical, behavioural, health, safety and environmental training to increase their capacity, upgrade their technical skills, enhance their capabilities, make them aware of compliances related to environmental laws and guide for implementing health and safety measures.

The Company also conducts training for its contractual labour and staff for creating awareness amongst them on matters relating to human rights, health, hygienes & safety, firefighting etc. During the manufacturing process, the Company also identifies and trains operators for multiskilling activity of assembly process thereby converting them into an asset for the Company.

The Company has also joined hands with National Skill Development Corporation (NSDC), formed under the Ministry of Skill Development and Entrepreneurship, Government of India, for partnering into Skill India Program to skill and certify electricians across the Country and thus contributing in overall upliftment and well-being of the society.

The Company is also running an internship program for B. Tech & ITI students, which not only enhance their skills but also helps them in selecting their future career lines.

For community developments, Company has also undertaken CSR Projects in the fields of Education, Women Empowerment, Food, Health & Sanitisation wherein the Company developed the all-round infrastructure of government girls' school, installed rain-water harvesting system therein to help recoup ground water level, vocational training to girls students, supporting education of primary sections students etc.

For more details on CSR projects refer Annual Report on CSR given as Annexure – C in the Directors' Report for the financial year 2019-20.

b. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The projects are undertaken through in-house teams, external experts, government agency and NGOs. While training and awareness sessions are conducted through in-house team and external experts, Skill India Programme is being run with NSDC and CSR Projects with external NGOs.

c. Have you done any impact assessment of your initiative?

The Company internally monitors the impact of its activities / initiatives being run for community and society development. For Vendors / Suppliers, the Company follows a rating mechanism. Electrician training program is monitored through certifications being issued by Skill India. Gaps are identified through interviews & technical questionnaires and remedial actions, wherever required, are taken. CSR projects are monitored by the CSR Committee of the Board of Directors through progress reports.

d. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

For Company's spend on its CSR project, refer Annual Report on CSR given as Annexure – C in Directors' Report for the financial year 2019-20. Company is not separately tracking it's spent on other projects as detailed in Principle 8 (c) above.

e. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company undertakes the projects and activities after need evaluation and assessment. It is also ensured, through review, evaluation and progress monitoring that these projects are properly implemented and adopted by the community.

Principle 9: Value To Consumers

a. What percentage of customer complaints / consumer cases are pending as on the end of financial year 2019-20.

0.11% customer complaints were pending as on March 31, 2020.

For customer's complaints the Company has designated separate email id: customer.connect@orientelectric.com and a Toll-Free number: 1800 103 7574 for customers to lodge their complaints.

Further, there were 14 consumer related legal cases pending as on March 31, 2020.

b. Does the company display product information on the product label, over and above what is mandated as per local laws?

Yes, over and above the information required under the Legal Metrology Act, 2009, Bureau of Indian Standard, Goods and Services Tax Act, 2017, the Companies Act, 2013 and other applicable statutes, the Company discloses on its products the specific features of the product and benefits thereof.

c. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year 2019-20.

During the last five years no case in any court of law was filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour and therefore no case is pending as on the end of the financial year 2019-20.

d. Did your company carry out any consumer survey / consumer satisfaction trends?

The Company carried out a comprehensive consumer survey (Quantitative & Qualitative) through a brand consulting agency to study the consumer brand preference pattern. This study was for all products of the Company.

Company has conducted a dealer recommendation sale survey to better understand its dealers' requirements, challenges and concerns, who are promoting Company's products.

After completion of a customer complaint, the Company also collects the feedback of its customers through SMS to understand their satisfaction level and make improvements in its service protocols, if so required.

For **Orient Electric Limited**

Rakesh Khanna

Managing Director & CEO

DIN: 00266132

June 01, 2020

Corporate Governance Report

Company's Corporate Governance Philosophy

Corporate Governance philosophy of Orient Electric Limited ("**Orient**" or "**Company**") is based on inclusive growth and long-term value creation for all the stakeholders. The Company's theme "*One Orient – One Team – One Dream*" well aligns with the philosophy. The Company operates in a set of structures, systems and processes in its day-to-day operations for conferring authority, fixing responsibility and ensuring accountability, which strikes a balance between the interest of all its stakeholders. The actions are governed by Orient's Values and Principles, which are reinforced at all levels within the Company. Above principles of Corporate Governance are embedded in the Company's Values and Principles which includes:

1. Bringing 'Excellence' in the practices followed at Orient for business operations. The Company continuously analyzes the decisions taken and the ways of further improvements.
2. Remain 'Transparent' by disclosing Company's financials and other information timely and accurately for the interest of all its stakeholders thereby building a culture of accountability and responsibility.
3. Maintaining 'Integrity' by adopting the highest standards of professional ethics and honesty, being credible, fair and transparent. Company's Code of Conduct is an extension of values and reflects continued commitment to ethical business practices across all its operations.
4. 'Collaboration' across functions and businesses to achieve Company's vision i.e. inclusive growth and long-term value creation by building long term relations based on trust and confidence.
5. Fostering the culture of 'Belief' and 'Trust' by being open and transparent where people enjoy the freedom to deliver on their commitment and at the same time fixing accountability.
6. Practicing 'Care' and empathy in all acts for each and every individual. Company gives fair and equitable treatment to all its employees and workers. The Company has adopted an open culture where every employee has the freedom to raise his / her concern fearlessly.

Board of Directors

The Company is headed by an experienced and empowered Board that is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The Board has delegated the general management and day-to-day affairs of the Company to the Managing Director & Chief Executive Officer of the Company who exercises them under the supervision of the Board. The Board plays a critical role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. It identifies key risk areas and key performance indicators of the Company's business and constantly monitors these factors.

Size and Composition of the Board

The Board of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, conduct and standards of the Company.

As on March 31, 2020, the Board of the Company comprises of six members, headed by Non-Executive Chairman. Apart from this, the Board consists of one Non-Executive Vice Chairman, one Executive Director (Managing Director & CEO), and three Non-Executive- Independent Directors. Out of three Independent Directors, one is a woman Director. None of the Directors of the Company is *inter-se* related to each other. Independent Directors constitute 50% of the Board's strength – as per the requirements of the Companies Act, 2013 (the "**Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). The Board has an appropriate mix of professionalism, experience and knowledge which enables the Board to discharge its responsibilities effectively. Profiles of

the Directors are available on the website of the Company viz. www.orientelectric.com. None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees (Audit Committee and Stakeholders' Relationship Committee) across all companies in which he/she is a Director.

Composition, Directorships / Committee positions (Chairmanship / Membership), including that of the Company, as on March 31, 2020.

Name of Director	*Directorship in Companies	#Chairmanship of Committees	#Membership of Committees
Mr. Chandra Kant Birla	8	0	0
Mr. Desh Deepak Khetrpal	4	0	4
Mr. Rakesh Khanna	1	0	1
Mr. TCA Ranganathan	2	2	2
Mr. K Pradeep Chandra	2	0	4
Mrs. Alka Marezban Bharucha	9	3	8

*Excludes directorships in foreign companies, companies registered under Section 8 of the Act, private limited companies and alternate directorships.

#Membership(s) / Chairmanship(s) of only audit and stakeholders' relationship committees in all public limited companies. Chairmanship in such committees have been included in the total membership of respective Director(s).

Category of Directors & their directorship in other listed companies.

Name of the Director	Category of Director	Directorship in other Listed Companies
Mr. Chandra Kant Birla	Chairman – Non Executive	Non-Executive Chairman 1. Orient Paper & Industries Limited 2. Orient Cement Limited 3. HIL Limited Non-Executive Director 4. Birlasoft Limited
Mr. Desh Deepak Khetrpal	Vice Chairman – Non Executive	Managing Director & CEO 1. Orient Cement Limited Non-Executive Director 2. HIL Limited Independent Director 3. Oriental Bank of Commerce [§]
Mr. Rakesh Khanna	Managing Director & CEO	Nil
Mr. TCA Ranganathan	Independent – Non-Executive	Independent Director Security and Intelligence Services (India) Limited
Mr. K Pradeep Chandra	Independent – Non-Executive	Independent Director Moschip Technologies Limited
Mrs. Alka Marezban Bharucha	Independent – Non-Executive	Independent Director 1. Honda Siel Power Products Limited 2. Ultratech Cement Limited 3. Birlasoft Limited 4. Hindalco Industries Limited

[§]Ceased from directorship w.e.f. April 01, 2020 consequent upon its merger with Punjab National Bank.

Board Member Selection Criteria:

The Board of Directors are collectively responsible for the selection of a Member on the Board of the Company. The Nomination and Remuneration Committee of the Board of Directors of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for being appointed as a Director on the Board of the Company.

The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of Executive, Non-Executive and Independent Directors consistent with the requirements of law;
- Professional qualifications, skills, expertise and experience in specific area of relevance to the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values such as integrity, honesty, transparency, pioneering mindset.

Skills / Expertise / Competencies of Board of Directors:

The Company is being managed by a diverse and skilled Board that provides directions, support and guidance as per the present complex and dynamic business environment. In terms of requirement of Listing Regulations, the Board has identified the following core skills / expertise / competencies, out of which the Directors should possess one or more, to have a balance of skills, experience and diversity of perspectives appropriate to the Company:

1. Leadership

Leadership is the ability and skill of conducting meetings, building participation, evaluating and assessing progress, gathering information, solving problems and decision-making. It includes the ability to comprehend socio-economic, political, regulatory and competitive environment, both domestic and global, in which the Company is operating and insight to identify opportunities and threats for the Company's businesses. Ability to contribute towards creating an inspiring vision for the Company with superordinate societal goals and appreciate the Company's philosophy of building synergy between serving the society and creating economic value for the Company.

2. Management and Operation of Industrial Enterprises

Ability to comprehend the statutory roles and responsibilities of a Director and of the Board as a whole. Possessing knowledge and experience of the industry in which the Company operates. Understanding of business ethics, policies, codes and practices of the Company. Ability to encourage and sustain a cohesive working environment and to listen to multiple views and thought processes and synergies a range of ideas for organisational benefit.

3. Understanding of Laws

A deep understanding of laws, rules and regulations applicable to the Company, the industry to which the Company belongs and the sector in which the Company operates. Ability to appreciate key risks impacting the Company's businesses, contribute towards the development of systems and controls for risk mitigation & compliance management and review and refine the same periodically. Providing Board oversight to all dimensions of business, Board accountability and high governance standards with an understanding of changing regulatory framework.

4. Operation and Strategic Insight

Ability to evaluate competitive corporate and business strategies and based thereon, contribute towards the progressive refinement of the Company's strategies for the fulfilment of its goals. Ability to comprehend the strategy of a diversified company similar to Orient, in the context of its unique sources of competitive advantage and assess its strengths and weaknesses. Experience in developing long-term strategies to grow business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.

5. Analytical Skills

Analytic acumen to critique the Company's financial performance and evaluate the Company's strategies and action plans in the context of their financial outcomes.

6. Experience in Administration, Economics and Financial matters

Ability to appreciate and critique the need for in-depth specialization across business-critical areas such as manufacturing, marketing, legal, information technology, public advocacy etc., as well as the breadth of general management capabilities. Leadership experience in handling the financial management of a large organization along with an understanding of accounting and financial statements. Ability to read, understand and interpret

financial statements of the large companies in order to assess the economic and financial health of the Company and advising the corrective measures, if so required.

All the Members of the Board of Directors of the Company bring in high quality expertise and possess all requisite skill sets and competencies as mentioned above, for efficient conduct of board proceedings and guidance to the Company. Skills, Expertise and Competencies possessed by each Board Member of the Company are given in their profiles provided in the Annual Report for the financial year 2019-20 and is also available on the website of the Company.

Appointment and Tenure of Directors

The Directors of the Company are appointed/re-appointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the shareholders at the General Meetings. In accordance with the Articles of Association of the Company and provisions of the Act, Non-Executive Directors, except Independent Directors, of the Company, are liable to retire by rotation at the Annual General Meeting each year and, if eligible, offer themselves for re-appointment. Independent Directors are appointed for a term of 5 years. The Managing Director & CEO of the Company is not liable to retire by rotation and serves in accordance with the terms of appointment under supervision of the Board.

Independent Directors

As regards the appointment and tenure of Independent Directors, the Company follows the following policy:

- Applicable provisions with respect to appointment and tenure of Independent Directors have been adopted which are consistent with the Act and Listing Regulations.
- The Independent Directors can serve a maximum of two terms of five years each as per the provisions of the Act.
- Non-Executive Director, who has attained the age of 75 years, can continue on the Board only with the approval of shareholders of the Company by way of a Special Resolution.
- All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulations 16(1)(b) and 25 of the Listing Regulations and Section 149(6) of the Act. In the opinion of the Board, all the Independent Directors fulfill the conditions specified under Listing Regulations & the Act and are independent of the management.
- The Independent Directors of the Company have also confirmed that as per the requirements of the Companies

(Appointment and Qualification of Directors) Rules read with the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019, their names have been included in the databank of Independent Directors being maintained by the Indian Institute of Corporate Affairs as notified under Section 150 (1) of the Act.

- None of the Independent Directors is related to the promoter(s) or other Director(s) of the Company.

As per Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business. In the opinion of the Board, all the Independent Directors of the Company possess appropriate skills, knowledge, integrity, expertise and experience in all such fields as required for the business operations of the Company.

Terms and conditions of appointment of Independent Directors have been disseminated on the website of the Company and can be accessed at: <https://www.orientelectric.com/images/investors/Terms-Conditions-of-Appointment-of-Independent-Directors.pdf>.

Board / Committee Meetings - Functioning and Procedures:

The Board and Committee meetings are scheduled and conducted in compliance with the provisions of the Act, Listing Regulations and Secretarial Standard -1.

- **Board / Committee Meetings – Frequency and location:** The Board and Audit Committee meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. Other Committee meetings are held based on the requirements but at least one meeting of each committee is held in a financial year. In the case of business exigencies or urgency of matters, resolutions are passed by circulation. Video conferencing facility is provided to the Directors who are not able to attend the meetings due to some emergencies. The location of the Board meetings is informed well in advance to all the Directors.
- **Board / Committee Meetings - Matters:** All divisions / departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussion / approval / decision of the Board / Committee meetings. All such matters are communicated

to the Company Secretary in advance so that the same could be included in the Agenda for the Board / Committee meetings. Agendas for such meetings are finalized in discussion with the Managing Director & Chief Executive Officer.


































- **Agenda and relevant information to Directors:** The agenda for each Board / Committee meeting is circulated well in advance to the Directors. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every Board / Committee Member is free to suggest items for inclusion in the agenda. Being a responsible environment friendly Company, agendas and other relevant documents / information to Board / Committee members are provided in secured electronic mode.
- **Presentations by management:** The Managing Director & Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Company Secretary and Internal Audit Head updates the Board / Committees on their related matters through presentations / Board notes. Such presentations and Board notes cover finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy and risk management practices, internal audit observations, regulatory changes and their probable impact on the operations of the Company.
- **Availability of information to Board Members:** The information placed before the Board includes annual operating plans and budgets including operating & capital expenditure budgets, quarterly/ annual financial results, declaration of dividend, risk assessment and minimization procedures, update on the state of global as well as domestic market, industry and business segments, future business strategy, minutes of the meetings of Board and all the Committees thereof, material related party

transactions, details of the treasury transactions, details of foreign exchange exposure, statutory compliance report, Directors' interest, succession planning, information on recruitment / remuneration of senior officers, material litigations including show cause / demand notices, if any, fatal or serious accidents, dangerous occurrence, pollution problems, investors' complaints and redressal thereof, significant changes in the accounting policies, sale of any material nature, closure of plant, installation of new manufacturing facility or increase in manufacturing capacity, other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable rules & legislations

- **Minutes of the Meeting:** The Company Secretary records the proceedings of the Meetings and circulates the draft Minutes to Board / Committee Members within 15 days of the Meeting. Suggestions of the Directors are properly incorporated in the Minutes. Final Minutes are recorded in the Minutes Book within 30 days of the Meeting. Certified copies of the signed minutes are sent to the Directors within 15 days of sign by the Chairman.
- **Post meeting follow-up mechanism:** The guidelines for Board and Committee meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board / Committee. The important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments / divisions. At the immediately succeeding meeting, Board / Committee is updated on the actions taken in respect of decisions of the previous meeting(s).

Attendance of Directors at Board and General Meetings:

During the financial year 2019-20, the Board of Directors of the Company met five times, the time gap between any two Board Meetings did not exceed one hundred and twenty days. Presence of Board Members in the last AGM and Board Meetings, held during the financial year 2019-20, are as under:

Sr. No.	Name of the Director	Board Meetings					AGM
		Apr 30, 2019	July 30, 2019	Oct 22, 2019	Jan 28, 2020	Mar 26, 2020	July 16, 2019
1	Mr. Chandra Kant Birla						X
2	Mr. Desh Deepak Khetrapal						X
3	Mr. Rakesh Khanna						
4	Mr. TCA Ranganathan						
5	Mr. K Pradeep Chandra		X				
6	Mrs. Alka Marezbhan Bharucha						
Attendance Percentage (%)		100	83.33	100	100	100	66.67

Separate Meeting of Independent Directors

In terms of the provisions of the Act, Schedule IV thereto and the Listing Regulations, Independent Directors of the Company are required to meet at least once in a year, without the presence of Executive Directors and members of management. The Independent Directors met on October 22, 2019, without the presence of Executive Directors and management and *inter-alia* discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company; and
- the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors as and when so required.

Familiarization Programme for Independent Directors

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Further, periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Update on the environmental and social impact of the business, corporate governance, regulatory developments and investor relations' matters are provided to the Directors in the Board Meetings. Upon appointment, the Directors are issued a Letter of Appointment setting out in detail the terms of employment including their roles, functions, responsibilities and their fiduciary duties as a Director of the Company.

The details of such familiarization programme for Independent Directors are posted on the website of the Company and are available at <https://www.orientelectric.com/images/investors/familiarisation-programme.pdf>.

Directors' Performance Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of

the Board and the Committees. For Independent Directors, evaluation is carried out based on the criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best practices, engaging with top management team of the Company etc.

Nomination and Remuneration Committee of the Board has laid down the framework and criteria, which has been adopted by the Board, for performance evaluation of the individual Directors, Board and the committees thereof. During the year, the Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and evaluation of the Directors. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues etc. A separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. Guidance note of SEBI on performance evaluation was also considered in the performance evaluation exercise.

As an outcome of the above exercise, it was noted that the Board is functioning as a cohesive body which is well engaged with different perspectives. The Board Members, from different backgrounds bring about different complementarities and deliberations in the Board and Committee meetings, which are enriched by such diversity and complementarities. It was also noted that all the Committees of the Board are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings.

Board Committees

The Board Committees play a crucial role in the governance structure of the Company and are being set up to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board to carry out their clearly defined roles. The Board supervises the execution of its responsibilities by the committees and is responsible for their action.

As on March 31, 2020, the Company had five Board Committees

viz. Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and placed before Board meetings for noting. The composition and terms of reference of all the Committees are in compliance with the Act and Listing Regulations, as applicable. The composition of all the Committees is briefed in this Report and is also available on the website of the Company.

All observations, recommendations and decisions of the Committees are placed before the Board for information, consideration or approval, as the case may be. All the recommendations made by various Board Committees during the financial year ended March 31, 2020 were accepted by the Board.

Frequency and Length of Meeting of the Committees of the Board

Each Committee meets as often as necessary subject to minimum number and frequency as stipulated in its charter or as prescribed in the Act and Listing Regulations. The agenda for the Committee meeting is shared with all the members of the Committee at least 7 days in advance.

Composition of Committees

Committees Directors	Audit	Risk Management	Nomination & Remuneration	Corporate Social Responsibility	Stakeholders' Relationship
Mr. Chandra Kant Birla			M		
Mr. Desh Deepak Khetrapal	M	M	M	M	
Mr. Rakesh Khanna					M
Mr. TCA Ranganathan	C	C	M	M	
Mr. K Pradeep Chandra	M	M		C	M
Mrs. Alka Marezban Bharucha	M	M	C		C

C- Chairman, M- Member

Committee Meetings Held During the Year and Directors' Attendance

Committees Directors	Audit	Risk Management	Nomination & Remuneration	Corporate Social Responsibility	Stakeholders' Relationship
Meetings Held	5	2	2	4	3
Mr. Chandra Kant Birla	NA	NA	2	NA	NA
Mr. Desh Deepak Khetrapal	5	2	2	4	NA
Mr. Rakesh Khanna	NA	NA	NA	NA	3
Mr. TCA Ranganathan	5	2	2	4	NA
Mr. K Pradeep Chandra	4	1	NA	3	2
Mrs. Alka Marezban Bharucha	5	2	2	NA	3

Audit Committee

The Audit Committee is comprised of four members, the majority being Independent Directors. All the members of the Audit Committee have relevant experience in financial matters.

