



Consumer Centric Digitally Empowered

Consumer Centric Digitally Empowered

Forward Looking Statement

In this Annual Report, we have disclosed 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, may 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.

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Corporate Information

Board of Directors

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

Key Managerial Personnels

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

Registered Office

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

Corporate Office

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

Corporate Identification Number

L31100OR2016PLC025892

ISIN

INE142Z01019

Scrip Code

1. BSE – 541301
2. NSE – ORIENTELEC

Website

www.orientelectric.com

Manufacturing Plants

1. II, Industrial Estate, Sector 6, Faridabad – 121 006, Haryana, India
2. C-130, Sector 63, Noida 201 301, Uttar Pradesh, India
3. D-209, Sector 63, Noida 201 301, Uttar Pradesh, India
4. 6, Ghore Bibi Lane, Kolkata – 700 054, West Bengal, India

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

Internal Auditors

Deloitte Touch Tomatsu, LLP
 7th Floor, Building No. 10, Tower B, DLF Cyber City,
 Phase – II, Gurugram – 122 002, Haryana, India

Cost Auditors

Somnath Mukherjee, Cost Accountant
 14E/5, Rajmohan Road, Uttarpara,
 Hooghly, Kolkata - 712 258, West Bengal, India

Secretarial Auditors

A.K Labh & Co., Company Secretaries
 40, Weston Street, 3rd Floor,
 Kolkata-700 013, West Bengal, India

Bankers

1. State Bank of India.
2. HDFC Bank Ltd.
3. ICICI Bank Ltd.
4. IndusInd Bank Ltd.

Registrar and Share Transfer Agent

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



Our Corporate Ethos

Our Vision, Mission and Values



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.



Values

Excellence

- We consistently aim to achieve and exceed global benchmarks in quality and best practices.
- We always strive for fresher ideas and newer ways of doing things.
- We are most responsive to changing modern lifestyles and consumer needs.
- We demonstrate drive and commitment for performance.

Integrity

- We are committed to the highest standards of professional ethics and honesty
- We are credible, we do what we say
- We act in accordance to our roles and responsibilities
- We are accountable for both our successes and failures and do not allocate blame
- We speak up openly without fear



THE COMPANY'S CORE STRENGTHS ARE UNIFIED AND BUILT ON THE FOUNDATIONS OF CONSUMER NEEDS AND EXPECTATIONS. THESE ARE THE LEVERS THAT HAVE BEEN ASSISTING ORIENT ELECTRIC IN ACHIEVING ITS GOALS AND OBJECTIVES.

Collaboration

- We collaborate across functions and businesses to drive organisational goals
- We build mutually-rewarding long term relationships based on trust and credibility
- We respect diversity and believe in consulting, engaging, and empowering people
- We celebrate collaboration and take pride in our work and that of others

Trust

- We foster a culture of belief and trust
- We are open and transparent in sharing relevant information with all stakeholders
- We are an open organisation that values everyone's point of view regardless of one's position in the hierarchy
- We provide enough freedom and space for people to deliver on their commitments

Care

- We encourage practising empathy in all our acts
- We respect each and value everyone's contribution across the value chain
- We care about individual and professional development
- We partner in creating a caring environment



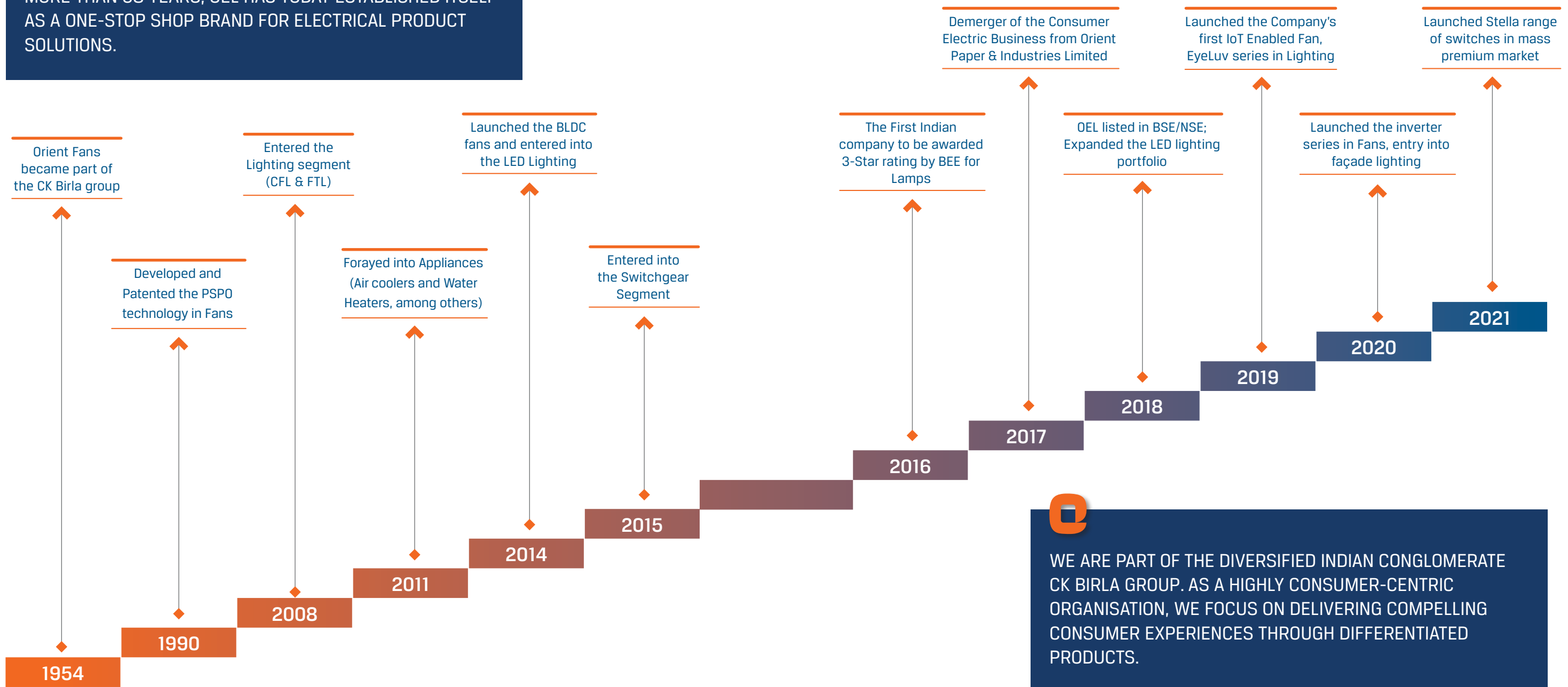
Our Journey through 68 Years

An Enduring Enterprise

Creating value consistently for more than six decades.

Consumer Centric
Digitally Empowered

A DISTINGUISHED NAME IN THE INDIAN FAN INDUSTRY FOR MORE THAN 68 YEARS, OEL HAS TODAY ESTABLISHED ITSELF AS A ONE-STOP SHOP BRAND FOR ELECTRICAL PRODUCT SOLUTIONS.



WE ARE PART OF THE DIVERSIFIED INDIAN CONGLOMERATE CK BIRLA GROUP. AS A HIGHLY CONSUMER-CENTRIC ORGANISATION, WE FOCUS ON DELIVERING COMPELLING CONSUMER EXPERIENCES THROUGH DIFFERENTIATED PRODUCTS.



Corporate Snapshot

A Lifestyle Focused Electrical Goods Company

Leveraging the brand, Orient Electric has successfully expanded its product offerings across Fans, Appliances, Lighting, and Switchgear products.

Company Overview:

Orient Electric Limited became a part of the 150-year-old CK Birla Group in 1954. A distinguished name in the electrical consumer durables space for more than 68 years, Orient Electric, has established itself as a one-stop-shop provider of fans, lighting solutions, home appliances, switchgears, and other electrical solutions.

Manufacturing footprint:

Orient Electric operates modern manufacturing facilities in the Indian cities of Kolkata, Faridabad, and Noida.

Retail presence:

Orient Electric has an entrenched and extensive sales, distribution, and service network with pan-India coverage. In addition to India, the Company enjoys a market presence across 26 countries. It is the largest exporter of fans in the country.

Market Capitalization:

Orient Electric's equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company enjoyed a market capitalisation of ₹ 6,816 Cr. as of March 31, 2022, and is among the Top 500 Listed companies by market capitalisation.

Strategic Alliances:

Orient Electric has a strong 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 and growth potential in all home appliances.



ORIENT ELECTRIC IS THE LEADING DOMESTIC PLAYER IN THE FANS SEGMENT WITH A MULTI-DECADE LEGACY AND STRONG BRAND RECALL. THE COMPANY CONTINUES TO BE ADJUDGED AS A CONSUMER-VALIDATED SUPERBRAND FOR THE 4TH CONSECUTIVE YEAR, VALIDATING THE CONSUMERS' LOYALTY THAT ORIENT ELECTRIC COMMANDS.



Financial

Market CAP as of 31st March 2022
₹ 6,816 crore
 Net Worth
₹ 541.3 crore



Employees

Number of the workforce engaged
3,117
 % of Female workforce
10%



Society

Focus Areas
 Women empowerment & education, Healthcare, Hunger eradication, and Sustainability



Manufacturing

Number of Factories
4
 Number of Warehouses
32





Board of Directors



Chandra Kant Birla
Chairman

Chandra Kant Birla, aged 67 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 a sustainable positive impact.



Deepak Khetrpal
Non-executive Vice Chairman

Desh Deepak Khetrpal, aged 66 years, holds an Honours degree in Business and Economics from Shri Ram College of Commerce; an MBA degree from Faculty of Management Studies, Delhi University. 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, and consumer and retail businesses.



Rakesh Khanna
Managing Director & CEO

Rakesh Khanna, aged 59 years, holds a B.E. (Mechanical Engineering) degree from Thapar Institute of Engineering and Technology; a Master's degree in Management Studies from the University of Mumbai. He has more than 36 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 68 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 the State Bank of India and the Export-Import Bank of India. He was the non-executive chairman of Indian Overseas Bank. 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 40 years of experience in corporate finance, international banking, and investment banking.



K Pradeep Chandra
Independent Director

K. Pradeep Chandra, aged 65 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 several state public sector undertakings and has more than 37 years of experience in Education, Finance, and the Industries and Commerce Departments of the Governments of Andhra Pradesh and Telangana.



Alka Marezban Bharucha
Independent Director

Alka Marezban Bharucha, aged 65 years, holds a Bachelor's degree in Arts with Honours from the University of Mumbai, a law graduate from Mumbai, and a Master's in law from the University of London. She is the founding partner of Bharucha & Partners, a solicitor of the Bombay High Court, and an Advocate on record at the Supreme Court of India. She has over 33 years of experience in mergers and acquisitions, private equity investments, joint ventures, venture capital investments, and other financial transactions. She is engaged in representing transnational corporations for investments in the retail, real estate, defense, power, and banking sectors.





Business Performance Summary for FY2022

Orient Electric Limited is one of India's leading players in electrical consumer durables, lighting and switchgear products. OEL operates in two segments, Electrical Consumer Durables (ECD) and Lighting and Switchgear segments (L&S).

It offers ceiling, portable, wall, lifestyle, stand, table, exhaust, and multi-utility fans, as well as related components and accessories; and home appliances, such as air coolers, room and water heaters, oil-filled radiators, heat convectors, dry irons, mixer grinders, juicer mixer grinders, wet grinders, electric kettles and electric hand mixers.

The Company also provides lighting products comprising LED bulbs and luminaires, LED lamps and tubes, professional lighting products, conventional fittings; and switchgear, including miniature and residual current circuit breakers, distribution boards, isolators, and modular switches and plates, as well as wiring accessories.

Our ECD Business

73%

Share of our Total Business

18.9%

YoY Revenue Growth of the ECD business



Business Performance for FY2022

For the year ended 31st March 2022, the Electrical Consumer Durables segment posted revenues of ₹ 1,799 Cr, up by 18.9% YoY, and an EBIT of ₹ 201 Cr. Despite various obstacles, such as raw material inflationary pressures, depressed festivals, geopolitical concerns, and consumer setbacks due to COVID interruptions, the ECD segment delivered sustained results in FY2022.

FY2021 Business Highlights

Fans

- The fans division benefited from several new product introductions based on OEL's consumer-centric approach for innovating these new products.

- During FY2022, OEL improved its market position and market share in the decorative and premium categories.
- The Company commenced making inroads into the Southern and Eastern Indian markets, adding to its strong presence in the North and the West.
- OEL's various grass-roots efforts, such as the use of "Orient Connect", "Sales Force Automation" and "Dealer Management System", strengthened the distribution channel, with a sharper focus on secondary markets and market share expansion.
- OEL conducted digital campaigns, especially focused schemes and new product launches, to capture market share across channels in the BLDC segment.

Home appliances

- Despite the Coolers and Heaters segment being hit by the third wave, which instigated uncertainty in dealers' minds, the water heaters business picked up pace in the recovery period during the second and third quarters of FY2022.
- OEL introduced new products such as the Glassline Water Heaters, Modular Metal Coolers, and the range expansion in Desert Coolers enabled

the Company to sustain moderate sales growth in Appliances.

- Steep raw materials inflation due to a sharp surge in commodity impacted OEL's margins for the entire year.
- OEL increased its prices for some of its products in line with industry trends towards the end of FY2022.
- Sales through the e-Commerce channels were softer than expected due to the lacklustre response in in-festive season sales.

- The withdrawal of many unorganised players from the market fueled the demand for the entry-level segment, where OEL saw volumes surge and market share gain.
- For OEL's Exports Business, the Company made steady inroads for its Air Coolers in certain target markets.
- OEL gets recognised as a 'Superbrand' in air coolers during FY2022.

Our L&S Business



27%

Share of our Total Business

25.1%

YoY Revenue Growth of the L&S business

37.0%

YoY EBIT Growth of the L&S business

Business Performance for FY2022

For FY2022, OEL's Lighting & Switchgear business posted revenues of ₹ 649 Cr, up by 25.1% YoY, and generating an EBIT of ₹ 95 Cr, up by 37.0% YoY.

FY2021 Business Highlights Lighting & Switchgear

- Increased demand for Consumer Luminaires, enabled by distribution expansion and new product introductions, led to high double-digit growth for OEL, despite the headwinds in LED Lamps and pricing.
- OEL was able to largely circumvent component shortages primarily by

using alternative integrated circuits and other components from new suppliers.

- For OEL's projects business, the enquiry bank swelled in the Tender & B2G segments, making the future prospects for the tender business look promising.
- OEL won the prestigious project for the Dwarkadhish highway bridge project (NHAI), along with other large façade lighting projects.
- OEL's new line of "Stella" Switches garnered a positive response from the market, which was helped by the high interest generated through its aggressive engagement programmes with the electrician community.

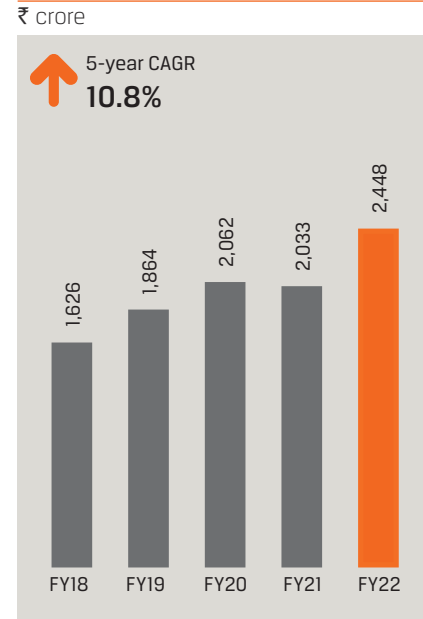
- OEL's B2G segment witnessed significant momentum through the GeM Platform.
- The Smart Street Lighting on the highways started gaining traction towards the latter part of the year.
- For OEL's Exports Business, the Company made steady inroads for its Switchgear and Lighting products, which is expected to grow over time.
- OEL got recognised as a 'Superbrand' in lighting in FY2022
- OEL was awarded the prestigious National Energy & Conservation Award 2021 under the category "Most Energy Efficient Appliance of the Year - LED Bulb" for its 9W Self-Ballasted LED Bulb.



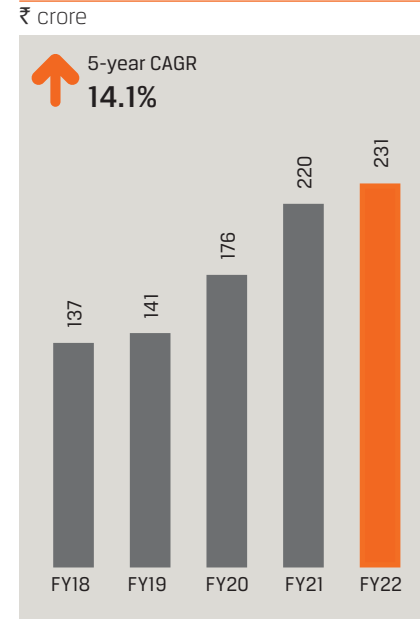


Performance Highlights

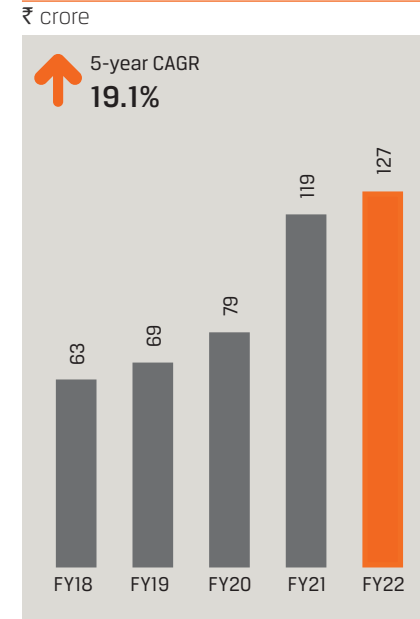
Revenue from Operations



Operating EBITDA



PAT



ROCE (Pre-Tax)*



Debt-Equity Ratio*



Asset Turnover Ratio#

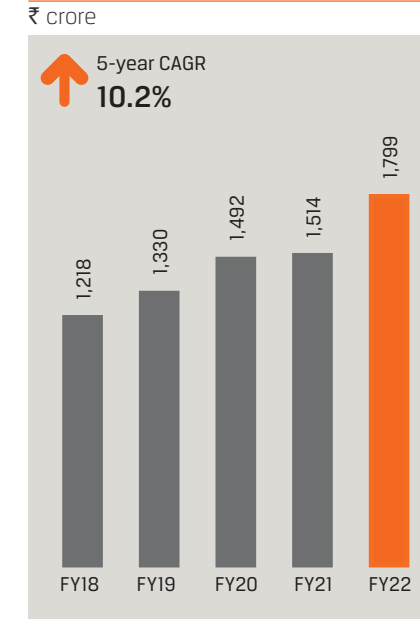


* Ratios aligned as per latest guidance note issued by ICAI
Based on Net Fixed Assets (including CWIP)

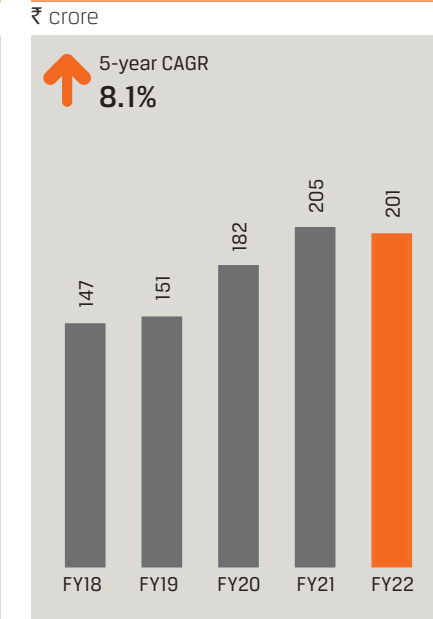
Segment wise performance:

Electrical Consumer Durables (ECD)

Revenue

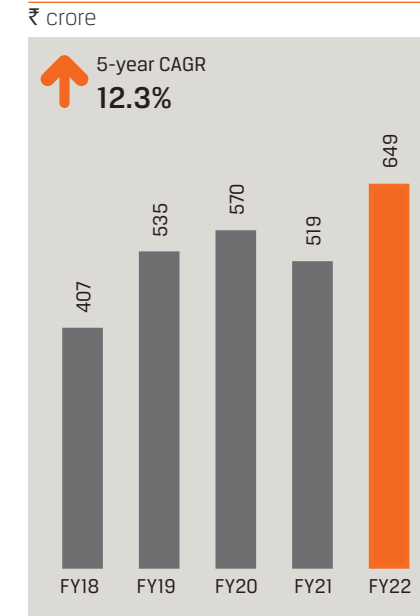


PBIT

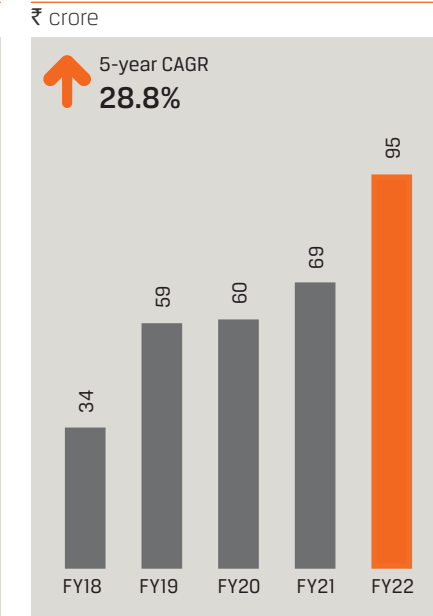


Lighting & Switchgear

Revenue



PBIT





Recognitions & Accolades

Striving Towards Excellence

Recognised for its state-of-the-art manufacturing capabilities, innovative marketing practices, and product design excellence.



Over the years, Orient Electric has received many prestigious awards and accolades for its commitment to manufacturing quality lifestyle electrical solutions that benchmark against the best in the industry. It has also been recognised globally for its state-of-the-art manufacturing capabilities, innovative marketing practices, excellent customer service initiatives, and for having a highly conducive working environment.

Orient Electric received the "The Economic Times Best Brand 2021" and under SuperBrand 2021, Orient Electric retained the prestigious

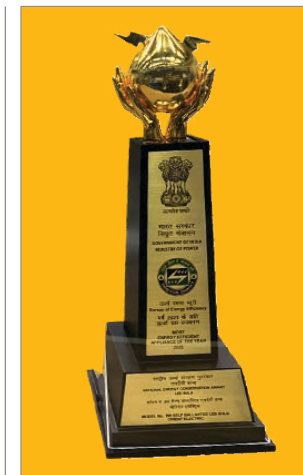
consumer-validated SuperBrand status for Fans and Air Coolers for the fourth time and second time respectively, we also received the SuperBrand status for Lighting for the first time in this financial year. Additionally, Orient Electric received the 'Great Place to Work'™ certification for the period March 2022–March 2023 for the third consecutive year.

Orient Electric received the **National Energy and Conservation Award 2021** under the category "Most Energy Efficient Appliance of the Year - LED Bulb" for its 9W Self Ballasted LED Bulb.

Awards and accolades for **OEL's** commitment to manufacturing quality lifestyle electrical solutions.



The Economic Times Best Brand 2021 - India's Best Brands for the year 2021 by ET Edge



Most Energy Efficient Appliance of the Year - LED Bulb for its 9W Self Ballasted LED Bulb



India's Best Leader in Times of Crisis 2021 - for demonstrating exemplary leadership during the COVID-19 crisis



Great Place to Work® certification for the third time in a row



Mr. Rakesh Khanna, MD & CEO, Orient Electric has been recognised as 'Inspiring CEO 2021' by The Economic Times.



SuperBrand 2021- status for Fans, Air Coolers, and Lightings



Consumer Centric Digitally Empowered

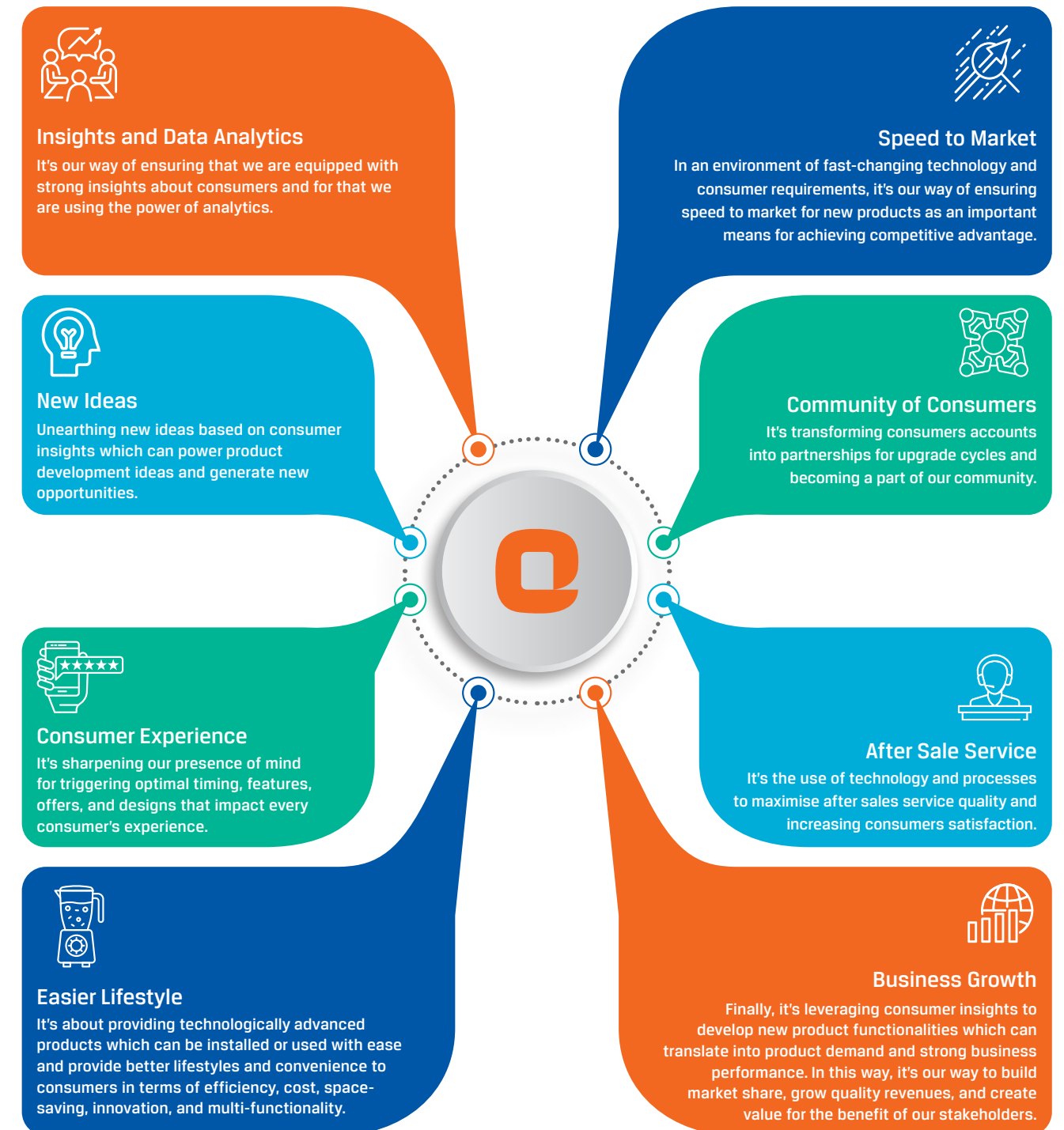
“Consumer Centricity” is embedded in our Company’s philosophy and way of doing business. At Orient Electric Limited, we believe in putting our consumers first and at the core of our business to provide a positive experience and build a long-term relationship with them. Our innovation strategy across verticals is based on consumer needs and expectations. Therefore we create products, processes, policies, and a culture that is designed to support consumers with great experience from the initial discovery of the brand to point of purchase and beyond. Becoming a consumer centric business allows us to anticipate consumers’ needs and delight them with our products and services. Getting a holistic understanding of consumer sentiment towards the brand helps create communication strategies across touchpoints and evaluate the effectiveness of our consumer centric strategy.

At the same time, we are continuously empowering ourselves digitally to drive productivity in our operations through seamless communication and collaboration using digital workplaces; to build personalised experiences and connected sales processes; to serve the marketplace through physical and digital channels, to anticipate market needs, imagine new offerings, and stand out in the marketplace. We are also analysing data on our customers more discerningly to enable finance and sales to further transform our level of service to both our customers and consumers.

By being highly consumer centric and digitally empowered, we're better aligned to our business goals for building stakeholder value reliably.



So, what does Consumer Centricity mean to Orient Electric?





Chairman's Overview



OUR FOCUS ON CONSUMER CENTRICITY HAS HELPED IN REDEFINING PROCESSES ACROSS ALL FUNCTIONS FOR DEVELOPING AND DELIVERING INNOVATIVE PRODUCTS TO ENHANCE CONSUMER DELIGHT.



FY'22 has been a year of consumer demand revival. Our revenue growth is a testimony to Orient's continuous response to macro headwinds such as the 3rd COVID Wave, geopolitical conflicts, semiconductor shortages, and raw material inflation. Our insights on consumer sentiments, coupled with extensive new-age digital capabilities, have helped Orient Electric to sustain its operations while pressing ahead with its longer-term objectives for growth and value discovery for all our stakeholders. Our focus on Consumer Centricity has helped in redefining processes across all functions for developing and delivering innovative products to enhance consumer delight. Our constant endeavor to empower ourselves digitally to drive productivity in our operations through seamless communication and collaboration using digital workplaces, creating personalised experiences, connected sales processes, and serving the marketplace through physical and digital channels.

Our people are the engine that allows us to deliver the required turning force for value creation. The health and safety of all our employees continue to remain a top priority for us. The Company retained its Great Place to Work® certification for the third consecutive year as a testimony to the people-first culture.

I look forward to newer opportunities that are unfolding at a rapid pace.

I hope each member of the Orient Electric family and our stakeholders continue to stay safe.

Chandra Kant Birla
Chairman



OUR PEOPLE ARE THE ENGINE THAT ALLOWS US TO DELIVER THE REQUIRED TURNING FORCE FOR VALUE CREATION.





MD & CEO Review



OUR DUAL FOCUS ON 'CONSUMER-CENTRICITY' AND 'DIGITAL ENABLEMENT' HAS HELPED US IN DEVELOPING NEW AND INNOVATIVE PRODUCTS AND TRANSFORMING MANY OF OUR OPERATIONS TO FUNCTION MORE INTELLIGENTLY AND EFFICIENTLY.

In a year marked by uncertainty and wavering topline, I am delighted to report that Orient Electric Limited (OEL) grew its revenue by 20.5%, Operational EBITDA by 5.4%, and Profit After Tax (PAT) by 6.2% in FY2022. Almost all our business segments saw healthy traction resuming, leading up to a point where FY2023 began to look quite encouraging, not with standing any further new surprises. FY2022 has shown how resilient your Company is, and foreshadows our inherent strength to reassert ourselves to pursue our strategic steps for long-term growth. Our fundamentals remain robust and future-ready to handle the current scenario and capitalise on new possibilities, even as the Pandemic continues to influence global economies and supply chain dynamics. We also anticipate to keep making strategic investments in our 'Consumer Centricity' journey without making any significant modifications to the investment and execution timetables.

A year of caution

FY2022 has been a year in which consumers returned to the markets with their wallets, both physically and digitally, and made purchasing decisions that reflected their Pre-COVID demand levels and underscored their confidence to spend. A 20% plus YoY growth in our top line is testimony to Orient Electric's continuous response to macro headwinds, such as the 3rd COVID wave, geopolitical conflicts, semiconductor shortages, and raw material inflation. During the year, we saw channel partners take a more conservative approach in delaying their seasonal inventory build up, causing our working capital days for FY2022 to surge by 17 days from FY2021 levels. Our balance sheet strength and prudent working capital management allowed us to comfortably steer through a season of higher-than-normal inventories in our system.

OUR FUNDAMENTALS REMAIN ROBUST AND FUTURE-READY TO HANDLE THE CURRENT SCENARIO AND CAPITALISE ON NEW POSSIBILITIES.

In line with our long-term goals, Orient Electric persisted to expand its geographical reach by further widening and fortifying its distribution network, especially in Southern India. The Company also integrated its various digital initiatives into its overall distribution framework, which has further raised our efficiency in inventory management, logistics and service levels.

Our dual focus on 'Consumer-Centricity' and 'Digital Enablement' has helped us in developing new and innovative products and transforming many of our operations to function more intelligently and efficiently. Value selling and tactical price revisions helped in harvesting better quality growth for FY2022 in terms of average realisations and market share gains.

Our ECD Business

In FY2022, our ECD segment performed commendably despite facing many headwinds, including raw material inflationary pressures, muted demand and consumption slowdowns caused by the COVID waves. For the year ended 31st March 2022, the Electrical Consumer Durables segment posted revenues of ₹ 1,799 Cr, up by 18.9% YoY, and an EBIT of ₹ 201 Cr.

AT ORIENT ELECTRIC, WE THINK THAT OUR SUCCESS IS INEXTRICABLY TIED TO OUR CONSUMERS' FEELINGS.

Several factors helped sustain our business for this division. Our consumer insights helped sharpen our sales for specific products in target markets. We also made strong inroads into the Southern and Eastern Indian markets, adding muscle to our already strong sales in the North and the West. Our aggressive digitalisation enabled the value chain to function more intelligently and strategically to gain market share in certain products. Despite the Coolers and Heaters segment being hit by the third COVID wave instigated uncertainty in our channels, we were pleased to see our water heaters pick up pace in the recovery period during the second and third quarters of FY2022. The introduction of new products such as the Glassline Water Heaters, Modular Metal Coolers and the range expansion in Desert Coolers enabled the Company to sustain moderate sales growth in Appliances.

The big dampener during the year was the steep raw materials inflation which impacted margins due to a sharp surge in the prices of commodities during the year. The continuous commodity cost increase nudged the industry to invoke price increases towards the end of FY2022. In addition, a general shift from the unorganised to the organised sector fueled the demand for the entry-level segment, where OEL saw volumes surge and market share gains. The e-Commerce channel, however, was impacted due to the lacklustre response in sell-out during in-festive season sales, including important shopping days.

Our Lighting & Switchgear Business

For FY2022, OEL's Lighting & Switchgear business performed well, posting revenues of ₹ 649 Cr, up by 25.1% YoY, and generating an EBIT of ₹ 95 Cr, up by 37.0% YoY. Increased demand for Consumer luminaires, enabled by distribution expansion and new

product introductions led to high double-digit growth despite the headwinds in LED Lamps and competitive pricing. Thankfully, we were able to circumvent component shortages largely by using alternative ICs and suppliers. Meanwhile, our new line of "Stella" Switches garnered much interest in the market, which further elevated interest generated through our aggressive engagement programmes with the electrician community. Our Enquiry bank in the Tender, façade lighting & B2G segments has grown appreciably for our projects business, making the tender business look promising. In particular, the B2G segment witnessed significant momentum through the Government E-Marketplace Platform. The smart street lighting on the highways too started gaining traction towards the latter part of the year.

Our Exports Business

The Exports business was able to garner a high teens growth for the fiscal year, even though few markets became unviable markets due to political and economic stress. We were successful in establishing relationships with new partners with market-specific products in Africa and the Middle East. We are also making steady inroads for our Switchgears, Lighting products and Air Coolers, all of which should grow over time.

Consumer Centric. Digitally Empowered.

At Orient Electric, we think that our success is inextricably tied to our consumers' feelings. To that end, we make certain that our Company's goals and strategies are closely tied to influencing and controlling consumer behaviour through highly relevant products and services

As an ideal proxy for our overall digitalisation, the 'e-Wings' initiative at Orient Electric is positively altering and empowering numerous aspects of our business. This initiative has been a helpful catalyst in fastracking the Company's digital adoption as well as that of our numerous business partners. Through training and awareness programmes, we are placing a strong focus on sharpening the use of multiple digital capabilities across all management levels, integrating them into the organisation's ordinary day-to-day operations and activities. We've also added digital traceability to our various products, which is allowing for the automatic identification, tracking, and servicing of multiple items across the supply chain using QR codes. In FY2023, we plan to begin Phase II of the 'e-Wings' digitisation programme, which will focus on developing new capabilities in digital manufacturing and providing deeper business analytical insights.

People as agents of change

Our people are the greatest contributors to our success and enable us to fulfil our determination to delight consumers and thus create value. Together as a team, we aim to deliver on our consumer-centric objectives by drawing on innovation, knowledge sharing, leadership excellence, and our capable workforce. Our goal is to establish a workplace that values and cares for its employees. This entails safety and wellbeing as our priority; having inspirational leaders who aspire others to emulate; being team-oriented, inclusive, and fostering a unique culture that balances innovation, knowledge sharing and risk management.

External Validations

Over the years, Orient Electric Limited has received many prestigious awards and accolades for its commitment to manufacture quality lifestyle electrical solutions that benchmark against the best in the industry. It has also been recognised globally for its state-of-the-art manufacturing capabilities, innovative marketing practices, excellent customer service initiatives and for having a highly conducive working environment.

During FY22, Orient Electric received the "The Economic Times Best Brand 2021" and under SuperBrand 2021, Orient Electric retained the prestigious consumer-validated Superbrand status for Fans and Air Coolers for the fourth time and second time respectively, we also received the Superbrand status for Lighting for the first time in this financial year. Additionally, Orient Electric received the 'Great Place to Work'™ certification for the period March 2022–March 2023 for the third consecutive year. Furthermore, our 9W LED bulb won "The national energy and conversation award 2021" under the category "Most energy-efficient appliances of the year – LED Bulb".

Outlook

In the financial year under review, while many indicators pointed to recovery after the worst of the COVID-19 Pandemic had passed, geopolitical instability resulting from the Ukraine-Russia conflict at the end of the financial year has increased ongoing volatility in crude oil and gas prices, as well as uncertainty in the supply chain, affecting many of the commodities used by the Company, particularly metals, plastics, and paper. During the fiscal term under review, the COVID-19 pandemic and the resulting national limitations had already damaged two

economic periods. However, any future impact of Pandemic threats is projected to be significantly limited due to the increased vaccination penetration, which will be reinforced with booster doses.

Due to global supply chain restrictions and commodity price volatility, the Consumer Electricals industry has ongoing issues in sourcing raw materials and components. However, due to better and deeper distribution reach and our capacity to control the supply chain through alternate sourcing, along with strategic cost-cutting initiatives, we intend to carefully navigate through these disruptions. While India's path to double-digit growth has become more challenging, the country's underlying strong economic fundamentals, along with the Government's goal for self-sufficiency, are projected to protect the country's long-term positive outlook from the present short-term instability. We believe that, for now, the worst is past behind us, and the future looks more optimistic for Orient Electric.

Gratitude to our stakeholders

Finally, I want to express my gratitude to our stakeholders for their trust and belief in the Company. I believe we will progress steadfastly into the current fiscal year and the foreseeable future, because of a combination of empathy, safety, and steady business performance. Today, we're better linked to our business goals for dependably creating stakeholder value by being consumer-oriented and digitally enabled. Throughout every concept, opportunity, and endeavour, our commitment to our consumers will remain vital to our existence. As a result, we plan to increase value for every participant in the Orient Electric ecosystem in a stable and long-term manner.

Rakesh Khanna
Managing Director & CEO



Building on Consumer Insights

Gaining a 360° consumer view to understand their behaviour better.

In today's competitive retail landscape, consumers expect high-quality experiences to go with high-quality products and services. Data and consumer insights are the essential tools we use to provide valuable information to help our business develop the right products that exceed our consumers' and channel partners' expectations.



ORIENT ELECTRIC INCREASINGLY RELIES ON ITS CONSUMER INSIGHTS AS THE EPICENTRE OF ALL ITS BUSINESS DECISIONS AND ACTIONS AND EMBEDS THIS ON A CONTINUED SUSTAINABLE BASIS.

Consumer insights allow our business teams to understand how they think and feel about our products and services. Understanding our consumer needs and wants is intrinsic to our business' success. This approach was accelerated by introducing a dedicated consumer insights think-tank within the management team. During FY2022, OEL rolled out several research and analysis initiatives. The business outcome of these initiatives has translated into new product development, formulation of marketing strategies, enhancing consumer servicing, brand positioning and product launches that resonate well with the marketplace.

Assessing the ROI of our marketing spending has helped us optimize our spending and fine-tune media planning. As a result, we have increased our e-commerce spending, choosing specific channels and platforms to optimize our ROIs. We have mapped competition and identified potential markets using data

analytics, retail audit, and internal data. We are taking these learnings to improve our GTM strategy in markets such as Bihar and Southern India.

Insights on consumer media behaviour helped us tweak our media planning. Today, we have a sharper target group, focusing on relevant platforms and channels. We added general entertainment channels and regional TV channels and increased our spending on Digital.

Understanding retailer expectation and their influence on consumer decision-making has helped us fine-tune the selling story of our products and train our sales teams better on the USPs of our products. Studying shopper behaviour and the influencing factors have helped us focus more on the point of sales - to increase visibility to get better consideration on the shop floor.



Leveraging in-house Design Capabilities

Investing in R&D is an essential pre-requisite for continual growth.

The entire business of Orient Electric draws its differentiated strength from the high level of in-house designing capabilities. The company's agility in quickly turning around new innovative products and embrace the latest technology, allows it to stand out as a differentiated value proposition to consumers, and mitigate the pressure of cost increases. The R&D team is staffed with a deep talent pool on its rolls.



At Orient Electric, business growth is consistently facilitated by R&D through developing new and upgraded products. Not only does research development assist with obtaining a competitive edge, but it can also increase long-term productivity and profitability. Our applied research is invaluable for developing new products and improving existing products in accordance with consumers wants and needs.

A new state-of-the-art R&D Centre was opened at Faridabad in April 2021 to consolidate the Company's entire R&D activities under one roof. This has strengthened the Company's overall design capabilities and harnessed new efficiencies and synergies in its new product development processes. This R&D Centre is equipped with various modern testing equipment, allowing the Company to be self-sufficient as an independent design centre and a custodian of the high brand value that OEL stands for. The new knowledge that research and development generate also optimizes our employee engagement and morale levels. Development research challenges employees to learn and grow constantly, instead of working on the same procedures, processes, and methods.



During FY2022, Orient Electric leveraged its in-house Design Capabilities (R&D Facility) across multiple focus areas:



Energy Conservation

A key area from our ESG goals perspective is energy conservation. The Company developed a new advanced PUFF chemical which has better insulation properties and helps convert existing four-star water heaters into a five-star grade without any additional PUFF requirements. This resulted in power savings for consumers by up to 10%.



EPS-less Packaging

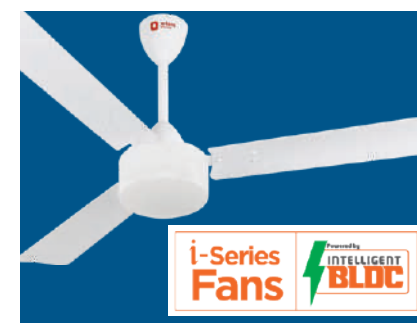
The Company also conducts research and development to remove EPS from product packaging. As a non-biodegradable material, EPS is a significant concern for the environment. To substitute this, the Company considered using pulp packaging as an option. This is biodegradable and was successfully adopted for instant water heaters. Currently, we have the potential to alleviate the consumption of ~20,000 Kgs of EPS per year and produce meaningful cost savings for the Company.



Streetlighting Projects

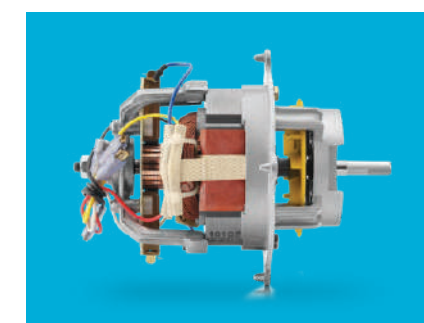
In FY2022, the Company used R&D to solve problems and deliver specific requirements in its street lighting projects business. These included:

- The introduction of astrotimers to enable on and off switching based on latitude and longitude coordinates
- The maintenance of continuity in the supply of semiconductors amidst a severe global shortage by changing the designs for in-house made LED bulbs
- The careful selection of lens and LEDs to meet NHA's stringent LUX specifications
- The introduction of two-stage drivers for 70-110W streetlights to meet the low ripple requirements of the EESL specifications



Fans

The Company used its in-house R&D prowess to achieve several objectives for its Fans business. These included the development of new blender motors; inlay mould design-based trim and deco rings; new material-based winding in BLDC motor/fans; new concepts of BLDC fans operated both remotely and via regulators; new paint technology; 8-slot induction motors.



Coil Winding

The Company's R&D centre also focuses on technology absorption. For example, it developed mixer grinders with a hybrid motor, including a blend of balanced coil-type winding. This has facilitated a cost reduction of 5 to 7% depending on sizes and models. Furthermore, with this technology, the product's performance has improved significantly.





Consumer-Centric Innovation

Meeting consumers' demands and resolving their issues.

Consumer Centric
Digitally Empowered

The Company is using consumer-centricity to gradually shift from 'box selling' to 'value selling'. With more robust product training and sales building capability, OEL is paving the way towards a better sales quality in which channel partner satisfaction is given more significant weightage. This will enable OEL to enhance its sales realisation and margins over time going forward.

Granular insights from deep consumer research have helped develop consumer-centric products with a superior price-value proposition. Based on deep consumer insights, all these products have resonated well with the consumers. Important examples representing this approach that were launched during FY2022 include:

- the Falcon 425, the fastest fan in the 1200 mm sweep size
- the i-Tome energy-saving BLDC fan
- the Jazz Art decorative fan
- a range of metal-bodied air coolers
- the Thermo Swift tankless water heater
- the mass premium range of Stella modular switches



AT ORIENT ELECTRIC, WE ACUTELY DISCERN CORE CONSUMER SENTIMENTS AND DEVELOP BENEFICIAL VALUE PROPOSITIONS REFLECTING THE COMPLETE CONSUMER EXPERIENCE.



Steering through the megatrend of energy-saving electricals, Orient Electric Limited bagged the prestigious National Energy & Conservation Award 2021 under the category 'Most Energy Efficient Appliance of the Year - LED Bulb' for its 9W Self Ballasted LED Bulb.



BLDC revolution



Marketing in vernacular medium

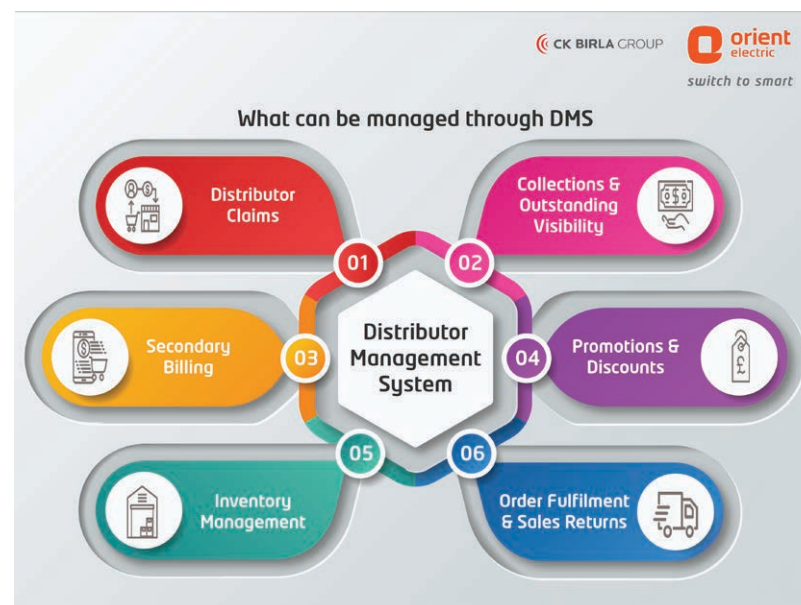


Accelerating Digital Adoption

Leveraging technologies to create value for various stakeholders.

Consumer Centric
Digitally Empowered

As part of the fast-paced transformation journey, Orient Electric Limited has built a digital ecosystem to fill consumers' insatiable demand for exceptional experiences and convenience. At OEL, the flagship programme of the entity for the last three years, titled "e-Wings", has successfully seen all its Phase-I digital initiatives rolled out. These programmes have been a welcome catalyst to accelerate the ever-growing digital adoption within the Company, including its various business partners. OEL will be entering Phase II of the digitisation programme "e-wings" in FY2023, building newer capabilities in digital manufacturing and deeper business analytical insights.



AT ORIENT ELECTRIC, WE ARE ADOPTING CULTURAL, ORGANISATIONAL, AND OPERATIONAL CHANGE IN OUR ECOSYSTEM THROUGH THE SMART INTEGRATION OF DIGITAL TECHNOLOGIES.

High emphasis was given across all management levels to sharpening the utilisation of multiple digital capabilities. These included our Dealer Management System, Sales Force Automation, Transport Management System, Orient Connect, Traceability, Employee engagement systems and Business Intelligence through training and awareness programmes. In this way, we have embedded the e-Wings programme into the routine day-to-day workings of our organisation.

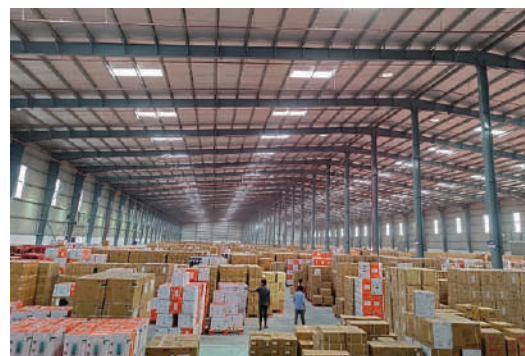
With Consumers on top of mind, OEL also ramped up its after-sales Services, offering improved service experiences through digitisation and enriching the capability of the service network. The Orient Connect Programme was also established to directly engage with last-mile selling points and capture market insights from the performance of retail counters. To leverage this further, our capability for product traceability is now being extended to all our product lines, including coolers, water heaters, LED lights and switches & switchgear. This traceability will also enable the Company to track its products in the market, particularly useful in enhancing after-sales servicing.



Channel Proliferation

Increasing sales and brand awareness while reducing risk.

Orient Electric Limited has strengthened its position by expanding its distribution landscape. During FY2022, OEL redesigned its fans distribution framework in Odisha and Bihar to extract the full market potential of these territories. These alterations to OEL's distribution system were designed to gain a higher aggregate market share within these regions. The Company also expanded its fan distribution network within South India to capture and reinforce this underpenetrated market.



Revenue growth from the OEL's digital channels is also on the Company's strategic road map for fuelling growth. It is pursuing the expansion of its E-comm channel and increasing the Company's brand presence through immersive online marketing programmes on the platform. To scale up the sales of OEL's line of professional luminaires, the Company is also foraying into emerging business channels such as the B2B and Government e-Marketplace. The Façade lighting line, in particular, gained healthy traction during the financial year, thanks to larger Government allocations for illuminating various heritage and historical buildings. Some notable projects include the Dwarkadhish Highway, the Bhakra Nangal Dam, and the Aligarh Smart City.

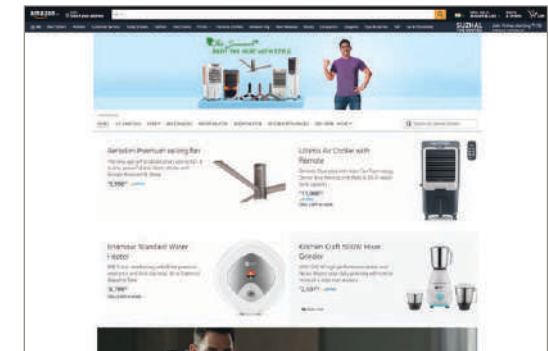


SELLING THROUGH MULTIPLE PHYSICAL AND DIGITAL CHANNELS DISTRIBUTES OUR RISK AND GIVES US THE FLEXIBILITY TO EXPERIMENT WITH NEW CHANNELS.



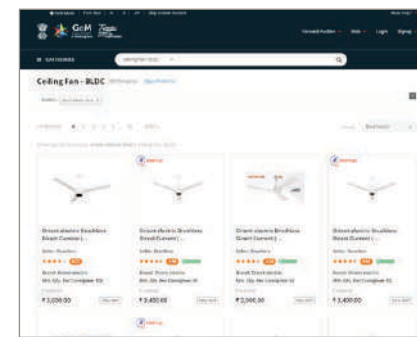
Smart Shops

OEL projects its products through a chain of Smart Shops nationwide. These stores feature an enhanced look and feel with a far more appealing store façade, inside ambience, superior service levels and broader product ranges and placement. The company also initiated pincode-based social and digital marketing initiative to generate product and location awareness.



E-Comm Channels

E-commerce is gradually transforming how business is done in India. Growing at a YoY rate of 5 percent, the e-commerce market in India is expected to become the second-largest by 2034, surpassing that of the United States. At Orient Electric, we are embracing e-commerce to be future-ready. We have begun marketing some of our essential products through major e-comm channels, such as Flipkart and Amazon, backed by concerted marketing campaigns.



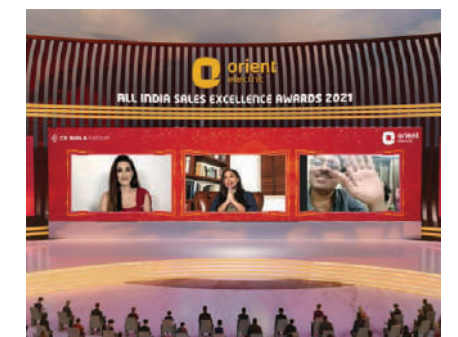
Government E-Marketplace

Orient Electric changed seamlessly to meet the government's buying shift from traditional channels to online procurement. These days Orient Electric is a significant participant in GeM & E-procurement portals with a presence in all relevant electrical categories and having a pan India presence with channel partners. The company proudly serves key Government departments such as Indian Railways, the Military Engineering Services (including the Indian Army, Navy & Airforce), multiple PSUs, and various State Government authorities.



Warehousing & Logistics

As a critical function in the journey of a shipment from the manufacturing factory to the last-mile consumer, our well-organized, technology-driven warehousing help facilitate sustainable inventory management, efficient order picking, error-free processes, timely order shipping and deliveries, and cost-effectiveness, all of which make for a superior consumer (B2C) and customer (B2B) experience. We leave no stone unturned at Orient Electric for technology adoption and regular workforce training.



Channel Engagement

To strengthen Orient Electric's relationship with the fan's distributors, an 'All India Sales Excellence Awards' was conducted virtually, with nearly 200 winning dealers' participating pan India. Reputed actress Vidya Balan was invited to be the keynote speaker and engage with dealers over a live session.





Talent Strengthening

Helping employees do their jobs better and enjoy doing them.

Consumer Centric
Digitally Empowered

It is a matter of pride for Orient Electric to have been awarded the certification of "Great Places to Work" for the third time in a row. This is testimony to the ever-increasing trust and confidence of the large employee pool in the Company's strong and committed management practices and its transparency in being a people-centric organisation.



Orient Electric has been hiring diligently across all levels to strengthen its talent pool. Key leadership positions are being filled up with seasoned leaders with cross-function capabilities. The marketing force is also increasing its cohort of 'feet on the ground' associates for ramping up distribution penetration and brand reach. Rewards and recognition are a key part of OEL's culture, with recognition such as the 'Hi-Flyer Awards' arranged every quarter to celebrate star performers. These initiatives were maintained even during the COVID disrupted periods.

The Company has expanded into new talent verticals and strengthened its organisational structure by adding the Consumer Insights and Manufacturing Excellence functions. The Company is poised to substantially reinforce its e-commerce capabilities to support the entire digital ecosystem in the forthcoming year. As a result, the Company is re-orienting itself with new talent and embracing unique and innovative working methods. Despite multiple

lockdowns, the Company administered two specialised training programmes in the year under review. These included the Potential Assessment of Sales Executives (PASE) and the Future Leaders of Orient Electric (FLOE). These programmes were tailored to a select talent pool and were created to serve as complete development journeys with predetermined ends.

Apart from these, specialised pieces of training and other development programmes were also conducted virtually. Some of these included digital awareness and training sessions, sessions on six sigma; product training and awareness sessions; and regulatory consciousness sessions on multiple aspects such as Insider Trading, Regulatory Compliances, POSH and Codes of Conduct.



AT ORIENT ELECTRIC, WE BELIEVE IN CAPITALISING ON THE STRENGTHS AND ABILITIES OF EMPLOYEES, HELPING THEM TO BECOME STRONGER AND GROW WITHIN OUR COMPANY.





Enriching Consumer Experience

Using technology to enrich engagement with customers and consumers.

Consumer Centric
Digitally Empowered

OEL believes in delivering end-to-end consumer experience, leaving no stones unturned to earn consumer loyalty. From pleasant buying experiences across channels and installation, to product performance and aftersales service. Providing excellent after-sales service is an essential pillar of our consumer-centricity philosophy for the Company.

Right from onboarding guide and product training, to listening to consumer feedback and returns and exchanges, OEL tries to be meticulous in its sales service to create consumers for life. Not only do they buy from Orient Electric again, but they also become strong word-of-mouth referrals, projecting a positive brand image to their friends and families.

The Company believes in investing in ongoing consumer happiness to sustain continuous growth. During the fiscal period under review, OEL centralised its service network across businesses in specific geographies. This improved the speed of service delivery, further enriching the consumer experience.

