

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Orient Electric Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Orient Electric Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and of the net profit and other comprehensive loss and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 8 to the financial results, which describes the management's assessment of the impact of uncertainties related to COVID 19 and its consequential effects on the business operations of the Company.

Our opinion is not modified in respect of this matter.



Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income/loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Vishal Sharma



per Vishal Sharma

Partner

Membership Number: 096766

UDIN: 20096766AAAAA09210

Place: FARIDABAD

Date: June 01, 2020

ORIENT ELECTRIC LTD.

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CIN: L31100OR2016PLC025892

Statement of Financial Results for the Quarter and Year ended March 31, 2020

(All amounts in Rupees Crores, unless otherwise stated)

| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|---|---------------|---------------|---------------|-----------------|-----------------|
| | | 31-Mar-20 | 31-Dec-19 | 31-Mar-19 | 31-Mar-20 | 31-Mar-19 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Income | | | | | |
| | (a) Revenue from Operations | 563.14 | 495.69 | 637.70 | 2,061.82 | 1,864.40 |
| | (b) Other Income | 1.46 | 1.24 | 2.56 | 4.09 | 9.53 |
| | Total Income (a+b) | 564.60 | 496.93 | 640.26 | 2,065.91 | 1,873.93 |
| 2 | Expenses | | | | | |
| | (a) Cost of raw materials and components consumed | 197.85 | 208.84 | 250.25 | 773.22 | 750.38 |
| | (b) Purchase of traded goods | 175.74 | 163.43 | 174.93 | 670.13 | 558.98 |
| | (c) Changes in inventories of finished goods, work-in-progress and traded goods | 17.60 | (45.75) | 2.90 | (34.00) | (38.07) |
| | (d) Employee Benefits Expense | 49.57 | 51.01 | 46.02 | 198.48 | 173.61 |
| | (e) Finance Costs | 7.68 | 6.61 | 6.92 | 26.12 | 22.86 |
| | (f) Depreciation and Amortisation Expense | 10.56 | 10.42 | 6.29 | 40.12 | 23.05 |
| | (g) Other Expenses | 57.18 | 72.90 | 92.95 | 277.57 | 278.22 |
| | Total Expenses | 516.18 | 467.46 | 580.26 | 1,951.64 | 1,769.03 |
| 3 | Profit before Tax (1-2) | 48.42 | 29.47 | 60.00 | 114.27 | 104.90 |
| 4 | Income Tax expenses | | | | | |
| | a) Current Tax | 13.86 | 7.15 | 26.09 | 37.36 | 44.11 |
| | b) Adjustment of tax relating to earlier periods | - | - | 0.48 | - | 0.48 |
| | c) Deferred Tax charged [charge/(credit)] | (1.22) | 3.27 | (5.19) | (1.71) | (9.00) |
| | Total Tax Expenses | 12.64 | 10.42 | 21.38 | 35.65 | 35.59 |
| 5 | Profit for the period (3-4) | 35.78 | 19.05 | 38.62 | 78.62 | 69.31 |
| 6 | Other comprehensive income not to be reclassified to Profit and Loss in subsequent periods | | | | | |
| | Re-Measurement gain/(losses) on defined benefit Plans | 0.35 | (0.17) | 0.55 | (0.15) | (0.67) |
| | Income Tax effect [(charge)/credit] | (0.09) | 0.01 | (0.19) | 0.04 | 0.23 |
| | Other comprehensive income/(loss) (net of tax) | 0.26 | (0.16) | 0.36 | (0.11) | (0.44) |
| 7 | Total comprehensive income for the period (5+6) | 36.04 | 18.89 | 38.98 | 78.51 | 68.87 |
| 8 | Paid-up equity share capital (Face value per share : Re.1/-) | 21.22 | 21.22 | 21.22 | 21.22 | 21.22 |
| 9 | Other Equity excluding revaluation reserve as per the audited balance sheet | | | | 338.17 | 285.36 |
| 10 | Earning per Equity Share of face value of Re.1/- each (Not Annualised) | | | | | |
| | Basic EPS (in Rs.) | 1.69 | 0.90 | 1.82 | 3.71 | 3.27 |
| | Diluted EPS (in Rs.) | 1.68 | 0.90 | 1.82 | 3.70 | 3.27 |

Notes :-

- The above financial results of the Company were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at their respective meetings held on June 01, 2020.
- These financial results have been prepared in accordance with Indian Accounting Standards (IND-AS) as prescribed under section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 (as amended).