The Audit Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. Any update in the terms of reference of the Committee is duly incorporated. The Audit Committee ensures that it has reviewed each area that is required to be reviewed under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed. The main objective of the Audit Committee is to enhance the confidence in the integrity of the Company's financial reporting, the internal control processes and procedures and the risk management systems.

During the financial year 2019-20, the Audit Committee met five times on April 30, 2019, July 30, 2019, October 22, 2019, January 28, 2020 and March 26, 2020.

The meetings of Audit Committee are also attended by the Managing Director & CEO, Chief Financial Officer, Statutory Auditor and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened, as and when so required. The gap between the two Audit Committee meetings never exceeded 120 days. Chairman of the Audit Committee was present at the last Annual General Meeting held on July 16, 2019.

Terms of Reference of Audit Committee

The Audit Committee of the Company performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing and recommending for approval of the Board. Business plan, corporate annual budget and revised estimates.
- Recommending to the Board, the appointment, re-appointment, replacement, remuneration, terms of appointment of the statutory auditor and the fixation of the audit fee.
- Reviewing with the management, the quarterly, half-yearly, annual financial statements and auditor's reports thereon, before submission to the Board for approval.
- Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions.
- Approval or any subsequent modification of transactions of Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority, of the official heading the department, reporting structure coverage and frequency of internal audit.
- Approval of appointment of the chief financial officer after assessing the qualifications, experience, background etc.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- To have full access to the information contained in the records of the Company.
- Carrying out any other function as provided under the Act, Listing Regulations and other applicable laws.
- To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
- Review Management discussion and analysis of financial condition and result of operations.
- Review statement of significant related party transactions.
- Review all material transactions with related parties to be disclosed every quarter along with the compliance report on corporate governance.
- Review on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given.
- Review Internal audit reports relating to internal control weaknesses.

- Appointment, removal and terms of remuneration of the chief internal auditor.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board is comprised of four members which is in conformity with the provisions of the Act and the Listing Regulations, with all Directors being Non-Executive and fifty percent of them being Independent Directors. Chairperson of the Nomination and Remuneration Committee is an Independent Director. The Company Secretary acts as the Secretary to the Committee.

The purpose of the Committee is to screen and review individuals qualified to serve as Executive / Non-Executive Directors, Independent Directors and Key Managerial Personnel, consistent with the criteria laid down in the Nomination and Remuneration Policy as approved by the Board of Directors of the Company, and to recommend, for Board's approval, nominees for election at the Annual General Meeting. It also designs benchmarks and continuously reviews the compensation program for the Managing Director & CEO and the Board as a whole, against the achievement of measurable goals. The Committee also reviews and approves compensation payable to senior management personnel to ensure that it is competitive in the global markets in which the Company operates. The Committee also exercises the role of Compensation Committee in terms of the requirements of SEBI (Share Based Employee Benefits) Regulations, 2014 and manages the ESOP Scheme of the Company.

The Committee reviews and supervise the annual performance evaluation exercise of Executive, Non-Executive and Independent Directors, Board Committees and the Board as a whole. The Committee may also, on a need basis, evaluate the usefulness of such performance parameters and make necessary amendments.

The Performance evaluation criteria for Independent Directors include the effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts towards his/her role, high ethical standards, adherence to applicable codes and policies, effective participation, application of objective independent judgment during meetings etc. On the basis of performance evaluation of Independent Directors, it is determined whether to extend or continue their term of appointment, whenever their respective term expires.

During the financial year 2019-20, the Nomination and Remuneration Committee met two times on April 30, 2019

and July 30, 2019. Chairperson of the Committee was present at the last Annual General Meeting held on July 16, 2019.

Terms of Reference of Nomination and Remuneration Committee

The terms of reference of the Committee covers the area as specified in the Act, Listing Regulations and other applicable laws, if any, besides other roles and powers entrusted upon it by the Board of Directors from time to time. The terms of reference of the Committee include the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors. Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Human Resources, Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors.
- Recommend / review the remuneration of Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- Framing the Employees Share Purchase Scheme ("ESPS") / Employees Stock Option Scheme ("ESOS") and recommending the same to the Board/ shareholders for their approval and implementing/administering the scheme approved by the Shareholders.
- Suggesting to Board/ Shareholders changes in the ESPS/ ESOS.
- Deciding the terms and conditions of ESPS and ESOS which, *inter-alia*, include the following:
 - Quantum of options to be granted under the scheme per employee and in aggregate.
 - Vesting Period.

- Grant, vest and exercise of option in case of employees who are on long leaves.
- Procedure for cashless exercise of options.
- Forfeiture/ cancellation of options granted.
- To issue grant/ award letters.
- Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period.
- Conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
- Specify time period within which the employee shall exercise the vested options in the event of termination or resignation of employee.
- Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- Procedure for making a fair and reasonable adjustment to the number of options, entitlement of shares against each option and to the exercise price in case of rights issues, bonus issues and other corporate actions.
- To allot shares upon exercise of vested options.
- Review information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Nomination and Remuneration Policy

In order to adapt to the changing business context and the highly competitive environment in which the Company operates, the Nomination and Remuneration policy of the Company has been evolved to reward long-term sustainable performance. Nomination and Remuneration policy for the Executive Directors, Key Management persons and senior management personnel have evolved to include reward structure in addition to cash-based compensation structure including grant of employees' stock options as determined by the Committee.

The Company pays sitting fees to its Non-Executive Directors for attending meetings of the Board and Committees thereof. The Company also pays commission to the Non-Executive Directors within the ceiling of one percent of the net profits of the Company as computed under the applicable provisions of the Act, as approved by the shareholders. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Salient features of Nomination and Remuneration Policy of the Company are given in the Report of Board of Directors, forming part of this Annual Report. Nomination and Remuneration Policy of the Company containing the criteria for payment of remuneration to Executive and Non-Executive Directors including Independent Directors, as adopted by the Board of Directors, is available on the website of the Company and can be accessed at the web link: <https://www.orientelectric.com/images/investors/nomination-remuneration-policy.pdf>.

Remuneration paid / accrued to the Managing Director & Chief Executive Officer during the financial year 2019-20:

(₹ Crores)

Name	Salary, Allowances & Perquisites	Annual performance Linked Pay & performance criteria	Retiral Benefit	Total*	Notice / Severance Period	No. of shares held
Mr. Rakesh Khanna	2.36	0.63 Managing Director & CEO's performance and Company's performance	0.31	3.31	3 Months	100

*The remuneration does not include gratuity and leave benefits, as they are determined on actuarial basis for the Company as a whole. Annual performance linked pay for the financial year 2019-20 has been taken as per the provisions taken in the financials of the Company.

Mr. Khanna is holding 5,13,138 stock options of the Company, which shall vest in April 2022 and April 2023 in the ratio of 40% and 60% respectively.

Details of remuneration and sitting fees paid/ accrued to Non-Executive and Independent Directors and their shareholding in the Company as on March 31, 2020 is as follows:

(₹ crores unless otherwise stated)

Directors Name	Sitting fees	Commission*	Shareholding (No.)
Mr. Chandra Kant Birla	0.06	0.35	34,05,893
Mr. Desh Deepak Khetrpal	0.15	0.175	Nil
Mr. TCA Ranganathan	0.155	0.15	Nil
Mr. K Pradeep Chandra	0.13	0.125	Nil
Mrs. Alka Marezban Bharucha	0.15	0.125	Nil

*For the financial year 2019-20 on accrual basis.

Corporate Social Responsibility Committee

Corporate Social Responsibility ('CSR') Committee was set up to formulate, implement and monitor the CSR Policy of the Company. The CSR Committee adopted a policy that outlines the Company's objective of catalyzing economic development that positively improves the quality of life for the society and aims to be a responsible corporate citizen and create, through its activities, a positive impact on the environment, communities and stakeholders. The Company Secretary acts as the Secretary to the Committee.

The Committee is comprised of three members with a majority of Independent Directors. During the financial year 2019-20, the Committee approved the CSR activities and monitored on a quarterly basis, the progress on CSR activities undertaken by the Company.

During the financial year 2019-20, the CSR Committee met four times on April 30, 2019, July 30, 2019, October 22, 2019 and January 28, 2020.

Details of the Company's spend on CSR activities are given in CSR Report approved by the Committee and attached to the Director's Report.

CSR Policy of the Company is available on the website of the Company and can be accessed at the web link: <https://www.orientelectric.com/images/investors/corporate-social-responsibility-policy.pdf>.

Terms of Reference of Corporate Social Responsibility Committee

- Formulate and recommend to the Board, CSR Policy indicating the activities to be undertaken by the Company

as specified in Schedule VII to the Act.

- Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company.
- Review CSR Policy of the Company from time to time.
- Monitor the CSR activities undertaken by the Company.
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Risk Management Committee

The role of the Risk Management Committee, constituted pursuant to the Listing Regulations is, *inter alia*, to approve the strategic risk management framework of the Company, review the risk mitigation strategies and results of risk identification, prioritisation & mitigation plans for all business units / corporate functions, and also the measures taken for cyber security. It is also responsible for reviewing and approving risk disclosure in public documents or disclosures.

During the financial year 2019-20 the Committee identified and assessed the risks faced by the Company and procedures to mitigate the same. The risks were assessed categorically under the broad heads of high, medium and low risks with high and medium risks sub categorized as critical and low risks as non-critical.

The Committee is comprised of four Board Members with majority being Independent Directors. The composition of the Committee is in conformity with the Listing Regulations. The Company Secretary acts as the Secretary to the Committee.

During the financial year 2019-20, the Risk Management

Committee met two times on April 30, 2019 and October 22, 2019.

Terms of Reference of Risk Management Committee

- Identification, evaluation and mitigation of Strategic, Operational & Process, Financial, Governance & Compliance, Catastrophic Risks including risks associated with cyber security.
- Monitor and approve the Risk Management Framework of the Company.
- Review the Risk Management Framework of the Company annually.
- Set forth policies, plans and targets in relation to implementation of risk management plans.
- Review the risk disclosure statements in any public documents released by the Company.
- Periodically assess risks to the effective execution of business strategy.
- Periodically review the risk management processes and practices of the Company and ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Evaluation of significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- Report to the Board of Directors on risk management and mitigation / minimization procedures.
- Invite employees of the Company for seeking such information, opinions, clarifications, documents and details as may be required.
- Obtain advice and assistance from internal or external legal, accounting or other advisors, as may be required for fulfilling its objects.
- Such other roles, functions and powers as may be entrusted by the Board of Directors from time to time or as may be required to be performed as per any regulatory requirements, as amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company comprises of four members. The main responsibility of the Committee is to ensure cordial investor relations and supervise the mechanism for redressal of investor grievances pertaining to transfer/ transmission of shares, non-receipt of annual

report, non-receipt of declared dividends, remat / demat of shares etc. The Committee is also responsible to specifically look into various aspects of interest of shareholders like an effective exercise of voting rights by shareholders, service standards of Registrar and Share Transfer Agent etc. The Company Secretary acts as the Secretary to the Committee.

During the financial year 2019-20, the Stakeholder's Relationship Committee met three times on April 30, 2019, July 30, 2019 and January 28, 2020.

Chairperson of the Committee was present at the last Annual General Meeting held on July 16, 2019.

During the financial year, Company has, on the advice of the Committee, sent reminder e-mails / letters to the shareholders, through the Registrar and Share Transfer Agent of the Company, who have not claimed their dividend.

The Company hereby further request the shareholders to send the un-encashed dividend warrant(s) or, alternatively, send the undertaking, as shared by the Registrar and Share Transfer Agent, duly signed (as per specimen signature registered with the Registrar and Share Transfer Agent – Kfin Technologies Pvt. Ltd. / Depository Participant) together with a self-certified copy of your PAN card to enable the Company to pay your un-encashed dividend.

Terms of Reference of Stakeholders' Relationship Committee

- Approve issue of duplicate shares / debentures certificates.
- Oversee the performance of the Company's Registrar and Share Transfer Agent.
- Consider, resolve and monitor various aspects of interest of shareholders, including the redressal of investors' / shareholders' / security holders' grievances related to transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings and so on.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
- Carry out any other function as is mandated by the Board

from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Compliance Officer / Company Secretary

Mr. Hitesh Kumar Jain

Company Secretary

Address: 240, Okhla Industrial Estate, Phase-III, Okhla, New Delhi-110020

E-mail: investor@orientelectric.com

Stakeholders' Grievance Redressal

During the financial year ended March 31, 2020, one complaint was received from the shareholder. The complaint was redressed to the satisfaction of the shareholder and no complaint was pending as on March 31, 2020. Apart from this, the shareholders also communicate with the Company enquiring generally on matters related to Annual General Meeting, dividends, requesting for the physical copies of Annual Reports etc.

SEBI processes investor's complaints in a centralized web-based complaint redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company

for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

Company has designated a separate e-mail id: investor@orientelectric.com for the shareholders to lodge their complaints / queries.

Details of complaints received and resolved by the Company during the financial year 2019-20 are given below:

Number of complaints pending at the beginning of the year	Nil
Number of complaints received during the year	1
Number of complaints resolved during the year	1
Number of complaints not resolved to the satisfaction of the shareholder	Nil
Number of complaints pending at the end of the year	Nil

General Body Meetings

Details of special resolutions passed at the Annual General Meetings and Extra-Ordinary General Meetings during the financial year 2017-18, 2018-19 and 2019-20 are as follows:

a. Annual General Meeting

Financial Year	Type of Meeting	Date, Day & Time	Venue	Special Resolutions Passed
2019-20	Annual General Meeting	July 16, 2019 Monday, 11:00 AM	Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha)	Approval of Long-term Incentive Program for Mr. Rakesh Khanna, Managing Director & CEO of the Company.
2018-19	Annual General Meeting	July 16, 2018 Monday, 02:30 PM	Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha)	Appointment of Mr. Rakesh Khanna as the Managing Director & CEO of the Company
2017-18	Annual General Meeting	August 09, 2017 Wednesday 02:30 PM	Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha)	None

b. Extra – Ordinary General Meeting

Financial Year	Type of Meeting	Date, Day & Time	Venue	Special Resolutions Passed
2017-18	Extra – Ordinary General Meeting	January 03, 2018 Wednesday 11:00 AM	Birla Building, 13th Floor, Kolkata – 700001	<ol style="list-style-type: none"> Increase in Authorized Share Capital. Amendment in Articles and Memorandum of Associations. Authorization to the Board to borrow and provide securities under Section 180(1)(a) and 180(1)(c) of the Act.

All the above resolutions placed before the shareholders of the Company were passed with the requisite majority.

c. Postal Ballot

During the financial year 2019-20 no resolution was passed through Postal Ballot. During the financial year 2018-19, two special resolutions approving the ESOP Scheme were passed

through Postal Ballot.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires compulsory passing of a special resolution through postal ballot.

General Shareholders Information**Annual General Meeting details for the financial year****2019-20:**

Day & Date	August 07, 2020
Venue	Through Video Conferencing / Other Audio Video Means, deemed to be held at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012, Odisha
Time	11.00 AM
Book Closure Dates for the AGM & Final Dividend	August 01, 2020 to August 07, 2020

Calendar for the financial year 2020-21**(April 01 to March 31)**

Period	On or before
First Quarter Results	August 14, 2020
Second Quarter Results	November 14, 2020
Third Quarter Results	February 14, 2021
Fourth Quarter and Annual Results	May 30, 2021
Annual General Meeting	September 30, 2021

Dividend History

Company has performed consistently and has rewarded shareholders since inception with uninterrupted dividends.

Dividend	Financial Year	Declaration Date	Dividend (₹ per share)	Dividend (₹ in crores)
Interim Dividend	2017-18	12.02.2018	0.50	10.61
Final Dividend	2017-18	16.07.2018	0.50	10.61
Interim Dividend	2018-19	28.01.2019	0.50	10.61
Final Dividend	2018-19	16.07.2019	0.50	10.61
Interim Dividend	2019-20	28.01.2020	0.65	13.79
Final Dividend*	2019-20	01.06.2020	0.50	10.61

*Subject to shareholders' approval at the Annual General Meeting scheduled to be held on August 07, 2020.

Unpaid / Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose shares/ dividend are transferred to the IEPF Authority can claim their shares/dividend from the IEPF Authority following the procedure prescribed in the Rules.

Further, pursuant to SEBI circular No. SEBI/HO/MIRSD/ DOP1/ CIR/P/2018/73 dated April 20, 2018, the dividend processing bank needs to ensure that any dividend instrument (such as Demand Drafts / Warrants etc.) lying unpaid beyond the validity period of the instrument shall be cancelled and the unpaid dividend amount is credited back to the relevant dividend bank account of the issuer company.

In pursuance to the above, the dividend processing Bank has reversed the demand drafts pertaining to the dividend for the financial year 2018-19 and the interim dividend for the financial year 2019-20, lying un-encashed beyond the validity period of the demand drafts. During the year, the Company deposited ₹6,40,823.70 to the designated bank account of the Government of India as dividend entitlements on 5,57,238 shares, transferred during the previous financial year to Demat Account of IEPF Authority.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at <https://www.orientelectric.com/investors/investors-contact>.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules,

2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 16, 2019 (date of the last AGM) on the website of the Company at <https://www.orientelectric.com/investors/share-holders> and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

Unclaimed Shares

As per the provisions of Regulation 39(4) of the Listing Regulations, the Company is maintaining an 'Unclaimed Suspense Account' wherein unclaimed shares are being held. This account is being maintained by the Company purely on behalf of the shareholders entitled to these shares. All Corporate benefits accruing on these shares like bonus, split etc., if any, shall be credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares will remain frozen until the rightful owner has claimed the shares. Dividend on these shares has also been transferred to a separate bank account.

Shareholders who have not yet claimed their shares are requested to immediately approach the Registrar & Share Transfer Agent of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with PIN code, self-attested copies of PAN card, proof of address, indemnity and other documents as may be required for verification purpose as may be advised by the Registrar & Share Transfer Agent. The said request must also accompany a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

Details of shares in Unclaimed Suspense Account:

- 2,45,770 equity shares pertaining to 25 shareholders of the Company were lying into the credit of this Unclaimed Suspense Demat Account as on March 31, 2020.
- During the year none of the shareholders claimed shares from the Unclaimed Suspense Account.

Listing of Shares on Stock Exchanges with Stock Code

ISIN: INE142Z01019	
Stock Exchange National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051 Website : www.nseindia.com	Stock Code ORIENTELEC
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Website : www.bseindia.com	541301

The listing fees for the financial year 2019-20 have been paid to the stock exchanges.

Share Transfer System

Regulation 40 of the Listing Regulations was amended vide Gazette notification dated June 08, 2018 mandating transfer of securities in dematerialized form only on and after December 05, 2018. Further, SEBI has extended the date for transfer of securities in physical form to March 31, 2019, vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018.

According to the said Notification dated November 30, 2018 requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with the depository with effect from April 01, 2019. Therefore, trading in equity shares of the Company is permitted only in dematerialised form. However, this restriction shall not be applicable to the request received for effecting transmission or transposition of physical shares. Accordingly, with effect from April 01, 2020, the Company / its Registrar and Share Transfer Agent has stopped accepting any fresh lodgment of transfer of shares in physical form.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest to avoid any inconvenience while transferring the shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of Registrar and Share Transfer Agent to seek guidance in the demat procedure. The shareholders may also visit the website of depositories viz. National Securities Depository Limited ('NSDL') or Central Depository Services (India) Limited ('CDSL') for further understanding of the demat procedure.

A summary of transmission of securities of the Company is placed at the meetings of Board and Stakeholders' Relationship Committee. The Company Secretary in Practice certifies every half-yearly to the effect that all certificates have been issued within thirty days of the date of lodgment of the sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations. This certificate is filed with Stock Exchanges.

Registrar & Share Transfer Agent KFin Technologies Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032

Tel: +91 40 67162222

Fax: +91 40 23001153

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Effective from May 10, 2019, Registrar and Share Transfer Agent of the Company was changed to Kfin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) from MCS Share Transfer Agent Limited.

Name of the Registrar and Share Transfer Agent of the Company has been changed from 'Karvy Fintech Private Limited' to '**KFin Technologies Private Limited**' ("**Kfintech**") with effect from December 05, 2019.

Means of Communication

The Company recognizes the importance of two-way communication with shareholders and giving a balanced reporting of results and progress. Complete and timely disclosure of information regarding the Company's financial position and performance is an important part of the Company's corporate governance ethos. The Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Investor Releases, Press Releases, the Annual Reports and uploading relevant information on its website. Presentation given to the Institutional Investors during the meeting, if any, is duly intimated to the Stock Exchanges and is also uploaded on the website of the Company.

Due to the pandemic COVID-19 situation Government of India had announced nationwide lockdown in the Country since March 24, 2020. It has created not just a health emergency but a global economic crisis that is growing by the day. Post declaration of nationwide lockdown, several regulators viz Ministry of Corporate Affairs, the Securities and Exchange Board of India, Reserve bank of India and Institute of Company Secretaries of India had announced several relaxations in the prescribed timelines of compliances.