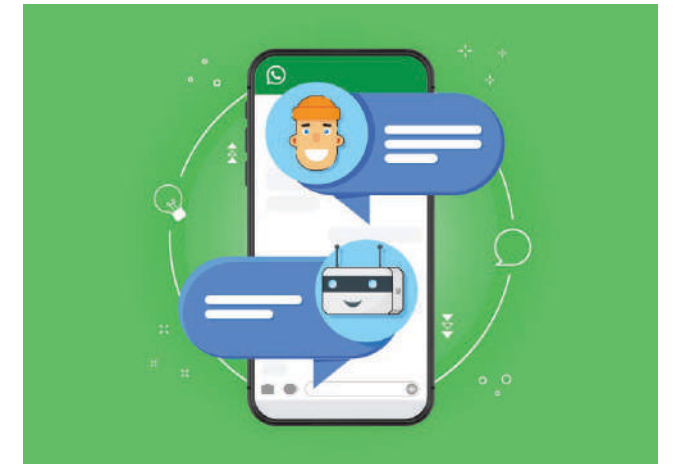


UPGRADING AND UPSCALING TECHNOLOGY ADOPTION TO THE NEXT LEVEL, ALLOWING REAL-TIME AND SALES-ENHANCING ENGAGEMENT BETWEEN ALL STAKEHOLDERS WITHIN THE VALUE CHAIN.



Centralised Services

During the fiscal period under review, OEL centralised its service network across businesses in specific geographies. This improved the speed of service delivery, further enriching the consumer experience.



WhatsApp Chat Bot

During FY2022, the Company went live with its WhatsApp Chat Bot. This is another convenient channel for our distributors and dealers to register their queries while on the go. Since WhatsApp is highly penetrated and user-friendly application, the acceptance of this tool is fast and simple.



CRM Upgradation

We are upgrading our current CRM with an updated version with many more new integrations with SAP & other productivity enhancing applications. Once completed, the CRM system should create greater visibility across service centres and service teams, resulting in accurate and live control and tracking.



LMS Tool

We developed the Lead Management system (LMS) tool within our current CRM application. This tool is helping our sales team to manage leads systematically and seamlessly.





Manufacturing Excellence

Shop-floor transformations and digital technologies to accelerate faster.

Consumer Centric
Digitally Empowered

For Orient Electric, manufacturing excellence represents much more than a production benchmark. We see it as more than a set of “world-class” manufacturing standards to model ourselves on to achieve higher profitability. It is part of our overall commitment to meet and exceed internal goals. Safety, machine performance and plant capacity, employee training and satisfaction, customer service and profound organizational change, are just a part of an overall programme for operational excellence.



Improving performance, and achieving a step-change in profitability, safety, consumer and employee satisfaction, calls for taking an end-to-end Value Chain perspective. It calls for a single agenda, driven at speed, and boosted by true people engagement, skilled leadership, and changed behaviours. This creates a permanent shop-floor transformation, supported by digital technology, which will help businesses accelerate faster.

To improve competitive advantage and ensure operational excellence, OEL undertook multiple measures and strategic projects. To maintain quality and productivity, the Company continues introducing automation as an essential manufacturing strategy tool.

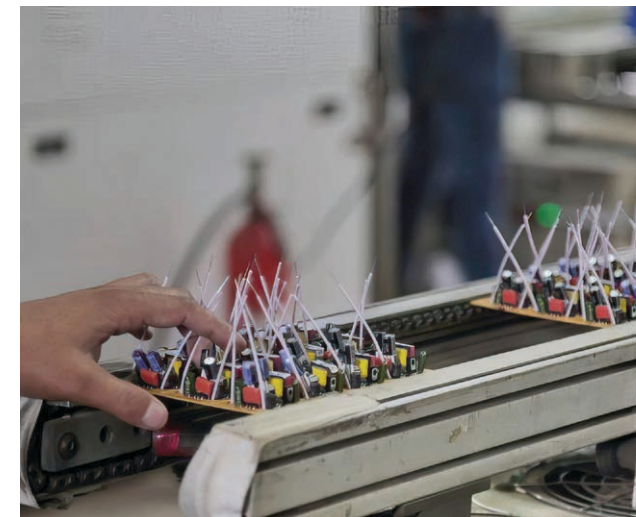
Furthermore, during FY2022, other major projects were the re-layout of the Faridabad plant for unlocking higher productivity and the installation of automated assembly lines of the LED driver in the manufacturing plant at Noida to improve productivity and quality consistency.

OEL is also prioritising establishing a state-of-the-art greenfield manufacturing facility in Hyderabad. The Company has commenced the design phase, with construction planned to start in FY2023.



WE WISH TO ACCELERATE AND SUSTAIN THE SPEED OF PROGRESS, THROUGH OUR EXPERTISE IN MANUFACTURING PROCESSES, HUMAN DYNAMICS, AUTOMATION, AND THE DIGITAL ASPECTS OF MANUFACTURING.

Case Studies in enhancing Manufacturing Excellence



Driver Plant

The addition of potting machines at the driver plant helps Orient support elevated levels of reliability and quality standards. This opens the door for more OEM business for the Company. As the first adopters of this technique in India, we have created two lines that can produce more than 15,000 units per day. With just 35-40% capacity utilized currently, we have ample headroom to grow our export business.



Dock Levellers for Dispatch

Within the Faridabad factory, the Company underwent a complete transformation of the dispatch system by adopting new dock levellers. These systems include telescopic conveyors and continuous vertical lifters. This system has numerous cost-efficient benefits, including high throughput; a simple, low-maintenance design; a wide selection of standardized units from modular components; and a fully automated operation.



Faridabad Factory Re-layout

Orient Electric is undergoing a fundamental change in laying out its Faridabad factory. In the first phase, the Company established its Bell Painting & Paint circulation system, which uses rotary bell atomizers that are more robust and precise than conventional painting systems. The system allows the Company to operate this stage automatically and more reliable for extended lengths of time.

At the same time, it produces very consistent coating thicknesses, with minimal defects and the highest possible transfer efficiency.





Prioritizing Health & Safety

A zero-tolerance approach to handling the pandemic.

Consumer Centric
Digitally Empowered

Our people are the driving force behind maintaining consumer centricity and pushing the envelope for innovating and producing products that consumers love. They are the engine that allows us to deliver the required torque for value creation. Naturally, Orient Electric is highly concerned and empathetic towards the health and safety of all its employees.

With vital learnings on how to deal with the worst of the COVID-19 onslaught during FY2021, we persisted with our various responses and initiatives through FY2022 to take preventative and screening measures to ensure the health and safety of our employees and other stakeholders. In these extraordinary last two years, our people also teamed up together to support our customers, communities, and each other.



ZERO

Material Incidences during FY2022



THE ONGOING RISKS OF AN EVOLVING PANDEMIC DURING FY2022 ELEVATED THE PRIORITY WE PLACED ON THE HEALTH AND SAFETY OF OUR PEOPLE.

Health & safety at the workplace

Despite the arrival of the 3rd COVID wave, we were able to maintain low-frequency rates of material incidences during FY2022. We demonstrated the diligence of our Health & Safety protocols in retaining a focus on workplace and public safety in the midst of applying a range of practices and protocols. We are proud to report that no fatality has resulted in any of the Orient locations during FY2022. This is due to the cohesion between the various stakeholders and the synergy achieved due to the seamless interaction created due to the comprehensive Health & Safety Management mechanisms.

COVID-19

The onset of COVID-19 resulted in a significant broadening in the scope of our health and safety aims. In response to the pandemic, we developed a range of global standards addressing project shutdown protocols; personal screening for people entering our operations; social distancing applications; COVID-19 specific personal protective equipment requirements; and protocols in the event of confirmed cases.

For most parts of FY2022, Orient Electric sustained production operations in full compliance and all safety protocols. Heightened consciousness on safety and

social distancing required redesigning shopfloor interactions and worker supervision paradigms. Antigen testing kits were deployed frequently as the first line of defence, followed by an agile RTPCR testing protocol for those that showed positive infections. While adhering to social distancing and government guidelines, our people operated our warehouses efficiently and consistently exceeded market expectations on turnaround times. The factories and warehouses maintained fluid operations with restricted entry, facial safeguards, thermal screening, hand sanitization, rotational rosters, social distancing, contactless attendance systems,

disinfectants, and awareness-creating signage and briefings. Many inspections and compliance verifications with checklists were constantly carried out in all locations throughout FY2022 to ensure that evolving COVID-19 Regulations were complied with.

For employees, workers, trade partners & their immediate families, continuous engagement was supported throughout the year led by the senior leadership team. Key measures adopted since FY2021:

- ▣ A Central COVID Response Taskforce with local Quick Response teams at all locations across India continued their monitoring of the Company's various Health & Safety initiatives.
- ▣ Support in the facilitation of hospitalization, doctor consultations, and food delivery was provided to quarantined families
- ▣ Oxygen concentrators were arranged at the homes of ailing employees and their families
- ▣ Free vaccination drives for all the employees and their family
- ▣ Hybrid work culture was adopted to ensure safety of all the employees
- ▣ To ensure the holistic well-being of all employees, OEL facilitated the enrolment on Your Dost (www.yourdost.com), a leading online counselling and emotional wellness platform.
- ▣ On the announcement of the relaxation of lockdown restrictions, trade partners were provided with safety shields for their shops with demonstration videos for maintaining social distancing during consumer interaction.
- ▣ virtual retailer meets engaging more than 5000 channel partners across the country were held to discuss ways to improve service levels during these challenging times.



YOUR WELLBEING IS OUR PRIORITY

Need oxygen support at **HOME?**

OXYGEN CONCENTRATORS ARE AVAILABLE WITH US

CK BIRLA GROUP orient electric switch to smart

YOUR WELLBEING IS OUR PRIORITY

FREE DOCTOR CONSULTATION

I AM COVID-19 VACCINATED

orient electric

switch to smart



Fortifying our Financial Strength

Well-resourced for building stakeholder value reliably.

Our operations are supported by a disciplined governance framework and a robust product portfolio management strategy built around what consumers want. We aim to generate earnings for our shareholders and deliver value for our consumers and customers through solid product development, manufacturing, and distribution capabilities – built around our brands and strong marketing.

Innovative design excellence, the creation of smart and contemporary lifestyle products, and sustainable ways of doing business are some of the key value outcomes that Orient Electric delivers for its stakeholders. We continuously adopt disciplined practices across our operating segments to provide value for our customers & consumers, and maximise shareholders' returns.

Financial Strategy

How we approach product development, getting them to the market and manage our brand pull, is at the core of our financial strategy. At Orient Electric, we continuously review these objectives and our overall strategic review.

Our decision-making approach aims to:

- Maximise long term shareholder value through a diversified product portfolio and a prolific omnichannel strategy
- Continue to maintain a net debt-free status
- Provide economic funding options to facilitate easier cash flows for OEL's business partners
- Keep optimising our working capital ratios and inventory levels
- Leverage our key strengths for competitive advantage (see page 75 of the Management Discussion Analysis)
- Continue with our digital interventions to uphold our strong Balance Sheet
- Optimise our business performance relative to market outlook on a long-term basis



A STRONG BALANCE SHEET AND ACCESS TO LIQUIDITY ENABLE ORIENT ELECTRIC TO FUND ITS OPERATIONS SMOOTHLY TO DELIVER QUALITY EARNINGS.

- Provide financial strength to execute our strategy and maintain an investment-grade credit rating
- Maintain adequate reserves and liquidity to absorb and respond to market volatility and potential cost inflation



WE AIM TO CREATE ENHANCED VALUE FOR OUR SHAREHOLDERS, CHANNEL PARTNERS, CONSUMERS, AND THE COMMUNITY USING OUR OPERATIONAL AND STRATEGIC STRENGTHS.

Measuring Financial Performance

When measuring financial performance, we focus on Return on Capital Employed, Earnings per Share, and the Debt-Equity Ratio to measure our ability to raise and pay debts, and the returns we achieve for our shareholders.

ROCE (Pre-Tax)*

in %



Earnings Per Share (EPS)

in ₹



Debt-Equity Ratio*

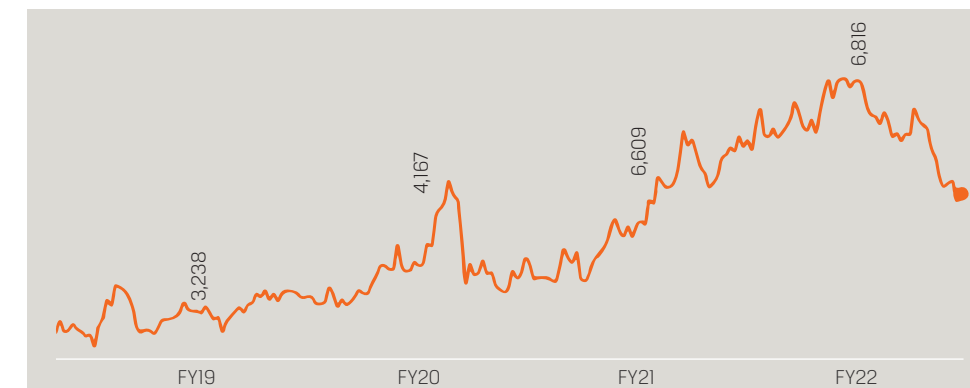
in Times



* Ratios aligned as per latest guidance note issued by ICAI

Market Capitalisation

₹ crore



₹167.3cr.

Net Fixed Assets (including CWIP) as of 31st March, 2022

5.2%

Profit after Tax percentage of Revenue for FY2022

1.56

Current Ratio as of 31st March, 2022

₹231cr.

EBITDA for FY2022





Translating Consumer insights into **Profitable Growth**

Making intelligent decisions about the effective allocation of resources.



WE MANAGE OUR CUSTOMERS FOR THREE OUTCOMES: MAXIMISING REVENUE IN THE NEW TERM, MAXIMISING PROFITABILITY IN THE SHORT TO INTERMEDIATE TIME AND OPTIMISING THE ASSET VALUE OF CUSTOMER RELATIONSHIPS – CUSTOMER RELATIONSHIP CAPITAL – OVER THE LONG TERM.

At Orient Electric, our Customer Relationship Capital is the sum of our connectivity to our consumers, both directly and indirectly. Directly through the experience of our products and our Brand values (B2C), and indirectly through our channel partners (B2B). The cornerstone of our strategy is to enhance our customer relationship capital by developing a view based on intimate customer knowledge. It's through this deep knowledge of our customers' potential that we manage our product portfolio and make intelligent decisions about the effective allocation of resources to sales and marketing, plant and equipment, product development R&D, process and manufacturing R&D, and other resources.

Improving performance, and achieving a step-change in profitability, safety, consumer and employee satisfaction, calls for taking an end-to-end Value Chain perspective. It calls for a single agenda, driven at speed, and boosted by true people engagement, skilled leadership, and changed behaviours. This creates a permanent shop-floor transformation, supported by digital technology, which will help businesses accelerate faster.

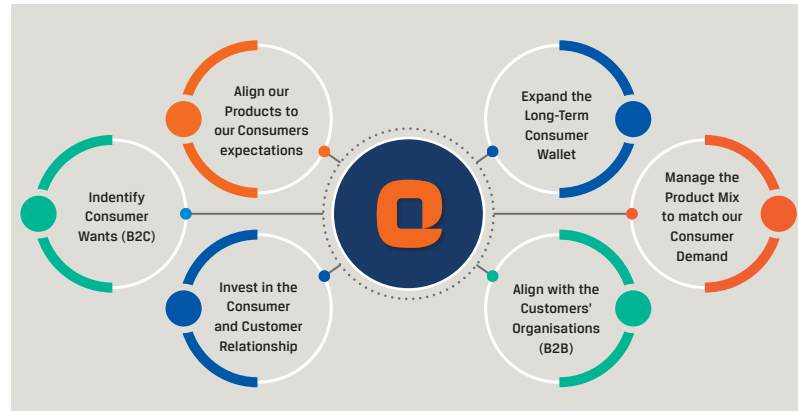
To improve competitive advantage and ensure operational excellence, OEL undertook multiple measures and strategic projects. To maintain quality and productivity, the Company continues introducing automation as an essential manufacturing strategy tool.

Furthermore, during FY2022, other major projects were the re-layout of the Faridabad plant for unlocking higher productivity and the installation of automated assembly lines of the LED driver in the manufacturing plant at Noida to improve productivity and quality consistency.

OEL is also prioritising establishing a state-of-the-art greenfield manufacturing facility in Hyderabad. The Company has commenced the design phase, with construction planned to start in FY2023.

Translating Consumer insights into Profitable Growth. >

Our Approach to managing Consumer & Customer Relationship Capital



The Company increasingly relies on its Consumer Insights as the epicentre of all its business decisions and actions and embeds this on a continued sustainable basis. This approach was accelerated by introducing a dedicated consumer insights think-tank within the management team. OEL rolled out several research and analysis initiatives that included digging into demographic trends; getting insights on how consumers use existing products; conducting market research for new products; uncovering creative use cases; getting competitive insights; evaluating after-sales feedback from consumers and influencers; tracking retailer feedback, and using market intelligence data and analytics.

The business outcomes of our insights have translated into new product development, formulation of marketing strategies, enhancing consumer servicing, brand positioning and product launches that resonate well with the marketplace.

Translating consumer insights into profitable growth

The Company is using consumer-centricity to gradually shift from 'box selling' to 'value selling'. With more robust product training and sales building capability, OEL is paving the way towards a better sales quality in which channel partner satisfaction is given more significant weightage. This will enable OEL to enhance its sales realisation and margins over time going forward. Granular insights from deep consumer research have helped develop consumer-centric products with a superior price-value proposition.

Insights from B2C consumers, B2B customers and market experts

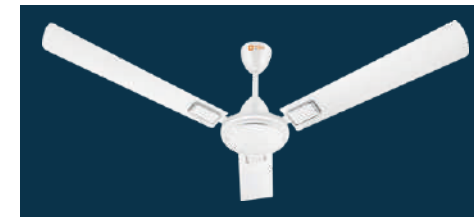
Ultimately, the compound effect of customer satisfaction and loyalty forms the foundations of our Customer Relationship Capital. In FY2022, we conducted several customer and industry-expert interviews, yielding valuable feedback on how to further improve our offerings and the entire customer journey. Ongoing dialogue with consumers and customers enables Orient Electric to address their needs along the whole value chain thereby inspiring Business Units to move toward true B2C consumer centricity.

The customer survey we conduct allows Orient Electric to assess the success of our products and programmes implemented. We also review other areas for improvement, including complaint management and logistics. Both B2C consumers and B2B customers of all shapes and sizes are surveyed to help Orient Electric form intelligent views of the marketplace and the demand for its current and future potential products.

After-sales service to delight

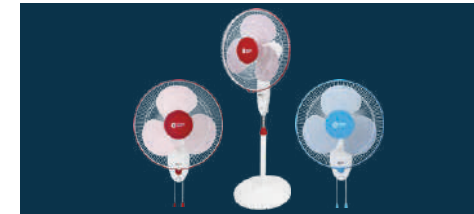
With Consumers on top of mind, OEL also ramped up its after-sales services, offering improved service experiences through digitisation and enriching the capability of the service network. The Orient Connect Programme was also established to directly engage with last-mile selling points and capture market insights from the performance of retail counters. To leverage this further, our capability for product traceability is now being extended to all our product lines, including coolers, water heaters, LED lights and switches & switchgear. This traceability will also enable the Company to track its products in the market, particularly useful in enhancing after-sales servicing.

Examples of Consumer insights driven product initiatives taken during FY2022



High-Speed Models in Fans

We conducted detailed studies of regional markets to understand local consumer needs. For southern state insights showed an apparent demand for high-speed models in Fans. This allowed us to focus more on selling our Falcon range, known to be amongst the fastest fans in India.



TPW Fans

We learnt that metro consumers have unique needs compared to small-town consumers. Sensitive to their sentiments, we positioned our TPW fans, which have visibly bigger motors and broader blades, in the smaller towns. In contrast, the art-deco fans with minimal designs were pushed into the metros.



The BLDC Range

Tracking brand health across markets helped us understand our strengths and weaknesses and rejig our communication to suit the audience's expectations. Introducing the BLDC range to establish our leadership position is an outcome.



Metal Coolers

Tracking our brand effectiveness in the Appliances category helped us rethink our positioning and focus on Brand building. The launch of metal coolers, high-capacity coolers, and smart personal coolers are an outcome of our deep understanding of consumer needs.



Water Heaters

Based on consumer and retailer expectations, we planned to line up a series of models in water heaters, with a focus on instant coolers and added features.



Lighting products in the Deco Category

We studied the lighting category in-depth and anticipated upcoming trends, including consumer and retailer expectations. As a result, the brand has gone through a complete revamp in the lighting category with new positioning, communication, and introduction of several new products in the Decorative/ luminaire category.





Empowering our People

We are enabling each with authority, tools, resources, and processes.

Consumer Centric
Digitally Empowered

Our people are the greatest contributors to our success and enable us to fulfil our commitment to delight consumers and thus create value. Together as a team, we aim to deliver on our objectives by drawing on innovation, knowledge sharing and leadership excellence. Our ambition is to create a work environment that values, cares and help people reach their potential, having inspirational leaders being team-oriented, inclusive, and diverse; and fostering a unique culture that balances innovation, knowledge sharing and risk management.



For middle management, training programmes are focused on building managerial capabilities leading to cultural change. These are project-based training involving the development of managerial skills. Senior management training includes tailor-made coaching through external coaches to work on their development plans, customised learning modules like strategic thinking and Developing Entrepreneurial mindset, Developing Executive presence and Leading others. Succession planning is carried out through a focused initiative called 'Future Leaders of Orient Electric', a 12-month development program for identified High Potential/ High Performing Senior managers. We also implement leaders' scorecards to cultivate leadership behaviour and have well-balanced development. We keep track of aspects such as Innovation, Risk Management, Succession Planning for Critical roles, and Learning & Development.

Employee Experience

Our people strategy focuses on developing leadership excellence, sharing knowledge, creating a consistently positive employee experience, and developing and deploying our talent strategically. Digitization is core to driving consistent and differentiated employee experience. We manage each employee's progress within our organisation through our recently instituted Human Resource Management System (HRMS) which covers employee onboarding, attendance & leave, performance management, promotions & appraisal, rewards & recognition, and retirement, among others.

Listening to our people provides an environment where they are recognised and rewarded for living our values and building our culture to create the best places. We continuously communicate and engage with our people in designing and evolving how we work to foster greater enterprise-wide collaboration, continuous learning and open and transparent dialogue.

We are also committed to promoting the fair treatment of all employees in the workplace. We have systems in place to investigate any instances reported and ensure issues are addressed appropriately. Furthermore, Orient Electric recognises and prioritises the importance of employees' wellbeing and health and safety.

By recruiting, retaining, and promoting more women at all levels of the Company, we can better keep up with today's increasingly diverse consumer base with diverse talent. We also believe that fostering gender diversity is our fundamental obligation to society. In FY2022, the female share of our total workforce, including junior, middle, and senior management positions, stood at 10%.

Consumer Centricity by Design

In line with the Orient's goal of producing consumer-centric products our product design needs to be based on unique ideas and concepts that are based on deep consumer insights. We train our designers to build the information architecture and the design platforms. They are also familiarised with the bulk manufacturing of parts for sophisticated systems. Production streamlining and perfecting the mass production processes at OEL are fundamental to maintaining high quality and productivity. We cultivate our designers to develop ways to produce aesthetically appealing and smart products at lower costs. Today, our R&D and Design Teams are at the centre of creating a differentiated offering to the consumer diaspora. To provide a creative and nurturing environment, your company has invested in developing state of the art Innovation center at Faridabad.

Committed to Building leadership Capability

Understanding the importance of skill upgradation, the Company focuses on the all-round development of its employees. At the junior and middle management levels, this training involves enhancing professional skills and improving personal traits, along with their behavioural, leadership and technical skills. The employees working in the Company's manufacturing facilities are also given safety, health, and environment training.

At OEL, our collective intelligence is the meaningful and coherent accumulation of knowledge through the strategic collaboration of our people. This approach is fundamental to being consumer-centric as an organisation. To enable this more effectively, there is an increased focus on enhancing product knowledge, market and competition knowledge through a calendared product training session, and pre and post-tests to assess knowledge levels and retention for the frontline sales team. An example of such an initiative is the 'Potential Assessment of Sales Executives' programme, which aims at identifying hi-potential talent and helping the frontline sales force in value selling instead of box shifting.

3,117

Total number of people employed at Orient Electric in FY2022

47

Dedicated R&D and Design Team strength

10%

The share of our entire working workforce, including junior, middle, and senior management positions that are Female



AT OEL, WE EMPOWER OUR PEOPLE TO CARRY OUT PRODUCTIVE WORK TOWARDS ORGANISATIONAL GOALS.



Optimising Our Manufacturing Capital

A well-balanced and 'asset-smart' approach to creating value.



AT ORIENT ELECTRIC, WE ARE USING AN 'ASSET-SMART' BUSINESS MODEL TO FUEL OUR GROWTH AND STRENGTHEN OUR FINANCIAL RESULTS.

As the manufacturing industry becomes more competitive, and customer demand and market conditions fluctuate more frequently, manufacturing companies need every advantage they can acquire. At Orient Electric, we take great pride in our plant asset management so that we are always in the best condition to maximise our bottom-line potential. We painstakingly manage the entire lifecycle of plant assets, such as equipment, parts, production lines, and the plant buildings themselves. This includes making prudent decisions about asset use, asset investment and disinvestment policies, and managing the asset portfolio. We do so by keeping in mind its impact on human resources, financial assets, and informational assets.

Key activities that make us a value contributor

- ▣ Complying with the growing number of environmental impact regulations
- ▣ Adapting quickly to changing customer demands
- ▣ Coping with fluctuating energy costs
- ▣ Refining maintenance scheduling to cut maintenance costs
- ▣ Streamlining production processes for greater efficiency
- ▣ Tracking and managing inventory and equipment usage at each location
- ▣ Predicting and budgeting for future asset purchases and retirement timing
- ▣ Improving reporting for smoother auditing, budgeting, and compliance activities
- ▣ Adapting to labour shortages and technical skills



Optimising Our Manufacturing Capital >

14.63

Asset Turnover for FY2022

₹167.3cr

Net Fixed Assets (including CWIP) as of 31st March, 2022

Key Recent Capital Investments

Plotting Machine, Driver Plant

Plant: Lighting Plant - Noida

Description: Among the leading companies in India to have installed state-of-the-art plotting machine which helps in maintaining high level of reliability and quality standards.

8 Slot Stator Winding Machine

Plant: Fans Plant - Kolkata

Description: Orient is among the leading user of 8 slot stator winding machine technology for TPW fan manufacturing in the country. This fully automated machine not only ensures consistent quality but also results in cost savings by way of lower consumption of copper.

Faridabad Relay Project

Plant: Fans Plant - Faridabad

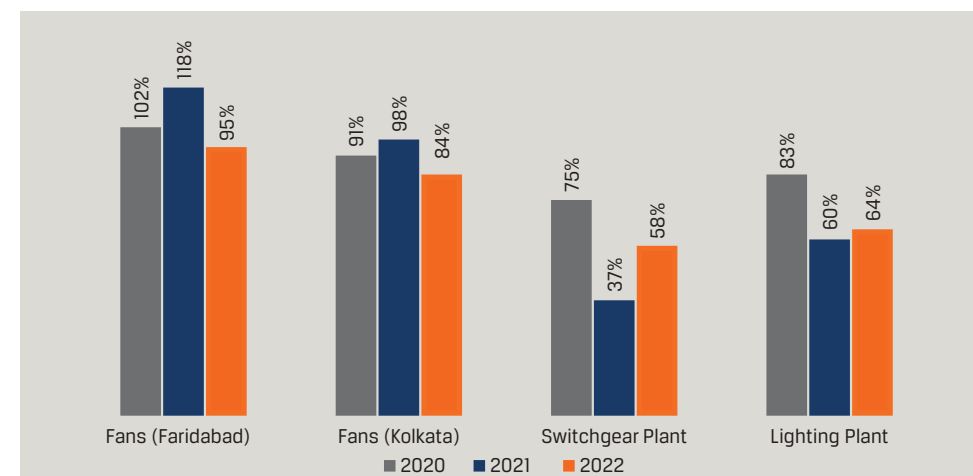
Description: Replacement of electrostatic guns with electrostatic bell in the paint shop which is more robust and precise than the conventional painting system, fully automated & is more reliable and trouble-free.

Upgradation of despatch area - The despatch process has been completely automated by way of new dock levellers, telescopic conveyors & continuous lifters. This has ensured cost efficient benefits, including high throughput while loading of containers.

Utilising our Manufacturing Resources to Create Value

Planning the use of our manufacturing capacity to turn out the highest-quality products while maximising profit is the key to the success of our business. Our capacity utilisation depends on market demand and on scheduling production for the most efficient use of our four facilities. With successful product that resonate well with consumers, we are able to reach near full capacity utilisation, leading to better profitability.

Capacity Utilisation % at Peak Level



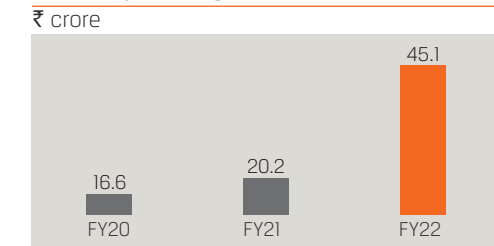
Planning New Capacities to Facilitate Growth

To keep our company growing, our planning dictates the addition of new capacity to handle the new demand we foresee for our consumer aligned and differentiated products. To this purpose, OEL has acquired land in Hyderabad for anew greenfield project in FY2022. The project is now ready with the design principles and will initiate the construction phase in FY2023. During FY2022, the Company also made notable investments in setting up its R&D Centre at Faridabad; expanding its Driver Plant & LED lighting facility at Noida; expanding its LED Lighting facility; in the re-layout of the Faridabad Plant; making moulds for new products, and in the various digital transformation initiatives of the Company.

Driving Efficiencies and Savings through 'SANCHAY'

Thanks to our highly involved Efficiency and Cost Reduction campaign within our plants, called 'SANCHAY', Orient Electric has been able to filter significant savings exceeding ₹ 45 Cr. in absolute terms during FY2022. Over the last three years, 'SANCHAY' has proved to be a veritable force of value creation within our operations.

Sanchay Saving Trend



An 'Asset-Smart' Business Model to Fuel our Growth

For Orient Electric Limited, being 'Asset Smart' means the judicious use of outsourcing instead of in-house manufacturing. This is driven by imperatives for improving efficiency, cutting costs through suppliers' scale of economies, speeding up product development, and allowing us to focus on our core competencies. With this business model, we can achieve our business objectives, add value, tap into a resource base and mitigate risk. In other words, from individual items to systems management, choosing to use external providers allows us to focus on what we do best.

Our Production Workforce

At Orient Electric Limited, we are gradually adapting to create the future skills we will need to enable multistakeholder collaboration across different geographies and segments of the value chain to shape the production workforce of tomorrow. We are also adopting a judicious mix of permanent and outsourced labour to achieve the right economies of scale and optimise production costs. We also carefully look at our transaction costs, which include the costs of selecting suppliers, negotiating prices, writing contracts, and monitoring performance. At the workplace, we hold the health and safety of our employees at the highest priority. We are proud of our record of keeping major incidences consistently at Zero.

Gender Diversity

Orient Electric believes that in its production environments, women can successfully contribute to the development of technologies that can reduce costs, enable mentoring for talented young people, and help implement diversity, equality, parity and inclusion policies. We believe that gender diversity in production environments benefits everyone by driving innovation, improving working conditions and boosting productivity. With a relatively low level of women workers on our floor, we have started instituting 'Women Only' production lines. In time, we aim to improve the ratio of women in our factory workplaces significantly.





Being Digitally Intelligent

Algorithmically empowering our people, processes, and partners.



AT OEL, WE EMPOWER OUR PEOPLE TO CARRY OUT PRODUCTIVE WORK TOWARDS ORGANISATIONAL GOALS.

As part of the fast-paced transformation journey, the 'eWings' programme at Orient Electric is changing and empowering multiple facets of our operations and processes. This programme has been a welcome catalyst to accelerate the ever-growing digital adoption within the Company, including its various business partners. In FY2022, a high priority was given to sharpen the utilisation of all digital capabilities through training and awareness programmes across all management levels, thereby embedding the e-Wings programme into the routine day-to-day workings of the organisation.

Through FY2023, Orient Electric has entered the Phase II of the eWings digitisation programme, in which the Company is going well beyond giving day-to-day tools a digital upgrade. It is now building additional capabilities for enabling digital manufacturing and using deeper business analytical insights to make smarter decisions.



Being Digitally Intelligent >

Consumer Centric
Digitally Empowered



Empowering Our Sales Force:

We have enabled our 600 strong sales team with sales force automation (SFA) tools to improve their productivity, speed and quality of customer engagement. With live access to stock availability, and the ability to capture Sales Orders directly on the mobile app, our sales force can spend less time on mundane processes and more time serving our channel partners. As a result of our initiatives, they have been able to cover 50% more channel partners, spend 70% more time with them, and become 60% more productive with their time.

Empowering Our Distribution Channel Partners:

During FY2022, we have expanded our DMS implementation across all four business units while parallelly enabling their respective sales team with the SFA applications. This combination allows our channel partners to fulfil their market orders with just one click of a button. The application also allows them to track their market outstanding, order vs fulfilment, generate eWay bills and invoicing, and receive other essential analytics in real-time that help them improve their business. It has enabled the business teams to settle secondary schemes consistently and efficiently, availing them of essential, actionable insights. The adoption of the DMS

platform has peaked at >70% deployment by our total distribution stakeholders.

Empowering Our Retail Network Partners:

In FY2022, our loyalty programme called 'Orient Connect' has enabled more than 50,000 outlets to receive and dispense benefits. This application provides each outlet with details of exciting schemes and offers at their fingertips, along with new product information and redeemable points statements. With pay-outs directly credited to their digital wallets, the 'Orient Connect' programme has created a certain 'wow' factor for our retail partners.

Empowering Service through Product Traceability:

With QR-code enabled automatic identification, tracking, servicing, and warranty of all our products across the supply chain, our traceability capability has transformed our serviceability within the market. While Fans and Appliances had been successfully tracked, the implementation in Lighting and Switchgear is in progress during FY2023.

Empowering Our Supply Chain Partners:

Another critical growth lever for FY2022 was the strengthening and streamlining of our supply chain and logistical support. With TMS, we can now live track all our vehicles across the country at any given point in time. This has enabled better route optimisation and improved vehicle utilisation by 6%. In turn, this has improved our delivery turnaround time (TAT) by 6% and improved our cost optimisation by 4%. We have also implemented the e-POD (electronic proof of delivery) module during FY2022, thereby streamlining the tracking process.

Empowering Our HR Management:

We have established an all-encompassing Employee Lifecycle Management System that helps us manage each employee's entire hire-to-retire cycle. This includes employee onboarding, attendance & leave, performance management, promotions/appraisal, rewards & recognition, and retirement. Furthermore, all types of employee travel and expense reimbursements are digitally enabled to speed approvals, settlements and monitoring.

Empowering Our Backend Engines:

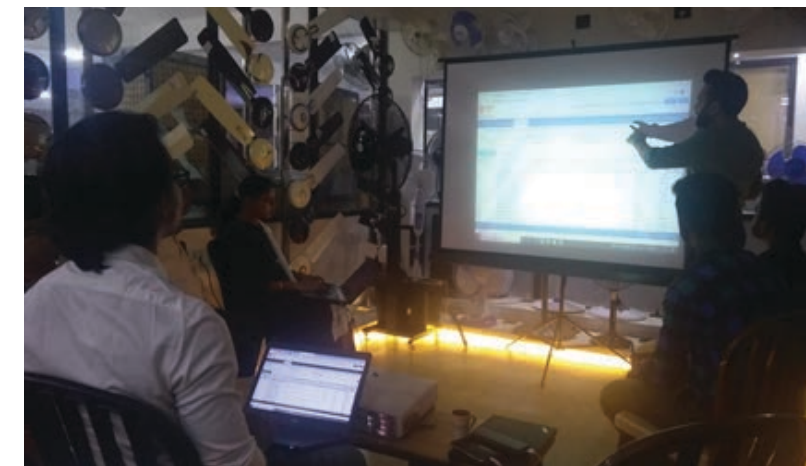
We have streamlined our approval workflow for critical processes such as credit checks by migrating to mobility solutions such as SAP Fiori, saving substantial time for our users.

Empowering Our Management:

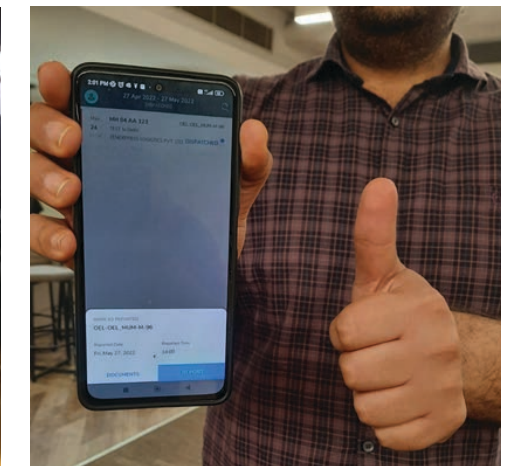
In FY2022, we have redesigned all our BI Dashboards to provide deeper business performance understanding on a real-time basis. This is enabling a culture of analytics-based decision making and self-sufficiency.



SFA training is given to the sales team.



Training and hand-holding sessions for distributors.



The ePOD application enables live tracking of consignments by channel partners, and the real-time acceptance of goods from their mobile app.



Caring for Environment, Society and Governance

ESG Journey at Orient Electric Limited

The quest for sustainability is already starting to transform our competitiveness, and how we think about products, technologies, processes, and business models. By treating sustainability as a goal, we are developing new competencies and capabilities which will give us an edge in longer term.



United Nations' Sustainable Development Goals



Orient Electric Limited ("Company"), focuses equally on non-financial aspects of the business and strives to contribute to the betterment of planet & people. The Company is committed to reimagining its future into a shared reality from which everyone can benefit equitably. In order to align with global standards, the Company conducts comprehensive analysis, which helps it focus on its targets and goals for a more sustainable and inclusive future. With a view to assess their exposure, effectively allocate capital and provide investors with relevant, comparable, and consistent information, the Company started the process of mapping its activities against different global framework and standards i.e. Global Reporting Initiative (GRI); United Nations' Sustainable Development Goals (SDG); and SEBI's Business Responsibility Reporting (BRR).

The Company has made considerable progress on this path in fiscal 2022 and is happy to share with you the highlights of its efforts and their outcomes in this ESG executive summary report.

| | | |
|---|--|--|
| GRI Global Reporting Initiative | SDGs Sustainable Development Goals | SEBI BRR SEBI's Business Responsibility Report |
|---|--|--|



60+

The Company maps its business activities with over 60 GRI standards, which identifies stakeholder inclusiveness and outlines five steps for comprehensive stakeholder inclusiveness and engagement.



17

The Company maps its business operations with 10+ SDGs, thus facilitating its corporate strategy with the needs of today's society and recognising tomorrow's opportunities.



9

On an annual basis, the Company reports on the 9 principles of SEBI BRR and is in compliance with the requirements thereunder.





Environment


The Company strives to consume resources responsibly and in an environment friendly manner. To achieve this goal, the Company has upgraded its technology and processes to ensure sustainable production and consumption of resources and boost energy efficiency of its products.



The Company has been involved in creating a portfolio of agile business strategies aligned with decarbonization plans for which it has earned following accolades:

- APEX India Green Leaf Award 2021 in Environment Excellence
- FAME INDIA Platinum Award towards Environment Excellence
- National Energy and Conservation Award 2021 under the category "Most Energy Efficient Appliance of the Year - LED Bulb" for its 9W Self Ballasted LED Bulb

| Environment | Why is it important to us? | How are we Responding? |
|---|--|---|
| Product Innovation and Energy Management   | The World is facing Climate change as one of the principal challenges. Emissions of greenhouse gases have considerably increased global temperatures. Energy management is one of the critical measures for managing the negative impact on climate. | As a part of its strategy, the Company has invested in several innovative techniques thereby reducing adverse impact on environment and bring significant control on the waste generation & energy consumption. Some of the innovations in recent years include introduction of BLDC technology in Fans & Air Coolers, Astro timer-based streetlights which eliminates electricity wastage and increases the life span of the product, LED Batten's which offer high lumen efficiency and cost saving in comparison to tube lights. The Company conserved the energy of more than 21,000 KWH/ year replacing compressed air with root blower. The Company has an energy saving calculator on its website which can be used to calculate energy consumption for different products. The Company has received ISO 14001:2015 and OHSAS 18001 certifications, which are testimony of its commitments to reduce adverse impact on the environment through digital enablement of its processes. |

| Environment | Why is it important to us? | How are we Responding? |
|---|---|--|
| Water Management   | Water conservation and management encompasses the policies, strategies and activities made to manage water as a sustainable resource and to meet current and future human demand. | The Company used a sustainable strategy in allied business and production processes while implementing conservationist measures in key areas of its operations. The Company has always been conscious of replenishing the resources in and around its premises. With climate change, urbanisation and lack of basic knowledge to conserve the natural resources, the Company identified certain measures to restore these natural assets. The Company has installed rainwater harvesting systems at its Faridabad factory. This water harvesting system conserves equivalent of 45 rainy days' worth of water in a single year. At the factory, a piezometer and digital telemetry are also used to monitor ground water levels. Additionally, the Company has always taken care to abide by the relevant laws and limited the release of untreated waste-water from its facility in order to guarantee a healthy freshwater ecology and prevent contamination of water bodies. The Company has further invested in optimization of factory waste-water by treating a substantial amount of waste-water generated from its manufacturing operations, and repurposing the RO system rejected water for use in restrooms cleaning. 30% of water from Effluent Treatment plant being used in the paint division of the Fans' manufacturing factory and 20% of water from the Sewage Treatment plant is used in gardening. |
| Waste Management  | With national and local regulatory bodies stipulating minimum treatment levels and standards, the reuse of waste materials at low cost and with minimal environmental impact has gained importance. | The Company's decision to increase the use of more finite raw resources instead of plastic and to reduce negative externalities is another illustration of its goal to embrace a pro-environment strategy in all areas. Expanded Polystyrene (EPS) has been replaced with renewable, recyclable, and compostable corrugated packaging for some of the Company's products as a first step in overcoming the bottlenecks in today's plastic economies. The Company is implementing the Extended Producer Responsibility - Waste Management procedures because this change necessitates a methodical approach that goes beyond and addresses the "after-use" value chain of plastic.. In its Fan Division, the Company organised the processing of over 100 metric tonnes of plastic waste as part of its extended producer responsibility drive. For the collection of hazardous wastes produced during the production process, the Company has made arrangements with Government-authorized waste management and recycling agencies. The company sells the non-hazardous waste it produces as scrap for additional recycling. |
| Green Premises   | Organisations need to change significantly in order to move to a net zero emission state. The switch to sustainable energy sources is just one of several such changes. | The Company strongly supports of the use of renewable energy and has installed solar panels at its Corporate Office at New Delhi and at the factory in Faridabad. During the FY2022, over 63,000 KWH of renewable energy was generated via these solar panels which in turn resulted in reducing over 46 tons of CO2 emissions in the environment. The Company replaced the Diesel Generator sets using fossil fuels at the Faridabad plant with two new PNG Generator sets as part of an environmentally friendly initiative. The Company adopted several digital enablers which substantially reduced the usage of paper at its corporate office. The Company makes conscious efforts to conserve the flora & fauna by facilitating mass tree plantation. For example, the Company initiated a tree plantation drive in Noida and Faridabad; and set up of green wall along with a kitchen garden at one of its factories. |

Society

Consumer Centric
Digitally Empowered

AS A RESPONSIBLE CORPORATE ENTITY, THE COMPANY UNDERSTANDS THAT THE DEVELOPMENT OF THE SOCIETY IS AN INTEGRAL PART OF BUSINESS OPERATIONS OF THE COMPANY FOR SUSTAINABLE DEVELOPMENT. THE COMPANY CONSIDERS THE SOCIETY AS ONE OF ITS KEY STAKEHOLDERS AND BELIEVES IN THE PRINCIPLE OF INCLUSIVE GROWTH. AS A REFLECTION OF THIS BELIEF, THE COMPANY THROUGH ITS CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES HAS UNDERTAKEN SEVERAL INITIATIVES FOR THE BETTERMENT OF THE SOCIETY.



Society

People & Philanthropy



Why is it important to us?

Spending time and financial resources enriching your community is a great way to broaden impact on the world. The organisations need to play an active role in moving the needle on critical societal issues, like diversity, equity, and sustainability. Making progress in these areas isn't just the right thing to do; it's also a significant business opportunity.

How are we Responding?

CSR at Orient Electric portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate entity, the Company tries to contribute for social and economic development on a regular basis. Through its sustainable measures, Company endeavours to actively contribute to the social, economic, and environmental development of the community ensuring participation from the community and thereby creating value for the nation. The Company's CSR activities are directed towards inclusive development of the communities largely in the areas of Women Empowerment, Promoting Education, Enabling access to Health Care facilities, Eradicating Hunger, and Environmental Sustainability.

Women empowerment, Education and Holistic Development



Empowering youth specially women, the most suffered section of our communities, with appropriate skills and equipping them for sustainable livelihood opportunities through access to affordable education and resources goes a long way in contributing towards building a progressive and sustainable society.

The Company primarily emphasises on contributing towards shaping the future of women coming from underprivileged sections of the society, making them skilled and empowered by arranging for their quality education and skill upgradation.

The Company adopted the Government Girls High School in Kaurali, Faridabad, wherein the Company provided for end-to-end infrastructural development which includes renovation of the school building, arranging clean drinking water, sanitation, washrooms, sports ground & facilities, power back up, building a library equipped with projector. Meritorious girls students were awarded with bicycles and other awards as an encouragement to achieve newer heights in their career.

As part of its sustainable activities, the Company facilitated the installation of two rain-water harvesting systems of total 1500 cubic ft in this school which can harvest upto 20,000 liters of rain water per hour in an average rainfall of 25 mm and converted the sports ground into a green ground by planting trees and shrubs.

All the above initiatives are well appreciated by the communities.

Health and Disaster Relief / COVID-19



Ensuring access to healthcare and emergency services and essentials to underprivileged individuals, urban poor families, women, and children, especially during the COVID-19 is key to striking a balance between the profit-making mindset of a corporate and consciousness towards the society, which is the need of the hour.

Company believes that a healthy society only helps to build a healthy nation.

In promoting health and wellness of its stakeholders, the Company:

- Organised free COVID 19 vaccination drives for the general public, employees and their family members
- Arranged for medical assistance to the underprivileged section of the society suffering from COVID 19 and other critical illness, along with medical infrastructure facilities
- Distributed masks to the public at large for promoting hygiene awareness among people
- Planted trees in the name of employees who lost their life due to COVID and other illness, to show empathy, and implemented an employee welfare scheme for sponsoring the education of deceased employee's children.
- Distributed grocery kits to the underprivileged containing dry meals for 15 days for family of four.

" मैं ओरिएंट इलेक्ट्रिक लिमिटेड और एस जे एम अस्पताल के लिए जीवन भर आभारी रहूंगी। इस सहयोग के बिना मेरी बेटी की जान नहीं बचाई जा सकती थी।"

अनीता देवी (माँ)

Governance

Governance plays an irreplaceable part in effective management of an organization. It's a system which enables control framework for an entity and defines structure and processes for decision-making, accountability, control, and behavior amongst all levels within an entity. Governance has an influence on Company's strategy, objectives and their achievement, risk management and performance optimization. It's a culture that's driven at the Board level and is ingrained in each action of the Company.



Consumer Centric
Digitally Empowered

| Governance | Why is it important to us? | How are we Responding? |
|---------------------------------|--|--|
| Corporate Governance | Stakeholder's trust and confidence in the Company is a direct reflection on the Company's financial and operational strength. Their interest is key part of corporate governance at the Company. Driven by these principles is the framework that the Company's Board and Committees follow to ensure that the Company is ethical, transparent and responsible to its shareholders and follows highest level of corporate governance. | The Company's strong governance framework has been one of the organization's foundation pillars, operating under the capable leadership and strong value system of the CK Birla group. The Company not only adopts best governance practices to stay on top of regulatory requirements, but also embraces industry practices to maintain utmost control, transparency and integrity besides ensuring business continuity. In addition to adhering to regulatory obligations to ensure transparency and disclosure of pertinent information regarding the Company's action, Company officials regularly communicate with stakeholders to inform them of the Company's actions. The Company has comprehensive and efficient governance mechanism to ensure that business is conducted as intended and in accordance with ethical and corporate governance standards. Further details are provided in the Corporate Governance Report and Director's Report. |

| Governance | Why is it important to us? | How are we Responding? |
|--|---|---|
| Operational Governance & Policies | Operational governance when aligned with business strategy helps the Company to deliver on its promise. It addresses how a company's decisions are made and executed. Without such governance, inefficiencies in the structure can creep in and can impact an organization's growth and its business. | At Orient Electric Limited, operational governance is at the heart of every decision that the Company is taking and that may impact its business. These governance form the charter and terms of reference of the Board, its committees and management committees. Prioritising governance and excellence over short term monetary gains, is ingrained within the DNA of the Company. The Company has adopted innumerable policies and corresponding processes which goes beyond the four corners of statutory requirements for the benefit of employees, consumers, investors and business partners. For instance, the Company has adopted rigorous data privacy and security policy for maintaining highest standards in the backdrop of General Data Protection Regulation of European Union. Similarly, the Company's Enterprise Risk Management policy has been carefully crafted in furtherance of commitment to building a strong risk management culture in the organization and ensuring business continuity. At the heart of risk management, is our capability to understand our risk profile by managing uncertainties and their impact on our performance in order to safeguard Company's values and interest of its various stakeholders. "Integrity" being one of the core values of the Company, it has implemented Whistle Blower Policy and a robust Code of Ethics, embedding stringent framework against bribery and corruption. Employees are sensitised about these policies through regular awareness sessions and emailers. Further, with focus on its fundamental value of "Care", the Company amongst other things, has adopted robust policies on equality, with immense emphasis on non-discrimination and protection of human rights. |
| Operational Governance & Processes | Operational efficiency through robust processes helps the Company to grow its business and taps consumers across various industries based out of different geographies. The Company believes that efficient processes not just enables competitive advantage over its peers but also helps in avoiding potential costs. | The Company advocates effective implementation of its policies through rigorous processes. For every policy, the Company adopts Standard Operating Procedures ("SOP") with clear identification of roles and responsibilities of stakeholders to facilitate policies. SOPs are further regularly reviewed and updated to meet the changing requirements of the Company and relevant stakeholders. As part of a continuous improvement in the process, in the backdrop of evolving global dynamics, the Company recently, under the able guidance of top management, reviewed and revised its risk registers, wherein risks emanating from pandemic, global geo-political situations, rising prices of commodities and raw materials etc. are factored in. This reflects on the organization's proactive approach with concentrated focus on business continuity and sustainable growth. With a large number and different types of stakeholders, the Company has developed a strong internal mechanism to expeditiously attend and resolve their complaints. During 2021-22, no complaint was received under POSH, no complaint pending with regards to whistle blower and investor, with 99% complaints from consumers successfully resolved. This indicates successful implementation of Company's processes with best governance standards for the benefit of all stakeholders. |
| Operational Governance & Technology | The Company is continuously empowering itself digitally to drive productivity in its operations and overall governance. The Company is doing this through seamless communication and collaboration using digital workplaces; to build personalised experiences and connected sales processes; and to serve the marketplace through physical and digital channels. | Focusing on long term sustainability of the organization, technology being one of the critical backbone for sustainable growth, the Company has made substantial investment in a Company-wide digitisation program, namely 'E-Wings'. "E-Wing" is an umbrella project under which several digital projects have been implemented so far, including Sale Force automation, Digital Distribution management system, Transport Management system, collection management system, vendor bill processing, enhancement of HR portal and employee claims management through an enhanced tool within a short span of two years. This is however beginning of the journey and the Company aspires to adopt several other digital programmes to further enhance transparency & governance. Besides the above adoptions under the E-Wing programme, the Company has implemented several other digital tools and automations including a compliance monitoring tool, insider trading monitoring and compliance tool, a litigation management tool, a vendor and customer onboarding tool and the likes for better governance, control, transparency, uniformity, automation and enhanced repository. |



Engaging with Stakeholders

Fostering a culture of trust, transparency and empathy.



AT ORIENT ELECTRIC, WE ARE USING AN 'ASSET-SMART' BUSINESS MODEL TO FUEL OUR GROWTH AND STRENGTHEN OUR FINANCIAL RESULTS.



As a leading consumer durables company our vision is to run a sustainable business. We aim to demonstrate how our digitally empowered and consumer-centric business model drives superior performance, enhancing stakeholders wealth by consistent delivering financial performance. Given India's Paris net-zero commitment and the dangers of global warming that affect us all, we're also on a mission to prove that sustainable business is good business. But we can't do this alone. To make this a reality and grow our business, we need to work closely with our stakeholders: our people, consumers, shareholders, governments and regulators, suppliers, channel partners and communities.





Transparent and responsible

We have a solid commitment to doing business with integrity. We want to be transparent and honest with our stakeholders in everything we do. Maintaining our reputation and building trust demands the highest standards of behaviour. Our organizational Values, Code of Conduct and various Policies set the standards we expect from all our employees – including how we should engage with external stakeholders, covering issues such as responsible marketing, political activities and donations, and contact with government, regulators and NGOs. We also expect similar behaviour and principles from the people we work with.

Our people

Orient Electric comprises 3117 talented people working in our four plants, warehouses, repair centres and offices across India. They give their skills and time in offices, factories, R&D laboratories, and warehouses. Keeping them engaged and informed is critical to our success. We offer our employees a chance to share their views with us in many ways. To keep our employees informed and engaged on our strategy, we hold virtual events, inviting key senior leaders across our business to engage with and educate our employees on our strategy and progress during the year.

We conduct quarterly town halls to share the company performance, update all our associates about the organization, and keep the employees engaged virtually. We have our official Workplace platform where they can post and share their

experiences. Regular surveys are conducted to ensure feedback on the Internal employee's services like HR processes, food & beverages and other administrative functions.

Consumers

Every day, almost a million people use our products. Our research tells us that consumers are thinking more carefully about what to buy to improve their lifestyles and the lifetime ownership costs of consumer durables they wish to purchase. They also continue to be increasingly discerning – looking for highly effective and environmentally friendly products that are kind to their utility bills.

To grow our business and meet the constantly evolving needs of consumers, we need to get to know them. Our Consumer and Marketing Insights function handles the gathering of consumer research to inform our innovation and marketing activities. We collect information from our in-house People Data Centres, social media, our Consumer Care lines and our digital marketing to help us respond to consumer feedback. In FY2022, we had over 1.03 million interactions through Consumer Care line calls, emails, letters, social media and webchats. We also use consumer research from partners with who we engage through their regular surveys and panels.

Shareholders

We value open and effective communication with our shareholders. We speak directly to shareholders through quarterly results

broadcasts and conference presentations, as well as through group and one-to-one meetings and calls about aspects of business performance and consumer trends. We also engage with our shareholders at general meeting. Management directly interacts and engages with shareholders. See the Investors page on our website and the Corporate Governance Report within our Annual Report for more on how we engage with shareholders.

Governments

We work directly with governments, regulators, legislators and trade associations to help develop laws and regulations that may affect our business. For example, we participate in policy discussions on global issues like energy efficiency standards, climate change, and detailed subjects such as product safety standards.

Suppliers

For Orient Electric, being 'Asset Smart' means the judicious use of outsourcing instead of in-house manufacturing. This is driven by imperatives for improving efficiency, cutting costs through suppliers' scale of economies, speeding up product development, and allowing us to focus on our core competencies. With this business model, we can achieve our business objectives, add value, tap into a resource base and mitigate risk. In other words, from individual items to systems management, choosing to use external providers allows us to focus on what we do best. We work with multiple supplier partners scattered around the globe to source materials and provide critical services for us. We also work with our strategic suppliers through special programmes for combining our expertise to create new products, systems and components.

Customers

Our customers range from distributors, dealers, and large stores such as hypermarkets, supermarkets and e-commerce platforms to smaller retailers and others. We often survey our retail customers to understand our strengths and where we need to improve. During FY2022,

we continued to improve customer satisfaction based on the various feedback we received. We also work directly with large retail chains to generate insights about who visits their stores. We use technology that creates shopper profiles. This allows us to target and personalize campaigns and develop shopper engagement programmes. We also use an online platform to provide shopper insights and research for our smaller retailer customers. In FY2021, we engaged with small shop owners and micro-entrepreneurs who have also undertaken our training programmes.

Communities

We engage with and support livelihoods in many communities across India. We create direct and indirect employment, pay taxes to governments for reinvestment in infrastructure and communities, and contribute through our corporate community investment activities. See our report on ESG within this Annual Report to know more about our various initiatives for social impact.

Orient is committed to the holistic development of the communities where it operates. We strive to promote the local communities for our business requirements which is driven through community engagement strategy. Sometimes our business decisions or activities can affect local communities. In these cases, we are guided by several policies and standards to protect communities adequately. We run community outreach activities and communications to listen to concerns or feedback.



Management Discussion and Analysis



THE CONSUMER ELECTRICALS SECTOR CONTINUOUSLY FACED CHALLENGES IN SOURCING RAW MATERIALS AND COMPONENTS DUE TO GLOBAL SUPPLY CHAIN CONSTRAINTS AND VOLATILITY IN COMMODITY COSTS.

Economy Overview

In the financial year under review, while many indicators pointed to green shoots of recovery after leaving the worst of the COVID-19 pandemic behind, the geopolitical instability originated due to Ukraine-Russia war towards the end of the financial year has further increased the ongoing volatility in crude oil and gas prices, and uncertainty

to the integrated supply chain affecting most of the commodities, especially metals, plastics, and paper for the Company. The COVID-19 pandemic and the resultant national restrictions had already impacted two crucial business periods during the fiscal period. However, the largely vaccinated population reinforced with booster doses is expected to substantially contain any future impact of the pandemic risks.

