

Independent Auditor's Report on the Employees Stock Option Scheme 2019, as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The Board of Directors
Orient Electric Limited
240, Okhla Industrial Estate,
Phase III, Okhla,
New Delhi- 110020

1. This Report is issued in accordance with the terms of our service scope letter July 30, 2019 and master engagement agreement dated December 23, 2017 (as amended) with Orient Electric Limited (hereinafter the "Company").
2. As requested, we have examined the Orient Employees Stock Option Scheme 2019 (hereinafter referred as the "Scheme") of **Orient Electric Limited** (the "Company"), which were approved by the Shareholders of the Company on March 13, 2019 (Shareholders' Resolutions), to determine whether the Schemes are in compliance with the relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI Regulations"). We understand that this report is required to be placed by the Company at its ensuing Annual General Meeting, relevant for the financial year ended March 31, 2020 to be convened in accordance with the requirements of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Management's Responsibility

3. Management is responsible for:
 - i. Maintaining the information and documents, which are required to be kept and maintained under the relevant laws and regulations.
 - ii. Implementing the Scheme in accordance with the SEBI Guidelines and the resolution passed at the general meeting of the Company.
 - iii. Establishing and maintaining effective internal control for properly recording the information related to the scheme in the records maintained by the Company.

Auditor's Responsibility

4. Pursuant to this, our responsibility is to express reasonable assurance in the form of an opinion whether the Company has implemented the Scheme in accordance with the provisions of the SEBI Regulations and Shareholders' Resolutions.
5. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. In this connection, we have performed the following procedures:
 - i. Read the copy of the Scheme, provided to us by the Company, to examine the compliance by the Company with the provisions of the SEBI Regulations.
 - ii. Read the Shareholders' Resolution passed on March 13, 2019 through Postal Ballots, result of which was declared on March 15, 2019 noting the approval accorded to management to issue employee stock options to the employees and directors of the Company.
 - iii. Read the minutes of the meeting of Nomination and Remuneration Committee of the Board of Directors of the Company held on July 30, 2019 in terms whereof, 24,141 options were granted to the eligible employees of the Company.
 - iv. Read the resolutions of Nomination and Remuneration Committee of the Board of Directors of the Company passed by circulation on December 10, 2019 in terms whereof, 1,66,302 options were granted to the eligible employees of the Company.
 - v. Obtained necessary representations from management.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. 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.

Opinion

8. Based on our examination, as above, in our opinion, the Company has implemented the Scheme in accordance with the provisions of the SEBI Regulations and Shareholders Resolutions.

Restriction on use

9. This report is intended solely for your information and in connection with the purpose mentioned above and is not to be used or referred to for any other purpose or distributed to anyone other than as mentioned in paragraph 2 above. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vishal Sharma

Partner

Membership Number: 096766

UDIN: 20096766AAAAABH7635

Place of Signature: Faridabad

Date: July 10, 2020