The Company always understand the expectation of its shareholders and do not let them wait too long to know the financials and other relevant details about the Company which may be relevant for them to analyse their investment decisions. In the pursuit of building shareholders' confidence, the Company has generally been prompt in disclosing its quarterly financial results within a month from the end of the respective quarter.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on

the performance/ operations of the Company and other price sensitive information. All information is filed electronically on the online portal of BSE Limited – Corporate Compliance & Listing Centre (BSE Listing Centre) and on the online portal of National Stock Exchange of India Limited – NSE's Electronic Application Processing System (NEAPS).

The Company is maintaining a website viz.: **www.orientelectric.com**, where all the disclosures and material information, Annual Reports, unaudited quarterly/ half-yearly financial statements, audited financial statements and other official news releases of the Company are disseminated and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures. The quarterly, half-yearly and yearly results are also published in Financial Express and Odiya Bhaskar which are national and local dailies, respectively.

Annual Report

The Annual Report containing, *inter alia*, Audited Financial Statement, Board's Report, Auditors' Report, Business Responsibility Report (as applicable) and other important information is circulated to the shareholders and others, entitled thereto. The Management Discussion & Analysis Report forms part of this Annual Report. The Company's Annual Report is also available in downloadable form on the Company's website. During the financial year 2019-20, Annual Reports, notices, and other communications to the shareholders were communicated electronically on their email IDs registered in the depository system, physical copies were sent, through the prescribed modes of postage, to those shareholders whose email IDs were not registered in depository system or who have requested for the physical copies.

In view of the continuing spread of COVID-19 pandemic across the globe and in India, social distancing is to be a pre-requisite, Ministry of Corporate Affairs, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and Securities and Exchange Board of India vide its circular dated May 12, 2020, have dispensed with the requirement of dispatching physical copies of the Annual Report during the calendar year 2020. Accordingly, Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company.

To prevent the replenish state of environment by conserving the natural resources, the Company request all its shareholders

to immediately register / update their email ID's with the Depository Participant where they are maintaining their demat account / to the Registrar and Share Transfer Agent of the Company (in case of shares held in physical mode) to receive all communications, including Notices, Financials, Annual Reports etc., electronically over registered email.

Investor Services - Web-based Query Redressal System

Shareholders may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries, by visiting **<https://karisma.kfintech.com/>** and clicking on 'INVESTORS GRIEVANCE' option for query registration through free identity registration process.

Investors can submit their query in the option provided on the above website, which would generate a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option 'Track Complaints' on the right hand corner under 'INVESTORS GRIEVANCE' option after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

KPRISM- Mobile service application by Kfintech

The Registrar and Share Transfer Agent, Kfintech, has also launched a mobile application - KPRISM for providing online service to shareholders. Shareholders can download the mobile application, register themselves (one time) for availing a host of services viz., view of consolidated portfolio serviced by Kfintech, Dividend status, requests for change of address, change / update Bank Mandate. Through the Mobile app, shareholders can download Annual Reports, standard forms and keep track of upcoming general meetings and dividend disbursements.

The mobile application is available for download from Android phone through- Play Store. Shareholders may alternatively visit the link **<https://kprism.karvy.com/app/>** to download the mobile application.

Dematerialization of Shares and Liquidity

The shares of the Company are available for trading in the dematerialised form, under both the Depository Systems in India – NSDL and CDSL, on NSE & BSE. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE142Z01019. The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company is permitted only in dematerialised form. The Non-Promoters' holding as on March 31, 2020 is 61.48% and the stock is highly liquid.

	No. of shares	Percentage (%)
At National Securities Depository Limited	19,93,58,827	93.95
At Central Depository Services (India) Limited	1,16,94,904	5.51
In Physical Form	11,31,771	0.53
Total Paid-up Share Capital	21,21,85,502	100.00

Shareholding Pattern

Distribution of Shareholding as on March 31, 2020

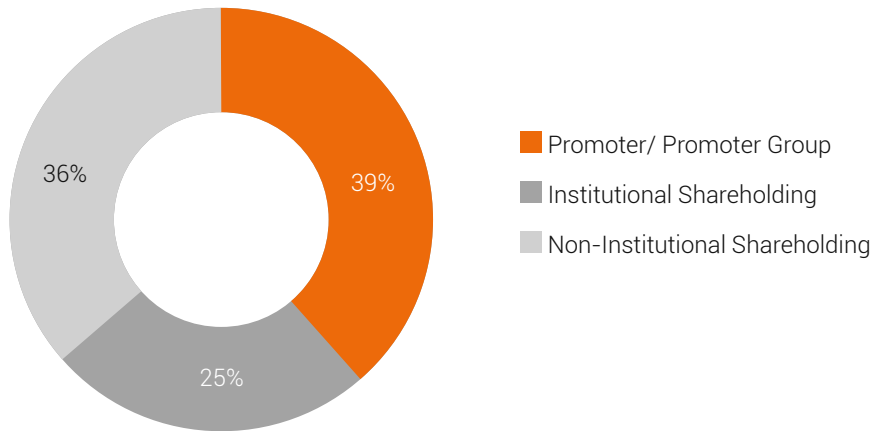
No. of shares Slab	No. of Shareholders	%	No. of Shares	%
1-5000	30,052	96.83	1,16,06,888	5.47
5001-10000	426	1.37	30,58,457	1.44
10001-20000	228	0.73	32,77,993	1.54
20001-30000	76	0.24	18,87,141	0.89
30001-40000	40	0.13	13,88,545	0.65
40001-50000	27	0.09	12,50,974	0.59
50001-100000	54	0.17	36,46,792	1.72
100001-and Above	132	0.43	18,60,68,712	87.69
Total	31,035	100.00	21,21,85,502	100.00

Category of Shareholding as on March 31, 2020

Category	No. of Shareholders	No. of Shares	(%)
A. Promotor / Promoter Group	17	8,17,33,294	38.52
B. Public Shareholding			
B1 Institutional Shareholding			
Financial Institutions, Insurance Companies, Mutual Funds, Banks and Others	73	4,21,26,133	19.85
Foreign Portfolio Investors and Foreign Institutional Investors	56	1,08,84,072	5.13
Sub-Total (B1)	129	5,30,10,205	24.98
B2 Non-Institutional Shareholding			
NRIs, OCIs and Foreign Nationals	959	55,16,166	2.60
Bodies Corporate	524	80,16,310	3.78
Public and Others	29,402	5,25,18,921	24.75
Qualified Institutional Buyer	4	1,13,90,606	5.37
Sub-Total (B2)	30,889	7,74,42,003	36.50
Public Shareholding (B=B1+ B2)	31,018	13,04,52,208	61.48
Total (A+B)	31,035	21,21,85,502	100.00

- During the Financial Year 2019-20 the Company has not issued any ADRs / GDRs.
- During the Financial Year 2019-20 the Company has not issued any convertible warrants / securities.

Category of shareholders

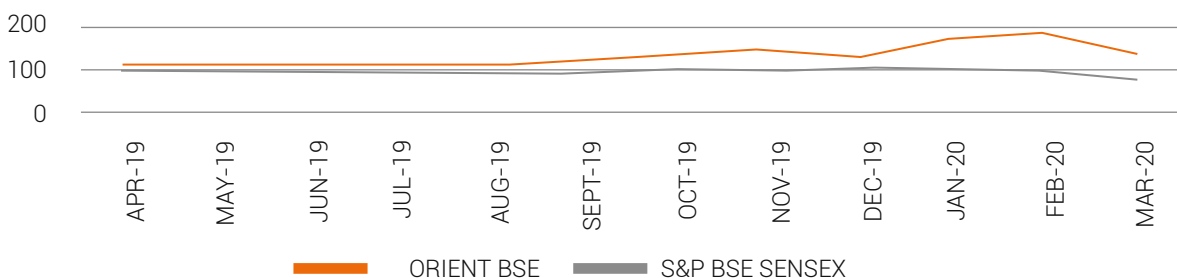


Monthly High and Low Quotes and Volume of Shares traded on NSE & BSE

BSE

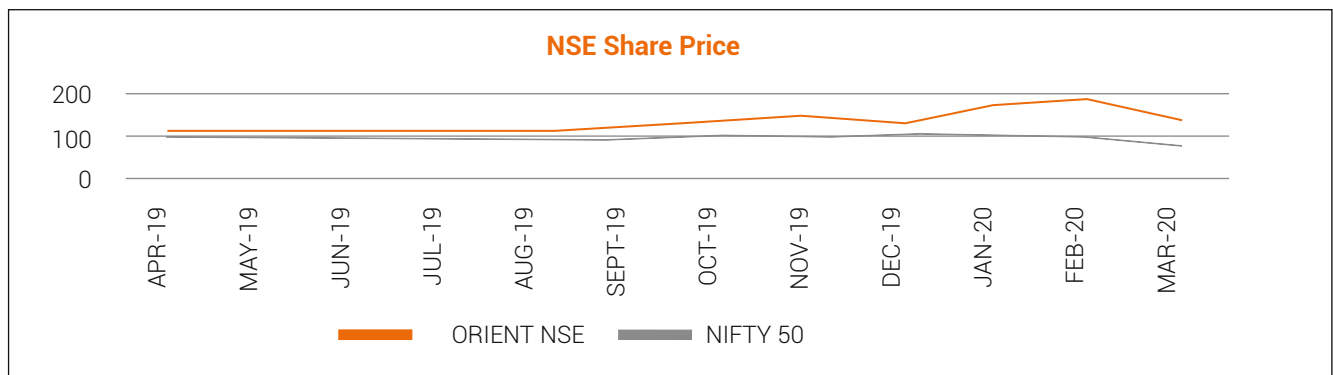
Month	High	Date	Volume Traded	Low	Date	Volume Traded
April 2019	170.00	25-Apr-19	20,133	146.00	05-Apr-19	5,823
May 2019	168.85	27-May-19	6,438	146.00	02-May-19	27,749
June 2019	167.95	07-Jun-19	4,134	155.20	25-Jun-19	2,069
July 2019	166.65	08-Jul-19	7,465	147.05	22-Jul-19	5,848
August 2019	172.80	13-Aug-19	7,721	143.70	26-Aug-19	8,817
September 2019	170.75	25-Sep-19	4,690	151.50	03-Sep-19	2,938
October 2019	198.95	31-Oct-19	12,718	152.70	15-Oct-19	20,680
November 2019	214.15	29-Nov-19	34,659	180.20	18-Nov-19	1,955
December 2019	215.65	02-Dec-19	12,226	181.45	16-Dec-19	10,082
January 2020	256.00	31-Jan-20	46,297	186.30	06-Jan-20	3,513
February 2020	286.45	20-Feb-20	28,090	235.55	01-Feb-20	16,669
March 2020	274.65	02-Mar-20	23,943	138.50	23-Mar-20	10,827

BSE Share Price



NSE

Month	High	Date	Volume Traded	Low	Date	Volume Traded
April 2019	170.30	26-Apr-19	61,518	148.00	04-Apr-19	3,48,166
May 2019	168.95	23-May-19	3,89,139	145.70	02-May-19	3,88,545
June 2019	168.00	04-Jun-19	19,800	155.50	25-Jun-19	37,021
July 2019	167.05	05-Jul-19	2,14,592	147.05	31-Jul-19	67,983
August 2019	173.70	13-Aug-19	15,22,001	136.80	26-Aug-19	2,86,284
September 2019	171.00	25-Sep-19	75,393	151.25	03-Sep-19	44,402
October 2019	198.75	31-Oct-19	3,70,658	155.50	16-Oct-19	2,11,136
November 2019	214.70	29-Nov-19	3,71,368	180.20	18-Nov-19	2,01,893
December 2019	216.45	02-Dec-19	3,01,315	181.25	16-Dec-19	1,39,523
January 2020	256.45	31-Jan-20	13,32,645	185.50	06-Jan-20	3,35,376
February 2020	286.90	20-Feb-20	8,63,676	235.30	01-Feb-20	1,74,095
March 2020	274.70	02-Mar-20	2,11,932	145.05	25-Mar-20	6,23,687



Discretionary Requirements Under the Listing Regulations

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

1. Separate posts of Chairman and Managing Director & Chief Executive Officer:

The Company has a diversified business portfolio, which demands that the senior leadership has in-depth knowledge and understanding of the functioning of the Company, so as to enhance the value-generating capacity of the organization

and contribute significantly to stakeholders' aspirations and societal expectations. In order to manage the diversified business portfolio, the positions of Chairman and Managing Director & CEO of the Company are kept separate. Mr. Chandra Kant Birla, Non-Executive Chairman of the Company does not maintain his office at the Company's expense.

2. Unmodified Audit Report:

The Financial Statement of the Company contains no audit qualifications and adverse comment. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the financial year ended March 31, 2020.

3. Reporting of Internal Auditor:

Internal Auditors directly reports to the Audit Committee of

the Board. They present their quarterly Internal Audit Report with observations, reviews, comments and recommendations through presentations which they have observed during their Audit along with follow up actions taken by the management.

Disclosures and Affirmation

Commodity Price Risk and Foreign Exchange Risk & Hedging Activities

Details of foreign currency exposure are disclosed at Note no. 40 in the notes to the Financial Statements. As per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018, no hedging activities in commodities were undertaken by the Company during the financial year 2019-20.

Disclosures on material financial and commercial transactions, where Senior Management have personal interest that may have a potential conflict with the interest of the Company

No transaction has been entered into during the financial year 2019-20 where Senior Management has personal interest that may have a potential conflict with the interest of the Company at large.

Related Party Transactions

All related party transactions that were entered during the financial year 2019-20 were on an arm's length basis and in the ordinary course of business. There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its Directors, the Management, or their relatives, except as disclosed in Note no. 34 in the notes to the Financial Statements.

As required under Regulation 23 of the Listing Regulations, the Company has adopted a policy on Related Party Transactions which has been uploaded on the website of the Company and can be accessed at the weblink: <https://www.orientelectric.com/images/investors/related-party-policy.pdf>.

Whistle Blower Mechanism

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistle Blower Policy. This Policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As such the Whistle Blower Policy provides for protected disclosure and protection to the Whistleblower. Under the Vigil

Mechanism, all stakeholders have been provided access to the Audit Committee through the Chairperson. No personnel have been denied access to the Audit Committee. All employees, Directors, vendors, suppliers or other stakeholders associated with the Company can make the Protected Disclosure through an e-mail to whistle.blower@orientelectric.com or any other mechanism as prescribed in the Whistle Blower Policy.

The Whistle Blower Policy was amended in line with the amendments brought in through SEBI (Prohibition of Insider Trading) (Amendments) Regulations, 2018, enabling stakeholders to report insider trading violations as well as reporting of instances of leak of Unpublished Price Sensitive Information.

The Whistleblower Policy of the Company is available on the website of the Company and can be accessed at the web link: <https://www.orientelectric.com/images/investors/whistle-blower-policy.pdf>.

Protection against Sexual Harassment of Women

The Company has a zero tolerance towards sexual harassment at the workplace and has adopted a Policy on Prevention and Prohibition of Sexual Harassment at Workplace and has also put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices for all genders. This Anti-Sexual Harassment policy of the Company is in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee ("**ICC**") under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment. Company has organized training / awareness programs in the organisation on a continuous basis, to create awareness amongst the employees.

Summary of sexual harassment complaints received and disposed of during the financial year ended March 31, 2020 is as follows:

- No. of complaints pending at the beginning of the year : 0
- No. of complaints received during the year: 1
- No. of complaints disposed off during the year: 1
- No. of complaints pending at the end of the year: 0

During the financial year 2019-20, one complaint was received to ICC from a female employee of the Company. Both, the complainant and the respondent were given a fair opportunity to represent their part of the case. However, no evidence and witnesses could be produced from either side, in the absence of which complaint could not be substantiated, and also on the fact that the respondent left the Company, the complaint was closed to the satisfaction of the complainant.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

During the financial year 2018-19, Company has received one notice from both the Stock Exchanges viz. BSE and NSE, alleging non-compliance of Regulation 29 (2) and (3) of the Listing Regulations for not giving prior intimation of declaration of dividend and each imposing fine of ₹10,000. The Company submitted its response to NSE and BSE clarifying that the Company has not made any default in complying with Regulation 29 of the Listing Regulations and requested for waiver of the fine. In the absence of any revert from NSE and BSE, the Company paid the fine under protest.

Code of Conduct for prevention of Insider Trading

The Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons of the Company' in compliance with the securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**").

The Code of Conduct has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and their immediate relatives towards achieving compliance with the Insider Trading Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The Code of Conduct lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing in securities of the Company and cautions them of the consequences of violations.

Code of Conduct of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on the Company's website and can be accessed at the weblink: <https://www.orientelectric.com/images/investors/code-of-conduct-for-fair-disclosure-of-upsi.pdf>.

Policy and procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information

Pursuant to the amendments made to the Insider Trading Regulations, the Company has formulated the 'Policy and procedure for inquiry in case of leak / suspected leak of Unpublished Price Sensitive Information' ('**UPSI**'). The policy is formulated to maintain ethical standards in dealing with sensitive information of the Company by persons who have access to UPSI. The rationale of the policy is to strengthen the internal control systems to ensure that the UPSI is not communicated to any person except in accordance with the Insider Trading Regulations. The Policy also provides an investigation procedure in case of leak/suspected leak of UPSI.

Credit Rating

During the financial year 2019-20, the credit rating agency, CARE has issued 'CARE AA- 'Stable' for Long Term Bank Facilities, 'CARE AA- 'Stable/CARE A1+' for Long / Short Term Bank Facilities and 'CARE A1+' for Short Term Bank Facilities of the Company.

Disclosure of Accounting Treatment in preparation of Financial Statements

The Company adopted Indian Accounting Standards ("**Ind AS**"), accordingly, the financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, and notified under Section 133 of the Act and other relevant provisions of the Act.

Fees payable to Statutory Auditors

Total fees paid to the Statutory Auditors and entities in their network firm for all services received by the Company during the financial year 2019-20 is detailed hereunder:

Sr. No.	Particulars	Amount* (₹ crores)
1	Payment to M/s. S.R. Batliboi & Co. LLP	0.47
	For Statutory Audit	
	For Other Services	0.08
2	Payment to network firms / entity	0.59
	Consultancy / Advisory Charges	
	Total	1.14

*excluding reimbursement

Certification on Compliance of Code of Conduct

The Company has adopted a Code of Conduct ('Code') which forms the foundation of its ethics and compliance program, for the Board Members and Senior Management of the Company.

The Code is available on the website of the Company and can be accessed at the weblink <https://www.orientelectric.com/images/investors/code-of-conduct-for-directors-and-senior-management.pdf>.

All the members of the Board and Senior Management affirm their compliance with the Code of Conduct annually. The Managing Director & CEO has declared, as under, affirming the compliance of Code by the Board Members and Senior Management.

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the 'Code of Conduct' in respect of the financial year 2019-20."

Rakesh Khanna

Managing Director & CEO
June 01, 2020

CEO & CFO Certification

The Managing Director & CEO and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report. The Managing Director & CEO and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

No Disqualification Certificate From Practicing Company Secretary

Certificate from A. K. LABH & Co., Practicing Company Secretary, confirming that none of the Directors on the Board

of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

Confirmation of Compliance

It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to this Report.

Locations of Offices and Plants

Registered Office

Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha

Corporate Office

240, Okhla Industrial Estate, Phase - III, Okhla, New Delhi - 110020

Manufacturing Units

11, Industrial Estate, Sector 6, Faridabad - 121006, Haryana
D-209, Sector 63, Noida 201301, Uttar Pradesh
C-130, Sector 63, Noida 201301, Uttar Pradesh
6, Ghore Bibi Lane, Kolkata - 700 054, West Bengal

For and on behalf of Board of Directors

For **Orient Electric Limited**

Place: New Delhi
Date: June 01, 2020

Chandra Kant Birla
Chairman
DIN: 00118473

CEO/ CFO Certification

(AS PER REGULATION 17(8) OF THE LISTING REGULATIONS)

We, Managing Director & CEO and Chief Financial Officer, certify to the Board of Directors of Orient Electric Limited (the "Company") that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2020 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee,

deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the Auditors and the Audit Committee:
 - i. that there are no significant changes in internal control during the year;
 - ii. that there are no significant changes in accounting policies during the year other than those which have been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of significant fraud of which we became aware or the involvement therein, of any member of management or an employee having a significant role in the Company's internal control system over financial reporting.