According to the IMF's World Economic Outlook, April 2022, the economic damage from the Eastern European conflict will significantly slowdown the global growth in 2022 and add to fuel and food inflation. Global

growth is projected to slowdown from an estimated 6.1% in 2021 to 3.6% in 2022. As with all emerging economies, India, too, has been affected by these external shocks. The Consumer Electricals sector is continuously faced with challenges in sourcing raw materials and components due to global supply chain constraints and volatility in commodity costs. However, the sector leaders seem to have emerged stronger from these disruptions compared to the regional players'/ unorganised trade due to their superior and deeper distribution reach, ability to manage the supply chain through alternate sourcing, and structural cost-saving measures.

While India's pathway to sustain high single-digit growth has become challenging, its underlying sturdy economic fundamentals, dovetailed with governmental push on self-sustaining development, are expected to insulate its long-term outlook from the current short-term turbulence.

Industry Overview & Opportunities

Industry reports suggest that consumer durables spending has grown by a high-single-digit in FY 2022, on account of vaccine penetration, recovery of the labour market, hybrid working environment, and opening up of all end consumer services. According to the report, future demand is expected to focus on smarter products that offer better value propositions and connected IoT-enabled and energy-efficient experiences. The Indian consumer electrical sector is likely to grow consistently over the next decade. These products cater to the essential needs of households, having resilient demand and less dependency on discretionary spending trends of the economy.

a. Fundamental Drivers impacting Consumer Durables

Several fundamental and long-term macro drivers and opportunities influence the

INDIA'S UNDERLYING STURDY ECONOMIC FUNDAMENTALS, DOVETAILED WITH GOVERNMENTAL PUSH ON SELF-SUSTAINING DEVELOPMENT, ARE EXPECTED TO INSULATE ITS LONG-TERM OUTLOOK FROM THE CURRENT SHORT-TERM TURBULENCE.

3.6%
PROJECTED GLOBAL GROWTH FOR 2022 (IMF)

industry's growth and evolution. To begin with, consumer appliances segment is comparatively under-penetrated in India vis-a-vis developed nations. Overall, poverty alleviation and prosperity permeating India's urban and rural economies bode well for consumer demand and the industry. Organised players' channel expansion into rural geographies will drive growth and penetration in the coming years. Even though the pandemic disruption slowed down the pace somewhat over the last two years, higher disposable income and thrust on affordable housing & construction are driving urbanisation and home occupancy, triggering the demand for various consumer durable products.

The higher spending capability of the younger generation and its aspirations for aesthetically appealing products have led to a rise in the premiumisation trend in the Consumer Electricals sector. With premiumisation and price gaps narrowing, a marked shift towards organised brands is taking shape. The top market leaders are key beneficiaries of this shift and have seen their market share rising over the past five years. Another reason for the demand for high-end products surging is the fact that retailers and consumer credit companies are more readily providing financing options to pay in Easy Monthly Instalments (EMIs). With low-interest rates, the universal Indian Stack and availability of instant digital credit, consumers are preferring to spend to satiate their aspirations.

Consumers are increasingly conscious of inflation and environment. They are countering rising utility bills for electricity by gravitating more towards energy-efficient and environment friendly electrical appliances. Industry peers are responding to this by inculcating greater energy efficiency features into their various products, promising significant payback periods as purchase justification in some cases.

Industry players are focussing more on consumers' needs and are increasingly manufacturing country centric products with affordable price tags attracting new consumer segments. Technology advancements have paved the way for many innovative product options, providing different features and advantages. With a greater variety of options and faster adoption of newer technologies and variants, the electrical consumer industry is experiencing shorter and more frequent replacement cycles by consumers. This consumer behaviour is conducive to innovation led agile players in responding to consumer tastes and technology adoption.

With deeper pockets to invest in brands, industry leaders are benefitting from a deeper and well-entrenched nationwide distribution network; higher R&D capabilities, which enable them to churn out premium and technologically superior products; and a faster adherence to change in government norms, such as the BEE ratings change. The rising consumer aspirations are also leading to a preference for branded, better quality, feature-rich and aesthetically appealing products. The unbranded and smaller regional players

are facing a long-term existential threat, which has intensified even further during the pandemic due to the rise in commodity prices and supply chain challenges. They are steadily relinquishing market share given the continued supply chain and working capital constraints, further exacerbated by the ensuing Eastern Europe conflict.

b. Key Government Initiatives impacting Consumer Durables

The Government's push for the BEE Star Rating system is expected to impact the consumer electrical industry, positively. The BEE norms, anticipated to be introduced during FY2022-23, will encourage greater energy efficiency in electrical appliances and are likely to favour leaders backed by strong brands and mature product development capabilities. Organised players are expected to comply faster with upgraded standards than unorganised regional players and are likely to increase market share and profitability.

The Government's most ambitious project, 'Make in India', is expected to lead the growth and investment opportunities within consumer durables and electronics sectors. Covering many other industries, including consumer electricals, the PLI scheme is encouraging a new cycle of investments in the industry, which is likely to have a multiplier effect on job creation, income growth, and the propensity for consumers to spend on electrical home appliances. Furthermore, steady progress in the 100 cities and towns chosen under the Government's Smart Cities Mission is creating new demand for consumer electricals.

Finally, the Government's ambitious plans on doubling farm incomes, strengthening the manufacturing sector, and other structural reforms aimed at revitalising the economy are set to increase rural demand further and improve disposable incomes across the economy. In addition to this, the Government's target to build over 20+ million homes under its 'Housing for All' via affordable housing schemes, is expected to boost the consumer durable sector.

Company Overview

Orient Electric Limited operates in two segments:

Electrical Consumer Durables (ECD), and Lighting and Switchgear (L&S)



The OEL Advantage



WITH LOW-INTEREST RATES, THE UNIVERSAL INDIAN STACK AND AVAILABILITY OF INSTANT DIGITAL CREDIT, CONSUMERS ARE PREFERRING TO SPEND TO SATIATE THEIR ASPIRATIONS.

The OEL Strategies in Play

OEL continued to reinforce its consumer centricity ethos and focused on the key strategic areas to hold up the Company's vision and deliver sustainable growth.

The areas of action and execution that are differentiating the Company from its peers and driving value creation for its stakeholders are:



a. Building on Consumer Insights

Understanding our consumer needs and wants is intrinsic to our business' success. Consumer insights allow our business teams to understand how they think and feel about our products and services. The Company is increasingly relying on its Consumer Insights as the epicentre of all its business decisions and actions and embeds this on a continued sustainable basis. This approach got accelerated by introducing a dedicated consumer insights think-tank within the management team. OEL rolled out several research and analysis initiatives that included digging into demographic trends; getting insights on how consumers use existing products; conducting market research for new products; uncovering creative use cases; getting competitive insights; evaluating after-sales feedback from consumers and influencers; tracking retailer feedback and using market intelligence data and analytics. The business outcome of these initiatives have translated into new product development, formulation of marketing strategies, enhancing consumer servicing, brand positioning and product launches that resonate well with the marketplace.

b. Leveraging in-house Design Capabilities

The entire business draws its differentiated strength from the high level of in-house designing capabilities and its ability to maintain agility in quickly turning around new innovative products and embracing the latest technology, either to stand out as a differentiated value proposition to consumers or to mitigate the pressures of cost increases. The entire R&D team is staffed with a deep talent pool on its rolls. A new state-of-the-art R&D Centre was opened at Faridabad in April 2021 to consolidate the Company's entire R&D activities under one roof. This has strengthened the Company's overall design capabilities and harnessed new efficiencies and synergies in new product development processes. This R&D Centre is equipped with a variety of modern testing equipment, allowing the Company to be self-sufficient as an independent design centre and a custodian of the high brand value that OEL stands for.

c. Consumer-Centric Innovation

The Company is using consumer-centricity to gradually shift from 'box selling' to 'value selling'. With more robust product training and sales building capability, OEL is paving the way towards a better sales quality in which channel partner satisfaction is given more significant weightage. This will enable OEL to enhance its sales realisation and margins overtime going forward. Granular insights from deep consumer research have helped develop consumer-centric products with a superior price-value proposition. Important examples representing this approach that were launched during FY2022 include the Falcon 425, the fastest fan in the 1200 mm sweep size; the i-Tome energy-saving BLDC fan; the Jazz Art decorative fan; a range of metal-bodied air coolers; the Thermo Swift tankless water heater; and the mass premium range of Stella modular switches. Based on deep consumer insights, all these products have resonated well with the consumers. Steering through the

megatrend of energy-saving electricals, Orient electric bagged the prestigious National Energy & Conservation Award 2021 under the category "Most Energy Efficient Appliance of the Year - LED Bulb" for its 9W Self Ballasted LED Bulb.

d. Accelerating Digital Adoption

As part of the fast-paced transformation journey, Orient Electric Limited has built a digital ecosystem to fill consumers' insatiable demand for exceptional experiences and convenience. At OEL, the flagship programme of the entity for the last three years, titled "e-Wings", has successfully seen all its Phase-I digital initiatives rolled out. These programmes have been a welcome catalyst to accelerate the ever-growing digital adoption within the Company, including its various business partners. OEL will be entering Phase II of the digitisation programme "e-wings" in FY2023, building newer capabilities in digital manufacturing and deeper business analytical insights.



Falcon 425
THE FASTEST FAN IN THE 1200 MM SWEEP SIZE



GRANULAR INSIGHTS FROM DEEP CONSUMER RESEARCH HAVE HELPED DEVELOP CONSUMER-CENTRIC PRODUCTS WITH A SUPERIOR PRICE-VALUE PROPOSITION.

High emphasis was given across all management levels to sharpening the utilisation of all digital capabilities like Dealer Management System, Sales Force Automation, Transport Management System, Orient Connect, Traceability, Employee engagement systems and Business Intelligence through training and awareness programmes, thereby embedding the e-Wings programme into the routine day-to-day workings of the organisation.

With Consumers on top of mind, OEL also ramped up its after-sales Services, offering improved service experiences through digitisation and enriching the capability of the service network. The Orient Connect Programme was also established to engage with last mile selling points directly and capture market insights from the performance of retail counters. To leverage this further, our capability for product traceability is now being extended to all our product lines, including coolers, water heaters, LED lights and switches & switchgears. This traceability will also enable the Company to track its products in the market, which is particularly useful in enhancing after-sales servicing.

e. Channel Proliferation

Orient Electric Limited has strengthened its position by expanding its distribution landscape. During FY2022, OEL redesigned its fans distribution framework in Odisha and Bihar to extract the full market potential of these territories. These alterations to OEL's distribution system were designed to gain a higher aggregate market share within these regions. The Company also initiated the expansion of its fan's distribution network

within South India to capture and reinforce this underpenetrated market. Revenue growth from the OEL's digital channels is also on the Company's strategic road map for fuelling growth. It is pursuing the expansion of its E-comm channel and increasing the Company's brand presence through immersive online marketing programmes on the platform. To scale up the sales of OEL's line of professional luminaires, the Company is also foraying into emerging channels of business such as the B2B and Government e-Marketplace. The Façade lighting line, in particular, gained healthy traction during the financial year, thanks to larger Government allocations for illuminating various heritage and historical buildings. Some notable projects include the Dwarkadhish Highway, the Bhakra Nangal Dam, and the Aligarh Smart City.

To strengthen Orient Electric's relationship with the fan's distributors, an 'All India Sales Excellence Awards' was conducted virtually, with nearly 200 winning dealers' participating pan India. Reputed actress Vidya Balan was invited to be the keynote speaker and engage with dealers over a live session.

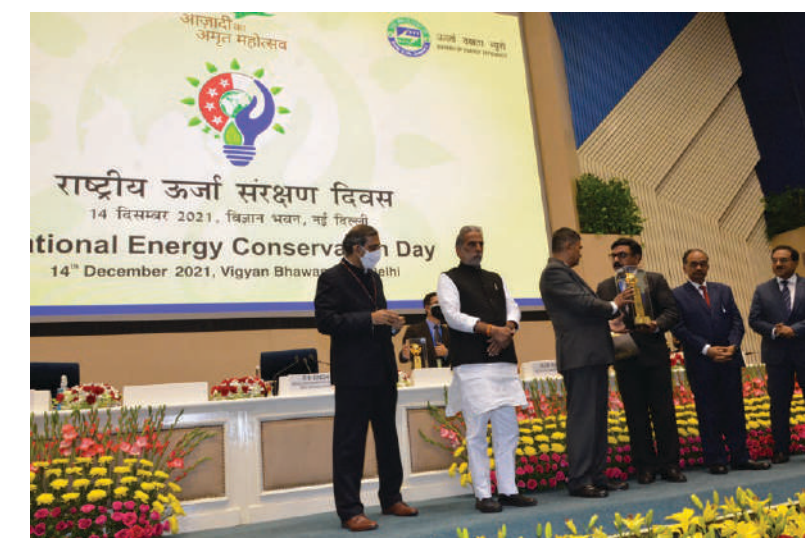
f. Talent Strengthening

It is a matter of pride for Orient Electric to have been awarded the certification of "Great Places to Work" for the third time in a row. This is testimony to the ever-increasing trust and confidence of the large employee pool in the Company's strong and committed management practices and its transparency in being a people-centric organisation. OEL has been hiring diligently across all levels to strengthen its talent pool. Key leadership positions are being filled up with seasoned leaders with cross-function capabilities. The marketing force is also increasing its cohort of 'feet on the ground' associates for ramping up distribution penetration and brand reach. Rewards and recognition are a key part of OEL's culture, with recognition such as the 'Hi-Flyer Awards' arranged every quarter to celebrate star performers. These initiatives were maintained even during the COVID disrupted periods.

OEL has expanded into new talent verticals and strengthened its organisational structure with the addition of the Consumer Insights and Manufacturing Excellence functions. The Company is poised to substantially reinforce its e-commerce capabilities to support the entire digital ecosystem in the forthcoming year. As a result, the Company is re-orienting itself with new talent and embracing unique and innovative ways of working. Despite multiple lockdowns, the Company administered two specialised training programmes in the year under review. These included the Potential Assessment of Sales Executives (PASE) and the Future Leaders of Orient Electric (FLOE). These programmes were tailored to a select talent pool and were created to serve as complete development journeys with predetermined ends. Apart from these specialized pieces of training, other development programmes were also conducted virtually. Some of these included the digital awareness and training sessions, sessions on six sigma; product training and awareness sessions; and regulatory consciousness sessions on multiple aspects such as Insider Trading, Compliance, PQSH and Codes of Conduct.

g. Enriching consumer experience

OEL believes in delivering end-to-end consumer experience, leaving no stones unturned to earn consumer loyalty. From pleasant buying experiences across channels and installation, to product performance and aftersales service. Providing excellent after-sales service is an essential pillar of our consumer-centricity philosophy for the Company. Right from onboarding guide and product training, to listening to consumer feedback and returns and exchanges, OEL tries to be meticulous in its sales service to create consumers for life. Not only do they buy from Orient again, but they also become strong word-of-mouth referrals, projecting a positive brand image to their friends and families. The Company believes in investing in ongoing consumer happiness to sustain continuous growth. During the fiscal period under review, OEL centralised its service network across businesses in specific geographies. This improved the speed of service delivery, further enriching the consumer experience.



h. Manufacturing Excellence

To improve competitive advantage and ensure operational excellence, OEL undertook multiple measures and strategic projects. To maintain quality and productivity, the Company continues to introduce automation as an important tool of manufacturing strategy. OEL is also placing a high priority on establishing a state-of-the-art greenfield manufacturing facility in Hyderabad, for which the Company has commenced the design phase, with construction planned to start in Q1 of FY23. Furthermore, during the year FY2022, other major projects completed were the re-layout of the Faridabad plant for unlocking higher productivity and installation of automated assembly lines of the LED driver in manufacturing plant at Noida, to improve the productivity and quality consistency.

Apart from delivering efficiency, improved space utilisation and cost-of-quality advantages, the implemented measures are intended to enhance the present installed capacity and open new monetisation channels.

200

TO STRENGTHEN ORIENT ELECTRIC'S RELATIONSHIP WITH THE FAN'S DISTRIBUTORS, AN 'ALL INDIA SALES EXCELLENCE AWARDS' WAS CONDUCTED VIRTUALLY, WITH NEARLY 200 WINNING DEALERS' PARTICIPATING PAN INDIA.

2

OEL HELD TWO SPECIALISED TRAINING PROGRAMMES: THE POTENTIAL ASSESSMENT OF SALES EXECUTIVES (PASE) AND THE FUTURE LEADERS OF ORIENT ELECTRIC (FLOE).

18.9%

OEL'S ELECTRICAL CONSUMER DURABLES SEGMENT REVENUES GREW BY 18.9% YOY.

Segment-wise business Analysis

a. Electrical Consumer Durables (ECD)

Deeper consumer insights through targeted consumer research activities in specific product categories and geographies, have enabled the Company to sharpen its sales execution strategies. As part of its ongoing distribution outreach, steady progress is being made in penetrating India's Southern and Eastern regions while maintaining the strengths in the North. To strengthen the distribution channel and digital capabilities, various initiatives at grass root levels were adopted with a sharper focus on secondaries and market share expansion.

Coolers and Water Heaters were deeply affected by the disruption caused by multiple pandemic waves. The overall Coolers category suffered a setback once again later in the period with the multiple COVID Waves impairing business. The anxiety emanating from the threat of the 3rd COVID wave led to the postponement of inventory filling decisions by channel partners, particularly for Coolers. The channel partners were also straddled with high inventory levels of slow-moving coolers, causing poor working capital utilisation. Water Heaters picked up at a high pace in the recovery after the 2nd COVID wave during

the 2nd and 3rd quarters of FY2022. Despite the ensuing delayed winter and the arrival of the 3rd COVID wave, the Company was able to achieve high double-digit growth YoY in Water Heaters. The introduction of new products such as the Glassline Water Heaters, the Modular Metal Coolers, and the range expansion in Desert Coolers enabled the Company to sustain moderate sales growth in Appliances.

In FY2022, the ECD segment demonstrated commendable performance despite facing many headwinds, including raw material inflationary pressures, muted festivals and consumption slowdowns caused by the 2nd and 3rd COVID waves. For the year ended 31st March 2022, OEL's Electrical Consumer Durables segment posted revenues of ₹ 1,799 Cr. up by 18.9% YoY and EBIT of ₹ 201 Cr., down by 2% YoY.

The ECD division is a heavy user of metals and plastics as inputs. Margins in this segment got were impacted due to a sharp surge in prices of these commodities during the year. The continuous commodity cost increases nudged the industry to invoke price increases towards the end of FY2022. In addition to this, a general shift from the unorganised to the organised sector fuelled the demand for the entry-level segment, where OEL saw volumes surge and market share gains. The e-Commerce channel, however, was impacted due to the

lacklustre response in sell-out and in-festive season sales, including important shopping days. Further, restructuring of e-commerce partners also led to a relative slowdown in the Company's e-commerce business compared to FY2021.

b. Lighting & Switchgear

Heightened focus and growth of Consumer Luminaries, enabled by distribution expansion, new product introductions, product mix improvements, digital adoption, and optimised brand campaigns, led to high double-digit growth for OEL in the lighting business, despite the headwinds in LED Lamps and pricing. Close coordination between sales, planning and the factory ensured uninterrupted supplies despite a market shortage of components. OEL modified specifications and used alternative ICs and components from new suppliers to circumvent the availability risks and high costs for hard to source electronic components.

New projects, and the appointment of new dealers for these projects, make the prospects for the tender segment of the business look promising. Furthermore, the B2G segment witnessed significant momentum through the GeM Platform. In Professional Luminaries, the Company received strong interest from a continuously growing enquiry bank. OEL achieved planned collections within the Lighting tender business during the year, reducing the overall receivables considerably. The EESL business, however, experienced marginal growth with the aftereffects of the pandemic hurting many projects, coupled with a scarcity of large new tenders in this segment. In contrast, the smart street lighting on the highways has started gaining traction.

The Company's new range of switches catering to the mass-premium segment is being well received by channels and consumers alike, and volumes continue to pick up the pace. The launch of the "Stella" series of switches earlier in the quarter showed encouraging response, with repeat orders flowing in.

Being a high advocacy product category, the pandemic disruption during certain parts of the year caused hindrance to the retail-



OEL IS PLACING A HIGH PRIORITY ON ESTABLISHING A STATE-OF-THE-ART GREENFIELD MANUFACTURING FACILITY IN HYDERABAD, FOR WHICH THE COMPANY HAS COMMENCED THE DESIGN PHASE, WITH CONSTRUCTION PLANNED TO START IN Q1 OF FY23.

connect and influencer programmes. Yet, the sales team was able to elevate market interest by engaging with the electrician community through electrician meets, and through compelling advocacy and influencer programmes with its retail channel partners. During the year, around 10,700 electricians were engaged with through these meets.

For FY2022, OEL's Lighting & Switchgear segment posted revenues of ₹ 649 Cr., up by 25.1% YoY and EBIT of ₹ 95 Cr., up by 37.0% YoY.

c. Exports

OEL continues to maintain its status as the largest exporter of Fans from India. The political disturbances in Sudan and economic stress in Sri Lanka during FY2022, cast roadblocks to strong Pre-COVID momentum in the export business. Despite these challenges, the Exports business was able to garner a high teens growth for the fiscal year. The pandemic induced global response to find alternative sourcing away from China introduced new opportunities for the Indian consumer electrical industry players. OEL successfully developed market-specific products and established relationships with new partners to enter newer geographies in Africa and the Middle East. Timely response from prospective partners in the USA aided prompt product development and regulatory clearances. Apart from Fans, which historically spearheaded the Company's export business, OEL also made encouraging inroads for its Switchgears. The Company continues to expand its Export footprint with its Lighting and Air Coolers.

25.1%

OEL'S LIGHTING & SWITCHGEAR SEGMENT REVENUES GREW BY 25.1% YOY FOR FY2022.

37.0%

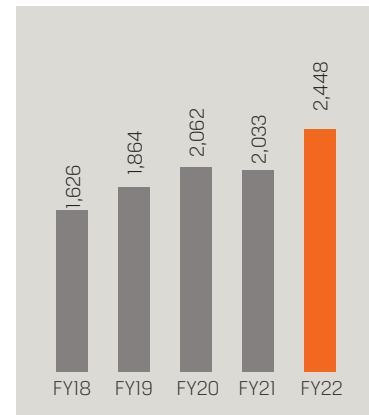
OEL'S LIGHTING & SWITCHGEAR SEGMENT POSTED EBIT OF RS. 95 CRORE, UP BY 37.0% YOY.



Financial Performance Trends

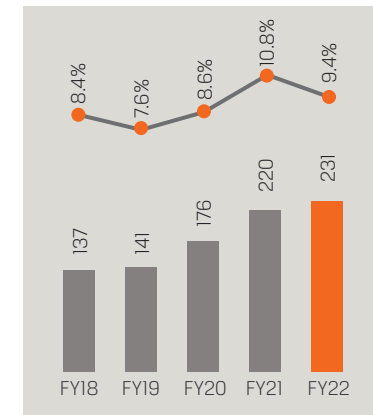
Revenue

₹ crore



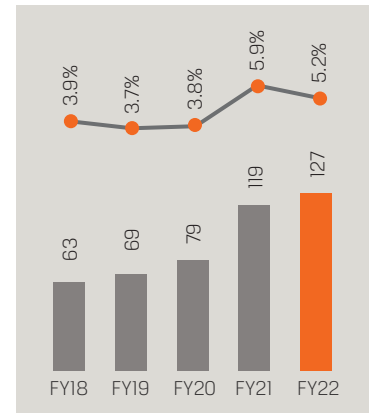
EBITDA and EBITDA Margin

₹ crore



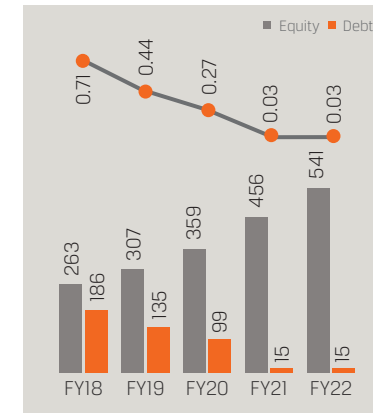
PAT and PAT Margin

₹ crore



Debt-Equity Ratio*

in Times



Fixed Asset Turnover Ratio#

in Times



ROCE % (Pre-Tax)*

in %



* Ratios aligned as per latest guidance note issued by ICAI
Based on Net Fixed Assets (including CWIP)

a. FY2022 in Review:

FY2022 started on a very challenging note due to the resurgence of the COVID-19 second wave, with increased fatality and infection rates which heightened the health risks and substantially overshadowed business sentiment. As a result, the summer season significantly impacted industries dependent on the summer season sales. As conditions started to look up again as soon as the second COVID wave subsided, business conditions were once again adversely affected by the arrival of the third COVID wave.

The year also witnessed unprecedented commodity price inflation in high double digits, putting pressure on margins throughout the year. This forced Consumer Electrical industry players to frequently consider raising prices to offset rising raw material costs. Because of competitive pressures, most industry peer groups hesitated to follow through with their declared price revisions. In case of OEL, the Company took several strategic steps to insulate itself from margin erosion, allowing it to focus on revenue and market share growth. The most important area OEL paid attention to was the flagship "Sanchay" programme, which was a successful initiative to mitigate the high cost and availability challenges for metal and plastic materials. This included having negotiations and structured deals with sourcing and business partners; drawing up alternative specifications; alternate sourcing; regulating inventory levels for bulk discounts and locking prices; and new product development. OEL also implemented value engineering without compromising product quality and performance, coupled with close monitoring of the Procurement Forum. The Company also focused on optimising its advertising and promotion spends, in line with the market restrictions and disruptions during significant parts of the year, and on the phasing out of non-priority spends. All these measures helped to protect OEL's operating margins to some extent.

OEL sustained a confident Revenue momentum for FY2022, growing by 20.5% YoY. The Company's diversified product mix and its

new product interventions offered across multiple channels continued to strike a chord with evolving consumer demand. Despite the looming concern of a third wave led by the Omicron variant, the Company's preparedness to counter supply challenges helped deliver overall Revenue growth during the financial year. While the delayed winter season and moderate festival demand impacted the Appliances business, such Revenue loss was recouped by growth across other segments, and the high double-digit growth in the Lighting and Switchgear segment. Historically, going into a typical winter season, the Company's distribution channels should have started making commitments for the next sales cycle. However, the delay in the arrival of winter, and the nervousness around the severity of the third wave, caused some postponement in buying and inventorying decisions.

24.3%

YOY GROWTH IN COST OF GOODS IN FY2022



OEL SUSTAINED A CONFIDENT REVENUE MOMENTUM FOR FY2022, GROWING BY 20.5% YOY. THE COMPANY'S DIVERSIFIED PRODUCT MIX AND ITS NEW PRODUCT INTERVENTIONS CONTINUED TO STRIKE A CHORD WITH EVOLVING CONSUMER DEMAND.

23.9%

YOY GROWTH IN OEL'S DISCRETIONARY AND BRAND BUILDING RELATED EXPENSES

₹136 cr.

NET CASH SURPLUS GENERATED FOR FY2022

b. Gross Margins:

The relentless increase in commodity prices during FY2022 impacted all players within the industry. With a YoY growth in Cost of Goods by 24.3% in FY2022, OEL was no exception. Higher commodity prices have been keeping margins under pressure since Q1 FY2022 and persisted through the rest of the financial year. The ECD division (Appliances & Fans) product categories is a consumer of such commodities and were, therefore, more adversely affected. In the Lighting & Switchgear division, the availability of integrated circuits (ICs) and PP was more of a challenge rather than costs, due to the ongoing global supply chain issues in semiconductors. Efforts and agility of the R&D team's agility in switching to alternative specifications, and thus through smart component substitution, vendor selection, prebuying, inventory management and the favourable product mix, the Company was largely able to protect the Lighting and Switchgear division's margins.

c. Expenses:

Besides raw material costs, other operating costs also saw an upward trend during FY2022. As operations resumed to normal (Pre-COVID) levels towards the latter half of the fiscal period, ancillary costs such as Distribution, Marketing and Travel, which were essential to drive business growth, came back into the system compared to the previous year. The Discretionary and Brand Building related expenses grew by 23.9% YoY, while the normal operating expenses grew by 21.7% YoY.

d. Working Capital:

Working Capital as of 31st March 2022 has increased by 17 days from the previous fiscal year levels. This was due to a planned build-up of Inventory for the upcoming summer season of June 2022, coupled with the slow-moving Cooler inventory.

The Company's overall inventory levels rose towards the end of the fiscal period due to lower sentiments from trade and channel partners induced by the third COVID Wave and geo-political concerns. The arrival of heatwaves across the country towards the end of the year enabled the clearance of the channel partners' inventories, with a nominal impact on the Company's inventory.

Furthermore, the channels were supported through extended credits despite headwinds of resistance to price changes. As a result of lower demand sentiments, the Company decided to reduce procurement volumes, hence reducing payables. All this culminated in increased year-end working capital levels, as against a substantially lower base of COVID induced working capital levels of the previous year.

Finance

The financial discipline and high levels of corporate governance enabled by digital intervention have helped uphold the strong Balance Sheet for the Company. The Company has enjoyed a complete debt-free status for the past two consecutive years within its short 4-year journey post demerger. Once again, the Company has clocked a net cash surplus of ₹136 Cr., braving out the turbulence of severe cost inflation and COVID-affected demand hindrances. As a result, the Company was able to clock a pre-tax ROCE of 34.2% and Current Ratio of 1.56 and a Profit After Tax margin of 5.2% to Revenue.

During FY2022, the Company introduced an array of new Channel Financing and Vendor Financing modules, expanding the existing programmes of the past year. These facilities provided economic funding options to facilitate easier cash flows for OEL's business partners.

These initiatives are delivering a win-win business outcome for all partners engaged in the process, including OEL's financial partners.

Capital Expenditure

OEL's acquisition of the land in Hyderabad for its greenfield project was a key CAPEX made by the Company in FY2022. The project is now ready with the design principles and expected to break ground in Q1 of FY2023 and be commissioned by Q4 of FY2023. During FY2022, the Company also made notable investments in setting up its R&D Centre at Faridabad; expanding its Driver Plant & LED lighting facility at Noida; expanding its LED Lighting facility; in the re-layout of the Faridabad Plant; making moulds for new products, and in the various digital transformation initiatives of the Company.

Corporate Social Responsibility

The Company has worked towards carving out a meaningful, highly effective, and socially impactful CSR program with actions on the ground that included:

- Women Empowerment & Education - providing better facilities at Girl's School
- Healthcare - mask distribution, vaccination to the community, and undertaking medical treatment for critical illness for weaker sections of society.
- Eradicating hunger through meal distribution to under-privileged sections of society.
- Tree Plantation for environment protection.

34.2%

PRE-TAX ROCE CLOCKED BY OEL FOR FY2022





THE COMPANY COUNTERS COMPETITION BY PRODUCING CONSUMER CENTRIC PRODUCTS, LEVERAGING R&D, HAVING STRONG MARKET ACTIVATION PROGRAMMES, AND ENSURING DEPENDABLE AFTER-SALES SERVICE TO REINFORCE ITS BRAND.

Internal Control

The internal control system provides efficiency, reliability, and completeness of accounting records, thus helping the Company compile timely, true and fair representation of financial and management information. OEL has IFC (Internal Financial Control), Whistle Blower Policy and Fraud Risk Framework Policy to address different risks. The Internal Audit function monitors the effectiveness and adequacy of all control systems through a comprehensive Internal Audit Programme, performed by an independent internal auditor company. Observations and recommendations for improvements are forthwith acted upon with regular follow-ups on closure. High risk and critical observations are presented and reviewed by the Audit Committee and the Board of Directors on a quarterly basis. There is a continuous effort to strengthen the internal controls in the changing business environment.

Major Threats & Concerns:

1. **Material costs:** Supply chain challenges and elevated raw material or resource costs could adversely impact the availability and overall product cost structure, resulting in diminished margins.

OEL Mitigation - The Company has deployed alternative specifications and sourcing, regulating inventory levels for bulk discounts, and locking prices to mitigate the commodity risks.

2. **Geopolitical risks:** Disruption induced by the Eastern European war and COVID led restrictions could impact global supply chains, significantly straining business-as-usual operations.

OEL Mitigation - The Company continuously optimises its sourcing requirements by strengthening planning, deploying bulk buying strategies and robust supply chain planning to ensure smooth business operations.

3. **Climate change:** Erratic weather conditions like delayed summers or winters, shrinkage in season durations, irregular rains and milder winters could impact the offtake of fans, air coolers and water heaters.

OEL Mitigation - The Company continuously reviews its product portfolio, to make it more resilient against the cyclicity of weather patterns and climate change risk.

4. **Increasing competition:** With low entry barriers from the increasing pervasiveness of digital commerce channels and the emergence of large Original Equipment Manufacturers (OEMs) & Original Design Manufacturers (ODMs), many companies are venturing into the Consumer Electricals space. Increased competition might result in irrational price behaviour by some market participants and can negatively impact the industry.

OEL Mitigation - The Company consistently works to counter competition by producing consumer-centric products, leveraging R&D to have a differentiated portfolio, having strong market activation programmes, and ensuring prompt and dependable after-sales service to reinforce its brand.

5. **Currency fluctuations:** Unprecedented swings in foreign exchange rates driven by the global geopolitical crisis may create short term margin pressures from elevated material costs or depressed revenue realisations

OEL Mitigation - The Company undertakes prudent inventory planning and currency hedging strategies with limited exposure to minimise the risks of currency fluctuations.

Cautionary Statement

Certain information set forth in this report contains "forward-looking information", including "future-oriented financial information" and "financial outlook", under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein may constitute some forward-looking statements. Such forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this report are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.





Enterprise Risk Management Framework

Contemplating Risks Proactively

Ensuring business resilience and continuity.

Consumer Centric
Digitally Empowered

Orient Electric Limited emphasises adopting efficient processes to manage risks and crises while ensuring business continuity proactively. In a highly volatile and dynamic business environment with continuous eco-political developments and evolving consumer behaviour, business risks are constantly changing internally and externally. Our ability to create sustainable value through its strategic objectives is dependent on staying alert and agile in recognising and promptly mitigating the key risks.



The Enterprise Risk Management Framework

To facilitate this, the Company operates on a robust Risk Management framework comprising of Board of Directors, Board-level Risk Management Committee ('RMC'), Audit Committee, Governance Risk and Compliance Committee ('GRCC'), Risk Owners, Mitigation Plan Owners, Chief Risk Officer ('CRO') and Internal Audit Team. The RMC and the Board ensure that the Risk Management Framework operates effectively through periodic reviews, monitoring, and ongoing guidance.

The Company's Governance Risk and Compliance Committee, comprising of the Chief Executive Officer, Chief Financial Officer / CRO, Internal Audit head and Business / Functional heads, drives risk management of the Company in a structured and disciplined manner. The GRCC is primarily responsible for implementing the risk strategy and developing procedures and systems for identifying, measuring, monitoring, assessing, and managing risk.

The accountability for each risk mitigation is assigned to the identified risk owners. The Company applied the net risk principle to determine its strategic risks. The mitigation measures and actions are taken to counter these risks are monitored by the CRO and GRCC every quarter.

Broad Categories of Risks identified by the Company



Our Three Step Process

The Enterprise Risk Management Framework ('ERM') of the Company is a clear three-step process which includes risk identification, risk mitigation and risk monitoring. There is a defined criterion that helps identify enterprise-level risks that pose a significant threat to the organisation regarding business and operational continuity, brand and market perception, ability to raise resources for future expansion and adapting to radical changes in the industry, technology, climate and legal

regulation. Based on the severity of impact and likelihood of occurrence, the identified risks are prioritised for attention and action-taking as High (immediate), Medium (within agreed timelines in 6-12 months) and Low (within 12-24 months). Risk mitigation involves identifying actions to eliminate or reduce the impact of exposure to potential risks. All efforts are documented and assigned to risk owners. After that, monitoring is carried out by the CRO/GRCC, followed by the RMC for the status of the mitigation plan with defined KPIs.



DURING FY2022, THE COMPANY CARRIED OUT AN EXTENSIVE EXERCISE OF RE-ASSESSING, RE-DEFINING AND RE-PRIORITISING THE APPLICABLE RISKS GIVEN THE RAPIDLY CHANGING BUSINESS ENVIRONMENT.

Report of Board of Directors

Dear Members,

Your Directors are pleased to present the Board Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2022.

HIGHLIGHTS - FINANCIAL RESULTS

In compliance with the provisions of the Companies Act, 2013 ("Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has prepared its financial statements as per Indian Accounting Standards ("Ind AS") for the financial year 2021-22. The financial highlights of the Company's operations are as follows:

| Particulars | 2021-22 | 2020-21 |
|--|-----------------|-----------------|
| (₹ in Crs) | | |
| Revenue from operations | 2,448.37 | 2,032.60 |
| Other Income | 5.81 | 6.27 |
| Total Revenue | 2,454.18 | 2,038.87 |
| Expenses | | |
| Total Expenditure other than Finance Costs, Depreciation and Amortisation | 2,217.05 | 1,813.09 |
| Profit before Finance Costs, Depreciation and Amortisation | 237.13 | 225.78 |
| Depreciation and Amortization Expense | 47.08 | 43.15 |
| Profit Before Finance Cost and Tax | 190.05 | 182.63 |
| Finance Costs | 20.29 | 20.73 |
| Profit Before Tax (PBT) | 169.76 | 161.90 |
| Tax | 43.12 | 42.16 |
| Profit After Tax (PAT) | 126.64 | 119.74 |
| Comprehensive Income / (Losses) | 0.14 | (0.40) |
| Total comprehensive income for the year | 126.78 | 119.34 |
| Dividend | 42.43 | 26.52 |
| Transfer to General Reserve | 15.00 | 15.00 |
| Balance carried to Balance Sheet | 520.09 | 434.44 |
| Earnings per Share (Basic) (In ₹) | 5.97 | 5.64 |

CURRENT YEAR REVIEW

Despite a higher corresponding base, which had surged on consumers acting out on their pent-up demand last year, Company sustained a confident revenue momentum for the financial year 2021-22, growing by over 20% YoY. Financial year 2021-22 has seen consumer demand picking up. However, there were certain headwinds as well such as apprehension of another Covid wave, global geopolitical tension, shortage of raw materials, volatility of commodity prices and the likes. Despite all these challenges, your Company has been able to increase its market share driven by, amongst other factors, innovative product launches, focus on consumer centricity, increased distribution penetration and market shift from unorganised to organised players. The Company's diversified product mix along with its new product interventions, offered across multiple channels, continues to strike a chord with evolving consumer demand.

Marking a new chapter in its journey of innovation and growth, the newly constructed state-of-the-art Research &

Development Centre equipped with latest technology was inaugurated at the manufacturing facility of the Company at Faridabad, reinforcing its commitment to develop innovative, consumer-centric products and solutions.

Electrical Consumer Durables (ECD): In FY 22' ECD segment has witnessed a mixed trend. While there was a strong demand built up in the first half of the year, the latter half faced many headwinds such as sharp surge in raw material cost, multiple covid waves creating fear and uncertainty, delayed winters, and sluggish festival sales. Despite of all these, your Company has been able to increase its market share by expanding its reach in southern and eastern regions of India.

Lighting and Switchgear: Despite several challenges, including ongoing global supply chain issues making availability of integrated circuits and semi-conductors difficult, in FY 22' your Company has shown continuous growth in lighting. Company has increased its presence in Consumer Luminaires driven by new product line-up, development of alternative integrated

circuits, ensuring availability and expansion of distribution channel. Your Company is building capability to increase presence in fast growing Façade lighting. Switchgear has also delivered encouraging performance backed by new range of switches which saw good demand in the mass market, capability building, product quality strengthening, increased traction in B2B segment and entry in European markets.

FINANCIAL PERFORMANCE OVERVIEW

During the financial year 2021-22, Orient Electric recorded revenue from operations of ₹ 2,448.37 crores 20.46% higher than ₹ 2,032.60 crores in FY 2020-21. Profit before and after tax for the financial year 2021-22 were at ₹ 169.76 crores and ₹ 126.64 crores, respectively as compared to profit before and after tax of ₹ 161.90 crores and ₹ 119.74 crores, respectively for the financial year 2020-21. For detailed analysis of the financial performance of the Company, refer to the Management Discussion & Analysis Report, forming part of the Annual Report.

AWARDS & ACCOLADES

Orient Electric has been certified as a 'Great Place To Work' for the third year in a row, for the period March 2022 - March 2023 with improved score over last year. The commitment to the belief that a strong and high-trust team is a key pillar for sustained performance of the Company stands emboldened with this certification.

Company has been conferred with the prestigious 'National Energy and Conservation Award 2021' under the category "Most Energy Efficient Appliance of the Year - LED Bulb" for its 9 Watt Self Ballasted LED Bulb. The prestigious award instituted by the Bureau of Energy Efficiency (BEE) identifies and recognises prominent achievements in energy conservation.

Your company has also been conferred following accolades:

- Recognised as one of 'India's Best Brands' for the year 2021 by ET Edge - An Economic Times Initiative. This recognition is a testimony to customer's trust in the brand and further strengthens our resolve to deliver compelling consumer experiences;

Dividend paid /recommended by the Company during the last three financial years:

| | FY 2021-22 | | FY 2020-21 | | FY 2019-20 | |
|-----------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|
| | Dividend per share (₹) | Dividend payout (₹ crore) | Dividend per share (₹) | Dividend payout (₹ crore) | Dividend per share (₹) | Dividend payout (₹ crore) |
| Interim Dividend | 0.75 | 15.91 | 0.75 | 15.91 | 0.65 | 16.63* |
| Final Dividend | 1.25* | 26.52* | 1.25 | 26.52 | 0.50 | 10.61 |
| Total Dividend | 2.00 | 42.43 | 2.00 | 42.43 | 1.15 | 27.24 |
| Total Dividend ratio | 200% | | 200% | | 115% | |

*Recommended by the Board of Directors at its meeting held on May 10, 2022. The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on July 25, 2022. Book-closure for the purpose of dividend is from Tuesday, July 19, 2022 to Monday, July 25, 2022 (both days inclusive).
 # Including dividend distribution tax.

- 'Superbrand 2021' status for Fans and Air Coolers retained for the fourth time and second time, respectively, and first time for Lighting;

- 'Prestigious Brands of Asia 2021-22' by Herald Global and BARC Asia. This recognition reaffirms our sustained commitment to customer-centric innovation and is a fine validation of our strategic direction and choices made over the years.

DIVIDEND

The Board of Directors at their meeting held on May 10, 2022, have recommended payment of ₹ 1.25 (125%) per equity share of the face value of Re. 1/- each as final dividend for the financial year ended March 31, 2022. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

During the year under review, the Board of Directors of the Company at their meeting held on January 20, 2022, declared an Interim dividend of ₹ 0.75 (75%) per equity share of the face value of Re. 1 each. The interim dividend was paid to the shareholders on February 10, 2022.

The total dividend amount for the financial year 2021-22, including the proposed final dividend, amounts to ₹ 2.00 per equity share of the face value of Re. 1 each.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source, at the rates as prescribed.

The dividend recommended by the Board is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Listing Regulations is available on the Company's website: <https://www.orientelectric.com/images/investors/dividend-distribution-policy.pdf>

Report of Board of Directors >

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the financial year ended March 31, 2022, Company has not given any loans, provided any guarantees / securities or made investments that are covered under the provisions of Section 186 of the Act.

TRANSFER TO GENERAL RESERVE

During the financial year ended March 31, 2022, Company has transferred ₹ 15 crores to the General Reserve of the Company.

DEPOSITS

The Company has not accepted any deposits from the public under Chapter V of the Act and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company had no holding, subsidiary, associate or joint venture company during the financial year 2021-22.

Dubai Office: For facilitating business in the Middle East and Africa for its products and for engaging in active business development of new geographies in the international markets, the Company continues to maintain a representative office (Branch Office) in Dubai Multi Commodity Centre, free trade zone of Dubai.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Chandra Kant Birla, Non-Executive Director and Chairman of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

A brief resume, nature of expertise, details of directorships held by Mr. Chandra Kant Birla in other companies, along with his shareholding in the Company, as stipulated under Secretarial Standard - 2, issued by Institute of Company Secretaries of India, and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

Mr. Rakesh Khanna was re-appointed as the Managing Director of the Company with effect from January 23, 2022 for a period of two years. The said re-appointment was approved by the shareholders, through Postal Ballot, on February 27, 2022.

The Managing Director & CEO and Independent Directors of the Company are not liable to retire by rotation.

Save as provided above, during the year under review, there were no other changes in Directorship of the Company.

Declaration from Directors

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Key Managerial Personnel

Mr. Rakesh Khanna, Managing Director & CEO, Mr. Saibal Sengupta, Chief Financial Officer and Mr. Hitesh Kumar Jain, Company Secretary, are the Key Managerial Personnel of the Company. During the year under review, there were no changes in the Key Managerial Personnel of the Company.

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender, that will help the Company retain its competitive advantage.

BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually, including Chairman & Vice - Chairman of the Board, Independent Directors, and Managing Director & CEO of the Company.

Feedback Mechanism

Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

Evaluation of Committees

The performance evaluation of Committees was based on criteria such as structure and composition of Committees, attendance and participation of member of the Committees, fulfilment of the functions assigned to Committees by the Board and applicable regulatory framework, frequency and adequacy of time allocated at the Committee meetings to fulfil duties assigned to it, adequacy and timeliness of the agenda and minutes circulated, comprehensiveness of the discussions and constructive functioning of the Committees and effectiveness of the Committee's recommendation for the decisions of the Board.

Evaluation of individual Directors and the Board

The performance evaluation of the Chairman, Non-Independent Directors and the Board was first carried out by the Independent Directors. Thereafter, the Board Members evaluated the performance of each individual Director, including the Managing Director & CEO, considering the views of the Executive Directors and Non-Executive Directors, without involving the Director being evaluated.

Criteria for Chairman

The performance evaluation of Chairman was based on various criteria, *inter-alia*, including style of Chairman's leadership, effective engagement with other Board members during and outside the meetings, allocation of time provided to other Board members at the meetings, effective engagement with shareholders during general meetings.

Result of Evaluation

The result of evaluation showed high level of commitment and engagement of the Board, its various committees and leadership. The Directors expressed their satisfaction with the evaluation process. During the year under review, the Nomination and Remuneration Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of the Board, its Committees and individual Directors.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations of Independence as stipulated under Section 149(7) of the Act from Independent Directors confirming that he/she is not disqualified from being appointed/ continuing as Independent Director as laid down in section 149(6) of the Act read with rules related thereto and Regulation 16(1)(b) of Listing Regulations. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs. They have also confirmed on the compliance of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The members of the Board of the Company are provided with many opportunities to familiarise themselves with the Company, its management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their

appointment through a formal letter of appointment, which also stipulates the terms and conditions of their engagement. Directors are also informed of the various developments in the Company through presentations during the meetings.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarization programmes for its Directors which includes review of industry outlook, regulatory updates with respect to the Act, Listing Regulations, taxation and other matters by Auditors, Company Secretary and experts, internal control over financial reporting, Prevention of Insider Trading Regulations, framework for related party transactions. Pursuant to Regulation 46 of the Listing Regulations, the details required are available on the website of your Company at the web link: <https://www.orientelectric.com/images/investors/familiarisation-programme.pdf>

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Act, your Directors, to the best of their knowledge and belief, confirm that:

- In the preparation of the Annual Accounts for the financial year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, wherever applicable;
- 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;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared these Annual Accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Report of Board of Directors >

PARTICULARS OF DIRECTORS AND EMPLOYEES

Disclosures relating to remuneration of Directors and employees as per section 197(12) of the Act, read with Rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure A** to the Board's Report.

BOARD AND ITS COMMITTEES

In compliance with the statutory requirements, the Company has formulated mandatory Committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders' Relationship Committee.

During the year under review, all the recommendations made by the Committees of the Board, including the Audit Committee, were accepted by the Board.

The Board of Directors met five (5) times during the financial year ended March 31, 2022. A detailed update on the Board, its composition, governance of committees including detailed charter, terms of reference of various Board Committees, number of Board and Committee meetings held during the financial year ended March 31, 2022 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. TCA Ranganathan, Mr. K Pradeep Chandra and Mrs. Alka Marezban Bharucha, all being Independent Directors and Mr. Desh Deepak Khetrpal, being Non- Executive Non- Independent Director.

Managing Director & CEO, Chief Financial Officer, Group Internal Audit Head, Internal Audit Head of the Company, Company Secretary and Statutory Auditors are the permanent invitees to the Committee. Further details relating to the Audit Committee, including number of meetings held during the year, are provided in the Corporate Governance Report forming part of the Annual Report.

During the year under review, all recommendations made by the Audit Committee were accepted by the Board of Directors.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors ("**ID Meeting**") was convened and held on November 26, 2021, without the presence of Non-Independent Directors and members of the management, which reviewed the performance of the Board, the Non-Independent Directors and the Chairman. Post ID Meeting, the collective feedback of each of the Independent Directors was presented before the Board.

SHARE CAPITAL

The Company's authorised share capital during the financial year ended March 31, 2022, remained at ₹ 25,00,00,000 (Twenty Five Crores) of Re. 1 each, and the paid up equity share capital remained at ₹ 21,21,85,502 (Twenty One Crores Twenty One Lacs Eighty Five Thousand Five Hundred Two Only) of Re. 1 each. No new shares were issued during the year under review.

Further, as per the provisions of Regulations 34, 39 read with Schedule V(F) of Listing Regulations details of equity shares lying in Orient Electric Limited - Unclaimed Suspense Account, as on March 31, 2022, are provided in the Corporate Governance Report forming part of this Annual Report.

ORIENT ELECTRIC EMPLOYEE STOCK OPTION SCHEME - 2019

'Orient Electric Employee Stock Option Scheme-2019' ("**ESOP Scheme**"), adopted by the Company during the financial year 2018-19, 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, is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 [now replaced by SEBI (Share Based Benefits and Sweet Equity) Regulations, 2021] ("**ESOP Regulations**") and Listing Regulations.

Details of the shares issued under ESOP Scheme, alongwith the disclosures in compliance with ESOP Regulations, are uploaded on the website of the Company and can be accessed at the Web-link: <https://www.orientelectric.com/images/investors/ESOS-2019-disclosure-31Mar22.pdf>

During the year under review there was no change in the ESOP Scheme 2019. No new stock option was granted and no stock option, granted earlier, vested during the financial year 2021-22. More details on ESOPs are provided in the notes to accounts of the financial statements for the financial year 2021-22, forming part of the Annual Report.

M/s A. K. LABH & Co., Company Secretaries, Secretarial Auditors of the Company, has certified that the Company's ESOP Scheme has been implemented in accordance with the ESOP Regulations, and the resolutions passed by the shareholders approving the ESOP Scheme. Said certificate from the Secretarial Auditors of the Company shall be available for inspection by the shareholders at the ensuing AGM.

AUDITORS

Statutory Auditors & Audit Report

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration Number 301003E/ E300005), were appointed as

the Statutory Auditors of the Company at the 1st AGM of the Company, to hold office till the conclusion of the ensuing 6th AGM.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, are eligible to be re-appointed for a further term of 4 (four) years, in terms of provisions of Sections 139 and 141 of the Act, read with the Rules made thereunder.

Accordingly, the Board of Directors of the Company at their meeting held on May 10, 2022 basis the recommendation of the Audit Committee and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the re-appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/ E300005), as the Statutory Auditors, for a further period of 4 (four) years i.e. from the conclusion of the 6th AGM till the conclusion of 10th AGM of the Company.

The Company has received written consent and certificate of eligibility in accordance with sections 139, 141 and other applicable provisions of the Act and Rules made thereunder, from M/s. S.R. Batliboi & Co. They have confirmed about their independence and that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Auditors have issued an unmodified opinion on the financial statements of the Company for the financial year ended March 31, 2022. The said Report of the Auditors is self-explanatory and therefore does not require further comments and explanations. The Auditors' Report for the financial year ended March 31, 2022 on the financial statements of the Company forms part of this Annual Report.

Cost Auditor

The Company has maintained cost records for certain products as specified by the Central Government under sub-section (1) of section 148 of the Act. Mr. Somnath Mukherjee, Cost Accountant in Practice (M. No. - 5343) has carried out the cost audit for applicable products during the financial year 2021-22.

Mr. Somnath Mukherjee has confirmed his eligibility for being appointed, and have consented to act, as the Cost Auditor of the Company for the financial year 2022-23 too. The Board of Directors of the Company, on the recommendations of the Audit Committee, have appointed Mr. Somnath Mukherjee, Cost Accountant in Practice (M. No. - 5343) as the Cost Auditors of the Company to conduct the audit of cost records of certain products for the financial year 2022-23.

The remuneration proposed to be paid to the Cost Auditor, subject to ratification by the shareholders of the Company

at the ensuing 6th AGM, is set out in the Notice of the ensuing 6th AGM.

Secretarial Auditor

M/s A. K. Labh & Co., Company Secretaries, (Certificate of Practice No. 3238), appointed as the Secretarial Auditors, have carried out an audit of the secretarial records of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in **Annexure B** to this Report.

Pursuant to requirement of Regulation 24A of the Listing Regulations, the Secretarial Compliance Report for the financial year ended March 31, 2022, in relation to compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder, issued by M/s A. K. Labh & Co., Company Secretaries, has been filed with the stock exchanges within the prescribed time limit.

The aforesaid Secretarial Audit Report and Secretarial Compliance Report do not contain any qualification, reservation or adverse remark and therefore do not require any further clarification or explanation.

M/s A. K. Labh & Co., Company Secretaries, have provided a consent to the Company to act as the Secretarial Auditors for conducting the audit of the secretarial records for the financial year ending March 31, 2023, and have also confirmed that their appointment, if made, would be within the limits laid down by the Act and Rules made thereunder and they are not disqualified for being appointed as Secretarial Auditors under the provisions of applicable laws. They have also confirmed that their firm is peer reviewed by The Institute of Company Secretaries of India.

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, on the recommendation of the Audit Committee, have appointed M/s A. K. Labh & Co., as the Secretarial Auditor for the financial year ending March 31, 2023.

Reporting by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have confirmed that they have not come across any event indicating commitment of any fraud by the officers or employees of the Company and thus, no reporting under the provisions of section 142(12) of the Act and the Rules made thereunder was required.

SUSTAINABILITY JOURNEY

The Environment, Social and Governance ("**ESG**") components are factors that help ascertain both investment decisions

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and risk management with a lens of sustainability within the organization. The primary objective is to build a culture that encourages, promotes and achieves ethical business conduct which is more environmentally and socially conscientious, while adhering to prescribed/ applicable rules and regulations, and are more likely to sustainably succeed in the long run.

The growing awareness of ESG priorities are no longer a choice but a necessity. Climate change, a risk emerging globally, is a key concern and your Company is addressing it through various ESG initiatives in products, investments and processes. During the financial year 2021-22, the Company undertook a comprehensive materiality assessment exercise to gather insights on emerging ESG issues that may impact our business in the future. The objective was to assess the Company's current status as an organization basis the worldwide tested parameters of ESG Key Performance Indicators and to lay down the road map for future actions to effectively contribute in achieving the global vision of considerably reducing carbon footprint.

The Company relentlessly strives to provide long-term sustainable value to all its stakeholders including customers, investors, suppliers, employees, government & regulatory bodies and communities. While we do so, we stay consumer-centric and innovation-driven reimagining impactful possibilities in this digital world.

BUSINESS RESPONSIBILITY 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 build competitive advantage in achieving high shareholder returns through consumer centricity, innovation, good governance and inclusive human development while being sensitive to the environment. The 'Business Responsibility Report' of your Company for the financial year 2021-22 forms part of this Annual Report as required under Regulation 34(2)(f) of the Listing Regulations.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India. The report on Corporate Governance as stipulated under the Listing Regulations forms part of this Annual Report.

Your Company has duly complied with the Corporate Governance requirements as set out under Chapter IV of the

Listing Regulations. M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, vide their certificate dated May 10, 2022, has confirmed that the Company is and has been compliant with the conditions stipulated in the Chapter IV of the Listing Regulations. The said certificate is annexed to the Corporate Governance Report. A Certificate of 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 Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and any amendment thereof, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mr. K Pradeep Chandra, Independent Director. The other members of the Committee are Mr. Desh Deepak Khetrpal, Non-Executive Director and Mr. TCA Ranganathan, Independent Director. Further, Mr. Rakesh Khanna, Managing Director & CEO, Mr. Saibal Sengupta, Chief Financial Officer and Mr. Hitesh Kumar Jain, Company Secretary, are the permanent invitees to the Committee.

During the year, the Company reviewed its CSR Policy and necessary amendments, including the new areas of CSR as specified under Schedule VII of the Act, were incorporated. The CSR Policy of the Company is available on its website viz. <https://www.orientelectric.com/images/investors/corporate-social-responsibility-policy.pdf>

Your Company is a caring corporate entity and lays significant emphasis on development of the communities around which it operates. During the year, on the recommendation of the CSR Committee and as approved by the Board, your Company has executed several projects in the areas of Women Empowerment, Education, Health Care and Sustainability. As per section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") the companies are required to spend minimum 2% of their average net profit for the last three financial years. Basis which the minimum requirement for the Company was ₹ 2.64 crores for the financial year 2021-22.

As per the 3rd proviso to section 135(5) of the Act as amended

by the Companies (Amendment) Act, 2020 read with Rule 7 of the CSR Rules as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the companies are now allowed to carry forward the excess amount spent on CSR during a financial year for set off against the CSR obligations of upto subsequent three financial years. In line with this proviso, the Company has a carry forward excess spent amount of ₹ 1.03 crores from the previous financial year 2020-21. Therefore, the net spent requirement for the Company was ₹ 1.61 crores for the financial year 2021-22, against which the Company had spent an amount of ₹ 1.82 crores and consequently excess amount of ₹ 0.21 crores has been carried forward to the next two financial years. The Annual Report on CSR activities is attached as **Annexure C** to this Report.

RISK MANAGEMENT

Risk management is embedded in Orient Electric's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a process in place to identify key risks across the functions and prioritise relevant action plans to mitigate these risks.