- 3 The Company has adopted IND AS 116 "Leases" effective April 01, 2019 and applied the Accounting Standard to its Leases using the modified retrospective approach. On transition, the adoption of new standard resulted in recognition of Right-of-Use asset of Rs. 55.30 crores and corresponding lease liability of Rs. 55.30 crores. The effect on profit and earnings per share for the current quarter and previous quarters is insignificant due to adoption of said standard.
- 4 As per IND AS 108 - Operating segments, the Company has two reportable segments namely Electrical Consumer Durables and Lighting & Switchgear. The financial information for these segments are appearing in the financial results as per IND AS 108 - Operating Segments.
- 5 The Board of Directors at their meeting held on June 01, 2020 recommended a final dividend of Re.0.50 (@ 50%) per equity share of Re.1 each of the Company, making a total dividend of Rs.1.15 (@ 115%) per equity share of Re.1 each for the financial year 2019-20, including interim dividend of Re. 0.65 (@ 65%) per equity share declared earlier during the financial year 2019-20. Final Dividend is subject to the approval of the shareholders.
- 6 The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year and re-measured its deferred tax asset basis the rate prescribed in the said section.
- 7 The fan manufacturing operations at Guwahati facility were transferred to other manufacturing locations of the Company and the lease of existing premises at Guwahati had discontinued with effect from February 01, 2020. All the fixed assets with a written down value of Rs. 7.05 crores as at December 31, 2019 had been transferred to alternative sites. There is no material impact on the profit and loss arising from such transfer.
- 8 The accelerated outbreak of Coronavirus (Covid-19) across the globe and in India, has substantially disrupted the economic activities with high uncertainty. On March 11, 2020, the Covid-19 worldwide outbreak was declared a global pandemic by the World Health Organisation (WHO). Consequent to this, Government of India declared lockdown on March 24, 2020 which was further extended from time to time. In line with government directive, the Company had temporarily shut down all its business operations since March 23, 2020 leading to a near halt of the business activities, impacting sales and profit of the Company, and which has started gradually resuming during May, 2020. The Company has made an assessment of its liquidity position for the next year and has assessed the recoverability status of its assets based on the internal and external information available to the Company up to the date of approval of these financial statements. The Company does not anticipate any material impact on the recoverability of the carrying value of its assets including receivables, inventory, and fixed assets. Since the resumption of normal business operations are also dependent on future directives from the Government including future implications of the pandemic on the people and economy, the forthcoming situation is not known as of now and will be closely monitored by the Company to assess for any material implication and adjustment to the carrying value of assets.
- 9 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of full financial year upto March 31, 2020 and unaudited published year to date figures upto December 31, 2019, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 10 Previous quarter/ period ended/ year ended figures have been regrouped/restated wherever necessary.

Date: June 01, 2020
Place: New Delhi



For and on behalf of the Board
Orient Electric Limited

Rakesh Khanna
Managing Director & CEO
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ORIENT ELECTRIC LIMITED

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CIN: L31100OR2016PLC025892

Segment wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended March 31, 2020

(All amounts in Rupees Crores, unless otherwise stated)

| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|---|---------------|-----------------|---------------|-----------------|-----------------|
| | | 31-Mar-20 | 31-Dec-19 | 31-Mar-19 | 31-Mar-20 | 31-Mar-19 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Segment Revenue : | | | | | |
| | a) Electrical Consumer Durables | 454.50 | 324.82 | 475.76 | 1,491.64 | 1,329.61 |
| | b) Lighting & Switchgear | 108.64 | 170.87 | 161.94 | 570.18 | 534.79 |
| | Total | 563.14 | 495.69 | 637.70 | 2,061.82 | 1,864.40 |
| | Less : Inter segment revenue | - | - | - | - | - |
| | Net sales/income from operations | 563.14 | 495.69 | 637.70 | 2,061.82 | 1,864.40 |
| 2 | Segment Results {Profit (+)/Loss(-) before interest & tax from each segment} : | | | | | |
| | a) Electrical Consumer Durables | 71.64 | 40.21 | 64.75 | 181.75 | 150.79 |
| | b) Lighting & Switchgear | 12.30 | 22.57 | 24.53 | 59.66 | 58.76 |
| | Total | 83.94 | 62.78 | 89.28 | 241.41 | 209.55 |
| | Less : | | | | | |
| | (i) Finance costs (un-allocated) | 7.37 | 6.30 | 6.92 | 24.83 | 22.86 |
| | (ii) Other un-allocable expenditure net of un-allocable income | 28.15 | 27.01 | 22.36 | 102.31 | 81.79 |
| | Profit Before Tax | 48.42 | 29.47 | 60.00 | 114.27 | 104.90 |
| 3 | Segment Assets : | | | | | |
| | a) Electrical Consumer Durables | 514.28 | 543.59 | 565.69 | 514.28 | 565.69 |
| | b) Lighting & Switchgear | 330.23 | 347.20 | 269.95 | 330.23 | 269.95 |
| | c) Unallocated | 115.93 | 125.55 | 53.13 | 115.93 | 53.13 |
| | Total | 960.44 | 1,016.34 | 888.77 | 960.44 | 888.77 |
| 4 | Segment Liabilities : | | | | | |
| | a) Electrical Consumer Durables | 298.39 | 299.72 | 305.31 | 298.39 | 305.31 |
| | b) Lighting & Switchgear | 138.97 | 155.44 | 116.12 | 138.97 | 116.12 |
| | c) Unallocated | 163.69 | 222.20 | 160.76 | 163.69 | 160.76 |
| | Total | 601.05 | 677.36 | 582.19 | 601.05 | 582.19 |



Statement of Audited Financial Results for the Period ended March 31, 2020

Statement of Assets and Liabilities

(All amounts in Rupees Crores, unless otherwise stated)

| PARTICULARS | As at March 31, 2020 (Audited) | As at March 31, 2019 (Audited) |
|--|-----------------------------------|-----------------------------------|
| I) ASSETS | | |
| 1) NON-CURRENT ASSETS | | |
| a) Property, plant and equipment | 129.56 | 112.00 |
| b) Capital work-in-progress | 3.46 | 4.30 |
| c) Intangible assets | 6.25 | 4.57 |
| d) Intangible assets under development | 6.85 | - |
| e) Right of use asset | 54.19 | - |
| f) Financial assets | | |
| (i) Trade receivables | 25.16 | 12.39 |
| (ii) Other financial assets | 7.45 | 6.85 |
| g) Deferred tax asset | 21.40 | 19.65 |
| h) Other non current assets | 5.75 | 5.36 |
| (A) | 260.07 | 165.12 |
| II) CURRENT ASSETS | | |
| a) Inventories | 286.50 | 263.96 |
| b) Financial assets | | |
| (i) Trade receivables | 363.73 | 392.35 |
| (ii) Cash and cash equivalents | 7.06 | 31.51 |
| (iii) Bank balances other than (ii) above | 0.42 | 0.10 |
| (iv) Other financial assets | 1.00 | 0.83 |
| c) Current tax assets | 8.84 | - |
| d) Other current assets | 32.82 | 34.90 |
| (B) | 700.37 | 723.65 |
| TOTAL ASSETS (A)+(B) | 960.44 | 888.77 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| a) Equity Share Capital | 21.22 | 21.22 |
| b) Other Equity | 338.17 | 285.36 |
| TOTAL EQUITY (C) | 359.39 | 306.58 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| a) Financial Liabilities | | |
| (i) Borrowings | - | 25.09 |
| (ii) Lease liabilities | 43.03 | - |
| b) Long term provisions | 17.08 | 12.94 |
| c) Other non current liabilities | 10.48 | - |
| (D) | 70.59 | 38.03 |
| CURRENT LIABILITIES | | |
| a) Financial Liabilities | | |
| (i) Borrowings | 94.70 | 99.94 |
| (ii) Lease liabilities | 13.65 | - |
| (iii) Trade Payables | | |
| - dues of micro, small and medium enterprises | 34.29 | 76.99 |
| - dues of other than micro, small and medium enterprises | 296.19 | 273.89 |
| (vi) Other current financial liabilities | 38.23 | 40.32 |
| b) Short term provisions | 29.33 | 26.55 |
| c) Other current liabilities | 24.07 | 24.45 |
| d) Current tax liabilities | - | 2.02 |
| (E) | 530.46 | 544.16 |
| TOTAL LIABILITIES (F) (D)+(E) | 601.05 | 582.19 |
| TOTAL EQUITY AND LIABILITIES (C)+(F) | 960.44 | 888.77 |