Rakesh Khanna
Managing Director & CEO

DIN: 00266132

Place: New Delhi

Date: June 01, 2020

Saibal Sengupta
Chief Financial Officer

M.No. ACA 54373

Certificate of Non-Disqualification of Directors

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
**The Members of
Orient Electric Limited**

Unit VIII, Plot No. 7
Bhoinagar, Bhubaneswar - 751012
Odisha

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Orient Electric Limited** having CIN : L31100OR2016PLC025892 and having registered office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751 012, Odisha (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Chandra Kant Birla	00118473	19.01.2018
2.	Desh Deepak Khetrpal	02362633	19.01.2018
3.	Rakesh Indersain Khanna	00266132	23.01.2018
4.	Tirumalai Cunnavakaum Anandanpillai Ranganathan	03091352	19.01.2018
5.	Pradeep Chandra Kathi	05345536	19.01.2018
6.	Alka Marezban Bharucha	00114067	19.01.2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

Date : June 01, 2020

Name : **ATUL KUMAR LABH**

Membership No. : F4848

CP No. :3238

UDIN : F004848B000292982

Independent Auditor's Report

ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

To,

The Members of Orient Electric Limited

Unit VIII, Plot No. 7

Bhoinagar, Bhubaneswar - 751012

Odisha

1. The Corporate Governance Report prepared by Orient Electric Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock Exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the

Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at-least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held during the period from April 01, 2019 to March 31, 2020.
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee;
 - (g) Corporate Social Responsibility Committee.

- v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management .
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

per Vishal Sharma

Partner

Membership No: 096766

UDIN: 20096766AAAAAP5607

Place of Signature: Faridabad

Date: June 01, 2020

FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Orient Electric Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Orient Electric Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and

the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 47 to the accompanying Ind AS financial statements, which describes the management's assessment of the impact of uncertainties related to COVID 19 and its consequential effects on the business operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>For the year ended March 31, 2020, the Company has recognized revenue from contracts with customers amounting to ₹2,058.64 crores.</p>	<p>Our audit response consisted of the following procedures:</p> <ul style="list-style-type: none"> - We evaluated the Company's revenue recognition accounting policies; - We obtained an understanding of management's internal controls over the revenue recognition process and the timing of revenue recognition;

Key audit matters	How our audit addressed the key audit matter
<p>Revenue from the sale of goods is recognised upon transfer of control of ownership of the goods to the customer, usually on delivery of goods. The Company considers estimated time of delivery of goods and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognized in the incorrect period for sales transactions occurring on and around the year end.</p>	<ul style="list-style-type: none"> - We performed sales transactions testing based on a representative sampling of the sales orders to ensure that the related revenues and trade receivables are recorded based on the terms and conditions of the sale orders, including the shipping terms; - We also tested sales transactions made near the year end by verifying a sample of sales transactions occurring around the year end to supporting documentation including customer confirmation of receipt of goods to establish that sales and corresponding trade receivables are properly recorded in the correct period; - We performed monthly analytical reviews to identify any unusual sales trends.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Secretarial Audit Report, Management Discussion and Analysis but does not include the Ind AS financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and

for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with

a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vishal Sharma

Partner

Membership Number: 096766

UDIN: 20096766AAAAAN4960

Place: Faridabad

Date: June 1, 2020

Annexure 1 referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'

Orient Electric Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, registration of title deeds is in progress in respect of immovable properties transferred as a result of demerger aggregating of ₹0.05 crores.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electrical goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales tax, goods and service tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	₹ in Crore'	Period to which the amount relates	Forum where the dispute is pending
Central Excise & Customs Act	Disallowance of Modvat/ cenvat credit on inputs	0.22	1994-1995, 1995-96	Commissioner of Central Excise Kolkata
Central Excise & Customs Act	Excess ISD Credit transfer to units	0.37	2013-14	CESTAT
Central Excise & Customs Act	Levy of duty on short return of Cottage Parties	0.12	1975-76, 76-77, 81-84 to 84-85, 2000-01, 2002-03, 1993-94 to 1996-97	Additional Commissioner/ Commissioner Appeals/CESTAT
Custom Act	Customs duty for imports of tools & dies	0.93	2012-2015	CESTAT- Kolkata

Name of the statute	Nature of the dues	₹ in Crore*	Period to which the amount relates	Forum where the dispute is pending
Entry Tax Act	Demand for interest on entry tax	1.43	2013-14, 2014-15, 2015-16, 2016-17	West Bengal Taxation Tribunal
Kerala VAT act	Additional demand of sales tax	0.15	2012-2015	Asst. Commissioner, commercial taxes- Cochin
MP VAT act	Additional demand of sales tax	0.08	2016-2017	Additional Commissioner of commercial tax (Appeals)-Indore
Sales Tax Act	Delay in depositing C Forms, F Forms	0.07	2012-13	Commissioner Appeals
Sales Tax Act	Delay in depositing F Forms	0.05	2012-2013	Joint commissioner of Commercial Taxes, LTU, Jaipur
Sales Tax Act	Treatment of transfer of Defective stock as sales	0.02	2003-2004	Appellate Authority
Service tax act	Denial of Cenvat Credit availed of as input services on job work services	0.44	2009-10	Joint commissioner -service tax- New Delhi
Tamilnadu VAT Act	Additional demand for stock transfer	8.98	2006-07 to 2010-11	Assistant Commissioner-Chennai
West Bangal VAT Act	Additional demand of sales tax	1.24	2016-2018	Commissioner(a)-Sales tax (West Bengal)
West Bangal VAT Act	Disallowance of Sales Return, ITC, excess of unregistered purchase tax	1.48	2014-15	Joint commissioner of Commercial Taxes, LTU, Kolkata

*Net of amount paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding dues in respect of government or debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties

are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vishal Sharma

Partner

Membership Number: 096766

UDIN: 20096766AAAAAN4960

Place: Faridabad

Date: June 1, 2020

Annexure 2 to the Independent Auditor's Report of Even Date on the Ind As Financial Statements of Orient Electric Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Orient Electric Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal

financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vishal Sharma

Partner

Membership Number: 096766

UDIN: 20096766AAAAAN4960

Place: Faridabad

Date: June 1, 2020

Balance Sheet as at March 31, 2020

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
I) Assets			
A Non-Current Assets			
a) Property, plant and equipment	3	129.56	112.00
b) Capital work-in-progress	3	3.46	4.30
c) Intangible assets	4	6.25	4.57
d) Intangible assets under development		6.85	-
e) Right of use asset	37	54.19	-
f) Financial assets			
(i) Trade receivables	8	25.16	12.39
(ii) Other financial assets	5	7.45	6.85
g) Deferred tax asset (net)	16	21.40	19.65
h) Other non current assets	6	5.75	5.36
	(A)	260.07	165.12
B Current Assets			
a) Inventories	7	286.50	263.96
b) Financial assets			
(i) Trade receivables	8	363.73	392.35
(ii) Cash and cash equivalents	9	7.06	31.51
(iii) Bank balances other than (ii) above	10	0.42	0.10
(iv) Other financial assets	5	1.00	0.83
c) Current tax assets	11	8.84	-
d) Other current assets	6	32.82	34.90
	(B)	700.37	723.65
Total Assets	(A)+(B)	960.44	888.77
II) Equity and Liabilities			
C Equity			
a) Equity share capital	12	21.22	21.22
b) Other equity	13	338.17	285.36
	(C)	359.39	306.58
Liabilities			
D Non-Current Liabilities			
a) Financial liabilities			
(i) Borrowings	14	-	25.09
(ii) Lease liabilities	37	43.03	-
b) Long term provisions	15	17.08	12.94
c) Other non current liabilities	19	10.48	-
	(D)	70.59	38.03
E Current Liabilities			
a) Financial liabilities			
(i) Borrowings	14	94.70	99.94
(ii) Lease liabilities	37	13.65	-
(iii) Trade payables	17	-	-
- total outstanding dues of micro, small and medium enterprises		34.29	76.99
- total outstanding dues of creditors other than micro, small and medium enterprises		296.19	273.89
(iv) Other current financial liabilities	18	38.23	40.32
b) Short term provisions	15	29.33	26.55
c) Other current liabilities	19	24.07	24.45
d) Current tax liabilities	20	-	2.02
	(E)	530.46	544.16
F Total Liabilities	(D)+(E)	601.05	582.19
Total Equity and Liabilities	(C)+(F)	960.44	888.77
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S.R. Batliboi & Co. LLP

Firm registration number: 301003E / E300005
Chartered Accountants

Per Vishal Sharma

Partner
Membership No.: 096766

Place: Faridabad
Date: June 01, 2020

For and on behalf of the Board of Directors

C.K. Birla

Chairman
and Director
(DIN 00118473)
Place: New Delhi

Saibal Sengupta

Chief Financial Officer
Place: Ghaziabad
(ACA 54373)

Rakesh Khanna

Managing Director and
Chief Executive Officer
(DIN 00266132)
Place: New Delhi

Hitesh Kumar Jain

Company Secretary
Place: Ghaziabad
(F6241)

Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
A) Income			
Revenue from operations	21	2,061.82	1,864.40
Other income	22	4.09	9.53
Total income (A)		2,065.91	1,873.93
B) Expenses			
Cost of raw materials and components consumed	23	773.22	750.38
Purchase of traded goods		670.13	558.98
Changes in inventory of finished goods, work-in-progress and traded goods	24	(34.00)	(38.07)
Employee benefits expense	25	198.48	173.61
Finance costs	26	26.12	22.86
Depreciation and amortisation expense	27	40.12	23.05
Other expenses	28	277.57	278.22
Total expenses (B)		1,951.64	1,769.03
C) Profit before tax (A)-(B)		114.27	104.90
D) Tax expense	29		
Current Tax		37.36	44.11
Adjustment of tax relating to earlier periods		-	0.48
Deferred tax [charge/(credit)]		(1.71)	(9.00)
		35.65	35.59
E) Profit for the year (C)-(D)		78.62	69.31
F) Other comprehensive income/(loss)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-Measurement gains/(losses) on defined benefit plans		(0.15)	(0.67)
Income tax effect [(charge)/credit]		0.04	0.23
Other comprehensive income/(loss), net of tax		(0.11)	(0.44)
G) Total comprehensive income for the year (E)+(F)		78.51	68.87
Basic Earnings per equity share	30	3.71	3.27
Diluted Earnings per equity share		3.70	3.27
(Nominal value of share ₹1 (Previous year: ₹1))			
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S.R. Batliboi & Co. LLP

Firm registration number: 301003E / E300005

Chartered Accountants

Per Vishal Sharma

Partner

Membership No.: 096766

Place: Faridabad

Date: June 01, 2020

For and on behalf of the Board of Directors

C.K. Birla

Chairman
and Director
(DIN 00118473)

Place: New Delhi

Saibal Sengupta

Chief Financial Officer
Place: Ghaziabad
(ACA 54373)

Rakesh Khanna

Managing Director and
Chief Executive Officer
(DIN 00266132)

Place: New Delhi

Hitesh Kumar Jain

Company Secretary
Place: Ghaziabad
(F6241)

Statement of Changes in Equity for the year ended March 31, 2020

a) Equity Share Capital

(All amounts in Rupees Crores, unless otherwise stated)

	No. in Crores	Amount
Equity Shares of ₹1 each issued, subscribed and fully paid		
As at March 31, 2020	21.22	21.22
As at March 31, 2019	21.22	21.22

b) Other Equity

(All amounts in Rupees Crores, unless otherwise stated)

	Reserves and Surplus				Total
	Capital Reserve	General Reserve	Retained Earnings	Share based payment reserves	
As at March 31, 2018	0.05	194.83	47.15	-	242.03
Profit for the year	-	-	69.31	-	69.31
Transfer to general reserve	-	15.00	(15.00)	-	-
Other comprehensive income	-	-	(0.44)	-	(0.44)
Addition to employee stock option	-	-	-	0.04	0.04
Final equity dividend (Refer Note 42)	-	-	(10.61)	-	(10.61)
Interim equity dividend (Refer Note 42)	-	-	(10.61)	-	(10.61)
Dividend distribution tax (Refer Note 42)	-	-	(4.36)	-	(4.36)
As at March 31, 2019	0.05	209.83	75.44	0.04	285.36
Profit for the year	-	-	78.62	-	78.62
Transfer to general reserve	-	15.00	(15.00)	-	-
Other comprehensive income	-	-	(0.11)	-	(0.11)
Addition to employee stock option	-	-	-	3.72	3.72
Final equity dividend (Refer Note 42)	-	-	(10.61)	-	(10.61)
Interim equity dividend (Refer Note 42)	-	-	(13.79)	-	(13.79)
Dividend distribution tax (Refer Note 42)	-	-	(5.02)	-	(5.02)
As at March 31, 2020	0.05	224.83	109.53	3.76	338.17

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Firm registration number: 301003E / E300005
Chartered Accountants

Per Vishal Sharma

Partner
Membership No.: 096766

Place: Faridabad
Date: June 01, 2020

For and on behalf of the Board of Directors

C.K. Birla

Chairman
and Director
(DIN 00118473)
Place: New Delhi

Saibal Sengupta

Chief Financial Officer
Place: Ghaziabad
(ACA 54373)

Rakesh Khanna

Managing Director and
Chief Executive Officer
(DIN 00266132)
Place: New Delhi

Hitesh Kumar Jain

Company Secretary
Place: Ghaziabad
(F6241)

Cash Flow Statement for the year ended March 31, 2020

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) OPERATING ACTIVITIES :		
Profit before tax	114.27	104.90
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	40.12	23.05
Finance costs	26.12	22.86
Loss on sale of property, plant & equipment (net)	0.27	1.92
Bad debts / advances written off (net of reversals)	0.66	1.35
Provision for warranty claims (net)	29.96	35.51
Provision for doubtful debts & advances	7.45	11.02
Unspent liabilities and unclaimed balances written back	(1.05)	(5.30)
Employee stock option expenses	3.72	0.04
Fair valuation impact of security deposit (net)	(0.20)	0.11
Interest income	(1.72)	(2.97)
Unrealised exchange (gain)/loss	0.11	(0.07)
Operating profit before working capital changes	219.71	192.42
Working capital adjustments :		
Increase/(Decrease) in trade payables	(20.05)	80.31
Increase/(Decrease) in financial liabilities	3.13	(3.59)
Increase/(Decrease) in non financial liabilities	10.10	7.64
Increase/(Decrease) in provisions	(23.19)	(27.29)
(Increase)/Decrease in inventories	(22.54)	(54.90)
(Increase)/Decrease in trade receivables	8.13	(30.96)
(Increase)/Decrease in financial assets	(0.29)	2.31
(Increase)/Decrease in non financial assets	2.46	(3.84)
Cash generated from operations	177.46	162.10
Income tax paid	(48.22)	(30.14)
Net cash flow from operating activities	129.24	131.96
(B) INVESTING ACTIVITIES :		
Purchase of property, plant and equipment and intangibles (including work in progress and capital advances)	(52.64)	(34.83)
Proceeds from sale of property, plant and equipment	0.47	0.38
Proceeds/(Payments) for/to term deposits with banks	(0.37)	0.30
Interest received	1.71	2.97
Net Cash Flows From / (Used In) Investing Activities	(50.83)	(31.18)

Cash Flow Statement for the year ended March 31, 2020

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(C) FINANCING ACTIVITIES :		
Repayment of long term borrowings	(31.45)	(21.46)
Repayment of principal portion of lease liabilities	(10.89)	-
Repayment of short term borrowings (net)	(5.24)	(29.83)
Finance cost paid	(25.86)	(22.90)
Dividends paid (including dividend distribution tax)	(29.42)	(25.58)
Net Cash Flows From / (Used In) Financing Activities	(102.86)	(99.77)
Net Increase / (Decrease) In Cash & Cash Equivalents (A+B+C)	(24.45)	1.01
Cash & Cash Equivalents at the beginning of the year	31.51	30.50
Cash & Cash Equivalents at the end of the year (Refer note 9)	7.06	31.51

Notes

- i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S.R. Batliboi & Co. LLP

Firm registration number: 301003E / E300005
Chartered Accountants

Per Vishal Sharma

Partner
Membership No.: 096766

Place: Faridabad
Date: June 01, 2020

For and on behalf of the Board of Directors

C.K. Birla

Chairman
and Director
(DIN 00118473)
Place: New Delhi

Saibal Sengupta

Chief Financial Officer
Place: Ghaziabad
(ACA 54373)

Rakesh Khanna

Managing Director and
Chief Executive Officer
(DIN 00266132)
Place: New Delhi

Hitesh Kumar Jain

Company Secretary
Place: Ghaziabad
(F6241)

Notes to the financial statements for the year ended March 31, 2020

1. Corporate information

The Company was incorporated on October 10, 2016, and was a subsidiary of Orient Paper & Industries Ltd. (OPIL). A scheme of arrangement had been filed with the National Company Law Tribunal to demerge the consumer electric business of the holding Company (OPIL) by transferring the same on a going concern basis to the Company w.e.f March 1, 2017, which has subsequently been approved by the National Company Law Tribunal.

Pursuant to Scheme of Arrangement shares held by the demerged Company stand cancelled and post demerger, the Company is no more a subsidiary of OPIL.

The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Unit VIII, Plot 7, Bhoinagar, Bhubneswar, Odisha.

The Company is primarily engaged in manufacture/purchase and sale of Electrical Consumer Durables, Lighting & Switchgear products. The Company presently has manufacturing facilities at Faridabad, Noida and Kolkata. The manufacturing facilities at Guwahati location had been closed during the year.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on June 01, 2020.

2. Significant accounting policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that is measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest crore (INR 0,000,000) upto two decimal places, except when otherwise indicated.

b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to the financial statements for the year ended March 31, 2020

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed wherever applicable. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Similarly, when significant parts of plant and equipment are required to be replaced at intervals or when a major inspection/overhauling is required to be performed, such cost of replacement or inspection is capitalised (if the recognition criteria is satisfied) in the carrying amount of plant and equipment as a replacement cost or cost of major inspection/overhauling, as the case may be and depreciated separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognised in the statement of profit and loss.

Depreciation on property, plant and equipment is provided on pro-rata basis with reference to the date of addition/ disposal on straight-line method using the useful lives of the assets estimated by management based on technical evaluation; these rates are in certain cases differ from the lives prescribed under Schedule II of the Act. The Company has used the following rates to provide depreciation:

Class of Asset	Useful Lives estimated by the management (years)
Factory Buildings	30
Non-Factory Buildings	5 to 60
Plant and equipment	3 to 25
Furniture & Fixtures	8 to 10
Computers (included in office equipment)	3
Office Equipment	5
Vehicles	10

Leasehold improvements are depreciated over the lease period.

Notes to the financial statements for the year ended March 31, 2020

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

Intangible assets being specialised Software and Technical Knowhow are amortised on a straight line basis over their useful life (estimated by the management) of 3 to 5 years and 10 years respectively.

e. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right to use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Class of Asset	Useful Lives estimated by the management (years)
Leased Premises	2-9
Leased broadband line	7

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

Notes to the financial statements for the year ended March 31, 2020

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Where the Company is the lessor-

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in Property, plant & equipment. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

f. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the borrowings and exchange differences to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the year they occur.

g. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,

Notes to the financial statements for the year ended March 31, 2020

nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

i. Inventories

- Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components, stores and spares is determined on moving weighted average method.
- Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods is determined on weighted average basis.
- Traded goods are valued at lower of cost and net realizable value. Cost of purchase and other costs in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.
- Saleable scrap, whose cost is not identifiable, is valued at net realisable value.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j. Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Notes to the financial statements for the year ended March 31, 2020

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Sales points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with volume rebates. The volume rebates give rise to variable consideration.

- Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

- Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods to the customer and when the customer pays for that goods will be one year or less.

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions.

In some contracts, the Company provides warranty to the customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied based on time elapsed.

Sales points programme

The Company has a sales point programme, which allows customers to accumulate points that can be redeemed for free products. The sales points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the sales points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the sales points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Sales of Services

Revenue from installation and maintenance services are recognised at point of time upon completion of services.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of

Notes to the financial statements for the year ended March 31, 2020

time is required before payment of the consideration is due). Refer to accounting policies of financial assets – ‘financial instruments – initial recognition and subsequent measurement’.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

k. Other revenue streams

- Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

- Export Benefits

Export benefits arising from Duty Drawback scheme, Merchandise Export Incentive Scheme, Focus Market Scheme are recognised on shipment of direct exports. Revenue from exports benefits measured at the fair value of consideration received or receivable.

l. Foreign currency transactions and balances

The financial statements are presented in INR, which is the Company's functional currency.

Foreign currency transactions are initially recorded at functional currency's spot rates at the date the transaction first qualifies for recognition.

Foreign currency monetary items are translated using the functional currency spot rates prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

m. Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes to the financial statements for the year ended March 31, 2020

ii. Other long-term employee benefit obligations

- Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The Company's gratuity fund scheme is managed by trust maintained with Insurance companies to cover the gratuity liability of the employees and premium paid to such insurance companies is charged to the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

- Provident fund and Superannuation fund

Retirement benefit in the form of Provident Fund, ESI and Superannuation Fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

- Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

n. Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as employee benefits expense in the statement of profit and loss together with a corresponding increase in other equity as 'Share based payments reserve' in lines with requirement as per Ind AS 102 (Share based payments), over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date

Notes to the financial statements for the year ended March 31, 2020

reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised.