To have a more robust process, the Company had constituted a Risk Management Committee to focus on risk management, including determination of the Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation).

The Risk Management Framework is reviewed periodically by the Risk Management Committee, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks. During the year under review, your Company has revisited the Risk Management Framework and Risk Events applicable on the Company. The Company has revamped the entire risk governing structure by forming a Governance Risk and Compliance Committee ("GRCC") which consists of Managing Director & CEO, Chief Risk Officer, Business Units heads and Internal Auditors. Entire risk events were revamped after detailed deliberation by GRCC on each risk and their categorisation to make the entire Risk Framework more robust. A comprehensive Business Continuity Plan is created considering the existing and emerging risks. Revised risk framework comprises of risk governance, risk events, risk ratings, risk effectiveness, risk mitigation and business continuity plan.

The objective of the Company's Risk Management Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritisation of risks affecting the Company in the short term and in the foreseeable future. The policy suggests framing an appropriate response action for the key risks identified,

so as to make sure that the risks are adequately addressed or mitigated.

The Chief Risk Officer presents before the Risk Management Committee, risk matrix along with action plans.

Details on risk management forms part of the Management Discussion and Analysis Report under the section 'Threats & Concerns', which forms part of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS

The Company has adequate Internal Financial Control System over financial reporting which ensures that all transactions are authorized, recorded, and reported correctly in a timely manner. The Company's Internal Financial Control over financial reporting is designed to provide reliable financial information and to comply with applicable accounting standards.

The Company has laid down Standard Operating Procedures and policies to guide the operations of the business. Functional heads are responsible to ensure compliance with all laws and regulations and also with the policies and procedures laid down by the management.

The Company periodically tracks all amendments to Accounting Standards and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. All resultant changes to the policy and impact on financials, if any, are disclosed after due validation with the Statutory Auditors and the Audit Committee.

Your Company uses latest generation SAP S4 HANA systems as a business enabler, to maintain its Books of Account and enabling system generated financial reporting. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The systems, Standard Operating Procedures and controls are periodically reviewed by the management. These systems and controls are audited by Internal Audit team and their findings and recommendations are reviewed by the Audit Committee which ensures the implementation.

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessments carried

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out by the management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

Your Company recognizes that the 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 Controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes by multiple agencies ensure that such systems are reinforced on an ongoing basis.

PROTECTION OF WOMEN AT WORKPLACE

The Company believes that every employee should have the opportunity to work in an environment free from any conduct which can be considered as sexual harassment.

The Company is committed to treating every employee with dignity and respect. The Company has formulated a policy on 'Prevention of Sexual Harassment at Workplace Policy' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. The policy is applicable to all Orient Electric establishments located in India. The policy has been widely disseminated. The Company has constituted Internal Complaints Committees to ensure implementation and compliance with the provisions of the aforesaid Act and the Rules.

This Policy addresses the following major objectives:

- To define Sexual Harassment;
- To lay down the guidelines for reporting acts of Sexual Harassment at the workplace; and
- To provide the procedure for the resolution and redressal of complaints of Sexual Harassment.

The policy lays down a detailed procedure for making a complaint, initiating enquiry therein and satisfactory redressal of the complaint.

Training programs and workshops for employees are organised throughout the year. The orientation programs for new recruits include awareness sessions on prevention of sexual harassment and upholding the dignity of employees. Specific programs have been created on the digital platform to sensitize employees to uphold the dignity of their colleagues and prevention of sexual harassment. During the financial

year 2021-22, employees have undergone training through the programs / workshops including the awareness sessions.

During the financial year 2021-22, no complaint was reported under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder and none was pending from the previous financial year.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Orient Electric encourages an open and transparent system of working and dealing amongst its stakeholders. Orient Electric has adopted a 'Whistle Blower Policy' which encompasses a comprehensive framework of managing complaints of every stakeholder. It encourages its employees and various stakeholders to raise concerns about illegal / unethical behaviour observed in the Company, compromise / violation of Company's Code of Conduct or legal or regulatory provisions, corruption, misuse of office, actual or suspected fraud and other malpractices detrimental to the interest of the Company without any fear of reprisal, discrimination, harassment or victimization of any kind.

The policy also covers reporting of instances of leakage/ suspected leakage of unpublished price sensitive information which are in violation to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons.

All such concerns/ complaints are received by the Ombudsman through a dedicated email ID or by way of letter addressed to the Ombudsman. In case the whistle blower wishes to raise a complaint directly to the members of the Audit Committee, and not through above mentioned normal channels, the complaint may be directly made to the Chairperson of the Audit Committee.

All such complaints are enquired into by the appropriate authority within the Company while ensuring confidentiality on the identity of such complainants. On the basis of their investigation, if the allegations are proved to be correct, then the appropriate disciplinary actions are taken against the responsible employee / person. Corrective measures are also taken in consultation with the concerned stakeholders to avoid repetition of similar instances.

Details of whistle blower complaints received, action taken thereon and the functioning of the whistle blower mechanism are reviewed periodically by the Audit Committee. No person has been denied access to the Chairperson of the Audit Committee. During the financial year 2021-22, one complaint was received and taken up for investigation. Details of whistle blower policy and the complaint received thereunder are

available in the Corporate Governance Report that forms part of this Annual Report.

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

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company, *inter alia*, provides that the Nomination and Remuneration Committee shall:

- formulate the criteria for Board membership, including the appropriate mix of Executive & Non-Executive Directors and Board Diversity;
- approve and recommend compensation packages and policies for Directors, Key Managerial Personnel and Senior Management Personnel;
- lay down the effective manner of performance evaluation of the Board, its Committees and the Directors; and
- such other matters as provided under section 178 of the Act and under the provisions of Listing Regulations.

The salient features of the Nomination and Remuneration Policy of the Company are outlined in the Corporate Governance Report which forms part of this Annual Report. The Policy is available on the website of the Company at: <https://www.orientelectric.com/images/investors/nomination-remuneration-policy.pdf>

RELATED PARTY TRANSACTIONS

All arrangements/ transactions entered into by the Company with its related parties during the financial year 2021-22 were in the ordinary course of business and on an arm's length basis. During the year under review, the Company has not entered into any arrangement/ transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions, as amended, read with the Listing Regulations. As per the requirements of Indian Accounting Standards 24, details of all the transactions of the Company with its related parties have been disclosed in Note no. 33 to the financial statements forming part of this Annual Report.

A declaration in Form AOC-2, as required under sections 134(3)(h) read with 188(1) of the Act is enclosed as **Annexure D**. The Policy on the Related Party Transactions is available on the Company's website at: <https://www.orientelectric.com/images/investors/related-party-policy.pdf>

A detailed note on the procedure adopted by the Company in dealing with contracts and arrangements with related parties is provided in the Report on Corporate Governance, which forms part of this Annual Report.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS

The mandatory Secretarial Standards issued by the Institute of Company Secretaries of India, have been duly complied with by the Company, during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under section 134(3) of the Act read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014 is annexed as **The Annexure E** to this Report.

CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY

There is no change in the nature of the business operations of the Company, during the financial year ended March 31, 2022.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT

There are no material changes and commitments, affecting the financial position of the Company between the end of the financial year ended March 31, 2022 and the date of this Report.

INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the applicable provisions of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer, and Refund) Rules, 2016 ("**IEPF Rules**"), all unclaimed dividends are required to be transferred to the Investor Education and Protection Fund ("**IEPF**") after completion of seven consecutive years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund Authority ("**IEPF Authority**"). After the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and on submission of such documents as prescribed under the IEPF Rules. On receipt of the application, the Company shall send an online verification report to the IEPF Authority after verifying all the necessary details which is duly certified by the Nodal Officer.

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All corporate benefits accruing on such shares including dividend except rights shares shall be credited to IEPF.

IEPF Rules.

During the year under review, unpaid or unclaimed dividend amounting to ₹ 9,33,384/- in respect of shares transferred earlier to IEPF Authority, was transferred by the Company to the IEPF, established by the Government of India. Further, during the year under review no share of the Company was liable to be transferred to the demat account of IEPF Authority pursuant to Section 124(6) of the Act read with

The Company has been regularly sending communications to members whose dividends are lying unclaimed requesting them to claim their outstanding dividend amount by providing/ updating their bank details with the RTA/Company/ Depository Participant, as the case may be so that their dividend amount do not remain unclaimed for seven consecutive years and thus attracting the provision of transferring the corresponding shares to IEPF Authority.

Details of dividend amounts remitted to IEPF:

| 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 |
| 2019-20 | Final Dividend | August 07, 2020 | 2,47,324.00 |
| 2020-21 | Interim Dividend | January 29, 2021 | 3,50,926.50 |
| 2020-21 | Final Dividend | July 29, 2021 | 5,98,075.50 |
| 2021-22 | Interim Dividend | January 20, 2022 | 3,35,308.50 |
| Total | | | 30,08,315.20 |

ANNUAL RETURN

A copy of the Annual Return of the Company containing the particulars prescribed under section 134(3)(a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, in Form MGT-7, as they stood on the close of the financial year i.e. March 31, 2022 is uploaded on the website of the Company in the Investor Section and can be accessed from <http://www.orientelectric.com/images/investors/Annual-Report-2021-22.pdf>.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT

During the financial year 2021-22, no significantly material order was passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in the future.

AFFIRMATIONS

To the best of our knowledge and the information available, no application against the Company was filed in any court in India under the Insolvency and Bankruptcy Code, 2016, nor any proceedings thereunder is pending as on March 31, 2022.

During the year under review, there was no instance of onetime settlement with any bank or financial institution.

APPRECIATIONS AND ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation your Company has been receiving from all its business partners - suppliers, distributors, retailers and others associated with it. Your Company looks upon them as partners in progress and share with them the rewards of growth.

Your Directors also express their sense of gratitude to all the shareholders, customers, vendors, banks and regulatory authorities, both at the Central and State level, and look forward to their continued support.

For and on behalf of the Board of Directors
For Orient Electric Limited
Chandra Kant Birla

Place: New Delhi
Date: May 10, 2022

Chairman
DIN:00118473

Annexure A

Details of Remuneration as per Section 197 of the Companies Act, 2013 ("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 2021-22:

| S. No. | Name of Director | Designation | Ratio of Remuneration to median remuneration of employees |
|---------------------------------|-----------------------------|-------------------------|---|
| Executive Director | | | |
| 1 | Mr. Rakesh Khanna | Managing Director & CEO | 40.48 |
| Non-Executive Directors* | | | |
| 1 | Mr. Chandra Kant Birla | Chairman | 4.73 |
| 2 | Mr. Desh Deepak Khetrpal | Vice Chairman | 2.37 |
| 3 | Mr. TCA Ranganathan | Independent Director | 2.10 |
| 4 | Mr. K. Pradeep Chandra | Independent Director | 1.79 |
| 5 | Mrs. Alka Marezban Bharucha | Independent Director | 1.79 |

* For Non-Executive Directors, ratio to median remuneration is based on the remuneration in the form of Commission (excluding sitting fees).

(ii) Percentage increase / (decrease) in the remuneration of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, in the financial year 2021-22 is as follows:

| S. No. | Name of the Directors / KMP's | Designation | Percentage increase / (decrease) in remuneration in the financial year 2021-22* |
|--------|-------------------------------|-------------------------|---|
| 1 | Mr. Chandra Kant Birla | Chairman | Nil |
| 2 | Mr. Desh Deepak Khetrpal | Vice Chairman | Nil |
| 3 | Mr. TCA Ranganathan | Independent Director | Nil |
| 4 | Mr. K. Pradeep Chandra | Independent Director | Nil |
| 5 | Mrs. Alka Marezban Bharucha | Independent Director | Nil |
| 6 | Mr. Rakesh Khanna | Managing Director & CEO | 12 |
| 7 | Mr. Saibal Sengupta | Chief Financial Officer | 12 |
| 8 | Mr. Hitesh Kumar Jain | Company Secretary | 9 |

*Effective percentage increase / (decrease) is based upon payout during the financial year 2021-22. For Non-Executive Directors percentage increase is based on the remuneration in the form of Commission (excluding sitting fees).

(iii) Median Remuneration:

During the financial year 2021-22, median annual remuneration of employees increased by 10.28% over the previous financial year.

(iv) Permanent Employees:

The Company had 899 permanent employees on its rolls as on March 31, 2022.

(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 in the salaries of employees other than the managerial personnel during the financial year 2021-22 was 9.42%. Keeping in view the duties and responsibilities cast on the Managing Director & CEO and considering his knowledge on various aspects relating to the Company's affairs, the percentage increase in the managerial remuneration for the same financial year was 12%.

(vi) The Company affirms that the remuneration to Directors and employees during the financial year 2021-22 is as per the Nomination and Remuneration Policy.

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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 2021-22:

| S. No. | Employee Name | Designation | Remuneration (₹ 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. Rakesh Khanna | Managing Director & CEO | 3.85 | B.E. - Mechanical MBA - Marketing | 59 | 36 | December 01, 2014 | Jumbo Electronic-Head, Sony & IT Products, UAE | Negligible |
| 2 | Mr. Atul Jain | Exec. Vice President - Fans BU & International Business | 2.44 | B.Tech - Mechanical, MBA | 55 | 32 | July 04, 2017 | LeEco Technology - COO & Head of India Operations | Negligible |
| 3 | Mr. Salil Kapoor | BUSINESS HEAD - APPLIANCES | 2.21 | B.E.- Mechanical MBA - (Sales & Marketing) | 53 | 32 | December 10, 2019 | Voltas Ltd. - Chief Operating Officer | Nil |
| 4 | Mr. Saibal Sengupta | Chief Financial Officer | 2.09 | B. Com, CA | 59 | 34 | April 02, 2018 | Usha International - CFO | Negligible |
| 5 | Mr. Puneet Dhawan | Exec. Vice President - Lighting BU & Switchgear, Wiring Accessories | 2.00 | B.Tech. - Agriculture MBA (Sales & Marketing) | 54 | 31 | September 09, 2013 | Crompton Greaves Ltd.- GM Sales (Consumer Business Unit) | Nil |
| 6 | Mr. Arvind Kumar Singh | VP & Head- Manufacturing - Fans | 1.70 | B.E. (Mechanical) | 56 | 33 | May 02, 2016 | Hero Cycles Ltd. - Executive Director - Operations | Nil |
| 7 | Ms. Avani Birla | President -Strategy | 1.50 | B.A., Post Graduation from Harvard Business School | 36 | 12 | August 01, 2017 | APAX Partners India Advisors Pvt. Ltd. | 0.06 |
| 8 | Mr. Puneet Juneja | AVP - Service | 1.00 | B.E.- Computers EPBM - (Ops. & Marketing) | 51 | 28 | November 11, 2019 | Tata Sky Ltd. - Sr. VP - MDU & New Projects | Nil |
| 9 | Mr. Sunil Kumar Singh | AVP - Sales & Marketing (Fans) | 0.96 | B.A. (Honours) MA (Economics) | 53 | 29 | September 19, 2011 | Bajaj Electricals Ltd.- DGM & Regional Manager - Central Fans BU | Nil |
| 10 | Mr. Manoj Dhar | Asst. Vice President -Internal Audit | 0.80 | B Com, CA, CIA | 47 | 26.5 | October 10, 2016 | Benetton India Pvt. Ltd. - Head - Internal Audit | Nil |

2. During the financial year 2021-22, employees of the Company, other than Managing Director & CEO, mentioned in point No. 1 above from Sl. No. 2 to 7, 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 2021-22, 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:

| S. No. | Employee Name | Designation | Remuneration (₹ 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 | Ms. Bhagirath Singh Galgat# | Head - Manufacturing Excellence & Special Projects | 0.23 | M. Tech., MBA | 57 | 38 | February 03, 2022 | Kent RO Systems Ltd. - Executive Vice President - Operations | Nil |
| 2 | Mr. Srihari Madhava Rao* | Sr. Vice President -Innovation | 0.64 | B. Tech. - ECE | 50 | 28 | March 19, 2018 | Philips Lighting India Ltd. - VP & Global R&D Head Professional Lighting System | Nil |
| 3 | Mr. Ravi Chopra** | Vice President - Human Resources | 0.39 | B.Sc. Masters (HRM) | 47 | 23 | July 25, 2016 | Samsung India Electronics Pvt. Ltd - Director-HR | Nil |

Appointed w.e.f. February 03, 2022

*Cease to be in the employment with the Company w.e.f. May 07, 2021.

**Cease to be in the employment with the Company w.e.f. May 21, 2021.

4. No employee was in receipt of remuneration in the financial year 2021-22 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. Also, no employee held by himself or along with his spouse and dependent children, two percent of the equity shares of the Company.

Note:

a. The remuneration is gross taxable amount and 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 actuarial basis for the Company as a whole. Remuneration is calculated on actual receipt basis, including variable pay paid during the financial year 2021-22, belonging to the previous financial year and excludes any benefits accrued but not paid during

the year under review, and ESOPS and Long Term Cash Incentives, as the same are not vested / become due, during the year, as per terms of grants.

- b. Nature of employment is contractual in all cases.
- c. Except Ms. Avani Birla, who is relative of Mr. Chandra Kant Birla, 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.

For and on behalf of the Board of Directors

For Orient Electric Limited
Chandra Kant Birla

Chairman

DIN:00118473

Place: New Delhi
Date: May 10, 2022

Annexure B

Secretarial Audit Report

For the Financial Year Ended March 31, 2022

[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 31.03.2022 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 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 in due course.

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 31.03.2022 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 and Sweat Equity) Regulations, 2021.

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

to the extent of its applicability to the Company during the financial year ended 31.03.2022 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. No changes in the composition of the Board of Directors took place during the period under review.
- (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:

The Company had conducted Postal Ballot during the year under report for re-appointment of Managing Director of the Company and approval for terms of his remuneration.

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

Sd/-
(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No.- 3238
UIN: S1999WB026800
PRCN: 1038/2020
UDIN: F004848D000295897

Place: Kolkata
Dated: May 10, 2022

Annexure C Annual Report on Corporate Social Responsibility ("CSR") activities for the financial year 2021-22.

1. Brief outline of CSR Policy of the Company:

Since inception, your Company has been a responsible corporation, always working to improve the quality of life of the community. Your Company has charted out its programs and projects that impact the community both in the short term as well as in the long term. As a responsible corporate citizen, the Company tries to contribute for social and economic development on regular basis. The CSR initiatives of the Company aim towards inclusive development of the communities largely in the areas of (i) Women Empowerment (ii) Promoting Education (iii) Enabling access to Health Care facilities (iv) Eradicating Hunger, and (v) Environmental Sustainability.

Key highlights of the projects undertaken during the year-

a. Women Empowerment & Education

Empowering women is essential for the overall development of the society and the country at large. Quality education is most critical element for a woman to become self-dependent. When women are living safe, healthy and fulfilled lives, they can reach their full potential and thus ultimately help the society grow. In this area, during the financial year 2021-22, the Company has taken the following projects.

- Project 1 - Renovation & Modernisation of Govt. Girls High School, Kaurali, Faridabad

With an objective to provide quality infrastructure for education, the Company has adopted Govt. Girls High School, Kaurali, Faridabad. During the year under review, the Company has provided for various infrastructure facilities including set-up of computer lab, a well-maintained library which has projector installed therein, development of sports ground alongwith sports equipments, stage for cultural activities, repair of classrooms, painting of entire building of the school, concertina wire fencing of the entire boundary wall of the school for ensuring safety of children, facilitation of meritorious students, to name a few. 'EK Sangharsh' a not-for-profit public charitable trust, registered under the Indian Trust Act, 1882, based out of Faridabad, Haryana, acted as the implementing partner.

- Project 2 - Support for children's education - Jayaprakash Narayan Memorial Trust

The Company selected Vidhya and Child school in Noida, Uttar Pradesh, being run under aegis of Jayaprakash Narayan Memorial Trust. The Company

borne the cost of providing free textbooks to students, facilitating necessary infrastructure for conducting online classes and cost of other curricular activities.

- Project 3 - Education - Shikshit Haryana

With an objective to help in providing quality education through digital means, the Company contributed for development of audio/ video of teaching content. This project is initiated by Government of Haryana in Faridabad district, covering students from Class 6 to Class 12.

b. Healthcare - Hospitals, Vaccination and Mask Distribution

With an objective of promoting health care including preventive health care and providing required medical assistance to the people from underprivileged sections of the society suffering from COVID 19 and other life-threatening medical emergencies, the Company contributed by way of facilitating medical treatments, free vaccinations and distribution of masks to the underprivileged.

- Project 4 - Healthcare / Hospitals - SJM Hospital and Metro Hospital

With an objective to provide required medical assistance to the people from underprivileged sections of the society suffering from COVID19 and other medical emergencies and also to help the society in expanding critical healthcare facility to meet today's challenge of stretched healthcare infrastructure, the Company contributed by providing medical equipments and reimbursing the cost of treatment of underprivileged people for serious diseases / ailments. This project was undertaken in two hospitals viz. SJM Hospital, Noida and Metro Hospital, Delhi / NCR. Under this project, the Company contributed towards set up of two wards, beds for patients equipped with vital parameters monitoring gazettes, dialysis machine, ventilator, and reimbursement of cost of treatment.

- Project 5 - General Hygiene - Vaccination

With an objective to provide protection against Covid 19, the Company with the support of identified hospitals and nursing staff organised Covid19 vaccination camps in all its plants and the vicinity areas, wherein free Covid vaccines were administered, with the help and under the supervision of doctors and nursing staff, to the needy across all sections of the society.

- **Project 6 - General Hygiene - Mask Distribution**
To create hygiene awareness and encourage people for using face masks at public places, a preventive measure to control spread of Covid19 infection, the Company distributed free mask as a protective gear to the general public.
- c. **Eradicating Hunger**
- **Project 7 - Meal Distribution - Akshaya Patra**
Considering the then prevalent Covid19 situation, the Company distributed grocery kit to the underprivileged section of the society in Delhi / NCR Region, who were having no means of earning and forced to live almost in starvation. This project was

done in association with Akshaya Patra, a not for profit registered public charitable Trust.

d. Environmental sustainability

- **Project 8 - Tree Plantation - Prabhaav Foundation**
Tree plantation drive has been initiated by the Company, wherein the Company has planted trees in identified areas, with the involvement of its employees, nearby the vicinity where the Company's manufacturing plants are located, to help create a greener world, and develop self-sustaining environment. This activity was undertaken with the help of Prabhaav Foundation, a not for profit registered public charitable trust.

2. Composition of CSR Committee

| S. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|---------------------------|--------------------------------------|--|--|
| 1 | Mr. K Pradeep Chandra | Chairman/ Independent Director | 3 | 3 |
| 2 | Mr. Desh Deepak Khetrapal | Member/Non-Executive Director | 3 | 3 |
| 3 | Mr. TCA Ranganathan | Member/ Independent Director | 3 | 3 |

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are available on the website of the Company and can be accessed through the following weblinks:

a. **Composition of CSR Committee:** <https://www.orientelectric.com/investors/board-of-directors>.

b. **CSR Policy:** <https://www.orientelectric.com/images/investors/corporate-social-responsibility-policy.pdf>.

c. CSR projects: <https://www.orientelectric.com/investors/csr-projects>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

During the last three financial years the Company's average CSR obligation does not cross the limit of ₹ 10 crores or more as prescribed in Rule 8(3) of Companies (Corporate Social Responsibility Policy) Rules, 2014, therefore the requirement of undertaking impact assessment of CSR projects was not applicable on the Company during the financial year 2021-22.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

| S. No. | Financial Year | Amount available for set-off from preceding financial years (₹ crores) | Amount required to be set-off for the financial year, if any (₹ crores) |
|--------|----------------|--|---|
| 1 | 2018-19 | Nil | Nil |
| 2 | 2019-20 | Nil | Nil |
| 3 | 2020-21 | Nil | Nil |
| 4 | 2021-22 | 1.03 | 0.82 |
| | Total | 1.03 | 0.82 |

6. Average net profit of the Company as per section 135(5). - ₹ 131.68 crores

7. (a) Two percent of average net profit of the Company as per section 135(5) - ₹ 2.64 crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

(c) Amount required to be set off for the financial year, if any - ₹ 0.82 crores

(d) Total CSR obligation for the financial year (7a+7b-7c). - ₹ 1.82 crores

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (₹ crores) | Amount Unspent (₹ crores) | | | | | |
|---|--|------------------|------------------|--|------------------|----|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer | |
| 1.82 | NA | NA | NA | NA | NA | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year: During the year under review there were no ongoing CSR projects of the Company.

| S. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Project duration. | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
|--------|----------------------|--|----------------------|--------------------------|----------|-------------------|--|--|---|---|--|--------------------------|
| | | | | State | District | | | | | | Name | CSR Registration number. |
| | | | | | | | | | | | | |
| NA | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| S. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (₹ Crores) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
|--------|--|--|----------------------|--|----------|---|---|--|--------------------------|
| | | | | State | District | | | Name | CSR Registration number. |
| | | | | | | | | | |
| 1 | Renovation & Modernisation of Govt. Girls School, Kaurali, Faridabad | Education, Women Empowerment | Yes | Haryana, Faridabad | 0.175 | No | Ek Sangharsh, | CSR00004638 | |
| 2 | Support for children's education | Education | Yes | Haryana, Faridabad | 0.04 | No | Shikshit Haryana, | CSR00002371 | |
| 3 | Support for children's education | Education | Yes | Uttar Pradesh, Noida | 0.25 | No | Jayaprakash Narayan Memorial Trust, | CSR00001274 | |
| 4 | Meal distribution | Eradicating hunger | Yes | Delhi | 0.18 | No | Akshay Patra, | CSR00000286 | |
| 5 | Tree Plantation | Environmental sustainability | Yes | Uttar Pradesh, Noida, Delhi | 0.10 | No | Prabhaav Foundation, | CSR00000335 | |
| 6 | Mask Distribution | Healthcare | Yes | Across India | 0.25 | Yes | NA | | |
| 7 | Covid Vaccination | Healthcare | Yes | Uttar Pradesh - Noida, Haryana -Faridabad, West Bengal - Kolkata | 0.30 | Yes | NA | | |

| S. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (₹ Crores) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
|--------------|--|--|----------------------|--|----------|---|---|--|--------------------------|
| | | | | State | District | | | Name | CSR Registration number. |
| | | | | | | | | | |
| 8 | Medical facilities for underprivileged | Healthcare | Yes | Uttar Pradesh - Noida, Haryana -Faridabad, Delhi | 0.52 | Yes | NA | | |
| Total | | | | | | 1.82 | | | |

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 1.82 crores

(g) Excess amount for set off, if any

| S. Particular No. | Amount (₹ Crores) |
|---|-------------------|
| i. Two percent of average net profit of the company as per section 135(5) | 2.64 |
| ii. Total amount spent for the Financial Year | 1.82 |
| iii. Excess amount spent for the financial year [(ii)-(i)] | NA |
| iv. Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| v. Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| S. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (₹ Crores) | Amount spent in the reporting Financial Year (₹ Crores) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (₹ Crores) |
|--------|--------------------------|--|---|--|-------------------|------------------|--|
| | | | | Name of the Fund | Amount (₹ Crores) | Date of Transfer | |
| 1 | 2019-20 | Nil | Nil | NA | Nil | NA | Nil |
| 2 | 2020-21 | Nil | Nil | NA | Nil | NA | Nil |
| 3 | 2021-22 | Nil | Nil | NA | Nil | NA | Nil |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): There were no ongoing projects of the Company during the preceding financial year.

| S. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration. | Total amount allocated for the project (₹ Crores) | Amount spent on the project in the reporting Financial Year (₹ Crores) | Cumulative amount spent at the end of reporting Financial Year (₹ Crores) | Status of the project - Completed / Ongoing |
|--------|------------|---------------------|---|-------------------|---|--|---|---|
| NA | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –

| Date of creation or acquisition of the capital asset(s) | Amount of CSR spent for creation or acquisition of capital asset (INR crores) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) |
|---|---|--|--|
| NA | | | |

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable.

As per 3rd proviso to Section 135(5) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2020 read with Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the companies are now allowed to carry forward the excess amount spent on CSR during a financial year for set off against the CSR obligation of upto subsequent three financial years, therefore the Company has utilised, ₹ 0.82 crores for the financial year 2021-22 from the excess amount of ₹ 1.03 crores, spent during the financial year 2020-21, and the balance of the excess amount of ₹ 0.21 crore is being carried forward for adjustment in subsequent financial years.

For **Orient Electric Limited**

K. Pradeep Chandra
Chairman – CSR Committee
DIN:05345536
Date: May 10, 2022

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.

- | | |
|---|---|
| <p>1. Details of contracts or arrangements or transactions not at arm's length basis- Nil</p> <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 transactions including the value, if any – Not</p> | <p>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 |
|--|------------------------|---|---|---|--|
| As per the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Related Party Policy of the Company, no material contracts or arrangements or transactions were entered into with any related party of the Company, during the financial year 2021-22. | | | | | |

Place: New Delhi
Date: May 10, 2022

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

Chandra Kant Birla
Chairman
DIN: 00118473

Annexure E Conservation of Energy and Technology Absorption

A. CONSERVATION OF ENERGY

Judicious use of resources (mainly energy and water) is necessary to avoid environmental and socio-economic problems. Resource conservation is important at all levels to ensure a healthy environment and equitable distribution in society.

The Company in its manufacturing operations has taken following steps which helped in conservation of energy:

Fan Plant:

- Compressed air was replaced with root blower which helped in energy conservation of over 21,000 KWH / year, at paint sludge pit.
- Motor capacity at pre-treatment lines was reduced in order to save approximately 11,000 KWH/year.
- Energy efficient air nozzles were installed which helped in energy conservation of over 500 KWH/year.
- Calendar timer feature was activated in assembly line area at plants for switching off the lights and fans, automatically, during break-time, which resulted in conservation of energy of over 400 KWH/year.
- Air losses pertaining to pipe lines was reduced by shifting pipelines from galvanised iron to aluminium.

Appliance:

During the year, the Company has developed a new advanced PUFF chemical, comprising of better insulation properties (K-Factor). With the use of this new chemical, the Company was able to convert a 4 star water heater into a 5 Star water heater with no further involvement of any other process, which resulted in conservation of around 10% energy.

Alternate Source of Energy:

The Company has installed PNG Gas based generator as an alternate source of energy which is more environment friendly in comparison to diesel generator.

Investment:

During the financial year 2021-22 Company has invested approximately ₹ 1 crore on energy conservation for new fan design development.

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

During the year under review, following efforts were undertaken towards technology absorption:

Fans:

- Many new innovations implemented which helped in the development of a new type of bonded magnet, neodymium magnet-based blender motor, inlay mould design based trim & deco ring, aluminium winding based BLDC motor.
- Development of new integrated BLDC with a dual feature of being operated by remote as well as regulator.

Appliance:

- A new hybrid motor was invented with a blend of balanced coil type winding, which was used in manufacturing a new-flanged mixer grinder.

Lighting:

- New technology of screw less fixation of MCPCB in LED Lamps.
- Removal of driver enclosure in LED streetlight, redesigning diffuser with less weight and dimensions in 30 Watt LED Bulbs, designing of Astro timer-based streetlight.

Use of new technologies helped Orient Electric in the following manner:

- Use of new hybrid motor not only helped in cost reduction of approximately 5 - 7% but also improved the product performance.
- Improved version of Aero quiet, Oprah, Tango and Avalon Fans with better features were re-designed and launched.
- Development of upgraded version of stator, rotor, steel, motor, PCB, Canopy, rotor ring, packaging and hardware parts design which resulted in total savings of over ₹ 5 crores.
- With the help of new and better technology, the Company was able to launch ten new products in base, decorative and BLDC category, some of them are catering to E-Commerce market.
- Star labelling based induction and BLDC motor for fans were developed alongwith completion of National Accreditation Board for Testing and Calibration and Bureau of Energy Efficiency certification for several fan models.
- By eliminating screws in fixation of 9W LED Bulbs,

Company was able to save on production cost.

- Removal of enclosure from the driver has helped in saving of around 2-3% in its raw material cost.
- Redesigning diffuser with upgraded technology has contributed to save around 2-3% in its cost.

Company has imported eight slot induction motor technology for Fans during last two financial years and automatic potting and ageing line for LED drivers, which have been fully absorbed.

During the year under review following research and development activities were undertaken by the Company:

- The Company's emphasis was on the development of a substitute of Expanded Polystyrene (EPS) which is used for product packaging. EPS being non-biodegradable is harmful for the environment at large. During the year the Company was able to find an alternate to EPS i.e. pulp packaging which is considered to be biodegradable and was also successfully used in packaging of instant water heater.
- Radio frequency based remote alongwith fan PCB was developed which helped in introducing energy efficient models reducing power consumption in

the range of 26 to 30 Watt in remote based BLDC fans. Further, inlay mould design-based products and seamless sheet metal blades were also developed.

- New technology developed for enhancing testing capacity of LED drivers.
- During the year under review a new thermal shock chamber was also installed in the lighting division of the Company which costs around ₹ 0.40 crores.

Following benefits were derived from the expenditure incurred on Research and Development:

New range of decorative fans manufactured using new technologies helped in increased market share in government tendering and E-Commerce. Upgraded LED driver testing helped in discovering solder related defects during thermal shock which resulted in reduced field failure probabilities.

Future Plan of Actions:

Company is endeavoring to completely eliminate the use of EPS in the packaging of Instant Water heaters by replacing it with biodegradable pulp packaging. Introducing new and improved products which saves on power and also sustainable, is a continuous effort at the Company.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo for the financial year 2021-22 is as follows:

| Particulars | (₹ in crores) | |
|---------------------------|---|---|
| | For the financial year ended March 31, 2022 | For the financial year ended March 31, 2021 |
| Foreign Currency Earnings | 124.54 | 89.24 |
| Foreign Exchange Outgo | 93.15 | 67.41 |

Place: New Delhi
Date: May 10, 2022

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

Chandra Kant Birla
Chairman
DIN: 00118473

Business Responsibility Report

for the year ended March 31, 2022

Pursuant to the provisions of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Orient Electric Limited (the "Company") has prepared this Business Responsibility Report ("BRR") which is based on the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|-----|---|--|
| 1. | Corporate Identity Number (CIN) of the Company | L311000R2016PLC025892 |
| 2. | Name of the Company | Orient Electric Limited |
| 3. | Registered Address | Unit -VIII, Plot No. 7, Bhoynagar, Bhubaneswar-751012, (Odisha), India |
| 4. | Website | www.orientelectric.com |
| 5. | E-mail id | investor@orientelectric.com |
| 6. | Financial Year Reported | 2021-22 |
| 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 |
| | (Description as per National Industrial Classification, issued by Ministry of Statistic and Programme Implementation) | |
| 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 'Electric Consumer Durables' (Fans & Appliances) and 'Lighting & Switchgear' (LED Lighting, MCBs and Switches). |
| 9. | Total number of locations where business activity is undertaken by the Company | |
| | a. Number of International Locations (Provide details of major 5) | International: 1 office in DMCC (a free trade zone), Dubai. |
| | b. Number of National Locations | National: 4 manufacturing plants and 40 branch offices and warehouses across India. For locations of the plants refer Corporate Governance Report in the Annual Report for the financial year 2021-22. |
| 10. | Markets served by the Company - Local/State/National/International | In national market, the Company sells its products pan-India while internationally, Company serves the market of 26 countries. |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1 | Paid-up Capital (INR) | ₹ 21.22 crores |
| 2 | Total Turnover (INR) | ₹ 2,448.37 crores |
| 3 | Total Profit After Taxes (INR) | ₹ 126.64 crores |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | During the financial year 2021-22, the Company spent around 2% (₹ 2.64 crores)* of average net profit of the Company made during the last three financial years, as per Section 134 read with Section 198 of the Companies Act, 2013, on CSR activities. For more details, refer Annual Report on CSR annexed with the Directors' Report for the financial year 2021-22. |
| 5 | List of activities in which expenditure in 4 above has been incurred | Refer Annual Report on CSR annexed with the Directors' Report for the financial year 2021-22. |

*Includes the amount utilised from the extra amount spent during previous financial year 2020-21 and carried forward to the financial year 2021-22.

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 |
| 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%] | Not Applicable |

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):

| Sr. No. | Questions | Ethics, Transparency and Accountability | Sustainable Product Life Cycle | Employee's well-being | Responsiveness towards Stakeholders and Society | Human Rights | Respect, Protect and Restore Environment | Public Policy Advocacy | Inclusive Growth | Customer Value |
|---------|--|---|--------------------------------|-----------------------|---|--------------|--|------------------------|------------------|----------------|
| | | (P1) | (P2) | (P3) | (P4) | (P5) | (P6) | (P7) | (P8) | (P9) |
| 1 | Do you have a policy(ies) for | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes |
| 3 | Does the policy conform to any national/international standards? If yes, specify? (50 words) | Yes. Note 1 | Yes. Note 1 | Yes. Note 1 | Yes. Note 1 | Yes. Note 1 | Yes. Note 1 | | Yes. Note 1 | Yes. Note 1 |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD / owner/ CEO / appropriate Board Director? | Note 1 | Note 1 | Note 1 | Note 1 | Note 1 | Note 1 | | Note 1 | Note 1 |
| 5 | Does the company have a specified committee of the Board / Director/ Official to oversee the implementation of the policy? | Yes. Note 2 | Yes. Note 2 | Yes. Note 2 | Yes. Note 2 | Yes. Note 2 | Yes. Note 2 | Not Applicable | Yes. Note 2 | Yes. Note 2 |
| 6 | Indicate the link for the policy to be viewed online? | # | # | # | # | # | # | | # | # |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes |
| 8 | Does the company has in-house structure to implement the policy/ policies. | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes |

Business Responsibility Report for the year ended March 31, 2022 >

| Sr. No. | Questions | Ethics, Transparency and Accountability | Sustainable Product Life Cycle | Employee's well-being | Responsiveness towards Stakeholders and Society | Human Rights | Respect, Protect and Restore Environment | Public Policy Advocacy | Inclusive Growth | Customer Value |
|---------|--|---|--------------------------------|-----------------------|---|---------------|--|------------------------|------------------|----------------|
| | | (P1) | (P2) | (P3) | (P4) | (P5) | (P6) | (P7) | (P8) | (P9) |
| 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 | Not Applicable | Yes | Yes |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes Note 3 | Yes Note 3 | Yes Note 3 | Yes Note 3 | Yes Note 3 | Yes Note 3 | | Yes Note 3 | Yes 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: Company's policies viz. Whistle Blower Policy, Code of Conduct for Directors & Senior Management, Code of Ethical Standards & Behavioural Conduct Policy, and Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information are available on the website of the Company at <https://www.orientelectric.com/investors/codes-policies>. Internal policies of the Company viz. Disciplinary Action Policy, Company's Values and Compliance Management Policy are available on the Company's intranet portal.

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

P3: Whistle Blower Policy is available on the website of the Company at <https://www.orientelectric.com/investors/codes-policies>. Internal policies of the Company viz. Group Term Insurance Policy, Group Mediclaim and Personal Accident Policy, Prevention of Sexual Harassment at Workplace Policy, Marriage Gift Policy, HiFlyer Policy, WOW Policy, Team Get Together Policy are available on the Company's intranet portal.

P4: Whistle Blower Policy and Corporate Social Responsibility ("CSR") Policy are available on the website of the Company at <https://www.orientelectric.com/investors/codes-policies>. Policies on after sale services and Prevention of Sexual Harassment at Workplace Policy are internal policies.

P5: Code of Ethical Standards & Behavioural Conduct Policy and Whistle Blower Policy are available on the website of the Company at <https://www.orientelectric.com/investors/codes-policies>. Disciplinary Action Policy and Prevention of Sexual Harassment at Workplace Policy are available on the Company's intranet portal.

P6: SOP on Environment, Health and Safety is internal policy of the Company.

P8: CSR Policy is available on the website of the Company at <https://www.orientelectric.com/investors/codes-policies>; SOP on Research and Development for new products is an internal policy.

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

Notes:

- Company has formulated policies after considering the applicable statutory provisions and the fact that the policies are in alignment with the national and international best prevailing industrial practices. The Board of Directors approves the policies formulated under the applicable statutory provisions which are thereafter signed by the Managing Director & CEO, while all the other policies are signed by the Managing Director & CEO or respective Business / Function Head, as applicable.
- CSR Policy of the Company is administered by the Corporate Social Responsibility Committee of the Board. Audit Committee oversees the Whistle Blower Policy and Compliance Management Policy. Board of Directors oversees the Code of Conduct for Directors & Senior Management, while the Human Resource Department of the Company oversees the implementation of the

2. Governance Related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:
Performance of the Company on Business Responsibility is reviewed annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The Company publishes Business Responsibility Report as part of its Annual Report and same is available at <http://www.orientelectric.com/images/investors/Annual-Report-2021-22.pdf>.

SECTION E – PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- 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's Whistle Blower Policy and the Code of Ethical Standards & Behavioural Conduct ("Code of Ethics") embed the principles of ethics, bribery, and corruption. The Code of Ethics is applicable to all employees of the Company and their dealing with other stakeholders including value chain partners such as vendors, suppliers and customers. Employees are required to maintain the highest level of integrity, professionalism and business ethics in their day-to-day business operations and other engagements within the supply chain. The value chain partners are expected to

Code of Ethical Standard and Behavioural Conduct for employees. Branding & Corporate Communication Department, in confirmation with the Managing Director & CEO, oversees the implementation of Media & Communication Policy and Social Media Policy of the Company. Under the supervision of the Managing Director & CEO of the Company, respective Plant Heads oversees the implementation of Environment, Health & Safety Policy of the Company. Service Head of the Company oversees the After Sales Service Policies for redressing customers' complaints. The Company Secretary manages shareholders' grievance redressal mechanism. Respective quality heads of the plants supervise the Quality and Research & Development policies of the Company.

- Internal teams and independent Auditors / external experts periodically reviews the policies of the Company.

abide by the Code of Ethics in their transactions with the Company. The Company also has a separate 'Code of Conduct for Directors & Senior Management', applicable to all its senior management and Directors, which outlines the duties and responsibilities of the senior management and the Directors. The Whistle Blower Policy applies to all the stakeholders. The Company has implemented policies which promote the development of fair environment by complying with applicable laws and regulations, improving transparency, protecting whistleblowers and setting the highest standards of integrity amongst its workforce.

- 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 devised a robust grievance mechanism to ensure prompt redressal of complaints of all concerned stakeholders. The mechanism is set up to identify the shortcomings and accordingly work to minimise dissatisfaction. The Company aims to provide a holistic approach by safeguarding the interests of all i.e. customers, employees and other internal stakeholders and further ensures the complaints are redressed in a just and fair manner within the framework of the prescribed redressal mechanism. The Company has formulated a strong internal mechanism to monitor, identify and effectively address any potential complaints or grievances pertaining to the customers. The Company takes due care to ensure that its internal customer complaints mechanism is managed in a way that aligns with the Company's strategic objectives and management policies.

Business Responsibility Report for the year ended March 31, 2022

With reference to the shareholders of the Company, under the Listing Regulations, they can seek redressal of their grievances through Securities and Exchange Board of India's Complaint Redressal System ('SCORE'). The complaints received on SCORE are forwarded to the Company for taking necessary action. The shareholders can also approach the Company on the email ID- investor@orientelectric.com.

Details of complaints received and effectively resolved during the last 3 financial years:

| | Customers | | POSH | | Whistle Blower | | Shareholder | |
|---------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Received (no.) | Resolved (%) | Received (no.) | Resolved (%) | Received (no.) | Resolved (%) | Received (no.) | Resolved (%) |
| 2021-22 | 13,01,192 | 99.23 | 0 | 0 | 1 | 100 | 1 | 100 |
| 2020-21 | 9,84,670 | 99.20 | 1 | 100 | 3 | 100 | 0 | 0 |
| 2019-20 | 10,06,911 | 99.89 | 1 | 100 | 2 | 100 | 1 | 100 |

The above-mentioned efforts undertaken by the Company promotes inclusive and sustainable economic growth ultimately leading to decent work culture and growth for all the stakeholders. The Company's robust grievance redressal mechanism and its strong internal monitoring policies for stakeholders' complaints promotes and ensures responsive and inclusive decision making at all levels. The framework is designed by taking into consideration the interests of all stakeholders, thus promoting inclusiveness and decent economic and work growth.

(EPS) with corrugated packaging, which is completely renewable, recyclable and compostable.

As the Company expanded its infrastructure and upgraded its technology, it helped in providing customers with more energy-efficient products, resulting in encouraging growth and sustainable development towards the environment. The Company also actively promotes responsible consumption and production by improving its production processes and adapting environment-friendly resource consumption practices.

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

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

New fan models: Use of upgraded version of stator, rotor, steel, motor, PCB, canopy, rotor ring, packaging hardware parts in fans resulted in savings of over ₹ 5 crores. Replacement of compressed air with root blower resulted in energy conservation of over 21,000 KWH / year at paint sludge pit.

Astro timers: used in streetlights, are cost efficient.

Hybrid motor: helped in achieving upto 7 % cost reduction and improved product performance.

Corrugated packaging: is cost effective, easy to customise, flexible and less in weight.

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

Use of induction motor in ceiling fans saves on electricity consumption. Unlike DC motors, they are maintenance free.

Use of Astro timers in lights improves energy efficiency and increases the product lifespan.

The Company firmly believes in technology advancement and innovation. By technology upgradation and innovation, the Company has expanded its infrastructure to produce energy efficient and environment friendly products for the mass consumer base that we cater. Our motivation for such innovation and development is to provide affordable and clean energy products to every consumer which takes a lot of R&D to produce sustainable products that are affordable and are cost effective for the Company. The above mentioned initiatives completely align with our goal to produce clean and affordable energy products by putting in best in class of innovation and infrastructure.

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

The Company has a mechanism in place on Warehouse Management System (WMS), which is considered as a medium of sustainable logistics, enabling digital coordination of business units, and better inventory control thus, reducing excess inventory and maximizing storage space. It further reduces manpower load and manages the inventory flow in a better and more efficient manner. Additionally, as part of the manufacturing practice, the Company with regards to its vendors, gives preference to the ones situated in close proximity to the manufacturing units endorsing the 'Vocal for Local' initiative of the Government. The Company also prefers vendors who have opted for environment friendly packaging leading to sustainable sourcing.

The Company encourages local recruitment drives for all its manufacturing units and thus, is promoting decent work and economic growth by implementing such recruitment policies. The Company very efficiently implements the sustainable public procurement practices by above mentioned initiatives which include the Warehouse Management System and sustainable packaging policy for the vendors.

- 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 the capacity and capability of local and small vendors?

To encourage local community involvement, the Company facilitates all women assembly lines at some of its manufacturing plants and the women working in these assembly lines are from surrounding areas. The Company itself and also through the contractors engaged in providing workers, support the local communities by sourcing goods and services such as some raw

materials, moulding job works, annual maintenance contracts for machines, labourers from local vendors and small manufacturers.

The Company is in the process of developing an algorithm as part of the Transport Management System which will enable selection of optimum transporter for specified route-based criteria such as cost and time bound deliveries. This initiative, due to consideration of proximity of vendors, will support the smaller businesses and communities.

Aligning with the sustainable cities and communities goal, the Company proactively procures goods and services from the local producers. These efforts undertaken by the Company support local communities and help them in their upliftment. The Company also promotes safe and secure working environment by employing women in all women production facilities without any discrimination, and ensuring equal pay for equal work. Implementation of Transport Management System supports the Company's endeavour to achieve the industry innovation and infrastructure goal.

- 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.

While the Company does not recycle the products manufactured, it however, has arrangements with government authorized waste management and recycling agencies for the collection of hazardous wastes generated during the manufacturing process. The non-hazardous waste generated by the Company is sold as scrap for further recycling. Additionally, as part of the appliances industry, the Company is actively investing in recyclable and compostable packaging recourses and is also in the process of implementing digital solutions that do not have a cascading effect on the environment. Under the Fan division, in compliance with the Plastic Waste Management Rules, the Company arranged the processing of over 100 metric tons of plastic waste as part of its extended producer responsibility (EPR). In the Fan plant at Faridabad, the Company is treating substantial amount of wastewater generated from the manufacturing process and the pantry activities. Further, the reject water generated from the filtration through RO is used in washrooms for cleaning and sanitation purposes. We utilize almost 30% of water generated from Effluent Treatment Plant in paint division and 20% of water from Sewage Treatment Plant for gardening and other purposes.

Business Responsibility Report for the year ended March 31, 2022

The Company taking into consideration the above-mentioned initiatives, fulfil its obligations towards the clean water and sanitation goal. This in return helps in achieving the decent work and economic growth goal for the Company. The Company's recycling initiatives jointly align with the climate change and partnership for sustainable development goals.

PRINCIPLE 3: EMPLOYEES' WELLBEING

The Company believes that every employee has the right to work in an environment that is free of discrimination and supports the health and well-being of all those involved. We envision to provide a workplace environment that safeguards the rights and interests of its employees, while upholding the highest standards of health and safety. The Company is committed to providing the required support to its employees whether professionally or personally, and thus, cautiously ensures that the mental well-being of its employees is well taken care of. Efforts to increase employee engagement are likely to promote talent retention and enhance organizational performance along with stakeholder value. The Company resonates with this thought process and accordingly encourages employee engagement by conducting periodic mock fire drills and training on various topics including daily safety briefing, near miss & hazardous reporting training and electrical safety training. Additionally, to promote awareness and the spirit of participation and togetherness, the Company organizes events in line with global celebrations such as road safety month, national safety month and world environment day. The Company through above mentioned initiatives and programs promote decent work culture and provide economic growth.

To support its employees during the unprecedented COVID-19 lockdown and its aftermath, the Company had set up Covid response teams to account for the employees who may have been contracted with the virus. A proper SOP was prepared and circulated to all employees to create awareness about the disease and the things needed to be done in case somebody gets infected. Further, to support the transition from the office environment, the Company put up various measures to take care of the employees' health and wellbeing and enable an efficient Work from Home ("WFH") scenario for all. With the on-going technological advancements, data protection and privacy threats has become an alarming topic. In order to protect from potential cyber security threats, especially during the WFH scenario, the Company proactively deployed the necessary IT security solutions to prevent data leak or infringement of privacy. Additionally, the Company also carried out awareness sessions to inform the employees on the potential data related threats and concerns to be aware of. The Company promotes work life balance and through its WFH policy and other above mentioned efforts, it supports

good health and well-being for all.

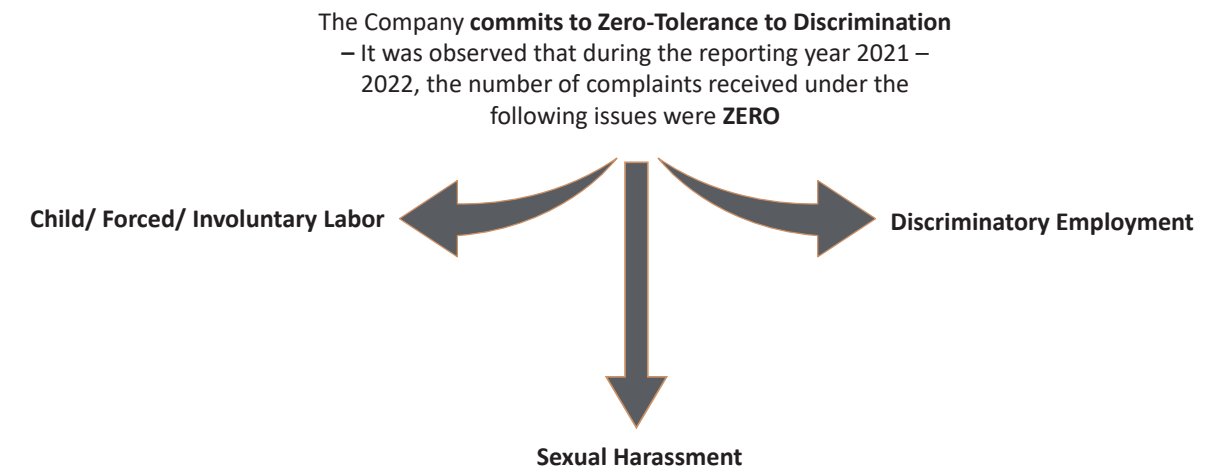
The new normal post the pandemic has been a difficult transition for many, whether physically or mentally, it has had major impact on lives across the globe. The Company being cognizant of the fact that the current times are like none other is actively involved in providing added support to its employees with regards to their safety, health and well-being. At the plants, some of the safety measures being provided by the Company include providing a cooling water system, proper gear including t-shirt and shoes, adequate medical facility and also includes health check-ups. The Company upholds the safety and well-being of employees and accordingly over the years has formulated strategies and undertaken initiatives especially during the pandemic, to provide adequate support to promote good health and well-being, thus contributing to the goal of providing decent and safe workplace environment.

The Company continues its association with "YourDost", an online counselling and emotional support platform, to support mental well-being of employees. Besides the professional help, which is being provided through YourDost, the HR team also ensured that they connect with the employees to check on their wellbeing. With the view to safeguard the health and safety of all employees, the Company has set up ambulance rooms and Occupational Health Centre at its factories and also extends to its workforce health insurance and has strong affinity towards integration of social and environmental impact in its decision making.

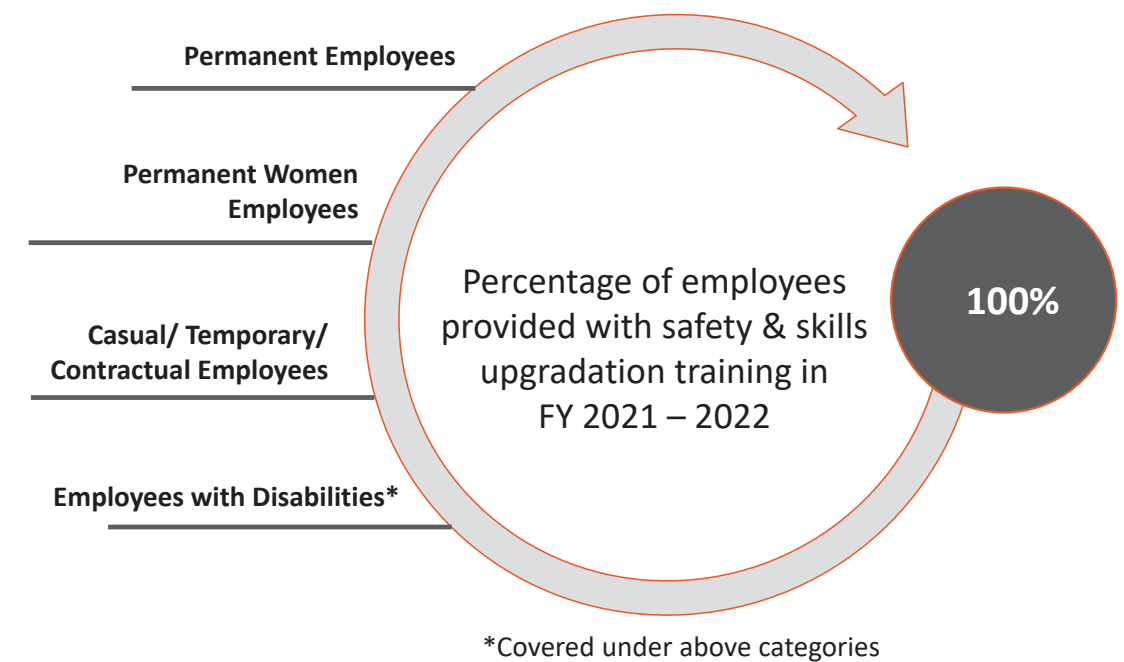
During the current reporting year, as part of its commitment to occupational health and safety, the Company has successfully conducted health check-ups for those employed under hazardous process across different operations at all establishments.

- a. **Total number of employees**
The Company had 899 permanent employees as on March 31, 2022.
- b. **Total number of employees hired on temporary / contractual / casual basis**
2218 employees including women employees were hired on temporary / contractual / casual basis.
- c. **Number of permanent women employees**
Total number of permanent women employees were 41. The Company had 274 contractual women employees.
- d. **Number of permanent employees with disabilities**
The Company follows a zero-tolerance approach towards any form of discrimination and strongly supports the principles of diversity, equality, and inclusion.

- e. **Any employee association that is recognized by management**
Employee's union at Kolkata Plant, affiliated to INTTUC, is recognised by the management.
- f. **Percentage of permanent employees who are members of this recognized employee association**
Around 98% of the employees at Kolkata plant (permanent and contractual) are members of this union.
- g. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment received in the financial year 2021-22 and pending, as on March 31, 2022.**
During the year under review, Company did not receive a single complaint for either child / forced / involuntary labour, any form of discriminatory employment or for sexual harassment at workplace. This demonstrates the Company's commitment to ensuring fair labour practices. The Company endeavours to provide a workplace environment that is safe and free from any form of unfair labour practices. It is an on-going journey to achieve the highest standards of protection w.r.t. human rights and safety for all.



- h. **What percentage of the Company's under mentioned employees were given safety & skill up-gradation training in the financial year 2021-22:**



Business Responsibility Report for the year ended March 31, 2022 >

The Company recognizes the importance of skill upgradation and therefore, on a continuous basis focuses on all round development of its employees. Depending upon the needs, the Company organizes a blended learning approach wherein different kinds of training and awareness sessions are conducted through various modes including instructor-led training, online learning, assessment projects, mentoring, on the job training, management development program. These trainings involve both – enhancement of professional skills as well as improving personal traits. The employees working in manufacturing facilities of the Company are also given training in the areas of safety, health and environment. The Company has bifurcated learning and training programs in a categorized manner into three levels – Junior Management, Middle Management and Senior Management. Junior management level training focuses on enhancing their behavioural skills, technical skills and selling skills through regular online as well as off-line workshops. There is also an increased focus on enhancing product knowledge, market and competition knowledge through calendarized product training session, pre and post-test to assess knowledge levels and retention of knowledge for the frontline sales team. Such comprehensive behavioural and technical inputs is done through an initiative – 'Potential Assessment of Sales Executives', which is aimed at identifying Hi-Potential talent and helping the front-line sales force to start selling value to the customer. Middle management training programs are focused on building managerial capabilities leading to cultural change. These are project-based trainings involving development of managerial skills. Senior management trainings include tailor-made coaching through external coaches to work on their individual development plans along with customized learning modules like strategic thinking and developing Entrepreneurial mindset, developing Executive presence and Leading others. The Company carries out its succession planning through a focused initiative – 'Future Leaders of Orient Electric', which is a 12 months' development program for identified High Potential/ High Performing Senior managers.