Statement of Audited Financial Results for the Period ended March 31, 2020**Cash Flow Statement**

(All amounts in Rupees Crores, unless otherwise stated)

| | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|---|---|
| (A) OPERATING ACTIVITIES : | | |
| Profit before tax | 114.27 | 104.90 |
| Adjustments to reconcile profit before tax to net cash flows : | | |
| Depreciation and amortisation expense | 40.12 | 23.05 |
| Finance costs | 26.12 | 22.86 |
| Loss on sale of property, plant & equipment (net) | 0.27 | 1.92 |
| Bad debts / advances written off (net of reversals) | 0.66 | 1.35 |
| Provision for warranty claims (net) | 29.96 | 35.51 |
| Provision for doubtful debts & advances | 7.45 | 11.02 |
| Unspent liabilities and unclaimed balances written back | (1.05) | (5.30) |
| Employee stock option expenses | 3.72 | 0.04 |
| Fair valuation impact of security deposit (net) | (0.20) | 0.11 |
| Interest income | (1.72) | (2.97) |
| Unrealised exchange (gain)/loss | 0.11 | (0.07) |
| Operating profit before working capital changes | 219.71 | 192.42 |
| Working capital adjustments : | | |
| Increase/(Decrease) in trade payables | (20.05) | 80.31 |
| Increase/(Decrease) in financial liabilities | 3.13 | (3.59) |
| Increase/(Decrease) in non financial liabilities | 10.10 | 7.64 |
| Increase/(Decrease) in provisions | (23.19) | (27.29) |
| (Increase)/Decrease in inventories | (22.54) | (54.90) |
| (Increase)/Decrease in trade receivables | 8.13 | (30.96) |
| (Increase)/Decrease in financial assets | (0.29) | 2.31 |
| (Increase)/Decrease in non financial assets | 2.46 | (3.84) |
| Cash generated from operations | 177.46 | 162.10 |
| Income tax paid | (48.22) | (30.14) |
| Net cash flow from operating activities | 129.24 | 131.96 |
| (B) INVESTING ACTIVITIES : | | |
| Purchase of property, plant and equipment and intangibles (including work in progress and capital advances) | (52.64) | (34.83) |
| Proceeds from sale of property, plant and equipment | 0.47 | 0.38 |
| Proceeds/(Payments) for/to term deposits with banks | (0.37) | 0.30 |
| Interest received | 1.71 | 2.97 |
| NET CASH FLOWS FROM/ (USED) IN INVESTING ACTIVITIES | (50.83) | (31.18) |
| (C) FINANCING ACTIVITIES : | | |
| Repayment of long term borrowings | (31.45) | (21.46) |
| Repayment of principal portion of lease liabilities | (10.89) | - |
| Repayment of short term borrowings (net) | (5.24) | (29.83) |
| Finance cost paid | (25.86) | (22.90) |
| Dividends paid (including dividend distribution tax) | (29.42) | (25.58) |
| NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | (102.86) | (99.77) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (24.45) | 1.01 |
| Cash & Cash Equivalents at the beginning of the year | 31.51 | 30.50 |
| Cash & Cash Equivalents at the end of the year | 7.06 | 31.51 |

Notes:

- i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