Notes to the financial statements for the year ended March 31, 2020

p. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Allocation of common costs

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

q. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r. Provisions and contingent liabilities

- General Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

- Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on technical estimates by the management based on past trends. The estimate of such warranty-related costs is revised annually

- Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Notes to the financial statements for the year ended March 31, 2020

s. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

t. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Notes to the financial statements for the year ended March 31, 2020

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investment

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

Notes to the financial statements for the year ended March 31, 2020

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
- the Company has transferred the rights to receive cash flows from the financial assets or
- the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI;

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of IND AS 17

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.

Notes to the financial statements for the year ended March 31, 2020

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ii. Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, and liabilities towards services, sales incentive and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortized cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the

Notes to the financial statements for the year ended March 31, 2020

case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original Classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to P&L at the reclassification date.

Notes to the financial statements for the year ended March 31, 2020

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges (if any), which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

u. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

v. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

Notes to the financial statements for the year ended March 31, 2020

2.1 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the financial statements of the Company.

Ind AS 116 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adoption of Ind AS 116 is as follows;

Impact on balance sheet:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020
Right of use asset	54.19
Lease liability	56.68

Impact on Profit & loss account

	March 31, 2020
Rent expense	(15.45)
Other expenses	(0.43)
Profit on lease cancellation	(0.03)

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a)

Notes to the financial statements for the year ended March 31, 2020

how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination. The Appendix did not have an impact on the financial statements of the Company.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. The amendment did not have an impact on the financial statements of the Company.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Determining whether the loyalty points provide material rights to customers

The Company's operates a sales point programme, which allows customers to accumulate points when they purchase products. The points can be redeemed for free products, subject to a minimum number of points obtained. The Company assessed whether the sales points provide a material right to the customer that needs to be accounted for as a separate performance obligation.

Notes to the financial statements for the year ended March 31, 2020

The Company determined that the sales points provide a material right that the customer would not receive without entering into the contract. The free products the customer would receive by exercising the sales points do not reflect the stand-alone selling price that a customer without an existing relationship with the Company would pay for those products. The customers' right also accumulates as they purchase additional products.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Useful life of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 31.

- Leases

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

- Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

- Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Notes to the financial statements for the year ended March 31, 2020

3. Property, plant and equipments

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Freehold Land (c)	Factory Building (a) & (c)	Non Factory Building (a) & (c)	Plant & Machinery	Office Equipments	Vehicles	Furniture & Fixtures	Total	Capital work-in-progress
Cost									
As at April 01, 2018	0.10	23.27	0.65	148.45	11.90	1.31	10.94	196.62	4.66
Additions	-	0.42	3.04	20.96	3.19	-	8.61	36.22	4.19
Disposals	-	(0.67)	-	(5.77)	(0.77)	-	(1.70)	(8.91)	-
Adjustments	-	-	-	-	(0.12)	-	-	(0.12)	(4.55)
As at March 31, 2019	0.10	23.02	3.69	163.64	14.20	1.31	17.85	223.81	4.30
Depreciation									
As at April 01, 2018	-	7.05	0.28	74.50	7.63	0.94	6.68	97.08	-
Charge during the year	-	0.99	0.33	16.12	2.18	0.10	1.63	21.35	-
Disposals	-	(0.46)	-	(4.16)	(0.72)	-	(1.27)	(6.61)	-
Adjustments	-	-	-	-	(0.01)	-	-	(0.01)	-
As at March 31, 2019	-	7.58	0.61	86.46	9.08	1.04	7.04	111.81	-
Net book value	0.10	15.44	3.08	77.18	5.12	0.27	10.81	112.00	4.30
Cost									
As at April 01, 2019	0.10	23.02	3.69	163.64	14.20	1.31	17.85	223.81	4.30
Additions	15.92	-	1.09	21.39	2.76	0.71	1.07	42.94	3.33
Disposals	-	-	-	(4.97)	(0.11)	(0.62)	(0.07)	(5.77)	-
Adjustments	-	-	-	-	-	-	-	-	(4.17)
As at March 31, 2020	16.02	23.02	4.78	180.06	16.85	1.40	18.85	260.98	3.46
Depreciation									
As at April 01, 2019	-	7.58	0.61	86.46	9.08	1.04	7.04	111.81	-
Charge during the year	-	1.00	0.42	19.01	2.19	0.08	1.91	24.61	-
Disposals	-	-	-	(4.37)	(0.11)	(0.45)	(0.07)	(5.00)	-
As at March 31, 2020	-	8.58	1.03	101.10	11.16	0.67	8.88	131.42	-
Net book value	16.02	14.44	3.75	78.96	5.69	0.73	9.97	129.56	3.46

a. Factory buildings include gross block of ₹3.39 crores (March 31, 2019: ₹3.15 crores) (Accumulated depreciation ₹2.07 crores (March 31, 2019: ₹1.64 crores), Net block ₹1.32 crores (March 31, 2019: ₹1.51 crores)) in respect of leasehold improvements and non factory building includes gross block of ₹2.97 crores (March 31, 2019: ₹2.97 crores) (Accumulated depreciation ₹0.70 crores (March 31, 2019: ₹0.30 crores), Net block ₹2.27 crores (March 31, 2019: ₹2.67 crores)) in respect of leasehold improvements.

b. For charge created on Property, plant and equipment of the Company towards borrowings, refer Note 14(4).

c. The Company is in the process of getting the immovable properties, having Gross Block of ₹0.65 crore and Net Block of ₹0.05 crores, registered / transferred in its name refer Note 14(4).

Notes to the financial statements for the year ended March 31, 2020

4. Intangible assets

(All amounts in Rupees Crores, unless otherwise stated)

	Software	Technical know how	Total
Cost			
As at April 01, 2018	7.39	7.51	14.90
Additions	0.01	-	0.01
Other adjustment	0.12	-	0.12
As at March 31, 2019	7.52	7.51	15.03
Amortisation			
As at April 01, 2018	6.41	2.34	8.75
Charge during the year	0.95	0.75	1.70
Other adjustment	0.01	-	0.01
As at March 31, 2019	7.37	3.09	10.46
Net book value	0.15	4.42	4.57
Cost			
As at April 01, 2019	7.52	7.51	15.03
Additions	2.78	-	2.78
As at March 31, 2020	10.30	7.51	17.81
Amortisation			
As at April 01, 2019	7.37	3.09	10.46
Charge during the year	0.35	0.75	1.10
As at March 31, 2020	7.72	3.84	11.56
Net book value	2.58	3.67	6.25

5. Other financial assets

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good, except otherwise stated		
Non-current		
Security deposits at amortised cost	7.34	6.85
Deposits held as margin money	0.11	-
	7.45	6.85
Current		
Interest accrued on loans and deposits	0.03	0.02
Insurance claim receivables	0.81	0.81
Other receivables	0.16	-
	1.00	0.83
Total other financial assets	8.45	7.68

Notes to the financial statements for the year ended March 31, 2020

6. Other assets

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Unsecured, considered good, except otherwise stated		
Capital advances	4.77	3.24
Advances recoverable		
Considered doubtful	0.40	-
Less : Provision for doubtful advances	0.40	-
	-	-
Deposits against demand under dispute	0.98	1.31
Prepaid expenses	-	0.81
	(A) 5.75	5.36
Current		
Unsecured, considered good, except where otherwise stated		
Advances recoverable	7.29	8.44
Prepaid expenses	1.59	1.25
Balances with government authorities	22.57	23.11
Export benefit receivables	1.37	1.49
Balance in gratuity fund (net) (Refer note 31)	-	0.61
	(B) 32.82	34.90
Total other assets	(A+B) 38.57	40.26

7. Inventories

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Valued at lower of cost and net realisable value		
Raw materials & components	66.57	79.57
Work-in-progress	3.57	4.82
Finished goods	119.21	104.10
Traded goods	91.68	71.70
Stores and spares	4.95	3.41
At net realisable value		
Scrap	0.52	0.36
	286.50	263.96
The above inventory includes stock in transit:		
Raw materials	0.93	1.75
Traded goods	4.10	-
Finished goods	10.10	0.70
	15.13	2.45

- a) During the year ended March 31, 2020, ₹0.47 crores (March 31, 2019: ₹0.49 crores) was recognised as an expense for inventories carried at net realisable value.
- b) Inventories are pledged against the borrowings obtained by the Company as referred in note 14.

Notes to the financial statements for the year ended March 31, 2020

8. Trade receivables

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non Current		
Unsecured, considered good	25.16	12.39
	25.16	12.39
Current		
Secured, considered good	27.48	21.69
Unsecured, considered good	336.25	370.66
Credit impaired	26.87	20.08
	390.60	412.43
Less : Provision for credit impaired	26.87	20.08
	363.73	392.35

- a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- b) Trade receivables are generally non-interest bearing and normally settled on 45 to 90 days term.
- c) Trade Receivables include due from related parties ₹0.38 crores (March 31, 2019 : ₹0.11 crores) (Refer note 34)

9. Cash and cash equivalents

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
On current accounts	6.02	19.90
Cash on hand	0.02	0.01
Deposits with original maturity for less than 3 months	1.02	11.60
	7.06	31.51

Note: There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

Changes in liabilities arising from financing activities

(All amounts in Rupees Crores, unless otherwise stated)

	Long Term Borrowings	Short Term Borrowings	Total liabilities from financing activities
Balance as at March 31, 2019	35.00	99.94	134.94
Cash outflow*	(31.45)	(5.24)	(36.69)
Non Cash			-
Fair value adjustments	0.26	-	0.26
Balance as at March 31, 2020*	3.81	94.70	98.51

*Excluding lease liabilities

Notes to the financial statements for the year ended March 31, 2020

10. Other bank balances

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Deposits held as margin money with original maturity for less than 3 months	0.25	-
Deposits with original maturity for more than 3 months but less than 12 months	0.01	-
Unclaimed dividend*	0.16	0.10
	0.42	0.10

*Company can utilise the balance only towards settlement of unclaimed dividend.

11. Current tax assets

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Advance payment of income tax and tax deducted at source after adjusting provisions	8.84	-
	8.84	-

12. Equity Share Capital

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020		As at March 31, 2019	
	No. in Crores	Amount	No. in Crores	Amount
Authorized share capital	25.00	25.00	25.00	25.00
Issued, subscribed and fully paid-up	21.22	21.22	21.22	21.22
21,21,85,502 equity shares of Re 1/- each (March 31, 2019: 21,21,85,502 equity shares of Re 1/- each)	21.22	21.22	21.22	21.22

a) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. in Crores	% holding in the class	No. in Crores	% holding in the class
Equity shares of ₹1 each fully paid				
Central India Industries Limited	5.26	24.77%	5.26	24.77%
Reliance Capital Trustee Co. Ltd.	1.63	7.69%	1.73	8.17%
Shekhavati Investments and Traders Limited	1.28	6.01%	1.28	6.01%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(c) Aggregate number of shares bought back, or issued as fully paid up pursuant to contract without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the date of Balance sheet:

No. in crores

	March 31, 2020	March 31, 2019	March 31, 2018
Equity shares issued	-	-	21.22

Notes to the financial statements for the year ended March 31, 2020

13. Other Equity

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Capital Reserve	0.05	0.05
General reserve		
Opening balance	209.83	194.83
Additions during the year	15.00	15.00
Closing balance	224.83	209.83
Share based payment reserves (Refer note 36)		
Opening balance	0.04	-
Additions during the year	3.72	0.04
Closing balance	3.76	0.04
Retained Earnings		
Opening Balance	75.44	47.15
Add: Profit for the year	78.62	69.31
Less: Transferred to General Reserve	15.00	15.00
Less : Interim Equity Dividend for the year ended March 31,2020 (Amount per share ₹0.65 (March 31, 2019: ₹0.50 per share)) (Refer note 42)	13.79	10.61
Less : Final Equity Dividend (Amount per share ₹0.50 for the year ended March 31, 2019 (March 31, 2018: ₹0.50)) (Refer note 42)	10.61	10.61
Less : Tax on equity dividend	5.02	4.36
Add: Other comprehensive income for the year, net of tax	(0.11)	(0.44)
Closing Balance	109.53	75.44
Total	338.17	285.36

Nature and description of reserve

a. Capital Reserve: The Company recognized profit or loss on cancellation of Companies own equity instruments to capital reserve.

b. General Reserve - General reserve are free reserves of the Company which are kept aside out of Company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c. Share based payment reserves: The Company has a stock option scheme under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 36 for further details of these plans.

d. Retained Earnings - Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

14. Borrowings

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non-current borrowings		
Term loans (Secured)		
From banks	-	21.27
From others	-	3.82
	-	25.09

Notes to the financial statements for the year ended March 31, 2020

14. Borrowings (Contd.)

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Current maturity of long term borrowings		
From banks	-	4.82
From others	3.81	5.09
	3.81	9.91
Total non-current borrowings* - (A)	3.81	35.00
Less : Amount disclosed under the head "other current financial liabilities"	3.81	9.91
Net non-current borrowings - (B)	-	25.09
Current borrowings		
Loan repayable on demand		
Cash credit from banks (Secured)	34.70	59.94
Other Loans from bank (unsecured)		
Working capital demand loan	60.00	40.00
Total current borrowings - (C)	94.70	99.94
Total borrowings (Incl. current maturities) (A+C)	98.51	134.94

*Net of unamortised borrowing cost of ₹0.07 crores (March 31, 2019: ₹0.33 Crores)

Note:

- Term loans from banks were secured by first pari-passu charge on the fixed assets (both present and future) pertaining to the plants of the Company at Kolkata and Faridabad locations. Term loans were repaid during the year (March 31, 2019: ₹26.27 Crores), carrying interest @ 9.90% to 10.10% p.a (March 31, 2019: 9.90% to 10.10% p.a.)
- Term loan from others of ₹3.88 crores (March 31, 2019 : ₹9.07 crores) carries interest @11.00 % p.a. (March 31, 2019: carries @11.00% p.a) and is repayable in 3 equal instalments ending on December 21, 2020.
- Cash credit from bank are secured against hypothecation of stock in trade, stock in progress, raw materials, stores and consumables, book debts and other current assets of the Company and second charge on moveable fixed assets pertaining to the plants of the Company at Kolkata and Faridabad locations. Cash credit and working capital demand loans are repayable on demand. The above loans carry interest @ 8.20% p.a. to 9.05% p.a. (March 31, 2019: @ 8.65% p.a. to 10.15% p.a.).
- (a) Completion of mutation on title of Faridabad properties is done to the extent of Deed of Conveyance and Change of Name in respect of Plot No.11, Sector-06, at Industrial Estate Faridabad has been received from 'Haryana State Industrial and Infrastructure Development Corpn. Ltd, (HSIIDC).
 (b) Completion of mutation of property at Kolkata is under process.
 (c) The proceedings for mutation of the above-mentioned properties has delayed due to sudden countrywide lockdown starting from March 24, 2020. Therefore, creation of charge is in abeyance in favour of Working Capital Lenders.

15. Provisions

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for gratuity (Refer note 31)	1.39	-
Provision for long term incentive plan	3.32	-
Provision for warranties	12.37	12.94
	17.08	12.94
Current		
Provision for leave benefits	7.92	6.35
Provision for warranties	21.41	20.20
	29.33	26.55

Notes to the financial statements for the year ended March 31, 2020

15. Provisions (Contd.)

Provision for warranties

A provision is recognised for expected warranty claims on product sold under warranty as per the technical estimates made by the management based on historical trends. It is expected that most of this cost will be incurred over the warranty terms. The table below gives information about movement in warranty provisions.

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Opening balance	33.14	24.74
Arisen during the year (net)	29.96	35.51
Utilized during the year	29.32	27.11
Closing balance	33.78	33.14

Provision for long term incentive plan

During the financial year 2018-19, the Company introduced a Long Term Performance Cash Incentive for top and senior management including Managing Director & CEO to reward their individual performance directly linked to the achievement of accelerated financial growth objectives of the Company. Long Term Performance Cash Incentive is effective from April 01, 2019.

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Opening balance	-	-
Arisen during the year (net)	3.32	-
Paid during the year	-	-
Closing balance	3.32	-

16. Deferred Tax Asset/(Liability)

The tax of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1.42	4.06
Gross deferred tax liability	1.42	4.06
Deferred tax asset		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis in future years	3.85	4.48
Impact of deferred revenue	3.08	-
Provision for doubtful debts and advances	6.76	7.02
Provision for warranties	8.50	11.58
Others	0.63	0.63
Gross deferred tax asset	22.82	23.71
Net deferred tax asset	21.40	19.65
Reconciliation of deferred tax asset/(liability)		
Opening balance	19.65	24.48
Deferred tax (charged)/credited during the year		
- to the statement of profit and loss	1.71	9.00
- to other comprehensive income	0.04	0.23
	21.40	33.71
MAT credit utilisation/(entitlement)	-	(14.06)
Closing balance	21.40	19.65

Notes to the financial statements for the year ended March 31, 2020

17. Trade payables

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Trade payables		
-total outstanding dues of micro, small and medium enterprises (refer note 39 for details of dues to micro, small and medium enterprises)	34.29	76.99
-total outstanding dues of creditors other than micro, small and medium enterprises	296.19	273.89
	330.48	350.88

- a) Trade payables are non-interest bearing and normally settled on 0 to 90 day terms.
b) Trade Payables include due to related parties ₹2.21 crores (March 31, 2019 : ₹2.13 crores) (Refer note 34)
c) Trade payables includes acceptances of ₹70.51 Crores (March 31, 2019: ₹83.76 Crores)

18. Other financial liabilities (at amortised cost)

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Current		
Payables against purchase of property, plant and equipment	2.11	1.49
Current maturities of long term borrowings (Refer note 14)	3.81	9.91
Interest accrued but not due on borrowings	0.29	0.03
Trade and other deposits received	31.86	28.79
Unpaid dividend *	0.16	0.10
	38.23	40.32

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

19. Other liabilities

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non current		
Deferred revenue (Refer note 38)*	10.48	-
	10.48	-
Current		
Advances from customers	8.29	8.78
Statutory dues payable	14.06	15.67
Deferred revenue (Refer note 38)*	1.72	-
	24.07	24.45

*Arisen during the year

20. Current Tax Liabilities

(All amounts in Rupees Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Provision for income tax net of advance tax and tax deducted at source	-	2.02
	-	2.02

Notes to the financial statements for the year ended March 31, 2020

21. Revenue from operations

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contracts with customers		
Sale of products & services (refer note below)		
Finished goods	1,168.80	1,139.40
Traded goods	951.20	754.99
Sale of services	0.97	0.87
	2,120.97	1,895.26
Less: Cash discount, rebates, incentives etc.	88.15	62.53
	2,032.82	1,832.73
Other operating revenue		
Scrap sales	25.82	28.57
Revenue from contracts with customers - (A)	2,058.64	1,861.30
Other operating revenue - Export incentive - (B)	3.18	3.10
Revenue from operations - (A+B)	2,061.82	1,864.40

Note: Refer note 38 for disclosure of revenue from contract with customers under Ind AS 115.