To further ensure quality and quantity threshold as prescribed by appropriate regulators, the Company conducts regular drinking water testing, health trainings and follows all legal and regulatory safeguards for its hazardous processes. The Company also ensure proper effluent treatment and correct method of waste discharging. The initiatives undertaken by the Company as a regular practice through the year contribute to the goal for providing a decent work culture. The Company undertakes the responsibility to ensure safety and well-being of all the people working at the Company

and upholds the highest standards of integrity when it comes to conduct, thus, supporting the objective of business continuity. Furthermore, considering social aspect of businesses, the Company is committed to promoting Diversity, Equality & Inclusion ("DE&I") and has adopted a zero-tolerance approach against any kind of discrimination.

PRINCIPLE 4: RESPONSIVENESS TOWARDS STAKEHOLDERS AND SOCIETY

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

Yes. The key stakeholders identified by the Company are employees (permanent as well as contractual), consumers, 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 the workers and communities surrounding its manufacturing plants. The Company engages with them through various welfare activities for employees, while through Corporate Social Responsibilities ("CSR") initiatives for communities. The Company believes in proactive engagement with its key stakeholders which helps in better communication of its strategies and performance benchmarks. A continuous engagement helps the Company to better identify and serve its stakeholders, thus helping to contribute towards the goal of sustainable cities & communities.

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, as a continued effort against the COVID-19 outbreak, the Company extended complete support to its entire workforce during the second and third outbreaks. It ensured that the workforce was dealt with empathy while strictly following the requisite COVID protocols, instructions and advisories issued from time to time by the Government Authorities. All workers at the plants were paid full wages for the lockdown period despite reduced production. In addition to its staff, the Company under its CSR initiative for the reporting year organized free Covid 19 vaccination camps for marginalized sections of the society. The Company made arrangement with hospitals in Delhi NCR for the medical treatments of underprivileged suffering from life threatening diseases. To create awareness and as a hygiene measure, the Company distributed N-95 masks across nation. With

its contribution to eradication of hunger, the Company organized grocery kit distribution in Delhi under its CSR initiatives. The activities undertaken by the Company to promote safety and well-being of the vulnerable and marginalized stakeholders supports the global goal to facilitate better living conditions for all.

As part of the Company's CSR activities for the current reporting year, the Company made significant contribution towards supporting the education and promoting women empowerment. The Company made contributions to support children's education in Faridabad and Noida. Through such programs and contributions, the Company successfully achieved the quality education and sustainable cities & communities goal. In addition to this, to support local communities the Company developed a holistic strategy that reflects on its commitment to cover end-to-end operations that aligns with sustainable development goals. For more details on the Company's CSR activities, refer annual report on CSR in the Directors Report of the Company.

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 under its Code of Ethical Standards and Behavioural Conduct ("Code of Ethics") policy entails provisions pertaining to the right business conduct, while adhering to a zero-tolerance to discriminatory approach and ensuring the protection of human rights for all employees as well as the value chain partners including customers, vendors, and other outside parties. The Company believes that ethical business conduct is one wherein the rights and interests of its workforce are upheld and secured. As a demonstration of its commitment to no discrimination, the Company has also adopted the Policy on Equal Opportunity for Person with Disability. Under the two above mentioned policies, the Company has ensured to cover the five core principles of human rights – dignity, fairness, equality, respect and independence. The Company is committed to maintaining highest standards of integrity, professional, financial and business ethics in its business operations. The Company is also committed and endeavours to create a workplace that is free from any form of harassment, one wherein there is mutual respect, and a positive work environment that encourages good performance and conduct. To safeguard the interests of its workforce, the Company has devised the Whistle Blower Policy and Prevention of Sexual Harassment at Workplace Policy ("POSH Policy"). These policies provide protection against any potential violation of any human rights and also a mechanism for reporting instances of violation of the Code of

Ethics or sexual harassment and other discriminatory harassment. The Company affirms to an overall non-discriminatory approach, from internal promotions to salary hike to value chain partners, the Company adheres to fairness and transparency across all its processes. The Company through its policies has made a conscious effort and accordingly formulated policies that support and align with the principles of gender equality and anti-discrimination. The policy documents across the Company including Code of Ethics and POSH Policy, etc. resonate the Company's commitment to provide decent work and economic growth and contribute to reduce inequalities. In accordance with its commitment to DE&I, the Company promotes the principles of equal pay and equal opportunity. It also encourages participation or engagement of persons with disability. Furthermore, the Company identifies the need to evaluate and monitor the impact of its business operations on all stakeholders and has accordingly formulated a strong value chain management system, which ensures the rights and interests of all being adequately safeguarded.

b. How many stakeholder complaints have been received in the financial year 2021-22 and what percent was satisfactorily resolved by the management?

Refer Principles 1(b) and 9(a).

PRINCIPLE 6: RESPECT, PROTECT AND RESTORE 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 Policy on Environment, Health and Safety covers all employees at its manufacturing facilities. The Company do not have any Joint venture or subsidiary. Extracts from the Company's Policy on Environment, Health & Safety are displayed at the manufacturing facilities in English as well as in local languages.

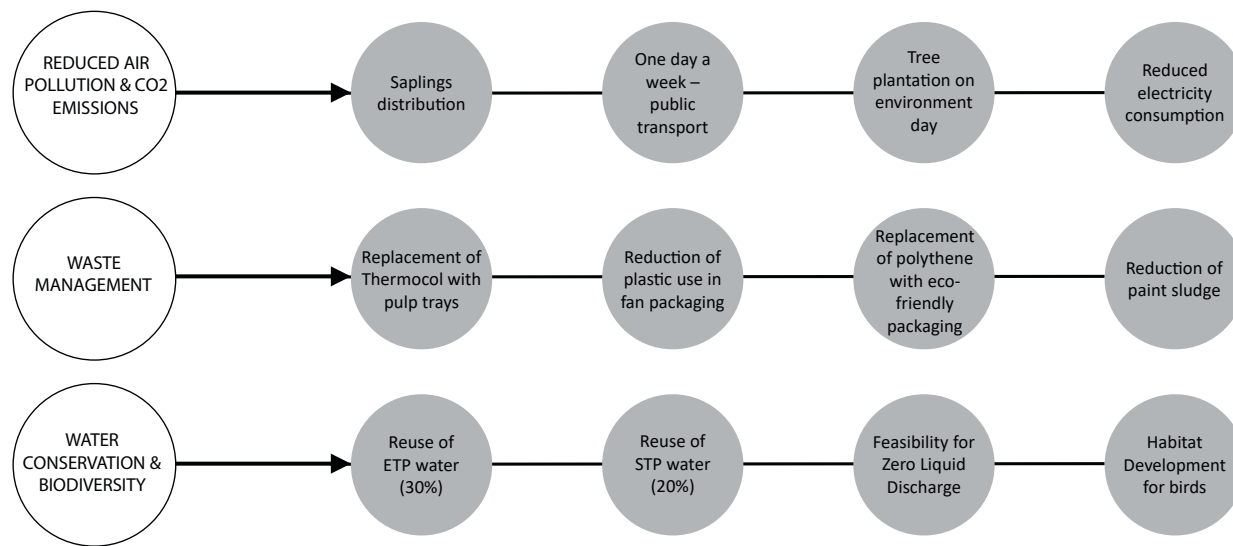
b. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company has been making active progress towards technological advancement by initiating steps / adopting newer technologies in the manufacturing processes which helps in addressing global environmental issues such as more efficient use of resources leading to reduced carbon footprint and effectively helping curb global warming issues. The Company's commitment to environment protection can further be showcased via its initiatives like tree plantation, conservation of flora and fauna and carefully assessing every impact of their business operations with regards to life on land.

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Consumer Centric
Digitally Empowered

The Company has been making conscious efforts towards environmental friendly practices which reduces the usage of energy and water and thus help reduce carbon footprint – replacement of compressed air with root blower which helped in energy conservation of over 21,000 KWH /year, at paint sludge pit, reduction of motor capacity at pre-treatment lines to save over 11,000 KWH/year, installation of energy efficient air nozzles which helped in reducing the air consumption of over 500 KWH/year, activation of calendar timer feature in assembly line area at plants for switching off the lights and fans, automatically, during break-time, which resulted in energy conservation of over 400 KWH/year. As part of the Company's initiative towards water conservation, in the current reporting year, the Company at its Noida plant made use of approximately 6 lac litres of RO waste water in washrooms. Additionally, the Company also contributed to water conservation by way of rainwater harvesting whereby, it saved water of up-to 45 rainy days in a year. In water heaters, EPS is being replaced with pulp packaging, which is environmental friendly.



To promote resource efficiency, the Company has installed solar panels at one of its factories and further supports captive energy consumption, wherein the Company utilizes the power generated within its own facility. The Company has installed LED driver machine for captive consumption and supplies it to vendors in domestic as well as export markets. This ensures that the Company improves its efficiency in consumption and production; and endeavours to decouple economic growth from environmental degradation. Such dedicated efforts further ensure reliable and affordable energy for all customers and other stakeholders. The Company through its waste management framework promotes responsible and sustainable consumption and production patterns.

obtained the Occupational Health Safety Assessment Series 18001 Certification for its manufacturing plant at Faridabad. This Certification enables the Company to control its risks and improve performance while controlling potential hazards. During the year under review, the Company has revamped its risk events and their mitigation plans to make the Enterprise Risk Framework of the Company more robust. Sustainable and Pandemic Risk are part of risk events of the Company, which are continuously monitored. The above methods help to integrate climate change measures into policies, strategies and planning and accordingly, the Company implements various programmes on sustainable consumption and production.

c. Does the company identify and assess potential environmental risks?
 The Company in all its plants has dedicated resources to identify the potential environmental risks and plan actions to mitigate the same. The Company is following the requirements of ISO 14001:2015 standards at Faridabad, Kolkata and Noida (Lighting) Plants to mitigate the potential environmental risks. With regards to maintaining and upholding health and safety, the Company has

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, under its manufacturing process, the Company is on an on-going journey to invest in technologies and processes that are environment friendly and have comparatively lower impact on the

environment. All the plants of the Company are operated in compliance with Environmental, Health and Safety standards. The Company won Platinum Award towards Environment Excellence from FAME INDIA and Platinum Award towards Environment Excellence from APEX India Foundation. Through investing in practices for environmental conversation, the Company promotes inclusive and sustainable industrialization and fosters innovation. By implementing such initiatives the Company strives to address the climate change issues.

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 continuously strives to adopt newer and improved manufacturing processes thereby reducing its power and thermal energy consumption and release of waste in the environment. At one of its fan plants, the Company replaced two diesel generators with PNG generators. Some of its initiatives aimed at reducing the Company's impact on the environment and towards energy efficiency include:

1. In its endeavour to transition to cleaner energy, the Company during the year under review has generated over 63,000 KWH renewable energy from solar panels installed at its corporate office in New Delhi and fan plant at Faridabad and thereby reduced over 46 ton of CO² emission.
2. Replaced compressed air with root blower in paint sludge section, reduced motor capacity at pre-treatment lines, installed energy efficient air nozzles on shop floor and calendar timer for auto switch-off of lights and fans during break time at assembly lines. All these efforts helped in saving over 33,000 KWH of energy during the year under review.

The above initiatives by the Company focused on reduced emissions and use of energy efficient resources promotes its contribution to climate action and encourages the Company to further implement steps towards sustainable production in the future.

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 2021-22?
 Yes, the emissions/ waste generated at all the plants of the Company during the financial year 2021-22 were within the permissible limits as prescribed by the Central Pollution Control Board / respective State Pollution Control Boards. Applicable periodic returns are being filed with the respective Pollution Control Boards. The Company is

adhering to the requisite limits thus, ensuring sustainable consumption and production.

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 2021-22, the Company has not received any show cause / legal notices either from Central Pollution Control Board or State Pollution Control Board. As one of the leading players in the industry, the Company is committed to adhering with requisite laws, regulations and other legal requirements necessary to uphold its commitment to achieve social and environmental protection.

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.**
 The Company is a member of following trade / business associations:
- i. The Indian Fan Manufacturers Associations;
 - ii. Electric Lamp and Component Manufacturers Association of India;
 - iii. Indian Electrical and Electronics Manufacturers' Association; and
 - iv. Electrical Research and Development Association.

The Company recognizes the need for strategic collaboration and therefore, by being a member of such honourable associations, it promotes public-private partnerships for achieving the desired sustainable goals and targets.

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)
 Through Electric Lamp and Component Manufacturers Association of India, the Company advocated for launch of Production Linked Incentive Scheme and inclusion of different components separately as a product under this Scheme. The Company also suggested different custom tariff structures for imported components to promote Make in India. The Company also advocated for initiating drive against counterfeit lighting products with Bureau of Indian Standards and Bureau of Energy

Business Responsibility Report for the year ended March 31, 2022 >

Efficiency and to start a surveillance process to ensure to maintain the quality of the products and compliance with the regulatory requirements. By advocating the above mentioned initiatives, the Company ensures mutual partnerships which would result in responsible production and consumption practices.

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 promotes uplifting the spirit of its workforce by way of training, development and skills upgradation. In a planned and phased manner, all employees including contractual workers are trained to enhance their technical abilities and soft skills. The machine operators are trained for multi- skilling activities involved in assembly lines. The Company extends training and awareness amongst B. Tech and ITI students under its Interns' Training Program. The Company believes in continuous growth and therefore, not only does the Company provide expert-led training sessions but also ensures its efficient implementation. As an on-going effort, the Company carries out training for all on-roll employees for the purpose of identification during performance appraisal. Alongside, regular training calendar is circulated internally which cover topics like long-term development programs, product training, etc. These efforts and initiatives taken by the Company promote a healthy work culture and ensure decent work and economic growth for the stakeholders.

The Company has contributed to inclusive growth at a community level by providing for better education under its CSR initiatives. The Company has contributed for infrastructure development of government girls' school in Faridabad and provided for tabs, data cards and teachers for ensuring continuation of education of students in one school in Noida. These activities were intended for providing better education infrastructure and facilities to the students coming from underprivileged section of the society for their better future. The Company has also arranged medical treatments for the people suffering from critical diseases, who do not have sufficient financial means to meet the expenses. The Company's CSR activities reflect upon its commitment towards the quality of education goal leading to reduced inequalities and equal opportunity. More details on the Company's CSR activities are provided in the Directors' Report for the financial year 2021-22 and is also available on the website of the Company.

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

The training and development programs are conducted through in-house teams as well as by external agencies. This leads to promoting decent work and economic growth amongst the employees as well as local communities.

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

The Company has set internal parameters to assess the impact of its activities undertaken for development of communities. CSR projects are monitored by the CSR Committee of the Board of Directors through progress reports. The internal policies and parameters for community development encourage local community engagement.

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 annexed with the Directors' Report for the financial year 2021-22. The same is also available on the website of the Company at <https://www.orientelectric.com/investors/csr-projects>.

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 projects and activities undertaken by the Company are reviewed periodically to ensure that the projects are properly implemented and adopted by the community. The CSR execution teams visits the sites where the projects are being executed for ensuring proper implementation of the Company's CSR projects. These initiatives promote sustainable communities' goals and help in building a more inclusive and resilient community.

PRINCIPLE 9: CONSUMER VALUE

a. What percentage of customer complaints / consumer cases are pending as on the end of financial year 2021-22.

At the start of the financial year 2021-22 as the world witnessed the devastating outburst of the second and third wave of the COVID virus, the Company continued with agility and speed to ensure the customer care operations remain uninterrupted and in cases of complaints, the same are properly investigated and resolved at the earliest. As of March 31, 2022, 0.77% customer complaints were pending. As a dedicated effort, customer complaints can be made at email id: customer.connect@orientelectric.com or via Toll-Free number: 1800 103 7574.

Further, 18 consumer related legal cases were pending as on March 31, 2022.

The Company believes in customer satisfaction and strives to address every complaint, thus resulting in fair, accountable and transparent redressal mechanism.

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. Product features and benefits are also displayed on the website of the Company: www.orientelectric.com and media advertisements. The Company adheres to responsible production and consumption.

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 2021-22.

During the last five years no case has been 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 2021-22. The Company follows a strong and robust mechanism to fight corruption and other unfair trade practices, and follows a zero tolerance policies for such matters.

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

During the financial year 2021-22, the Company carried out brand health researches to understand our brand's equity through consumer feedback on disposition towards Orient Electric.

The Company received several appreciation messages from its customers, on the manner in which the customer care center of the Company handled customers' complaints during the lockdown period and thereafter following all the safety and hygiene measures. As a consumer-centric mechanism, the Company has implemented a digitized solution whereby for every complaint lodged, the complainant will receive a complaint code via SMS. The details shared through the message are later used to obtain consumer feedback of redressal of the complaint.

Details on alignment of Company's actions for sustainability represented in BRR with Global Reporting Initiative ("GRI") and Sustainable Development Goals ("SDGs"), against each BRR principle is covered in the annexure attached to this report.

For **Orient Electric Limited**

Rakesh Khanna
 Managing Director & CEO
 DIN:00266132
 May 10, 2022

Business Responsibility Report for the year ended March 31, 2022


Annexure

BRR MAPPING

(SECTION E) - ALIGNMENT OF BRR PRINCIPLES WITH GRI AND SDG AT ORIENT ELECTRIC LIMITED

| BRR | GLOBAL REPORTING INITIATIVE (GRI) | SUSTAINABLE DEVELOPMENT GOALS (SDG) |
|-------------|--|--|
| PRINCIPLE 1 | <ul style="list-style-type: none"> GRI 102 – 16: Values, principles, standards & norms of behavior GRI 103 – 2: Management approach & its components GRI 102 -17: Mechanisms for advice and concerns about ethics GRI 102 – 44: Key topics and concerns raised | <ul style="list-style-type: none"> SDG 8: Decent Work & Economic Growth SDG 8.3: Promote development-oriented policies SDG 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels |
| PRINCIPLE 2 | <ul style="list-style-type: none"> GRI 102 – 2(b): Activities, brands, products, and services. GRI 301-2: Recycled input materials used GRI 302-4: Reduction of energy consumption GRI 302-5: Reductions in energy requirements of products and services GRI 303-3: Water withdrawal GRI 103 – 2: The management approach and its components GRI 204-1: Proportion of spending on local suppliers GRI 301-3 (a): Reclaimed products and their packaging materials. GRI 306-2: Management of significant waste-related impacts | <ul style="list-style-type: none"> SDG 3: Good Health & Well-being SDG 7: Affordable & Clean Energy SDG 8: Decent Work & Economic Growth SDG 8.9: Devise and implement policies and promote local culture and products SDG 9: Industry, Innovation & Infrastructure SDG 11: Sustainable Cities & Communities SDG 12: Responsible Consumption & Production SDG 12.7: Indicates implementation of sustainable public procurement practices SDG 13: Climate Action |
| PRINCIPLE 3 | <ul style="list-style-type: none"> GRI 102-7 (a-i): Scale of the organization GRI 102-8 (a and b): Information on employees and other workers. GRI 405-1 (b-iii): Diversity of governance bodies and employees GRI 103-2 (c-vi): The management approach and its components GRI 406-1 (a): Incidents of discrimination and corrective actions taken GRI 404-2 (a): Programs for upgrading employee skills and transition assistance programs GRI 404-3: Percentage of employees receiving regular performance and career development reviews | <ul style="list-style-type: none"> SDG 3: Good Health & Well-being SDG 5: Gender Equality SDG 6: Clean Water & Sanitation SDG 8: Decent Work & Economic Growth SDG 10: Reduced Inequalities |
| PRINCIPLE 4 | <ul style="list-style-type: none"> GRI 101: Foundation GRI 102-40: List of stakeholder groups GRI 102-42: Identifying and selecting stakeholders GRI 102-43: Approach to stakeholder engagement GRI 103-2 (c-vii): The management approach and its components GRI 413-1: (a-vi) Operations with local community engagement, impact assessments, and development programs | <ul style="list-style-type: none"> SDG 2: Zero Hunger SDG 3: Good Health & Well-being SDG 4: Quality Education SDG 8: Decent Work & Economic Growth SDG 10: Reduced Inequalities SDG 11: Sustainable Cities & Communities |
| PRINCIPLE 5 | <ul style="list-style-type: none"> GRI 103-2 (c-i): The management approach and its components GRI 103-2 (c-vi): The management approach and its components | <ul style="list-style-type: none"> SDG 5: Gender Equality SDG 8: Decent Work & Economic Growth SDG 10: Reduced Inequalities |

| BRR | GLOBAL REPORTING INITIATIVE (GRI) | SUSTAINABLE DEVELOPMENT GOALS (SDG) |
|-------------|--|--|
| PRINCIPLE 6 | <ul style="list-style-type: none"> GRI 103-2 (c-i): The management approach and its components GRI 102-14: Statement from senior decision-maker GRI 102-15: Key impacts, risks, and opportunities GRI 103-2 (c-vii): The management approach and its components GRI 201-2: Financial implications and other risks and opportunities due to climate change GRI 103-2 (c-ii): The management approach and its components | <ul style="list-style-type: none"> SDG 7: Affordable & Clean Energy SDG 8: Decent Work & Economic Growth SDG 8.4: Global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation SDG 9: Industry, Innovation & Infrastructure SDG 12: Responsible Consumption & Production SDG 13: Climate Action SDG 15: Life on Land |
| PRINCIPLE 7 | <ul style="list-style-type: none"> GRI 102-13: Membership of associations GRI 415: Public Policy | <ul style="list-style-type: none"> SDG 17: Partnerships for the Goals SDG 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability |
| PRINCIPLE 8 | <ul style="list-style-type: none"> GRI 103-2 (c-vii): The management approach and its components GRI 103-2 (a): The management approach and its components GRI 413-1 (a-i and a-ii): Operations with local community engagement, impact assessments, and development programs GRI 203-1: Infrastructure investments and services supported GRI 103-3: Evaluation of the management approach | <ul style="list-style-type: none"> SDG 1: No Poverty SDG 5: Gender Equality SDG 8: Decent Work & Economic Growth SDG 10: Reduced Inequalities SDG 11: Sustainable Cities & Communities SDG 12.8: Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature |
| PRINCIPLE 9 | <ul style="list-style-type: none"> GRI 103-2 (c-vi): The management approach and its components GRI 103-2 (c-ii): The management approach and its components GRI 417-1: Requirements for product and service information and labeling GRI 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices GRI 417-2: Incidents of non-compliance concerning product and service information and labeling GRI 417-3: Incidents of non-compliance concerning marketing communications GRI 102-43: Approach to stakeholder engagement | <ul style="list-style-type: none"> SDG 12.8: Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature SDG 16: Peace, Justice & Strong Institutions SDG 16.5: Substantially reduce corruption and bribery in all their forms |

Business Responsibility Report for the year ended March 31, 2022 
Annexure I

APPENDIX – MAPPING DETAILS OF GRI WITH SECTION A, B, C, D OF BRR

SECTION A GENERAL INFORMATION ABOUT THE COMPANY

- 1 GRI 102 - 1: Name of the organization
- 2 GRI 102 -3: Location of headquarters
- 3 GRI 102 - 53: Contact point for questions regarding the report
- 4 GRI 102 - 50: Reporting period
- 5 GRI 102-2(b): Activities, brands, products, and services
- 6 GRI 102-4: Location of operations
- 7 GRI 102-6: Markets served

SECTION B – FINANCIAL DETAILS ABOUT THE COMPANY

- 8 GRI 102-7: Scale of the organization
- 9 GRI 102-2 (a): Activities, brands, products, and services

SECTION C – OTHER DETAILS

- 10 GRI 102-45: Entities included in the consolidated financial statements

SECTION D – BR INFORMATION

- 11 GRI 102-20: Executive-level responsibility for economic, environmental, and social topics
- 12 GRI 102-18: Governance structure
- 13 GRI 102-26: Role of highest governance body in setting purpose, values, and strategy
- 14 GRI 102-43: Approach to stakeholder engagement
- 15 GRI 102-55 (b-ii): GRI content index
- 16 GRI 103: General requirements for reporting the management approach
- 17 GRI 103-2 (c-i & c-vi): The management approach and its components
- 18 GRI 103-3: Evaluation of the management approach
- 19 GRI 102: General Disclosures
- 20 GRI 102-31: Review of economic, environmental, and social topics
- 21 GRI 102-52: Reporting cycle

Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

Orient Electric Limited ("**Orient**" or "the **Company**" or "**We**" or "**Our**"), strives to continuously "uphold" highest standards of Corporate Governance in all its business operations thereby creating a sustainable culture and long-term value creation for shareholders. Your Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its stakeholders and firmly believes that the same could be achieved by maintaining transparency in its dealings, strong control discipline, creating robust policies and practices, digitally enabled processes and systems with clear accountability, integrity and transparent governance practices.

Responsible corporate behaviour is integral to the way we conduct our day-to-day business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At Orient, we are committed to doing things in the proper manner which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations. We believe, success requires highest standards of corporate governance towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe. Strong corporate governance founded on values is the bedrock of the sustained performance at the Company and fuels the Company's vision to achieve the respect of stakeholders.

BOARD OF DIRECTORS

The Board of Directors (the "**Board**") are responsible for and committed to enforce sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

Board is the apex body constituted by the shareholders for overseeing the Company's overall functioning. The Board provides the Company's strategic directions, evaluates management policies and their effectiveness, and ensures that shareholders' long term interests are being served. The Board has delegated the operational conduct of the business to the Managing Director & CEO of the Company.

Board Composition

The Company has an optimal and diverse combination of Executive, Non-Executive and Independent Directors to maintain the independence of the Board from the management, which is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 (the "**Act**") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the "**Listing Regulations**"). The Board of the Company comprises of two Non-Executive Directors, one Executive Director, designated as Managing Director & CEO, and three Non-Executive-Independent Directors, one of whom is a woman Director. The Chairman of the Company is a Non-Executive Promoter Director. An Independent Director is the chairperson of each of the Board committees viz. Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

None of the Directors is a Director in more than 10 public limited companies, and Director in more than 7 listed entities or acts as an Independent Director in more than 7 listed entities or 3 listed entities in case he/she serves as a Whole-time Director/ Managing Director in any listed entity, as specified in Regulation 17A of the Listing Regulations. Further, none of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees, as specified in Regulation 26 of the Listing Regulations, across all the Indian public limited companies in which he/ she is a Director. None of the Directors of the Company is, *inter-se*, related to each other.

During the year under review, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and with the approval of the shareholders of the Company, Mr. Rakesh Khanna, (DIN: 00266132), has been re-appointed as the Managing Director of the Company for a further period of two years with effect from January 23, 2022.

Each Director of the Company provides disclosures containing details of the Board and Committee positions he/ she occupies in other Companies and changes therein, if any.

Directorship and membership of Committees and shareholding of Directors

Number of directorships of each Director of the Company, the committee positions held by them in the companies and the list of equity listed entities where he/she is a director alongwith the category of their directorships and other details, as on March 31, 2022 are given hereafter:

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| Name of Director(s) | Position / Category | Directorship & Category in other Listed Entities | No. of Directorship held* | Membership and Chairmanship of the Committees of the Board** | | No. of shares held in the Company |
|-----------------------------|--|---|---------------------------|--|--------------|-----------------------------------|
| | | | | Membership (Including Chairmanship) | Chairmanship | |
| Mr. Chandra Kant Birla | Chairman – Promoter -Non-Executive | Non-Executive Director of Birlasoft Limited, HIL Limited, Orient Cement Limited and Orient Paper & Industries Limited | 5 | Nil | Nil | 3485893 |
| Mr. Desh Deepak Khetrapal | Vice Chairman Non-Promoter-Non-Executive | Managing Director of Orient Cement Limited and Non – Executive Director of HIL Limited | 3 | 4 | Nil | Nil |
| Mr. Rakesh Khanna | Managing Director & CEO Non-Promoter – Executive | Nil | 1 | 1 | Nil | 100 |
| Mr. TCA Ranganathan | Independent – Non-Executive | Independent Director of Security and Intelligence Services (India) Limited | 2 | 2 | 2 | Nil |
| Mr. K Pradeep Chandra | Independent – Non-Executive | Independent Director of Moschip Technologies Limited | 2 | 3 | Nil | Nil |
| Mrs. Alka Marezban Bharucha | Independent – Non-Executive | Independent Director of Birlasoft Limited, Hindalco Industries Limited, Honda India Power Products Limited and Ultratech Cement Limited | 5 | 9 | 4 | Nil |

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

**Membership(s) / Chairmanship(s) of only Audit and Stakeholders' Relationship committees in all public limited companies are considered.

Roles and Responsibility of Board of Directors

The Company believes that an active, well-informed, diversified and independent board is necessary to ensure the highest standards of corporate governance. Board is at the core of best corporate governance practice. The Board oversees the management's functions and protects the long-term interests of our stakeholders.

Roles of Board of Directors

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value through strategic direction to the management.

- Directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.
- Provide strategic guidance to the Company, ensures effective monitoring of the management and is accountable to the Company and the shareholders.
- The Board has a fiduciary responsibility to ensure that the

Company has clear goals aligned to shareholder value and its growth.

- Monitor the effectiveness of the Company's governance practices and makes changes as needed.
- Exercise independent judgment on corporate affairs.
- Assigns sufficient number of non-executive members of the Board of Directors capable of exercising independent judgment in tasks where there is a potential for conflict of interest.
- Review and guide corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

Responsibility of Board of Directors

The responsibilities and authority of the Chairman, Vice – Chairman, Managing Director & CEO and Independent

Directors are as follows:

The Chairman leads the Board. As Chairman, he is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board and of the shareholders of the Company.

The Chairman takes a lead role in managing the Board functions and facilitates effective communication among directors. The Chairman provides independent leadership to the Board, identifies guidelines for the conduct and performance of directors, and oversees the management of the Board's administrative activities, such as meetings, schedules, agendas, communication and documentation.

The Managing Director & CEO is responsible for executing corporate strategy in consultation with the Board, as well as for brand equity, planning, building external contacts and all matters related to the management of the Company. He is responsible for achieving annual and long-term business targets. He also monitors the external and internal competitive landscape, and new industry developments and standards, identifies opportunities for expansion and builds relationships with customers and markets with an eye to enhance shareholder value and implement the Company's vision, mission, and strategies. He acts as a link between the Board and the management and is also responsible for leading and evaluating the work of other executive leaders including the Key Managerial Personnel and the Senior Management Personnel of the Company, as per the organizational structure.

Responsibilities of Independent Directors

The responsibilities of Independent Directors primarily includes:

- to act in good faith in order to promote the objects of the Company for the benefit of its members, and in the best interests of the Company, its employees, the community and for the protection of environment;
- to exercise their duties with due and reasonable care, skill and diligence;
- not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or

associates;

- act in the way they considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members;
- to foster the Company's business relationships with suppliers, customers and others; and
- not to enter into any legal or other commitment or contract on behalf of the Company.

Board Procedure

A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations, if any, is sent to each Director at least seven days before the date of the Board meeting(s) and of the Committee meeting(s) except where meetings have been convened at a shorter notice to transact urgent business. Video Conferencing facilities are provided to enable Directors who are unable to attend the meetings in person, to participate in the meeting via Video Conferencing. In the backdrop of continuing threat of COVID-19, the Central and State Government(s), from time to time, issued several directives necessitating social distancing, travel and other restrictions. Pursuant to various notifications, issued by the MCA, SEBI and the Institute of Company Secretaries of India on conducting Board / Committee meetings through video conferencing or other audio-visual means, arrangement for conducting the Board / Committee meetings, during the financial year 2021-22, through video conferencing were made.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Managing Director & CEO apprises the Board at every meeting on the overall performance of the Company.

The Board also, *inter alia*, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), compliance report(s) of all laws applicable on the Company, performance of divisions, review of major legal issues, minutes of the Committees of the Board, approval of quarterly / half-yearly / annual results, risk management, transactions pertaining to purchase/disposal of property(ies), status of meeting with financial obligations, fatal or serious accidents, if any, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of the Company, quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement.

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The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Company has well-established framework for the meetings of the Board and its Committees which seeks to systematise the decision-making process at the meetings in an informed and efficient manner.

Availability of Information to Board Members

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

The Board has unrestricted access to all Company-related information. With a view to ensure high standards of confidentiality of agenda and other Board papers and reduce paper consumption, the Company circulates to its Directors, notes for Board/Committee meetings through a web-based application which can be accessed by the Directors through their hand-held devices, browsers and iPads. This application meets high standards of security that are required for storage and transmission of Board/Committee agenda papers.

Information is provided to the Board members on a continuous basis for their review, inputs and approval. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements. Specific details of important managerial decisions, material positive / negative developments and statutory matters are presented to the committees of the Board and later, with the recommendation of the respective committees, to the Board for its approval. With the unanimous consent of the Board, all information

which is in the nature of Unpublished Price Sensitive Information, is circulated to the Board and its Committees at a shorter notice before the commencement of the respective meetings on a secure platform.

At Board and Committee meetings, Directors provide their inputs and suggestions on various strategic and operational matters.

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia*, help in maintaining high standards of Board governance vide making all arrangements for the proper conduct of the meetings in compliance of applicable regulatory provisions, timely distribution of agenda and related documents, recording the minutes of such meetings, prompt and transparent communication of Board decisions, updating the Board / committees on the actions taken as per their suggestions / directives on specific matters. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

Attendance of Directors at Board and General Meetings

All the Board members attended all the Board meetings held during the financial year 2021-22. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The details of attendance of Directors at Board Meetings and at the Annual General Meeting ("AGM") of the Company, held during the financial year 2021-22, are as below:

| Name of the Director | AGM | Board Meetings | | | | |
|---------------------------------|-----|----------------|--------------|---------------|------------------|------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| | | July 29, 2021 | May 12, 2021 | July 29, 2021 | October 23, 2021 | January 20, 2022 |
| Mr. Chandra Kant Birla (C) | Y | Y | Y | Y | Y | Y |
| Mr. Desh Deepak Khetrapal (VC) | Y | Y | Y | Y | Y | Y |
| Mr. Rakesh Khanna (M) | Y | Y | Y | Y | Y | Y |
| Mr. TCA Ranganathan (M) | Y | Y | Y | Y | Y | Y |
| Mr. K Pradeep Chandra (M) | Y | Y | Y | Y | Y | Y |
| Mrs. Alka Marezban Bharucha (M) | Y | Y | Y | Y | Y | Y |
| Attendance Percentage (%) | 100 | 100 | 100 | 100 | 100 | 100 |

Y- Attended, C - Chairman, VC - Vice Chairman, M - Member

Board Membership

The Company believes that a diverse skill set is required to avoid biased group thinking and to arrive at balanced decisions. The Nomination and Remuneration Committee is primarily responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. It identifies the persons as potential candidates who are qualified to be appointed as Directors and recommends to the Board their appointment and removal.

The Board has sufficient breadth of skills in areas of, amongst others, finance, legal, consulting, operations, marketing, business strategy and general management. The Nomination and Remuneration Committee also recommends to the Board on matters relating to extension or continuation of the term of appointment of Independent Directors on the basis of the performance evaluation of Directors.

The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. 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 skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of relevance to the Company;
- Balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper adherence of responsibilities;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Skills / Expertise / Competencies of Board of Directors

As on March 31, 2022, the Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. A matrix setting out the core skills, expertise and competencies identified by the Board of Directors in the context of the Company's businesses and sectors as required for it to function effectively and those actually available with the Board alongwith the names of Directors who have such skills, expertise and competence, are given below:

| Skills and its description | Board of Directors | | | | | |
|---|------------------------|---------------------------|-------------------|---------------------|-----------------------|-----------------------------|
| | Mr. Chandra Kant Birla | Mr. Desh Deepak Khetrapal | Mr. Rakesh Khanna | Mr. TCA Ranganathan | Mr. K Pradeep Chandra | Mrs. Alka Marezban Bharucha |
| Leadership of large organizations Experience of leading operations of large organizations with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Visioning and Strategic Planning Expertise in developing and implementing strategies for sustainable and profitable growth in the changing business environment. Ability to assess the strengths and weaknesses of the Company and devise strategies to gain competitive advantage. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Consumer Insights and Innovation Insights of consumer behaviour and experience in understanding trends of consumer preferences and Innovation management. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



Skills and its description

Board of Directors

| | Mr. Chandra Kant Birla | Mr. Desh Deepak Khetrapal | Mr. Rakesh Khanna | Mr. TCA Ranganathan | Mr. K Pradeep Chandra | Mrs. Alka Marezban Bharucha |
|--|------------------------|---------------------------|-------------------|---------------------|-----------------------|-----------------------------|
| Financial Management and Accounting Expertise in understanding and management of complex financial functions and processes of large organisations, deep knowledge of accounting, finance and treasury for financial health of the Company. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Governance and Regulatory requirements of large Companies Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| General management/ Governance Strategic thinking, decision making and protecting interest of all stakeholders | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Independent Directors

In the opinion of the Board, the Independent Directors fulfil the conditions specified in Listing Regulations and all are independent of the management.

The Independent Directors are appointed by the members of the Company and letter of appointment is issued to them as per Schedule IV of the Act. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company viz. <https://www.orientelectric.com/images/investors/Terms-Conditions-of-Appointment-of-Independent-Directors.pdf>

The Board, as on the date of this report, has three Independent Directors, out of which one is women Director.

Meeting of Independent Directors

During the year under review, meeting of the Independent Directors was held on November 26, 2021, without the attendance of Non-Independent Directors and members of the management, *inter alia*, to evaluate:

- Performance of Non-Independent Directors and the Board;
- Performance of the Chairperson of the Company, considering the views of Executive Director and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

All the Independent Directors attended the Meeting.

Familiarization Programme

In order to enable the Board to discharge its functions effectively, the Directors are periodically updated in the Board / committee meetings and otherwise as well, on varied matters which includes Company's business strategies, policies, performance, new products, market share, risks alongwith mitigation plans, environmental and social impact of the business, investor relations and regulatory changes. Deep dive sessions are also organised on specific subjects for better appreciation by the Board of its impact on the business. Auditors, Company Secretary and other agencies also provides updates, from time to time, on regulatory changes and environmental developments that impact the strategies and operations of the company. All our Directors are aware and are also updated as and when required, of their role, responsibilities and liabilities.

The details of such familiarization programmes for Independent Director(s) are available on the website of the Company and can be accessed through the following link: <https://www.orientelectric.com/images/investors/familiarisation-programme.pdf>

Directors' Performance Evaluation

The Nomination and Remuneration Committee of the Board of the Company has devised a policy for performance evaluation of the individual Directors, the Board and its Committees, which includes criteria for performance evaluation.

Independent Directors' meeting, in accordance with the provisions of section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the Listing Regulations, was convened on November 26, 2021, to review the performance of Non- Independent Non-Executive Directors,

Managing Director & CEO and also the Board, respectively and to assess the flow of information between the Board and the Management.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors as well as Committees of the Board. The Board's performance was evaluated based on inputs received from all the Directors. Feedback was sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation is carried out based on the responses received from the Directors / Committee members. The performance evaluation of Independent Directors was based on various criteria, *inter alia*, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends.

The Board expressed satisfaction with its overall effectiveness and performance and lauded the Company's ethical standards and transparency. It was noted that the Board is functioning as a highly effective and cohesive body. It was also noted that the Committees are functioning effectively in accordance with their defined terms of reference. The evaluation process clearly brought out the high governance standards of the Company, the resilience of the Board and the management and the constructive relationship between the Board and the management. The Board lauded the outstanding leadership demonstrated by the management.

BOARD COMMITTEES

In compliance with the statutory requirements, the Board has constituted various sub-committees with specific terms of reference and scope. The objective is to focus effectively on specific areas and ensure expedient resolution and decision-making. The committees operate as the Board's empowered delegate according to their terms of reference. Committee demonstrates highest levels of governance standards and has the requisite expertise to handle issues relevant to its field. These Committees spend considerable time and provide focused attention to various issues placed before them. The guidance provided by these Committees lend immense value and support, enhancing the efficiency of the decision-making

process of the Board. The Board reviews the functioning of these Committees from time to time.

Committee meetings are normally held prior to the Board meeting and the Chairperson of the respective committees update the Board about the deliberations, recommendations and decisions taken by the Committee. During the year, all recommendations of the committees were approved by the Board.

The Company has five Board-level Committees, namely:

1. Audit Committee
2. Risk Management Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee
5. Stakeholders' Relationship Committee

**AUDIT COMMITTEE
Composition, Meetings and Attendance**

Audit Committee comprises of four Directors, three of whom are independent. The Chairman of the Committee, Mr. TCA Ranganathan, Independent Director, has sound financial knowledge. All members of the Audit Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of section 177 of the Act and the Listing Regulations.

The Company Secretary is the Secretary to the Committee. The Managing Director & CEO, Chief Financial Officer, Group Internal Auditor, the Chief Internal Auditor, the Statutory Auditors and Internal Auditors are permanent invitees to the Committee meetings.

The Chairman of the Committee was present at the last AGM, held on July 29, 2021. During the financial year 2021-22, the Committee met four times i.e. on May 12, 2021, July 29, 2021, October 23, 2021 and January 20, 2022. The time gap between two consecutive meetings did not exceed 120 days.

All recommendations made by the Audit Committee were accepted by the Board.

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The composition of Audit Committee and the attendance of members at the meetings held during the financial year 2021-22, are given below:

| Name of the Director | Audit Committee Meetings | | | |
|--|--------------------------|---------------|------------------|------------------|
| | 1 | 2 | 3 | 4 |
| | May 12, 2021 | July 29, 2021 | October 23, 2021 | January 20, 2022 |
| Mr. TCA Ranganathan (C) Independent Director | Y | Y | Y | Y |
| Mr. Desh Deepak Khetrapal (M) Non-Executive Director | Y | Y | Y | Y |
| Mr. K Pradeep Chandra (M) Independent Director | Y | Y | Y | Y |
| Mrs. Alka Marezban Bharucha (M) Independent Director | Y | Y | Y | Y |
| Attendance Percentage (%) | 100 | 100 | 100 | 100 |

Y-Attended, C – Chairman, M- Member

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and performs the functions as per terms of reference.

Role / Terms of Reference of Audit Committee

The terms of reference of the Audit Committee primarily includes the following:

- Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
- Consider and recommend to the Board, the appointment (including filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment (including qualification and experience) of independent Statutory Auditors, Internal Auditors, Cost Auditor and Secretarial Auditor.
- Review and approval of non-audit services that can be provided by the Statutory Auditors and their network firms alongwith approval of payment for such non-audit services.
- Approval of all transactions with related party(ies), subsequent modifications thereof and review of the statement of significant related party transactions with specific details of the transactions.
- Discussion with the Statutory Auditors before the commencement of audit about the nature and scope of the audit to be conducted and post-audit discussion to ascertain any areas of concern.

- To call for comments of the Auditors about internal control system, including the observation of the Auditors, review financial statements before their submission to the Board and discussion on any related issues with the Internal and Statutory Auditors and the management of the Company.
- Review, with the management, the quarterly financial statements before submission to the Board for approval.
- Review, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statement.
 - Disclosure of all related party transactions.
 - Modified opinion(s), if any, in the draft audit report.

- Review the following information:
 - Management Discussion and Analysis of financial condition and results of operations.
 - Management letter/ letters of internal control weaknesses issued by the Statutory Auditors.
 - Internal Audit Reports relating to internal control weaknesses.
 - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances.
- Oversee the functioning of the Vigil Mechanism/ Whistle Blower Mechanism.
- Review the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Approve the appointment of Company's Chief Financial Officer after assessing the qualifications, experience and background, among others, of the candidate.
- Evaluation of Company's internal financial controls and risk management systems.
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between Internal and Statutory Auditors.
- Review the state and adequacy of internal controls with key members of the management, Statutory Auditors and Internal Auditors.
- Discuss with the Internal Auditor the coverage, functioning, frequency and methodology of internal audits as per the annual audit plan and discuss significant findings and

follow up thereon.

- Review and monitor the Statutory and Internal Auditor's independence, performance and effectiveness of audit process.
- Review and scrutinise the inter-corporate loans and investments.
- Monitor and review with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilised for purposes, other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency for monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Appointment of a registered valuer of the Company and fixation of their terms and conditions.
- The Audit Committee shall also undertake such other functions, as may be assigned by the Board from time to time, or as may be stipulated under any law, rules or regulations including the Listing Regulations and the Act.

Powers of the Audit Committee

- Investigate any activity within its terms of reference.
- Seek any information that it requires from any employee of the Company.
- Obtain outside legal or independent professional advice.
- Secure attendance of outsiders with relevant expertise.
- Access sufficient resources to carry out its duties.

Fees paid to Statutory Auditor

Total fees for all services paid by the Company to the statutory auditors and all entities in the network firm/ network entity of which it is a part, is given below:

| | | (INR crores) | |
|--------|---|--------------------------------|-------------|
| S. No. | Particulars | | Amount* |
| 1 | Payment to M/s. S.R. Batliboi & Co. LLP | For Statutory Audit | 0.54 |
| | | For Other Services | 0.01 |
| 2 | Payment to network firms / entity | Consultancy / Advisory Charges | 0.29 |
| | Total | | 0.84 |

*Excluding reimbursement of expenses and taxes.

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RISK MANAGEMENT COMMITTEE

Composition, Meetings and Attendance

In compliance with the requirements of the Listing Regulations, the Company has constituted Risk Management Committee to focus on risk management including determination of Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation). The Committee is required to lay down the process to inform the Board about the risk assessment and minimisation procedures and to enable the Board for framing, implementing and monitoring the Risk Management Plan of the Company.

The Risk Management Committee comprises of four Non-Executive Directors out of whom three are independent Directors. The Company Secretary is the Secretary to the Committee. The Managing Director & CEO and Chief Risk Officer are permanent invitees to the Committee meetings. The Committee operates as per its charter approved by the

Board and within the broad guidelines laid down in it. The Company has a Risk Management Policy in accordance with the provisions of the Act and Listing Regulations. The Board takes responsibility for the overall process of risk management in the organisation. Through Enterprise Risk Management Programme, business units and corporate functions address identified risks with an institutionalized approach aligned to the Company's objectives. The business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are thoroughly discussed with the senior management before being presented to the Risk Management Committee.

The Chairman of the Committee was present at the last AGM, held on July 29, 2021. During the financial year 2021-22, the Committee met two times i.e. on May 12, 2021 and October 23, 2021. The time gap between two consecutive meetings did not exceed 180 days.

The composition of the Risk Management Committee and attendance of its members at its meetings held during the financial year 2021-22 is as follows:

| Name of the Director | Risk Management Committee Meetings | |
|--|------------------------------------|------------------|
| | 1 | 2 |
| | May 12, 2021 | October 23, 2021 |
| Mr. TCA Ranganathan (C) Independent Director | Y | Y |
| Mr. Desh Deepak Khetrapal (M) Non-Executive Director | Y | Y |
| Mr. K Pradeep Chandra (M) Independent Director | Y | Y |
| Mrs. Alka Marezban Bharucha (M) Independent Director | Y | Y |
| Attendance Percentage (%) | 100 | 100 |

Y-Attended, C – Chairman, M- Member

Terms of Reference of Risk Management Committee

The terms of reference of the Risk Management Committee primarily includes the following:

- Frame, implement and monitor the Risk Management Policy of the Company;
- Laying down framework for identification of internal and external risks, including primarily financial, operational, sectoral, sustainability, business continuity plan, information, cyber security, strategic, catastrophic, governance & compliance risks and other Company specific risks;
- Review the Company's risk governance structure, risk assessment and risk management practices and procedures;
- Reviewing the adoption and implementation of policies, procedures, controls and systems to measure risk and actions for mitigations thereof;
- Periodically review and monitor risks of each business vertical and functions of the Company and mitigation plans thereof;
- Continually obtaining reasonable assurance from

management that all known and emerging risks have been identified and mitigated or managed;

- Review compliance with risk policies, monitor breach/ trigger points of risk tolerance limits and direct action;
- Review the development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks and provide oversight of risk across organisation;
- Delegate authorities from time to time to the Committee Members, Executives, Authorized persons to implement the decisions of the Committee and execution of necessary documents;
- Ensuring compliance with regulatory requirements and best practices with respect to risk management;
- To obtain advice and assistance from internal or external legal, accounting or other advisors;
- Periodically reporting to the Board;
- Performing such other functions as may be necessary or directed by the Board.

NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings and Attendance

The Nomination and Remuneration Committee comprises of four Non-Executive Directors, of whom three members, including the Chairman of the Committee, are Independent Directors. The composition of the Committee meets the

requirements of section 178 of the Act and Regulation 19 of the Listing Regulations. Company Secretary is the Secretary to the Committee.

The Nomination and Remuneration Committee of the Company functions according to its terms of reference, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions.

The Committee has been vested with the authority to, *inter alia*, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, establish Director retirement policies and appropriate succession plans and determine overall compensation policies of the Company. The Committee also administers the Company's Employee Stock Option Scheme. The Committee supervises the annual Board performance exercise and has laid down a set of structured questionnaires for such evaluation. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of the Board, Committees of the Board and individual Directors.

The Chairperson of the Committee was present at the last AGM, held on July 29, 2021. During the financial year 2021-22, the Committee met two times i.e. on May 11, 2021 and January 20, 2022.

The composition of the Nomination and Remuneration Committee and attendance of its members at its meetings held during the financial year 2021-22 is as follows:

| Name of the Director | Nomination and Remuneration Committee Meetings | |
|--|--|------------------|
| | 1 | 2 |
| | May 11, 2021 | January 20, 2022 |
| Mrs. Alka Marezban Bharucha (C) Independent Director | Y | Y |
| Mr. Chandra Kant Birla (M) Non-Executive Director | Y | Y |
| Mr. TCA Ranganathan (M) Independent Director | Y | Y |
| Mr. K Pradeep Chandra* (M) Independent Director | NA | Y |
| Mr. Desh Deepak Khetrapal** (M) Non-Executive Director | Y | NA |
| Attendance Percentage (%) | 100 | 100 |

Y-Attended, C – Chairperson, M- Member

*Appointed w.e.f. October 23, 2021 **Resigned w.e.f. October 23, 2021.



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Terms of Reference of Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee, as approved by the Board and amended from time to time, includes the following:

- Formulation and recommendation to the Board, of a policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.
- Recommend to the Board, all remuneration, in whatever form, payable to Directors, Key Managerial Personnel and Senior Management Personnel.
- Formulation and administration of ESOP plans.
- Formulation of the criteria/ policy for appointment of Directors, Key Managerial Personnel and Senior Management Personnel, which shall, *inter-alia*, include qualifications, positive attributes, diversity and independence of a Director.
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees.
- Evaluate the balance of skills, knowledge, experience and diversity on the Board.
- Specifying the description of the roles and capabilities, required for a particular appointment.
- Identify and recommend to the Board, persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management Personnel in accordance with the criteria laid down and their removal thereof.
- Formulation of criteria for Board Performance Evaluation.
- Conduct an annual evaluation of the overall effectiveness of the Board, the Committees of the Board and the performance of each Director.

Nomination and Remuneration Policy

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company's business model promotes consumer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. Further, details on the criteria of remuneration for Directors, Key Managerial Personnel and Senior Management Personnel are provided

in the Nomination and Remuneration Policy of the Company, drafted in accordance with the provisions of the Act and the Listing Regulations.

In accordance with this Policy, the responsibilities of Nomination and Remuneration Committee, *inter alia*, include:

- Formulation of criteria and its review on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director, based on the qualities, including independence for Independent Directors, and such expertise which may be beneficial for the Company and essential for it to operate in changing business environment. Identification of persons as potential candidates, who are qualified to be appointed as Directors and recommend their re-appointment, if any, to the Board after taking into consideration the performance of a Director.
- The Nomination and Remuneration Committee, *inter alia*, has been entrusted with the responsibility of evaluating the performance of every Director, Committees of the Board and the Board.
- Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel:
 - a. Remuneration to Non-Executive Directors: The Nomination and Remuneration Committee shall recommend to the Board for its approval, commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies. The Nomination and Remuneration Committee considers and recommends commission payable to Directors after considering their contribution to the decision making at meetings of the Board/ Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.
 - b. Compensation to Managing Director or Executive Director: The Committee shall approve compensation package of the Managing Director or Executive Director(s). The Committee ensures that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, as per industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
 - c. Compensation to Key Managerial Personnel and Senior Management Personnel: The Nomination and Remuneration Committee shall review

performance of the Key Managerial Personnel and Senior Management Personnel of the Company. The Committee shall ensure that the remuneration to the Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Policy of the Company is available on the Company's website and can be accessed

at <https://www.orientelectric.com/images/investors/nomination-remuneration-policy.pdf>.

Re-appointment of Managing Director: During the financial year 2021-22, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, which was based on the performance evaluation carried out, shareholders of the Company approved the re-appointment of Mr. Rakesh Khanna as the Managing Director of the Company for a further period of two years with effect from January 23, 2022.

Remuneration paid / accrued to the Managing Director & CEO during / for the financial year 2021-22:

(INR crores unless otherwise stated)

| Name | Salary, Allowances & Perquisites | Annual performance Linked Pay & performance criteria | Retiral Benefit | Total* | Notice / Severance Period | No. of Shares held |
|---|----------------------------------|--|-----------------|--------|---------------------------|--------------------|
| Mr. Rakesh Khanna | 2.65 | 0.71 | 0.35 | 3.71 | 3 Months | 100 |
| Managing Director & CEO's performance and Company's performance | | | | | | |

*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 2021-22 has been considered as per the provision taken in the financials of the Company in accordance with its provision policy.

Mr. Khanna is holding 5,13,138 stock options of the Company, having an exercise price of Rs. 144.10 per option, vesting in the ratio of 40% and 60% in April 2022 and April 2023, respectively. Allotment of shares against such vesting is subject to his exercise. Mr. Khanna is also entitled for long term cash incentive of upto Rs. 1.46 crores, due for payment in the ratio of 40% and 60% in April 2022 and April 2023, respectively, payment whereof is subject to fulfilment of certain terms and conditions.

Details of remuneration and sitting fees paid/ accrued to Non-Executive and Independent Directors and their shareholding in the Company as on March 31, 2022, are as follows:

(INR crores unless otherwise stated)

| Directors' Name | Sitting fees | Commission* | Shareholding (No.) |
|------------------------------|--------------|-------------|--------------------|
| Mr. Chandra Kant Birla | 0.060 | 0.450 | 34,85,893 |
| Mr. Desh Deepak Khetrpal | 0.130 | 0.225 | Nil |
| Mr. TCA Ranganathan | 0.140 | 0.200 | Nil |
| Mr. K Pradeep Chandra | 0.145 | 0.170 | Nil |
| Mrs. Alka Marezbhan Bharucha | 0.135 | 0.170 | Nil |

*For the financial year 2021-22.

STAKEHOLDERS' RELATIONSHIP COMMITTEE Composition, Meetings and Attendance

Stakeholders' Relationship Committee comprises of three Board members, majority of whom being Independent Director. Chairperson of the Committee is woman Independent Director. Company Secretary acts as the Secretary to the Committee. Chief Financial Officer is permanent invitee to the committee meetings. The Committee meets, as and when required, to *inter alia*, deal with matters relating to transfer /transmission of shares, issue of duplicate share certificates, issue of new share certificates (including for

transfer to Investor Education & Protection Fund as per the provisions of the Act and Rules framed thereunder), resolve the grievances of security holders of the Company including complaints related to dematerialisation of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates etc., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Transfer Agent, review of various measures and initiatives taken by the Company for reducing the quantum of

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unclaimed dividends and ensuring timely receipt of dividend warrants/demand drafts/annual reports/statutory notices by the shareholders of the Company.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and section 178 of

the Act, as applicable, besides other terms as referred by the Board of Directors.

The Chairperson of the Committee was present at the last AGM, held on July 29, 2021. During the financial year 2021-22, the Committee met two times i.e. on July 29, 2021 and January 20, 2022.

The composition of the Stakeholders' Relationship Committee and attendance of its members at its meetings held during the financial year 2021-22 is as follows:

| Name of the Director | Stakeholder's Relationship Committee Meetings | |
|--|---|------------------|
| | 1 | 2 |
| | July 29, 2021 | January 20, 2022 |
| Mrs. Alka Marezban Bharucha (C) Independent Director | Y | Y |
| Mr. Rakesh Khanna (M) Executive Director | Y | Y |
| Mr. K Pradeep Chandra (M) Independent Director | Y | Y |
| Attendance Percentage (%) | 100 | 100 |

Y-Attended, C – Chairperson, M- Member

Terms of Reference of Stakeholders' Relationship Committee

The terms of reference of the Stakeholders' Relationship Committee, as approved by the Board and amended from time to time, includes the following:

- Formulation of procedures, in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- Consider and resolve the complaints/ grievances of security holders of the Company, including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividend and general meetings.
- Dematerialise or re-materialise the share certificates.
- Sub-divide, consolidate and/ or replace any share or other security certificate(s) of the Company.
- Issue duplicate share/ other security certificate(s) in lieu of the original share/ security certificate(s) of the Company.
- Approve, register and refuse to register transfer/ transmission of shares and other securities.
- Oversee & review, all matters connected with the transfer of securities of the Company.
- Oversee the performance of the Company's Registrar and Share Transfer Agent and review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent.
- Recommend methods to upgrade the standard of services to the investors.
- To deal with the Company's unclaimed/ undelivered shares, as prescribed in the Listing Regulations and review the 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- To further delegate all or any of the powers to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Steps taken for unclaimed dividend: During the year, the Company, through its Registrar and Share Transfer Agent ("RTA"), has sent SMS to those shareholders of the Company, whose dividend amount remains unclaimed and their mobile numbers were available. The Company has reminded for encashment of outstanding dividend in its various

communication to shareholders. The shareholders are hereby further requested to send the un-encashed dividend warrant(s) or, alternatively, send the undertaking, as shared by the RTA, duly signed (as per specimen signature registered with the RTA – Kfin Technologies Ltd. / Depository Participant) together with a self-certified copy of your PAN card to enable the Company to pay your un-encashed dividend.