22. Other income

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income from financial assets at amortised cost from:		
Bank deposits	0.32	0.40
Unwinding of interest on security deposits	0.20	0.56
Customers and others	1.40	2.57
Insurance and other claims	0.32	0.13
Unspent liabilities and unclaimed balances written back	1.05	5.30
Exchange fluctuation (net)	-	0.16
Miscellaneous income	0.80	0.41
	4.09	9.53

23. Cost of raw materials and components consumed

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	79.57	63.79
Add: Purchases and job work charges	766.20	771.63
	845.77	835.42
Less: Sales	5.98	5.47
Less: Inventory at the end of the year	66.57	79.57
Cost of raw material and components consumed	773.22	750.38

24. Changes in inventory of finished goods, work in progress and traded goods

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year		
Work-in-progress	3.57	4.82
Finished goods	119.21	104.10
Traded goods	91.68	71.70
Scrap	0.52	0.36
	214.98	180.98

Notes to the financial statements for the year ended March 31, 2020

24. Changes in inventory of finished goods, work in progress and traded goods (Contd.)

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year		
Work-in-progress	4.82	3.88
Finished goods	104.10	82.40
Traded goods	71.70	56.46
Scrap	0.36	0.17
	180.98	142.91
(Increase)/ decrease in stocks	(34.00)	(38.07)

25. Employee benefits expense

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary, wages and bonus	181.11	161.19
Employee stock option expenses (Refer note 36)	3.72	0.04
Contribution to provident and other funds	6.53	5.67
Gratuity expenses (Refer note 31)	1.90	1.48
Staff welfare expenses	5.22	5.23
	198.48	173.61

26. Finance costs

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on:		
- on debts and borrowings	11.09	15.23
- on lease liability (Refer note 37)	4.99	-
- on others	2.81	3.02
Other finance charges	7.23	4.61
	26.12	22.86

27. Depreciation and amortization expense

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant & equipment (Refer note 3)	24.61	21.35
Depreciation on Right of use assets(Refer note 37)	14.41	-
Amortization of intangible assets (Refer note 4)	1.10	1.70
	40.12	23.05

28. Other expenses

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares	7.50	9.06
Power and fuel	10.62	11.52
Freight & forwarding charges	53.23	43.86
Rent and hire charges	3.68	19.42
Rates and taxes	0.38	0.33
Insurance	0.57	0.67

Notes to the financial statements for the year ended March 31, 2020

28. Other expenses (Contd.)

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Repairs and maintenance		
Plant and machinery	2.99	2.76
Buildings	1.41	1.02
Others	0.78	0.56
Advertising and sales promotion	83.01	73.84
Commission on sales	4.50	4.81
Payment to auditors		
Audit fee (including limited review)	0.47	0.37
Tax audit fee	0.05	0.08
Other services	0.03	0.07
Reimbursement of expenses	0.08	0.07
Warranty and claims (net)	29.96	35.51
Travelling and conveyance	17.16	14.25
Professional and consultancy charges	13.62	12.37
Bad debts / advances written off (net of reversals)	0.66	1.35
Development Expense	2.23	2.34
Carrying & forwarder charges	10.40	6.01
Exchange fluctuation (net)	0.81	-
Director's sitting fees	0.65	0.56
Director's commission	0.93	0.85
Provision for doubtful debts	7.45	11.02
Loss on sale of property, plant & equipment (net)	0.27	1.92
Expenditure towards corporate social responsibility (CSR) activities (Refer note 43)	1.55	-
Miscellaneous expenses	22.58	23.60
	277.57	278.22

29. Income tax

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Income tax expense in the Statement of Profit and Loss comprises:		
Current tax	37.36	44.11
Adjustment of tax relating to earlier periods	-	0.48
Deferred tax charge/(credit)	(1.71)	(9.00)
Income tax expense reported in the Statement of Profit and Loss	35.65	35.59
b) Other comprehensive income		
Re-Measurement gains/(losses) on defined benefit plans	0.04	0.23
Income tax related to items recognised in OCI during the year:	0.04	0.23

Entire deferred income tax for the year ended March 31, 2020 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before income tax	114.27	104.90
Enacted income-tax rate in India	25.17%	34.94%
Computed expected tax expense	28.76	36.66

Notes to the financial statements for the year ended March 31, 2020

29. Income tax (Contd.)

(All amounts in Rupees Crores, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact on deferred tax asset due to adoption of new income tax rate	5.49	-
Corporate social responsibility expense	0.39	-
Others	1.01	(1.07)
Income tax expense at effective tax rate	35.65	35.59

30. Earnings per share (EPS)

The following table reflects the profit and share data used in the basic and diluted EPS computations:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Profit attributable to the equity shareholders of the Company used for calculation of basic and diluted EPS	78.62	69.31
	78.62	69.31
Basic earning per share		
Weighted average number of equity shares used in calculating basic EPS	21.22	21.22
Basic Earnings per equity share (Nominal value of share ₹1)	3.71	3.27
Diluted earning per share		
Weighted average number of equity shares used in calculating basic EPS	21.22	21.22
Effect of Dilution		
Share options (No. of options in crores)	0.05	0.00
Weighted average number of equity shares outstanding (Nos.) during the year adjusted for the effect of dilution	21.27	21.22
Diluted Earnings per equity share (Nominal value of share ₹1)	3.70	3.27

31. Employee benefits

A. Defined Benefit Schemes

Gratuity

The Company has a defined benefit gratuity plan. The gratuity plan is governed by The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of qualifying insurance policy.

Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The following tables summarises the components of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amounts recognised in the balance sheet for the plan :

i. Present Value of Defined Benefit Obligation

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Obligations at beginning of the year	12.06	11.23
Current service cost	1.93	1.56
Interest expense	0.87	0.77
Amount recognised in profit or loss	2.80	2.33
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption	0.00	-
Actuarial (gain) / loss from change in financial assumption	0.54	0.28
Experience (gains)/losses	(0.33)	0.22
Amount recognised in other comprehensive income	0.21	0.50
Benefits paid	(1.19)	(2.00)
Obligations at year end	13.88	12.06

Notes to the financial statements for the year ended March 31, 2020

31. Employee benefits (Contd.)

ii. Fair Value of Plan Assets

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Plan assets at beginning of the year, at fair value	12.67	10.62
Interest income	0.91	0.85
Amount recognised in profit or loss	0.91	0.85
Remeasurements		
Return on plan assets, excluding amount recognised in interest income	0.06	(0.17)
Amount recognised in other comprehensive income	0.06	(0.17)
Employers contribution	0.05	3.37
Benefits paid	(1.19)	(2.00)
Plan assets at year end, at fair value	12.50	12.67

iii. Assets and Liabilities recognized in the Balance Sheet

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	13.88	12.06
Fair value of plan assets	12.50	12.67
Net (asset) / liability	1.38	(0.61)

Note: Provision for gratuity in Note 15 is inclusive of ₹0.01 crore (March 31,2019 - Nil) for branch's employee.

iv. Defined benefit obligations cost for the year

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Amount recognised in profit and loss account		
Service cost	1.93	1.56
Interest cost (Net)	(0.04)	(0.08)
Amount recognised in other comprehensive income		
Actuarial (gain)/loss	0.15	0.67
Net benefit expense	2.04	2.15

Note: gratuity expense in Note 25 is inclusive of ₹0.01 crore (March 31,2019 - Nil) for branch's employee.

v. Investment details of Plan Assets

The details of investments of plan assets are as follows:

	March 31, 2020	March 31, 2019
Investments with insurer	100%	100%

vi. Actuarial assumptions:

	March 31, 2020	March 31, 2019
Discount rate	6.75%	7.20%
Expected rate of return on assets	6.75%	7.20%
Future salary increases	7.00%	7.00%
Withdrawal rate		
Upto 45 years	5.00%	5.00%
Above 45 years	1.00%	1.00%
Retirement Age (Years)	58	58

Note: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to the financial statements for the year ended March 31, 2020

31. Employee benefits (Contd.)

vii. Expected Contribution to the Fund in the next year

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Gratuity	3.58	3.65
	3.58	3.65

viii. Maturity profile of the defined benefit obligation (undiscounted amount)

(All amounts in Rupees Crores, unless otherwise stated)

	0-1 year	1-2 years	2-3 year	3-4 year	Above 5 years	Total
Expected benefit payments for the period ending						
March 31, 2020	1.42	0.95	0.92	1.08	24.24	28.61
March 31, 2019	0.50	1.58	1.27	1.37	12.78	17.50

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 9 years (March 31, 2019: 9 years).

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

ix. A quantitative sensitivity analysis for significant assumptions is as below:

(All amounts in Rupees Crores, unless otherwise stated)

Assumptions	As at March 31, 2020		As at March 31, 2019	
	Discount rate		Discount rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
(Decrease)/Increase in gratuity defined benefit obligation	(1.15)	1.32	(0.89)	1.02

Assumptions	Future salary increase		Future salary increase	
	1% increase	1% decrease	1% increase	1% decrease
(Decrease)/Increase in gratuity defined benefit obligation	1.31	(1.15)	1.01	(0.90)

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

x. Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow :

a) Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

c) Investment risk: If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

d) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality,

Notes to the financial statements for the year ended March 31, 2020

31. Employee benefits (Contd.)

withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria .

e) Liquidity risk: This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

f) Regulatory risk: Gratuity benefits paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹20,00,000).

B. Defined Contribution Plan :

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Superannuation Fund for the benefit of the employees.

Amount recognised in the statement of profit or loss is as follows:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Contribution to provident / pension funds	6.10	5.24
Contribution to superannuation fund	0.43	0.43
	6.53	5.67

32. Capital and other commitments

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17.64	2.69
Bank guarantee provided against performance obligation under contracts with customer	93.57	65.53

33. Contingent liabilities

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Demands/claims by various Government authorities and others not acknowledged as debts and contested/to be contested by the Company:		
Excise Duty	2.17	2.17
Sales Tax (incl. GST)	13.99	11.02
Others	0.34	0.34
Entry tax (Haryana)	Amount	Amount
	Unascertainable	Unascertainable
	16.50	13.53

The Company is contesting the demands and the management including its legal advisors believes that its position will likely be upheld in the appellate process. No tax expenses has been accrued in the financial statements for the tax demand raised. Management believes that the ultimate outcome of this proceeding will not have a material adverse impact on the Company's financial position and results of operation.

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating regarding various interpretative issues and its impact for the period before February 28, 2019.

Notes to the financial statements for the year ended March 31, 2020

34. Related party transactions

I. List of Related parties

A) Investing Company

- i) Central India Industries Limited

B) Public limited company in which director or manager is a director and holds along with his relatives, more than two percent of its paid up share capital

- i. Orient Paper and Industries Limited
- ii. Orient Cement Limited

C) Members of the Board of Directors/Key management personnel (KMP)

i. Chairman and Non-Executive Director

- a) Mr C.K. Birla

ii. Managing Director & CEO

- a) Mr. Rakesh Khanna

iii. Other Non-Executive Directors

- a) Mr. Desh Deepak Khetrpal, Non-Executive Vice Chairman (from October 22, 2019)
- b) Mr. TCA Ranganathan, Independent director
- c) Mr. K. Pradeep Chandra, Independent director
- d) Ms. Alka Marezban Bharucha, Independent director

iv) Chief Financial Officer

- a) Mr. Manoj Kumar Dugar (upto April 24, 2018)
- b) Mr. Saibal Sengupta (from April 27, 2018)

v) Company Secretary

- a) Mr. Hitesh Kumar Jain

D) Relative of Member of Board of Directors/KMP*

- i. Ms. Nirmala Birla
- ii. Ms. Amita Birla
- iii. Ms. Avani Birla
- iv. Ms. Avanti Birla

*Holding more than 2% of paid-up share capital in the company alongwith Mr C.K. Birla

E) Post employment benefit plans

- i. Birla Industries Provident Fund
- ii. Orient Electric Limited-Employees Gratuity Fund
- iii. Orient Electric Limited-Employees Superannuation Fund

F) Others

- i. CK Birla Corporate Services Limited
- ii. Birlasoft Limited
- iii. National Engineering Industries Limited
- iv. GMMCO Limited
- v. AVTEC Limited
- vi. HIL Limited
- vii. CK Birla Healthcare Private Limited
- viii. Bharucha & Partners, Advocates & Solicitors

Notes to the financial statements for the year ended March 31, 2020

34. Related party transactions (Contd.)

II. Related party transactions and balances

The details of related parties transactions entered into by the Company for the year ended March 31, 2020 and March 31, 2019, and the details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 are as follows:

(All amounts in Rupees Crores, unless otherwise stated)

	Investing Company		Public limited company in which director/manager is director & holds with relatives > 2% of paid up share capital	Key management personnel (KMP)		Relative of Member of Board of Directors/ KMP (having >2% shareholding in the company)	Post employment benefit plans		Others		Total
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Transactions during the year											
Sale of goods											
Orient Paper & Industries Limited			0.03	0.10							0.03
Orient Cement Limited			0.08	0.20							0.08
National Engineering Industries Limited								0.02	0.21		0.02
GMICO Limited								0.04	0.03		0.04
AVTEC Limited								0.33	0.05		0.33
HIL Limited								0.12	0.24		0.12
CK Birla Corporate Services Limited								0.01	0.00		0.01
CK Birla Healthcare Private Limited								-	0.00		-
Mr. Rakesh Khanna				0.00							0.00
Mr. Saibal Sengupta				0.00							0.00
Ms. Avani Birla				-		0.00					-
Purchase of goods											
HIL Limited											
Freight & forwarding expenses								0.09	0.02		0.09
GMICO Limited									0.01		0.01
Interest expenses											
Orient Paper & Industries Limited			-	0.18							-
Rent											
Orient Paper & Industries Limited			0.14	0.14							0.14
Professional and Consultancy Services											
Orient Paper & Industries Limited			-	0.08							-
CK Birla Corporate Services Limited								7.76	6.15		7.76
Birlasoft Limited								0.21	-		0.21
Bharucha & Partners, Advocates & Solicitors								0.01	-		0.01
Miscellaneous expenses											
CK Birla Corporate Services Limited								0.60	0.54		0.60
Contribution to fund											
Birla Industries Provident Fund								2.28	2.03		2.28

Notes to the financial statements for the year ended March 31, 2020

34. Related party transactions (Contd.)

(All amounts in Rupees Crores, unless otherwise stated)

	Investing Company		Public limited company in which director/manager is director & holds with relatives > 2% of paid up share capital	Key management personnel (KMP)		Relative of Member of Board of Directors/ KMP (having >2% shareholding in the company)		Post employment benefit plans		Others		Total	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Employee benefit expenses (Refer note 1 below)													
Ms. Avani Birla						1.02	0.77						1.02
Director's sitting fees & commission													
Mr. C.K. Birla				0.41	0.40								0.41
Mr. TCA Ranganathan				0.31	0.26								0.31
Mr. K Pradeep Chandra				0.26	0.25								0.26
Ms. Alka Marezban Bharucha				0.28	0.26								0.28
Mr. Desh Deepak Khetrapal				0.33	0.24								0.33
Dividend Paid													
Central India Industries Limited	6.04	5.26											
Mr. C.K. Birla				0.39	0.34								0.39
Ms. Nirmala Birla						0.41	0.36						0.41
Ms. Amita Birla						0.04	0.03						0.04
Ms. Avani Birla						0.01	0.01						0.01
Ms. Avanti Birla						0.02	0.01						0.02
Balances outstanding													
Trade receivables													
Orient Paper & Industries Limited			0.01		0.01								0.01
Orient Cement Limited			0.04		0.02								0.04
National Engineering Industries Limited									0.01	0.01			0.01
AVTEC Limited									0.29	0.00			0.29
CK Birla Corporate Services Limited									0.01	-			0.01
CK Birla Healthcare Private Limited									0.00	0.00			0.00
HIL Limited									0.02	0.07			0.02
Ms. Avani Birla						0.00	-						0.00
Other assets													
HIL Limited									0.00	0.08			0.08
Trade payables													
CK Birla Corporate Services Limited									1.05	1.26			1.05
Orient Paper & Industries Limited			0.13		-								0.13
Birlasoft Limited									0.19	-			0.19
Mr. C.K. Birla				0.32	0.35								0.32
Mr. TCA Ranganathan				0.14	0.13								0.14
Mr. K Pradeep Chandra				0.11	0.13								0.11
Ms. Alka Marezban Bharucha				0.11	0.13								0.11
Mr. Desh Deepak Khetrapal				0.16	0.13								0.16

* The amounts disclosed above are inclusive of GST.

Notes to the financial statements for the year ended March 31, 2020

34. Related party transactions (Contd.)

III. Key management personnel compensation

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Short-term employee benefits	5.24	5.24
Post-employment gratuity (Refer note 1 below)	-	-
Termination benefits (Refer note 2 below)	0.39	0.33
Share-based payment transactions (Refer note 3 below)	1.13	0.01
Long term incentive plan	0.64	-
	7.40	5.58

Note 1: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Note 2: Termination benefits includes contribution to provident and other fund as applicable.

Note 3: Share based payment transactions included above relates to fair value of shares granted to Key Managerial Personnel under the ESOP scheme, that is amortised in the Profit & Loss during the grant period until the Vesting of the shares as per the scheme. (Refer Note 13c)

35. Segment information

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act).

Operating segments are defined as components of an enterprise for which discrete financial information so available is evaluated regularly by Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance. Accordingly, the Company has identified two reportable business segments based on its product and services as follows:

- i **Electrical Consumer Durables** – Consists of manufacture / purchase and sale of electric Fans – ceiling, portable and airflow, along with components and accessories thereof, and Appliances- coolers, geysers and home appliances etc .
- ii **Lighting & Switchgear**– Consists of manufacture / purchase and sale of Lights & Luminaries- LED, street lights etc. and Switchgears- switches & MCB etc.

The CODM primarily uses a measure of revenue from operation and profit or loss to assess the performance of the operating segments on monthly basis.

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Within India and Outside India Operations.

Unallocated

Revenue, expenses, assets and liabilities have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue, expenses, assets and liabilities which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed under unallocated.

Summary of segment information

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
A Business Segment		
i Revenue from operations		
Electrical Consumer Durables	1,491.64	1,329.61
Lighting & Switchgear	570.18	534.79
	2,061.82	1,864.40
Less: Inter segment	-	-
Total revenue from operations	2,061.82	1,864.40

Notes to the financial statements for the year ended March 31, 2020

35. Segment information (Contd.)

Summary of segment information		(All amounts in Rupees Crores, unless otherwise stated)	
		March 31, 2020	March 31, 2019
ii	Results		
	Segment results		
	Electrical Consumer Durables	181.75	150.79
	Lighting & Switchgear	59.66	58.76
	Segment operating profit	241.41	209.55
	Unallocated Income / (Expenses) (net of unallocable expenses/income)	(102.31)	(81.79)
	Operating profit	139.10	127.76
	Finance costs	24.83	22.86
	Profit before tax	114.27	104.90
	Income tax expense	35.65	35.59
	Profit after tax	78.62	69.31
iii	Segment Assets		
	Electrical Consumer Durables	514.28	565.69
	Lighting & Switchgear	330.23	269.95
	Segment operating assets	844.51	835.64
	Unallocated assets:		
	Property, plant and equipment (including capital work-in-progress)	18.40	13.39
	Intangible assets (including assets under development)	9.40	0.09
	Right of use asset	42.53	-
	Cash & Bank Balances	6.02	5.84
	Other Current Assets	39.58	33.81
	Total Assets	960.44	888.77
iv	Segment Liabilities		
	Electrical Consumer Durables	298.39	305.31
	Lighting & Switchgear	138.97	116.12
	Segment operating liabilities	437.36	421.43
	Unallocated liabilities:		
	Borrowings	98.51	134.94
	Lease liabilities	40.85	-
	Provisions	10.89	6.35
	Current Liabilities	13.44	19.47
	Total Liabilities	601.05	582.19
v	Capital Expenditure including capital advances		
	Electrical Consumer Durables	42.05	20.02
	Lighting & Switchgear	15.12	5.43
		57.17	25.45
	Other unallocated	67.82	9.31
		124.99	34.76
vi	Depreciation and amortisation expenses		
	Electrical Consumer Durables	18.82	14.79
	Lighting & Switchgear	8.95	5.21
		27.77	20.00
	Other unallocated	12.35	3.05
		40.12	23.05

Notes to the financial statements for the year ended March 31, 2020

35. Segment information (Contd.)

B Geographical Segment

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Within India and Outside India Operations.

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Revenue from external customers		
Within India	1,956.92	1,763.01
Outside India	104.90	101.39
	2,061.82	1,864.40
Other segment information		
Segment assets		
Within India	941.49	868.55
Outside India [#]	18.95	20.22
	960.44	888.77

[#]Represents trade receivable and branch assets outside india

Note: The Company has common property, plant & equipment for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets / additions to fixed assets have not been furnished.

36. Share based payments

The Company has, vide special resolutions passed by postal ballot, effective from March 13, 2019, introduced and implemented 'Orient Electric Employee Stock Option Scheme 2019' ("ESOP Scheme"). The terms and broad framework of the ESOP Scheme has been approved by the Board of Directors of the Company at their meeting held on January 28, 2019. Pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014 read along with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI ESOP Regulations), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Nomination and Remuneration Committee ("Remuneration Committee") of the Board of Directors of the Company is authorised to implement and administer the ESOP Scheme – 2019. The ESOP Scheme has been formulated in accordance with the SEBI ESOP Regulations.

Under the ESOP Scheme, the eligible employees shall be granted employee Stock Options in the form of Options ("Stock Options") which will be exercisable into equal number of equity shares of ₹1/- each of the Company.

Details of the ESOP Scheme:

- Exercise Price:** Market Price of equity share as on the previous close rate on the Stock Exchange immediately preceding the date of the grant.
- Vesting Period :** 40% of options shall vest after 3 years from grant and 60% of options shall vest after 4 years from grant.
- Exercise Period:** 4 years post vesting.
- Method of settlement:** Equity.
- Vesting conditions:** Employee remaining in the employment of the Company during the vesting period.

In exercise of the powers, Remuneration Committee has, during the year granted a total of 1,90,443 new Stock Options to eligible employees of the Company as per ESOP Scheme- 2019, while 1,45,482 Stock Options, granted in previous financial year have been lapsed on account of separation of employee from the company.