KYC updation for physical shareholders: SEBI vide its circular number SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021 mandated for updation of PAN, Contact Details (postal address with PIN, email and mobile number), bank account details, specimen signature and nomination by all the shareholders holding shares in physical mode. Folios, where any of the above details shall not be available on or after April 01, 2023, shall be frozen by the RTA and such shareholders thereafter shall not be eligible to lodge grievance or avail service from the RTA and receive dividend in physical mode, unless the aforesaid details are furnished. If such folios continue to remain frozen as on December 31, 2025, such frozen folios, thereafter, are required to be reported to administrative authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002. Therefore, shareholders of the Company, holding shares in physical mode are requested to immediately update their aforesaid KYC details with the RTA of the Company to avoid any hardship /consequences as above. For facilitating to update their aforesaid KYC details, the Company has made following forms available on its website:

Forms for shareholders, holding shares in physical mode:

Form ISR-1 - Request for registering PAN, KYC details or changes / updation thereof

Form ISR-2 -Confirmation of signature of security holder by the banker

Form ISR-3 - Declaration for Opting-out of Nomination by holders of physical securities

Trend of complaints and number of shareholders during last four years:

| Financial year | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--|---------|---------|---------|---------|
| Total No. of complaints received and resolved* | 1 | 0 | 1 | 3 |
| No. of shareholders as on March 31 | 80,210 | 47,061 | 31,035 | 30,497 |

*Does not include general query /communications, not in the nature of complaint, which were suitably responded.

Form ISR-4 - Request for issue of Duplicate Certificate and other Service Requests

Forms for all shareholders:

Form SH13 - Nomination Form

Form SH-14 - Cancellation or Variation of Nomination.

Shareholders can download the aforesaid Forms, as applicable / required, fill in the details and send to the RTA of the Company for updating the details.

Company Secretary / Compliance Officer

Mr. Hitesh Kumar Jain
 Company Secretary
 Address: 240, Okhla Industrial Estate, Phase-III,
 Okhla, New Delhi-110020
 E-mail: investor@orientelectric.com

Details of Shareholders'/ Investors' Complaints

We have a Board-level Stakeholders' Relationship Committee to examine and redress complaints by shareholders and investors. The status of complaints is periodically reported to the Stakeholders' Relationship Committee and to the Board. The Stakeholders Relationship Committee meets as often as required to resolve shareholder grievances.

Shareholders may note that the share transfers / transmission, dividend payments and all other investor-related activities are attended to and processed at the office of the Company's RTA.

For any grievances / complaints, shareholders may contact the RTA, KFin Technologies Limited ("Kfintech") at inward.ris@kfintech.com. For any escalations, shareholders may write to the Company at investor@orientelectric.com.

During the financial year ended March 31, 2022, all concerns received from the shareholders were attended/resolved to the satisfaction of the shareholders. As on the date of this report, no complaint pertaining to the year under review, is pending / unattended.

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SEBI Complaints Redress System (SCORES)

SEBI vide its circular dated March 26, 2018, issued new policy measures w.r.t. SEBI Complaints Redressal System (SCORES). As per the said process, SEBI has requested the investors to approach the Company / RTA directly at the first instance for their grievance. If the Company / RTA doesn't resolve the complaint of the shareholders within stipulated time, then they may lodge the Complaint with SEBI/Stock Exchanges for further action.

'SCORE' Portal is a centralised web-based complaints redressal system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE Composition, Meetings and Attendance

The Corporate Social Responsibility ("CSR") Committee is

The composition of Corporate Social Responsibility Committee and the attendance of members at the meetings held during the financial year 2021-22, are given below:

| Name of the Director | Corporate Social Responsibility Committee Meetings | | |
|---|--|------------------|------------------|
| | 1 | 2 | 3 |
| | May 12, 2021 | October 23, 2021 | January 20, 2022 |
| Mr. K Pradeep Chandra (C) Independent Director | Y | Y | Y |
| Mr. Desh Deepak Khetrpal (M) Non-Executive Director | Y | Y | Y |
| Mr. TCA Ranganathan (M) Independent Director | Y | Y | Y |
| Attendance Percentage (%) | 100 | 100 | 100 |

Y-Attended, C – Chairman, M- Member

The role of CSR Committee, *inter alia*, includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, annual action plan and reviewing the performance of Company in the areas of CSR.

During the financial year 2021-22, the CSR Policy of the Company was revised on the recommendation of CSR Committee amongst others to include the new initiatives in Schedule VII of the Act. The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is available on the Company's website at <https://www.orientelectric.com/images/investors/corporate-social-responsibility-policy.pdf>.

Details of the Company's spend on CSR activities are given in CSR Report approved by the Committee, attached to the Director's Report and also available on the website of the Company.

a Committee constituted by the Board with powers, *inter alia*, to contribute to any charitable and/or CSR projects or programs to be implemented directly or through implementing partners which includes a company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities. The Committee evaluates and recommends the CSR proposals to the Board for approval.

The Committee comprises of three members including two Independent Directors of whom one is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee. The Managing Director & CEO and Chief Financial Officer are permanent invitees to the Committee meetings. The Chairman of the Committee was present at the last AGM, held on July 29, 2021. During the financial year 2021-22, the Committee met three times i.e. on May 12, 2021, October 23, 2021 and January 20, 2022.

Terms of Reference of CSR Committee

The terms of reference of the CSR Committee, as approved by the Board and amended from time to time, includes the following:

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the CSR activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate social impact of the Company's CSR activities.
- Review the Company's disclosure / report on CSR.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are utilised for the intended purposes only.
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company.
- Any other matter referred to by the Board of Directors.

SHAREHOLDERS' INFORMATION

General Body Meetings

Details of last three General Meetings and the summary of Special Resolutions passed therein:

| Financial Year | Venue | Day and Date | Time | Special Resolutions Passed |
|----------------|---|-------------------------|----------|---|
| 2021-22 | Through VC/OAVM, deemed to be held at Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha) | Thursday, July 29, 2021 | 03:00 PM | Nil |
| 2020-21 | Through VC/OAVM, deemed to be held at Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha) | Friday, August 07, 2020 | 11:00 AM | Nil |
| 2019-20 | Unit – VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha) | Monday, July 16, 2019 | 11:00 AM | Approval of Long-term Incentive Plan for Mr. Rakesh Khanna, Managing Director & CEO of the Company. |

All the above resolutions placed before the shareholders of the Company were passed with the requisite majority.

Postal Ballot

During the financial year 2021-22, the Company conducted one postal ballot process for seeking approval of its shareholders for the re-appointment of Mr. Rakesh Khanna as the Managing Director of the Company for further period of two year with effect from January 23, 2022 and payment of remuneration to him.

Procedure adopted for Postal Ballot:

- In view of the continuing threat of COVID-19 and in compliance with the relevant circulars issued by Ministry of Corporate Affairs ("MCA circulars") prescribing process, including the formalities to be complied with, for seeking shareholders' approval in the general meeting or via postal ballot, the Company on January 28, 2022 sent, through email, to all its shareholders who have registered their email addresses with the Company/ RTA or depositories, a postal ballot Notice dated January 20, 2022 containing aforesaid two ordinary resolutions and explanatory statement for seeking shareholders' approval. No physical copy of this postal ballot Notice was dispatched. The Notice also specified the procedure for registering the email addresses and obtaining the Notice of postal ballot and remote e-voting instructions by the shareholders whose email addresses were not registered

with the depositories.

- The advertisement was published in the Newspapers viz. 'Financial Express' (English) and 'Odiya Bhaskar' (Odiya) on January 29, 2022 giving the requisite details as per the provisions of the Act, MCA circulars and Secretarial Standard - 2.
- Shareholders were requested to communicate their assent or dissent through remote e-voting system only. For providing e-voting facilities to its shareholders, the Company availed the e-voting platform of KFin Technologies Limited, RTA of the Company.
- The remote voting period began on 9.00 a.m. (IST) on Saturday, January 29, 2022 and ended at 5:00 p.m. (IST) on Sunday, February 27, 2022.
- The Board had appointed Mr. Atul Kumar Labh, Company Secretary in Practice (Membership No. FCS 4848), of M/s. A.K. Labh & Co., Company Secretaries, as the Scrutiniser to scrutinise the votes cast electronically in a fair and transparent manner.
- The Scrutinizer submitted his Report on February 28, 2022 and the resolutions were passed on Sunday, February 27, 2022, the last date of remote e-voting.

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Details of voting on the above resolutions are as under:

| Particulars | Resolutions | |
|--|---|---|
| | Re-appointment of Mr. Rakesh Khanna as the Managing Director of the Company | Approval of the terms of remuneration of Mr. Rakesh Khanna as Managing Director |
| Percentage of votes cast in favour of the Resolution | 99.99 | 93.43 |
| Percentage of votes cast against the Resolution | 0.01 | 6.57 |
| Percentage of total e-votes | 100.00 | 100.00 |
| Result | Passed with requisite majority | Passed with requisite majority |

As on the date of this report, there is no proposal for passing any special resolution through postal ballot. However, if required, the same shall be passed in compliance with the provisions of the Act, MCA circulars, Listing Regulations and / or any other applicable laws.

No Extraordinary General Meeting was held during the past 3 years.

Annual General Meeting for the financial year 2021-22

| Particulars | Details |
|--|---|
| Day & Date | Monday, July 25, 2022 |
| Time | 03:30 PM (IST) |
| Venue | Through Video Conferencing / Other Audio Video Means, deemed to be held at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012, Odisha |
| Book Closure Date for AGM and Final Dividend | Tuesday, July 19, 2022 to Monday, July 25, 2022 (Both days inclusive) |

Calendar for the financial year ended March 31, 2022

The Company follows the calendar of April to March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended March 31, 2022 were held on the following dates:

| | |
|--|------------------|
| Quarter ending June 30, 2021 | July 29, 2021 |
| Quarter ending September 30, 2021 | October 23, 2021 |
| Quarter ending December 31, 2021 | January 20, 2022 |
| Quarter and Year ending March 31, 2022 | May 10, 2022 |

Tentative calendar for the financial year ended March 31, 2023

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2023 are as follows:

| | |
|--|--------------------------------|
| Quarter ending June 30, 2022 | On or before August 14, 2022 |
| Quarter ending September 30, 2022 | On or before November 14, 2022 |
| Quarter ending December 31, 2022 | On or before February 14, 2023 |
| Quarter and year ending March 31, 2023 | On or before May 30, 2023 |

Listing Details

| Name and Address of Stock Exchange | Stock Code |
|---|--------------|
| BSE Limited (BSE) | 541301 |
| BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 | |
| National Stock Exchange of India Limited (NSE) | ORIENTELEC |
| Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 | |
| ISIN | INE142Z01019 |

The Listing Fees for the financial year 2022-23 have been paid to the above Stock Exchanges.

CODES, FRAMEWORKS AND POLICIES

Code of Conduct

The Company has in place a Code of Conduct for its Directors and Senior Management Personnel. The Code of Conduct lays down standards of business conduct, ethics and governance. The Code of Conduct is also applicable to Non-Executive Directors (including Independent Directors) to such extent as may be applicable to them depending on their roles and responsibilities. This Code of Conduct is available on the Company's website at <https://www.orientelectric.com/images/investors/code-of-conduct-for-directors-and-senior-management.pdf>. The Directors and Senior Management affirms compliance with the Code of Conduct annually. A declaration to this effect, signed by the Managing Director & CEO of the Company is given below:

"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 2021-22."

Rakesh Khanna
 Managing Director & CEO
 May 10, 2022

The Company has also adopted a Code of Ethical Standards and Behavioral Conduct for all its employees. This Code reflects the values of the Company viz. Excellence, Integrity, Collaboration, Trust and Care. All employees are expected to confirm compliance to this Code annually. Regular training programmes/workshops/e-learnings/self-certifications are conducted across locations to explain and reiterate the importance of adherence of the Code. This Code is available on the intranet site of the Company.

Risk Management Framework

The Company has established a comprehensive Enterprise-Wide Risk Management ("ERM") framework to optimally identify and manage risks, as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach to evaluate and manage existing as well as emerging risks. Risk assessment monitoring is included in the Company's annual Internal Audit programme and reviewed by the Risk Management Committee / Audit Committee at regular intervals. During the financial year, the Company has strengthened its ERM framework by revisiting the nature of all business risks together with the respective mitigation plans and re-assigning responsibilities, with due diligence of the revised risk framework. This comprehensive ERM framework ensures business continuity. In compliance with Regulation 17 and 21 of the Listing Regulations, the Risk Management Committee has formulated, and Board of Directors has adopted, a Risk Management Policy for framing, implementing

and monitoring the risk management plan for the Company. The Board periodically reviews the process for measuring the effectiveness of mitigation plans as per the policy. The Board is periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Code for prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has formulated a Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons of the Company ("Code"). The Company has voluntarily adopted a regime, which is stricter than what is statutorily prescribed, to comply with the PIT Regulations in letter and its spirit e.g. all the transactions done, beyond a transaction value of Rupees One lac during a calendar quarter, by Designated Persons, require pre-clearance. The Code, *inter alia*, lays down the procedures to be followed by Designated Persons while trading/ dealing in Company's shares and while sharing Unpublished Price Sensitive Information ("UPSI"). The Code, *inter-alia*, includes the obligations and responsibilities of Designated Persons, obligation to maintain the digital database, mechanism for prevention of insider trading and handling of UPSI, process to familiarise with the sensitivity of UPSI, transactions which are prohibited and the manner in which permitted transactions in the securities of the Company shall be carried out.

The Board has also formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' which, *inter alia*, includes Policy for determination of "Legitimate Purpose" in compliance with the PIT Regulations.

A report on insider trading, covering trading by Designated Persons, if any, and various initiatives/ actions taken by the Company under the PIT Regulations is also placed before the Audit Committee on quarterly basis.

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board w.r.t. actions to be taken against such defaulters. Instances of non-compliances, if any, are informed to Stock Exchanges in the prescribed format alongwith the actions taken and penalty, if any, imposed. The amount of penalty is deposited with SEBI's Investor Protection and Education Fund, after collecting the same from the Designated Person.

Periodic sessions amongst Designated Persons are conducted in the Company for creating awareness and sensitization on PIT Regulations and the Code. Informative mailers along with Do's and Don'ts are also circulated on critical provisions.

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Code of Conduct of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on website of the Company and can be accessed through the following link: <https://www.orientelectric.com/images/investors/code-of-conduct-for-fair-disclosure-of-upsi.pdf>.

Whistle Blower Policy / Vigil Mechanism

Orient Electric has adopted a Whistle Blower Policy, which outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in actual or threatened breach with the Company's Code of Conduct. The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation and also allows for anonymous reporting of complaints.

Under this Policy, an Ombudsman has been appointed to receive the complaints / concerns and arranging for proper disposal thereof as per the procedure specified therein. All employees of the Company (full-time or part-time) as well as external stakeholders (e.g. associate, strategic partners, vendors, suppliers, contractors and customers) have full access to the Ombudsman through secure email.

All such reported instances are investigated while ensuring confidentiality of the identity of complainants. Matters relating to financial misdemeanors or impropriety are investigated in consultation with external investigation agencies, if required. All investigations are completed in reasonable time and final investigation reports are submitted to the competent disciplinary authority under the Policy. A summary of whistleblowing incidents and actions taken, are presented to the Audit Committee. A quarterly status on complaints received under whistle blower mechanism is presented before the Audit Committee and Board in order to have oversight of effective functioning of Whistle Blower Policy. The Company has taken adequate measures to create awareness amongst its employees on the Whistle Blower Policy.

Complaints can be raised by sending an email to whistleblower@orientelectric.com or by sending a sealed letter, marked as Protective Disclosure to the below address:

Ombudsman
Orient Electric Limited
240, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

The Whistleblower Policy also provides for reporting of insider trading violations and reporting of instances of leak of Unpublished Price Sensitive Information by the employees.

Under the Vigil Mechanism, all stakeholders have been

provided access to the Audit Committee through the Chairman. No person has been denied access to the Audit Committee.

The Policy provides for adequate safeguards against victimization of persons who use the mechanism.

The Whistleblower Policy of the Company 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 financial year 2021-22, one complaint was received under whistle blower mechanism which was duly investigated, and report thereof was placed before the Audit Committee for review.

Dividend Distribution Policy

In terms of Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy, to determine the distribution of dividends in accordance with the provisions of applicable laws. The policy sets out various internal and external factors, which the Board considers while deciding on dividend pay-out.

The Dividend Distribution Policy of the Company is available on the website of the Company and can be accessed through the Web-link: <https://www.orientelectric.com/images/investors/dividend-distribution-Policy.pdf>.

OTHER DISCLOSURES

Compliance with Discretionary Requirements

- Separate individuals hold the positions of Chairman of the Board and the Managing Director & CEO.
- Shareholders' Rights:

The Company has a practice of releasing a comprehensive investor release on quarterly financial results *inter-alia* containing financial and operational highlights, significant industry & Company developments/ events, risk factors and management analysis.

The Company acknowledges shareholders' interests and accordingly, follows a robust grievance framework to ensure that shareholders' rights are valued and shareholders are well-informed about key decisions both on financial and non-financial matters. The Company proactively engages with shareholders through earning calls, meetings, conferences etc. Recordings and transcripts of quarterly earnings calls and Annual General Meeting, comprehensively providing for queries and management responses, are uploaded on the Company's website and submitted with Stock Exchanges in India,

where the shares of the Company are listed. In addition, all major press releases issued by the Company are simultaneously disseminated to the Stock Exchanges and on its website.

- The Company is in the regime of financial statements with unmodified audit opinion.
- The Internal Auditor directly reports to the Audit Committee.

Related Party Transactions

All transactions entered into with related parties as defined under the Act and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 33 of the Annual Financial Statements, forming part of the Annual Report.

The Board has also formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Act and the Listing Regulations. The Policy intends to ensure that proper approval, reporting and disclosure processes are in place for all transactions between the Company and related parties. The Policy also provides that concerned or interested Director shall not participate in any discussion or approval of any contracts or arrangements with related parties.

The required statements/ disclosures, with respect to the related party transactions, are placed before the Audit Committee on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for review / approval. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature and at arm's length basis.

There was no materially significant Related Party Transactions of the Company which would have potential conflict with the interests of the Company at large.

The Related Party policy is available on the website of the Company and can be accessed at the weblink: <https://www.orientelectric.com/images/investors/related-party-policy.pdf>.

Disclosures relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company believes that every employee should have

the opportunity to work in an environment free from any conduct which can be considered as sexual harassment. The Company is committed to treating every employee with dignity and respect.

The Company has formulated a policy on Prevention of Sexual Harassment as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules framed thereunder. The policy is applicable to all Orient Electric establishments located in India. The policy has been widely disseminated. The Company has constituted Internal Complaints Committees to ensure implementation and compliance with the provisions of the aforesaid Act and the Rules thereunder.

This Policy addresses the following objectives:

- To define what kind of conduct would be termed as Sexual Harassment at workplace;
- To lay down the guidelines for reporting acts of Sexual Harassment at the workplace; and
- To provide the procedure for the resolution and redressal of complaints of Sexual Harassment.

The policy lays down a detailed procedure for making a Complaint, initiating an enquiry and finally the process of preparation of a report within stipulated timeline. The Policy also covers Disciplinary Action for the acts of sexual harassment.

Training programs and workshops for employees are organised throughout the year. The orientation programs for new recruits include awareness sessions on prevention of sexual harassment and upholding the dignity of employees. Specific programs have been created on the digital platform to sensitize employees to uphold the dignity of their colleagues and prevention of sexual harassment. During the financial year 2021-22 no complaint was received and none was therefore pending as on March 31, 2022.

Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has 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.

Commodity Price Risk and Foreign Exchange Risk & Hedging Activities

In order to manage the Company's Foreign Exchange



exposure, the Company has in place a Board approved Policy on Foreign Exchange for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimize the financial statement impact of fluctuating foreign currency exchange rates.

Details of foreign currency exposure are covered in Note no. 39 in the notes to the Financial Statements. As per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018, no hedging activities in commodities were undertaken by the Company during the financial year 2021-22.

Disclosures made by the management to the Board

During the year, there were no transactions of a material nature with the promoters, the Directors or the management that had any potential conflict with the interests of the Company at large. All disclosures related to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.

Disclosure of Pending Cases/Instances of Non-Compliance

Your Company has complied with all the applicable requirements of the laws. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or Ministry of Corporate Affairs on any matter related to the capital markets.

Disclosure of Loans or advances

There is no loans or advances in the nature of loans outstanding to firms or companies in which Directors of the Company are interested.

Credit Rating

Care Ratings has reaffirmed the credit ratings based on the operational and financial performance of the Company during the financial year 2020-21. 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.

Legal Compliance Reporting

The Board periodically reviews reports of compliance with all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any. The Company has deployed comprehensive legal compliance scheduling and management software by which specific compliance tasks are assigned to specified employees. The software enables planning and monitoring of applicable

compliance activities across the Company.

Reconciliation of share capital audit

As required by the Listing Regulations, quarterly audit of the Company's share capital is being carried out by the Secretarial Auditor of the Company with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before the Board on quarterly basis.

CEO & CFO Certification

The Company has institutionalised the framework for CEO/ CFO certification by establishing a transparent "controls self-assessment" mechanism, thereby laying the foundation for development of the best corporate governance practices which are vital for a successful business. It is the Company's endeavor to attain the highest level of governance to enhance the stakeholders' value.

The Managing Director & CEO and the Chief Financial Officer provides quarterly certification on financial results while placing the financial results before the Board and Audit Committee in terms of Regulation 33(2) of the Listing Regulations.

The Managing Director & CEO and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board and the Audit Committee in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report as **Annexure 1**.

Certificate from Practicing Company Secretary

Certificate as required under Regulation 34 read with Part C of Schedule V of the Listing Regulations, received from A. K. LABH & Co., Company Secretaries, that none of the Directors on the Board of the Company 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 statutory authority is set out as **Annexure 2** to this Report.

Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24A of the Listing Regulations, directed listed entities to appoint a Practicing Company Secretary for conducting Annual Secretarial Compliance Audit of all applicable SEBI Regulations and circulars/guidelines issued thereunder.

The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretary in Form MR-3 and is required to be submitted to Stock

Exchanges within 60 days of the end of the financial year.

The Company has engaged M/s. A. K. LABH & Co., Company Secretaries and Secretarial Auditor of the Company for providing this certification.

Compliance Confirmation

The Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in

Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) and (t) of the Listing Regulations in the respective places in this Report.

The Statutory Auditors' Certificate confirming the compliance of the conditions of Corporate Governance is enclosed to this Report as **Annexure 3**.

STATUS OF DIVIDEND DECLARED

Status of dividend declared by the Company since inception and as on March 31, 2022 is as under:

(INR crores)

| Financial Year | Dividend Type | Declaration Date | Dividend Rate | Total pay-out | Amount Unclaimed |
|----------------|------------------|------------------|---------------|---------------|------------------|
| 2017-18 | Interim Dividend | 12.02.2018 | 0.50 | 10.61 | 0.04 |
| 2017-18 | Final Dividend | 16.07.2018 | 0.50 | 10.61 | 0.06 |
| 2018-19 | Interim Dividend | 28.01.2019 | 0.50 | 10.61 | 0.04 |
| 2018-19 | Final Dividend | 16.07.2019 | 0.50 | 10.61 | 0.04 |
| 2019-20 | Interim Dividend | 28.01.2020 | 0.65 | 13.79 | 0.08 |
| 2019-20 | Final Dividend | 07.08.2020 | 0.50 | 10.61 | 0.04 |
| 2020-21 | Interim Dividend | 29.01.2021 | 0.75 | 15.91 | 0.15 |
| 2020-21 | Final Dividend | 29.07.2021 | 1.25 | 26.52 | 0.08 |
| 2021-22 | Interim Dividend | 20.01.2022 | 0.75 | 15.91 | 0.06 |

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or RTA, Kfintech.

The Board of Directors at their meeting held on May 10, 2022, recommended a Final Dividend of Rs. 1.25 per equity share of face value of Rs. 1/- each, for the financial year ended March 31, 2022, which is subject to the approval of the shareholders at the 6th AGM of the Company.

Pursuant to Finance Act 2020, dividend income is now taxable in the hands of shareholders w.e.f. April 01, 2020, therefore Company is deducting tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Company sends TDS certificate to the shareholders at their registered email id post payment of the dividend.

Facility for remittance of dividend to shareholders is provided through Direct credit / NACH (National Automated Clearing House) / NEFT (National Electronic Funds Transfer). Shareholders who have not opted for remittance of dividend

through electronic mode and wish to avail the same are required to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective Depository Participants (DPs) for shares held in electronic form or to the Company's RTA for shares held in physical form, as the case may be, in order to ensure safe and speedy credit of their dividend into their Bank account.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Section 124 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules"), as amended, mandates that companies transfer dividend that has remained unclaimed / un-encashed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund ("IEPF"). Further, the IEPF Rules mandate that the shares on which dividend has not been claimed / encashed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

In order to educate the shareholders and with an intent to protect their rights, the Company sends regular reminders

to shareholders to claim their unclaimed dividends before it is transferred to IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the IEPF Rules. No claim shall lie in respect thereof with the Company.

Details of the unclaimed dividend and shareholders whose shares thus can be transferred to the IEPF Authority, if dividend remains unclaimed for seven consecutive years, are uploaded on the website of the Company.

The details of dividend which remained unclaimed as on March 31, 2022 for the respective dividend declared by the

Company, since its inception is provided under the head 'Status of Dividend Declared'.

In terms of the provisions of IEPF Rules an amount of Rs. 9.33 lacs of unpaid/unclaimed dividends was transferred during the financial year 2021-22 to IEPF Authority, in respect of 5,57,238 shares transferred earlier to demat account of IEPF Authority.

NODAL OFFICER

In accordance with the IEPF Rules, the Company has designated the Company Secretary as the Nodal Officer. Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company at <https://www.orientelectric.com/investors/investors-contact>.

DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO THE 'ORIENT ELECTRIC LIMITED – UNCLAIMED SUSPENSE ACCOUNT'

In accordance with the requirements of Regulations 34, 39 read with Schedule V(F) of Listing Regulations details of equity shares lying in Orient Electric Limited - Unclaimed Suspense Account, as on March 31, 2022, are as follows:

| | Particulars | No. of Shareholders | No. of Shares |
|-----------------|--|---------------------|---------------|
| Opening Balance | Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on April 01, 2021 | 25 | 2,45,770 |
| Closing Balance | Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense account as on March 31, 2022 | 25 | 2,45,770 |

The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares. Dividend on the above stated shares in Unclaimed Suspense Account are also transferred to the respective Unclaimed / Unpaid dividend account of the Company.

During the year none of the above shareholders claimed shares from the Unclaimed Suspense Account.

REGISTRAR AND TRANSFER AGENT & SHARE TRANSFER SYSTEM

KfinTech is the Company's RTA. Share transfers, transmission, dematerialization of shares, issue of duplicate share certificate, dividend payment and all other investor related matters are attended to and processed by the RTA.

The shares lodged for transmission are processed and share certificates, duly endorsed, are returned within the stipulated time, subject to documents being valid and complete in all respects. A summary of transmissions, dematerialization and re-materialisation of shares is

placed before the Stakeholders' Relationship Committee and Board of Directors, from time to time.

Trading in equity shares of the Company is permitted only in dematerialized form.

In terms of requirements of Regulation 40 of the Listing Regulations transfer of securities in physical form, except in case of request received for transmission or transposition of securities, is not allowed to be processed.

Those shareholders who are holding shares in physical form are, therefore, requested to get in touch with any of the Depository Participants having registration with SEBI to open a demat account or alternatively, contact the nearest branch of RTA to seek guidance in the demat procedure. The shareholders may also visit the website of depositories viz. NSDL or CDSL for further understanding of the demat procedure.

A Company Secretary in Practice confirms on half yearly basis under Regulation 40(9) of the Listing Regulations, the

compliance of formalities as specified therein and a copy of the same is filed with the Stock Exchanges.

Registrar & Share Transfer Agent

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad 500 032
Tel: 1800 345 4001 (Tollfree)
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

MEANS OF COMMUNICATION

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of your Company's corporate governance ethos.

Your 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, issuing Press Releases, the Annual Reports and uploading relevant information on its website.

Financial Results

The unaudited quarterly results are announced within forty-five days of the close of each quarter, other than the last quarter. The audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations.

The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved.

The results are published in prominent daily newspapers, viz. Financial Express (English daily) and Odiya Bhaskar (vernacular newspaper) and are also uploaded on the Company's website at www.orientelectric.com.

Corporate announcements of material information

The Company disseminates the requisite corporate announcements and material information through NSE Electronic Application Processing System (NEAPS)/ BSE Listing Centre. The NEAPS/ BSE Listing Centre are web-based applications and periodical fillings like shareholding pattern, corporate governance report, financial results, material/ price sensitive information, etc., are filed electronically on such designated platforms.

Website

Members can access various information of the Company such as Board / Committee composition, policies, financial results, dividend amount, transfer to IEPF and shareholding information etc., available on the website of the Company.

Analyst/Institutional Investors Meetings

Managing Director & CEO and Chief Financial officer participates in analyst / institutional investors meetings / calls on invitation. They discuss only those details of the Company which are already in public domain and generally do not make any separate presentations. Company's participation in such meetings / calls are disclosed to stock exchanges and also uploaded on the website of the Company, viz.: www.orientelectric.com. The Annual Report of the Company, the quarterly/half-yearly unaudited and yearly audited financial statements and the official news releases of the Company are also disseminated on the Company's website. The quarterly earnings releases on the financial results of the Company are also disseminated to the Stock Exchanges.

Investor Services Web-based Query Redressal System

Shareholders may utilise the facility extended by the RTA for redressal of queries, by visiting <https://kprism.kfintech.com>.

Shareholders 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 "Click here to track your query" on right hand corner of above website. Shareholders can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

To help the Company to improve its services, the shareholders can provide their feedback on the services provided by the Company and its RTA by filling the Shareholders Feedback Form available in Investor page on website of the Company at the web link: <https://www.orientelectric.com/investors/share-holders>.

KPRISM Mobile service application by Kfintech

Members can download the mobile application – KPRISM, a facility being provided by RTA, register themselves (one time) for availing 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, members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements. The mobile application would be available for download from Android Play Store. Members may alternatively visit the link <https://kprism.kfintech.com/app/> to download the mobile application.

Corporate Governance Report >

Company's recommendations to the shareholders

Dematerialisation of shares

Shareholders may consider converting their physical holdings into dematerialised form and avail the benefits of dealing in shares in demat form, such as immediate transfer of shares, avoidance of risks associated with physical certificates, fake certificates and bad deliveries.

Accordingly, shareholders holding shares in physical form can contact the RTA/ Company for assistance in converting their holdings to demat form.

Intimate/ update contact details

Shareholders are requested to update/ intimate changes, if any, with necessary documentary evidence, to the Company/ RTA, if shares are held in physical mode or to their Depository Participant, if the holding is in electronic mode.

Furnish/ update bank account particulars with the Company/ Depository Participant

SEBI has, vide its circular no. SEBI/HO/MIRSD/DOPI/ CIR/P/2018/73 dated April 20, 2018, made it mandatory for all the companies to use the bank account details furnished by the depositories and the bank account maintained by the RTA for payment of dividend in electronic mode.

Shareholders holding shares in physical form may submit the particulars of their bank account alongwith the original cancelled cheque bearing their name, to RTA/ Company, to update their bank account details. Shareholders holding shares in demat form may update their bank account details with their respective Depository Participant. This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid events such as postal delays and loss in transit.

SHAREHOLDING PATTERN

Distribution of Shareholding as on March 31, 2022

| No. of shares | No. of Shareholders | % | No. of Shares | % |
|------------------|---------------------|---------------|---------------------|---------------|
| 1-5000 | 80,593 | 98.95 | 1,21,68,720 | 5.73 |
| 5001-10000 | 360 | 0.44 | 25,90,806 | 1.22 |
| 10001-20000 | 184 | 0.23 | 26,42,466 | 1.25 |
| 20001-30000 | 68 | 0.08 | 16,70,427 | 0.79 |
| 30001-40000 | 40 | 0.05 | 13,72,548 | 0.65 |
| 40001-50000 | 21 | 0.03 | 9,63,934 | 0.45 |
| 50001-100000 | 55 | 0.07 | 37,32,826 | 1.76 |
| 100001-and Above | 122 | 0.15 | 18,70,43,775 | 88.15 |
| Total | 81,443 | 100.00 | 21,21,85,502 | 100.00 |

Deal with registered intermediaries

Shareholders should transact through a SEBI registered intermediary, as it will be responsible for its activities and in case the intermediary does not act professionally, the matter can be taken up with SEBI/ stock exchanges.

Monitor holdings regularly

Demat account should not be kept dormant for a long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified. Where the shareholder holding shares in demat form is likely to be away for a long period of time, such shareholder can make a request to the Depository Participant to keep the account frozen, so that there can be no debit to the account till the instruction for freezing the account is countermanded by the shareholder.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Break up of shares in physical and demat form as on March 31, 2022 is as follows:

| Particulars | No. of Shares | %age |
|----------------------|---------------------|---------------|
| Physical Segment (A) | 7,73,216 | 0.36 |
| Demat Segment (B) | | |
| NSDL | 18,93,24,008 | 89.23 |
| CDSL | 2,20,88,278 | 10.41 |
| Total (A+B) | 21,21,85,502 | 100.00 |

Request for transfer of securities of the listed companies are no longer eligible to be lodged in physical form. Shareholders who continue to hold shares in physical form are advised to dematerialize their shares at the earliest. For any clarification, assistance or information, relating to dematerialization of shares the Company's RTA may be contacted.

Category of Shareholding as on March 31, 2022

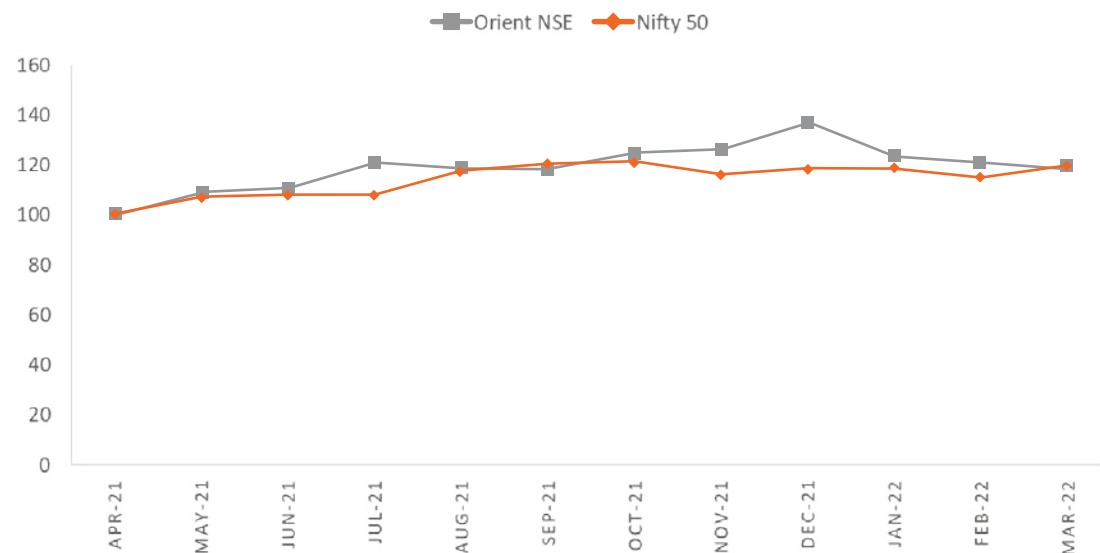
| Category | No. of Shares | (%) of Shares |
|-----------------------------------|---------------------|---------------|
| Promotor / Promoter Group | 8,17,33,294 | 38.52 |
| Public Shareholding | | |
| Institutional Investor | | |
| Mutual Funds | 5,30,78,543 | 25.02 |
| Financial Institutions and Banks | 1,51,960 | 0.07 |
| Insurance Companies | 14,26,242 | 0.67 |
| Alternative Investment Fund | 11,64,972 | 0.55 |
| Foreign Portfolio Investors | 1,75,19,998 | 8.26 |
| Non-Institutional Investor | | |
| Bodies Corporate and NBFC | 37,25,445 | 1.76 |
| Clearing Members | 92,085 | 0.04 |
| Non – Resident Individuals | 9,78,473 | 0.46 |
| TRUST | 48,966 | 0.02 |
| Overseas Corporate Bodies | 38,13,748 | 1.80 |
| IEPF | 5,57,238 | 0.26 |
| Qualified Institutional Buyer | 33,17,605 | 1.56 |
| Public and Others | 4,45,76,933 | 21.01 |
| Total Public Shareholding | 13,04,52,210 | 61.48 |
| Total Shareholding | 21,21,85,502 | 100.00 |

- During the financial year 2021-22 the Company has not issued any ADRs / GDRs.
- During the financial year 2021-22 the Company has not issued any convertible warrants / securities.

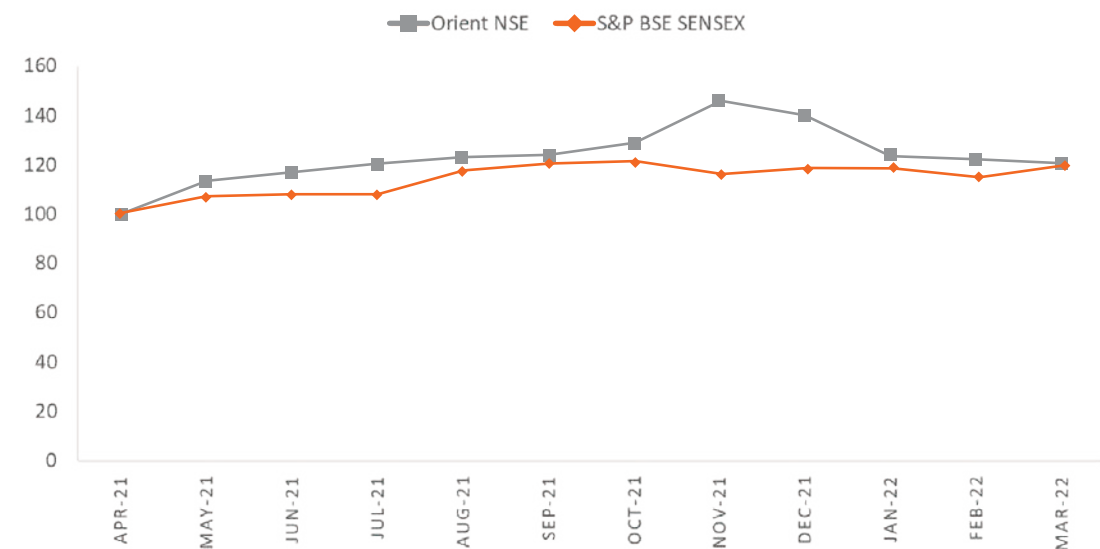
Stock Market Data for the Period April 1, 2021 to March 31, 2022

| Month | BSE | | | NSE | | |
|----------------|--------|--------|--------------------------|--------|--------|--------------------------|
| | High | Low | Volume Traded (INR Lacs) | High | Low | Volume Traded (INR Lacs) |
| April 2021 | 319.85 | 266.60 | 1,692.59 | 318.95 | 266.00 | 76.03 |
| May 2021 | 311.00 | 263.35 | 2,094.59 | 311.60 | 263.50 | 102.13 |
| June 2021 | 334.90 | 297.60 | 2,696.61 | 335.00 | 297.40 | 120.00 |
| July 2021 | 368.00 | 302.80 | 5,021.96 | 368.00 | 302.55 | 202.54 |
| August 2021 | 336.65 | 311.40 | 2,542.95 | 337.00 | 310.35 | 103.35 |
| September 2021 | 364.50 | 321.70 | 1,892.19 | 364.50 | 321.50 | 74.53 |
| October 2021 | 352.85 | 312.00 | 1,366.33 | 353.05 | 310.00 | 74.20 |
| November 2021 | 408.20 | 333.10 | 2,827.25 | 408.00 | 333.95 | 106.10 |
| December 2021 | 404.70 | 353.25 | 1,424.18 | 405.00 | 353.15 | 46.02 |
| January 2022 | 382.00 | 323.90 | 1,145.09 | 381.00 | 323.30 | 52.12 |
| February 2022 | 349.55 | 314.80 | 766.92 | 350.00 | 314.10 | 34.17 |
| March 2022 | 339.95 | 289.65 | 955.24 | 337.30 | 287.85 | 45.04 |

NSE SHARE PRICE



BSE SHARE PRICE



PLANT AND OFFICE LOCATIONS

Registered Office

Unit-VIII, Plot No.7, Bhoynagar, Bhubaneswar-751012, Odisha

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

Corporate Office

240, Okhla Industrial Estate, Phase - III, Okhla, New Delhi - 110020

For and on behalf of the Board of Directors

For Orient Electric Limited

Chandra Kant Birla

Chairman

Manufacturing Units

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

Place: New Delhi

Date: May 10, 2022

DIN:00118473

Annexure 1

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, 2022 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

Date: May 10, 2022

Saibal Sengupta

Chief Financial Officer

M. No. ACA 054373



Annexure 2 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: L311000R2016PLC025892 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, 2022 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. | Mr. Chandra Kant Birla | 00118473 | 19.01.2018 |
| 2. | Mr. Desh Deepak Khetrupal | 02362633 | 19.01.2018 |
| 3. | Mr. Rakesh Indersain Khanna | 00266132 | 23.01.2018 |
| 4. | Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan | 03091352 | 19.01.2018 |
| 5. | Mr. Pradeep Chandra Kathi | 05345536 | 19.01.2018 |
| 6. | Mrs. 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 : May 10, 2022

Name : **ATUL KUMAR LABH**
Membership No. : F4848
CP No. :3238
UIN: S1999WBO26800
UDIN : F004848C2000285911

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**

- 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) and (t) 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, 2022 as required by the Company for annual submission to the Stock Exchange.

Management's Responsibility

- 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.
- 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

- 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.
- 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.
- 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.
- 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:

- Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- 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;
- Obtained and read the Register of Directors as on March 31, 2022 and verified that at-least one independent woman director was on the Board of Directors throughout the year;
- Obtained and read the minutes of the following committee meetings / other meetings held during the period from April 01, 2021 to March 31, 2022;
 - Board of Directors;
 - Audit Committee;
 - Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM) / Postal Ballot;
 - Nomination and Remuneration Committee;
 - Stakeholders Relationship Committee;
 - Risk Management Committee;
 - Corporate Social Responsibility Committee.
- Obtained necessary declarations from the directors of the Company;
- Obtained and read the policy adopted by the Company for related party transactions;
- 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;
- Performed necessary inquiries with the management and also obtained necessary specific representations from management.

Independent Auditor's Report ➤

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, 2022, 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 Amit Gupta
Partner
Membership Number: 501396
UDIN: 2250 I396AISGUH4200
Place of Signature: New Delhi
Date: May 10, 2022

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, 2022, 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, 2022, 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.

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, 2022. 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, 2022, the Company has recognized revenue from contracts with customers amounting to ₹2,448.37 crores.</p> <p>Revenue from the sale of goods is recognized 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. This increases the risk of misstatement of the timing and amount of revenue recognized in the Ind AS financial statements.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We evaluated the Company's accounting policies pertaining to revenue recognition and assessed its compliance in terms of Ind AS 115 "Revenue from Contracts with Customers". We obtained an understanding of the management's internal control over the revenue recognition process and the timing of the revenue recognition including key terms and conditions of the contracts with customers. We performed sales transactions testing based on a representative sampling of the sales invoices based on the terms and conditions of the sale orders, including the shipping terms; We also tested sales transaction made near the year end by verifying samples of sales transactions occurring pre and post year end to supporting documentation including customer confirmation of receipt of goods. |

Independent Auditor's Report >

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| In view of the above we have identified Revenue as a Key audit Matter. | <ul style="list-style-type: none"> We performed monthly analytical reviews to identify any unusual sales trends. Assessed the relevant disclosure made in respect of revenue from contracts with customers within the Ind AS financial statements. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis and Business Responsibility Report but does not include the Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after 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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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, 2022 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

- As required by the Companies (Auditor's Report) Order,

2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

- As required by Section 143(3) of the Act, we report that:
 - 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;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - 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;
 - 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;
 - On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - With respect to the adequacy of the internal financial controls 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;
 - In our opinion, the managerial remuneration for the year ended March 31, 2022 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;
 - 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 32 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;
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in

writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Amit Gupta
Partner
Membership Number: 501396
UDIN: 22501396AISG0B5034
Place of Signature: New Delhi
Date: May 10, 2022

Annexure '1' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year. However, there is a planned programme of verifying them once in three 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. Property plant and equipment lying with third parties have been confirmed by them as on March 31, 2022.
- (c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) and are held in the name of the Company. Certain immovable properties are pledged with the banks and their title deeds are not available with the Company. The same has been confirmed by the bank.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- (b) As disclosed in note 14 to the financial statements, the Company has been sanctioned working capital

limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The monthly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

- (iii) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company and hence not commented upon.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not commented upon.
- (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 goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure '1'

continued

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited 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, 1962 | Disallowance of MODVAT/ CENVAT credit on inputs | 0.22 | 1994-1995, 1995-96 | Commissioner of Central Excise Kolkata |
| Central Excise & Customs Act, 1962 | Excess ISD credit transfer to units | 0.37 | 2013-14 | CESTAT Kolkata |
| Central Excise & Customs Act, 1962 | 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 | Commissioner (Appeals) of Central Excise, Kolkata |
| Central Excise & Customs Act, 1962 | Customs duty for imports of tools & dies | 0.93 | 2012-2015 | CESTAT |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Demand for interest on entry tax | 1.56 | 2014-17 | West Bengal Taxation Tribunal |
| Madhya Pradesh VAT Act/ CST Act, 2002 | MP VAT Demand and CST demand FY 2016-17 | 0.08 | 2016-17 | Deputy Commissioner of Commercial Taxes |
| West Bengal VAT Act/ CST Act, 2003 | CST Demand FY 2012-2013 | 0.08 | 2012-13 | The West Bengal Commercial Taxes Appellate & Revisional Board |
| Kerala Goods and Services Tax Act, 1994 | Treatment of transfer of Defective stock as sales | 0.02 | 2003-2004 | Appellate Authority |
| Finance Act, 1994 | Denial of CENAT Credit availed of as input services on job work services | 0.44 | 2009-10 | Joint commissioner -Service Tax- New Delhi |
| Tamil Nadu VAT Act, 2006 | Additional demand for stock transfer | 8.98 | 2006-07 to 2010-11 | High Court of Madras |
| West Bengal VAT Act | Additional demand of sales tax | 1.24 | 2016-2018 | Commissioner (A)-Sales tax (West Bengal) |
| West Bengal VAT Act | Disallowance of Sales Return, ITC, excess of unregistered purchase tax | 1.48 | 2014-15 | Joint Commissioner of Commercial Taxes, LTU, Kolkata |
| Haryana VAT Act/CST Act | VAT & CST demand FY 2017-18 | 1.12 | 2017-18 | Dy. Excise & Taxation Commissioner-cum-Assessing Authority, Faridabad |
| Bihar Vat Act | Demand of CST | 0.13 | 2015-16 | Joint Commissioner Patna |
| Bihar Vat Act | Demand of VAT | 0.29 | 2015-16 | Joint Commissioner Patna |
| GST Act, Rajasthan | Demand GSTR-2A VS GSTR-3B Diff and Wrong availment of ISD | 0.25 | 2017-18 | Deputy Commissioner (GST) Jaipur |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry Tax | 4.59 | 2014-17 | Calcutta High Court |
| The Water (Prevention & Control of Pollution) Act, 1974 | Environment Compensation on alleged discharge from factory in violation of the prescribed standards. | 0.24 | 2019-20 | Haryana State Pollution Control Board |
| Gujarat VAT Act | Gujarat VAT assessment appeal | 0.13 | 2015-16 | Appellate Authority |

- The Company has deposited ₹1.18 crore under protest in connection with above disputes.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company and hence not commented upon.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company and hence not commented upon.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company and hence not commented upon.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company and hence not commented upon.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company and hence not commented upon.
- (xiii) Transactions with the related parties are in compliance with sections 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)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to information and explanation given to us the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) According to information and explanation given to us the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvii) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 44 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 42 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 42 to the financial statements.

(xxi) The Company is not required to prepare Consolidated Financial Statements, Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Amit Gupta**
Partner
Membership Number: 501396
UDIN: 22501396AISG0B5034
Place of Signature: New Delhi
Date: May 10, 2022

ANNEXURE 'II' 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 with reference to Ind AS financial statements of Orient Electric Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS 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 ("ICAI"). 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 with reference to these Ind AS 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these Ind AS 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 with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS 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 Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS 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 controls with reference to Ind AS 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS 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 with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, 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 **Amit Gupta**
Partner
Membership Number: 501396
UDIN: 22501396AISG0B5034
Place of Signature: New Delhi
Date: May 10, 2022

Balance sheet

as at March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------|-------------------------|-------------------------|
| I) ASSETS | | | |
| A NON-CURRENT ASSETS | | | |
| a) Property, plant and equipment | 3 | 142.39 | 129.84 |
| b) Capital work-in-progress | 3 | 1.52 | 2.61 |
| c) Intangible assets | 4 | 21.85 | 14.33 |
| d) Intangible assets under development | 4(a) | 1.58 | 8.70 |
| e) Right of use asset | 36 | 47.65 | 41.72 |
| f) Financial assets | | | |
| (i) Trade receivables | 8 | 25.51 | 28.61 |
| (ii) Other financial assets | 5 | 9.76 | 9.46 |
| g) Deferred tax asset (net) | 16 | 26.27 | 26.29 |
| h) Non current tax assets | 11 | 10.92 | 3.32 |
| i) Other non current assets | 6 | 4.94 | 4.41 |
| | (A) | 292.39 | 269.29 |
| B CURRENT ASSETS | | | |
| a) Inventories | 7 | 326.07 | 249.16 |
| b) Financial assets | | | |
| (i) Trade receivables | 8 | 390.36 | 355.18 |
| (ii) Cash and cash equivalents | 9 | 149.98 | 140.06 |
| (iii) Other bank balances | 10 | 0.54 | 117.49 |
| (iv) Other financial assets | 5 | 0.08 | 0.88 |
| c) Other current assets | 6 | 27.95 | 30.30 |
| | (B) | 894.98 | 893.07 |
| TOTAL ASSETS | (A)+(B) | 1,187.37 | 1,162.36 |
| II) EQUITY AND LIABILITIES | | | |
| C EQUITY | | | |
| a) Equity share capital | 12 | 21.22 | 21.22 |
| b) Other equity | 13 | 520.09 | 434.44 |
| | (C) | 541.31 | 455.66 |
| LIABILITIES | | | |
| D NON-CURRENT LIABILITIES | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 14 | - | 1.74 |
| (ii) Lease liabilities | 36 | 37.76 | 32.79 |
| b) Long term provisions | 15 | 22.63 | 13.69 |
| c) Other non current liabilities | 19 | 13.46 | 8.92 |
| | (D) | 73.85 | 57.14 |
| E CURRENT LIABILITIES | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 14 | 14.72 | 13.53 |
| (ii) Lease liabilities | 36 | 15.06 | 13.35 |
| (iii) Trade payables | 17 | | |
| - total outstanding dues of micro, small and medium enterprises | | 73.88 | 88.32 |
| - total outstanding dues of creditors other than micro, small and medium enterprises | | 375.59 | 430.81 |
| (iv) Other current financial liabilities | 18 | 33.20 | 33.70 |
| b) Short term provisions | 15 | 30.51 | 40.31 |
| c) Other current liabilities | 19 | 29.25 | 29.54 |
| | (E) | 572.21 | 649.56 |
| F TOTAL LIABILITIES | (D)+(E) | 646.06 | 706.70 |
| TOTAL EQUITY AND LIABILITIES | (C)+(F) | 1,187.37 | 1,162.36 |
| 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 Amit Gupta

Partner

Membership No.: 501396

Place: New Delhi

Date: May 10, 2022

For and on behalf of the Board of Directors

C.K. Birla

Chairman and Director

(DIN 00118473)

Place: New Delhi

Saibal Sengupta

Company Secretary

Place: New Delhi

(ACA 54373)

Rakesh Khanna

Managing Director and

Chief Executive Officer

(DIN 00266132)

Place: New Delhi

Hitesh Kumar Jain

Company Secretary

Place: New Delhi

(F 6241)

Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Particulars | Note No. | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|----------|--------------------------------------|--------------------------------------|
| A) INCOME | | | |
| Revenue from operations | 20 | 2,448.37 | 2,032.60 |
| Other income | 21 | 5.81 | 6.27 |
| Total income (A) | | 2,454.18 | 2,038.87 |
| B) EXPENSES | | | |
| Cost of raw materials and components consumed | 22 | 843.32 | 655.20 |
| Purchase of traded goods | | 979.30 | 731.07 |
| Changes in inventory of finished goods, work-in-progress and traded goods | 23 | (56.01) | 34.68 |
| Employee benefits expense | 24 | 190.46 | 179.17 |
| Finance costs | 25 | 20.29 | 20.73 |
| Depreciation and amortisation expense | 26 | 47.08 | 43.15 |
| Other expenses | 27 | 259.98 | 212.97 |
| Total expenses (B) | | 2,284.42 | 1,876.97 |
| C) Profit before tax (A)-(B) | | 169.76 | 161.90 |
| D) Tax expense | 28 | | |
| Current Tax | | 43.16 | 46.92 |
| Deferred tax [charge/(credit)] | | (0.04) | (4.76) |
| | | 43.12 | 42.16 |
| E) Profit for the year (C)-(D) | | 126.64 | 119.74 |
| 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 | | 0.19 | (0.53) |
| Income tax effect [(charge)/credit] | | (0.05) | 0.13 |
| Other comprehensive income/(loss), net of tax | | 0.14 | (0.40) |
| G) Total comprehensive income for the year (E)+(F) | | 126.78 | 119.34 |
| Basic Earnings per equity share | 29 | 5.97 | 5.64 |
| Diluted Earnings per equity share | | 5.95 | 5.63 |
| (Nominal value of share Re. 1 (Previous year: Re. 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 Amit Gupta

Partner

Membership No.: 501396

Place: New Delhi

Date: May 10, 2022

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: New Delhi

(ACA 54373)

Rakesh Khanna

Managing Director and

Chief Executive Officer

(DIN 00266132)

Place: New Delhi

Hitesh Kumar Jain

Company Secretary

Place: New Delhi

(F 6241)

Statement of Changes in Equity

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

a) Equity Share Capital

| | No. in Crores | Amount |
|--|---------------|--------------|
| 1) Current reporting period | | |
| Equity Shares of Re. 1 each issued, subscribed and fully paid | | |
| As at April 1, 2021 | 21.22 | 21.22 |
| Change in Equity share capital due to prior period errors | - | - |
| Reinstated balance as at April 1, 2021 | 21.22 | 21.22 |
| Changes in Equity share capital during the year | - | - |
| As at March 31, 2022 | 21.22 | 21.22 |
| 2) Previous reporting period | | |
| Equity Shares of Re. 1 each issued, subscribed and fully paid | | |
| As at April 1, 2020 | 21.22 | 21.22 |
| Change in Equity share capital due to prior period errors | - | - |
| Restated balance as at April 1, 2020 | 21.22 | 21.22 |
| Changes in Equity share capital during the year | - | - |
| As at March 31, 2021 | 21.22 | 21.22 |

b) Other Equity

| Particulars | Reserves and Surplus | | | | Total |
|---|----------------------|-----------------|-------------------|------------------------------|---------------|
| | Capital Reserve | General Reserve | Retained Earnings | Share based payment reserves | |
| As at April 1, 2020 | 0.05 | 224.83 | 109.53 | 3.76 | 338.17 |
| Changes in accounting policies/prior period errors | - | - | - | - | - |
| Restated balance as at April 1, 2020 | 0.05 | 224.83 | 109.53 | 3.76 | 338.17 |
| Profit for the year | - | - | 119.74 | - | 119.74 |
| Other comprehensive income for the year | - | - | (0.40) | - | (0.40) |
| Re-measurement gains / (losses) on defined benefit plans net of tax | - | - | - | - | - |
| Total Comprehensive income for the year | - | - | 119.34 | - | 119.34 |
| Transfer to general reserve | - | 15.00 | (15.00) | - | - |
| Addition to employee stock option (net) | - | - | - | 3.45 | 3.45 |
| Final equity dividend (Refer Note 41) | - | - | (10.61) | - | (10.61) |
| Interim equity dividend (Refer Note 41) | - | - | (15.91) | - | (15.91) |
| As at March 31, 2021 | 0.05 | 239.83 | 187.35 | 7.21 | 434.44 |
| Changes in accounting policies/prior period errors | - | - | - | - | - |
| Restated balance as at April 1, 2021 | 0.05 | 239.83 | 187.35 | 7.21 | 434.44 |
| Profit for the year | - | - | 126.64 | - | 126.64 |
| Other comprehensive income for the year | - | - | 0.14 | - | 0.14 |
| Re-measurement gains / (losses) on defined benefit plans net of tax | - | - | - | - | - |
| Total Comprehensive income for the year | - | - | 126.78 | - | 126.78 |
| Transfer to general reserve | - | 15.00 | (15.00) | - | - |
| Addition to employee stock option (net) | - | - | - | 1.30 | 1.30 |
| Final equity dividend (Refer Note 41) | - | - | (26.52) | - | (26.52) |
| Interim equity dividend (Refer Note 41) | - | - | (15.91) | - | (15.91) |
| As at March 31, 2022 | 0.05 | 254.83 | 256.70 | 8.51 | 520.09 |

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 **Amit Gupta**

Partner

Membership No.: 501396

Place: New Delhi

Date: May 10, 2022

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: New Delhi

(ACA 54373)

Rakesh Khanna

Managing Director and

Chief Executive Officer

(DIN 00266132)

Place: New Delhi

Hitesh Kumar Jain

Company Secretary

Place: New Delhi

(F 6241)

Cash Flow Statement

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|-----------------------------------|-----------------------------------|
| (A) OPERATING ACTIVITIES : | | |
| Profit before tax | 169.76 | 161.90 |
| Adjustments to reconcile profit before tax to net cash flows : | | |
| Depreciation and amortisation expense | 47.08 | 43.15 |
| Finance costs | 20.29 | 20.73 |
| Loss on sale of property, plant & equipment (net) | (0.11) | 0.28 |
| Bad debts / advances written off (net of reversals) | 1.45 | 0.21 |
| Provision for warranty claims (net) | 17.72 | 20.45 |
| Provision for doubtful debts & advances | 0.18 | 1.54 |
| Unspent liabilities and unclaimed balances written back | (1.57) | (1.70) |
| Employee stock option expenses | 1.31 | 3.45 |
| Fair valuation impact of security deposit (net) | (0.21) | (0.20) |
| Interest income | (2.94) | (2.62) |
| Unrealised exchange (gain)/loss | (0.22) | 0.35 |
| Operating profit before working capital changes | 252.74 | 247.54 |
| Working capital adjustments : | | |
| Increase/(Decrease) in trade payables | (69.48) | 190.17 |
| Increase/(Decrease) in financial liabilities | (0.44) | (0.30) |
| Increase/(Decrease) in non financial liabilities | 4.25 | 3.91 |
| Increase/(Decrease) in provisions | (18.39) | (13.39) |
| (Increase)/Decrease in inventories | (76.91) | 37.34 |
| (Increase)/Decrease in trade receivables | (32.12) | 3.12 |
| (Increase)/Decrease in financial assets | 0.40 | (1.29) |
| (Increase)/Decrease in non financial assets | 2.07 | 1.58 |
| Cash generated from operations | 62.12 | 468.68 |
| Income tax paid | (50.75) | (41.40) |
| Net cash flow from operating activities | 11.37 | 427.28 |
| (B) INVESTING ACTIVITIES : | | |
| Purchase of property, plant and equipment and intangibles (including work in progress and capital advances) | (42.66) | (35.91) |
| Proceeds from sale of property, plant and equipment | 0.37 | 0.05 |
| Proceeds/(Payments) for/to term deposits with banks | 117.20 | (116.99) |
| Interest received | 3.29 | 2.22 |
| Net Cash Flows From / (Used In) Investing Activities | 78.20 | (150.63) |

Cash Flow Statement

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| (C) FINANCING ACTIVITIES : | | |
| Repayment of long term borrowings | (1.74) | (2.07) |
| Repayment of principal portion of lease liabilities | (16.27) | (12.87) |
| Repayment of short term borrowings (net) | 1.19 | (81.17) |
| Repayment of interest portion of lease liabilities | (3.99) | (4.64) |
| Finance cost paid | (16.41) | (16.38) |
| Dividends paid | (42.43) | (26.52) |
| Net Cash Flows From / (Used In) Financing Activities | (79.65) | (143.65) |
| Net Increase / (Decrease) In Cash & Cash Equivalents (A+B+C) | 9.92 | 133.00 |
| Cash & Cash Equivalents at the beginning of the year | 140.06 | 7.06 |
| Cash & Cash Equivalents at the end of the year (Refer note 9) | 149.98 | 140.06 |

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 Amit Gupta

Partner
Membership No.: 501396

Place: New Delhi

Date: May 10, 2022

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: New Delhi
(ACA 54373)

Rakesh Khanna

Managing Director and
Chief Executive Officer
(DIN 00266132)
Place: New Delhi

Hitesh Kumar Jain

Company Secretary
Place: New Delhi
(F 6241)

Notes to the financial statements

for the year ended March 31, 2022

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 stands 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. The Company shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Unit VIII, Plot 7, Bhoingar, 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.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 10, 2022.