Notes to the financial statements for the year ended March 31, 2020

36. Share based payments (Contd.)

Particulars of Options outstanding as on March 31, 2020 is as follows:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020						March 31, 2019	
	Grant 1		Grant 2		Grant 3		Grant 1	
	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2
Outstanding Stock Options (number) at the beginning of the year	799,324	1,198,985	-	-	-	-	-	-
Options granted during the year	-	-	9,656	14,485	66,521	99,781	799,324	1,198,985
Options Lapsed during the year	58,193	87,289	-	-	-	-	-	-
Options vested during the year	-	-	-	-	-	-	-	-
Options exercised during the year	-	-	-	-	-	-	-	-
Options outstanding at the end of the year	741,131	1,111,696	9,656	14,485	66,521	99,781	799,324	1,198,985
Exercise Price	144.10	144.10	155.00	155.00	184.10	184.10	144.10	144.10
Vesting Date	April 01, 2022	April 01, 2023	August 01, 2022	August 01, 2023	December 11, 2022	December 11, 2023	April 01, 2022	April 01, 2023

Fair value of Options granted during the financial year 2019-20, has been determined using Black-Scholes model with following inputs:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020						March 31, 2019	
	Grant 1		Grant 2		Grant 3		Grant 1	
	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2
Date of Grant	March 27, 2019	March 27, 2019	July 30, 2019	July 30, 2019	December 11, 2019	December 11, 2019	March 27, 2019	March 27, 2019
Stock price on the grant date	144.10	144.10	155.00	155.00	184.10	184.10	144.10	144.10
Exercise price	144.10	144.10	155.00	155.00	184.10	184.10	144.10	144.10
Expected term (years)	5	6	5	6	5	6	5	6
Weighted average fair value as on grant date	63.37	68.67	61.89	67.89	73.57	81.8	63.37	68.67
Expected price volatility	40.60%	39.80%	35.75%	35.54%	34.35%	35.15%	40.60%	39.80%
Risk free interest rate	7.03%	7.13%	6.35%	6.45%	6.66%	6.66%	7.03%	7.13%
Expected dividend yield	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%

Summary of the expenses recognised in the statement of profit and loss:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Expenses arising from equity settled share based payment plan	3.72	0.04

Notes to the financial statements for the year ended March 31, 2020

37. Leases

As a lessee

The Company adopted Ind AS 116 using the modified retrospective method, with the date of initial application on April 01, 2019.

The Company has lease contracts for various Properties (e.g. Corporate office, Depots, Plants, Warehouse etc), leased lines, office equipment's etc used in its operations. Leases of property generally have lease terms between 2 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of property and machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(All amounts in Rupees Crores, unless otherwise stated)

	Leasehold Properties	Other	Total
Gross Block			
As at April 01, 2019	-	-	-
Additions	69.49	2.24	71.73
Deletion	(3.62)	(0.10)	(3.72)
As at March 31, 2020	65.87	2.14	68.01
Accumulated depreciation			
As at April 01, 2019	-	-	-
Charge for the year	14.09	0.32	14.41
Deletion	(0.58)	(0.01)	(0.59)
As at March 31, 2020	13.51	0.31	13.82
Net block	52.36	1.83	54.19

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
As at April 01, 2019	-	-
Additions	70.73	-
Accretion of interest	4.99	-
Payments	(15.88)	-
Deletion	(3.16)	-
As at March 31, 2020	56.68	-
Current	13.65	-
Non current	43.03	-

The maturity analysis of lease liabilities are disclosed in Note 40

The effective interest rate for lease liabilities is 9%, with maturity between 2020-2029

Notes to the financial statements for the year ended March 31, 2020

37. Leases (Contd.)

The following are the amounts recognised in profit or loss

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Depreciation expense of right-of-use assets	14.41	-
Interest expense on lease liabilities	4.99	-
Expense relating to short-term leases and low value leases (included in other expenses)	3.68	-
Gain on lease cancellation	(0.03)	-

The Company had total cash outflows for leases of ₹15.88 crores in March 31, 2020 (March 31, 2019: Nil). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹70.73 crores as at March 31, 2020 (March 31, 2019: Nil).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

38. Revenue from Contracts with Customers- Ind AS 115

38.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(All amounts in Rupees Crores, unless otherwise stated)

Segment	March 31, 2020		
	Electrical Consumer Durables	Lighting & Switchgear	Total
Type of goods			
Sale of fans and appliances	1,488.49	-	1,488.49
Sale of lights, circuit breakers and switches	-	569.18	569.18
Sale of services	-	0.97	0.97
Total revenue from contracts with customers	1,488.49	570.15	2,058.64
India	1,389.85	567.07	1,956.92
Outside India	98.64	3.08	101.72
Total revenue from contracts with customers	1,488.49	570.15	2,058.64
Timing of revenue recognition			
Goods transferred at a point in time	1,488.49	569.18	2,057.67
Services transferred at a point in time on completion	-	0.97	0.97
Total revenue from contracts with customers	1,488.49	570.15	2,058.64

(All amounts in Rupees Crores, unless otherwise stated)

Segment	March 31, 2019		
	Electrical Consumer Durables	Lighting & Switchgear	Total
Type of goods			
Sale of fans and appliances	1,326.61	-	1,326.61
Sale of lights, circuit breakers and switches	-	533.82	533.82
Sale of services	-	0.87	0.87
Total revenue from contracts with customers	1,326.61	534.69	1,861.30
India	1,233.72	529.29	1,763.01
Outside India	92.89	5.40	98.29
Total revenue from contracts with customers	1,326.61	534.69	1,861.30
Timing of revenue recognition			
Goods transferred at a point in time	1,326.61	533.82	1,860.43
Services transferred at a point in time on completion	-	0.87	0.87
Total revenue from contracts with customers	1,326.61	534.69	1,861.30

Notes to the financial statements for the year ended March 31, 2020

38.1 Disaggregated revenue information (Contd.)

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 35):

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020		March 31, 2019	
	Electrical Consumer Durables	Lighting & Switchgear	Electrical Consumer Durables	Lighting & Switchgear
Revenue as per segment information	1,491.64	570.18	1,329.61	534.79
Less: Export incentive	3.15	0.03	3.00	0.10
Total revenue from contracts with customers	1,488.49	570.15	1,326.61	534.69

38.2 Contract balances

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Trade receivables (net)	388.89	404.74
Contract assets	-	-
Contract liabilities		
Advance from customers	8.29	8.78
Deferred revenue	12.20	-

Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

Contract liabilities include short-term advances received from customer to deliver goods and deferred revenue pertains to performance obligation which is yet to be delivered.

38.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Revenue as per contracted price	2,247.56	1,994.75
Adjustments		
Cash discount, rebates, incentives etc.	88.15	62.53
Sales return	88.57	70.92
Deferred revenue	12.20	-
Revenue from contract with customers	2,058.64	1,861.30

38.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2020 are, as follows:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Advances from customers	8.29	8.78
Deferred revenue	12.20	-

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

In some contracts, the Company provides warranty to the customers as per the contract. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied based on time elapsed.

Notes to the financial statements for the year ended March 31, 2020

39. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro, small and medium enterprises	34.29	76.99
Interest due on above	-	-
	34.29	76.99
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

40. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents and security deposits that derives directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper and aluminium, the Company has entered into various purchase contracts for these material for which there is an active market. The Company maintain the level of these stocks as per the requirement of businesses and market which are discussed by the management on regular basis. Company operates in the way that saving/impact due to change in commodity price are pass on to the customers and therefore impact on profit due to change in price of commodity is unascertainable.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Notes to the financial statements for the year ended March 31, 2020

40. Financial risk management objectives and policies (Contd.)

Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of reporting period are as follows:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Variable rate borrowings	98.51	134.94
Fixed rate borrowings	-	-
	98.51	134.94

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows.

(All amounts in Rupees Crores, unless otherwise stated)

	Increase/ decrease in basis points*	Effect on profit before tax
March 31, 2020	50 basis points	0.49
March 31, 2019	50 basis points	0.67

*loss in case of increase and gain in case of decrease.

Foreign currency risk

The Company's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with Indian rupees (INR). Set out below is the impact of a 5% change in the INR on profit and equity arising as a result of the revaluation of the Company's foreign currency financial instruments. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates as increase in profit or equity where the INR strengthens by 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable negative/positive impact on the profit or equity, as applicable.

(All amounts in Rupees Crores, unless otherwise stated)

March 31, 2020	Change in rate	Unhedged Foreign Currency (Net)		Effect on Profit before Tax
INR vs USD	5%	7.30	Trade receivable (gain)	0.37
INR vs AED	5%	6.62	Trade receivable (gain)	0.33
INR vs USD	5%	5.33	Trade payable (loss)	0.27
INR vs EURO	5%	0.09	Trade payable (loss)	0.00

(All amounts in Rupees Crores, unless otherwise stated)

March 31, 2019	Change in rate	Unhedged Foreign Currency (Net)		Effect on Profit before Tax
INR vs USD	5%	13.62	Trade receivable (gain)	0.68
INR vs AED	5%	3.64	Trade receivable (gain)	0.18
INR vs USD	5%	7.53	Trade payable (loss)	0.38
INR vs EURO	5%	0.21	Trade payable (loss)	0.01
INR vs USD	5%	0.32	Payables against purchase of property, plant and equipment (loss)	0.02

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Notes to the financial statements for the year ended March 31, 2020

40. Financial risk management objectives and policies (Contd.)

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

(All amounts in Rupees Crores, unless otherwise stated)

Trade Receivable (Gross)	< 30 days	31 - 90 Days	91 to 180 days	> 180 days	Total
March 31, 2020	141.95	168.58	58.00	47.23	415.76
March 31, 2019	237.05	150.34	13.35	24.08	424.82

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in the risk free bank deposits. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company. The Company's maximum exposure relating to financial assets is noted in liquidity table below.

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash and other bank balances	7.48	31.61
Other non current financial assets	7.45	6.85
Other current financial assets	1.00	0.83
	15.93	39.29
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade receivables (net)	388.89	404.74
	388.89	404.74

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
At the beginning of year	20.08	9.13
Impairment allowance created during the year	7.45	11.02
Bad debts written off during the year	0.66	0.07
At the end of year	26.87	20.08

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes to the financial statements for the year ended March 31, 2020

40. Financial risk management objectives and policies (Contd.)

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(All amounts in Rupees Crores, unless otherwise stated)

Financial Liabilities	0-1 year	2-5 year	Above 5 years	Total
March 31, 2020				
Borrowings	94.70	-	-	94.70
Lease liabilities	13.65	32.91	10.12	56.68
Interest on long term borrowings	0.21	-	-	0.21
Trade Payables	330.48	-	-	330.48
Other current financial liabilities	38.30	-	-	38.30
Total	477.34	32.91	10.12	520.37
March 31, 2019				
Borrowings	99.94	25.27	-	125.21
Interest on long term borrowings	3.24	5.83	-	9.07
Trade Payables	350.88	-	-	350.88
Other current financial liabilities	40.47	-	-	40.47
Total	494.53	31.10	-	525.63

41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and keep the debt equity ratio within acceptable range.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares.

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Cash and cash equivalents (Refer note 9)	7.06	31.51
Other Bank Balances (Refer note 10)	0.42	0.10
Total (a)	7.48	31.61
Non-current Borrowings (Refer note 14)	-	25.09
Current Borrowings (Refer note 14)	94.70	99.94
Current maturities of non-current borrowings (Refer note 18)	3.81	9.91
Total Borrowings (b)	98.51	134.94
Net Debt (c = b-a)	91.03	103.33
Total Equity (d)	359.39	306.58
Gearing Ratio (c/d)	0.25	0.34

Note: Borrowings does not include lease liability

Notes to the financial statements for the year ended March 31, 2020

42. Dividend paid and proposed

(All amounts in Rupees Crores, unless otherwise stated)

	March 31, 2020	March 31, 2019
Dividend paid and declared during the year		
Final dividend paid for the year ended March 31, 2019 ₹0.50 per share (March 31, 2018: ₹0.50)	10.61	10.61
Dividend distribution tax on final dividend	2.18	2.18
Interim dividend paid for the year ended March 31, 2020 ₹0.65 per share (March 31, 2019: ₹0.50 per share)	13.79	10.61
Dividend distribution tax on interim dividend	2.84	2.18
	29.42	25.58
Proposed dividend on equity shares*		
Final dividend for the year ended March 31, 2020 ₹0.50 per share (March 31, 2019: ₹0.50 per share)	10.61	10.61
Dividend distribution tax on proposed dividend	-	2.18
	10.61	12.79

*Proposed dividends on equity shares are subject to approval of the shareholders of the Company at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2020.

43. Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, read alongwith the Rules made thereunder and Schedule VII thereto, the Company has to incur at least 2% of average net profits, as per section 198 of the Companies Act, 2013, of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, the Company has spent a sum of ₹1.55 crores (March 31, 2019: ₹ Nil) towards CSR activities as approved by the Board of Directors on the recommendations of CSR committee of the Company. This amount has been charged to the Statement of Profit And Loss.

(All amounts in Rupees Crores, unless otherwise stated)

Details of CSR Expenditure:	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	1.55	-
b) Amount spent during year ended:		
	Amount spent	Amount yet to be spent
	March 31, 2020	March 31, 2019
(i) Construction/ acquisition of assets	-	-
(ii) Contribution to Trust/Universities	1.55	-
(iii) On Purpose other than above	-	-

44. Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(All amounts in Rupees Crores, unless otherwise stated)

Financial instruments by category	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets (at amortised cost)				
Trade Receivables (non-current)	25.16	12.39	25.16	12.39
Other Financial assets (non-current)	7.45	6.85	7.45	6.85
Trade Receivables (current)	363.73	392.35	363.73	392.35
Cash and other bank balances (current)	7.48	31.61	7.48	31.61
Other Financial assets (current)	1.00	0.83	1.00	0.83
	404.82	444.03	404.82	444.03

Notes to the financial statements for the year ended March 31, 2020

44. Fair value measurements (Contd.)

(All amounts in Rupees Crores, unless otherwise stated)

Financial instruments by category	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Liabilities (at amortised cost)				
Borrowings (non-current)	-	25.09	-	25.09
Lease liabilities (non-current)	43.03	-	43.03	-
Borrowings (current)	94.70	99.94	94.70	99.94
Lease liabilities (current)	13.65	-	13.65	-
Trade Payables (current)	330.48	350.88	330.48	350.88
Other financial liabilities (current)	38.23	40.32	38.23	40.32
	520.09	516.23	520.09	516.23

The management assessed that bank balances, trade receivables, trade payables, short term borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The fair values of the interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the Company's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.
2. Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2020, are as shown below

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2020

(All amounts in Rupees Crores, unless otherwise stated)

	Carrying Value March 31, 2020	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortised cost for which fair value are disclosed				
Trade Receivables (non-current)	25.16	-	-	25.16
Other Financial assets (non-current)	7.45	-	-	7.45
Trade Receivables (current)	363.73	-	-	363.73
Cash and other bank balances (current)	7.48	-	-	7.48
Other Financial assets (current)	1.00	-	-	1.00

Notes to the financial statements for the year ended March 31, 2020

44. Fair value measurements (Contd.)

(All amounts in Rupees Crores, unless otherwise stated)

	Carrying Value March 31, 2020	Fair Value		
		Level 1	Level 2	Level 3
Liabilities carried at amortised cost for which fair value are disclosed				
Borrowings (non-current)	-	-	-	-
Lease liabilities (non-current)	43.03			43.03
Borrowings (current)	94.70	-	-	94.70
Lease liabilities (current)	13.65			13.65
Trade Payables	330.48	-	-	330.48
Other financial liabilities (current)	38.23	-	-	38.23

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019

(All amounts in Rupees Crores, unless otherwise stated)

	Carrying Value March 31, 2019	Fair Value		
		Level 1	Level 2	Level 3
Assets carried at amortised cost for which fair value are disclosed				
Trade Receivables (non-current)	12.39	-	-	12.39
Other Financial assets (non-current)	6.85	-	-	6.85
Trade Receivables (current)	392.35	-	-	392.35
Cash and other bank balances (current)	31.61	-	-	31.61
Other Financial assets (current)	0.83	-	-	0.83
Liabilities carried at amortised cost for which fair value are disclosed				
Borrowings (non-current)	25.09	-	-	25.09
Borrowings (current)	99.94	-	-	99.94
Trade Payables	350.88	-	-	350.88
Other financial liabilities (current)	40.32	-	-	40.32

45. Income Tax

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by ₹8.62 crores. The current tax charge for the year have decreased by ₹11.86 crores.

Notes to the financial statements for the year ended March 31, 2020

46. Disclosure pursuant to IND AS 08 "Accounting Policies, change in accounting estimates and errors" (specified under sec 133 of the Companies Act 2013, read with rule 7 of Companies (Accounting) Rules 2015), are given below:

Following are the reclassification made in current year's financial statements pertaining to previous year :

(All amounts in Rupees Crores, unless otherwise stated)

	Nature	March 31, 2019 (Reclassified)	March 31, 2019
Profit & Loss			
Cost of raw materials and components consumed	Reclassification item	750.38	702.27
Employee benefits expense	Reclassification item	173.61	172.68
Other expenses	Reclassification item	278.22	327.26

Following were the reclassification made in previous year's financial statements pertaining to its previous year :

(All amounts in Rupees Crores, unless otherwise stated)

	Nature	March 31, 2018 (Reclassified)	March 31, 2018
Assets			
Trade receivables	Reclassification item	386.36	393.90
Liabilities			
Trade payables	Reclassification item	276.15	283.69

The above reclassification in the previous year's published numbers have been made for better presentation in the financial statements and to confirm to the current year's classification/disclosure. This does not have any impact on the profit and hence no change in the basic and diluted earning per share of previous year.

47. The accelerated outbreak of Coronavirus (Covid-19) across the globe and in India, has substantially disrupted the economic activities with high uncertainty. On March 11, 2020, the Covid-19 worldwide outbreak was declared a global pandemic by the World Health Organisation (WHO). Consequent to this, Government of India declared lockdown on March 24, 2020 which was further extended from time to time. In line with government directive, the Company had temporarily shut down all its business operations since March 23, 2020 leading to a near halt of the business activities, impacting sales and profit of the Company, and which has started gradually resuming during May, 2020. The Company has made an assessment of its liquidity position for the next year and has assessed the recoverability status of its assets based on the internal and external information available to the Company up to the date of approval of these financial statements. The Company does not anticipate any material impact on the recoverability of the carrying value of its assets including receivables, inventory, and fixed assets. Since the resumption of normal business operations are also dependent on future directives from the Government including future implications of the pandemic on the people and economy, the forthcoming situation is not known as of now and will be closely monitored by the Company to assess for any material implication and adjustment to the carrying value of assets.

48. The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹50,000/-.

49. The comparative figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year numbers.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Firm registration number: 301003E / E300005

Chartered Accountants

Per Vishal Sharma

Partner

Membership No.: 096766

Place: Faridabad

Date: June 01, 2020

For and on behalf of the Board of Directors

C.K. Birla

Chairman
and Director

(DIN 00118473)

Place: New Delhi

Saibal Sengupta

Chief Financial Officer

Place: Ghaziabad

(ACA 54373)

Rakesh Khanna

Managing Director and
Chief Executive Officer

(DIN 00266132)

Place: New Delhi

Hitesh Kumar Jain

Company Secretary

Place: Ghaziabad

(F 6241)

ORIENT ELECTRIC LIMITED

CIN: L31100OR2016PLC025892

Registered Office: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012

Tel: 0674-2396930, **Fax:** 0674 – 2396364

Corporate Office: 240, Okhla Industrial Estate, Phase – III, Okhla, New Delhi -110020

E-mail - investor@orientelectric.com, **Website:** www.orientelectric.com

NOTICE

NOTICE is hereby given that the fourth Annual General Meeting (“AGM”) of the shareholders of Orient Electric Limited (the “Company”) will be held on **Friday**, the 7th day of **August 2020** at **11:00 AM**, through Video Conferencing / Other Audio Visual Means, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 along with Reports of the Board of Directors and Auditors' thereon.
2. To declare final dividend of ₹0.50 (50%) per equity share of face value of ₹1 each for the financial year ended March 31, 2020 and to confirm the interim dividend of ₹0.65 (65%) per equity share, already paid during the financial year 2019-20.
3. To appoint a Director in place of Mr. Chandra Kant Birla (DIN: 00118473), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. Payment of remuneration to Cost Auditors for the financial year ending March 31, 2021

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.- 5343), appointed by the Board of Directors as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, as required to be audited under the Act and the Rules made thereunder, be paid a remuneration of ₹65,000/- (Rupees sixty five thousand)

excluding taxes, as applicable and out of pocket expenses, which shall be reimbursed on actual basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Appointment of Auditors for Branch Office(s)

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors (which term shall be deemed to include any committee thereof, constituted or to be constituted) be and is hereby authorized to appoint / remove / change, from time to time, the Auditor(s) of the branch office of the Company at Dubai Multi Commodities Centre, a free trade zone in Dubai, UAE and / or any other branch, which may be opened / acquired hereafter, whether within or outside India, any person(s)/ firm(s), qualified to act as Branch Auditor(s) and to fix their remuneration and that the actions, whatsoever, already taken for the appointment and payment of remuneration of any such Branch Auditor of the Company be and is hereby ratified and confirmed.”