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:

- Certain financial assets and liabilities that is measured at fair value
- Defined benefit plans-plan assets are 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

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.

Notes to the financial statements

for the year ended March 31, 2022

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 useful lives 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 | 3 to 10 |
| Computers (included in office equipment) | 3 |
| Office Equipment | 5 |
| Vehicles | 10 |

Leasehold improvements are depreciated over the lease period.

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.

Notes to the financial statements

for the year ended March 31, 2022

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic lives 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 Know-how 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 when 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 | 9 |

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.

(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 in substance 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



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for the year ended March 31, 2022

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, 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 either individually or 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

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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 standard cost 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 2.1.

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.

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

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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 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

Notes to the financial statements

for the year ended March 31, 2022

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.

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

Notes to the financial statements

for the year ended March 31, 2022

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 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.

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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.

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.

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for the year ended March 31, 2022

- 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.

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

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for the year ended March 31, 2022

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
- 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.

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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:

- 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 116

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.

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

Notes to the financial statements

for the year ended March 31, 2022

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 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

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for the year ended March 31, 2022

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 though 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:

Financials 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. |

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.

Notes to the financial statements

for the year ended March 31, 2022

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.

2.1 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:

Notes to the financial statements

for the year ended March 31, 2022

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for the year ended March 31, 2022

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.

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 30.

- 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.

2.2 New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

Notes to the financial statements

for the year ended March 31, 2022

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

2.3 Reclassification/disclosures consequent to amendment to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures in financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of and made adequate disclosures as required under Schedule III (revised) of Companies Act, 2013.

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for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

3. Property, plant and equipment

| Particulars | Freehold Land | Factory Building (a) | Non Factory Building (a) | Plant & Machinery | Office Equipments | Vehicles | Furniture & Fixtures | Total | Capital work-in-progress |
|-----------------------------|---------------|----------------------|--------------------------|-------------------|-------------------|-------------|----------------------|---------------|--------------------------|
| Cost | | | | | | | | | |
| As at April 01, 2020 | 16.02 | 23.02 | 4.78 | 180.06 | 16.85 | 1.40 | 18.85 | 260.98 | 3.46 |
| Additions | 2.51 | 4.29 | - | 16.28 | 2.49 | - | 1.04 | 26.61 | 2.21 |
| Disposals | - | - | - | (1.01) | (2.46) | (0.26) | (0.16) | (3.89) | - |
| Adjustments/Revaluation | - | - | - | - | - | - | - | - | (3.06) |
| As at March 31, 2021 | 18.53 | 27.31 | 4.78 | 195.33 | 16.88 | 1.14 | 19.73 | 283.70 | 2.61 |
| Depreciation | | | | | | | | | |
| As at April 01, 2020 | - | 8.58 | 1.03 | 101.10 | 11.16 | 0.67 | 8.88 | 131.42 | - |
| Charge during the year | - | 1.04 | 0.43 | 20.59 | 2.11 | 0.10 | 1.79 | 26.06 | - |
| Disposals | - | - | - | (0.92) | (2.31) | (0.25) | (0.14) | (3.62) | - |
| Adjustments/Revaluation | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | - | 9.62 | 1.46 | 120.77 | 10.96 | 0.52 | 10.53 | 153.86 | - |
| Net book value | 18.53 | 17.69 | 3.32 | 74.56 | 5.92 | 0.62 | 9.20 | 129.84 | 2.61 |
| Cost | | | | | | | | | |
| As at April 01, 2021 | 18.53 | 27.31 | 4.78 | 195.33 | 16.88 | 1.14 | 19.73 | 283.70 | 2.61 |
| Additions | 10.47 | 1.06 | - | 23.78 | 3.65 | 0.12 | 0.22 | 39.30 | 1.26 |
| Disposals | - | - | - | (3.86) | (1.06) | (0.02) | (0.14) | (5.08) | - |
| Adjustments/Revaluation | - | - | - | - | - | - | - | - | (2.35) |
| As at March 31, 2022 | 29.00 | 28.37 | 4.78 | 215.25 | 19.47 | 1.24 | 19.81 | 317.92 | 1.52 |
| Depreciation | | | | | | | | | |
| As at April 01, 2021 | - | 9.62 | 1.46 | 120.77 | 10.96 | 0.52 | 10.53 | 153.86 | - |
| Charge during the year | - | 1.16 | 0.43 | 20.34 | 2.26 | 0.09 | 1.84 | 26.12 | - |
| Disposals | - | - | - | (3.31) | (1.00) | (0.02) | (0.12) | (4.45) | - |
| As at March 31, 2022 | - | 10.78 | 1.89 | 137.80 | 12.22 | 0.59 | 12.25 | 175.53 | - |
| Net book value | 29.00 | 17.59 | 2.89 | 77.45 | 7.25 | 0.65 | 7.56 | 142.39 | 1.52 |

a. Factory buildings include gross block of ₹ 3.63 crores (March 31, 2021: ₹ 3.47 crores) (Accumulated depreciation ₹ 2.93 crores (March 31, 2021: ₹ 2.51 crores), Net block ₹ 0.70 crores (March 31, 2021: ₹ 0.96 crores)) in respect of leasehold improvements and non factory building includes gross block of ₹ 2.97 crores (March 31, 2021: ₹ 2.97 crores) (Accumulated depreciation ₹ 1.51 crores (March 31, 2021: ₹ 1.11 crores), Net block ₹ 1.46 crores (March 31, 2021: ₹ 1.86 crores)) in respect of leasehold improvements.

b. Title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of company.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

A- Capital-Work-in Progress (CWIP) ageing schedule

| Capital work-in-progress | Amount in CWIP for a priod of | | | | Total |
|-----------------------------|-------------------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| As at March 31, 2022 | 1.25 | 0.12 | 0.02 | 0.13 | 1.52 |
| As at March 31, 2021 | 2.31 | 0.17 | 0.13 | - | 2.61 |

B- Capital work in progress whose completion is overdue

| Capital work-in-progress | Amount in CWIP to be completed in | | | | Total |
|-----------------------------|-----------------------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at March 31, 2022 | | | | | |
| MIXER GRINDER | - | 0.27 | - | - | 0.27 |
| As at March 31, 2021 | | | | | |
| MIXER GRINDER | - | - | 0.27 | - | 0.27 |

4. Intangible assets

| | Software | Technical know how | Total |
|-----------------------------|--------------|--------------------|--------------|
| Cost | | | |
| As at April 01, 2020 | 10.30 | 7.51 | 17.81 |
| Additions | 9.70 | - | 9.70 |
| As at March 31, 2021 | 20.00 | 7.51 | 27.51 |
| Amortisation | | | |
| As at April 01, 2020 | 7.72 | 3.84 | 11.56 |
| Charge during the year | 0.87 | 0.75 | 1.62 |
| As at March 31, 2021 | 8.59 | 4.59 | 13.18 |
| Net book value | 11.41 | 2.92 | 14.33 |
| Cost | | | |
| As at April 01, 2021 | 20.00 | 7.51 | 27.51 |
| Additions | 11.09 | - | 11.09 |
| As at March 31, 2022 | 31.09 | 7.51 | 38.60 |
| Amortisation | | | |
| As at April 01, 2021 | 8.59 | 4.59 | 13.17 |
| Charge during the year | 2.83 | 0.75 | 3.58 |
| As at March 31, 2022 | 11.42 | 5.34 | 16.75 |
| Net book value | 19.67 | 2.17 | 21.85 |

A- Intangible assets under development ageing schedule

| Intangible assets under development | Amount in CWIP for a priod of | | | | Total |
|-------------------------------------|-------------------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| As at March 31, 2022 | 0.85 | 0.73 | - | - | 1.58 |
| As at March 31, 2021 | 3.50 | 5.20 | - | 0.00 | 8.70 |

B- Intangible assets under development whose completion is overdue

| Intangible assets under development | Amount in CWIP to be completed in | | | | Total |
|--------------------------------------|-----------------------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at March 31, 2022 | | | | | |
| B2B Customer Relationship Management | 0.73 | - | - | - | 0.73 |
| As at March 31, 2021 | | | | | |
| B2B Customer Relationship Management | - | 0.73 | - | - | 0.73 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

5. Other financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Unsecured, considered good, except otherwise stated | | |
| Non-current | | |
| Security deposits at amortised cost | 9.61 | 8.53 |
| Insurance claim receivables | - | 0.81 |
| Deposits held as margin money | 0.15 | 0.11 |
| Interest accrued on loans and deposits | - | 0.01 |
| | 9.76 | 9.46 |
| Current | | |
| Interest accrued on loans and deposits | 0.08 | 0.42 |
| Insurance claim receivables | - | 0.46 |
| | 0.08 | 0.88 |
| Total other financial assets | 9.84 | 10.34 |

6. Other assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Non-current | | |
| Unsecured, considered good, except otherwise stated | | |
| Capital advances | 3.76 | 3.23 |
| Advances recoverable | | |
| Considered doubtful | 0.98 | 0.39 |
| Less : Provision for doubtful advances | 0.98 | 0.39 |
| | - | - |
| Deposits against demand under dispute | 1.18 | 1.18 |
| | (A) | 4.94 |
| Current | | |
| Unsecured, considered good, except where otherwise stated | | |
| Advances recoverable | 5.63 | 6.95 |
| Prepaid expenses | 4.13 | 2.91 |
| Balances with government authorities | 15.40 | 17.56 |
| Export benefit receivables | 2.79 | 2.88 |
| | (B) | 27.95 |
| Total other assets | (A+B) | 34.71 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

7. Inventories

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Valued at lower of cost and net realisable value | | |
| Raw materials & components | 85.83 | 65.61 |
| Work-in-progress | 4.04 | 5.40 |
| Finished goods | 122.64 | 90.91 |
| Traded goods | 109.34 | 83.62 |
| Stores and spares | 3.93 | 3.25 |
| At net realisable value | | |
| Scrap | 0.29 | 0.37 |
| | 326.07 | 249.16 |
| The above inventory includes stock in transit: | | |
| Raw materials | 2.42 | 1.03 |
| Traded goods | 3.62 | 10.02 |
| Finished goods | 1.37 | 15.13 |
| | 7.41 | 26.18 |

- a) During the year ended March 31, 2022, ₹ 2.77 crores (March 31, 2021: ₹ 1.64 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.

8. Trade receivables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Non Current | | |
| Unsecured, considered good | 25.51 | 28.61 |
| | 25.51 | 28.61 |
| Current | | |
| Secured, considered good | 28.67 | 29.77 |
| Unsecured, considered good | 361.69 | 325.41 |
| Credit impaired | 25.06 | 28.40 |
| | 415.42 | 383.58 |
| Less : Provision for credit impaired | 25.06 | 28.40 |
| | 390.36 | 355.18 |

- 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.
- c) Trade Receivables includes due from related parties ₹ 0.02 crores (March 31, 2021 : ₹ 0.03 crores) (Refer note 33)
- d) Ageing required as per schedule III is disclosed in note no. 45.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

9. Cash and cash equivalents

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Balances with banks: | | |
| On current accounts/Cash Credit | 52.13 | 43.40 |
| Cash on hand | - | 0.02 |
| Deposits with original maturity for less than 3 months | 97.85 | 96.64 |
| | 149.98 | 140.06 |

Note: There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

The undrawn committed borrowing facilities as of reporting date is ₹ Nil (31 March 2021 ₹ 48.26 crores)

Changes in liabilities arising from financing activities

| | Lease Liabilities | Long Term Borrowings | Short Term Borrowings | Total liabilities from financing activities |
|--|----------------------|-------------------------|--------------------------|---|
| Balance as at March 31, 2021 | 46.14 | 1.74 | 13.53 | 61.41 |
| Addition on account of new leases during the year (refer note 36) | 26.46 | - | - | - |
| Deletion on account of termination of leases during the year (refer note 36) | (3.48) | - | - | - |
| Cash flows | (16.30) | (1.74) | 1.19 | (0.55) |
| Interest Expense | 3.99 | 0.41 | 0.60 | 1.01 |
| Interest Paid | (3.99) | (0.41) | (0.60) | (1.01) |
| Balance as at March 31, 2022 | 52.82 | - | 14.72 | 67.54 |

10. Other bank balances

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Bank Deposits with original maturity for more than 3 months but less than 12 months | - | 116.72 |
| Bank Deposits held as Margin Money | | |
| -Original maturity for less than 3 months | - | - |
| -Original maturity for more than 3 months but less than 12 months | - | 0.50 |
| -Original maturity for more than 12 months | - | 0.03 |
| Unclaimed dividend* | 0.54 | 0.24 |
| | 0.54 | 117.49 |

* Company can utilise the balance only towards settlement of unclaimed dividend.

11. Non Current tax assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Advance payment of income tax and tax deducted at source (net of provisions) | 10.92 | 3.32 |
| | 10.92 | 3.32 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

12. Equity Share Capital

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------------|----------------------|--------------|
| | 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, 2021: 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 par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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 Shares held by promoters in the company at the end of the year

| Promoter name | As at March 31, 2022 | | As at March 31, 2021 | | % Change during the year |
|--|----------------------|-------------------|----------------------|-------------------|--------------------------|
| | No. in Crores | % of total shares | No. in Crores | % of total shares | |
| Central India Industries Limited | 5.26 | 24.77% | 5.26 | 24.77% | |
| Shekhavati Investments and Traders Limited | 1.28 | 6.05% | 1.28 | 6.05% | |
| Amita Birla | 0.03 | 0.15% | 0.03 | 0.15% | |
| Nirmala Birla | 0.34 | 1.60% | 0.35 | 1.64% | -2.30% |
| Avanti Birla | 0.01 | 0.06% | 0.01 | 0.06% | |
| Avani Birla | 0.01 | 0.06% | 0.01 | 0.06% | |
| Chandra Kant Birla | 0.35 | 1.64% | 0.34 | 1.61% | 2.35% |
| Amer Investments(Delhi) Limited | 0.14 | 0.67% | 0.14 | 0.67% | |
| Hindusthan Discounting Company Limited | 0.23 | 1.09% | 0.23 | 1.09% | |
| National Engineering Industries Limited | 0.05 | 0.25% | 0.05 | 0.25% | |
| Jaipur Finance And Dairy Products Pvt.Ltd | 0.02 | 0.10% | 0.02 | 0.10% | |
| India Silica Magnesite Works Limited | 0.02 | 0.09% | 0.02 | 0.09% | |
| Universal Trading Co Ltd | 0.09 | 0.43% | 0.09 | 0.43% | |
| Rajasthan Industries Ltd | 0.07 | 0.33% | 0.07 | 0.33% | |
| Ashok Investment Corporation Limited | 0.07 | 0.32% | 0.07 | 0.32% | |
| Gwalior Finance Corporation Limited | 0.17 | 0.80% | 0.17 | 0.80% | |
| Bengal Rubber Company Limited | 0.02 | 0.09% | 0.02 | 0.09% | |

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:

| | March 31, 2022 No. in crores | March 31, 2021 No. in crores | March 31, 2020 No. in crores | March 31, 2019 No. in crores | March 31, 2018 No. in crores |
|----------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Equity shares issued | - | - | - | - | 21.22 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

13. Other Equity

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Capital Reserve | 0.05 | 0.05 |
| General reserve | | |
| Opening balance | 239.83 | 224.83 |
| Additions during the year | 15.00 | 15.00 |
| Closing balance | 254.83 | 239.83 |
| Share based payment reserves (Refer note 35) | | |
| Opening balance | 7.21 | 3.76 |
| Additions during the year | 3.04 | 3.85 |
| Less: Lapsed during the year | 1.74 | 0.40 |
| Closing balance | 8.51 | 7.21 |
| Retained Earnings | | |
| Opening Balance | 187.35 | 109.53 |
| Add: Profit for the year | 126.64 | 119.74 |
| Less: Transferred to General Reserve | 15.00 | 15.00 |
| Less : Interim Equity Dividend for the year ended March 31,2022 (Amount per share Re. 0.75 (March 31, 2021: Re. 0.75 per share)) (Refer note 41) | 15.91 | 15.91 |
| Less : Final Equity Dividend (Amount per share Re. 1.25 for the year ended March 31, 2021 (March 31, 2020: Re. 0.50)) (Refer note 41) | 26.52 | 10.61 |
| Add: Other comprehensive income for the year, net of tax | 0.14 | (0.40) |
| Closing Balance | 256.70 | 187.35 |
| Total | 520.09 | 434.44 |

Nature and description of reserve

- Capital Reserve** - The Company recognized profit or loss on cancellation of Companies own equity instruments to capital reserve.
- General Reserve** - General reserves 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.
- 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 35 for further details of these plans.
- Retained Earnings** - Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend and other distributions made to the shareholders.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

14. Borrowings

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non-current borrowings | | |
| Term loans (Secured) | | |
| From banks | - | 1.74 |
| | - | 1.74 |
| Total non-current borrowings *- (A) | 0.00 | 1.74 |
| Net non-current borrowings - (B) | - | 1.74 |
| Current borrowings | | |
| From banks (Secured) | | |
| Buyer's Credit | - | 5.51 |
| From others (Unsecured) | | |
| Trade Acceptances | 14.72 | 8.02 |
| Total current borrowings - (C) | 14.72 | 13.53 |
| Total borrowings (Incl. current maturities) (A+C) | 14.72 | 15.27 |

*Net of unamortised borrowing cost of ₹ 0.00 crores (March 31, 2021: ₹ 0.00 Crores)

Note:

- Term loan from bank was secured by first pari-passu charge on immovable fixed assets of the Company at Faridabad location and first pari passu charge on the entire moveable fixed assets (both present and future) of the Company. Term loans outstanding from bank on March 31, 2022: ₹ Nil carrying interest @ 7.65% p.a. to 7.75% p.a. (March 31, 2021: ₹ 1.74 crores, carrying interest @ 7.70% to 7.75% p.a.). This Term Loan was fully paid in March 2022 and this facility has been squared off fully. First pari-passu charge got released within March 2022.
- Cash credit, Working Capital Demand Loan and Buyer's 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 Fixed assets (Moveable and Immovable) pertaining to the plants of the Company at Kolkata and Faridabad locations. Cash credit and working capital demand loans are repayable on demand. Cash Credit and Working Capital Demand Loan outstanding balance as at 31st March 2022: ₹ Nil carrying interest @ 4.90% to 7.20% p.a. (March 21, 2021 : ₹ Nil, carrying interest @ 8.05% to 9.05% p.a.).

Buyer's credit outstanding as at 31st March 2022: ₹ Nil, carrying interest 1.00% to 1.25% p.a. (March 2021: ₹ 5.51 cr carries interest @1.09% to 1.12% p.a.)
- The Company has availed the facility of Trade Acceptances on Trade Receivable Discounting System (TReDs) which carries interest @ 4.00% to 7.00% p.a. (March 2021 carries interest @ 4.49% to 7.00% p.a.) and outstanding is repayable within a period of 45 days from the due date.
- Loans and Borrowing has been utilised for the purpose it has been obtained.
- Company is having sanctioned working limits in excess of ₹ 5 Cr during FY-21-22 and all monthly returns and statements of current assets filed by the company with banks or financial institutions during the year are in agreement with the books of accounts.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

15. Provisions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Non-current | | |
| Provision for gratuity (Refer note 30) | 3.79 | 2.54 |
| Provision for long term incentive plan | 8.59 | 6.28 |
| Provision for warranties | 10.25 | 4.87 |
| | 22.63 | 13.69 |
| Current | | |
| Provision for leave benefits | 9.98 | 9.32 |
| Provision for warranties | 20.53 | 30.99 |
| | 30.51 | 40.31 |

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.

| | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Opening balance | 35.86 | 33.78 |
| Arisen during the year (net) | 17.72 | 20.45 |
| Utilized during the year | 22.80 | 18.37 |
| Closing balance | 30.78 | 35.86 |

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.

| | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Opening balance | 6.28 | 3.32 |
| Arisen during the year (net) | 3.74 | 3.42 |
| Lapsed during the year | 1.43 | 0.46 |
| Closing balance | 8.59 | 6.28 |

16. Deferred Tax Asset/(Liability)

The tax of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Difference between book value and tax base of Property, Plant & Equipments and Intangible Asset | 1.84 | 0.47 |
| Items disallowed under Section 43B of the Income tax Act, 1961 on payment basis | 4.97 | 4.48 |
| Impact of deferred revenue | 4.11 | 4.05 |
| Provision for doubtful debts and advances | 6.31 | 7.15 |
| Provision for warranties | 7.75 | 9.02 |
| Others | 1.29 | 1.12 |
| Net deferred tax asset | 26.27 | 26.29 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Reconciliation of deferred tax asset/(liability)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Opening balance | 26.29 | 21.40 |
| Deferred tax (charged)/credited during the year | | |
| - to the statement of profit and loss | 0.04 | 4.76 |
| - to other comprehensive income | (0.06) | 0.13 |
| Closing balance | 26.27 | 26.29 |

17. Trade payables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Trade payables including Acceptances | | |
| -total outstanding dues of micro, small and medium enterprises (refer note 38 for details of dues to micro, small and medium enterprises) | 73.88 | 88.32 |
| -total outstanding dues of creditors other than micro, small and medium enterprises | 375.59 | 430.81 |
| | 449.47 | 519.13 |

- a) Trade payables are non-interest bearing and normally settled on 0 to 90 day terms.
- b) Trade Payables include due to related parties ₹ 3.30 crores (March 31, 2021 : ₹ 2.62 crores) (Refer note 33).
- c) Trade payables include acceptances of ₹ 128.96 Crores (March 31, 2021: ₹ 143.83 Crores). Acceptances represent arrangements where suppliers of goods and services are initially paid by the banks, while Company continues to recognize the liability till settlement with the banks, which are normally effected within a period of 89 days.
- d) Ageing required as per schedule III is disclosed in note no. 46.

18. Other financial liabilities (at amortised cost)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Current | | |
| Payables against purchase of property, plant and equipment | 1.92 | 1.98 |
| Trade and other deposits received | 30.74 | 31.48 |
| Unpaid dividend * | 0.54 | 0.24 |
| | 33.20 | 33.70 |

* There is no amount 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------|-------------------------|-------------------------|
| Non current | | |
| Deferred revenue (Refer note 37) | 13.46 | 8.92 |
| | 13.46 | 8.92 |
| Current | | |
| Advances from customers | 8.42 | 9.16 |
| Statutory dues payable | 17.96 | 13.19 |
| Deferred revenue (Refer note 37) | 2.87 | 7.19 |
| | 29.25 | 29.54 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Deferred revenue

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| Opening balance | 16.11 | 12.20 |
| Arisen during the year | 2.73 | 5.63 |
| Recognized during the year | 2.51 | 1.72 |
| Closing balance | 16.33 | 16.11 |

20. Revenue from operations

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Revenue from contracts with customers | | |
| Sale of products & services (refer note below) | | |
| Finished goods | 1,166.14 | 1,016.36 |
| Traded goods | 1,334.67 | 1,063.00 |
| Sale of services | - | 0.54 |
| | 2,500.81 | 2,079.90 |
| Less: Cash discount, rebates, incentives etc. | 93.67 | 80.65 |
| | 2,407.14 | 1,999.25 |
| Other operating revenue | | |
| Scrap sales | 37.74 | 30.13 |
| Revenue from contracts with customers - (A) | 2,444.88 | 2,029.38 |
| Other operating revenue - Export incentive - (B) | 3.49 | 3.22 |
| Revenue from operations - (A+B) | 2,448.37 | 2,032.60 |

Note: Refer note 37 for disclosure of revenue from contract with customers under Ind AS 115.

21. Other income

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Interest income from financial assets at amortised cost from: | | |
| Bank deposits | 0.99 | 1.49 |
| Unwinding of interest on security deposits | 0.21 | 0.20 |
| Customers and others | 1.95 | 1.13 |
| Insurance and other claims | 0.31 | 0.92 |
| Unspent liabilities and unclaimed balances written back | 1.57 | 1.70 |
| Exchange fluctuation (net) | 0.51 | 0.35 |
| Profit on sale of tangible assets (net) | 0.11 | - |
| Miscellaneous income | 0.16 | 0.48 |
| | 5.81 | 6.27 |

22. Cost of raw materials and components consumed

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 65.61 | 66.57 |
| Add: Purchases and job work charges | 875.37 | 659.49 |
| | 940.98 | 726.06 |
| Less: Sales | 11.83 | 5.25 |
| Less: Inventory at the end of the year | 85.83 | 65.61 |
| Cost of raw material and components consumed | 843.32 | 655.20 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

23. Changes in inventory of finished goods, work in progress and traded goods

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the end of the year | | |
| Work-in-progress | 4.04 | 5.40 |
| Finished goods | 122.64 | 90.91 |
| Traded goods | 109.34 | 83.62 |
| Scrap | 0.29 | 0.37 |
| | 236.31 | 180.30 |
| Inventories at the beginning of the year | | |
| Work-in-progress | 5.40 | 3.57 |
| Finished goods | 90.91 | 119.21 |
| Traded goods | 83.62 | 91.68 |
| Scrap | 0.37 | 0.52 |
| | 180.30 | 214.98 |
| (Increase)/ decrease in stocks | (56.01) | 34.68 |

24. Employee benefits expense

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Salary, wages and bonus | 174.46 | 164.33 |
| Employee stock option expenses (Refer note 35) | 1.31 | 3.45 |
| Contribution to provident and other funds | 6.55 | 6.03 |
| Gratuity expenses (Refer note 30) | 2.45 | 2.01 |
| Staff welfare expenses | 5.69 | 3.35 |
| | 190.46 | 179.17 |

25. Finance costs

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Interest: | | |
| - on debts and borrowings | 0.47 | 4.93 |
| - on lease liability (Refer note 36) | 3.99 | 4.64 |
| - on Security Deposits & Advances | 3.21 | 3.52 |
| Bill Discounting | 7.92 | 4.46 |
| Other finance charges | 4.70 | 3.18 |
| | 20.29 | 20.73 |

26. Depreciation and amortization expense

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on property, plant & equipment (Refer note 3) | 26.12 | 26.06 |
| Depreciation on Right of use assets(Refer note 36) | 17.38 | 15.47 |
| Amortization of intangible assets (Refer note 4) | 3.58 | 1.62 |
| | 47.08 | 43.15 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

27. Other expenses

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Consumption of stores and spares | 6.67 | 6.29 |
| Power and fuel | 9.36 | 7.60 |
| Freight & forwarding charges | 57.76 | 49.35 |
| Rent and hire charges | 2.64 | 1.29 |
| Rates and taxes | 0.44 | 0.55 |
| Insurance | 1.37 | 1.30 |
| Repairs and maintenance | | |
| Plant and machinery | 2.38 | 1.96 |
| Buildings | 1.04 | 0.39 |
| Others | 0.51 | 0.40 |
| Advertising and sales promotion | 73.23 | 59.11 |
| Commission on sales | 4.81 | 2.83 |
| Payment to auditors | | |
| Audit fee (including limited review) | 0.49 | 0.49 |
| Tax audit fee | 0.05 | 0.05 |
| Other services | 0.01 | 0.03 |
| Reimbursement of expenses | 0.01 | - |
| Warranty and claims (net) | 17.72 | 20.45 |
| Travelling and conveyance | 11.17 | 6.74 |
| Professional and consultancy charges | 20.99 | 11.88 |
| Bad debts written off (net of reversals) | 0.03 | 0.19 |
| Development Expense | 2.96 | 2.98 |
| Carrying & forwarding charges | 15.92 | 12.17 |
| Advances written off (net of reversals) | 1.42 | 0.02 |
| Director's sitting fees | 0.61 | 0.68 |
| Director's commission | 1.22 | 1.22 |
| Provision for doubtful debts | 0.18 | 1.54 |
| Loss on sale of property, plant & equipment (net) | - | 0.28 |
| Expenditure towards corporate social responsibility (CSR) activities (Refer note 42) | 1.82 | 3.25 |
| Miscellaneous expenses | 25.17 | 19.93 |
| | 259.98 | 212.97 |

28. Income tax

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| a) Income tax expense in the Statement of Profit and Loss comprises: | | |
| Current tax | 43.16 | 46.92 |
| Deferred tax charge/(credit) | (0.04) | (4.76) |
| Income tax expense reported in the Statement of Profit and Loss | 43.12 | 42.16 |
| b) Other comprehensive income | | |
| Re-Measurement gains/(losses) on defined benefit plans | (0.05) | 0.13 |
| Income tax related to items recognised in OCI during the year: | (0.05) | 0.13 |

Entire deferred income tax for the year ended March 31, 2022 relates to origination and reversal of temporary differences.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

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:

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Profit before income tax | 169.76 | 161.90 |
| Enacted income-tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense | 42.73 | 40.75 |
| Corporate social responsibility expense | 0.46 | 0.82 |
| Others | (0.07) | 0.59 |
| Income tax expense at effective tax rate | 43.12 | 42.16 |

29. Earnings per share (EPS)

The following table reflects the profit and share data used in the basic and diluted EPS computations:

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Profit attributable to the equity shareholders of the Company used for calculation of basic and diluted EPS | 126.64 | 119.74 |
| | 126.64 | 119.74 |
| 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 Re. 1) | 5.97 | 5.64 |
| 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) | 0.06 | 0.05 |
| Weighted average number of equity shares outstanding (Nos.) during the year adjusted for the effect of dilution | 21.28 | 21.27 |
| Diluted Earnings per equity share (Nominal value of share Re. 1) | 5.95 | 5.63 |

30. 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

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Obligations at beginning of the year | 15.20 | 13.88 |
| Current service cost | 2.26 | 1.90 |
| Interest expense | 1.02 | 0.94 |
| Amount recognised in profit or loss | 3.28 | 2.84 |
| Remeasurements | | |
| Actuarial (gain) / loss from change in demographic assumption | (2.31) | - |
| Actuarial (gain) / loss from change in financial assumption | 2.21 | 1.31 |
| Experience (gains)/losses | (0.15) | (0.94) |
| Amount recognised in other comprehensive income | (0.25) | 0.37 |
| Benefits paid | (1.55) | (1.89) |
| Obligations at year end | 16.68 | 15.20 |

ii. Fair Value of Plan Assets

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Plan assets at beginning of the year, at fair value | 12.68 | 12.50 |
| Interest income | 0.85 | 0.85 |
| Amount recognised in profit or loss | 0.85 | 0.85 |
| Remeasurements | | |
| Return on plan assets, excluding amount recognised in interest income | (0.06) | (0.16) |
| Amount recognised in other comprehensive income | (0.06) | (0.16) |
| Employers contribution | 1.00 | 1.38 |
| Benefits paid | (1.55) | (1.89) |
| Plan assets at year end, at fair value | 12.92 | 12.68 |

iii. Assets and Liabilities recognized in the Balance Sheet

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Present value of defined benefit obligation | 16.68 | 15.20 |
| Fair value of plan assets | 12.92 | 12.68 |
| Net (asset) / liability | 3.76 | 2.52 |

Note: provision for gratuity in Note 15 is inclusive of ₹ 0.03 crore (March 31,2021 - ₹ 0.02 Crore) for branch's employee.

iv. Defined benefit obligations cost for the year

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Amount recognised in profit and loss account | | |
| Service cost | 2.26 | 1.90 |
| Interest cost (Net) | 0.17 | 0.09 |
| Amount recognised in other comprehensive income | | |
| Actuarial (gain)/loss | (0.19) | 0.53 |
| Net benefit expense | 2.24 | 2.52 |

Note: gratuity expense in Note 24 is inclusive of ₹ 0.01 crore (March 31,2021 - ₹ 0.02 Crore) for branch's employee.

v. Investment details of Plan Assets

The details of investments of plan assets are as follows:

| Particulars | March 31, 2022 | March 31, 2021 |
|--------------------------|----------------|----------------|
| Investments with insurer | 100% | 100% |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

vi. Actuarial assumptions:

| Particulars | March 31, 2022 | March 31, 2021 |
|-----------------------------------|----------------|----------------|
| Discount rate | 6.40% | 6.75% |
| Expected rate of return on assets | 6.40% | 6.75% |
| Future salary increases | 9.00% | 8.00% |
| Withdrawal rate | | |
| Upto 45 years | 15.00% | 5.00% |
| Above 45 years | 15.00% | 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.

vii. Expected Contribution to the Fund in the next year

| Particulars | March 31, 2022 | March 31, 2021 |
|-------------|----------------|----------------|
| Gratuity | 5.80 | 4.81 |
| | 5.80 | 4.81 |

viii. Maturity profile of the defined benefit obligation (undiscounted amount)

| | 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, 2022 | 3.21 | 2.63 | 2.24 | 2.28 | 13.66 | 24.02 |
| March 31, 2021 | 1.20 | 0.94 | 1.07 | 0.98 | 28.21 | 32.40 |

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 5 years (March 31, 2021: 10 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:

| Assumptions | March 31, 2022 | | March 31, 2021 | |
|--|------------------------|-------------|------------------------|-------------|
| | Discount rate | | Discount rate | |
| Sensitivity level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| (Decrease)/Increase in gratuity defined benefit obligation | (0.79) | 0.86 | (1.32) | 1.52 |
| Assumptions | Future salary increase | | Future salary increase | |
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| (Decrease)/Increase in gratuity defined benefit obligation | 0.83 | (0.78) | 1.49 | (1.31) |

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.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

- 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, 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:

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Contribution to provident / pension funds | 6.15 | 5.63 |
| Contribution to superannuation fund | 0.40 | 0.40 |
| | 6.55 | 6.03 |

31. Capital and other commitments

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 15.78 | 15.26 |
| Bank guarantee provided against performance obligation under contracts with customer | 67.01 | 94.31 |

32. Contingent liabilities

| Particulars | March 31, 2022 | March 31, 2021 |
|---|------------------------|----------------|
| A. Demands/claims by various Government authorities and others not acknowledged as debts and contested/to be contested by the Company: | | |
| 1. Excise and Custom Duty* | 1.64 | 2.17 |
| 2. Sales Tax (incl. GST & entry tax)** | 15.34 | 14.82 |
| 3. Worker compensation under dispute | 0.21 | 0.34 |
| 4. Entry tax*** | Amount Unascertainable | |
| 5. Environment Compensation (paid 50% demand under protest)**** | 0.48 | 0.48 |
| | 17.68 | 17.81 |

Notes :-

* The demand raised by the tax authorities is mainly towards disallowance of availment of CENVAT credit and classification of product in different tax buckets.

** The demands raised by the tax authorities are mainly towards enhancement of turnover due to certain disallowances, and local sales tax demand upon completion of assessment and various other miscellaneous cases raised by the respective state authorities. Entry Tax (West Bengal) - State Government reintroduced entry tax w.e.f. April 1, 2012, whereby a dealer is required to pay entry tax for importing goods from outside the State. Liability recorded in the books for Mar 2014 to Jun 2017 is ₹ 3.42 crores (till GST implementation date). The Company also has received a demand for interest of ₹ 1.56 crores in this regard which has not been provided in the books, as the Company believes that the probability of interest waiver is high, basis the order from single judge of Calcutta High Court who struck down the law stating it as unconstitutional. We have filed a writ in Hon'ble Calcutta High Court challenging the constitutional validity of the Act, which is pending finalisation.

Notes to the financial statements

for the year ended March 31, 2022

*** Entry Tax (Haryana) - Supreme Court of India vide its order dated Nov 11, 2016, upheld the right of State Government to impose the entry tax, however on the question regarding validity of each State Legislation imposing entry tax, the bench decided to let the issue be determined by regular High Court benches of the respective states. Pending decision of High Court of Punjab & Haryana, the impact, if any, is not ascertainable at this stage and hence no provision is considered in the financial statements.

**** In the year 2021, Company had received a demand from Haryana State Pollution Control Board (HSPCB) stating that alleged discharge from its Faridabad factory was in violation of the consent limits/ prescribed standards. The Company challenged the demand in High Court of Punjab and Haryana. The matter has been disposed of, directing HSPCB to reconsider the submission of Company under the modified policy of HSPCB. However, in view of the aforesaid demand raised by HSPCB, prosecution proceedings have been initiated by HSPCB before the Magistrate Court, Faridabad, wherein summons have been served on the Company. Matter is pending adjudication.

No expenses has been accrued in the financial statements for the demands 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.

B. Other Litigations

1. During 2019-20, the Company initiated legal action against Orient General Agencies (Bombay) Pvt Ltd and Alco Logistics Pvt. Ltd. (formerly Apollo Fiege Integrated Logistics Pvt. Ltd.) for recovery of outstanding amount of ₹ 14.16 crores together with interest and damages upto date. The Company has taken appropriate provisions of outstanding in the books of account in earlier reporting periods. The matter is pending adjudication. OGA has filed a counter claim against the Company with Bombay High Court, which was found to be baseless and challenged by the Company and the matter is sub-judice. Simultaneously, in the criminal complaint filed against Orient General Agencies (Bombay) Pvt Ltd and Alco Logistics Pvt. Ltd. (formerly Apollo Fiege Integrated Logistics Pvt. Ltd.) and their respective directors, FIR has been registered against both accused companies as well as their directors, which is under investigation.
2. In respect of Kolkata plant where a portion of land (about 2 bigha) was taken on sub-lease by the Company, lease agreement between owners of the said land and principal lessee expired in 1975. The owners filed eviction proceedings against the principal lessee in 1976 and the suit was decided in favour of the owners in Mar, 2007. The Company appealed against the same and vide interim order in May, 2007, the order of eviction and execution proceedings pursuant to decree were since stayed by Appellate Court, pending outcome of the appeal. However, pursuant to application by owners, the Court directed the Company to deposit of ₹ 60,000 p.m. w.e.f. 26th Mar, 2018 as occupational charges, which is being deposited regularly by the company as directed by the court and provided in the financial statement. The appeal is currently at the final hearing stage by the Fast Track Court at Sealdah. Based on expert legal opinion, management believes that no liability needs to be accrued for any additional rental expenses or decommissioning liabilities in the financial statements at this stage.
3. Other than above, the Company has certain litigations under Section 138 of Negotiable Instruments Act, 2018 and has been provided for.

The management, including its legal advisors, believes that the ultimate outcome of these proceedings will not have an adverse impact on the Company's financial position and results of operation.

C. Others

1. There are numerous interpretative issues relating to the Supreme Court 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.
2. During the year, an order was passed by Hon'ble High Court of Delhi for alleged design infringement, where the Court has issued restraining orders on the manufacturing, marketing, and selling of specific model of fans category by the Company. The court proceedings are in progress and the matter is subjudice.
3. The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the code when it comes into effect and will record any related impact in the period the code and the related rules to determine the financial impact becomes effective.

Notes to the financial statements

for the year ended March 31, 2022

33. 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 Khetrapal, Non-Executive Vice Chairman
- 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. Saibal Sengupta

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

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

II. Related party transactions and balances

The details of related parties transactions entered into by the Company for the year ended March 31, 2022 and March 31, 2021, and the details of amounts due to or due from related parties as at March 31, 2022 and March 31, 2021 are as follows:

| Particulars | Investing Company | | 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 | | Key management personnel (KMP) | | Relative of Member of a Board of Director/KMP (having 2% shareholding in the Company) | | Post employment benefit plans | | Others | | Total | | |
|---|-------------------|----------------|--|----------------|--------------------------------|----------------|---|----------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | |
| Transactions during the year | | | | | | | | | | | | | | | |
| Sale of goods/ (Return) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Orient Paper & Industries Limited | - | - | 0.09 | 0.04 | - | - | - | - | - | - | - | - | 0.09 | 0.04 | |
| Orient Cement Limited | - | - | - | 0.02 | - | - | - | - | - | - | - | - | - | 0.02 | |
| National Engineering Industries Limited | - | - | - | - | - | - | - | - | - | - | 0.01 | 0.02 | 0.01 | 0.02 | |
| GMMCO Limited | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| AVTEC Limited | - | - | - | - | - | - | - | - | - | - | (0.01) | 0.01 | (0.01) | 0.01 | |
| HIL Limited | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| CK Birla Corporate Services Limited | - | - | - | - | - | - | - | - | - | - | - | 0.00 | - | 0.00 | |
| CK Birla Healthcare Private Limited | - | - | - | - | - | - | - | - | - | - | 0.02 | - | 0.02 | - | |
| Mr. Rakesh Khanna | - | - | - | - | 0.00 | 0.00 | - | - | - | - | - | - | 0.00 | 0.00 | |
| Mr. Saibal Sengupta | - | - | - | - | 0.00 | - | - | - | - | - | - | - | 0.00 | - | |
| Ms. Avani Birla | - | - | - | - | - | - | 0.00 | - | - | - | - | - | 0.00 | - | |
| Rent | | | | | | | | | | | | | | | |
| Orient Paper & Industries Limited | - | - | 0.14 | 0.14 | - | - | - | - | - | - | - | - | 0.14 | 0.14 | |
| Professional and Consultancy Services | | | | | | | | | | | | | | | |
| CK Birla Corporate Services Limited | - | - | - | - | - | - | - | - | - | - | 7.23 | 6.49 | 7.23 | 6.49 | |
| Birlasoft Limited (IT Consultancy) | - | - | - | - | - | - | - | - | - | - | 1.32 | 0.66 | 1.32 | 0.66 | |
| Birlasoft Limited (IT Consultancy for Intangible Asset) | - | - | - | - | - | - | - | - | - | - | 0.15 | - | 0.15 | - | |
| Miscellaneous expenses | | | | | | | | | | | | | | | |
| CK Birla Corporate Services Limited | - | - | - | - | - | - | - | - | - | - | 1.17 | 0.86 | 1.17 | 0.86 | |
| Contribution to fund | | | | | | | | | | | | | | | |
| Birla Industries Provident Fund | - | - | - | - | - | - | - | - | - | 1.84 | 1.89 | - | - | 1.84 | 1.89 |
| Employee benefit expenses (Refer note 1 below) | | | | | | | | | | | | | | | |
| Ms. Avani Birla | - | - | - | - | - | - | 2.20 | 0.99 | - | - | - | - | 2.20 | 0.99 | |
| Director's sitting fees & commission | | | | | | | | | | | | | | | |
| Mr. C.K. Birla | - | - | - | - | 0.51 | 0.52 | - | - | - | - | - | - | 0.51 | 0.52 | |
| Mr. TCA Ranganathan | - | - | - | - | 0.34 | 0.36 | - | - | - | - | - | - | 0.34 | 0.36 | |
| Mr. K Pradeep Chandra | - | - | - | - | 0.32 | 0.33 | - | - | - | - | - | - | 0.32 | 0.33 | |
| Ms. Alka Marezbhan Bharucha | - | - | - | - | 0.31 | 0.31 | - | - | - | - | - | - | 0.31 | 0.31 | |
| Mr. Desh Deepak Khetrpal | - | - | - | - | 0.36 | 0.38 | - | - | - | - | - | - | 0.36 | 0.38 | |
| Dividend Paid | | | | | | | | | | | | | | | |
| Central India Industries Limited | 10.51 | 6.57 | - | - | - | - | - | - | - | - | - | - | 10.51 | 6.57 | |
| National Engineering Industries Limited | - | - | - | - | - | - | - | - | - | - | 0.11 | 0.07 | 0.11 | 0.07 | |
| Mr. C.K. Birla | - | - | - | - | 0.70 | 0.43 | - | - | - | - | - | - | 0.70 | 0.43 | |
| Ms. Nirmala Birla | - | - | - | - | - | - | 0.68 | 0.45 | - | - | - | - | 0.68 | 0.45 | |
| Ms. Amita Birla | - | - | - | - | - | - | 0.07 | 0.04 | - | - | - | - | 0.07 | 0.04 | |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Particulars | Investing Company | | 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 | | Key management personnel (KMP) | | Relative of Member of a Board of Director/KMP (having 2% shareholding in the Company) | | Post employment benefit plans | | Others | | Total | | |
|--|-------------------|----------------|--|----------------|--------------------------------|----------------|---|----------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | |
| Ms. Avani Birla | - | - | - | - | - | - | 0.03 | 0.02 | - | - | - | - | 0.03 | 0.02 | |
| Ms. Avanti Birla | - | - | - | - | - | - | 0.03 | 0.02 | - | - | - | - | 0.03 | 0.02 | |
| Mr. Rakesh Khanna | - | - | - | - | 0.00 | - | - | - | - | - | - | - | 0.00 | - | |
| Mr. Saibal Sengupta | - | - | - | - | 0.00 | - | - | - | - | - | - | - | 0.00 | - | |
| Mr. Hitesh Kumar Jain | - | - | - | - | 0.00 | - | - | - | - | - | - | - | 0.00 | - | |
| Balances outstanding | | | | | | | | | | | | | | | |
| Trade receivables | | | | | | | | | | | | | | | |
| Orient Paper & Industries Limited | - | - | 0.02 | 0.01 | - | - | - | - | - | - | - | - | 0.02 | 0.01 | |
| Orient Cement Limited {Provision for Doubtful Debt ₹ 0.00 Cr (March 31, 2021 ₹ 0.01 Cr)} | - | - | - | 0.01 | - | - | - | - | - | - | - | - | - | 0.01 | |
| AVTEC Limited | - | - | - | - | - | - | - | - | - | - | - | - | 0.01 | 0.01 | |
| CK Birla Healthcare Private Limited | - | - | - | - | - | - | - | - | - | - | - | 0.00 | - | 0.00 | |
| Other assets | | | | | | | | | | | | | | | |
| Trade payables | | | | | | | | | | | | | | | |
| CK Birla Corporate Services Limited | - | - | - | - | - | - | - | - | - | - | - | 1.90 | 1.26 | 1.90 | 1.26 |
| Birlasoft Limited | - | - | - | - | - | - | - | - | - | - | 0.31 | 0.22 | 0.31 | 0.22 | |
| Mr. C.K. Birla | - | - | - | - | 0.41 | 0.42 | - | - | - | - | - | - | 0.41 | 0.42 | |
| Mr. TCA Ranganathan | - | - | - | - | 0.18 | 0.19 | - | - | - | - | - | - | 0.18 | 0.19 | |
| Mr. K Pradeep Chandra | - | - | - | - | 0.15 | 0.16 | - | - | - | - | - | - | 0.15 | 0.16 | |
| Ms. Alka Marezbhan Bharucha | - | - | - | - | 0.15 | 0.16 | - | - | - | - | - | - | 0.15 | 0.16 | |
| Mr. Desh Deepak Khetrpal | - | - | - | - | 0.20 | 0.21 | - | - | - | - | - | - | 0.20 | 0.21 | |
| Mr. Rakesh Khanna | - | - | - | - | (0.00) | - | - | - | - | - | - | - | (0.00) | - | |
| Key management personnel compensation (Refer note 1 below) | | | | | | | | | | | | | | | |
| Short-term employee benefits | | | | | | | | | | | | | | | |
| Mr. Rakesh Khanna | - | - | - | - | 3.51 | 3.00 | - | - | - | - | - | - | 3.51 | 3.00 | |
| Mr. Saibal Sengupta | - | - | - | - | 2.07 | 1.79 | - | - | - | - | - | - | 2.07 | 1.79 | |
| Mr. Hitesh Kumar Jain | - | - | - | - | 0.52 | 0.47 | - | - | - | - | - | - | 0.52 | 0.47 | |
| Termination benefits | | | | | | | | | | | | | | | |
| Mr. Rakesh Khanna | - | - | - | - | 0.19 | 0.17 | - | - | - | - | - | - | 0.19 | 0.17 | |
| Share-based payment transactions (Refer note 2 below) | | | | | | | | | | | | | | | |
| Mr. Rakesh Khanna | - | - | - | - | 0.97 | 0.85 | - | - | - | - | - | - | 0.97 | 0.85 | |
| Mr. Saibal Sengupta | - | - | - | - | 0.31 | 0.28 | - | - | - | - | - | - | 0.31 | 0.28 | |
| Long term incentive plan | | | | | | | | | | | | | | | |
| Mr. Rakesh Khanna | - | - | - | - | 0.41 | 0.37 | - | - | - | - | - | - | 0.41 | 0.37 | |
| Mr. Saibal Sengupta | - | - | - | - | 0.31 | 0.28 | - | - | - | - | - | - | 0.31 | 0.28 | |

* The amounts disclosed above are inclusive of GST.

Note 1: The remuneration to the key managerial personnel/others 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: Share based payment transactions included above relates to fair value of options 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)

Notes to the financial statements

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(All amounts in Rupees Crores, unless otherwise stated)

34. 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. However, the analysis of geographical segments is demarcated into 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

| Particulars | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| A Business Segment | | |
| i Revenue from operations | | |
| Electrical Consumer Durables | 1,799.31 | 1,513.88 |
| Lighting & Switchgear | 649.06 | 518.72 |
| | 2,448.37 | 2,032.60 |
| Total revenue from operations | 2,448.37 | 2,032.60 |
| ii Results | | |
| Segment results | | |
| Electrical Consumer Durables | 201.16 | 205.20 |
| Lighting & Switchgear | 94.87 | 69.23 |
| Segment operating profit | 296.03 | 274.43 |
| Unallocated Income / (Expenses) (net of unallocable expenses/income) | (106.96) | (92.81) |
| Operating profit | 189.07 | 181.62 |
| Finance costs | 19.31 | 19.72 |
| Profit before tax | 169.76 | 161.90 |
| Income tax expense | 43.12 | 42.16 |
| Profit after tax | 126.64 | 119.74 |
| iii Segment Assets | | |
| Electrical Consumer Durables | 683.39 | 535.18 |
| Lighting & Switchgear | 257.23 | 264.09 |
| Segment operating assets | 940.62 | 799.27 |
| Unallocated assets: | | |
| Property, plant and equipment (including capital work-in-progress) | 14.25 | 15.73 |
| Intangible assets (including assets under development) | 20.96 | 20.12 |
| Right of use asset | 33.60 | 33.28 |
| Cash & Bank Balances | 128.72 | 247.58 |
| Other Current Assets | 49.23 | 46.38 |
| Total Assets | 1,187.38 | 1,162.36 |
| iv Segment Liabilities | | |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Electrical Consumer Durables | 375.73 | 436.18 |
| Lighting & Switchgear | 189.89 | 190.58 |
| Segment operating liabilities | 565.62 | 626.76 |
| Unallocated liabilities: | | |
| Borrowings | 14.72 | 15.27 |
| Lease liabilities | 37.86 | 36.90 |
| Provisions | 17.28 | 14.96 |
| Current Liabilities | 10.58 | 12.81 |
| Total Liabilities | 646.06 | 706.70 |
| v Capital Expenditure including capital advances | | |
| Electrical Consumer Durables | 29.23 | 20.50 |
| Lighting & Switchgear | 7.79 | 3.04 |
| | 37.02 | 23.54 |
| Other unallocated | 32.15 | 15.69 |
| | 69.17 | 39.23 |
| vi Depreciation and amortisation expenses | | |
| Electrical Consumer Durables | 19.54 | 13.38 |
| Lighting & Switchgear | 9.37 | 6.66 |
| | 28.91 | 20.04 |
| Other unallocated | 18.17 | 23.11 |
| | 47.08 | 43.15 |

B Geographical Segment

The Company primarily operates in India. However, the analysis of geographical segments is demarcated into within India and outside India Operations.

| Particulars | March 31, 2022 | March 31, 2021 |
|--|-----------------|-----------------|
| Revenue from external customers | | |
| Within India | 2,310.36 | 1,922.60 |
| Outside India | 138.01 | 110.00 |
| | 2,448.37 | 2,032.60 |
| Other segment information | | |
| Segment assets | | |
| Within India | 1,163.34 | 1,137.97 |
| Outside India # | 24.03 | 24.39 |
| | 1,187.37 | 1,162.36 |

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.

35. 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 Re. 1/- each of the Company.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

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.

During the year under review, no new stock option was granted under ESOP Scheme -2019, while 3,58,540 stock options granted earlier, have been lapsed on account of separation of employees from the Company.

Particulars of Options outstanding as on March 31, 2022 is as follows:

| Particulars | March 31, 2022 | | | March 31, 2021 | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Grant 1 Vesting Period-1 | Grant 2 Vesting Period-2 | Grant 3 Vesting Period-3 | Grant 1 Vesting Period-1 | Grant 2 Vesting Period-2 | Grant 3 Vesting Period-3 |
| Outstanding Stock Options (number) at the beginning of the year | 676,974 | 1,015,459 | 99,781 | 741,131 | 1,111,696 | 99,781 |
| Options granted during the year | - | - | - | - | - | - |
| Options Lapsed during the year | 143,416 | 215,124 | - | 64,158 | 96,236 | - |
| Options vested during the year | - | - | - | - | - | - |
| Options exercised during the year | - | - | - | - | - | - |
| Options outstanding at the end of the year | 533,558 | 800,335 | 99,781 | 676,974 | 1,015,459 | 99,781 |
| Exercise Price | 144.10 | 144.10 | 184.10 | 144.10 | 144.10 | 184.10 |
| Vesting Date | April 01, 2022 | April 01, 2023 | December 11, 2023 | April 01, 2022 | April 01, 2023 | December 11, 2023 |

Fair value of Options granted during the financial year 2020-21, has been determined using Black-Scholes model with following inputs:

| Particulars | March 31, 2022 | | | March 31, 2021 | | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Grant 1 Vesting Period-1 | Grant 2 Vesting Period-2 | Grant 3 Vesting Period-3 | Grant 1 Vesting Period-1 | Grant 2 Vesting Period-2 | Grant 3 Vesting Period-3 |
| Date of Grant | March 27, 2019 | July 30, 2019 | December 11, 2019 | March 27, 2019 | July 30, 2019 | December 11, 2019 |
| Stock price on the grant date | 144.10 | 144.10 | 184.10 | 144.10 | 144.10 | 184.10 |
| Exercise price | 144.10 | 144.10 | 184.10 | 144.10 | 144.10 | 184.10 |
| Expected term (years) | 5 | 6 | 6 | 5 | 6 | 6 |
| Weighted average fair value as on grant date | 63.37 | 61.89 | 73.57 | 63.37 | 61.89 | 73.57 |
| Expected price volatility | 40.60% | 35.75% | 34.35% | 40.60% | 35.75% | 34.35% |
| Risk free interest rate | 7.03% | 6.35% | 6.66% | 7.03% | 6.35% | 6.66% |
| Expected dividend yield | 0.69% | 0.69% | 0.69% | 0.69% | 0.69% | 0.69% |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Summary of the expenses recognised in the statement of profit and loss:

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Expenses arising from equity settled share based payment plan | 1.31 | 3.45 |

36. 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:

| | Leasehold Properties | Other | Total |
|-----------------------------|----------------------|-------------|--------------|
| Gross Block | | | |
| As at April 01, 2020 | 65.87 | 2.14 | 68.01 |
| Additions | 3.36 | 0.10 | 3.46 |
| Deletion | (0.34) | (0.30) | (0.64) |
| As at March 31, 2021 | 68.89 | 1.94 | 70.83 |
| Accumulated depreciation | | | |
| As at April 01, 2020 | 13.51 | 0.31 | 13.82 |
| Charge for the year | 15.17 | 0.30 | 15.47 |
| Deletion | (0.08) | (0.10) | (0.18) |
| As at March 31, 2021 | 28.60 | 0.51 | 29.11 |
| Net block | 40.29 | 1.43 | 41.72 |
| Gross Block | | | |
| As at April 01, 2021 | 68.89 | 1.94 | 70.83 |
| Additions | 26.41 | 0.05 | 26.46 |
| Deletion | (4.59) | - | (4.59) |
| As at March 31, 2022 | 90.71 | 1.99 | 92.70 |
| Accumulated depreciation | | | |
| As at April 01, 2021 | 28.60 | 0.51 | 29.11 |
| Charge for the year | 17.08 | 0.30 | 17.38 |
| Deletion | (1.44) | - | (1.44) |
| As at March 31, 2022 | 44.24 | 0.81 | 45.05 |
| Net block | 46.47 | 1.18 | 47.65 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Balance as at beginning of the year | 46.14 | 56.68 |
| Additions | 26.46 | 3.46 |
| Accretion of interest | 3.99 | 4.64 |
| Payments | (20.29) | (18.13) |
| Deletion | (3.48) | (0.51) |
| Balance as at end of the year | 52.82 | 46.14 |
| Current | 15.06 | 13.35 |
| Non current | 37.76 | 32.79 |

The maturity analysis of lease liabilities are disclosed in Note 39

The effective interest rate for lease liabilities is 7.5%, with maturity between 2022-2029

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Depreciation expense of right-of-use assets | 17.38 | 15.47 |
| Interest expense on lease liabilities | 3.99 | 4.64 |
| Expense relating to short-term leases and low value leases (included in other expenses) | 2.64 | 1.29 |
| Loss/(Gain) on lease cancellation | (0.33) | 0.05 |

The Company had total cash outflows for leases of ₹ 20.29 crores in March 31, 2022 (March 31, 2021: ₹ 18.13 crores). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 26.46 crores as at March 31, 2022 (March 31, 2021: ₹ 3.46 crores).

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.

37. Revenue from Contracts with Customers- Ind AS 115

37.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Segment | March 31, 2022 | | |
|--|------------------------------|-----------------------|-----------------|
| | Electrical Consumer Durables | Lighting & Switchgear | Total |
| Type of goods | | | |
| Sale of fans and appliances | 1,796.06 | - | 1,796.06 |
| Sale of lights, circuit breakers and switches | - | 648.82 | 648.82 |
| Total revenue from contracts with customers | 1,796.06 | 648.82 | 2,444.88 |
| India | 1,672.67 | 637.68 | 2,310.35 |
| Outside India | 123.39 | 11.14 | 134.53 |
| Total revenue from contracts with customers | 1,796.06 | 648.82 | 2,444.88 |
| Timing of revenue recognition | | | |
| Goods transferred at a point in time | 1,796.06 | 648.82 | 2,444.88 |
| Total revenue from contracts with customers | 1,796.06 | 648.82 | 2,444.88 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| Segment | March 31, 2021 | | |
|---|------------------------------|-----------------------|-----------------|
| | Electrical Consumer Durables | Lighting & Switchgear | Total |
| Type of goods | | | |
| Sale of fans and appliances | 1,510.72 | - | 1,510.72 |
| Sale of lights, circuit breakers and switches | - | 518.12 | 518.12 |
| Sale of services | - | 0.54 | 0.54 |
| Total revenue from contracts with customers | 1,510.72 | 518.66 | 2,029.38 |
| India | 1,409.95 | 512.65 | 1,922.60 |
| Outside India | 100.77 | 6.01 | 106.78 |
| Total revenue from contracts with customers | 1,510.72 | 518.66 | 2,029.38 |
| Timing of revenue recognition | | | |
| Goods transferred at a point in time | 1,510.72 | 518.12 | 2,028.84 |
| Services transferred at a point in time on completion | - | 0.54 | 0.54 |
| Total revenue from contracts with customers | 1,510.72 | 518.66 | 2,029.38 |

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 34):

| | March 31, 2022 | | March 31, 2021 | |
|--|------------------------------|-----------------------|------------------------------|-----------------------|
| | Electrical Consumer Durables | Lighting & Switchgear | Electrical Consumer Durables | Lighting & Switchgear |
| Revenue as per segment information | 1,799.31 | 649.06 | 1,513.88 | 518.72 |
| Less: Export incentive | 3.25 | 0.24 | 3.16 | 0.06 |
| Total revenue from contracts with customers | 1,796.06 | 648.82 | 1,510.72 | 518.66 |

37.2 Contract balances

| Particulars | March 31, 2022 | March 31, 2021 |
|-----------------------------|----------------|----------------|
| Trade receivables (net) | 415.87 | 383.79 |
| Contract liabilities | | |
| Advance from customers | 8.42 | 9.16 |
| Deferred revenue | 16.33 | 16.11 |

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.

37.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

| Particulars | March 31, 2022 | March 31, 2021 |
|---|-----------------|-----------------|
| Revenue as per contracted price | 2,642.13 | 2,188.55 |
| Adjustments | | |
| Cash discount, rebates, incentives etc. | 93.67 | 80.65 |
| Sales return | 103.35 | 74.61 |
| Deferred revenue (net) | 0.22 | 3.91 |
| Revenue from contract with customers | 2,444.88 | 2,029.38 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

37.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2022 are, as follows:

| Particulars | March 31, 2022 | March 31, 2021 |
|-------------------------|----------------|----------------|
| Advances from customers | 8.42 | 9.16 |
| Deferred revenue | 16.33 | 16.11 |

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.

38. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| 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 | 73.88 | 88.32 |
| | 73.88 | 88.32 |
| 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 | - | - |

39. 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 electrical and electronic items and therefore require a continuous supply of copper, aluminium, steel and integrated circuit (IC) being the major input used in the manufacturing. Due to the significantly increased volatility of

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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 passes 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.

Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of reporting period are as follows:

| Particulars | March 31, 2022 | March 31, 2021 |
|--------------------------|----------------|----------------|
| Variable rate borrowings | - | 7.25 |
| Fixed rate borrowings | - | - |
| | - | 7.25 |

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.

| | Increase/ decrease in basis points* | Effect on profit before tax |
|----------------|---|--------------------------------|
| March 31, 2022 | 50 basis points | - |
| March 31, 2021 | 50 basis points | 0.04 |

* 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.

| March 31, 2022 | Change in rate | Unhedged Foreign Currency (Net) | Effect on Profit before Tax |
|----------------|----------------|---------------------------------|------------------------------|
| INR vs USD | 5% | 7.91 | Trade receivable (gain) 0.40 |
| INR vs AED | 5% | 0.20 | Trade receivable (gain) 0.01 |
| INR vs EUR | 5% | 4.83 | Trade receivable (gain) 0.24 |
| INR vs USD | 5% | 12.48 | Trade payable (loss) 0.62 |
| INR vs EURO | 5% | 0.00 | Trade payable (loss) 0.00 |

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for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

| March 31, 2021 | Change in rate | Unhedged Foreign Currency (Net) | Effect on Profit before Tax | |
|----------------|----------------|---------------------------------|-----------------------------|------|
| INR vs USD | 5% | 10.51 | Trade receivable (gain) | 0.53 |
| INR vs AED | 5% | 5.21 | Trade receivable (gain) | 0.26 |
| INR vs USD | 5% | 9.09 | Trade payable (loss) | 0.45 |
| INR vs EURO | 5% | 0.27 | Trade payable (loss) | 0.01 |

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).

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, 2022 and March 31, 2021 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.

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL) | | |
| Cash and other bank balances | 150.52 | 257.55 |
| Other non current financial assets | 9.76 | 9.46 |
| Other current financial assets | 0.08 | 0.88 |
| | 160.36 | 267.89 |
| Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL) | | |
| Trade receivables (net) | 415.87 | 383.79 |
| | 415.87 | 383.79 |

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:

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| At the beginning of year | 28.40 | 26.87 |
| Impairment allowance created during the year | 0.18 | 1.54 |
| Bad debts written off during the year | 3.52 | 0.01 |
| At the end of year | 25.06 | 28.40 |

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.

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.

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(All amounts in Rupees Crores, unless otherwise stated)

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.

| Financial Liabilities | 0-1 year | 2-5 year | Above 5 years | Total |
|-------------------------------------|---------------|--------------|---------------|---------------|
| March 31, 2022 | | | | |
| Borrowings | 14.72 | - | - | 14.72 |
| Lease liabilities | 15.06 | 29.77 | 7.99 | 52.82 |
| Trade Payables | 449.47 | - | - | 449.47 |
| Other current financial liabilities | 33.20 | - | - | 33.20 |
| Total | 512.45 | 29.77 | 7.99 | 550.21 |
| March 31, 2021 | | | | |
| Borrowings | 13.53 | 1.74 | - | 15.27 |
| Lease liabilities | 13.35 | 28.27 | 4.52 | 46.14 |
| Interest on long term borrowings | 0.13 | 0.20 | - | 0.33 |
| Trade Payables | 519.13 | - | - | 519.13 |
| Other current financial liabilities | 33.70 | - | - | 33.70 |
| Total | 579.84 | 30.21 | 4.52 | 614.57 |

40. 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.

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Cash and cash equivalents (Refer note 9) | 149.98 | 140.06 |
| Other Bank Balances (Refer note 10) | 0.54 | 117.49 |
| Total (a) | 150.52 | 257.55 |
| Non-current Borrowings (Refer note 14) | - | 1.74 |
| Current Borrowings (Refer note 14) | 14.72 | 13.53 |
| Total Borrowings (b) | 14.72 | 15.27 |
| Net Debt (c = b-a)* | 0.00 | 0.00 |
| Total Equity (d) | 541.31 | 455.66 |
| Total Capital (equity + Net debt) (e) | 541.31 | 455.66 |
| Gearing Ratio (c/d)* | 0.00 | 0.00 |

*Borrowings does not include lease liability.

*Cash and bank balances is greater than borrowing, hence debt is considered as nil.

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

41. Dividend paid and proposed

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Dividend paid and declared during the year | | |
| Final dividend paid for the year ended March 31, 2021 Re. 1.25 per share (March 31, 2020: Re. 0.50) | 26.52 | 10.61 |
| Interim dividend paid for the year ended March 31, 2022 Re. 0.75 per share (March 31, 2021: Re. 0.75 per share) | 15.91 | 15.91 |
| | 42.43 | 26.52 |
| Proposed dividend on equity shares * | | |
| Final dividend for the year ended March 31, 2022 Re. 1.25 per share (March 31, 2021: Re. 1.25 per share) | 26.52 | 26.52 |
| | 26.52 | 26.52 |

* 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 as at March 31, 2022.

42. 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 ₹ 1.82 crores (March 31, 2021: ₹ 3.25 crores) 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.

| Details of CSR Expenditure: | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| a) Gross amount required to be spent by the Company during the year | 2.64 | 2.22 |

b) Amount spent during year ended:

| Particulars | Amount spent | | Amount yet to be spent | |
|--|----------------|----------------|------------------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| (i) Construction/ acquisition of assets | - | - | - | - |
| (ii) Contribution to Trust/Universities | - | - | - | - |
| (iii) On Purpose other than above | 1.82 | 3.25 | - | - |
| Add: Utilised from excess spend in last year | 0.82 | - | - | - |
| Total | 2.64 | 3.25 | - | - |

c) Movement of Excess CSR spend:

| | Opening Balance carry forward from FY 2020-21 (A) | Utilised during the year (B) | Closing Balance carry forward for FY 2022-23 (C)=A-B |
|--|---|---------------------------------|--|
| | 1.03 | 0.82 | 0.21 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

43. 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:

| Financial instruments by category | Carrying value | | Fair value | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Financial assets (at amortised cost) | | | | |
| Trade Receivables (non-current) | 25.51 | 28.61 | 25.51 | 28.61 |
| Other Financial assets (non-current) | 9.76 | 9.46 | 9.76 | 9.46 |
| Trade Receivables (current) | 390.36 | 355.18 | 390.36 | 355.18 |
| Cash and other bank balances (current) | 150.52 | 257.55 | 150.52 | 257.55 |
| Other Financial assets (current) | 0.08 | 0.88 | 0.08 | 0.88 |
| | 576.23 | 651.68 | 576.23 | 651.68 |
| Financial Liabilities (at amortised cost) | | | | |
| Borrowings (non-current) | - | 1.74 | - | 1.74 |
| Lease liabilities (non-current) | 37.76 | 32.79 | 37.76 | 32.79 |
| Borrowings (current) | 14.72 | 13.53 | 14.72 | 13.53 |
| Lease liabilities (current) | 15.06 | 13.35 | 15.06 | 13.35 |
| Trade Payables (current) | 449.47 | 519.13 | 449.47 | 519.13 |
| Other financial liabilities (current) | 33.20 | 33.70 | 33.20 | 33.70 |
| | 550.21 | 614.24 | 550.21 | 614.24 |

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:

- 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, 2022 was assessed to be insignificant.
- 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, 2022, 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

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

market data.

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022

| | Carrying Value | | Fair Value | |
|---|----------------|---------|------------|---------|
| | March 31, 2022 | Level 1 | Level 2 | Level 3 |
| Assets carried at amortised cost for which fair value are disclosed | | | | |
| Trade Receivables (non-current) | 25.51 | - | - | 25.51 |
| Other Financial assets (non-current) | 9.76 | - | - | 9.76 |
| Trade Receivables (current) | 390.36 | - | - | 390.36 |
| Cash and other bank balances (current) | 150.52 | - | - | 150.52 |
| Other Financial assets (current) | 0.08 | - | - | 0.08 |
| Liabilities carried at amortised cost for which fair value are disclosed | | | | |
| Borrowings (non-current) | - | - | - | - |
| Lease liabilities (non-current) | 37.76 | - | - | 37.76 |
| Borrowings (current) | 14.72 | - | - | 14.72 |
| Lease liabilities (current) | 15.06 | - | - | 15.06 |
| Trade Payables | 449.47 | - | - | 449.47 |
| Other financial liabilities (current) | 33.20 | - | - | 33.20 |

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2021

| | Carrying Value | | Fair Value | |
|---|----------------|---------|------------|---------|
| | March 31, 2021 | Level 1 | Level 2 | Level 3 |
| Assets carried at amortised cost for which fair value are disclosed | | | | |
| Trade Receivables (non-current) | 28.61 | - | - | 28.61 |
| Other Financial assets (non-current) | 9.46 | - | - | 9.46 |
| Trade Receivables (current) | 355.18 | - | - | 355.18 |
| Cash and other bank balances (current) | 257.55 | - | - | 257.55 |
| Other Financial assets (current) | 0.88 | - | - | 0.88 |
| Liabilities carried at amortised cost for which fair value are disclosed | | | | |
| Borrowings (non-current) | 1.74 | - | - | 1.74 |
| Lease liabilities (non-current) | 32.79 | - | - | 32.79 |
| Borrowings (current) | 13.53 | - | - | 13.53 |
| Lease liabilities (current) | 13.35 | - | - | 13.35 |
| Trade Payables | 519.13 | - | - | 519.13 |
| Other financial liabilities (current) | 33.70 | - | - | 33.70 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

44. Ratio Analysis and its elements

| S. No | Ratio | | As at 31 March 2022 | As at 31 March 2021 |
|-------|---|--|---------------------|---------------------|
| 1. | Current Ratio (in times) | Current Assets/Current Liabilities | 1.56 | 1.37 |
| 2. | Debt-Equity Ratio (in times) | Gross Debt/ Equity | 0.03 | 0.03 |
| 3. | Debt Service Coverage Ratio (in times) | Earnings after tax but before interest, depreciation and exceptional items/ (interest expense + principal payments of long term loans) | 5.30 | 4.84 |
| 4. | Return on Equity Ratio (times) | Net Profit after tax before exceptional/Net Worth | 0.23 | 0.26 |
| 5. | Inventory turnover ratio (in times) | COGS or Sales/ Average Inventory | 6.14 | 5.31 |
| 6. | Trade Receivables turnover ratio (in times) | Net Credit Sales/ Average Trade Receivables | 6.02 | 5.17 |
| 7. | Trade payables turnover ratio (in times) | Net Credit Purchases/Average Trade Payables | 3.83 | 3.27 |
| 8. | Net capital turnover ratio (in times) | Revenue from Operations / Working capital | 7.59 | 8.35 |
| 9. | Net profit ratio (times) | Net Profit after tax before exceptional items/ Revenue from operations | 0.05 | 0.06 |
| 10. | Return on Capital employed (in times) | Earning before interest and taxes/ Capital Employed | 0.34 | 0.39 |

45. Trade Receivables ageing schedule

As at 31st March 2022

Non Current

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|-------------------|------------------|-----------|-----------|-------------------|--------------|
| | Not Due | Less than 6 month | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| (i) Trade receivables – considered good | 25.51 | - | - | - | - | - | 25.51 |

Current

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|-------------------|------------------|-------------|-------------|-------------------|---------------|
| | Not Due | Less than 6 month | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| (i) Trade receivables – considered good | 302.73 | 79.31 | 2.76 | 1.72 | 2.93 | 0.93 | 390.36 |
| (ii) Trade receivables credit impaired | 0.01 | 0.23 | 0.38 | 0.28 | 0.30 | 1.02 | 2.23 |
| Disputed | | | | | | | |
| (i) Trade receivables credit impaired | - | 0.00 | 0.08 | 0.12 | 5.16 | 17.47 | 22.83 |
| Total | 302.74 | 79.54 | 3.22 | 2.12 | 8.39 | 19.41 | 415.42 |

Notes to the financial statements

for the year ended March 31, 2022

(All amounts in Rupees Crores, unless otherwise stated)

As at 31st March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|-------------------|------------------|--------------|-------------|-------------------|---------------|
| | Not Due | Less than 6 month | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Non Current | | | | | | | |
| Undisputed | | | | | | | |
| (i) Trade receivables – considered good | 28.61 | - | - | - | - | - | 28.61 |
| Current | | | | | | | |
| Undisputed | | | | | | | |
| (i) Trade receivables – considered good | 269.16 | 68.84 | 1.18 | 13.98 | 0.50 | 1.52 | 355.18 |
| (ii) Trade receivables credit impaired | 0.00 | 0.23 | 0.58 | 4.16 | 0.12 | 0.89 | 5.98 |
| Disputed | | | | | | | |
| (i) Trade receivables credit impaired | - | 0.00 | - | 5.00 | 4.39 | 13.03 | 22.42 |
| Total | 269.16 | 69.07 | 1.76 | 23.14 | 5.02 | 15.44 | 383.58 |

46. Trade Payable ageing schedule

As at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--------------|--|------------------|-------------|-------------|-------------------|---------------|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 73.65 | 0.23 | - | - | - | 73.88 |
| (ii) Others | 305.14 | 65.98 | 1.10 | 1.87 | 1.49 | 375.59 |
| Total | 378.79 | 66.21 | 1.10 | 1.87 | 1.49 | 449.47 |

As at 31st March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--------------|--|------------------|-------------|-------------|-------------------|---------------|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 80.48 | 7.84 | - | - | - | 88.32 |
| (ii) Others | 362.25 | 64.84 | 1.99 | 0.65 | 1.08 | 430.81 |
| Total | 442.73 | 72.68 | 1.99 | 0.65 | 1.08 | 519.13 |

47. The global pandemic outbreak had impacted the Company's business in early part of the financial year. However, the Company has been able to recover the business in course of the year. The Company has made an impact assessment of the pandemic and basis the current year results and best estimates of revenue, expenses and current assets, as on the date of reporting, the Company does not anticipate any material impact on the recoverability of the carrying value of its assets. The management has also estimated future cash flows for the Company and believes that there will be no impact on its ability to continue as going concern and meeting its liabilities as and when they fall due. However, considering the unpredictability and inherent uncertainty on the potential future impact of the pandemic, the Company's financial results may differ from that estimated as on the date of approval of these financial statements.

Notes to the financial statements

for the year ended March 31, 2022

48. Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

49. 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/-.

50. 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 Amit Gupta
Partner
Membership No.: 501396

Place: New Delhi
Date: May 10, 2022

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: New Delhi
(ACA 54373)

Rakesh Khanna
Managing Director and
Chief Executive Officer
(DIN 00266132)
Place: New Delhi

Hitesh Kumar Jain
Company Secretary
Place: New Delhi
(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 sixth Annual General Meeting ("AGM"/ "Meeting") of the members of **ORIENT ELECTRIC LIMITED** (the "Company") will be held on **Monday, the 25th day of July 2022 at 3:30 p.m. (IST)**, through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Auditors' thereon.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Auditors thereon as circulated to shareholders of the Company, be and are hereby received, considered and adopted."

- To declare final dividend of ₹ 1.25 (125%) per equity share of face value of ₹ 1 each for the financial year ended March 31, 2022 and to confirm the interim dividend of ₹ 0.75 (75%) per equity share, already paid during the financial year 2021-22.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the payment of final dividend at the rate of ₹ 1.25 (125%) per equity share of the face value of ₹ 1 each of the Company, for the financial year 2021-22, as recommended by the Board of Directors, be and is hereby declared and the same be paid out of the profits of the Company.

RESOLVED FURTHER THAT the interim dividend at the rate of ₹ 0.75 (75%) per equity share of the face value of

₹ 1 each of the Company, paid during the financial year 2021-22, be and is hereby confirmed."

- 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.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Chandra Kant Birla (DIN: 00118473) who retires by rotation at this Annual General Meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

- To appoint Statutory Auditors of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. S R Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number-301003E/E300005), be and are hereby re-appointed as the Statutory Auditors of the Company for a continuous term of four years to hold office from the conclusion of this Annual General Meeting till the conclusion of 10th Annual General Meeting of the Company to be held in the calendar year 2026, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, from time to time.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any committee thereof)

NOTICE >

of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds and things, as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution".

SPECIAL BUSINESS

- To approve the terms of remuneration of Mr. Rakesh Khanna, Managing Director & CEO of the Company, for the financial year 2022-23.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V to the Act, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, the Articles of Association of the Company, Nomination and Remuneration Policy of the Company, as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such approvals, as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such approval(s), the annual remuneration of Mr. Rakesh Khanna, Managing Director and CEO of the Company, for the financial year 2022-23, as set out below, be and is hereby approved:

| Particulars | Amount Per Annum (₹) |
|----------------------|----------------------|
| Basic Salary | 1,42,85,543 |
| House Rent Allowance | 45,95,666 |
| Other Allowances | 100,82,331 |
| Total | 2,89,63,540 |

In addition to the above, Mr. Rakesh Khanna shall be entitled to:

- Annual performance linked variable pay of ₹ 86,57,747/-, payable up to 120% of the said amount subject to achievement of agreed targets and performance parameters as may be decided by the Board.
- Leave Travel Allowance – ₹ 1,50,000 per annum.
- Contribution to Provident Fund and Superannuation

/ Annuity Fund as per Scheme of the Company.

- Gratuity at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months, as per Scheme of the Company.
- Leave, in accordance with the rules framed by the Company.
- Encashment of unavailed leave at the end of the tenure or at specified intervals as per Scheme of the Company.
- Provision of chauffeur driven car.
- Perquisite value, if any, arising on account of exercise of Employee Stock Options granted earlier with the approval of the shareholders, under the "Employee Stock Option Scheme -2019" of the Company.
- Amount of Long-Term Cash Incentive granted earlier with the approval of the shareholders, under the Long-Term Cash Incentive Scheme of the Company.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein, in the event of loss or inadequacy of profits during and / or for the financial year 2022-23, the Company will, subject to the compliance of the provisions of Section 197 and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Act and other applicable laws and such sanctions and approvals as may be required, continue to pay remuneration to Mr. Rakesh Khanna as provided in this resolution, as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee thereof) of the Company be and is hereby authorised to alter, vary, amend or revise the remuneration or other terms and conditions, as specified above, from time to time, to the extent the Board may deem appropriate and as may be agreed to between the Board and Mr. Rakesh Khanna, in accordance with the provisions of Section 197 of the Act read with Schedule V thereto (including any statutory modification(s) or re-enactment thereof for the time being in force) without requiring to obtain any further approval(s) from the members of the Company.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised, on behalf of the Company, to do all such acts, deeds, matters and things as it may deem fit, desirable or necessary, including but not limited to obtain all

necessary approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters, doubts, issues and questions, arising out of and incidental thereto, as may be necessary to give full effect to the foregoing resolution."

6. Payment of Commission to Non-Executive Directors of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") and the rules made thereunder read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(a) and all other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with provisions of the Articles of Association of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be required in this regard, approval of the shareholders of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors (including Independent Directors) of the Company upto one percent (1%) of the net profit of the Company during the relevant financial year computed in accordance with the provisions of Section 198 of the Act or such other percentage as may be specified by the Act from time to time in this regard, for a period of 5 (five) financial years commencing from the financial year 2022-23, to be determined by the Board of Directors (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee thereof) for each of such Non-Executive Director for each financial year and distributed between such Directors in such amounts or proportions and in such manner as the Board may, from time to time, determine.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof and reimbursement of expenses for participation in the Board and other meetings.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

7. Payment of remuneration to Cost Auditors for the financial year ending March 31, 2023.

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 and Companies (Cost Records and Audit) Rules, 2014 ("**Rules**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Mr. Somnath Mukherjee, Cost Accountant in Practice (M.No.- 5343) as approved by the Board of Directors and set out in the Statement annexed to the Notice, to be paid to him as Cost Auditor, appointed by the Board of Directors to conduct the audit of cost records of the Company, as per the provisions of the Rules, for the financial year ending March 31, 2023, be and is hereby ratified.

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."

By Order of the Board of Directors

Hitesh Kumar Jain

Company Secretary
(Membership No.: F6241)

Registered Office: Unit VIII,
Plot No. 7, Bhoinagar,

Bhubaneswar – 751012, Odisha

CIN: L31100OR2016PLC025892

Place: New Delhi

Date: May 10, 2022

NOTES

- The Explanatory Statement for the proposed resolutions under Special Businesses, pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (the "**Act**") and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") relating to certain ordinary business, to be transacted at the 6th AGM, is annexed hereto.
- In compliance with the circular issued by the Ministry of Corporate Affairs ("**MCA**"), vide its General Circular No. 2/2022 dated May 05, 2022 read alongwith General Circular Nos. 14/2020, 17/2020, 20/ 2020, 02/2021 and 19/2021 and all other applicable laws and circulars, issued by the Ministry of Corporate Affairs (collectively referred to as "**MCA Circulars**"), Regulation 44 of the Listing Regulations, Secretarial Standard on General Meetings ("**SS-2**") issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), the Annual General Meeting ("**AGM**" / "**Meeting**") of the Company is being held through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**"), without the physical presence of the members at a common venue. Deemed venue of the AGM shall be the Registered Office of the Company at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar – 751012, Odisha.
- Pursuant to the provisions of section 105 of the Act and Regulation 44(4) of the Listing Regulations, a member 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 member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA Circulars, physical attendance of members has been dispensed with and attendance of members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. Accordingly, the facility for appointment of Proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Route map of the venue of the Meeting is also not annexed hereto.
- For enabling the members to participate at the 6th AGM through VC / OAVM, the Company has appointed NSDL to provide VC/OAVM facility and e-voting facility for the AGM. Participation at the AGM through VC / OAVM shall be allowed on a first-come-first-served basis for 1000 members. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Chairman, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship

Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- Corporate/Institutional members (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting during the e-voting period and / or during the AGM. Corporate/ Institutional members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote / attend AGM, to the Scrutinizer by e-mail at aklabhcs@gmail.com with a copy marked to National Securities Depositories Limited ("**NSDL**") (agency for providing the Remote e-Voting facility) at evoting@nsdl.co.in. and the Company at investor@orientelectric.com. They can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login at e-voting portal.

- In compliance with the MCA Circulars and the Securities and Exchange Board of India ("**SEBI**") circular dated January 15, 2021 read with circular dated May 12, 2020 and May 13, 2022 ("**SEBI Circulars**"), Notice of the 6th AGM along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Depositories/ Company/ Registrar and Share Transfer Agent of the Company. The Company shall send physical copy of the Annual Report for the financial year 2021-22 to those members who request for the same at investor@orientelectric.com mentioning their Folio No./DP ID and Client ID. Notice alongwith Annual Report for the financial year 2021-22 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 NSDL i.e. www.evoting.nsdl.com.

- In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.

8. Payment of Dividend:

The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, July 19, 2022 to Monday, July 25, 2022** (both days inclusive) for annual closing and for determining the entitlement of the members to the final dividend for the financial year 2021-22, if approved at the AGM.

- i. The dividend on equity shares, if approved at the AGM, will be paid, subject to deduction of tax at source, through electronic transfer (RTGS/NEFT/ECS) in the bank accounts, as per MCA Circulars and SEBI Circular, on or before Tuesday, August 23, 2022 to those members:

a. in respect of shares held in physical form, after giving effect of the valid transmission or transposition requests lodged with the Company / Kfin Technologies Limited, Registrar and Share Transfer Agent ("RTA") of the Company, whose names shall appear on the Company's Register of Members as on the close of business hours on **Monday, July 18, 2022**, as per the bank details registered with the RTA;

b. in respect of the shares held in dematerialised form, whose names are furnished by NSDL and Central Depository Services (India) Limited ("CDSL") as beneficial owners as on the close of business hours on **Monday, July 18, 2022** 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 members holding shares in dematerialised form for any change of bank particulars or bank mandates. Members holding shares in dematerialised form are, therefore, requested to intimate any change in bank mandate to their Depository Participants.

- ii. For members whose bank details are not available for electronic transfer of dividend, the Company will, send dividend demand draft(s) /warrant(s)/cheque(s) through post.

iii. TDS on Dividend:

Pursuant to Income-Tax Act, 1961, as amended, the dividend income is now taxable in the hands of members and therefore, the Company shall be required to deduct tax at source ("TDS") at the prescribed rates from dividend paid to members. For the prescribed rates for various categories, members are requested to refer to the Finance Act, 2020 and amendments thereof.

For resident members, TDS shall be deducted under Section 194 of the Income-Tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the financial year 2022-23 provided PAN is provided by the member. **If PAN is**

not submitted to the Company / RTA (in case shares are held in physical mode) / updated in their demat account (in case shares are held in demat mode), TDS would be deducted @ 20% as per Section 206AA of the Income-Tax Act, 1961.

However, no TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during the financial year 2022-23 does not exceed ₹ 5,000.

A resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Further, in terms of Section 206AB of the Income Tax Act, 1961, effective from July 1, 2021, TDS deducted shall be higher of the following i.) Twice the rate specified in the relevant provision of the Income-tax Act; or ii) Twice the rate or rates in force; or iii) the rate of 5%; in case a person has not filed his/her return of Income for each of the two preceding financial years and the aggregate of TDS in his/her case is ₹ 50,000 or more in each of these two financial years which shall not be limited to TDS only on dividend income received by the member but will include all TDS transactions of the member during the relevant financial year.

Non-resident members 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, Form 10F, any other document which may be required to avail the tax treaty benefits.

Members may submit the aforementioned documents 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 Monday, July 18, 2022 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination / deduction shall be entertained post Monday, July 18, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the members, there would still be an option available with the members to file the return of income and claim an appropriate refund, if eligible.

Members may download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS). If

any member need assistance in obtaining the TDS certificate, he / she may write to the Company at investor@orientelectric.com or to RTA at einward.ris@kfintech.com.

9. 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 Investor Education and Protection Fund ("IEPF"). Further, the shares of a member who does not encash his/ her 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, members, who have not yet claimed their dividend, paid by the Company upto and during the financial year ended March 31, 2022, are requested to claim their dividends from the Company / RTA, within the stipulated timeline. Information in respect of the unclaimed dividend as on March 31, 2022, will be uploaded on the website of the Company (www.orientelectric.com) after the AGM. The members, 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 member can file only one consolidated claim in a financial year as per the IEPF Rules.

10. Members are requested to address all correspondences, including for dividends, to the RTA of the Company, at Kfin Technologies Limited (erstwhile 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.

11. **KYC updation for physical members:** SEBI vide its circular number SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 mandated for updation of PAN, Contact Details (postal address with PIN, email and mobile number), bank account details, specimen signature and nomination by all the members holding shares in physical mode. Folios, where any of the above details shall not be available on or after April 01, 2023, shall be frozen by the RTA and such members, thereafter, shall not be eligible to lodge grievance or avail service from the RTA and receive dividend in physical mode, unless the aforesaid details are furnished. If such folios continue to remain frozen as on December 31, 2025, such frozen folios, thereafter, are required to be reported to administrative authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.

Therefore, members of the Company, holding shares in physical mode, are requested to immediately update their aforesaid KYC details with the RTA of the Company to avoid any hardship /consequences as above. For facilitating to update their aforesaid KYC details, the Company has uploaded required forms – ISR1, ISR2, ISR3, ISR4, SH13 and SH14, as applicable, on its website viz. www.orientelectric.com.

Members can download the Forms, as applicable / required, fill in the details and send to the RTA of the Company for updating the details.

12. As per Regulation 40(1) of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, members are advised to dematerialise their shares held in physical form. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact RTA to seek guidance in the demat procedure. Members may also visit website of the depositories, NSDL viz. <https://nsdl.co.in/faqs/faq.php> or CDSL viz. <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.

13. Members are requested to:

- intimate to RTA, changes, if any, in their registered addresses, in case of shares are held in physical form;
- intimate to the respective Depository Participant, changes, if any, in their registered addresses, in case of shares are held in dematerialised form;
- quote their folio numbers/Client ID/DP ID in all correspondence;
- register their Permanent Account Number ("PAN") with their Depository Participants, in case of shares are held in dematerialised form and with RTA / Company, in case of shares are held in physical form, as directed by SEBI.

14. **Procedure for updating / registering the email address and mobile numbers for obtaining Annual Report and**

other communication from the Company electronically and updation of bank account mandate for receipt of dividend:

Members holding shares in Physical Form:

Members 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, 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/clientservices/mobilereg/mobileemailreg.aspx> for receiving such communications electronically. Members are requested to follow the process as provided in the link for updating their email address and mobile number for receiving the notice(s), annual reports and other communications over e-mail, in future. In case of any query on registering the email addresses and mobile number, the member may write to RTA at einward.ris@kfintech.com.

Member holding shares in Dematerialized Form:

Please contact your Depository Participants 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 Depository Participants.

15. Members seeking any information with regard to the Financial Statements, or any other matter to be placed at the AGM, are requested to write to the Company **on or before Monday, July 18, 2022** on investor@orientelectric.com. The Company will respond to the member suitably. Please note that the members' questions will be answered only if the member continues to hold the shares as of the cut-off date i.e. Monday, July 18, 2022.
16. Register of Directors & Key Managerial Personnel and their shareholding, Register of Members, Register of Contracts, Certificate from the Secretarial Auditors on the implementation of ESOP Scheme would be available for inspection by the members electronically 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.
17. The details of the Directors being re-appointed /

remuneration being proposed, for members approval, at the 6th AGM are provided in the **Annexure A** to this Notice. The Company has received the requisite consent/ declarations for the re-appointment under the Act and the rules made thereunder.

18. VOTING THROUGH ELECTRONIC MEANS:

- i. The businesses as set out in the Notice shall 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 Institute of Companies Secretaries of India and Regulation 44 of Listing Regulations, the Company is pleased to provide to its members, 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 NSDL.
- ii. The e-voting period begins on **Friday, July 22, 2022 (9:00 AM) (IST)** and ends on **Sunday, July 24, 2022 (5:00 PM) (IST)**. During this period, members of the Company, holding shares, either in physical form or in dematerialized form, as on the cut-off date of **Monday, July 18, 2022**, may cast their vote electronically through remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, thereafter the member shall not be allowed to change it subsequently.
- iii. Any person holding shares in physical form and non-individual members, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **Monday, July 18, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on

www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual member holding securities in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Monday, July 18, 2022**, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

- iv. The members 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 during the AGM.
- v. The members 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. Link for voting during the AGM shall be activated by the NSDL.
- vi. The voting rights of members 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. **Monday, July 18, 2022**.
- vii. **Mr. Atul Kumar Labh, Company Secretary in Practice (Membership No. FCS 4848), of M/s. A.K. Labh & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process for the AGM, in a fair and transparent manner.**

INFORMATION AND INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:

A. Voting Through Electronic Means

Process to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system.

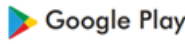
Details on Step 1 are mentioned below:

1) Login method for remote e-voting and joining the virtual meeting for individual members holding securities in dematerialized mode

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ Depositories Participants ("DPs") to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for individual members holding securities in dematerialized mode is given below:

| Type of members | Login Method |
|--|--|
| Individual members holding securities in dematerialized mode with NSDL | <p>A. NSDL IDeAS facility:</p> <p>If you are already registered with IDeAS, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsdl.com/ either on a computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services. 4. Click on "Access to e-voting" appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on Company name (Orient Electric Limited) or e-voting service provider- NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining AGM and e-voting during the AGM. |

| Type of members | Login Method |
|-----------------|--|
| | <p>If you are not registered with IDEAS, follow the below steps:</p> <ol style="list-style-type: none"> Option to register is available at https://eservices.nSDL.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp. Proceed to complete your registration using your DP ID, Client ID, Mobile number and other required details. After registration, please follow steps given in points 1-5 above to cast your vote or for joining AGM <p>B. E-voting website of NSDL:</p> <ol style="list-style-type: none"> Open web browser and type the following URL: https://www.evoting.nSDL.com/ either on a computer or on a mobile phone. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on Company name (Orient Electric Limited) or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining AGM and e-voting during the AGM. <p>C. Shareholders/Members can also download NSDL mobile app "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div> |

Members holding securities in dematerialized mode with CDSL

- Existing users **who are registered** at Easi/Easiest, they can login through their User id and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are <https://web.cdslindia.com/myeasi/home/login> or <https://www.cdslindia.com> and click on New System Myeasi.
- After successful login of Easi/Easiest the user will also be able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote.
- If the **user is not registered** for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>. Proceed to complete your registration using your DP ID, Client ID, Mobile number and other required details.
After successful registration, follow the steps mentioned under Para 2 above to cast your vote.
- Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.

| Type of members | Login Method |
|---|--|
| Individual members (holding securities in dematerialized mode) login through their DPs | <ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name (Orient Electric Limited) or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining AGM and e-voting during the AGM. |

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User details/Password option available at respective websites.

Helpdesk for individual members holding securities in dematerialized mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---------------------------|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43 or 1800 22 55 33 |

II) Login method for e-voting and joining virtual meeting for members other than individual members holding securities in dematerialized mode and members holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by clicking the URL: <https://www.evoting.nSDL.com/> either on a computer or on a mobile.
- Once the home page of e-voting system is
- Your User ID details are given below:

launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

- A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.

- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can login at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a. For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example: If your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12***** |
| b. For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example: If your Beneficiary ID is 12***** then your User ID is 12***** |
| c. For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company For example: If EVEN is 123456 and folio number is 001*** then User ID is 123456001*** |

6. Password details for members, other than Individual members, are given below:

- If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.

c. How to retrieve your 'initial password'?

- If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file.

The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- In case you have not registered your e-mail address with the Company/ Depository, please follow instructions mentioned in this Notice.

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, PAN, name and registered address.

- Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

- Now, you will have to click on "Login" button.

- After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are given below:

How to cast your vote electronically and join AGM on NSDL e-voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.

- Select "EVEN" of Company (**Orient Electric Limited**), which is 120222 for which you wish to cast your vote during the remote e-voting period and casting your vote during the AGM. For joining AGM, you need to click on "VC/OAVM" link placed under "Join Meeting".

- Now you are ready for e-voting as the voting page opens.

- Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number.

- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for members

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to

key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the Password.

- In case of any queries related to e-voting, you may refer the Frequently Asked Questions ("FAQs") for members and e-voting user manual for members available at the download section of <https://www.evoting.nsdl.com>. For any grievances connected with facility for e-voting, please contact Ms. Sarita Mote, Assistant Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 1800 1020 990/1800 224 430.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL-IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL-IDS FOR E-VOTING:

- In case shares are held in physical mode please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@orientelectric.com.

- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@orientelectric.com. If you are an Individual members holding securities in demat mode, you are requested to refer to the login method explained above at **Step 1** i.e. **Login method for e-Voting and joining virtual meeting for Individual members holding securities in demat mode.**

- Alternatively member may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING DURING THE AGM ARE AS UNDER:-

- The procedure for e-Voting during the AGM is same as explained in the instructions mentioned in point number (A) above for remote e-voting.

- Only those members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to

vote through e-Voting system during the AGM.

- Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

- The details of the person who may be contacted for any grievances connected with the facility for e-Voting during the AGM shall be the same person mentioned for remote e-voting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

- Members will be able to attend the AGM through VC/OAVM through the NSDL e-voting system. After successful login, you can see VC/ OAVM link placed under Join meeting menu against the Company name (**Orient Electric Limited**). This link will be enabled 30 minutes before the schedule time of AGM. **You are requested to click on VC/ OAVM link placed under "Join Meeting" menu.** Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, members can also use the OTP based login for logging into the e-voting system of NSDL.

- Members are encouraged to join the AGM through Laptops / computers for better experience and use internet with a good speed to avoid any disturbance during the AGM.

- Please note that members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience 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.

- Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.

- Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.co.in or call at 1800 1020 990 and 1800 224 430. Contact Person at NSDL: Ms. Sarita Mote, Assistant Manager, NSDL.

- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker shareholder by sending request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at investor@orientelectric.com on or before Wednesday, July 20, 2022 (5:00 p.m. IST). Those members who have

registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for speaking, depending on the availability of time for the AGM.

- Further members, who have registered themselves as speaker shareholder, will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Other instructions

- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other person so authorised, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
- The result declared along with the Scrutinizer's

Report shall be displayed at the Registered Office and Corporate Office of the Company, as well as placed on the Company's website www.orientelectric.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

- The recorded transcript of the 6th 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.
- Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of AGM, i.e. **Monday, July 25, 2022.**
- Members are requested to fill in and submit the Feedback Form available in the 'Investor' section on the Company's website www.orientelectric.com, to aid the Company in its constant endeavour to enhance the standards of service to its members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4

The term of the existing Statutory Auditors of the Company, M/s. S R Batliboi & Co. LLP, Chartered Accountants, (Firm Registration Number is 301003E/E300005), would expire on the conclusion of the forthcoming 6th Annual General Meeting ("AGM") of the Company. They were appointed as the first Statutory Auditors of the Company by the Board in 2017 and thereafter shareholders of the Company at the 1st AGM held on August 09, 2017 appointed them as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 1st AGM till the conclusion of 6th AGM.

The Board of Directors at their meeting held on May 10, 2022, based on the recommendations of the Audit Committee, have proposed to the shareholders the re-appointment of M/s. S R Batliboi & Co. LLP, (Firm Registration Number 301003E/E300005), Chartered Accountants, as the Statutory Auditors of the Company for a term of 4 (four) consecutive years from the conclusion of 6th AGM till the conclusion of 10th AGM of the Company to be held in the year 2026, at a remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors, from time to time.

In terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for recommending the re-appointment of M/s. S R Batliboi & Co. LLP as the Statutory Auditors of the Company for the above stated term, the Audit Committee and the Board of Directors have considered various factors such as eligibility, integrity, independence of the firm, experience in conducting the audit of listed companies of similar size, nature of operations and industry, experience and competency of the audit team, efficiency and use of techno-analytical skills in conduct of audit, involvement of firm in any civil and criminal litigation which may affect the audit of the Company and found them to be best suited for re-appointment.

M/s. S R Batliboi & Co. LLP have given their consent to act as the Statutory Auditors of the Company for the above stated term and have confirmed that their appointment, if made, will be in accordance with the conditions specified under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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

Mr. Rakesh Khanna was re-appointed as the Managing Director and Chief Executive Officer ("**CEO**") of the Company for a further period of 2 (two) years effective from January 23, 2022 on the then existing terms and conditions only and the same was subsequently approved by the shareholders on February 27, 2022 vide postal ballot. Mr. Khanna's remuneration was not revised at the time of his re-appointment.

Keeping in view of the profile being handled by Mr. Rakesh Khanna and his contribution in the growth of the Company, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on May 10, 2022, has recommended a revision in the annual remuneration of Mr. Rakesh Khanna, as the Managing Director & CEO of the Company, for the financial year 2022-23 as detailed in the annexed resolution, subject to approval by the shareholders of the Company.

Further, Mr. Rakesh Khanna is:

- holding 5,13,138 Stock Options, having an exercise price of ₹ 144.10 per option, granted under Orient Electric – Employee Stock Option Scheme- 2019. 40% of these Stock Options have been vested on April 01, 2022; and
- granted ₹ 1,46,35,504, as Long Terms Cash Incentive ("**LTI**"). LTI was to be considered for payment in the ratio of 40% and 60% at the end of 3rd year and 4th year, respectively, from the grant. Payment is, however, subject to fulfilment of certain conditions.

The aforesaid Stock Options and LTI to Mr. Khanna was already approved by the shareholders of the Company, at the Annual General Meeting held on July 16, 2019. Aforesaid Stock Options and LTI were granted as part of Long Term Retention Plan of the Company introduced in 2019 for senior management.

As per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 the ("**Act**"), read with Schedule V thereof and the Rules made thereunder, the maximum managerial remuneration payable to the Managing Director in respect of any financial year may exceed 5% of the net profits of the Company, calculated as per Section 198 of the Act, provided the same is approved by the members of the Company by way of a special resolution. For assessing the proportion of the remuneration to the net profits of the Company, all elements of remuneration package such as salary, benefits, bonuses, allowances, stock option, perquisite

etc. are taken into consideration, except the allowances / perquisites specifically exempted as per the provisions of section 197 read with Schedule V thereto.

The perquisite value of the Stock Options, as aforesaid, if any exercised by Mr. Rakesh Khanna during the financial year 2022-23, will become a part of his total remuneration, which may have the effect of his total remuneration for the financial year 2022-23 exceed the 5% limit of net profit, as specified in section 197 read with Schedule V of the Act and therefore the approval of shareholders through special resolution for his remuneration is being sought. However, the total managerial remuneration during the financial year 2022-23 is not expected to exceed the overall limit of 11% as specified under section 197 of the Act.

The perquisite value is the differential value between the fair market price of shares on the date of exercise of Options and the exercise price. The perquisite value is directly linked to the fair market value of the shares of the Company on the date of exercise of Options. Hence, the exercise of Stock Options by Mr. Khanna will not entail any additional cash outflow from the Company.

The information as required by second provision of Paragraph B of Section-II of Part-II of Schedule V of the Act, is given below:-

I. General information:

1. Nature of industry:

The Company is primarily engaged in manufacturing and trading of Electrical Consumer Durables and Lighting & switchgear products. The Company presently has manufacturing facilities at Faridabad, Noida and Kolkata.

2. Date or expected date of commencement of commercial production:

Consumer Electric Business was formerly a division of Orient Paper and Industries Limited ("OPIL"). Orient Electric Limited was incorporated on October 16, 2016 and Consumer Electric Business was demerged from OPIL to Orient Electric Limited pursuant to Scheme of Arrangement approved by National Company Law Tribunal (Kolkata Bench), vide order dated November 9, 2017, became effective on December 8, 2017 from the appointed date of March 1, 2017.

Orient Electric Limited currently has four plants viz. Fan manufacturing plants situated at Kolkata and Faridabad, Lighting and Switchgear plants situated at Noida.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable as the Company is an existing company.

4. Financial performance based on given indicators:

(INR Crores)

| Particulars | 2021-22 | 2020-21 | 2019-20 |
|--|----------|----------|---------|
| Revenue from operations | 2,448.37 | 2,032.60 | 2061.82 |
| Earnings before Interest, Depreciation and Tax | 237.13 | 225.78 | 180.51 |
| Profit Before Tax (PBT) | 169.76 | 161.90 | 114.27 |
| Profit After Tax (PAT) | 126.64 | 119.74 | 78.62 |
| Dividend | 42.43 | 26.52 | 24.40 |
| Earnings per Share (Basic) (In ₹) | 5.97 | 5.64 | 3.71 |

5. Foreign investments or collaborations, if any.

As on March 31, 2022, the Company had 10.52% foreign shareholding, however the Company do not have any foreign direct investment or made any such foreign collaboration.

II. Information about the appointee:

1. Background details

Mr. Rakesh Khanna holds a B.E.(Mechanical) degree in engineering from Thapar Institute of Engineering and Technology, a master's degree in Marketing from University of Mumbai. He has more than 36 years of experience in India and abroad in the consumer durables, consumer electronics, electrical, and lighting sectors.

2. Past remuneration

For the financial year 2021-22 Mr. Rakesh Khanna was paid ₹ 3.85 crores as remuneration, which is inclusive of performance linked pay for the previous financial year 2020-21 paid during the financial year 2021-22. The remuneration does not include gratuity and leave benefits, as they are determined on actuarial basis for the Company as a whole.

3. Recognition or awards

Under the leadership of Mr. Rakesh Khanna, the Company was awarded several prestigious awards. Some of them are stated hereunder:

- Most Trusted Brands of India 2022

- Prestigious Brands of Asia 2021-22

- Great Place to Work™ certification for three consecutive years

- National Energy Conservation Award 2021

- 'Superbrand' for Fans, Coolers & Lighting (2021), Fans and Coolers (2019)

- The Economic Times Best Brand from last three continuous years

- India Content Leadership Award 2019

- Asia's Most Promising Brand 2019

- TAVF's 'Best Brand Campaign of the Year' recognition in 2018

- Best Innovative Brand Award 2018

- Golden Peacock Occupational Health & Safety Award 2018

4. Job profile and his suitability

Since joining Orient Electric Limited Mr. Rakesh Khanna has directed his efforts in leading transformation across all functions, with experience across various aspects of management, sales, marketing, profitability, revenue growth management, Go to Market strategy, business turnaround across different regions of India. His focus has been on product quality improvement, new product development keeping in mind the need of the consumers, enhancement of customer service levels, distribution expansion and improving last mile connect. He has been instrumental in building a strong leadership team by bringing in new people with extensive experience and proven track record to lead across all business functions.

5. Remuneration proposed

As stated in the appended resolution.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The proposed remuneration, if compared, considering the prevailing industry norms, size

of the Company, the managerial position, the credentials and responsibilities being handled by Mr. Rakesh Khanna, is much lower than the remuneration payable to any personal at similar positions in same / similar industry.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.

Except for the remuneration as stated above, Mr. Rakesh Khanna has no direct or indirect pecuniary relationship with the Company or managerial personnel or any other director of the Company. He holds 100 shares in the Company.

III. Other information:

1. Reasons of loss or inadequate profits

The Company has been earning profits since incorporation and paying dividend to its shareholders. During the financial year ended March 31, 2022 the Company has earned net profit of ₹ 126.64 crores. However, inadequacy may arise on account of perquisite value on the exercise of vested ESOPs as detailed herein above, which is purely dependent on the fair value of share of the Company on the date of exercise.

2. Steps taken or proposed to be taken for improvement

Mr. Rakesh Khanna increased capabilities across business segments to take forward journey of excellence in an extremely difficult and complex business environment during and post Covid19 pandemic. He worked on building a culture of accountability and transparency and adopted best in class processes. He also initiated large scale digital transformation of every single process across all business functions which helped in seamless business continuity, by enhancing channel connectivity, speed of doing business, process efficiency, data-driven decision making and sales effectiveness. Through e-Wings, Company's digitization journey attained critical momentum.

In line with changing consumer preferences he determines Company's priority of ensuring access to the products at all transaction touchpoints, by expanding portfolio availability on e-commerce and modern trade/ large-format retail channels.

Under the Board guidance, Mr. Rakesh Khanna worked on strategic transition which helped the Company on growth trajectory and also built the foundation of a more dynamic business approach designed to deliver holistic long term stakeholder value.

Under the supervision of Mr. Khanna, the Company had been driven towards innovative and focused growth journey and was therefore able to achieve revenue from operations of ₹ 2,448.37 crores, 20.46% higher over previous year, EBITA grown by around 5% over previous year and Profit after Tax grown by around 6% over previous year.

3. Expected increase in productivity and profits in measurable terms

With various business initiatives undertaken by the Company, the performance is expected to further improve in near future subject to favorable market and geopolitical conditions.

Save and except as aforesaid, all other terms and conditions of Mr. Rakesh Khanna's re-appointment as the Managing Director shall continue to remain in full force and effect until the completion of his tenure (i.e. from January 23, 2022 to January 22, 2024), as approved by the shareholders of the Company through Postal Ballot on February 27, 2022. The terms of remuneration to Mr. Rakesh Khanna, as detailed in the appended special resolution read alongwith explanatory statement may be treated as a memorandum of terms of appointment and remuneration pursuant to Section 190 of the Act.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Rakesh Khanna, are in any way concerned or interested in the proposed resolutions as set out in the Notice.

The Board of Directors recommends the resolution with respect to payment of remuneration to Mr. Rakesh Khanna as the Managing Director of the Company, as set out in item no. 5 of the Notice, for approval of the shareholders as **Special Resolution**.

Item no. 6

The shareholders of the Company, at their 2nd AGM held on

July 16, 2018, had approved the payment of commission to Non-Executive Directors (including Independent Directors) of the Company upto 1% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013 ("**Act**") for a period of five years from the financial year 2017-18 and had authorised the Board of Directors to fix the criteria of payment of such commission to the Directors.

Further, in terms of Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the payment of any fees (excluding sitting fees) or compensation to Non-Executive Directors (including Independent Directors) requires approval of shareholders.

It is pertinent to note here that the Non-Executive Directors (including Independent Directors) of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as strategic leadership and management experience, technology and digital expertise, industry and sector experience / knowledge, financial and risk management, governance, global business / international expertise, public policy, social impact / philanthropy etc.

Considering the rich experience and expertise brought into the Board by the Non-Executive and Independent Directors, the time commitment, guidance and oversight provided by them, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of shareholders have recommended and approved payment of remuneration to the Non-Executive Directors (including Independent Directors) upto one percent (1%) of the net profit of the Company during the relevant financial year or such other percentage as may be specified from time to time in compliance to the provision of the Act. The said approval shall be valid for a period of five financial years commencing from the financial year 2022-23.

The payment of such commission shall be in addition to the sitting fees for attending Board / Committee meetings and reimbursement of expenses for participation in the Board and other meetings.

Except all of the Non-Executive Directors (including Independent Directors) of the Company to whom the resolution relates, none of the other Directors and Key Managerial Personnel, or their respective relatives, are concerned or interested in this Resolution.

The Board of Directors recommends the resolution set out at Item no. 6 of the Notice for approval of the shareholders as an **Ordinary Resolution**.

Item no. 7

The Board of Directors on the recommendation of Audit Committee, appointed Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.-5343), as the Cost Auditor of the Company for conducting the audit of the cost records of the Company for the financial year 2022-23, at a remuneration of ₹ 75,000/- (Rupees seventy 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 the 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, requires ratification by the shareholders of the Company.

Accordingly, the shareholders are requested to approve the remuneration of the Cost Auditor for the financial year 2022-23 as set out above 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. 7 of the Notice.

The Board of Directors of the Company recommends the resolution set forth at Item no. 7 of the accompanying Notice, for the approval of the shareholders as an **Ordinary Resolution**.

By Order of the Board of Directors

Hitesh Kumar Jain

Company Secretary
(Membership No.: F6241)

Registered Office: Unit VIII,
Plot No. 7, Bhojnagar,

Bhubaneswar – 751012, Odisha
CIN: L31100OR2016PLC025892

Place: New Delhi
Date: May 10, 2022

Annexure -A

DETAILS OF DIRECTOR SEEKING APPOINTMENT / APPROVAL OF REMUNERATION 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 | Mr. Rakesh Khanna |
|--|--|---|
| Date of Appointment | January 19, 2018 | January 23, 2022 |
| Age | 66 years | 59 years |
| Last gross remuneration (Paid during the financial year 2021-22) | ₹ 0.51 crores (Sitting fees and commission) | ₹ 3.85 crores |
| 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. | Refer background details mentioned in explanatory statement |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Nil | Nil |
| Number of Meetings of the Board attended during the financial year 2021-22 | 5 | 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 | Nil |
| Chairmanship / Membership of Committees in other public limited companies in India.* | Nil | Nil |
| Resignation from the directorship of the listed companies in the past three years | Nil | Nil |
| Shareholding in the Company (No. of shares) | 34,85,893 | 100 |

*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"/> | <input type="checkbox"/> |

Any Suggestion on Improvement of Investor Services

 **CK BIRLA GROUP**



Orient Electric Limited

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Orissa-751 012, India

Phone: 0674-2396930

Corporate Office:

240, Okhla Industrial Estate Phase - III
New Delhi - 110 020, India

Helpline: 1800 103 7574 (Toll-Free)

Email: investor@orientelectric.com / customer.connect@orientelectric.com

Website: www.orientelectric.com

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