By Order of the Board of Directors

Place: New Delhi
Date: June 01, 2020

Hitesh Kumar Jain
Company Secretary
(Membership No.: F6241)
Registered Office: Unit VIII,
Plot No. 7, Bhoinagar,
Bhubaneswar – 751012, Odisha
CIN: L31100OR2016PLC025892

NOTES

1. The continuing spread of Corona virus pandemic across the globe and in India is necessitating social distancing, restriction of gatherings, strict measures in containment zones, travel restrictions and other preventive advisories being issued by the Government from time to time. Accordingly, the Ministry of Corporate Affairs ("**MCA**"), vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "**MCA Circulars**"), permitted the companies to hold the Annual General Meeting ("**AGM**") through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"), without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "**Act**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and MCA Circulars, coupled with the concern of the Company towards health and wellness of all business partners and stakeholders, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at Unit VIII, Plot No.7, Bhoynagar, Bhubaneswar, Odisha 751012, and the proceedings of the AGM shall be deemed to be made thereat.
2. In compliance with the aforesaid MCA Circulars and the Securities and Exchange Board of India ("**SEBI**") circular dated May 12, 2020 (hereinafter referred to as "**SEBI Circular**"), owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2019-20 including financial statements (along with Board's Report, Auditor's Report or other documents required to be attached therewith), Notice of the 4th AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company. Shareholders may note that this Notice alongwith Annual Report for the financial year 2019-20 will also be available on the website of the Company at www.orientelectric.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of Kfin Technologies Private Limited, Registrar and Share Transfer Agent ("**RTA**") of the Company at <https://evoting.karvy.com>.
3. A Statement pursuant to Section 102(1) of the Act, relating to special businesses to be transacted at the AGM is annexed hereto.
4. Pursuant to the provisions of Section 105 of the Act and Regulation 44(4) of the Listing Regulations, a shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a shareholder of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars and SEBI Circular, physical attendance of shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the shareholders will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Since the AGM is being held through VC / OAVM, the Route Map for the AGM is not annexed with this AGM Notice.
6. **As per the provisions of Section 103 of the Act, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.**
7. The Company has engaged the services of RTA as the authorised agency for conducting this AGM through VC/ OAVM and providing e-voting facility.
8. **Pursuant to Section 113 of the Act, Corporate shareholders are required to send the scanned copy (in PDF or JPG format) of the certified Board Resolution / Authority Letter from its governing body, as the case may be, authorising their representative(s) to attend this AGM through VC / OAVM and vote on their behalf through remote e-voting or at the AGM, by email from their registered email addresses to the Scrutinizer at aklabhcs@gmail.com with a copy marked to the Company at investor@orientelectric.com, mentioning the name of the Company in the subject line.**
9. In case of joint holders joining the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. Shareholders seeking any information with regard to the Financial Statements, or any matter to be placed at the AGM, are requested to write to the Company on or before August 04, 2020 on investor@orientelectric.com. The Company will respond to the shareholder suitably. Please note that the shareholders' questions will be answered only if the shareholder continues to hold the shares as of cut-off date i.e. Friday, July 31, 2020.
11. Registers of Directors & KMP and their shareholding, Register of Contracts, Certificate from the Statutory Auditors on the implementation of ESOP Scheme would be available for inspection by the shareholders electronically

on VC/ OAVM platform during the AGM, and other relevant documents referred to in the accompanying Notice calling the AGM would be available for inspection electronically on the website of the Company from the date of circulation of Notice till the date of this AGM.

12. At the first AGM held on August 09, 2017, the shareholders approved the appointment of M/s S. R. Batliboi & Co. LLP (Firm Registration No.: 301003E/E3000005), Chartered Accountants, as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the sixth AGM, subject to ratification of their appointment by shareholders at every AGM, if so required under the Act. The requirement to place the matter relating to the appointment of Statutory Auditors for ratification by shareholders at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of the appointment of Statutory Auditors at the 4th AGM.
13. As required under Regulation 36 of Listing Regulations and Secretarial Standard - 2 on General Meetings details in respect of Director seeking re-appointment at the AGM, is separately annexed hereto as '**Annexure 1**'.
14. In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them.
15. SEBI has mandated the submission of Permanent Account Number ("**PAN**") by every participant in the securities market. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants ("**DPs**") with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN to the RTA.
16. **Process for updating / registration of email address and mobile numbers for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:**

Shareholders holding shares in Physical Form:

Shareholders who have not registered their e-mail address and in consequence to which are not receiving communications from the Company electronically (viz. the Annual Report, Notice of AGM, e-voting details, etc.) may get their email address and mobile number registered by providing the same to the Company's RTA, by clicking

the link: https://ris.kfintech.com/email_registration/ for receiving such communications electronically. Shareholders are requested to follow the process as provided in the link for updating their email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query on registering the email addresses and mobile number, the shareholder may write to **einward.ris@kfintech.com**.

Alternatively, shareholders may send a request to the RTA at Kfin Technologies Private Limited, Unit: Orient Electric Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032, alongwith following details / documents for registering / validating / updating their information in database:

- a. Folio No.
- b. Name of shareholder
- c. Scanned copy of the share certificate (front and back)
- d. PAN (self-attested scanned copy of PAN card)
- e. AADHAR (self-attested scanned copy of Aadhar Card).

Following additional details need to be provided in case of registration / updation in Bank Account Details:

- a. Name and Branch of the Bank in which you wish to receive the dividend
- b. Type of Bank Account
- c. Bank Account Number allotted by their banks after implementation of Core Banking Solutions
- d. 9 digit MICR Code Number
- e. 11 digit IFSC Code
- f. Scanned copy of the cancelled cheque bearing the name of the first shareholder.

Shareholder holding shares in Dematerialized Form:

Please contact your DP and register / update, as the case may be, your email address, mobile number and bank account details in your demat account, as per the process advised by your DP.

17. Payment of Dividend:

The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, August 01, 2020 to Friday, August 07, 2020** (both days inclusive) for annual closing and for determining the entitlement of the shareholders to the final dividend for the financial year 2019-20, if approved at the AGM.

- i. The dividend on equity shares, if approved at the AGM, will be paid, as per MCA Circulars and SEBI Circular, through electronic transfer (RTGS/NEFT/ ECS) in the bank accounts, on or before Saturday, September 06, 2020 to those shareholders:
 - a. in respect of shares held in physical form, after giving effect of the valid transmission or transposition requests lodged with the Company / RTA, whose names shall appear on the Company's Register of Members as on the close of business hours on **Friday, July 31, 2020**, as per the bank details registered with the RTA;
 - b. in respect of the shares held in dematerialized form, whose names are furnished by National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**") as beneficial owners as on the close of business hours on **Friday, July 31, 2020** as per the bank details registered against their respective depository accounts as provided by NSDL and CDSL. The Company or the RTA cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Shareholders holding shares in electronic form are, therefore, requested to intimate any change in bank mandate to their DP.
- ii. For shareholders whose bank details are not available for electronic transfer of dividend, the Company will, pursuant to MCA circulars and SEBI Circular, send dividend demand draft /warrants/cheques through post only after the printing and postal services are resumed.
- iii. **Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source at the prescribed rates from dividend to be paid to shareholders. The tax rate would vary depending on the residential status of the shareholder and documents registered with the Company/ depositories. For the prescribed rates under various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).**

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, as applicable, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, PAN, Form 10F, any other document which may be required to avail the tax treaty benefits.

Above documents can be provided either by sending an email to **einward.ris@kfintech.com** or by uploading the self-attested documents at **https://ris.kfintech.com/form15** on or before July 31, 2020. Any communication on the tax determination/ deduction received post July 31, 2020 shall not be considered.

Shareholders may download the TDS certificate from the Income Tax Department's website **https://incometaxindiaefiling.gov.in** (refer to Form 26AS). If any shareholder need assistance in obtaining the TDS certificate, may write to the Company at **investor@orientelectric.com** or to RTA at **einward.ris@kfintech.com**.

Application of TDS rate is subject to necessary verification by the Company / RTA of the shareholder details as available in Register of Members as on the book closure date, and other documents available with the Company / RTA.

In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder(s), such shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

- iv. Shareholders are requested to address all correspondences, including for dividends, to the RTA of the Company, at Kfin Technologies Private Limited, Unit: Orient Electric Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032 or via email at **einward.ris@kfintech.com**.

- v. Shareholders who have not so far encashed their dividend paid by the Company upto and during the financial year ended March 31, 2020, may immediately approach the Company / RTA for claiming dividend amount. Information in respect of the unclaimed dividend as on March 31, 2020, will be uploaded on the website of Investor Education and Protection Fund ("IEPF") of the Government (www.iepf.gov.in) and on the website of the Company (www.orientelectric.com). Dividends, if not encashed for a consecutive period of 7 years, from the date of transfer to Unpaid/Unclaimed Dividend Account of the Company, are liable to be transferred to IEPF. Further, the shares of a shareholder who does not encash his dividend for a continuous period of 7 years, are also liable to be transferred to the demat account of IEPF Authority. In view of this, shareholders, who have not yet claimed their dividend, are requested to claim their dividends from the Company / RTA, within the stipulated timeline. The shareholders, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same as well as the corresponding dividend by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The shareholder can file only one consolidated claim in a financial year as per the IEPF Rules.

18. Voting through electronic means:

- i. The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means.

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended), Secretarial Standard - 2 on General Meetings issued by ICSI and Regulation 44 of Listing Regulations, the Company is pleased to provide to its shareholders, the facility to exercise their right to vote on the resolutions proposed to be considered at the AGM by electronic means and the business mentioned in the Notice may be transacted through remote e-voting. The facility of e-voting shall be provided by the RTA.

- ii. The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
- iii. The e-voting period begins on **Tuesday, August 04, 2020 (9:00 AM) (IST)** and ends on **Thursday, August 06, 2020 (5:00 PM) (IST)**. During this period, shareholders of the Company, holding shares, either in physical form or in dematerialized form, as on the cut-off date of **Friday, July 31, 2020**, may cast their

vote electronically through remote e-voting. The remote e-voting module shall be disabled by the RTA for voting thereafter. Once the vote on a resolution is cast by the shareholder, then s/he shall not be allowed to change it subsequently.

- iv. Shareholders who have acquired shares of the Company after the dispatch of this Notice and holding shares as on the cut-off date may approach the Company / RTA for issuance of User ID and Password for exercising their right to vote by electronic means.
- v. The shareholders present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote during the AGM through Insta Poll.
- vi. A shareholder can opt for only single mode of voting i.e. through remote e-voting or Insta Poll. If a shareholder casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the AGM shall be treated as "INVALID".
- vii. **Mr. Atul Kumar Labh, of M/s. A.K. Labh, Practicing Company Secretary (Membership No. FCS 4848), has been appointed as the Scrutinizer to scrutinize the voting process, in a fair and transparent manner.**

(I) Instructions for shareholders for voting electronically are as under:

A. In case a Shareholder receives an e-mail from the Company / RTA (whose e-mail addresses are registered with the Company / Depository Participant(s)):

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. user-id and password) mentioned in the communication. Your Folio No. / DP ID No. / Client ID No. will be your User- ID.

User - ID : For shareholders holding shares in Demat form

For NSDL : 8 Character DP ID followed by 8 Digits Client ID

For CDSL : 16 digits beneficiary ID


User - ID : For shareholders holding shares in Physical Form: EVEN 5360 followed by Folio No. registered with the Company

Password : Your unique password is sent via e-mail forwarded through the electronic notice

Captcha : Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons

- iii. After entering these details appropriately, Click on "LOGIN".

- iv. You will now reach password change menu wherein you are required to mandatorily change your password upon logging for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the E-Voting Event Number "EVEN" i.e., Orient Electric Limited.
 - vii. On the voting page you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folios / demat accounts.
 - ix. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution(s).
 - xi. In case of any queries, please visit 'Help' and 'Frequently Asked Questions' (FAQs) section / E-voting user manual section available through a dropdown menu in the "Downloads" section available at RTA's website <https://evoting.karvy.com>. Any grievance relating to e-voting / AGM may be addressed to Mr. S V Raju, Deputy General Manager, at e-mail id: emeetings@kfintech.com or at toll free no. 18003454001.
- B. In case of a shareholder whose e-mail address is not registered / updated with the Company / RTA / Depository Participant(s), please follow the following steps to generate your login credentials:**
- i. Shareholders holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by clicking on https://ris.kfintech.com/email_registration/ or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor@orientelectric.com or to RTA at einward.ris@kfintech.com.
 - ii. Shareholders holding shares in dematerialised mode who have not registered their e-mail addresses with their DP are requested to register / update their email addresses with the DP with whom they maintain their demat accounts.
 - iii. After due verification, the Company / RTA will forward your login credentials to your registered email address.
- (II) i.** The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. **Friday, July 31, 2020.**
- ii. Shareholders who forgot the User Details/Password can use "Forgot User Details/Password" or "Physical User Reset Password" option available on <https://evoting.karvy.com>. In case shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID). In case shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN + Folio No.). Shareholders who will be present during the AGM but have not previously cast their votes by availing the remote e-voting facility shall be allowed to cast their vote through Insta Poll during the AGM.
- (III) Information and instructions for Insta Poll during AGM:** Facility to cast vote through Insta Poll, for those shareholders who have not cast their votes earlier, will also be made available on the Video Conferencing screen during the AGM, and will remain active till the expiry of 15 minutes after the conclusion of the AGM.
- a. INSTRUCTIONS FOR SHAREHOLDERS FOR ATTENDING THE AGM THROUGH VC / OAVM:**
- i. Facility to attend the AGM through VC / OVAM platform and voting through e-voting during the AGM, is being provided through RTA of the Company. Shareholders will be able to attend the AGM through VC / OAVM at <https://emeetings>.

- kfintech.com/** under shareholders login by using the e-voting credentials.
- ii. Shareholders are requested to follow the procedure given below:
 - Launch internet browser (chrome/firefox/safari) by typing the URL: **https://emeetings.kfintech.com**.
 - Enter the login credentials (i.e., User ID and password for e-voting).
 - After logging in, click on "Video Conference" option
 - Then click on camera icon  appearing against AGM EVEN 5360 of Orient Electric Limited to attend the AGM.
 - iii. Please note that the shareholder who does not have the User ID and Password for e-Voting or has forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
 - iv. The facility of joining the AGM through VC / OVAM platform shall open 15 minutes before the time scheduled for the AGM and will be closed on expiry of 15 minutes from the schedule time of the AGM. The facility will be made available for 1,000 members on first come first served basis. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
 - v. Shareholders are encouraged to join the AGM through computer / laptops with Google Chrome for a better experience.
 - vi. Please note that connection from Mobile Devices or Tablets or through computer connecting via Mobile Hotspot may have an experience of Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - vii. Shareholders who would like to express their views/ask questions during the AGM may register themselves as Speaker Shareholder at **https://emeetings.kfintech.com/** by clicking on the 'Speaker Registration' option available on the screen after login in. Shareholders may also post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Speaker Registration will be open from Tuesday, August 04, 2020 (9:00 A.M. IST) to Thursday, August 06, 2020 (5:00 P.M. IST). Only those shareholders who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of speakers, number of questions and time for each speaker depending upon the availability of time for smooth conduct of the AGM, and therefore, the opportunity to speak at the AGM would be dependent upon the availability of time in spite of registration as speaker.
 - viii. Shareholder's who need technical assistance before or during the AGM, can contact the RTA at **emeetings@kfintech.com** or Mr. S V Raju, Deputy General Manager on Toll Free No. 18003454001.
19. The recorded transcript of the 4th AGM shall also be made available on the website of the Company, **www.orientelectric.com** in the Investor's section, as soon as possible after the AGM is over.
 20. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter count the votes cast through remote e-voting and shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any officer of the Company so authorized by the Board. Result of the voting shall be declared forthwith, but within 48 hours from the conclusion of the AGM.
 21. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, **www.orientelectric.com** and on the website of RTA, **https://evoting.karvy.com**. The Company shall simultaneously forward the results to NSE and BSE, where the shares of the Company are listed.
 22. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of AGM, i.e. Friday, August 07, 2020.
 23. Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, in respect of shares held in physical mode, may send their nomination request in Form SH-13, available on the Company's website, to the Company's RTA and shareholders holding shares in dematerialized mode are requested to contact their DP.
 24. Shareholders are requested to fill in and submit the Feedback Form available in the 'Investor' section on the Company's website **www.orientelectric.com** and also in the Annual Report, to aid the Company in its constant endeavour to enhance the standards of service to its investors.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4

The Board of Directors on the recommendation of Audit Committee, appointed Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.-5343), as Cost Auditor of the Company for conducting the audit of the cost records of the Company for the financial year 2020-21, at a remuneration of ₹65,000/- (Rupees sixty five thousand) excluding tax and out of pocket expenses which shall be reimbursed on actual basis.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the shareholders of the Company.

Accordingly, the shareholders are requested to approve the remuneration of the Cost Auditor for the financial year 2020-21 as set out in the resolution for the aforesaid services to be rendered by him.

None of the Directors and Key Managerial Personnel and their relatives, are in any way, financially or otherwise, concerned or interested in the passing of the Resolution set out at Item No. 4 of the Notice.

The Board of Directors of the Company recommends the resolution set forth at Item no. 4 of the accompanying Notice, for the approval of the shareholders as an Ordinary Resolution.

Item no. 5

The Company has a branch office in Dubai Multi Commodities Centre ("DMCC"), a free trade zone in Dubai, UAE. The Company

may in future open / acquire new such branches within or outside India, from time to time, as per business needs. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches as per the law applicable. The Company, subject to confirmation by the shareholders, appointed branch auditor for its branch office at DMCC, Dubai as per applicable laws. The shareholders are, therefore, requested to authorize the Board of Directors (which term shall be deemed to include any Committee thereof, constituted or to be constituted) of the Company to appoint / remove / change, from time to time, branch auditors, who are qualified to act as the auditor(s) of any such branch(s) and fix their remuneration and also to confirm and ratify the actions already taken for appointment and payment of remuneration of such branch auditor.

None of the Directors and Key Managerial Personnel and their relatives, are in any way, financially or otherwise, concerned or interested in the Resolution set out at Item No. 5 of the Notice.

The Board of Directors of the Company recommends the resolution set forth at Item no. 5 of the accompanying Notice, for the approval of the shareholders as an Ordinary Resolution.

By Order of the Board of Directors

Place: New Delhi
Date: June 01, 2020

Hitesh Kumar Jain
Company Secretary
(Membership No.: F6241)
Registered Office: Unit VIII,
Plot No. 7, Bhoinagar,
Bhubaneswar – 751012, Odisha
CIN: L31100OR2016PLC025892

ANNEXURE -1

DETAILS OF DIRECTOR SEEKING APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS:

Name	Mr. Chandra Kant Birla
Date of Appointment	January 19, 2018
Age	64
Last gross remuneration (paid during the financial year 2019-20)	₹0.41 crores (Sitting fees and commission)
Qualifications & expertise in specific functional area	Mr. Chandra Kant Birla holds a bachelor degree of Arts. He heads the C. K. Birla group, a diversified business conglomerate, involved in various business verticals such as cement, paper, chemicals, consumer durables, auto components, precision bearings, building materials, construction, earth moving equipment, information technology, health care and education.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil
Number of Meetings of the Board attended during the financial year 2019-20	5
Directorships held in other Public Limited Companies in India	a. Orient Cement Limited b. Orient Paper & Industries Limited c. HIL Limited d. AVTEC Limited e. National Engineering Industries Limited f. Birlasoft Limited g. Neosym Industry Limited
Chairmanship / Membership of Committees in other public limited companies in India.*	Nil
Shareholding in the Company (No. of shares)	34,05,893

*Committees considered for this purpose are those prescribed in Regulation 26 of the Listing Regulations, viz. Audit Committee and Stakeholders' Relationship Committee.

Shareholder's Feedback Form

Name of First / Sole Shareholder*

DP ID and Client ID or Folio Number*

Mobile Number*

Email ID*

Rating for the services provided by the shareholders:

	Excellent	Good	Needs Improvement
Satisfactory response to queries / complaints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Details / information available on the website of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presentation of details / documents on the website of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual Report Quality and content	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall rating of our investor service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any grievance pending so far –	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Any Suggestion on Improvement of Investor Services

*Mandatory Fields

vision

"Spreading **Happiness** by **Smart**
Application of **Technology**"

mission

"We are a leading **Indian electrical brand** with significant global presence. We are focused on making **customers happy** by consistently providing **smart electrical solutions** through **innovation, world-class manufacturing** practices, knowledgeable and customer-oriented **distribution network**, highly responsive **after sales service** and **engaged employees**."

our values

-  **Excellence**
-  **Integrity**
-  **Collaboration**
-  **Trust**
-  **Care**



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